

ภูมิใจ
กับมูลค่าที่เพิ่มขึ้น

มั่นใจ
ตั้งแต่การพัฒนา ออกแบบ

อุ่นใจ
เพราะมีเราดูแล

สบายใจ
ทุกการซ่อมแซม

ANNUAL REPORT 2013

รายงานประจำปี 2556



เสนา คือความภูมิใจ



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1. Summary of Financial information

(Unit : Million Baht)

Statement of Financial Position	2013		2012		2011	
	Amount	%	Amount	Amount	%	Amount
TOTAL ASSETS	5,640.89	100.0%	4,290.58	100.0%	2,977.74	100.0%
TOTAL LIABILITIES	3,226.11	57.2%	2,051.84	47.8%	1,003.58	33.7%
AUTHORIZED SHARE CAPITAL	857.71	15.2%	857.71	20.0%	700.00	23.5%
ISSUED AND FULLY PAID-UP SHARE CAPITAL	714.70	12.7%	714.70	16.7%	675.00	22.7%
TOTAL EQUITY	2,414.78	42.8%	2,238.74	52.2%	1,974.16	66.3%
BOOK VALUE PER SHARE (BAHT/SHARE)	3.38		3.12		2.93	
Statement of Comprehensive Income						
REVENUES FROM SALE OF GOODS AND RENDERING OF SERVICES	2,000.95	100.0%	1,684.88	100.0%	2,146.84	100.0%
COST OF SALE OF GOODS AND RENDERING OF SERVICES	1,173.28	58.6%	930.29	55.2%	1,221.85	56.9%
SELLING AND ADMINISTRATIVE EXPENSES	506.76	25.3%	398.88	23.7%	427.12	19.9%
PROFIT (LOSS) BEFORE FINANCE COSTS AND INCOME TAX EXPENSES	394.92	19.7%	409.60	24.3%	538.27	25.1%
NET PROFIT (LOSS)	272.03	13.6%	295.19	17.5%	419.62	19.5%
BASIC EARNINGS PER SHARE (UNIT : BAHT)	0.38		0.41		0.62	
Significant financial ratios						
Gross Profit Margin (%)	41.36		44.79		43.09	
Net Profit Margin (%)	13.00		16.91		19.12	
ROE (%)	11.64		14.01		22.76	
ROA (%)	7.95		11.27		17.31	
Current Ratio (X)	1.00		1.64		2.13	
D/E (X)	1.34		0.92		0.51	
Dividend payout ratio(%)	40.0		40.0		40.0	



2. Message from the Chairman

Mr. Vichien Ratanabirabongse

Chairman of the Board of Directors

Chairman of the Audit Committee

Independent Director

In 2013, the Company which is under property and construction industry group was affected by economic and political conditions. However, with its prudent administration and management as well as the readiness to change according to situation, the Company could manage its business and was able to achieve its target. The sales were 2,500 million baht and the transfer was at 2,000 million baht, the total revenues for the year 2013 were at 2,074.95 million baht. Besides, the Company maintains its dividend policy to distribute at least 40% of net profit.

In 2014, the Company still constantly operates business in accordance with 4 Core Values in order to maximize pride and asset value with the principle of 360° service: *"Confident"* in development and design with emphasis on location and function maximizing customers' needs *"Satisfied"* with maintenance from after-sale services and maintenance by SENA WE CARE *"Comfortable"* with our care under Victory Assets Management's services in managing juristic person *"Proud"* of appreciating property value from resale and rental services of Living Agent

With the thoughtfulness of all life styles as housing is one of four basic human needs, the Company realizes the importance of customers' needs in order to respond to their requirements in all dimensions. The Company is not only sell or rent property but also focuses on after sales services which the Company aims to manage and grow together in



Company is not only sell or rent property but also focuses on after sales services which the Company aims to manage and grow together in order to build pride as SENA got the opportunity and was chosen to be with customer forever, such undertaking is in line with the Company's slogan "SENA is the pride".

Another pride is the Company realizes that to create livable society, people in society have to be happy. Therefore, the Company still continues to support "Bann Ruam Tang Fan" project which is a new business model devoting for charity. The profit of such project will donate to public hospitals. Such project is the activities for society under concept of "Live to Give" in order to give back to the society and create livable society forever.

Sena Development Public Company Limited would like to thank to all cooperation from customers, patrons and employees to assist the Company to grow as well as trade partners, business alliances, financial institutions, shareholders and all stakeholders who are all important to the Company and support the Company for fine and sustainable operation. Sena Development Public Company Limited realizes that our growth and development is the result from the support and all good cooperation from all parts and parties, therefore, the Company would like to express sincere appreciation. The Company will commit to operate professionally, in accordance with good corporate governance and its vision which aim to be a real estate company that can respond to customers 'needs at a middle-low level focusing on developing assets to maximize the satisfactory for both asset value and mental value for customers and their families.

Vichien Ratanabirabongse
Chairman of the Board



3. Message from the Chief Executive Officer

Mr. Theerawat Thanyalakpark

Chief Executive Officer

In 2013, the Company launched 9 projects; total values were 7,000 million baht. The Company recognized its revenues for 2,074.95 million baht, the revenues from main business were 2,000.95 million baht which consisted of revenues from sales at 1,877.31 million baht, revenues from apartment rental and services at 24.21 million baht, revenues from space rental and services at 69.32 million baht, revenues from golf course at 30.11 million baht and other revenues at 73.99 million baht. The total revenues increased 316.07 million baht or equivalent to 18.76% from total revenues of the previous year which were 1,684.88 million baht. The portions of revenues were from horizontal project at 13%, from condominium project at 80% and rental business at 7%. Political situation during the second half of 2013 affected property business especially the ambiance of property purchase. Such factor would affect temporarily since Thai economic fundamental still encourage the investment. Therefore, Thai economic would recover without difficulty. Besides, the property is not only the accommodation but also a good investment that we are unanticipated. The property is the asset which has minimal chance of loss. The price of condominium is constantly increasing. In 2013, the price increased at 48% compared to 2009, mostly were the projects close to electric train lines. Rail transportation caused the growth expansion and increased business centers in other areas as well as lowers the cost for entrepreneurs. However, labor issue is still a national problem and affects to all sectors. The contractor auction for competition will no longer exist but will be long term partnership in order to reduce business risk. Even facing such situations mentioned above,



the Company still maintained its gross profit margin at 41.4% and had net profit of 270.02 million baht.

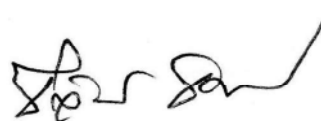
In 2013, business diversification according to its business model was successful, its rental business portion increased to 7% of total revenues. In the future, we target the revenues from condominium to be at 80%, revenues from single house and town house at 10% and



revenues from condominium to be at 80%, revenues from single house and town house at 10% and rental business at 10%. The good point to boost the rental business is to increase cash flow liquidity from regular revenues and strengthen its financial status.

In 2014, the Company has new business plan to construct 2 storey townhouse to increase product variety and be proper for market condition. Besides, the Pre-Cast construction together with solar power on the roof or Solar Rooftop will increase its returns as regular revenues.

On behalf of Executive Committee and staff of Sena Development Public Company Limited, I would like to take this opportunity to commit that we will manage the Company in accordance with good corporate governance and ethics of property developer with utmost capability.



Theerawat Thanyalakpark
Chief Executive Officer and Managing Director



4. Report of the Audit Committee



To Shareholders of SENA Development Public Company Limited

The Audit Committee of SENA Development Public Company Limited consists of 3 directors who are independent from the management of the Company, namely:

- | | |
|---------------------------------|---------------------------------|
| 1. Mr. Vichien Ratanabirabongse | Chairman of the Audit Committee |
| 2. Mr. Kamol Thammanichanond | Member of the Audit Committee |
| 3. Mr.Pramote Chotimongkol | Member of the Audit Committee |

All members of the Audit Committee are qualified according to the requirements of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission, and Miss Usanee Chaisongto acts as Secretary of the Audit Committee.

The Audit Committee was assigned by the Board of Directors to supervise the Company's separate financial statement and consolidated financial statement to ensure compliance with accounting standard appropriate to the business operation, and review to ensure that the Company's financial report was accurate and adequate, appropriate and efficient internal control and audit systems were established, law governing securities and security exchange was complied with and adequate information was disclosed. The Audit Committee made recommendations in selecting and nominating auditor of the Company and performed other duties assigned by the Board of Directors, emphasizing on observing ethical practices, transparency and verifiability.

During 2013, the Audit Committee held 7 meetings with internal auditor, auditor, and invited executive directors to participate at appropriate times to review the financial report, exchange comments and make



During 2013, the Audit Committee held 7 meetings with internal auditor, auditor, and invited executive directors to participate at appropriate times to review the financial report, exchange comments and make recommendations beneficial to analysis on sources of information in the 2013 quarterly financial statement and annual financial statement independently, and reported on the results of all meetings of the Audit Committee to the Board of Directors. Significant issues could be summarized as follows.

1. Review the quarterly and annual financial statements before presenting to the Board of Directors for consideration;
2. Review the report of the internal auditor and assess the adequacy of the internal control system;
3. Follow up on the operation result and provide advice to improve the work of the internal auditor;
4. Consider the 2013 audit plan of the internal auditor on quarterly basis and provide guidance and observations; and
5. Consider connected transactions or transactions with possible conflicts of interest to ensure that such transactions are reasonable with optimal benefits to the Company.

The Audit Committee found that the separate financial statement of the Company and the consolidated financial statement of the Company and its subsidiaries were in compliance with generally accepted accounting principles, information disclosure was adequate and appropriate to the business nature, and found no material errors in connection with the internal control system, and the official requirements were complied with on good governance basis.

The Audit Committee recommended in 2013 accounting year to the Board of Directors to propose to the shareholder meeting to appoint Miss Vimonsri Jongudomsombat, Certified Auditor No. 3899 and/or Miss Kannikorn Vipanurat, Certified Auditor No. 7305, of the Karin Audit Co., Ltd., as auditor of the Company because the Audit Committee considered that the two auditors were independent with no relationship whatsoever with the Company, and were approved by the Office of the Securities and Exchange Commission to audit listed companies.

Vichien Ratanabirabongse
Chairman of the Board

Kamol Thammanichanond
Member

Mr. Pramote Chotimongkol
Member



5. Report on the Board of Directors' Responsibilities for Financial Statements

The Board of Directors was responsible for the separate financial statement of the Company and the consolidated financial statement of the Company and its subsidiaries and the financial information contained in the 2013 annual report. Such financial statements were prepared in accordance with generally accepted accounting standard by adopting appropriate accounting policy with regular practice and careful discretion and the best estimates in preparation thereof, with sufficient disclosure of significant information in the notes to the financial statements.

In that connection, the Board of Directors appointed an Audit Committee consisting of non-executive directors to oversee the quality of the financial report and the internal control system, and comments of the Audit Committee in that respect were contained in the report of the Audit Committee as shown in the annual report.

The Board found that the overall internal control system of the Company was at a satisfactory level and presented reasonable confidence to the reliability of the separate financial statement of the Company and the consolidated financial statement of the Company and its subsidiaries as at 31 December 2013

Vichien Ratanabirabongse
Chairman of the Board

Theerawat Thanyalakpark
Chief Executive Officer



6. Vision Mission and Values

Vision:

"The Company commits to be a real estate company that can respond to customer's needs at a middle-low level focusing on developing assets to have the most value and integrated services to make it easier to own and comfortable to live"

Mission:

- Conservative and prudent for stability (Trust & Strong Financial)
- Customer Centered Approaches
- Knowledge – Driven & Sharing to both industry & customer
- Corporate Social Responsibility (CSR) and transparent operation

Values:

4 Core Values as follows:

- **Trust** To build trust and investment that makes the company have stable operations by investing in related businesses
- **Knowledge Sharing** To be the organization of knowledge and apply the knowledge in developing themselves and the industry
- **Customer Centric** To make more customer satisfaction
- **CSR** To return to society continuously and be managed transparently according to good corporate governance





7. Board of Directors

As of 31 December 2013



Mr. Vichien Ratanabirabongse
Chairman of the Board of Directors
Chairman of the Audit Committee
Independent Director



Mr. Kamol Thammanichanond
Director
Independent Director



Mr. Pramote Chotimongkol
Audit Committee
Independent Director



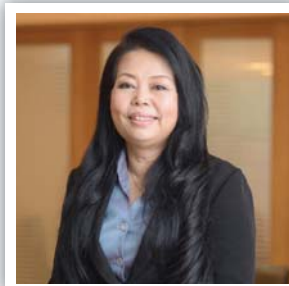
Professor Chaiyos Hemarajata
Director
Independent Director



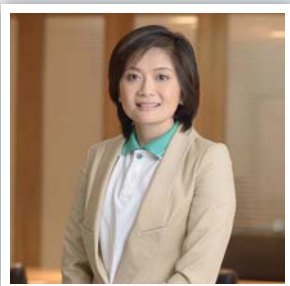
Police General Achirawit Supanphesat
Director
Independent Director



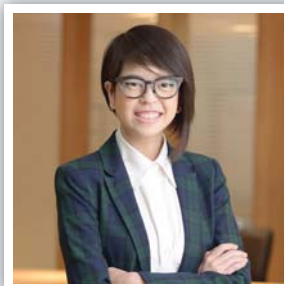
Mr. Theerawat Thanyalakpark
Authorized Director
Chief Executive Officer and Managing Director



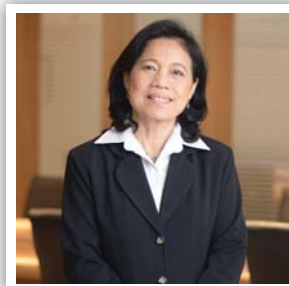
Miss Benyalak Thanyalakpark
Authorized Director
Executive Committee



Dr. Kesara Thanyalakpark
Director



Miss Umaporn Thanyalakpark
Director



Ms. Weraporn Chaisiriyasawat
Director, Executive Committee
Secretary of the Company

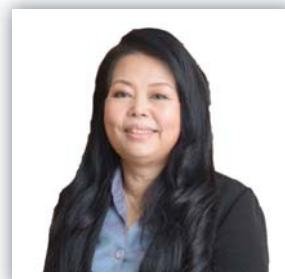


8. Executive Directors

As of 31 December 2013



Mr. Theerawat Thanyalakpark
The Chief Executive Officer



Miss Benyalak Thanyalakpark
Member



Ms. Weraporn Chaisiriyasawat
Member



Mr. Phanom Trisuwan
Member



Mr. Pathomporn Tiranasawasd
Member



Profile of Board of Directors and Executive Committee

Mr. Vichien Ratanabirabongse

Position

- Chairman of the Board of Directors
- Chairman of the Audit Committee
- Independent Director

Education

- Honorary Doctorate of Education, Ramkhamhaeng University
- Master of Political Science, Ramkhamhaeng University
- Bachelor of Political Science, Ramkhamhaeng University
- Bachelor of Laws, Ramkhamhaeng University
- Bachelor of Laws, Bachelor of Education, Bangsaen College

Training Course for Directors

- Director Accreditation Program (DAP)
Year attended for the training : 2004, Thai Institute of Directors (IOD)

Work Experience

- 2005-Present Chairman of the Board of Directors /
Chairman of the Audit Committee / Independent
Director Sena Development Plc.
- Present Director
K-Tech Construction Plc.

Mr. Kamol Thammanichanond

Position

- Director
- Audit Committee
- Independent Director

Education

- Bachelor of Accounting, Thammasat University
- Bachelor's Degree of Commerce, Thammasat University

Training Course for Directors

- Director Accreditation Program (DAP)
Year attended for the training : 2006, Thai Institute of Directors (IOD)
- Audit Committee Program (ACP)
Year attended for the training : 2004, Thai Institute of Directors (IOD)

Work Experience

- 2005-Present Audit Committee / Independent Director
Sena Development Plc.
- 2004-Present Audit Committee
Single Point Parts (Thailand) Plc.
- 2000-2004 Finance and Accounting Advisor
Hospital Network Co., Ltd.



Profile of Board of Directors and Executive Committee

Mr. Pramote Chotmongkol

Position

- Director
- Audit Committee
- Independent Director

Education

- Barrister-at-Law Institute of Legal Education of the Thai Bar
- Bachelor of Laws, Thammasat University

Training Course for Directors

-

Work Experience

- Present Audit Committee / Independent Director
Sena Development Plc.
- 2010-2011 Chief Ombudsman
Office of the Ombudsman Thailand
- 2000-2010 Secretary General
Office of the Ombudsman Thailand
- 1999-2000 Deputy Permanent Secretary
Ministry of University Affairs

Professor Chaiyos Hemarajata

Position

- Director
- Independent Director

Education

- Master of Laws, Columbia University, United States of America
- Master of Laws, Chulalongkorn University
- Bachelor of Laws, Chulalongkorn University

Training Course for Directors

- Director Accreditation Program (DAP)
Year attended for the training : 2006, Thai Institute of Directors (IOD)

Work Experience

- 2004-Present Independent Director
Sena Development Plc.
- 2008-Present Member of Royal Institute, Laws,
The Academy of Thammasat and Politics,
Royal Institute of Thailand
- 1997-Present Professor Level 11(C 11)
Faculty of Laws, Chulalongkorn University
- 2004 Director of Civil servant in University
Honorable Committee



Profile of Board of Directors and Executive Committee

Police General Achirawit Supanphesat

Position

- Director
- Independent Director

Education

- Senior Command Course, England
- F.B.I. National Academy, United States of America
- Joint State - Private Sector Course, National Defence College
- Senior Police Officers Course, Class 11th, Police College, Police Education Bureau
- Superintendent Course, Class 9th, Command and General Staff College
- Master of Political Science, National Institute of Development Administration
- Bachelor of Political Science (Police), Royal Police Cadet Academy, Class 21st
- Vajiravudh College

Training Course for Directors

- Director Accreditation Program (DAP72/2008)
Year attended for the training : 2008, Thai Institute of Directors (IOD)
- Audit Committee Program (ACP22/2008)
Year attended for the training : 2008, Thai Institute of Directors (IOD)
- Directors Certification Program (DCP104/2008)
Year attended for the training : 2008, Thai Institute of Directors (IOD)

Work Experience

- 2011 - Present Audit Committee / Independent Director
Sen Development Plc.
- Present Honorable member of Police Service
Commission, Office of Commissioner General,
Royal Thai Police

Mr. Theerawat Thanyalakpark

Position

- Authorized Director
- Chief Executive Officer
- Managing Director

Education

- Master of Political Science, Ramkhamhaeng University
- Bachelor of Political Science, Ramkhamhaeng University
- Bachelor of Laws, Thammasat University
- Advanced Justice Administration Course (AJA), Class 13th, Judicial Training Institute
- Joint State - Private Sector Course, Class 9th, National Defence College
- Advanced Security Management Program, Class 1st, National Defence College

Training Course for Directors

- Director Accreditation Program (DAP)
Year attended for the training : 2006, Thai Institute of Directors (IOD)
- Audit Committee Program (ACP)
Year attended for the training : 2006, Thai Institute of Directors (IOD)
- Directors Certification Program (DCP)
Year attended for the training : 2005, Thai Institute of Directors (IOD)

Work Experience

- 1999-Present Director / Chief Executive Office /
Managing Director
Sen Development Plc.
- Present Director
Solarwa Co., Ltd.
- 2010-Present Director and Managing Director
Property Gateway Co., Ltd.
- 2006- Present Director and Managing Director
Victory Assets Management Co., Ltd.
- 2005- Present Director and Managing Director
SN Asset Development Co., Ltd.
Bann Ruam Thang Phan Co., Ltd.
- 1996- Present Chairman of Foundation for Support and
Development of Disable Persons
- 1994- Present Director and Managing Director
T. Treasury Holding Co., Ltd.



Profile of Board of Directors and Executive Committee

Miss Benjalak Thanyalakpark

Position

- Authorized Director
- Executive Committee

Education

- Mini MBA, Chulalongkorn University

Training Course for Directors

- Director Accreditation Program (DAP)
Year attended for the training : 2006, Thai Institute of Directors (IOD)

Work Experience

- 2004-Present Director
and Director and Deputy Managing Director,
Procurement and Administration Department,
Sena Development Plc.
- 2006-Present Director
Victory Assets Management Co., Ltd.
SN Asset Development Co., Ltd.
Property Gateway Co., Ltd.
T. Treasury Holding Co., Ltd.
Bann Ruam Thang Fhan Co., Ltd.

Dr, Kesara Thanyalakpark

Position

- Director

Education

- Bachelor of Accounting (Finance), Chulalongkorn University
- Master of Business Administration (Finance and Accounting),
University of California, U.S.A.
- Master of Economics, Claremont Graduate University, U.S.A.
- Doctor of Economics, Claremont Graduate University,
U.S.A.

Training Course for Directors

- Director Accreditation Program (DAP)
Year attended for the training : 2005, Thai Institute of Directors (IOD)

Work Experience

- 2005-Present Director, Sena Development Plc.
- Present Member of the Council of Trustees and Board of
Directors , Thailand Development Research Institute
(TDRI)
Member of the Committee, Escrow Business
Supervisory Board (Finance or Accounting), Fiscal
Policy Office, Ministry of Finance
Advisor
Market for Alternative Investment
The Stock Exchange of Thailand
- 2011-2013 Director, Chairman of Executive Committee,
Business Development Committee, Dhanarak
Asset Development Co., Ltd., Treasury
Department, Ministry of Finance
- 2011-Present Honorary Advisor, Committee on Monetary,
Finance, Banking and Financial Institutions, The
House of Representatives
- 2011-Present Academic Officer, Committee on Monetary,
Finance, Banking and Financial Institutions, The
Senate
- 2010-Present Executive Committee -Chamchuri Square,
Chulalongkorn University
- 2009-Present Vice President, Academic Affair,
Teacher of Banking Department, Housing
Business Association
- 1998-Present Teacher of Banking and Finance Department,
Faculty of Commerce and Accountancy,
Chulalongkorn University



Profile of Board of Directors and Executive Committee

Ms. Weraporn Chaisiriyasawat

Position

- Director
- Executive Committee
- Secretary of the Company

Education

- Bachelor of Economics, Ramkhamhaeng University
- Mini MBA, Chulalongkorn University

Training Course for Directors

- Director Accreditation Program (DAP)
Year attended for the training : 2006, Thai Institute of Directors (IOD)

Work Experience

- 2009-Present Director and Deputy Managing Director,
Accounting, Finance and Computer
Department
Sena Development Plc.

Miss Umaporn Thanyalakpark

Position

- Authorized Director

Education

- Bachelor of Arts, Thammasat University
- Master of International Business (Marketing), University of Exeter

Training Course for Directors

-

Work Experience

- 2010-Present Director
Sena Development Plc.
S&P Estate Development Co., Ltd.
Victory Assets Management Co., Ltd.
SN Asset Development Co., Ltd.
Property Gateway Co., Ltd.
T. Treasury Holding Co., Ltd.
- Present Bann Ruam Thang Phan Co., Ltd.
Normal Life Co., Ltd.



Profile of Board of Directors and Executive Committee

Mr. Phanom Trisuwan

Position

- Executive Committee

Education

- High Vocational Certificate, Sripatum University

Work Experience

- 2006-Present Executive Committee and Deputy Managing Director, Development and Project Support Department
Sena Development Plc.

Mr. Pathomporn Tiranawasud

Position

- Executive Committee

Education

- Bachelor of Laws, Chulalongkorn University

Work Experience

- 2010-Present Executive Committee and Assistant Managing Director, Project Support Department
Sena Development Plc.
- 1993-2010 Assistant General Manager
P. P. Foods Supply Co., Ltd.
Procurement Manager
Golden Tangerine Co. Ltd.
Director, Wealthy Soil Co., Ltd.
- 1983-1993 Human Resources and Legal Manager
Rajdamri Building Co., Ltd., The Regent Cha Am Hotel



9. General Information

Company's name	: SENA Development Public Company Limited
Registration number	: 0107548000684
Type of business	: Development of residential real estates i.e., single-detached houses, townhouses and commercial buildings, condominiums and apartments for rent
Head office address	: 524 Ratchadapisek Road, Samsen-nok Sub-district, Huaykwang District, Bangkok 10320 Telephone: +66 (02) 541-4642 Facsimile : +66 (02)541-5164 Investor Relations Telephone: +66 (02) 0-2541-4642 ext.2404 Facsimile : +66 (02)938-9874 E-mail: IR@senadevelopment.com
Home page	: www.senadevelopment.com
Registered capital	: 857,711,687 Baht
Paid-up capital	: 714,704,825 Baht Ordinary shares 714,704,825 Shares Par value 1.00 Share
Juristic persons held	: As per details in 11. Nature of Business
<u>References</u>	
1) Securities registrar	: Thailand Securities Depository Co., Ltd. Floors 4, 6-7, Stock Exchange of Thailand Building Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok 10110 Telephone+66 (02)596-9311 Facsimile +66 (02)832-4994-5
2) Auditor	: Karin Audit Co., Ltd. 138, Boonmitr Building, Floor 6, Room B 1, Silom Road, Suriyawong Sub-district, Bangrak District, Bangkok 10500 Telephone+66 (02)634-2484-6 Facsimile +66 (02) 634-2668
3) Internal Audit	: Wong Kanit Accounting Office 7/372 Moo 6 Leab Klong 2 Road, Samwatawantok, KlongsamwaBangkok 10510 Telephone+66 (02)373-8016-7 Facsimile +66 (02)373-1277
4) ที่ปรึกษากฎหมาย	: Dherakupt International Law Office Ltd. 900 Tonson Tower, 12 th Floor 12 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10300 Telephone. +66 (02)252 1588Facsimile. +66 (02)257 0440-1



10. Outstanding points of business operation in 2013

Business Activities



Khun Sopawadee Lertmanaschai, Secretary-General, Government Pension Fund (Middle) led the top real estate developers to offer special welfare to its member. In the event, Asst. Prof. Kessara Thanyalakpark, Ph.D., supported the campaign “SENA for government officer for double bonus” offering 13 projects, free of all charges at the transfer date, free of electric appliances in order to comfort members for house purchase to be simple and pay at minimum as well as offering special interest rate for house loan. The offer would be until December 31, 2013.

Asst. Prof. Kessara Thanyalakpark, Ph.D., director of Sena Development PCL. or SENA took picture with Khun Cherdasak Ampornsuksakul, managing director of Sangfah Construction and Engineering Co., Ltd. and announced the collaboration with “Sangfah Construction and Engineering Co., Ltd.” one of major contractor and real estate developer to be its business partner for condominium development in order to reduce risk and construction period as well as strengthen customer confidence. SENA also informed that this year they will co-operate in many projects and make research and development in order to increase its market share and achieve its sales target.



“
เสนา เพื่อข้าราชการ DOUBLE BONUS
”

ข้อดีตามใจ 13 โครงการ
ฟรีทุกค่าใช้จ่ายวันโอน ฟรีเครื่องใช้ไฟฟ้า

Social and Environment Activities



ผู้บริหารโครงการบ้านร่วมทางฝัน
มอบเงินเพื่อนำไปซื้ออุปกรณ์การแพทย์
ให้กับ โรงพยาบาลตำรวจ

Asst. Prof. Kessara Thanyalakpark, Ph.D., director of Sena Development PCL. or SENA, the management of “Baan Ruamthangfun” project donated revenues without any deduction from ticket sales of Ko Lang Wang the Musical: Rak Nee Kue Niran (Love Is Forever) Re-stage at the amount of 1,099,000 baht to buy medical equipment for Police General Hospital by giving to Police General Suwat Chanitthikul, Deputy Commissioner General of Royal Thai Police and Police Lieutenant General Attapan Pommontarut, advisor of chief doctor, Police General Hospital.



11. Nature of Business Operation

Background and Significant Developments

SENA Development Public Company Limited (the “Company”), formerly Krungthep Keha Group Co., Ltd., was incorporated on 11 May 1993 by Mr. Theerawat Thanyalakphark (“Khun Theerawat”), Chairman of Executive Directors and Managing Director. Khun Theerawat commenced the business by selling and installing wooden construction materials before entering the residential real estate development business. This business has been operated by Khun Theerawat together with his relatives under affiliated companies for almost 30 years, starting from townhouses, the first project of which was the “SENA 84 Project” in 1984, which was a small townhouse project with an average selling price of approximately 600,000 Baht, followed by other types of residential projects i.e. single-detached houses, twin houses, condominiums and commercial buildings. More projects have been developed on a continuous basis.

In 2009, the Company was converted into a public limited company and conducted the Initial Public Offering (IPO) on 29 July 2009 to mobilize funds for use in developing various real estate projects.

As at 31 December 2012 the Company had registered capital of 857.7 million Baht and paid-up capital of 714.7 million Baht, divided into 714.7 million ordinary shares with a par value of 1 Baht per share. There were 5 subsidiaries of which the shares are held by the Company, operating the real estate development business namely Victory Asset Management Co., Ltd. (VAM), S.N. Asset Development Co., Ltd. (SNA), S&P Estate Development Co., Ltd. (SPE), Property Gateway Co., Ltd. (PG) and T. Treasury Holding Co., Ltd.

Until today more than 30 years from a small enterprise to become a real estate company and converted into public company limited, the owner has still committed to realize the importance of customers constantly. Such commitment has shown in its vision, mission and business concept. The Company is proud to be a quality real estate company as well as proud to be part that the middle-low customers are able to own their residences which are worth with their payment. Besides, during the flood crisis the Company set SENA volunteer center to assist and take care its residents of all delivered and undelivered projects since the Company views that the customers are our family members.

Besides, the Company developed “Bann Ruam Tang Fhun” project. The revenues after deduct expenses of such project were donated to hospital to help society. All of these are not only the pride of SENA to its customers, employees, business partners or shareholders but



also to the community, society and environment which was the source of its slogan “SENA is the pride”.

Table 1: Major events during the past 5 years

Month/Year	Major Events
August 2008	The Extraordinary Shareholder Meeting No. 1/2551 held on 30 August 2008 resolved to approve the increase of registered capital from 500.0 million Baht to 700.0 million Baht by the issuance and allocation of additional 175.0 million newly issued ordinary shares under the Initial Public Offering and the issuance and allocation of not exceeding 25.0 million newly issued shares to support the over-allotment.
July 2009	<p>The Company offered to sell newly issued ordinary shares to the public for 175.0 million shares with a par value of 1 Baht per share at the offering price of 1.98 Baht per share. As a result, the Company's paid-up capital increased to 675.0 million Baht.</p> <p>The Company was listed in the Stock Exchange of Thailand and its securities were first traded on 29 July 2009, having its stock symbol as “SENA”.</p>
October 2010	Property Gateway Co., Ltd. (PG) entered into land purchase agreement for 91-1-15 rai, on Kanchanapisek Road from Tun Charoen Co., Ltd. (TUN) (Mother of Miss Kesara Thanyalakpark is director and major shareholder) at the price of 500 million baht on March 19, 2010. However, PG had no sufficient fund to develop project on such land, PG offered that land to the Company. The Company considered based on the potential of that plot of land and viewed that it was proper for project development. Therefore, the Company bought PG shares at the proportion of 99% on October 21, 2010 from 3 PG existing shareholders. The payment was in cash for 100 million baht and PG borrowing burden of 400 million baht. During the transaction period, all 3 PG existing shareholders had no relationship with major shareholders, directors and executives of the Company (including related parties). After entering into such transaction (since 2011 onward), one PG existing shareholder became the Company's shareholder at the shareholding portion of 14.82% which such portion decreased to 5.3% on September 11, 2013.



Month/Year	Major Events
October 2010 (Continue)	<p>The price the Company paid for PG shares was at 500 million baht which PG had land ownership of 548 million baht according to the appraisal value evaluated by Knight Frank Chartered (Thailand) Co., Ltd. on July 7, 2010. The market price was 548 million baht using market comparison method for valuation.</p> <p>All area of title deed no. 6389 owned by PG and was registered servitude with no period limit of footpath, road, electricity, waterworks and all public utilities to close area which owned by Sinsap Thanya Co., Ltd. (SSTY) which was a related party to the executive of the Company. All area of title deed no. 1797 was owned by SSTY and was registered servitude registration with no period limit of footpath, road, electricity, waterworks and all public utilities to be the doorway of PG.</p> <p>Besides, some area of title deed no. 1889 which owned by TUN was registered servitude with no period limit of footpath, road, electricity, waterworks and all public utilities for land of PG. The residents of PG project would be comfortable to entrance or exit from Kanchannapisek Road or use servitude road of TUN to go to Ramindra Road. Besides, PG and TUN entered into rental agreement for some area of title deed no. 1889 for public park and door facade for PG residence project. The rental period was 5 years (April 16, 2012 – April 15, 2017). All buildings constructed on rental area which the cost value was around 26.9 million baht would be the ownership of TUN when the rental agreement expired.</p>
December 2011	<p>The extraordinary general meeting of shareholders No. 2/2011 passed the resolution to purchase T.TRE shares for 40,000 shares, representing 100% from Thanyalakpark group with total investment of 590.0 million baht. The Company paid in cash for 100 million baht and issued 4 promissory notes to T.TRE existing shareholders which will due on January 5, 2014 with no interest and no collateral. The Company registered for shares transfer on January 5, 2011. The Company had investment and improvement plan for golf course project “Pattaya Country Club and Resort” and hotel construction plan to support golf course customers and general customers.</p>
October 2012	<p>The extraordinary general meeting of shareholders No. 1/2012 held on October 24, 2011 passed the resolution</p> <p>to issue and offer newly ordinary shares to public for not exceeding 110.5 million shares</p> <p>to issue and allot warrant no. 1 (SENA-W1) for not exceeding 27.5 million units, to existing shareholders for not exceeding 23.8 million units and public for not exceeding 3.7 million units</p> <p>to issue and allot warrant (SENA-WA) for not exceeding 5.0 million units to executives and employees of the Company</p>



Month/Year	Major Events
April 2013	<p>In the past, PCC, BRT, T.TRE, Treeplan Enterprises Co., Ltd. and Chatsuda Co., Ltd. had relationship with major shareholders and engaged in real estate business similar to the Company. Therefore, the Company entered into Memorandum of Understanding dated on December 23, 2005 ("MoU") to specify business framework of each company in the way that there would be no conflict of interest with the Company since such parties to the contract and the Company have common directors and/or shareholders.</p> <p>On January 6, 2012, the Company purchased all shares of T.TRE. Therefore, T.TRE was not its related parties and became its subsidiary instead.</p> <p>Treeplan Enterprises Co., Ltd. and Chatsuda Co., Ltd. ceased their operations and were liquidated on July 10, 2009 and June 23, 2009, respectively. For transparency and conflict of interest elimination, the Board of Directors approved to change from MOU to contract.</p> <p>The annual general meeting of shareholders No. 1/2013 held on April 24, 2013 approved the Company to sign the cancellation of MOU and 3 business framework contracts which were the MOU cancellation with T.TRE and business framework contracts with PCC and BRT. The business framework contract had been specified, adjusted and added contents to be more clear, the main points were as follows</p> <p><u>Contract between the Company and PCC</u></p> <ul style="list-style-type: none"> ● add more procedures to reject land and construction offer ● add compensation determination of general price and condition in case of using assets of party to the contract <p><u>Contract between the Company and BRT</u></p> <ul style="list-style-type: none"> ● add clear compensation determination such as usage of human resources, usage of the Company's assets, intercompany service providing, etc.

Overview of the Company's Business

To develop products and services that bring the most pride to middle-low level customers, understandings and cooperations from staff at all levels were needed. The Company, therefore, committed to the work concept that can lead all staff to the same goal. Such concept comprises 4 core values i.e., confidence and reliability to encourage the Company to overcome every crisis (Trust), knowledge and experience sharing among nearby persons for benefits of both giver and receiver (Knowledge Sharing), understanding of customers which had long supported the Company's growth (Customer Centric) and social and environmental responsibilities (Corporate Social Responsibility or CSR).

The Company paid attention to targeted customer groups in all steps, starting from location selection, analysis on the needs of targeted customer groups, residential design, price determination, intermediary for



banks and customers to introduce and procure appropriate financial conditions, as well as after-sales services. For almost the past 30 years, there has been 40 projects launched under the administration of Mr. Theerawat group with the total value of approximately 12,000 million Baht, evidencing the Company's capability to well respond to customers' requirements and helping to create more awareness of the "SENA" brand.

As for the cost management, the Company would consider investing on lands in locations with potentials for project developments at appropriate costs, which would result in determining competitive selling prices with worthwhile investment return. In respect of the construction cost, the Company would personally manage the construction work by personally procuring construction materials, thus enabling the Company to control the quality of the works to meet the standards, reduce the construction time and manage the construction costs efficiently.

In considering development of residential projects the Company would emphasize on varieties of residences, horizontal and vertical, in locations with potentials and along public utilities range, by determining competitive prices under the concept of cost-effectiveness to meet the requirements of main customer groups, i.e. those with low to moderate income who required residences at the prices ranging from 500,000 to 3,000,000 Baht for vertical projects and 2,400,000 – 7,000,000 million Baht for horizontal projects. The Company emphasized on developing projects under its own administration. With long experiences in the business operation, the Company was well aware of the requirements for residences of the customers in those targeted groups. Besides developing residences for sales, the Company also acted as intermediary to facilitate sales of residences for group of customers of SENA projects, which was part of the Company's customer services and well enhanced the Company's income.

The severe flood during the end of 2011 affected the perspective of the real estate industry of the country. The Company held tight to the Customer Centric principle by extending assistance to customers of all projects of the Company affected thereby by distributing foods and survival bags, providing assistance in passing in and out of the projects and providing advice on financial aspect and house repair, as well as providing assistance in cleaning houses of all customers.

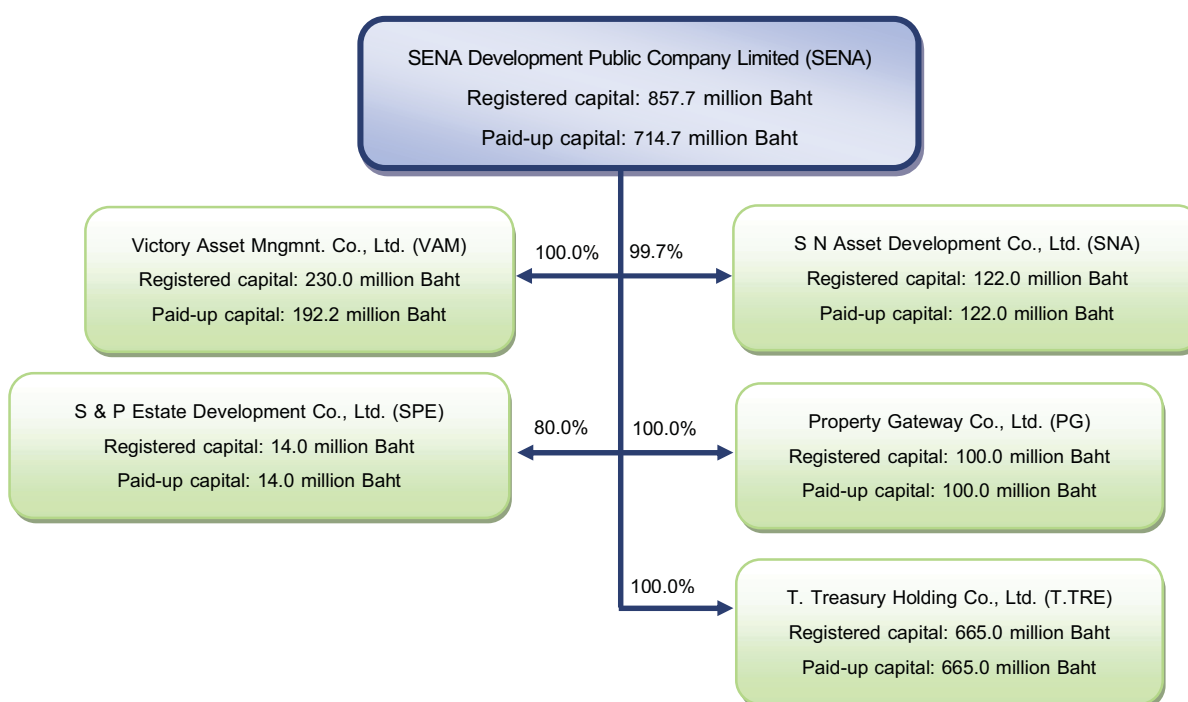
The flood at the end of 2011 caused changes to consumers' behavior in such manner that the targeted groups would opt to purchase residences in areas not affected thereby. Consequently, in 2011 the Company invested in purchasing ordinary shares of T.TRE which currently was operating golf course, hotel and resort business in Pattaya, which was not affected by the flood. The Company had a plan to develop the land within the golf course area as housing estate and to improve the golf course and hotel business concurrently to increase the value of said housing estate.

Moreover, VAM operated apartment rental projects, comprising SENA House Ratchayothin, Bangkok and SENA House Lamlookka Klong 2, Pathumthani which were deemed extension of business generating



recurring income. The Company expected to launch in the early of 2013 the SENA Fest Supermarket Project in Charoennakorn Road area, which is an appropriate location with potentials to create recurring income and cost-effective return. The increase in revenue ratio from residential real estate development for rents would help the Company to reduce risks in its business operation.

Shareholding Structure of the Company (as at 31 December 2013)



There were 5 subsidiaries of which the shares are held by the Company, operating the real estate development business namely Victory Asset Management Co., Ltd. (VAM), S.N. Asset Development Co., Ltd. (SNA), S&P Estate Development Co., Ltd. (SPE), Property Gateway Co., Ltd. (PG) and T. Treasury Holding Co., Ltd. As at 31 December 2013. The Company and subsidiaries had classified into 4 types as follows.

- As at December 31, 2013, the Company and its subsidiaries had a total of 14 residential real estate developments for sales projects in progress, amount 12,813 million baht
- Operated the business of real estate leasing 4 Projects
- Operated the business of developing residential real estate for sales and rents
- Operated the business of developing residential real estate in forms of golf course and hotel



The per details in Descriptions of Products and Services

SENA Development of residential real estates i.e., single-detached houses, townhouses and commercial buildings, condominiums and apartments for rent. As at 31 December 2013, SENA had 12 projects under its administration; 2 projects i.e., SENA Grand Home and S-ville Rangsit-Lamlookka; Condominium 10 projects i.e. The Niche, The Kith and The Cache

VAM operated the business of real estate leasing. The Company held 100.0 per cent of VAM paid-up capital. As at 31 December 2013, VAM had apartment for rent projects under its administration, namely "SENA House Ratchayothin" Project located at Paholyothin Soi 30, and "SENA House Lamlookka Klong 2" Project at Lamlookka Klong 2, Pathumthani.

SNA operated the business of developing residential real estate for sales and rents. The Company held 99.7 per cent of SNA paid-up capital. As at 31 December 2013, SNA had 2 projects for sales under its administration i.e., The Cache Lamlookka Klong 2 Project and The Niche Taksin Project and 1 project for rents i.e., SENA Warehouse Sukhumvit 50 project

SPE operated the business of developing residential real estate for sales. The Company held 80.0 per cent of SPE paid-up capital. As at 31 December 2013, SPE had 1 project under its administration, i.e. "Praemaporn Klong 7" Project

PG (formerly S.A. Asset Co., Ltd.) operated the business of developing residential real estate for sales. The Company held 100.00 per cent of PG paid-up capital. As at 31 December 2013, PG had 1 project under its administration, i.e. SENA Park Gland Project.

T.TRE operated the business of developing residential real estate in forms of golf course and hotel. The Company held 100.00 per cent of T.TRE paid-up capital. As at 31 December 2013, T.TRE had 1 project under its administration, i.e. Pattaya Country Club & Resort Project. This project was expected to start its development during the first quarter of 2013 with the estimated investment amount of 264.5 million Baht.

**Revenue Structure of the Company and Subsidiaries**

Revenue category	As at 31 DEC 2010		As at 31 DEC 2011		As at 31 DEC 2012		As at 31 DEC 2013	
	MB	%	MB	%	MB	%	MB	%
1. Revenue from sales :								
- Horizontal	743.40	59.50%	491.20	22.90%	419.58	24.90%	487.30	24.35%
- Vertical	485.20	38.90%	1,610.60	75.00%	1,197.80	71.09%	1,390.01	69.47%
Total revenue from sales	1,228.60	98.40%	2,101.80	97.90%	1,617.38	95.99%	1,877.31	93.82%
2. Revenue from sales of land¹	-	0.00%	0.30	0.0%	-	0.0%	-	0.00%
3. Revenue from rents and services	19.80	1.60%	44.80	2.10%	22.12	1.31%	93.53	4.67%
4. Revenue from golf course					45.38	2.69%	30.10	1.50%
Total revenue	1,248.40	100.00%	2,146.90	100.00%	1,684.88	100.00	2,000.94	100.00%
5. Other revenues	112.00		40.40		53.90		74.00	



12. Summary of Economic and Real Estate Business Situations in 2013 and Trend in 2014

Overview of real estate business in 2013

Condominium market has the most excess demand for 51,260 units, increased from 2012 (25.5%). The total sales of 2013 were 73,843 units. If considering based on sales of 2013, selling period has to be for another 13 months (excluding new supply) especially at the price level of 1-2 million baht and 2-3 million baht.

With regard to new supply of 2013 comparing to 2012, the number of projects, number of units and project values increased, only average selling price decreased around 3% since entrepreneurs focused on product development of medium to low price projects especially condominium outside the city.

- The excess supply of the whole market increased 11.8% due to the increase of new launch projects.
- The overall demand of year 2013 was 116,481 units increased around 8% from year 2012. The sales mainly were from condominium at 63%, townhouse at 19% and single-detached house at 12%. Remaining sales were from other residences (twin house, commercial building and allocated land).
- Average selling price in 2013 decreased slightly around 3% compared to the price at the end of year 2012. Such decrease mostly caused from the development of medium to low price projects especially condominium development under 1 million baht and 1-2 million baht alongside the expansion of new rail mass transit and working center or private educational institution in outer city.

Positive and negative factors in 2014

Positive factors

- Interest rate tends to be stable
- Consumers still have real estate demand in some locations



- Large developers have positive views with regard to the launch of new projects in the future
- The launch of Asean Economic Community or AEC in 2015

Negative factors

- Government sector slows down the investment in infrastructure
- Political unrest
- Constant labor shortage
- Increase of labor and construction material costs
- Decrease of confidence in real estate developers
- Increase of household debt cause the constant decrease of purchasing power
- Strictness in lending of financial institutions

Trend in 2014

- Condominium development will slow down as there were many projects launched in 2013 and mostly were new projects for sales but no construction yet.
- Large developers still have plan to diversify their investment into regional to support AEC in 2015 especially provinces close to the border such as Udonthani, Khonkaen, Nakhonratchasima, Chiangmai, Chiangrai and Hatyai, etc.
- Price of new residences tends to increase due to the increase of land price, material cost, the adjustment of labor cost to 300 baht. The developers also face labor shortage (high labor cost), the relocation of foreign labor is not convenient and the delay of construction especially for the high rise building development.
- Land price increase both in Bangkok and its vicinity as well as provinces which have boundary close to neighboring countries due to AEC tendency. The price increase of some areas is double.
- With regard to the trend of residences in 2014, demand to purchase may slow down slightly from 2013 depending on economic factors as well as political stability.

(Source: Agency for Real Estate Affairs)



13. Risk Factors

13.1 Risk from competitions in the real estate development business

The Company anticipated that sales of new residential projects in Bangkok and vicinities would continue during 2012 – 2015. The main factors affecting entrepreneurs' business operation and consumer's decision making were Euro zone and the U.S. economic recoveries, political conflicts between western countries and oil-producing countries in the Middle East, political conflicts among Asian countries, domestic political conflicts, as well as partial loss of purchasing power and production capacities due to impact of the flood in the last quarter of 2011. Nevertheless, current situations recovered at a certain level, and the introduction of freedom under AEC framework in 2015 was expected to increase residential demand in Thailand because Thailand has high readiness in utility systems compared to neighboring countries.

The Company had a policy to develop projects in which it had experiences and expertise and recognized by targeted customer groups first and concurrently to emphasize on study and analysis of consumers in each area, and study and analysis on projects of other entrepreneurs in the same areas and to evaluate potentials of the locations in various aspects which could enable the Company to develop valuable projects and services which truly respond to consumers' requirements, thus leading to confidence to the Corporate Brand and the business success. Moreover, the Company carried out survey on customers' satisfaction on a continuous basis in each aspect, e.g. sales, ownership transfer, house quality, services etc., in order to improve the services and deliver quality residences of the Company and concurrently implanting in employees of all departments at all levels the concept of participation in creating satisfaction to customers.

13.2 Risk from fluctuation of construction material costs

In 2011-2013, the price of construction material had increased constantly which can be seen from the average Construction Material Price Indexes which was 120.4, 124.7 and 125.8, respectively (Source: www.indexpr.moc.go.th/price_present/csi/stat/other/conyear.asp). Such increase reflected the demand of construction material caused by the rush to recover the utility system and residence after flood crisis in many areas began to return to normal condition. The fluctuation of construction material costs would affect the Company's profitability.

In 2010-2013, the average proportion of construction material costs was at 64% of total project cost. The construction material cost is the major cost of total construction cost. Therefore, the Company has set the policy to manage such risk by dividing total project into several parts. Then, the Company will hire subcontractors in line with its standard price and set time schedule to control such task. The Company will estimate quantity of construction materials of every project annually and will procure some construction



materials such as tiles, sanitary wares and other construction materials to set quantity and price in advance in order to control construction costs and reduce risks from construction material procurement. With regard to cement, brick, stone and sand, the Company will determine quantity and discount from market price when order in advance in order to reduce risk from procurement and the Company will closely communicate with construction material suppliers to deliver construction materials in line with construction plan of each project (lead time for order in advance is 20-60 days depend of type of construction material). The average proportions of construction material purchase order in advance which setting quantity and price for horizontal and vertical housing projects were at 10% and 8%, respectively.

13.3 Risk from legal aspect related to the real estate business

Since laws and regulations related to the real estate business were being amended continuously, the Company could be subject to risk if there was any amendment thereto. The new consolidated Bangkok town plan act would cause entrepreneurs to have more difficulties in developing their projects, due to change in the requirement regarding the use of land whereby some areas were subject to decreasing or increasing use of land, determination of more green areas, increase in the floor area ratio (FAR Bonus), and determination of width of access road to various types of residential buildings; for example, construction of dorm condominium in areas designated for low density residential area land-use (Yor.3 area) on an area of not exceeding 2,000 square meters must be located on access road with a width of 16 meters while the existing consolidated Bangkok town plan required it to be located on access road with a width of 10 meters only.

The Company reduced the risk by studying and monitoring amendments to regulations which could arise on a continuous basis to be prepared for adjustments to the residential project execution in compliance therewith, and the Company would not purchase lands if it still had no plan to execute a project thereon to prevent amendments which could affect upon the lands.

13.4 Risk from increase of interest rates and regulations of the Bank of Thailand related to the real estate sector

The Thai economic situation trend was expected to continue to grow driven mainly by private sector consumption encouraged by increasing public income from the minimum wage adjustment and government officials' and state enterprise employees' salary adjustment. The policy interest rate increase would result in the financial institute loan interest rates being increased similarly and the real estate sector would suffer from the interest rate increase, too, as could be considered from 2 issues, namely.

- The interest rate increase would affect upon the demand-pull inflation, and most customers would seek housing loans from financial institutes. Consequently, if interest rates increased, the



monthly repayment amount would increase or the repaying duration would be longer. When comparing with customer payment capacity, customers might not be able to purchase residences at the required prices. In addition, the increase in interest rates would cause the loan amounts granted by financial institutes to decrease accordingly.

- The interest rate increase would affect upon the Company's financial costs because the Company applied for loans from financial institutes for use in business expansion and support of real estate project developments in the future. The interest rate increase would affect upon the Company's financial costs accordingly.

13.5 Risk from debt to equity ratio above debt covenant

As at December 31, 2013, the debt to equity ratio of the Company was at 1.34 times. The Company may face risk from the breach of contract if the debt to equity ratio is more than 1.5 times according to covenant specified by various financial institutions which provided loans for project development. However, fund raising from new common shares offering this time will reduce its debt to equity ratio. The Company believes that it can maintain debt to equity ratio at the level required by such covenant.

13.6 Risk from liquidity and access to funding sources

The real estate development business needed high investment, starting from land purchasing, land development, construction, and sales. All such activities needed a lot of investments lasting until the Company receives payments for selling value on the ownership transferring dates which would take place upon completion of constructions. The Company had around 1-2 years or more for each project development, depending on its size. Consequently, the business had risk from financial liquidity management and access to sources of funds required for the business operation.

The Company and its subsidiaries emphasized on financial liquidity management by operating the business carefully in considering project development starting from selecting location of land to purchase, conducting research to analyze feasibilities of projects, and paying attention to details of all significant parts of each project in an attempt to successfully complete all projects. In addition to the capital market, the Company had good relationship with and was trusted by several financial institutes with funding support continuously, both in respect of Project Finance and Housing Loan to customers interested in purchasing projects of the Company and its subsidiaries.



13.7 Risk from lack of contractors

At present, entrepreneurs have plans to develop many real estate development projects, including construction of various large utility projects. This situation might create a lack of contractors and have an impact to delay the Company's construction works. To reduce such risk, the Company selected a number of contractors who were qualified to meet the prescribed standard and monitor them in an attempt to offer employment regularly so that such selected contractors would be stable in their business operations and pleased to work with the Company in the future. Besides, the Company has set that the contractors have to pay penalty fee daily for the delay in order to manage the construction according to the planned schedule. In case of hiring a contractor who is a related party, the Company has set the same selection criteria as for a non related contractor. The number of related contractors was accounted for 1% if total selected contractors (Approved Vendor List). The total amount paid to first 10 non related contractors was accounted for 61% of total amount paid to all contractors in 2013. The amounts paid to first 3 major contractors were accounted for 24%, 9% and 8%, respectively. Such 3 major contractors are well-known and experienced in condominium construction and have business relationship with the Company continuously for 1-6 years.

13.8 Risk from seeking lands for development

The Company had no plan to accumulate land bank without concrete project construction plan because it would cause the Company to bear financial costs, leading to the Company being subject to financial liquidity problem. The Company had considered purchasing land only when it studied and was confident about the potentials of such location. Therefore, there might be a risk from purchasing land at higher price than expected or being unable to purchase land in the amount desired or unable to purchase any land at all. As the market price of lands would reflect the Company's selling price for residences, and the Company focused only on locations with potential price appreciation, the Company's targeted customer groups would always be beneficial from the price appreciation after they purchased the residences, resulting in that the Company had more selling opportunities compared to other entrepreneurs.

With continuous establishment of project development plans, land brokers were pleased to offer for sales lands to the Company because the Company had requirements to purchase new lands continuously. In addition to building good relationship with brokers, the Company purchased lands from landlords directly.

13.9 Risk from natural disasters

The 2011 flood crisis widely affected sales volumes of real estate entrepreneurs whereby bookings were canceled and purchases of residences were slowing down due to decreasing purchasing power of consumers. In addition, perspective purchasers took more time to make a decision to purchase residence to ensure that such location would not be affected from flood. The change in consumer's behavior caused the Company to accord due importance on conditions of locations, including possibilities to be subject to natural



disasters. The Company also followed up and provided facilities to customers purchasing the Company's projects who were subject to the flood crisis on a continuous basis.

13.10 Risk from major shareholders having influence upon management policy determination

The Company had the Thanyalakpark family members as its major shareholders holding, in aggregate, 52.34 per cent of registered and paid-up capital. Consequently, the Company and/or minority shareholders could have risk from major shareholders having control over almost all of shareholder meeting resolutions, except for matters required by law or the Articles of Association to be approved by 3/4 of the votes in the shareholder meeting, and the major shareholders having influence upon management policy determination because they held more than one half of the total shares, in aggregate, and were members of the Board of Directors.

However, the Company had a policy on power balancing by establishing an Audit Committee consisting of 3 independent audit directors with 2 more independent directors, totaling 5 independent directors from 10 directors of the Company, and Chairman of the Audit Committee also held the office of the Chairman of the Board of Directors, which would help enhancing the efficiency and transparency of the management through the control and audit systems of the Company and power balancing of executives of the Company. Consequently, the Company was confident that all shareholders, including stakeholders of the Company, would be treated equally and fairly.

13.11 Risk from share price decrease

Investors may face risk from share price decrease when warrant holders of 32,506,862 units (allocated to the existing shareholders at the amount of not exceeding 23,823,529 units, allocated to public at the amount of not exceeding 3,683,333 units and allocated to executives and employees of the Company and / or subsidiary at the amount of [●] units) exercise their rights to subscribe new shares and such shares will be traded on the Stock Exchange of Thailand.



14. Legal disputes

As of 31 December 2013, the Company is the defendant in a total 11 court cases. The total amount claimed against the Company under the 9 court cases (not including 2 court cases in which Chokechaiproperty & Law Center Co., Ltd., as the Company's lawyers, is of the opinion that the plaintiffs in those cases are not entitled to take legal action against the Company because the Company was not involved), does not exceed 5% of shareholder's equity and has no material adverse impact on the operation of the Company's business.



15. Shareholding Structure

15.1 The Company's securities

As at December 31, 2013, the Company had registered capital of 857,711,687 Baht, divided into 857,711,687 ordinary shares with a par value of 1 Baht per share, and paid-up capital of 714,704,825 Baht, divided into 714,704,825 ordinary shares with a par value of 1 Baht per share. During year 2013, the Company filed registration statement and draft prospectus (Filing) to the Securities and Exchange Commission (SEC) according to the resolution of the Extraordinary General Meeting of shareholders No. 1/2012 held on October 24, 2012.

On October 1, 2013, the Company allotted Warrants to purchase ordinary shares of the Company to executives and employees of the Company and/or its subsidiaries No. 1 (SENA-WA) at the amount of 2,200,000 units.

15.2 List of Shareholders

The top 10 major shareholders (including related persons according to Section 258 of the Securities and Exchange Act B.E. 2535 (A.D. 1992)) as of 30 August 2013 are as follows:

List of Shareholders		Shareholding	
		No. of Shares	(%)
1	Mr. Theerawat Thanyalakpark	223,676,458	31.30
2	Miss Kessara Thanyalakpark	101,911,764	14.26
3	Mrs. Jindachaya Denpaisal	38,147,058	5.34
4	Miss Umaporn Thanyalakpark	20,794,117	2.91
5	Miss Sriwarat Thanyalakpark	17,720,588	2.48
6	Mr. Kenneth Rudy Kamon	16,698,000	2.34
7	Mr. Chatchaval Eua-areetham	15,967,400	2.23
8	Mrs. Chawi Jiasuwan	15,722,235	2.20
9	UBS (Luxembourg) S.A.	14,163,100	1.98
10	Thai NVDR Co., Ltd.	11,272,232	1.58
11	Minority shareholders	283,631,873	33.38
Total		714,704,825	100.0
Registered capital		857,711,687	Baht
Issued and paid-up capital		714,704,825	Baht

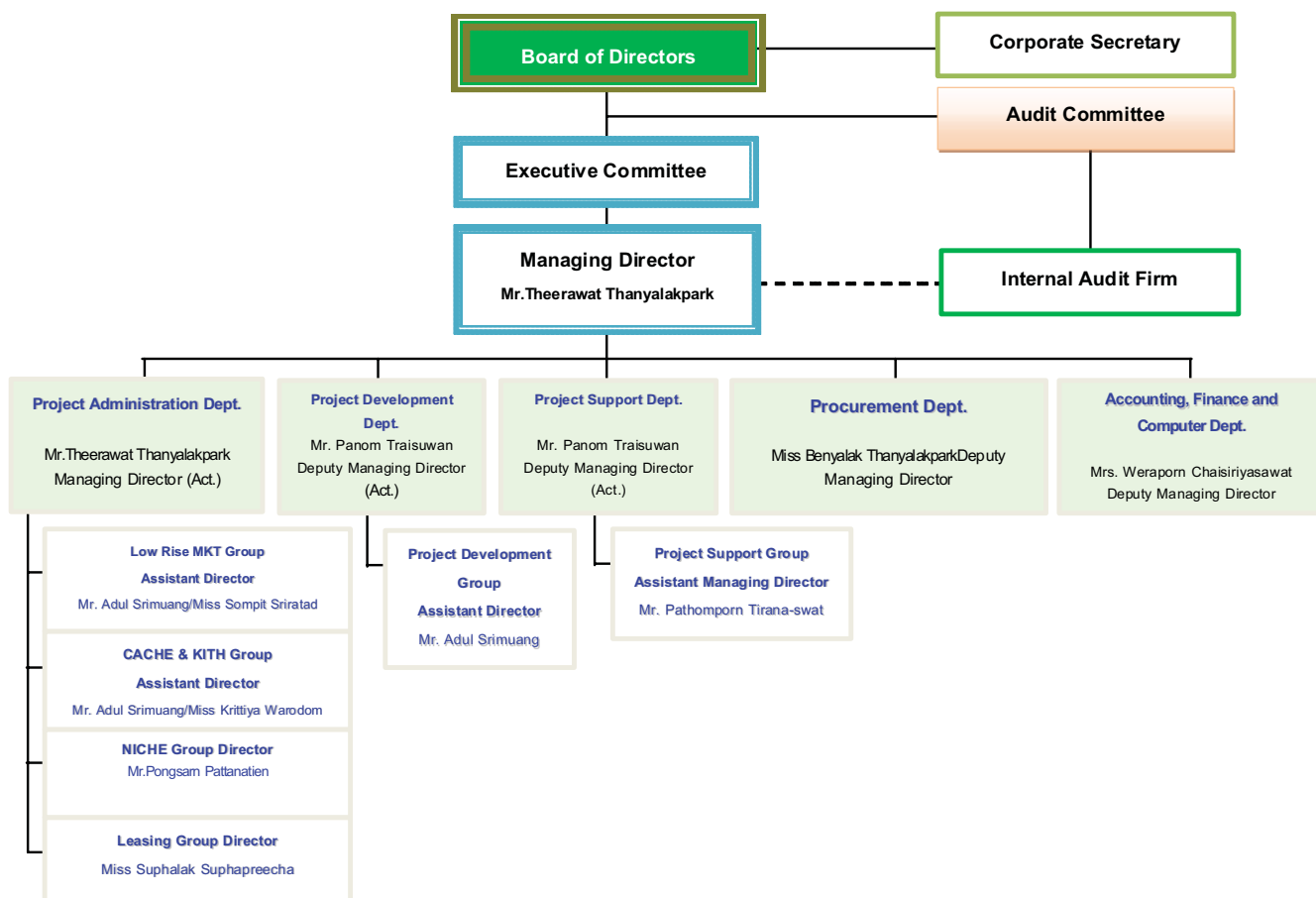
15.3 Dividend Distribution Policy

The Company and its subsidiaries had a policy to distribute dividends at least at 40 per cent of net profit after corporate income tax of each year of the consolidated financial statement. Dividend distribution would take into consideration the following factors, e.g. results of operation and financial positions of the Company, liquidity of the Company, business expansion and other factors related to the Company management. Such dividend distribution must be approved by the Board of Directors or the shareholder meeting (as the case may be).



16. Management Structure

16.1 Organization Chart



Note: The Company currently employed external experts (Wongkanit Accounting Office) to audit the Company's internal control system.



✦ **Board of Directors**

As at 31 December 2013, the Company had 10 directors comprising:

1. Mr. Vichien Ratanabirabongse	Chairman of the Board, Chairman of the Audit Committee and Independent Director
2. Mr. Kamol Thammanichanond	Member of the Audit Committee and Independent Director
3. General Boonsak Khamhaenglitirong ⁽¹⁾	Member of the Audit Committee and Independent Director
4. Mr. Pramote Chotmongkol ⁽²⁾	Member of the Audit Committee and Independent Director
5. Professor Chaiyos Hemaratchatha	Director and Independent Director
6. Police General Achirawit Supanpesach	Director and Independent Director
7. Mr. Theerawat Thanyalakpark	Director, Chief Executive Officer and Managing Director
8. Miss Benyalak Thanyalakpark	Director
9. Miss Kessara Thanyalakpark	Director
10. Miss Umaporn Thanyalakpark	Director
11. Mrs. Weraporn Chaisiriyasawat	Director and Corporate Secretary

Note: ⁽¹⁾General Boonsak Khamhaenglitirongresignation adirector on 10 April2013

⁽²⁾Mr. Pramote Chotmongkol was appointed as a director on 24 April 2013

Directors authorized to sign on behalf of the Company

Any two of Mr. Theerawat Thanyalakpark or Miss Benyalak Thanyalakpark or Miss Umaporn Thanyalakpark to co-sign with the Company's seal affixed

Scope of power, duties and responsibilities of the Board of Directors

1. Perform duties to ensure compliance with laws, objectives, Articles of Association as well as resolutions of shareholder meetings, except for matters requiring approval from shareholder meeting, and enter into connected transactions and trading of significant assets pursuant to regulations of the Stock Exchange or as prescribed by other agencies, etc.;
2. Consider approving business policies, targets, operation plans, business strategies and annual budgets;



3. Consider approving appointment of qualified persons without prohibited characteristics prescribed in the Public Limited Company Act B.E. 2535 (A.D. 1992) and law governing securities and security exchange including notifications, rules and/or regulations related to directorship in case the director office is vacated for reason other than vacating office at the end of its term;
4. Consider electing executive directors from directors of the Company and determine scope of their power, duties and responsibilities;
5. Consider appointing independent directors and audit directors taking into consideration their qualifications and prohibited characteristics pursuant to law governing securities and security exchange including relevant notifications, rules and/or regulations of the Stock Exchange, or propose to shareholder meeting to consider electing as independent directors and audit directors of the Company;
6. Consider determining and amending the list of directors authorized to bind the Company;
7. Appoint any other person to operate the Company's business under supervision of the Board of Directors, or may authorize such person to have such power and/or within such time as the Board deems appropriate, and the Board may cancel, revoke, change or amend such authorization;
8. Consider approving transactions of acquisition or disposal of assets, except if such transactions require approval from the shareholder meeting. Such approval will be in accordance with notifications, rules and/or regulations related to the Stock Exchange;
9. Consider approving connected transactions, except if such transactions require approval from the shareholder meeting. Such approval will be in accordance with notifications, rules and/or regulations related to the Stock Exchange; and
10. Consider approving interim dividend distribution to shareholders when the Company has sufficient profit to do so, and report such dividend distribution to shareholder meeting at its next session.

Assignment of power, duties and responsibilities of the Board of Director must not be in such manner as authorization or sub-authorization which will enable the Board of Directors or the person authorized thereby to approve transactions in which it or the person has conflict of interest (as defined in the SEC notification) for both the Company and its subsidiaries.

★ **Audit Committee**

As at 31 December 2013, the Company had 3 members of the Audit Committee comprising;



1. Mr. Vichien Ratanabirabongse	Chairman of the Audit Committee
2. Mr. Kamol Thammanichanond	Member of the Committee
3. General Boonsak Khamhaenglitirong ⁽¹⁾	Member of the Committee
4. Mr. Pramote Chotmongkol ⁽²⁾	Member of the Committee

Note: The Audit Director with knowledge and experiences in reviewing financial statements is Mr. Kamol Thammanichanond, with Miss Ussanee Chaisongto acting as Secretary of the Audit Committee.

⁽¹⁾General Boonsak Khamhaenglitirong resignation as an Audit Committee on 10 April 2013

⁽²⁾Mr. Pramote Chotmongkol was appointed as an Audit Committee on 24 April 2013

Scope of power, duties and responsibilities of the Audit Committee

1. Review the financial reports of the Company to ensure the correctness and adequate disclosure;
2. Ensure that the Company has appropriate and efficient internal control and internal audit systems by reviewing those systems with auditor, review the independence of the internal audit function and approve the appointment, transfer and termination of employment of the head of internal audit division or other divisions that are responsible for the internal audit;
3. Review the performances of the Company to ensure that they are in accordance with the law governing securities and security exchange and the Stock Exchange's regulations and any laws applicable to the Company's business;
4. Consider, select, and nominate independent persons to be auditors of the Company and propose their remuneration as well as attend at least one meeting a year with the auditors without the presence of management;
5. Review the connected transactions or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Stock Exchange's regulations, and are reasonable and for the highest benefit of the Company;
6. Prepare the audit committee activity reports by disclosing on Company's annual report. The report shall be signed by the Chairman of the Audit Committee and should contain at least the following information:
 - (a) Comments on the accuracy, completeness and reliability of the financial report of the Company;



- (b) Comments on the sufficiency of the internal control system of the Company;
 - (c) Comments on the compliance with the laws governing securities and security exchange and the Stock Exchange's regulations and any laws applicable to the business of the Company;
 - (d) Comments on the appropriateness of the auditor of the Company;
 - (e) Comments on the transactions that may lead to conflicts of interests;
 - (f) The number of the Audit Committee meetings, and the attendance of such meetings by each committee member;
 - (g) Opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter; and
 - (h) Report on other matters that shareholders and investors should be concerned within a scope of duties and responsibilities appointed by the Board of Directors.
7. Undertake other matters as assigned by the Board of Directors with the approval of the Audit Committee.

★ **Executive Committee**

As at 31 December 2013, the Company had 5 executive directors comprising;

1. Mr. Theerawat Thanyalakpark	Chief Executive Officer
2. Miss Benyalak Thanyalakpark	Executive Director
3. Mrs. Weraporn Chaisiriyasawat	Executive Director
4. Mr. Panom Traisuwan	Executive Director
5. Mr. Pathomporn Tirana-swat	Executive Director

Scope of power, duties and responsibilities of the Executive Committee

1. Prepare and present the Company's business policies, targets, operation plans, business strategies and annual budgets for approval by the Board of Directors;
2. Determine business plans, managerial power and budgets of the Company for approval by the Board of Directors;



3. Control the Company's business operation to ensure compliance with the business policies, targets, operation plans, business strategies and budgets approved by the Board of Directors efficiently and favorable to the business condition;
4. Have the power to consider approving application for any loan or credit from financial institute as well as payment or expenditure for transaction in the normal course of business of the Company, e.g. expenditure for investment to purchase land or land with structure, investment on construction and expenditure for work execution, within the amount not exceeding 700 million Baht or its equivalence for each transaction, or as assigned by the Board of Directors;
5. Determine efficient organization structure and management covering selection, training, employment and termination of employment of staffs of the Company who are in the Management or high-level executives, possibly by authorizing the Managing Director to sign the employment contracts;
6. Supervise and approve matters related to the Company's business operation and may appoint or assign one or more persons to perform any act on behalf of the Executive Committee as deemed appropriate, and the Executive Committee may cancel, change or amend such authorization; and
7. Perform any other duties as assigned by the Board of Directors.

In making authorization referred to above to the Executive Committee, executive directors with interest in any transaction in which they have possible conflict of interest or any other conflict of interest with the Company or its subsidiaries shall not be entitled to vote in the matter. Approval of such transactions with possible conflict of interest may be made in accordance with Notification of the Stock Exchange of Thailand re Rules, Procedures and Disclosure of Connected Transactions of Listed Companies.

★ The Management

As at 31 December 2013, the Company had 5 members of the Management comprising;

1. Mr. Theerawat Thanyalakpark	Managing Director, Project Administration (Acting)
2. Miss Benyalak Thanyalakpark	Deputy Managing Director, Procurement
3. Mrs. Weraporn Chaisiriyasawat	Deputy Managing Director, Accounting, Finance and Computer
4. Mr. Panom Traisuwan	Deputy Managing Director, Project Support/Deputy Managing Director, Project Development (Acting)
5. Mr. Pathomporn Tirana-swat	Assistant Managing Director, Project Support



Scope of power, duties and responsibilities of the Managing Director

1. Has the power to control the Company's work management to ensure compliance with policies prescribed by the Board of Directors or the Executive Committee, and report the result thereof to the Board of Directors or the Executive Committee, respectively;
2. Consider the annual budget allocation prepared by the Management for submission to the Executive Committee for consideration and approval, and control the expenditure of the annual budget of each agency;
3. Consider assessing the Company's business operation regularly to prevent risks from various factors, internal or external;
4. Has the power to issue orders, regulations, notifications, memorandum to ensure that work performance is in accordance with policies of the Board of Directors or the Executive Committee or for the benefit of the Company;
5. Has the power to consider approving procurements and expenditures on matters relating to the normal course of business of the Company, including land purchasing, approval for procurement of construction materials and other relevant services, and the operation costs, selling and administrative costs and investment costs to be in accordance with budgets approved by the Board of Directors or the Executive Committee, but not exceeding 100 million Baht per each transaction;
6. Consider the incurrence of obligations against the rights and properties of the Company with any party, company, firm or financial institute for submission to the Executive Committee for approval;
7. Consider the profit and loss of the Company, interim dividend distribution or annual dividend distribution for submission to the Board of Directors for approval; and
8. Take any action to support the Company's business operation as authorized by the Board of Directors subject to the policy of the Board of Directors.

The granting of the power and duties of the Managing Director referred to above will not include the power enabling the Managing Director to approve any transaction in which he or any party with possible conflict, interest or any other conflict of interest (as prescribed by the Articles of Association and the Office of the SEC) made with the Company or its subsidiaries.

In addition, in respect of the Company's subsidiaries, the Boards of Directors of such subsidiaries shall have the power to consider approving procurements and expenditures in respect of their business



operation, which includes land purchasing, approval for procurement of construction materials and other relevant services, and operating costs, selling and administrative costs and investment costs in accordance with budgets approved by the Board of Directors or the Executive Committee, but not exceeding 50 million Baht per each transaction. If any such transaction exceeds 50 million Baht, the transaction must be approved by the Executive Committee of the Company, and if it exceeds 100 million Baht, the transaction must be approved by the Board of Directors of the Company.

★ **Corporate Secretary**

The Corporate Secretary is Mrs. Weraporn Chaisiriyasawat.

Scope of power, duties and responsibilities of the Corporate Secretary

1. Prepare and keep the following documents:
 - (a) Director registration;
 - (b) Letters of invitation to attend Board meetings, minutes of Board meetings and annual reports of the Company;
 - (c) Letters of invitation to attend shareholder meetings and minutes thereof.
2. Keep reports on interests reported by directors or executives and forward copies thereof to Chairman of the Board of Directors and Chairman of the Audit Committee for information within seven business days of receipt by the Company of such reports;
3. Set up a system for storage of documents and evidences relating to the following information and ensure proper and complete storage thereof in verifiable manner for a period of at least five years of preparation thereof.

Storage of documents and evidences referred to above shall mean to include storage with computer system or any other retrievable system without any change in the content thereof.

- (a) Provision of information for resolution of shareholder meeting;
- (b) Financial statements and reports on financial position and results of the Company's operation or any other report required to be disclosed under Section 56, Section 57, Section 58 or Section 199 of the Securities and Exchange Act;
- (c) Comments of the Company when there is any proposal to tender the shares of the Company from any shareholder in general; and



- (d) Provision of information or any other report relating to the business prepared by the Company for dissemination to shareholders or the general public as required by the Capital Market Supervisory Board.
- 4. Take other actions as to be announced by the Capital Market Supervisory Board;
- 5. Perform duties with responsibility, care and honesty and in accordance with laws, objectives, the Articles of Association, Board resolutions as well as shareholder meeting resolutions, and refrain from taking any action materially contradictory to, or inconsistent with, the Company's interest;
- 6. Perform duties with responsibility and care in such manner as a reasonable person operating such business should do under the same circumstances by:
 - (a) Making decisions with honest and reasonable belief that such decisions are made for optimal benefits of the Company;
 - (b) Decisions are made based on information honestly believed to be adequate; and
 - (c) Decisions are made without his/her interest, directly or indirectly, in the matters which the decisions are made.

In case the Corporate Secretary vacates office or cannot perform his/her duties the Board shall elect a new Secretary within ninety days of the date the former Secretary vacates office or cannot perform his/her duties.

★ **Director and Executive Nomination**

The Company still had no specific Nominating Committee. Persons nominated to director and executive offices of the Company must be fully qualified as per Section 68 of the Public Limited Company Act B.E. 2535 (A.D. 1992) and the Notification of the Capital Market Supervisory Board. No. TorChor. 28/2551 re Application for and Permission of Offering of Newly Issued Shares, dated 15 December 2008, without possessing prohibited characteristics as per the Notification of the Capital Market Supervisory Board regarding executives of companies issuing securities. All directors and executives have no record of committing offense within the period of 10 years retroactively prior to the date of filing of application and have no record of having been subject to a final judgment for bankruptcy, have not violated regulations, procedures, notifications, orders, resolutions or agreement of listing with the Stock Exchange as well as circulars required by the Stock Exchange to comply with, nor committed any offence against property or any offense pursuant to law governing securities and security exchange, without any pending dispute or prosecution



Elements and Nomination of Directors

Element of and nomination, election, removal or vacation of office of directors are prescribed in the Articles of Association. Shareholder meeting will elect directors in accordance with the following rules and procedures:

1. Each shareholder shall have a number of votes equal to the number of shares held.
2. Each shareholder may exercise all the votes he/she has under (1) to elect one or several persons as director or directors, but may not allot his/her votes to any person in any number.
3. The candidates shall be appointed as directors in order of ranks descending from the highest number of votes received until all of the director positions are filled. Where the vote cast for candidates in descending order tie, which would cause the number of directors to be exceeded, the Chairman of the meeting in which directors are being elected shall have a casting vote.

In every annual ordinary meeting one-third of the directors shall retire and those holding their office longest shall retire first. If the number of directors is not a multiple of three, the number of directors closest to one-third shall retire.

Elements and Nomination of Audit Directors

The Audit Committee of the Company must consist of at least 3 directors elected by the Board of Directors and must possess such qualifications as required by law governing securities and security exchange including notifications, regulations and/or procedures of the Stock Exchange. At least 1 audit director must have knowledge in accounting and finance. Nominated audit directors must be qualified in respect of independence, i.e.:

1. holding shares not exceeding 1 per cent of the total number of shares with voting rights of the Company, its parent company, subsidiary company, affiliate company, or juristic person with possible conflict, including shares held by related persons of such independent director;
2. neither being nor used to be an executive director, staff, employee, advisor who receives salary, or controlling person of the Company, its parent company, subsidiary company, affiliate company, same-level subsidiary company, or juristic person with possible conflict, unless the foregoing status has ended not less than 2 years prior to the date of election;
3. not being a person related by blood or legal registration as parent, spouse, sibling and child, including spouse of a child of an executive, major shareholder, person with controlling power or a person to be nominated as executive or person with controlling power of the Company or a subsidiary;



4. neither having nor used to have business relationship with the Company, its parent company, subsidiary company, affiliate company or juristic person with possible conflict in such manner as may hinder his/her independent discretion, and neither being nor used to be a major shareholder, non-independent director or executive of a person with business relationship with the Company, its parent company, subsidiary company, affiliate company or juristic person with possible conflict, unless the foregoing relationship or status has ended not less than 2 years prior to the date of election;

The business relationship referred to in paragraph one includes the entering into commercial transaction for a conduct of normal business operation, renting or leasing of real estates, transaction relating to assets or services, or provision or receipt of financial assistance by receiving or lending money, guaranteeing, and using assets as loan collaterals, including other similar circumstances resulting in the Company or the party having debt burden payable to the other party from 3 per cent of the net tangible assets of the applicant or 20 million Baht or more, whichever is the higher. Calculation of such debt burden shall be in accordance with calculation of value of connected transactions as per Notification of the Board of Governors of the Stock Exchange of Thailand re Disclosure of Information and Other Acts of Listed Companies concerning the Connected Transactions, *mutatis mutandis*. But in considering such debt burden, all debt burdens incurred during 1 year prior to the date of business relationship of the same person shall be included.

5. neither being nor used to be an auditor of the Company, its parent company, subsidiary company, affiliate company or juristic person with possible conflict, and not being major shareholder, non-independent director, executive or managing partner of an auditing office which employs auditor of the Company, its parent company, subsidiary company, affiliate company or juristic person with possible conflict, unless the foregoing status has ended not less than 2 years prior to the date of election;
6. neither being nor used to be any professional service provider, including provision of service as legal advisor or financial advisor or appraiser with service fee of exceeding 2 million Baht per year from the Company, its parent company, subsidiary company, affiliate company or juristic person with possible conflict. In case the professional service provider is a juristic person, this shall include the being of major shareholder, non-independent director, executive or managing partner of the professional service provider, unless the foregoing status has ended not less than 2 years prior to the date of election;
7. not being director elected as representative of any director of the Company, its major shareholder or shareholder related to any major shareholder of the Company;



8. not undertaking any business in the same nature and significantly in competition to the business of the Company or its subsidiary company or not being a significantly partner in a partnership or executive director, employee, staff, advisor who receives salary or holds shares exceeding 1 per cent of the total number of shares with voting rights of other company which undertakes business in the same nature and significantly in competition to the business of the Company or its subsidiary company; and
9. not having any other characteristics which cause the inability to express independent opinions with regard to the Company's business operations.

Independent directors with qualifications under 1-8 may be assigned by the Board of Directors to make decisions in the operation of business of the Company, its parent company, subsidiary company, affiliate company, same-level subsidiary company, or juristic person with possible conflict with a collective decision.

Elements and Nomination of Executive Directors

The Board of Directors shall nominate persons to hold offices of executive directors in the Executive Committee from a number of directors and/or executives as deemed appropriated.

✦ Remunerations of Directors and Executives

Remunerations of Directors

Details on the remunerations of the Company's directors in 2013, ended on 31 December 2013 are set out in the below-table:

Name	Position	Meeting allowance (Baht)	
		2012	2013
1.Mr. Vichien Ratanabirabongse	Chairman of the Board	180,000	150,000
2.Mr. Kamol Thammanichanond	Director	100,000	80,000
3.General Boonsak Khamhaenglitirong ⁽¹⁾	Director	100,000	20,000
4.Mr. Pramote Chotmongkol ⁽²⁾	Director	-	60,000
5.Professor Chaiyos Hemaratchatha	Director	80,000	80,000
6.Police General Achirawit Supanpesach	Director	120,000	80,000
7.Mr. Theerawat Thanyalakpark	Director	60,000	50,000
8.Miss Benyalak Thanyalakpark	Director	60,000	50,000
9.Miss Kessara Thanyalakpark	Director	60,000	50,000
10.Miss Umaporn Thanyalakpark	Director	60,000	50,000
11.Mrs. Weraporn Chaisiriyasawat	Director	60,000	50,000
Total		880,000	720,000



Note: ⁽¹⁾General Boonsak Khamhaenglitirong resignation as a director on 10 April 2013
⁽²⁾Mr. Pramote Chotmongkol was appointed as a director on 24 April 2013

Details on the remunerations of the Company's audit directors in 2013, ended on 31 December 2013 are set out in the below-table

Name	Position	Meeting allowance (Baht)	
		2012	2013
1.Mr. Vichien Ratanabirabongse	Chairman of the Audit Committee	100,000	140,000
2.Mr. Kamol Thammanichanond	Member of the Audit Committee	40,000	60,000
3.General Boonsak Khamhaenglitirong ⁽¹⁾	Member of the Audit Committee	50,000	10,000
4.Mr. Pramote Chotmongkol ⁽²⁾	Member of the Audit Committee	-	40,000
รวม		190,000	250,000

Note: ⁽¹⁾General Boonsak Khamhaenglitirong resignation as an Audit Committee on 10 April 2013
⁽²⁾Mr. Pramote Chotmongkol was appointed as an Audit Committee on 24 April 2013

Remunerations of Executives

Details on the remunerations of the Company's executives in 2013, ended on 31 December 2013 are set out in the below-table:

Type	2012		2013	
	Number (person)	Remuneration (Baht)	Number (person)	Remuneration (Baht)
Salary and bonus	5	7,577,485	5	7,814,123
Total	5	7,577,485	5	7,814,123

Non-Monetary Remuneration

- None -



17. Corporate Governance

The Board of Directors held on to the policy on compliance with management principles with good corporate governance system and process as main factor in strengthening the organization systematically and efficiently by determining to operate the business in accordance with good corporate governance to create the mechanism leading to the success in the business operation towards efficiency and effectiveness and fairness to all parties related to the Company, whether being shareholders, stakeholders, committees, executives and personnel of the Company, and to be in harmony with requirements of the Stock Exchange, by dividing into 5 chapters as follows.

Chapter 1 : Rights of shareholders

The Board of Directors emphasized on the rights of shareholders by refraining from committing any act of infringement or eviction against shareholders, and facilitating shareholders in exercising their rights. Procedures were established to ensure that basic rights of shareholders would be protected as follows:

- The Company would regularly inform all shareholders of the progress in the business operation by informing them directly or through the Stock Exchange.
- The Company would organize 1 annual ordinary shareholder meeting within 4 months of the end of the fiscal year (31 December of every year), and should there be any urgent matter the Company might call any extraordinary shareholder meeting as necessary.
- The Company would send letter of invitation to shareholder meeting together with adequate information on agenda items of the meeting at least 7-14 days in advance of the meeting date in accordance with the Articles of Association and/or as required by law, and required that comments of the Board of Directors be given in support of consideration for resolution of shareholders in all agenda items of the meeting, including comments of the Audit Committee in significant agenda items or as required by law.
- In organizing shareholder meeting, the Company would use and arrange such venue with convenient access thereto and select suitable meeting date and time for shareholders.
- The Company would publish the letter of invitation to the meeting, in both Thai and English versions, 30 days in advance of the meeting date through the Company's website www.senadevelopment.com re "Information for investors" under the heading "Shareholder meeting" for shareholders to have sufficient time to study the information beforehand by notifying through the news system of the Stock Exchange.



- Before commencing shareholder meeting, the Company would inform shareholders of their rights under the Articles of Association to participate therein and resolve and exercise the right to vote, and the right to make comments and allow shareholders arriving late to participate and vote in the meeting. The Company also has a policy to refrain from committing any act limiting opportunities of shareholders, and arrange non-complicated meeting registration steps and voting method to facilitate shareholders' exercise of rights. The Chairman of the Board or of the meeting would allocate sufficient meeting time and allow shareholders to inquire and make comments or recommendations equally, and record significant issues discussed at the shareholder meeting in the minutes thereof. The Chairman of the meeting, the Board of Directors and directors specifically in charge of matters concerned would participate to provide information and respond to inquiries on matters concerned.
- After conclusion of shareholder meeting the Company would inform the Stock Exchange of resolutions passed by the meeting and prepare the minutes thereof for dissemination through the Company's website within 14 days of the shareholder meeting date for shareholders to comment and review.

Chapter 2 : Equitable treatment of shareholders

The Company was aware of the equitable treatment of all shareholders of all groups, whether being major or minor ones, institutional investors or foreign shareholders, by establishing the following practices:

- In case any shareholder expresses the desire to the Company to propose any additional agenda on any matter at least 3 business days prior to the shareholder meeting date, and the Board of Directors considers that such agenda is beneficial to the Company and shareholders, the Company has a policy to facilitate taking up such agenda for consideration by the shareholder meeting by notifying shareholders of such additional agenda through the Stock Exchange.
- In case any shareholder expresses the desire to the Company to nominate any person to the office of director of the Company by sending supporting information on qualifications and letter of consent of the nominee in full at least 3 months in advance of the shareholder meeting date, the Company has a policy to consider nominating the person to the office of director to replace the director vacating the office at the end of the term in each year and present to shareholder meeting for consideration and resolution.
- The Company arranged for all shareholders to receive information of the Company accurately, adequately, timely and equitably in respect of the meeting date, meeting agenda items and details of each agenda to support their decision making in the shareholder meeting. The



Company, therefore, sent the letter of invitation to every meeting earlier than the time required by law and published supporting information for the meeting agenda items in advance in the Company's website before sending the documents to allow shareholders time to study the information comprehensively.

- Any shareholder who cannot personally participate in a meeting may authorize a third party to participate and vote therein as proxy. The Company also nominated an independent director or any person as proxy and attached to the letter of invitation Type B Proxy Form, whereby shareholders could direct their vote in each agenda, which is the format prescribed by the Ministry of Commerce, with clear details of supporting documents to the proxy form. The Company also published Type A, Type B and Type C Proxy Forms (for foreign shareholders appointing custodian in Thailand) in the Company's website for downloading by shareholders.
- In shareholder meeting, the Company allowed shareholders to register prior to the time prescribed for the meeting.
- Chairman of the meeting would explain the voting procedures and conduct the meeting in accordance with the agenda items in the letter of invitation to the meeting without adding any agenda of which shareholders were not informed in advance. The Chairman of the meeting would explain on details of the agenda items and allow shareholders equitable right to examine the Company's business operation, make inquiries, comments and recommendations before voting and counting votes. All shareholders could vote equitably.
- In a shareholder meeting the Company required that the voting rights be in accordance with the number of shares held by respective shareholders and one share would be entitled to one vote. All shareholders could vote equitably and actions would be taken to ensure that all shareholders receive accurate, adequate, timely and equitable information of the Company regarding the meeting date, meeting agenda items and details of each agenda to support their decision making in the meeting. After explaining details of the agenda items, shareholders would be given equitable right to examine the Company's business operation.
- The Company provided voting forms and adopted a clear practice to prevent conflict of interest. All directors holding shares of the Company are deemed stakeholders. If any director had interest in any agenda the director must disclose it to the meeting and would have no right to vote in the agenda. For agenda on election of directors, for transparency and verifiability the Company would propose that voting be made to elect director individually from the list of nominees considered by the Board of Directors.



- The Company had a means to prevent the use of internal information of the Company by prescribing under the headings of ethics and disciplinary actions in the staff manual distributed to all staffs of the Company.
- The Company had a policy and means to prevent directors and executives to make use of significant information with effects upon investment by informing the Stock Exchange of resolutions of all Board of Directors meetings immediately before opening of its next round of trading, thus preventing directors and executives from using the internal information for their personal benefits, and all directors and executives must report to the Office of the SEC within 3 business days on their possession of securities every time they purchase or sell securities.

Chapter 3 : Role of stakeholders

The Company respects the rights of all groups of stakeholders and prescribed as code of conduct in its ethics to ensure that any legal right in respect of stakeholders, whether internal, i.e. staffs and executives of the Company and subsidiaries, or external, i.e. customers, trade partners, shareholders, investors, independent auditor, competitors, communities as well as other agencies in the society, would be cared for. The Company was also aware of support of stakeholders in various groups which would create the competitiveness and profits for the Company deemed as the Company's success in the long run and enabled the Company to keep on operating the business well and stably with fair yields for all parties. The Company would comply with all requirements of relevant laws and regulations and would be aware of its responsibilities towards the society and consumers and take into consideration the rights of those stakeholders and would fairly care for them by listening to comments or recommendations of those stakeholders before committing any act affecting stakeholders of all groups. Details are as follows:

- Treat staffs equitably and fairly and give appropriate rewards;
- Purchase of goods and services from trade partners is in compliance with trade conditions and treat trade partners in accordance with agreements made;
- Take care of customers and is responsible for customers both in respect of residence quality and service provision;
- Comply with loan conditions in accordance with agreements made with creditors granting loans to the Company;
- Comply with good competition rules; avoid dishonest practice to destroy trade competitors; and
- Is responsible for the environment of communities and society and support activities in the communities to support the society in appropriate times and opportunities.



Chapter 4 : Information disclosure and transparency

The Company emphasized on accurate, complete, transparent, truthful, reliable, regular and timely disclosure to investors and related parties equitably under requirements of the Stock Exchange and the Office of the SEC. All information were disclosed both in Thai and English versions in respect of general information, financial report as well as other significant information with effects upon the value of the Company's securities and information disclosed to analysts and investors. The Company would contact with investors and disclose information through various channels as follows:

- Through the news system of the Stock Exchange (SET Portal) and the Company's website www.senadevelopment.com.
- The Company would forward all financial statements together with the information submitted to the Stock Exchange and the Office of the SEC.
- The Company established a specific agency to supervise the dissemination of information to shareholders, analysts and institutions concerned. Investors could inquire on such information at tel. 0-2541-5014-22 or Email address: IR@senadevelopment.com and the Company added another channel for access to the information by interested parties equitably through the website www.senadevelopment.com.
- In 2012 the Company had activities in presenting information, directly and indirectly, i.e.:
 - Analyst meeting
 - Information presentation on the Opportunity Day organized by the Stock Exchange of Thailand

Chapter 5 : Responsibilities of the Board of Directors

1. Structure of the Board of Directors

The Company set up qualifications of prospective nominees for directorship in accordance with relevant laws taking into consideration experiences and expertise from various professions in various businesses. They must also have such knowledge and capacities to supervise the Company efficiently and adequately. Election of directors and executive directors was in accordance with rules and nomination process to find nominees with suitable qualifications transparently and reliably through the screening by the Board of Directors and/or shareholders. The Company prescribed duties and responsibilities of the Board and subcommittees and clearly specified the term of office of directors in the Company's management program.



The Board of Directors consists of 10 directors comprising 5 independent directors, 3 audit and independent directors and 3 executive directors.

The Chairman of the Board of Directors is the same person as the Chairman of the Audit Committee and is independent from the Management. The Board of Directors structure consists of 5 independent directors out of 10 directors, thus balancing the power and can review the work management.

The term of office of directors is 3 years each. Upon expiration of the term the Board of Directors will consider electing nominees with appropriate qualifications to fill the vacancies, taking into account their knowledge, capacities and experiences appropriate to the Company. Directors vacating office at the end of their term may be re-elected for another term.

2. Subcommittee

The Board of Directors appointed the Audit Committee to assist in supervising the business of the Company. Power and duties of the Audit Committee are as per details in the management structure.

3. Roles, duties and responsibilities of the Board of Directors

The Board of Directors is involved in prescribing policies, targets, business plans and budgets of the Company, and supervises the Management to perform in accordance with the plans and budgets allocated proficiently and effectively.

The Company sets up policies for the Board of Directors to be responsible for the consolidated financial statement and separate financial statement of the Company by requiring the Audit Committee to review and assess the internal control system to ensure efficiency thereof to create confidence for all interested parties and the Board of Directors prepares report on the responsibility of the Board towards financial report, including the financial information contained in the annual report. Such financial statements are prepared in accordance with generally accepted accounting standards in Thailand by selecting appropriate accounting policies regularly practiced and using the discretion carefully and the best estimate in the preparation thereof. Significant information is disclosed adequately in the notes to the financial statements for benefits of shareholders and general investors to be aware of the information which presents fairly and reasonable financial positions and results of operation. Quality of the financial report is contained in the report on the responsibilities of the Board of Directors towards the financial report in the annual report.



Moreover, the Company clearly prescribes the scope of power and duties of each committee, especially the Executive Committee and the Managing Director, thus resulting in such committees or person having no exclusive power, and there is a balance in significant resolutions which require approval from the Board of Directors or shareholder meeting (as the case may be), and directors could not approve any transaction in which they or their related persons and close relatives have interest.

The Board of Directors arranges to maintain an effective internal control system to ensure reasonably that accounting transactions are accurate, complete and adequate to maintain properties and to become aware of weak points to prevent dishonesty or material unusual actions.

The Board of Directors appointed the Audit Committee to take care of the quality of the financial report and the internal control system. Currently, the Company appointed Wong Kanit Accounting Office, which is an external expert, to assess the internal control system of the Company and to provide advice, examine, assess and monitor the internal control system, the risk management system, the supervision of the business and report directly to the Audit Committee.

4. Board Meetings

The Board of Directors would hold regular meetings once every 3 months or at least 4 meetings per year. In 2012 the Company held 7 Board of Directors meetings. In addition, the Company could hold extraordinary meetings as necessary by clearly specifying the agenda items in advance, with regular follow-ups on the results of operation. In each meeting, the letter of invitation together with agenda items of the meeting would be sent at least 7 days before the meeting date to allow the Board ample time to study the information before the meeting. The Chairman would allocate sufficient time for directors to comment freely on various issues. If any director had interest in the matter being considered, the director would not make decision in such matter. Minutes of the meeting would be prepared and maintained systematically and verifiably



Details on the attendance of the Board meetings and the Audit Committee meetings are as follows:

Name of Directors	No. of attendance / No. of meeting			
	2012		2013	
	Board meetings	Audit Committee meetings	Board meetings	Audit Committee meetings
1. Mr. Vichien Ratanabirabongse	7/7	5/5	5/5	7/7
2. Mr. Kamol Thammanichanond	5/7	4/5	4/5	6/7
3. Gen. Boonsak Khamhaenglitirong ⁽¹⁾	5/7	5/5	1/5	1/7
4. Mr. Pramote Chotmongkol ⁽²⁾	-	-	3/5	4/7
5. Professor Chaiyos Hemarajata	4/7	-	4/5	-
6. Pol. Gen. Achirawit Supanpesach	6/7	-	4/5	-
7. Mr. Theerawat Thanyalakpark	7/7	-	5/5	-
8. Miss Benyalak Thanyalakpark	7/7	-	5/5	-
9. Miss Kessara Thanyalakpark	7/7	-	5/5	-
10. Miss Umaporn Thanyalakphark	7/7	-	5/5	-
11. Mrs. Weraporn Chaisiriyasawat	7/7	-	5/5	-

Note: ⁽¹⁾General Boonsak Khamhaenglitirong resignation as a director on 10 April 2013

⁽²⁾Mr. Pramote Chotmongkol was appointed as a director on 24 April 2013

(5) Self evaluation of the Board of Directors

The Company prepared a self evaluation form for the Board of Directors. Such form is prepared by the Stock Exchange of Thailand and adjusted by the Company to suit its Board of Directors. Such form helps each director and the Board to consider and review all problems and difficulties during the past year whether there is any issue in need of improvements, e.g. receipt of information, opportunities allowed by the Chairman for directors to present their views, or issues which should be developed in the future. It also serves as a tool to help checking and analyzing if the Board's performance is efficient and in full compliance with its duties or not.

(6) Remunerations of directors and executives

The Company has not yet established a nominating and remuneration committee and, therefore, remunerations of directors were determined by the Board of Directors, but in a clear and transparent manner that the remunerations would be at the same level as the industry and appropriate to the duties and responsibilities assigned, and at a high enough level to attract and retain directors with the required



qualifications, and approved by the shareholder meeting. Remunerations of executives were in accordance with principles and policy prescribed by the Board of Directors corresponding to the achievements of the Company and the performance of each executive.

(7) Director and executive development

The Company urged the Board and high-level executives to participate in seminars with courses beneficial to their performance organized by government agencies or private organizations. All directors would be urged to participate in training courses relevant to them organized by the Thai Institute of Directors (IOD).

Supervision on the use of internal information

The Company has a policy prohibiting directors and executives from using the Company's essential internal information not yet disclosed to the public for benefits of their own or others including trading of securities of the Company. The supervisions on the executives to refrain from using internal information for benefits of their own or others are as follows:

1. Inform executives in various departments to become aware of their obligations to report the possession of securities by themselves, their spouses and non sui juris children, as well as to report on changes to the possession of securities pursuant to Section 59 and the penal provisions pursuant to Section 275 of the Securities and Exchange Act B.E. 2535 (A.D. 1992);
2. Send circular to inform executives that executives who are aware of essential internal information with impacts upon the changes to security value should avoid or refrain from trading of the Company's securities for 1 month and not disclose such essential information to any third party before the financial statement or such internal information is disclosed to the public, and set penalization measure and inform them of the penal provisions starting from verbal warning, written warning, suspension and dismissal, respectively.
3. Time schedules for announcement of operation results and essential information effecting changes to security value and impacting upon the Company's financial statements are 45 days of the end of a quarter and 60 days of the end of the fiscal year; and
4. The Company had a policy and means to prevent directors and executives to make use of significant information with effects upon investment by informing the Stock Exchange of resolutions of all Board of Directors meetings immediately before opening of its next round of trading.

In order to supervise and investigate on such conduct the Company had a policy requiring executives who are required to prepare report on possession and changes to the possession of securities pursuant to Section 59 to inform the Executive Committee thereof. In addition, the



Company informed directors and staffs involved with internal information, in writing, to strictly comply herewith and offenders would be penalized in accordance with the Articles of Association.

Personnel

■ Number of Personnel (excluding executives)

As at 31 December 2012, the Company had 400 personnel as follows:

Major Departments	No. of staff (person)
Project	90
Construction/Design/Layout	33
Accounting and Finance	38
Marketing/Business Development	25
Sales	32
Human Resource Development/Administration	26
Investment	3
Procurement	11
Law & Legal Contract	14
Computer	6
Home Loan & Condominium	19
Management	19
Organizational Communication	14
Leasing Business	36
Condominium Juristic Person	36
Business Research	-
Residential Real Estate for Sales	4
Total	406

Note: The number of personnel above did not include the number of personnel of T.TRE of 39 persons.



■ **Total remunerations of staff and type of remunerations**

(Unit : Baht)

Type of Remunerations	2012	2013
Salaries	107,386,035.00	121,400,371.38
Contributions to Social Security Fund	1,836,221.00	2,595,235.00
Contributions to Compensation Fund	219,168.00	184,251.00
Contributions to Provident Fund	720,215.00	848,329.00
Total welfares	1,618,098.00	3,942,472.96
Seminar and training costs	682,874.00	1,065,819.48
Total	112,462,611.00	130,036,478.82

■ **Significant changes of number of personnel**

In 2013, the Company employed additional 78 personnel to support its business expansion

■ **Major labor disputes during the past 3 years**

-None-

■ **Staff development policy**

The Company aimed to become one of the leading real estate entrepreneurs in Thailand. The Company established its goal to develop human resource by providing trainings to all employees at all levels regularly for enhancing their knowledge. The Company had a training budget of around 1,200,000 Baht per year to maintain employees' efficiency and develop their knowledge on a continuous basis, supporting the Company's growth target.



18. Corporate Social Responsibility

More than 30 years from the growth of small business which was selling Lod Chong (rice noodles in sweetened coconut milk) to become a real estate company with more than thousand million baht value under name of “SENA Development Public Company Limited”. The founder was Mr. Theerawat Thanyalakpark, the Chief Executive Officer, has still committed to realize the importance of customers constantly. Such commitment has shown in its vision, mission and business concept. The Company is proud to be a quality real estate company as well as proud to be part that the middle-low customers are able to own their residences which are worth with their payment

The Company commits to take care residents of all projects which already delivered and undelivered by realizing the needs of all aspects of residents and views that the customers are family members. Therefore, SENA has considered thoroughly for all details in order to maximize customer satisfaction till got the statement that **“Thorough Thinking for future”** by providing service of **confident** in development and design, with emphasis on location and function maximizing customers’ needs, **Satisfied** with maintenance from after-sale services and maintenance by SENA WE CARE, Comfortable with our care under Victory Assets Management’s services in managing the projects to be in good condition and **Proud** of appreciating property value in the future from resale and rental services of Living Agent

Beside, SENA Development Public Company Limited also realizes that to that to create livable society, people in society have to be happy. **“Baan Ruam Tang Fan”** project was another social activity of the Company under concept of **“Live to Give”**.

The intention of Khun Theerawat Thanyalakpark, Chief Executive Officer is to return good things to society by operating through real estate project. **“Baan Ruam Tang Fan”** project was the project created for social event of SENA Development Public Company Limited under name of Baan Ruam Tang Fun Company Limited. The beginning of this project was from executives of SENA Development who viewed that there were thousands of patients per day came for treatment at hospital and needed support for various parts as well as observed the dedication of nurses of public hospital caring of all patients. Besides, the patients have been increasing every day. Therefore, the Company would like to be another force to develop public hospital to obtain fully medical equipment and supply for treatment and can facilitate the incoming patients to receive better medical care.

“Baan Ruam Tang Fan” project performed by executives of SENA Development to cooperate and collaborate and spend time outside office hour without any compensation and using existing team of SENA to operate in order to maximize profit and donate to public hospital to reduce government burden and support for sufficient service.

Baan Ruam Tang Fun project’s main objective is to return to society, however, the project operation was successful with the design and good location. Therefore, the project received good response from a number of customers.



In 2004, the Company initiated **“Baan Ruam Tang Fan 1”** located at Lamlookka Klong 2 in the form of townhouse and home office for 254 units, price started from 1.3 million baht. The revenues from project management over a year were 340 million baht. The Company got financial support from Government Housing Bank, Siam City Bank as well as stores which provided special conditions. The revenues after deducted expenses of the first project were chosen to donate to public hospital. Year 1997 was the pride of executives’ team of the group of SENA Development Public Company Limited to donate to Siriraj Hospital, the total donation was 40.05 million baht to support medical activities budget in order to assist general public to obtain equal quality of life.

The Company continued the intention of **“Baan Ruam Tang Fan 2”** located at Lamlookka Klong 4 for 184 units divided into townhouse 90 units, twin house 81 units and home office 13 units. The total value of project was more than 372 million baht, the profit of this project was donated to Police General Hospital to purchase medical equipment and improve hemodialysis room at the value of 40 million baht.



“Bann Ruam Tang Fan 2”



Donated to Police General Hospital 40 million baht

In 2012, the Company continued to launch **“Baan Ruam Tang Fan 3”** located at Klong Luang Road, close to Talaad Thai which consisted of 5-storey residence condominium for 4 buildings, total 282 units, commercial condominium for 14 units and 3.5 story home office for 14 units. All revenues from the operation donated to Ramathibodi Hospital at the amount of 40 million baht.



Baan Ruam Tang Fan project would not be successful if lack of support from various partners such as Government Housing Bank, Kasikorn Bank, Siam City Bank, Bangkok Commercial Asset Management Company Limited, Thai Credit Retail Bank including companies and stores. Baan Ruam Tang Fan project was a sample of new concept to create quality house together with make benefit to strengthen Thai society. The effort to do for our society will not be the waste investment. The return may not only the society recognition but also building equal quality of life and making the community more livable and sustainable.



“Bann Ruam Tang Fan3”



donated to Siriraj Hospital 40.05 million baht.

SENA Development Public Company Limited realizes that to create livable society, people in society have to be happy. **“Bann Ruam Tang Fan”** project was created to be social event of the Company under concept of “Live to Give”. The pride of the Company will be to construct good residences to home buyers and has opportunity to improve quality of medical treatment since all profit of the project will be donated to general hospitals for the benefit of patients of the hospitals.



19. Internal Control

The Board of Directors Meeting No. 1/2013 held on 21 February 2013 participated by all 3 audit directors made assessment on the adequacy and appropriateness of the internal control system of the Company. The Company emphasized on the arrangements of the internal control system, both at the executive level and the operative level, to ensure efficiency and effectiveness by employing Wong Kanit Accounting Office, which is an expert in examination of internal control system, to check and establish the internal control checking system for the Company and its subsidiaries for all quarters of 2013. The Board of Directors also inquired the Management to follow up on the internal performance based on observations and assessment made by the internal auditor and the Board of Directors. The results of assessment of the internal control system of all quarters of 2013 of the Company and its subsidiaries were satisfactory. The results of assessment of internal control system broken down by 5 elements in accordance with the form on assessment of adequacy of the internal control system of the Office of the Securities and Exchange Commission can be summarized as follows.

Organization and the Environment

The Company had appropriate organization structure and supported the Management to perform efficiently. Targets and performance guidelines were clearly established and measurable. Performance policy and procedures including Code of Conduct were prepared in writing to prevent damages to properties of the Company and its subsidiaries and prevent executives and staffs from seeking undue benefits

Risk Management

Executives of the Company emphasized on risk management by assessing risk factors, both external and internal. Regular analyses were made by executives in the monthly meetings to consider the operation results and the progress of the compliance with the risk management plan was followed up in the monthly meetings.

The Management Performance Control

The Company prescribed the scope of power, duties and financial amounts authorized to be approved by the Management at each level clearly and in writing. Duties were clearly classified and specified in the requirements on performance ethics. In addition, in making transactions with major shareholders, directors, executives or parties related thereto, the Company prescribed concise measure to monitor and prevent conflicts of interest to maintain optimal benefits of the Company. Operations of subsidiaries were regularly monitored and guidelines were established for persons nominated by the Company as directors or executives in said subsidiaries to comply with.



Information System and Data Communications

The Company emphasized on the information system and data communications to ensure that information of the Company was accurate and adequate for decision making by executives and the Board of Directors. There was a system for storage of documents supporting accounting transactions in full by categories and accounting policies in accordance with financial reporting standards appropriate to the nature of the Company's business were used.

Monitoring System

The Company monitored the operation results by comparing with the established targets on a regular basis. In case any material defect was found, it would be reported to the Board of Directors and/ or the Audit Committee to take remedial action and report on the progress thereof. Moreover, the Company also had a policy requiring the Management to report to the Board of Directors immediately in case of corruption, illegal act and other unusual acts which could materially impact upon reputation and financial positions of the Company.

Summary of the internal audit of the Company as per opinions of the internal auditor

Whereas the Wong Kanit Accounting Office, as the Internal Auditor of the Company and its subsidiaries, has examined the work performance of various departments and assessed the internal control of each system for all quarters of 2013, it found that the Company had adequate internal control system and continuous compliance. Observations made by the Internal Auditor were issues on documentation of internal work performance in each department, which observations had no material impact upon the Company's operation, and executives of each department has investigated thereon and taken remedial actions.



20. Related Transactions

The Company had related transactions with parties concerned, which were transactions made with subsidiaries and related companies. Those companies were related by having some common shareholders and/or directors. The related transactions were disclosed in the notes to the financial statements audited/reviewed by the Company's auditor, and the Audit Committee has made comments on appropriateness of such transactions that they were in accordance with the normal course of business of the Company, reasonable, with prescriptions of prices and other conditions in accordance with market prices similar to those made for other parties or non-related business, and had no transfer of interest among the Company, subsidiaries, related companies and persons with possible conflict of interest.

In 2013 and 2012, the Company had the following connected transactions:



Company Name/ Individual	Relationship	Transaction	Value (Thousand Baht)		Details	Opinion of Audit Committee (Necessity / Reasonability)
			31-Dec-13	31-Dec-12		
Transactions between the Company and conflict of interest parties						
1. S P R Engineering Co., Ltd.	Has common directors and shareholders with a subsidiary, namely Mrs. Boontuen Suebnoi, holding 20% in SPE and 25% in SPH	- The Company employed S P R Engineering Co. Ltd. as its contractor in some projects.	0.00	1452.76		- S P R Engineering Co., Ltd. had experiences in construction and the employment was made at market price (general remuneration) with retention money deductions.
		- Trade account payable / Contractor	0.00	758.00		
2. Rattanaapol Co., Ltd	Being a company of a director's relative (Mr. Theerawat Thanyalakphark)	- The Company purchased construction materials from Rattanaapol Co. Ltd.	4,761.32	3,684.99		- At market price
		- S.N. Asset Development	252.73	294.28		
		- Property Gateway Co., Ltd..	333.06	544.71		
		- Victory Asset Management Co., Ltd.	76.30	295.68		
		- Trade account payable / Contractor	1,292.59	705.45		
		- S.N. Asset Development	55.96	27.39		
- Victory Asset Management Co., Ltd.	102.91	77.99				
		- Property Gateway Co., Ltd..	114.27	122.11		
		- Victory Asset Management Co., Ltd.	107.58	77.99		



Company Name/ Individual	Relationship	Transaction	Value (Thousand Baht)		Details	Opinion of Audit Committee (Necessity / Reasonability)
			31-Dec-13	31-Dec-12		
3. Pattaya Country Club Co., Ltd.	Director's relative	- Rental of office building	201.60	69.00	- Pattaya Country Club Co., Ltd. rented office building No. 524 from the Company. The rental period started from January 1, 2012 until December 31, 2012 with monthly rental rate of 5,750 baht and extended for another 3 years, started from January 1, 2013 until December 31, 2015 at the monthly rental rate of 10,100 baht and monthly service fee of 6,700 baht.	- Rental rate is reasonable with normal term of payment
4. Baan Ruam Tang Phun Co., Ltd.	Common shareholders and directors	- Rental fee of office building	204.00	204.00	- Baan Ruam Tang Phun Co., Ltd. rented office building No. 484 from the Company, the rental period started on October 1, 2008 until December 31, 2012, monthly rental fee was at 17,000 baht. On November 1, 2012, the contract was extended until December 31, 2014 with monthly rental rate at 17,000 baht.	- Rental rate is reasonable with normal term of payment



Company Name/ Individual	Relationship	Transaction	Value (Thousand Baht)		Details	Opinion of Audit Committee (Necessity / Reasonability)
			31-Dec-13	31-Dec-12		
		- Cost of land for sales	150.00	0.00		-The Company entered into MOU with regard to co-ownership with compensation Chor.163349 for 75,000 baht and Chor. 163350 for 75,000 baht. The objective of this purchase was to be the doorway.
		- Compensation of assets utilization of SENA Development Plc.	79.05	0.00		- The Company entered into contract to specify business framework on April 24, 2013 (2) assets (2.1) The compensation of the utilization by Baan Ruam Tang Phun Co., Ltd. according to assets table of SENA Development Plc. 1. Condominium "The Cache" 2. Call Center 3. Accounting software (RMS) 4. Brand SENA Such price was flat price / project / year. The compensation was 79,053 baht (started 25/04/2013-25/04/2014) and was recorded as unearned revenues for period of 01/01/2014-25/04/2014.



Company Name/ Individual	Relationship	Transaction	Value (Thousand Baht)		Details	Opinion of Audit Committee (Necessity / Reasonability)
			31-Dec-13	31-Dec-12		
		- Revenues from land sales				<p>1. On March 7, 2013, the Company registered the land ownership of each section of land title no. Chor. 62165 from land purchase at Bangkhae. SENA owned 3,816 sections and Bann Ruam Tang Fhun owned 765 sections. After the adjustment of design and plotting, land owned by Baan Ruam Tang Fhun increased 41.7 square wah, therefore, SENA received additional revenues from land sales of 1,183,362 baht.</p> <p>2. Received compensation for co-ownership of Chor. 161422 Khlong Luang for 75,000 baht.</p>

Apart from the above mentioned transactions, there were related transactions disclosed in the financial statements for the year ended December 31, 2013.



21. Management Analysis of Financial Status and

1. Operation Result

Overview of past performance

The Company has long experience and expertise in operating the residential real estate development business for over 30 years and has products covering all requirements of customers, both the horizontal residences, e.g. single-detached house, twin house, townhouse and commercial building, and vertical residences, e.g. condominium and apartment, at all price levels appropriate to main target customer groups of the Company, and project development in all potential locations, e.g. community growth, availability of basic public utilities etc. Moreover, the Company also has real estate projects for rent on monthly and daily basis to respond to requirements of customer groups.

In 2013, the Company and its subsidiaries had total revenues of 2,000.95 million Baht, increasing by 18.76% from the previous year, with a net profit of 272.03million Baht, representing net profit margin of 13.59%. As at December 31, 2013, the Company and its subsidiaries had a total of 14 residential real estate developments for sales projects in progress, total units when all projects completed were 7,514 units, and 2,527 units were transferred. The remaining residential units under construction and had not been transferred were 4,987 units. The remaining project value which the Company would gradually conclude the sales and recognize revenues during 2015-2017 were 9,064 million baht. The Company also had residential real estate development for rent projects comprising the “SENA House Ratchayothin” and the “SENA House Lamlookka Klong 2” apartment projects for rent on monthly/daily basis with 159 units and 42 units, respectively, and the “Godown Sukhumvit 50” Project with 22 warehouses for rent, and the “SENA Fest” Project, a 4-storey Lifestyle Community Mall at Charoennakorn Road, Bangkok, which would be operational in March 2013.

Operation Result of 2013

Revenues

The Company recognized its revenues from land with structures and condominiums after the construction has been completed and ownerships and material interests in the properties have been transferred to buyers. In respect of other revenues, the Company recognized them on accrual basis. Revenues of the Company during 2011-2013 by types of projects were as follows.



Revenues from Sales by Project Categories and Total Revenues (Consolidated Financial Statement)

Revenues	2011		2012		2013	
	MB	%	MB	%	MB	%
<u>Revenues from horizontal residences</u>						
SENA Grand Home	82.3	3.8	41.7	2.5	37.5	1.9
SENA Green Ville	177.3	8.3	175.9	10.4	125.3	6.3
SENA Villa	166.4	7.8	128.1	7.6	57.3	2.9
Praemaporn Klong 7	42.7	2.0	32.8	1.9	48.9	2.4
SENA Park Grand	-	-	-	-	50.0	2.5
Total Revenues from horizontal residences	468.7	21.8	378.5	22.5	319.0	15.9
<u>Revenues from vertical residences</u>						
The Niche	1,177.9	54.9	798.8	47.4	1,035.9	51.8
The Cache	143.1	6.7	71.2	4.2	53.4	2.7
The Kith	312.1	14.5	362.6	21.5	463.5	23.2
Revenues from residence decorationตกแต่งที่	25.7	1.2	6.3	0.4	0.2	0.0
Total Revenues from vertical residences	1,658.8	77.3	1,238.87	73.5	1,553.0	77.6
Total revenues from residence sales	2,127.5	99.1	1,617.4	96.0	1,871.9	93.6
Revenues from land sales	0.3	0.0	-	-	5.4	0.3
Revenues from rental and services	19.0	0.9	22.1	1.3	93.5	4.7
Revenues from golf course	-	-	45.4	2.7	30.1	1.5
Total revenues from sales and services	2,146.8	100.0	1,684.9	100.0	2,001.0	100.0

Total revenues from sales and services

In 2011-2013, total revenues from sales and services of the Company were 2,146.8 million baht, 1,684.9 million baht and 2,001.0 million baht, respectively and mainly from horizontal and vertical residences which accounted for 99.1%, 96.0% and 93.6% of total revenues, respectively. The proportion of revenues from residence sales to total sales in 2012 and 2013 decreased due to the increase of revenues of rental and services from Sena Fest project operated by the Company and revenues from golf course operated by its subsidiary, T. TRE.

The Company recognized its revenues from land with structures and condominiums after the construction has been completed and ownerships and material interests in the properties have been transferred to buyers. In respect of other revenues, the Company recognized them on accrual basis.



Revenues from residence sales

In 2011-2013, revenues from residence sales of the Company were 2,127.5million baht, 1,617.4million baht and 1,877.3million baht, respectively, representing the decrease of 24.0% and the increase of 16.1% from the previous year, respectively.

In 2012, the Company recognized revenues significantly from vertical residence projects “The Niche” which were “The Niche Lad Prao130”, “The Niche Ratchada-Huaykwang”, “The Niche Wongwianyai-Taksin”, the new projects launched during 2009-2010 and gradually transferred ownership to customers during the end of 2010 and throughout 2011. The total recognized revenues of “The Niche” in 2011 were 1,177.9million baht. Besides, there were revenues gradually recognized from existing horizontal residences which were “SENA Villa Ramindra Exclusive”, “SENA Green Ville Klong 11”, “SENA Green Ville Teparak”, “SENA Green Ville Sville Lamlookka Klong 4”, “SENA Grand Home Phase 4”, “Praemaporn Klong 7”, the total amount was 468.7 million baht.

In 2012, the revenues from residence sales decreased by 24.0% from the previous year since during such period many projects of the Company were under construction. Therefore, the ownership could not be transferred to recognize revenues. However, the Company gradually recognized revenues from vertical residence projects for 1,238.9 million baht. The projects which were recognized revenues significantly were “The Niche” (“The Niche Lad Prao 130”, “The Niche Ratchada-Huaykwang”, “The Niche Wongwianyai-Taksin”) and “The Kith” (“The Kith Sukhumvit 113”, “The Kith Chaengwattana”). With regard to horizontal project, the Company gradually recognized revenues for 378.5 million baht, mainly from “SENA Green Ville Sville Lamlookka Klong 4” and “SENA Villa Ramindra Exclusive”.

In 2013, the revenues from residence sales increased by 16.1% from the previous year. The Company gradually recognized revenues from vertical residence project for 1,553.0 million baht. The projects which recognized revenues significantly were “The Niche” (new projects “The Niche Mono Bangna” and “The Niche Wanghin” which started to recognize revenues in 2013 and constant revenues recognized from “The Niche Lad Prao 130”, “The Niche Ratchada-Huaykwang”, “The Niche Wongwianyai-Taksin”) and “The Kith” (new projects “The Kith Klong 2”, “The Kith Tiwanont” which started to recognize revenues in 2013 and constant revenues recognized from “The Kith Sukhumvit 113” and “The Kith Klong Luang”). With regard to horizontal residence project, the Company gradually recognized revenues from horizontal residence projects for 319.0 million baht, mainly from “Sena Green Ville Sville Lamlookka Klong 4”, “SENA Park Grand”, “Praemaporn Klong 7”, “SENA Grand Home Phase 4” and “SENA Villa Ramindra Exclusive”.

Revenues from rental and services

In 2011-2013, rental revenues from apartment and warehouse were 19.0 million baht, 22.1 million baht and 93.5 million baht, respectively which were from “SENA House Phaholyothin” and “SENA House Lamlookka Klong 2” apartment projects for rent with 159 units and 42 units, respectively and “Ko Dang Sukhumvit 50”



project with 22 warehouses for rent and “SENA Fest” a 4-storey lifestyle community mall at Charoennakorn Road. The revenues of rental and services increased significantly from the previous year mainly from rental revenues from SENA Fest project in 2013 for the amount of 69.3 million baht.

Revenues from golf course

The Company perceived that the competition of real estate business was very fierce currently and the land price has increased continuously. Therefore, the Company has plan to increase other income in addition to revenues from real estate. On January 5, 2012, the Company invested 100.0% in T.TRE which operate golf course at Pattaya Country Club. The Company prepared consolidated financial statements since January 1, 2012 which included operation result of T.TRE in statements of comprehensive income and statements of cash flow (the discrepancy of operation result during that period was not significantly different).

In 2012, the Company had revenues from golf course for the first year at the amount of 45.4 million baht. In 2013, the Company had revenues from golf course at the amount of 30.1 million baht, decreased 33.6% from the previous year due to the improvement of golf course half at a time or 9 holes from 18 holes since February 2013. The improvement was completed and ready to open with full area in December 2013.

Other revenues

In 2011-2013, the other revenues of the Company were 40.4 million baht, 53.9 million baht and 74.0 million baht, respectively. Other revenues were revenues from contract cancellation, profit from assets sales and interest income, etc. Other revenues in 2013 increased by 20.1 million baht or equivalent to 37.3% from the previous year. The increase of such revenues was mainly from the increase of revenues from contract cancellation for 4 million baht since there were many projects gradually been transferred ownership and recognized revenues in 2013 and other revenues were revenues from contractor retention forfeiture, construction waste sales which increased around 6 million baht and other revenues related to SENA Fest project such as revenues from property taxes which increases around 6.6 million baht. The revenue related to SENA Fest project mainly was property taxes for 4.6 million baht and was recorded as administrative expenses in 2013 as well.

Cost of sales

The Company and its subsidiaries recognized their costs of sales on accrual basis. Costs of sales of the Company during 2011-2013 by types of projects were as follows.



Costs of Sales by Project Categories and Total Costs (Consolidated Financial Statement)

Cost of Sales	2011		2012		2013	
	MB	%of revenues	MB	%of revenues	MB	%of revenues
<u>Cost of sales of horizontal residences</u>						
SENA Grand Home	44.9	54.6	21.4	51.3	20.3	54.2
SENA Green Ville	115.8	65.3	106.8	60.7	75.7	60.5
SENA Villa	94.6	56.9	72.2	56.4	32.9	57.5
Praemaporn Klong 7	29.1	68.1	22.5	68.6	28.8	58.8
SENA Park Grand	-	-	-	-	30.5	61.0
Total cost of sales of horizontal residences	284.4	60.7	222.9	58.9	188.3	59.0
<u>Cost of sales of vertical residences</u>						
The Niche	685.0	58.2	386.5	48.4	611.2	59.0
The Cache	54.5	38.1	46.3	65.1	27.4	51.3
The Kith	169.9	54.4	225.5	62.2	269.4	58.1
Cost from residence decoration	14.8	57.6	3.5	55.6	0.1	63.9
Total cost of sales of vertical residence	924.2	55.7	661.8	53.4	908.1	58.5
Total cost of residence sales	1,208.7	56.8	884.7	54.7	1,096.4	58.6
Cost of land sales	0.2	66.7	-	-	3.1	58.0
Cost of rental and services	13.0	68.4	14.4	65.2	46.1	49.3
Cost of golf course	-	-	31.2	68.7	27.6	91.7
Total cost of sales	1,221.9	56.9	930.3	55.2	1,173.3	58.6

Remark: % of revenues of each type of sales and services

In 2011-2013, the Company's cost of sales were 1,221.9 million baht, 930.3 million baht and 1,173.3 million baht, respectively, representing 56.9%, 55.2% and 58.6% of total revenues from sales services. Cost of sales consisted of land cost, land development cost, construction cost and public utilities cost.

In 2011-2013, the costs of residence sales were 1,208.7 million baht, 884.7 million baht and 1,096.4 million baht, respectively which representing 56.8%, 54.7% and 58.6% of total revenues from residence sales, respectively.

**Gross Profit**

Gross Profit	2011		2012		2013	
	MB	% of revenues	MB	% of revenues	MB	% of revenues
<u>Gross profit of horizontal residences</u>						
SENA Grand Home	37.4	45.4	20.3	48.7	17.2	45.8
SENA Green Ville	61.5	34.7	69.1	39.3	49.5	39.5
SENA Villa	71.8	43.1	55.9	43.6	24.3	42.5
Praemaporn Klong 7	13.6	31.9	10.3	31.4	20.1	41.2
SENA Park Grand	-	-	-	-	19.5	39.0
Gross profit of horizontal residences	184.3	39.3	155.6	41.1	130.6	41.0
<u>Gross profit of vertical residences</u>						
The Niche	492.9	41.8	412.3	51.6	424.7	41.0
The Cache	88.6	61.9	24.9	34.9	26.0	48.7
The Kith	142.2	45.6	137.1	37.8	194.1	41.9
Profit from residence decoration	10.9	42.4	2.8	44.4	0.1	36.1
Gross profit of vertical residence	734.6	44.3	577.1	46.6	644.9	41.5
Total project gross profit	918.9	43.2	732.7	45.3	775.5	41.4
Gross profit of land sales	0.1	33.3	-	-	2.3	42.0
Gross profit of rental and services	6.0	31.6	7.7	34.8	47.4	50.7
Gross profit of golf course	-	-	14.2	31.3	2.5	8.3
Total Gross Profit	925.0	43.1	754.6	44.8	827.7	41.4

Remark: % of revenues of each type of sales and services

In 2011-2013, the Company's gross profit were 925.0 million baht, 754.6 million baht and 827.7 million baht, respectively, representing gross profit margin of 43.1%, 44.8% and 41.4% of total sales and services, respectively. The gross profit of residence projects were 918.9 million baht, 732.7 million baht and 775.5 million baht, representing gross profit margin of 43.2%, 45.3% and 41.4%, respectively. The increase of gross profit margin during 2011-2012 was because the Company managed its cost efficiently with economies of scale from purchase plan of construction and decoration material of many projects together and change the contractor appointment method from auction to appoint according to the Company's budget.

In 2013, the Company improved and restored golf course project in Pattaya Country Club, the plan was to improve all 18 holes. During quarter 2-3 of 2013, the golf course opened only 9 holes, the other 9 holes were under improvement. Besides, the project was under club house construction. Therefore, the gross profit of the project decreased significantly. However, in 2014, the project will open all 18 holes and will enable the gross profit to increase. In 2015, Pattaya Country Club project will be able to be recognized revenues completely since the club house will be opened in the beginning of the year. The decrease of gross profit of



Pattaya Country Club was not caused by the project potential but due to during improvement process. The gross profit of project can reflect business potential only when the project is opened for service and can be recognized revenues entirely in 2015.

In 2011, the Company recognized revenues significantly from vertical residence project “The Niche” which the gross profit margin was at 41.8%. Besides, other projects which were “The Cache”, “The Kith” and horizontal residence project “SENA Grand Home” had gross profit margin at 61.9%, 45.6% and 45.4%, respectively. In 2012, the Company recognized revenues significantly from vertical residence project “The Niche” which consisted of “The Niche Lad Prao 130”, “The Niche Wongwianyai-Taksin” and “The Niche Huaykwang” which average gross profit was at 51.6%.

Selling and administrative expenses

Selling and administrative expenses	2011		2012		2013	
	MB	%	MB	%	MB	%
Selling expenses	271.0	63.5	203.5	51.0	278.2	54.9
Administrative expenses	145.9	34.2	185.5	46.5	219.5	43.3
Remuneration of executives	10.2	2.4	9.9	2.5	9.1	1.8
Total selling and administrative expenses	427.1	100.0	398.9	100.0	506.8	100.0
Selling and administrative expenses to total revenues ratio (%)	19.5		22.9		24.4	

Main selling and administrative expenses were employee expenses, advertising and promotion expenses, depreciation, remuneration of executives, etc. In 2011-2013, selling and administrative expenses were 427.1 million baht, 398.9 million baht and 506.8 million baht, respectively representing selling and administrative expense to total revenues ratio of 19.5%, 22.9% and 24.4%, respectively. Major selling and administrative expenses in 2011 was promotion, advertising and public relation expenses to promote the Company's projects for its awareness and to reach its target market. Besides, in 2011 the Company hired additional staff for project engineer, project sales team, construction / design / project planning to support business expansion.

In 2012, the selling and administrative expenses to total revenues ratio increased to 22.9% since most of its expenses were fixed and in 2012 the Company had projects under development and could not transfer ownership to recognize revenues for some amount. Therefore, the selling and administrative expenses to total revenues ratio in 2012 increased.

In 2013, the selling and administrative expenses to total revenues ratio increased to 24.4% due to the increase of the expenses related to sales promotion and public relation. The Company had several projects



which completed and ready to transfer the ownership, therefore, the Company had to focus on sales promotion, advertising and public relation throughout 2013. Such expenses were advertising expenses in all medias, public relation expenses, promotion and giveaway.

Return to equity ratio

The return to equity ratio of the Company in 2013 was 11.64% and the Board of Directors passes the resolution to pay dividend from operation result of 2013 to shareholders for the amount of 107.89 million baht or equivalent to the dividend payout ratio of 40% of net profit of 2013 consolidated financial statements.

2. Financial status

As at the end of 2011-2013, the total assets of the Company were at 2,986.3 million baht, 4,298.3 million baht and 5,640.9 million baht, respectively. The details of major assets were as follows:

Inventories

As at the end of 2011-2013, the inventories of the Company were 1,614.6 million baht, 1,848.7 million baht and 2,283.0 million baht, respectively. The main inventories in the consolidated financial statements were land for project development, land development cost, land and club house, public utilities, construction works, management fee, borrowing cost, expensed to contact with government agency and other expenses. The figures were the net amount after deduct portion transferred to cost of sales and allowance for impairment. Inventories value has increased every year since the Company has expanded its business and constantly launched new projects. Details of inventories separated by project were as follows:

	Name of Project / Location	Dec 31, 11	Dec 31, 12	Dec 31, 13
1	SENA Grand Home Zone 4, Lamlookka	67.2	45.8	26.5
2	Villa Ramindra (Zone 1, 2, 4-6)	2.6	-	
3	Villa Ramindra Exclusive Zone A,C,D	92.1	27.3	18.4
4	S Town 2 Ramindra	-	-	0.8
5	SENA Green Ville Lamlookka Klong 11	2.1	1.3	1.3
6	SENA Green Ville Lamlookka Klong 2	4.7	4.7	4.7
7	SENA Green Ville Bangna-Teparak	14.8	1.1	-
8	SENA Green Ville Ramindra	1.2	1.2	0.3
9	SENA Villa Lamlookka Klong 2	-	-	-
10	S Ville Rangsit – Lamlookka	112.5	102.2	136.5
11	The NicheSukhumvit 49	-	-	-
12	The NicheLad Prao 48	2.0	2.0	2.0
13	The NicheTaksin	106.1	2.4	1.0
14	The NicheRatchada-Huaykwang	20.8	7.2	2.7
15	The Nicheld Lad Prao 130	289.2	78.3	1.8



	Name of Project / Location	Dec 31, 11	Dec 31, 12	Dec 31, 13
16	The NicheMono Bangna Phase 1	41.8	248.5	298.3
17	The KithChangwattana	42.5	2.5	1.9
18	The KithSukhumvit 113	120.9	41.4	-
19	The KithLamlookka Klong 2 (Phase 1,2)	1.3	134.4	181.0
20	The Cache Lamlookka Klong 2	16.8	31.9	2.4
21	The Cache Rama 3		0.4	0.4
22	Praemaporn Lamlookka Klong	95.7	74.2	46.2
23	SENA Park Grand Phase 1*	578.5	659.2	468.5
24	The KithKlong Luang, Pathumthani	-	82.2	223.6
25	The Nicheld Wanghin	-	56.1	66.4
26	The Kith Suankularb, Nontaburi (plot at the back of the project)	-	1.9	199.0
27	The Niche Ratchavipha	-	242.5	257.0
28	The Kith Nawamin 163	-	-	236.3
29	The Niche Id Rama 2	-	-	105.0
30	Others, food and drink sales in golf course	-	-	1.0
	Total inventories	1,614.6	1,848.7	2,283.0

Remark

*As at December 31, 2011 and 2012, inventory value of SENA Park Grand showed with all land value. In 2013, the development of such project was clear; therefore, the Company divided land into phase 1 and phase 2. As at December 31, 2013, the inventory value of that project showed only phase 1 value and phase 2 was recorded as land held for development.

Land held for development

At the end of 2011-2013, the lands held for development of the Company were at 501.0 million baht, 725.4 million baht and 948.5 million baht, respectively. In 2012, the Company invested in several plots of land which have potential for residence project development in the future such as land at Tambon Bangkradi, Amphur Muang, Pathumthani and Bangna area which in the same area of the Company's existing project. Besides, the Company also purchased land of golf course at Pattaya at the amount of 97.2 million baht from its subsidiary, T. TRE which already included in 2012 financial statements. In 2013, the lands held for development of the Company increased 223.1 million baht due to the record of land of SENA Park Grand Phase 2 which previously was recorded as inventory and the purchase of 2 plots of land at Tambon Bangkhae and Tambon Kannayao to develop projects in the future.



	Name of Project / Location	Dec 31, 11	Dec 31, 12	Dec 31, 13
1	Villa Ramindra (Left side+Exclusive)	43.1	43.2	32.8
2	SENA Grand Home Zone 4	8.9	8.9	8.9
3	SENA Grand Ville Ramindra	1.0	1.0	-
4	The Kith Sukhumvit 113	0.1	-	-
5	The Cathe Lamlookka Klong 2	2.7	-	-
6	The Kith Khlong Luang	100.3	73.7	-
7	Kedsara Ramindra (Zone 6)	0.1	0.2	0.2
8	Land Km.9, Ramindra, Bkk	30.2	30.2	30.2
9	Land at SENA Park Grand Phase 2	-	-	290.7
10	Sukhumvit 50 Project	-	-	-
11	Land for Wanghin Project	42.1	-	-
12	Bangna Km. 8	102.3	-	-
13	Bangna (additional purchase)	-	74.6	41.4
14	Lad Prao 130	4.0	4.0	-
15	Bangna –Trad (Km.4)	3.0	3.0	3.0
16	Amphur Bangkradi, Pathumthani	81.8	87.7	89.2
17	Land of golf course, Pattaya	-	97.2	97.2
18	SENA Fest, Charoennakorn	-	-	-
19	The Kith Nawamin 163	-	57.6	8.2
20	The Niche Id Rama 2	-	47.6	1.3
21	Land of The Kith Suankularb	-	167.3	112.2
22	Land, Bangkai	-	-	112.8
23	Land, Kannayao	-	-	120.4
Total land held for development		501.0	725.4	948.5

Property, plant and equipment

At the end of 2011-2013, property, plant and equipment of the Company were 95.9 million baht, 605.4 million baht and 709.8 million baht, respectively. The increase of property, plant and equipment was due to the consolidation of property, plant and equipment of T.TRE of 507.1 million baht. The major property, plant and equipment of T.TRE was land of golf course with building. In 2013, the property, plant and equipment of the Company increased 104.4 million baht due to the accounting adjustment by recording sales office and mock up room of The Niche Wanghin, The Niche Mono Bangna, The Niche Id Rama 2, The Kith Khlong Luang, The Kith Klong 2, The Kith Suankularb and the Kith Nawamin 163 as fixed assets at around [40.5]million baht and amortized according to useful life 1-3 years and investment for golf course improvement of T.TRE of 2013 at around 20.5 million baht.



Investment Property

At the end of 2011-2013, the investment properties were 320.7 million baht, 320.0 million baht and 809.5 million baht, respectively. The increase of investment property in 2013 caused by the transfer of project under development to investment property since SENA Fest project was completed and opened for the operation in 2013.

The Company's investment properties were as follows:

- 1) **"SENA House" Project** was apartment project consisted of 3 buildings, "SENA House Ratchayothin Soi 30" for 2 buildings and "SENA House Lamlookka Klong 2" for 1 building. The land was stated at cost, building and construction stated at cost less accumulated depreciation of assets which were not exceeding the appraisal value appraised by independent appraiser approved by SEC which was T.A. Management Corporation (1999) Co., Ltd. as per report dated February 6, 2009 and January 23, 2012. The objective of the report was for public interest.
- 2) **"Godown Sukhumvit 50"** was warehouse project for rent consisted of 22 warehouses and stated at cost less accumulate depreciation The subsidiary estimated for the useful life according to the Company's policy to rent around 6 years. On July 1, 2013, such subsidiary changed the estimated useful life from 6 years to 20 years since July 1, 2013.
- 3) **"SENA Fest"** The Company rented land for building construction on such land to sublease or for business benefit in project. "SENA Fest" was a 4 storey lifestyle community mall which already completed and opened for rent since March 2013.

Rental Agreement of SENA Fest

On September 10, 2008, the Company entered into Memorandum of Understanding to undertake the leasehold assignment from unrelated company for long term land rent with Dhamma Study and Propagation Foundation for 32 year (until 2041). The Company had to pay initial rent at the amount of 30 million baht which the Company already paid and the monthly rent was at 50,000 baht started from December 2011. The Company had obligation to complete the project construction within 10 years from the registered date of leasehold. The ownership of all building and structure would belong to the lessor when the contract expired. Besides, the Company had to pay return at 20% of net profit after deduction of all expenses of this project to the leasehold assignor. The Company registered the leasehold with such foundation on September 1, 2009 and paid the leasehold assignment fee.

Extension of Rental Agreement

However, on February 15, 2012, the Company and foundation agreed to cancel the agreement dated September 11, 2009 and addendum dated September 10, 2009 and arranged for new contract by



considering together for new rental period and some conditions and agreed to re-register the leasehold for 50 years started from February 1, 2012 until January 31, 2062. The Company had to pay special compensation to foundation for additional rental period registration for the amount of 15 million baht according to the contract and monthly rent for 50,000 baht (from February 2012 until September 2041) and monthly rent for 100,000 baht (from October 2041 until January 2062). The Company had obligation to construct the project for the project value not less than 300 million baht and had to complete such project within 8 years from February 10, 2012. The Company re-registered leasehold on February 17, 2012 and had mortgaged the leasehold with a financial institution for credit line of 372 million baht.

At the end of 2011-2013, details of "SENA Fest" project were as follows:

(Unit:MB)

Payment under contract	2011	2012	2013
Rent	30.2	30.0	30.0
Leasehold assignment fee	25.0	25.0	25.0
Compensation for rental period extension	-	15.0	15.0
Registration expense	0.5	1.1	1.1
Construction cost	39.5	273.7	441.6
Total	95.2	344.8	512.7
Deduct: Leasehold amortization	-	(5.7)	(7.4)
Transfer to investment property	-	-	(505.3)
Total	95.2	339.0	-

In 2011, one of the Company's subsidiaries, VAM, reviewed the useful life of office building and building improvement from 5-30 years to 14-52 years by considering the appraisal report prepared by the Company's engineer which was effective from January 1, 2011. The change of accounting estimation reflected the depreciation for the year ended December 31, 2011 as follows:

Depreciation (MB)	Old	New
Office building and improvement	1.1	0.6
Investment property	4.4	3.6

With regard to the Company and other subsidiaries, there was no change.

Liabilities

At the end of 2011-2013, the liabilities of the Company were 1,016.9 million baht, 2,061.9 million baht and 3,226.1 million baht, respectively consisted of current liabilities of 894.9 million baht, 1,358.1 million baht and 2,776.5 million baht, respectively and non-current liabilities of 121.9 million baht, 703.8 million baht and 449.6 million baht, respectively. The liabilities at the end of 2011 increased due to the increase of long-



term promissory notes of related parties at the amount of 490.0 million baht and the increase of short-term loan from financial institution (short-term promissory notes) for its working capital of 493.5 million baht. The increase of liabilities at the end of 2013 caused by the increase of short-term loan from financial institution for its working capital at the amount of 964.4 million baht and the increase of promissory note of 78.3 million baht and the decrease of long-term loan from financial institution of 72.2 million baht.

Details of the major liabilities were as follows:

1) Short-term loan (short-term promissory notes to financial institution, bill of exchange and short term debenture)

At the end of 2011-2012, the Company had short-term promissory notes to financial institution at the amount of 289.4 million baht and 783.0 million baht, respectively. The value of promissory notes to financial institution at the end of 2012 increased from the end of 2011 at the amount of 493.5 million baht which caused by the issuance of promissory notes and bill of exchange to pay for land cost for several project developments and to support business expansion as well as to be its working capital for operation.

At the end of 2013, the Company had promissory notes at the amount of 1,130 million baht and would be expired during May 2014 until September 2014. The interest rates were 5%, MLR-1% - MLR-2% annually and MOR-2.25% annually. Bill of exchange was at 423.0 million baht which would be expired during January 2014 until May 2014 at the interest rate of 4.35%-5.85% annually. Besides, the Company had short-term debenture of 44.7 million baht since its subsidiary, T.TRE, issued short-term debenture at par value of 1,000 baht per unit for 46,400 units, for the amount of 46.4 million baht and would be expired on March 14, 2014 with interest rate of 5.1% annually for the improvement of golf course and new club house construction.

At the end of 2013, the subsidiary, PG, borrowed from other company at the amount of 152.2 million baht (net after deduct the interest expense from the bill) which was the bill of exchange borrowing (B/E) from a securities firm at interest rate of 4.8%, the payment date was on April 2, 2014 for SENA Park Grand construction.

2) Long-term borrowing from financial institution

At the end of 2011-2012, the long term borrowing from financial institution were at 114.2 million baht and 493.0 million baht, respectively. At the end of 2011, such borrowing decreased from the end of 2010 at the amount of 45.4 million baht because the construction of new projects launched in 2009 and 2010 were completed and caused ownership transfer for large amount. Therefore, the Company and subsidiaries gradually repaid the loan to financial institution of such projects according to transfer amount in 2011.

For the new projects started in 2011, the Company and its subsidiaries borrowed more money from financial institution during the year as well as gradually repaid loan of some completed projects. Therefore, the borrowing amount from financial institution was not changed significantly at the end of 2011. However, the Company and its subsidiaries still realized the importance of the thoroughness of borrowing to be at proper



level of each period. At the end of 2013, the long-term loan from financial institution of the Company was at 420.8 million baht decreased from the previous year because the Company gradually repaid principal from the mortgage-free project and already received cash.

3) Long-term promissory note to related entity

At the end of 2011 and 2012, the Company issued long-term promissory notes at the amount of 490.0 million baht to related parties which were directors and relatives of directors for 4 persons to pay for investment of common shares of T.TRE. The promissory noted would be expired on January 5, 2014 with no interest charge (in 2010 and 2011, there was no promissory note to related party).

Shareholders' equities

At the end of 2013, the Company and its subsidiaries had shareholders' equities at the amount of 2,414.78 million baht, increased from the end of 2011 which was 176.04 million baht. The Company's registered and paid up capital was at 714.70 million baht and share premium was 218.93 million baht. The unappropriated retained earnings increased for 173.71 million baht due to the increase of retained earnings from performance of 2012 after deduct dividend payment. In 2013, the Company paid dividend to shareholders for the amount of 107.92 million baht.

Capital Structure

At the end of 2011-2013, the debt to equity ratios of the Company were at 0.5 times, 0.9 times and 1.3 times, respectively. The debt to equity ratio of 2012 increased due to the increase of non-current liabilities which were long-term promissory notes to related parties at the amount of 490.0 million baht to pay for investment of common shares of T.TRE. At the end of 2013, the debt to equity ratio increased because the Company borrowed more money from financial institution.

Liquidity

In 2011-2013, the Company had net cash flow received from operation activities of 621.7 million baht, 344.9 million baht and net cash flow used from operation activities, respectively. In 2011-2012, the net cash flow from operation activities was from profit from operation before the change in operating assets and liabilities. In 2013, the net cash flow used from operation activities was at 51.7 million baht since the Company invested in additional land for development. Therefore, the land held for development increased significantly. In 2011-2013, the Company had net cash flow used in investing activities of 66.8 million baht, 326.1 million baht and 545.6 million baht, respectively. The major investing activity in 2012 was cash payment for project under construction of "SENA Fest" for the amount of 234.1 million baht. In 2013, the net cash flow used in investing activities mainly was the increase of deposit at bank pledged as collateral for the amount of 302.7



million baht. Part of such amount was for saving account to reserve for aval of promissory note which the promissory note will be due on January 5, 2014 [see summary of loan agreement in section 2-13] and for investment in investment property of SENA Fest project for the amount of 167.9 million baht.

In 2011-2013, the Company had net cash flow used in financing activities at the amount of 578.8 million baht, net cash flow received from financing activities at the amount of 34.4 million baht and 652.1 million baht, respectively. The main transaction of the net cash flow used in financing activities in 2011 was the repayment of short-term and long-term loan from financial institution as well as short-term promissory notes. In 2012-2013, net cash flow received from financing activities was from short-term loan from financial institution.

In 2011-2013, the cash movement of operating, investing and financing activities reflected the Company's cash and cash equivalents by decreasing 23.8 million baht, increasing 53.1 million baht and increasing 54.8 million baht, respectively.

Unit : MB	2011	2012	2013
Net cash flow from operating activities	621.7	344.9	(51.7)
Net cash flow from investing activities	(66.8)	(326.1)	(545.6)
Net cash flow from financing activities	(578.8)	34.4	652.1
Net cash and cash equivalents increase (decrease)	(23.8)	53.1	54.8

Liquidity Ratio

At the end of 2011-2013, the liquidity ratios of the Company were 2.1 times, 1.6 times and 1.0 times, respectively. At the end of 2012 and 2013, the short-term loan from financial institution of the Company increased around 407.6 million baht and 964.4 million baht, respectively which enabled its liquidity ratio at the end of 2012 to decrease to 1.6 times and 1.0 times, respectively.

However, the Company had policy for financial plan and cash flow allocation to maintain liquidity level according to risk management policy and maintain financial discipline in order to protect the Company from high financial risk while can sustain revenues growth according to the specified plan.

In 2011-2013, the average collection periods of the Company were 0.2 days, 0.3 days and 0.2 days, respectively since the Company entered into agreements with its customers and collect money promptly.

In 2011-2013, the average selling periods were 467 days, 705 days and 676 days, respectively.

In 2012, the average selling period increased to 705 days due to the development commencement of new projects which were under construction. In 2013, the average selling periods decreased to 676 days because



during the year there were many completed projects and were able to transfer the ownership and recognized as revenues.

3. Remuneration of the auditor

1. Remunerations for financial statement review and audit (Audit Fee)

The Company paid the total amount of 2.80 Baht as remunerations for interim financial statement review and financial statement audit for the 2013 fiscal year of the Company and its subsidiaries to Miss Kannikarn Vipaturat, Certified Auditor No. 7305, of Karin Audit Co., Ltd.

2. Other service fee (Non-audit Fee)

- None -



22. REPORT OF CERTIFIED PUBLIC ACCOUNTANT AND FINANCIAL STATEMENT

To The Shareholders of **Sena Development Public Company Limited**

I have audited the accompanying financial statements of **Sena Development Public Company Limited and subsidiaries**, which comprise the consolidated and separate statements of financial position as at December 31, 2013 and the consolidated and separate 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.

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 our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of **Sena Development Public Company Limited and subsidiaries**, which comprise the consolidated and separate statements of financial position as at December 31, 2013 and the consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis of draw attention

Without qualifying my opinion on the conditions. I draw attention note to the financial statements No. 3 regarding the change in accounting policy made due to the adoption of Thai Accounting Standard, describing the effect of the Company's adoption from January 1, 2013 of certain new accounting policies. The statement of financial position as at December 31, 2012, which is included as comparative information, is a component of the audited financial statements as at and for the year ended December 31, 2012 after making the adjustments described in note 3. I have audited these adjustments and, based on my audit, in my opinion, such adjustments are appropriate and have been properly applied. Furthermore, statement of changes in equity for the year ended December 31, 2012, which are included as comparative information, have also been adjusted as described in note 3.

Other matters

The financial statements of **Sena Development Public Company Limited and subsidiaries**, which comprise the consolidated and separate statements of financial position as at 31 December 2012, the consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year ended December 31, 2012, presented herewith for comparative purpose only, were audited by another auditor in my firm, expressed an unqualified opinion on those financial statements

(Mr. Jirote Sirirorote)

C.P.A. (Thailand)

Registration No. 5113

Karin Audit Company Limited

Bangkok, Thailand

February 26, 2014



SENA DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2013

		Baht					
		Consolidated financial statements			Separate financial statements		
		December 31, 2013	December 31, 2012	January 1, 2012	December 31, 2013	December 31, 2012	January 1, 2012
Notes			"Restated"	"Restated"		"Restated"	"Restated"
ASSETS							
CURRENT ASSETS							
6	Cash and cash equivalents	372,173,095	317,365,122	264,233,576	190,909,543	110,993,924	143,892,582
	Temporary investments	-	-	797,806	-	-	-
5	Trade receivables and other from related pa	852,336	2,971,913	-	-	-	-
7	Trade accounts and other receivable	110,354,720	44,537,185	31,400,796	99,932,809	36,883,921	25,443,137
Short-term loans and accrued interest income							
5	to related parties	-	-	-	507,693,303	319,862,491	255,196,055
8	Inventories - net	2,283,007,632	1,848,732,462	1,614,600,969	1,694,558,052	1,106,880,777	821,902,411
	Other current assets	8,399,734	18,281,400	4,232,556	1,551,500	1,551,500	-
	Total current assets	2,774,787,517	2,231,888,082	1,915,265,703	2,494,645,207	1,576,172,613	1,246,434,185

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



SENA DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Cont.)

DECEMBER 31, 2013

	Notes	Baht					
		Consolidated financial statements			Separate financial statements		
		December 31, 2013	December 31, 2012	January 1, 2012	December 31, 2013	December 31, 2012	January 1, 2012
			"Restated"	"Restated"		"Restated"	"Restated"
NON-CURRENT ASSETS							
Deposits at bank pledged as collateral		336,045,672	33,365,654	24,565,526	333,181,880	17,878,386	21,961,463
Land held for development - net	9	948,469,031	725,423,354	500,946,412	532,288,228	578,223,845	489,270,608
Investments in subsidiaries	10	-	-	-	998,146,636	998,146,636	408,146,636
Investments property - net	11	809,496,455	320,038,484	320,698,186	497,471,236	-	-
Property, plant and equipment - net	12	709,759,422	605,401,844	95,872,505	84,178,182	49,185,376	52,954,262
Project under construction	13	-	339,049,846	95,169,320	-	339,049,846	95,169,320
Deferred income tax assets	14	8,929,749	7,714,928	8,599,050	3,325,385	3,935,776	7,304,779
Other non-current assets		53,400,873	35,416,855	25,221,955	50,968,398	33,377,374	23,669,374
Total non-current assets		2,866,101,202	2,066,410,965	1,071,072,954	2,499,559,945	2,019,797,239	1,098,476,442
TOTAL ASSETS		5,640,888,719	4,298,299,047	2,986,338,657	4,994,205,152	3,595,969,852	2,344,910,627

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



SENA DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Cont.)

DECEMBER 31, 2013

	Notes	Baht					
		Consolidated financial statements			Separate financial statements		
		December 31, 2013	December 31, 2012	January 1, 2012	December 31, 2013	December 31, 2012	January 1, 2012
			"Restated"	"Restated"		"Restated"	"Restated"
LIABILITIES AND							
SHAREHOLDERS' EQUITY							
CURRENT LIABILITIES							
Bank Overdrafts		1,201,607	-	-	1,201,607	-	-
Trade accounts and other payable	16	231,076,309	103,005,988	76,169,400	205,998,437	88,557,776	66,395,617
Current portion of long-term liabilities promissory notes	5	568,290,766	-	289,438,587	568,290,766	-	289,438,587
Current portion of long-term loans from financial institutions	17	20,934,843	320,867,032	15,988,566	3,057,576	45,000,000	-
Short-term loans and accrued interest from related parties	5	-	-	-	11,214,551	55,000,000	-
Short-term loans from financial institutions	15	1,747,395,453	782,959,268	375,368,000	1,549,255,446	769,759,268	125,368,000
Current portion of liabilities under hire purchase and financial lease agreements		801,047	1,660,961	1,182,887	-	971,633	1,182,887
Income tax payable		37,988,530	33,991,982	37,153,480	36,559,976	26,210,267	21,674,106
Other current liabilities		168,794,713	115,644,819	99,639,735	135,831,747	90,554,062	66,319,193
Total current liabilities		2,776,483,268	1,358,130,050	894,940,655	2,511,410,106	1,076,053,006	570,378,390

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



SENA DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (Cont.)
DECEMBER 31, 2013

		Baht					
		Consolidated financial statements			Separate financial statements		
		December 31, 2013	December 31, 2012	January 1, 2012	December 31, 2013	December 31, 2012	January 1, 2012
Notes			"Restated"	"Restated"		"Restated"	"Restated"
NON-CURRENT LIABILITIES							
	5	-	490,000,000	-	-	490,000,000	-
	17	399,882,347	172,140,690	98,200,430	346,116,924	100,500,000	9,740,100
Liabilities under hire purchase and financial lease agreements - net							
		697,755	966,840	971,632	-	-	971,632
		10,502,524	10,078,695	13,272,739	-	-	-
	18	9,942,708	8,804,602	5,578,956	6,023,275	5,804,664	4,764,654
		28,602,126	21,800,708	3,890,980	28,602,126	21,800,708	3,890,980
Total non-current liabilities		449,627,460	703,791,535	121,914,737	380,742,325	618,105,372	19,367,366
TOTAL LIABILITIES		3,226,110,728	2,061,921,585	1,016,855,392	2,892,152,431	1,694,158,378	589,745,756

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



SENA DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Cont.)

DECEMBER 31, 2013

	Baht				
	Consolidated financial statements		Separate financial statements		
	December 31, 2013	December 31, 2012	January 1, 2012	December 31, 2012	January 1, 2012
Notes		"Restated"	"Restated"	"Restated"	"Restated"
SHAREHOLDERS' EQUITY					
Share capital					
Registered share capital			700,000,000		700,000,000
700,000,000 ordinary shares of Baht 1.00 each					
857,711,687 ordinary shares of Baht 1.00 each	857,711,687	857,711,687		857,711,687	
Issued and paid-up					
675,000,000 ordinary shares of Baht 1.00 each			675,000,000		675,000,000
714,704,825 ordinary shares of Baht 1.00 each	714,704,825	714,704,825	-	714,704,825	-
Effect of business acquisition under common contr	67,187,460	67,187,460	(1,242,822)	-	-
Premium on share capital	218,926,491	218,926,491	160,163,350	218,926,491	160,163,350
Retained earnings					
Appropriated					
Legal reserve	22	71,470,483	71,470,483	71,470,483	67,455,311
Unappropriated		1,331,268,822	1,155,150,303	1,096,950,922	852,546,210
Total shareholders' equity of parent		2,403,558,081	1,961,790,158	2,102,052,721	1,755,164,871
Non - controlling interests		11,219,910	7,693,107	-	-
TOTAL SHAREHOLDERS' EQUITY		2,414,777,991	1,969,483,265	2,102,052,721	1,755,164,871
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		5,640,888,719	2,986,338,657	4,994,205,152	2,344,910,627

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



SENA DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2013

	Notes	Baht			
		Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
			"RESTATED"		"RESTATED"
Revenue from sales		1,877,309,175	1,617,381,589	1,765,725,191	1,337,630,876
Revenue from rental and services		93,531,699	22,118,031	69,316,364	-
Revenue from golf course		30,111,899	45,382,021	-	-
Total revenues		2,000,952,773	1,684,881,641	1,835,041,555	1,337,630,876
Cost of sales		1,099,521,495	884,659,841	1,028,492,757	731,568,076
Cost of rental and services		46,132,828	14,409,169	33,235,141	-
Cost of golf course		27,622,060	31,223,580	-	-
Total cost of sales		1,173,276,383	930,292,590	1,061,727,898	731,568,076
Gross profit		827,676,390	754,589,051	773,313,657	606,062,800
Other income		73,999,631	53,890,060	38,190,517	16,257,031
Income before expenses		901,676,021	808,479,111	811,504,174	622,319,831
Selling expenses		278,097,457	203,524,035	259,626,380	169,054,209
Administrative expenses		219,544,465	185,455,931	139,798,450	110,918,056
Management' remuneration		9,117,124	9,898,277	8,682,419	9,464,590
Total expenses		506,759,046	398,878,243	408,107,249	289,436,855
Income before finance costs and income tax		394,916,975	409,600,868	403,396,925	332,882,976
Finance costs		(46,422,871)	(36,588,127)	(36,694,181)	(25,347,591)
Income before tax		348,494,104	373,012,741	366,702,744	307,535,385
Income tax	24	(76,467,243)	(75,519,796)	(72,835,165)	(61,782,724)
Earnings for the years		272,026,861	297,492,945	293,867,579	245,752,661



SENA DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2013

	Baht					
	Equity holders of the parent					
	Issued and paid-up share capital	Effect of business acquisition under common control	Premium on share capital	Legal reserve	Unappropriated	Total Equity holders of parent
Balance as at January 1, 2012 - as previously reported	675,000,000	(1,242,822)	160,163,350	67,455,311	1,065,100,629	1,966,476,468
Cumulative effect of the change in accounting policy (Note 3)	-	-	-	-	(4,686,310)	(4,686,310)
Balance as at January 1, 2012 - restated	675,000,000	(1,242,822)	160,163,350	67,455,311	1,060,414,319	1,961,790,158
Investments in subsidiaries						
at the date of acquisition under book value	-	68,430,282	-	-	-	68,430,282
Increase Capital	39,704,825	-	-	-	-	39,704,825
Premium on common shares	-	-	58,763,141	-	-	58,763,141
Legal reserve	-	-	-	4,015,172	(4,015,172)	-
Dividends	-	-	-	-	(197,574,024)	(197,574,024)
Earning for the years	-	-	-	-	296,302,873	296,302,873
Interest non-controlling of the investment	-	-	-	-	-	-
Net profit attribute for non-controlling interest	-	-	-	-	-	-
Balance as at December 31, 2012	714,704,825	67,187,460	218,926,491	71,470,483	1,155,127,996	2,227,417,255
Balance as at January 1, 2013 - as previously reported	714,704,825	67,187,460	218,926,491	71,470,483	1,157,559,926	2,229,849,185
Cumulative effect of the change in accounting policy (Note 3)	-	-	-	-	(2,409,623)	(2,409,623)
Balance as at January 1, 2013 - restated	714,704,825	67,187,460	218,926,491	71,470,483	1,155,150,303	2,227,439,562
Dividends	-	-	-	-	(93,626,332)	(93,626,332)
Earning for the years	-	-	-	-	269,744,851	269,744,851
Net profit attribute for non-controlling interest	-	-	-	-	-	-
Balance as at December 31, 2013	714,704,825	67,187,460	218,926,491	71,470,483	1,331,268,822	2,403,558,081

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



SENA DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

SEPARATE STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2013

	BAHT				
	Issued and paid-up share capital	Premium on Share Capital	Retained earnings		
			Legal reserve	Unappropriated	Total
Balance as at January 1, 2012 - as previously reported	675,000,000	160,163,350	67,455,311	845,241,431	1,747,860,092
Cumulative effect of the change in accounting policy (Note 3)	-	-	-	7,304,779	7,304,779
Balance as at January 1, 2012 - restated	675,000,000	160,163,350	67,455,311	852,546,210	1,755,164,871
Increase Capital	39,704,825	-	-	-	39,704,825
Premium on common shares	-	58,763,141	-	-	58,763,141
Legal reserve	-	-	4,015,172	(4,015,172)	-
Dividends	-	-	-	(197,574,024)	(197,574,024)
Earning for the years	-	-	-	245,752,661	245,752,661
Balance as at December 31, 2012	714,704,825	218,926,491	71,470,483	896,709,675	1,901,811,474
Balance as at January 1, 2013 - as previously reported	714,704,825	218,926,491	71,470,483	892,773,899	1,897,875,698
Cumulative effect of the change in accounting policy (Note 3)	-	-	-	3,935,776	3,935,776
Balance as at January 1, 2013 - restated	714,704,825	218,926,491	71,470,483	896,709,675	1,901,811,474
Dividends	-	-	-	(93,626,332)	(93,626,332)
Earning for the period	-	-	-	293,867,579	293,867,579
Balance as at December 31, 2013	714,704,825	218,926,491	71,470,483	1,096,950,922	2,102,052,721

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



SENA DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2013

	Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		"RESTATED"		"RESTATED"
Earning for the years	272,026,861	297,492,945	293,867,579	245,752,661
Adjustment to reconcile income to cash provided by operating activities				
Depreciation	50,911,579	28,659,383	25,379,746	9,050,633
Amortization of leasehold right	1,656,144	5,711,668.00	1,656,144	5,711,668
Loss on impairment of assets	-	3,864,368	-	3,864,368
Write off fixed assets	-	647,175	-	583,776
Provisions for employee benefits	1,138,106	2,079,833	218,611	1,040,010
Interest income	(23,466,772)	(5,587,686)	(16,240,100)	(10,625,894)
Interest expenses	105,135,683	29,953,532	36,694,181	19,178,681
Income tax	76,465,657	77,818,540	72,835,165	61,782,724
Income provided by operating activities before changes in operating assets and liabilities	483,867,258	440,639,758	414,411,326	336,338,627
Decrease (increase) in operating assets:				
Trade accounts and other receivable	(64,133,404)	(15,666,420)	(63,048,888)	(11,440,784)
Inventories	(68,787,089)	476,283,298	(248,978,737)	417,222,060
Other current assets	9,881,666	(13,418,632)	-	(1,551,500)
Land held for development	(509,208,152)	(498,158,434)	(221,691,937)	(474,656,360)
Other non-current assets	(17,984,018)	(15,294,761)	(17,591,024)	(14,830,860)
Increase (decrease) in operating liabilities:				
Trade accounts and other payable	128,070,321	23,151,719	117,440,661	22,162,159
Other current liabilities	53,051,449	15,466,863	52,254,112	24,234,624
Other non - current liabilities	6,801,418	17,909,728	6,801,418	17,909,727
Cash receipt from operating activities	21,559,449	430,913,119	39,596,931	315,387,693
Income tax paid	(73,260,101)	(86,042,998)	(61,875,065)	(53,877,560)
Net cash provided by operating activities	(51,700,652)	344,870,121	(22,278,134)	261,510,133

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



SENA DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2013

	BAHT			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		"RESTATED"		"RESTATED"
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	23,902,218	5,557,535	16,743,928	1,559,458
Increase in loans to related parties	-	-	(188,334,640)	(55,600,000)
Decrease Investments temporary	-	797,806	-	-
Decrease (Increase) in deposits at bank pledged as collateral	(302,680,018)	(8,264,881)	(315,303,494)	4,083,076
Cash paid for Investments in subsidiaries	-	(39,748,074)	-	(100,000,000)
Cash paid for investment property	(169,486,280)	(4,336,936)	(167,888,059)	-
Cash paid for acquisition of fixed assets	(97,345,279)	(30,450,769)	(12,060,160)	(10,867,814)
Write off Leasehold	-	(15,522,120)	-	(15,522,120)
Cash paid for project construction under development	-	-234,137,824.00	-	(234,137,824)
Net cash used in investing activities	(545,609,359)	(326,105,263)	(666,842,425)	(410,485,224)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash paid for interest expenses	(146,573,945)	(54,717,151)	(76,952,693)	(35,506,524)
Dividends paid	(93,626,332)	(99,106,058)	(93,626,332)	(99,106,058)
Bank Overdrafts	1,201,607	-	1,201,607	-
Increase (Decrease) in short term loan - related parties	-	-	(43,785,449)	55,000,000
Proceeds from short-term loans from financial institutions	964,436,185	115,094,800	779,496,178	106,112,000
Cash paid for liabilities under hire-purchase and financial lease agreements	(1,129,000)	(1,740,828)	(971,633)	(1,182,885)
Proceeds from long-term loans from financial institutions	939,114,431	190,500,000	941,284,293	190,500,000
Cash paid for long-term loans from financial institutions	(1,011,304,962)	(115,664,075)	(737,609,793)	(99,740,100)
Net cash provided by (used in) finance activities	652,117,984	34,366,688	769,036,178	116,076,433
Net decrease in cash and cash equivalents	54,807,973	53,131,546	79,915,619	(32,898,658)
Cash and cash equivalents at beginning of the years	317,365,122	264,233,576	110,993,924	143,892,582
Cash and cash equivalents at end of the years	372,173,095	317,365,122	190,909,543	110,993,924

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



SENA DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2013

Supplemental Disclosure of Cash Flows Information :

- 1) In years 2013, the Company and subsidiaries has transferred land held for development amount of Baht 345.92 million and 18.53 million to inventory because land was developed. (2012 : Baht 482.50 million)
- 2) In years 2013, the subsidiaries has transferred inventory amount of Baht 287.79 million to land held for development.
- 3) In years 2013, the Company has issued promissory notes for the land amount of Baht 78.29 million. (2012: Baht 296.80 million)
- 4) In years 2013, the Company has transferred Sale office firm inventory amount of Baht 40.50 million to property, plant and equipment.
- 5) In years 2013, the Company and subsidiaries capitalized interest expense as a part of cost of inventory amounting to and Baht 33.28 million and 25.20 million, respectively

6) Purchases of investments in subsidiaries

In year 2012 the company had to purchase additional shares of a subsidiary at the date of the acquisition of the net assets acquired and paid as follows

Net asset book value	598,244,206
Minority interest	(65,850)
The impact of the merger under common control	(68,430,282)
The purchase consideration	529,748,074
Cash and cash equivalents	60,251,926
Net	590,000,000
Promissory notes for shares of the subsidiary	(490,000,000)
Paid for investments in subsidiaries	100,000,000

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



1. GENERAL INFORMATION

1.1 Legal status and address for company

SENA DEVELOPMENT PUBLIC COMPANY LIMITED registered the conversion into a Public Company Limited on December 23, 2005, registration number is 0107548000684 and the head office is located at 524 Ratchadapisek Road, Sam Saen Nok, Huaykwang, Bangkok.

The Company listed into The Stock Exchange of Thailand on July 29, 2009.

1.2 The principle business operations

The Company's main business is property development for sales.

2. BASIS FOR INTERIM FINANCIAL STATEMENTS PREPARATION

AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis for preparation of the financial statements

These company financial statements are prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2000, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2004, and the financial reporting requirements of the securities and Exchange commission under the securities and Exchange Act.B.E 1992

For the convenience of readers, the financial statements were translated into English from the statutory financial statements in Thai which are issued for the domestic purpose.

Adoption of new accounting standards

The FAP has issued the following new and revised TFRS relevant and effective for accounting periods beginning on or January 1, 2013:

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
TFRS 8	Operating Segments
TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
FAP Announcement 34/2555	Accounting guidance for Transfers of Financial Asset

The adoption of these new and revised TFRS has resulted in changes in the Group's accounting policies. The effects of these changes are disclosed in note 3.

In addition to the above new and revised TFRS, as at December 31, 2013 the FAP had issued a number of other new and revised TFRS which are effective for financial statements beginning on



or after January 1, 2014 and have not been adopted in the preparation of these financial statements.

Accounting standards which effective for the periods beginning on or after 1 January 2014

<u>TFRS</u>	<u>Topic</u>	<u>Year effective</u>
TAS 1 (revised 2012)	Presentation of financial statements	2014
TAS 7 (revised 2012)	Statement of Cash Flows	2014
TAS 12 (revised 2012)	Income Taxes	2014
TAS 17 (revised 2012)	Leases	2014
TAS 18 (revised 2012)	Revenue Recognition	2014
TAS 19 (revised 2012)	Employee Benefits	2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	2014
TAS 24 (revised 2012)	Related Party Disclosures	2014
TAS 28 (revised 2012)	Investments in Associates	2014
TAS 31 (revised 2012)	Interests in Joint Ventures	2014
TAS 34 (revised 2012)	Interim Financial Reports	2014
TAS 36 (revised 2012)	Impairment of Assets	2014
TAS 38 (revised 2012)	Intangible Assets	2014
TFRS 2 (revised 2012)	Share-based Payment	2014
TFRS 3 (revised 2012)	Business Combinations	2014
TFRS 4	Insurance Contracts	2016
TFRS 5 (revised 2012)	Non-current Assets held for Sale and Discontinued Operations	2014
TFRS 8 (revised 2012)	Operating Segments	2014
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2014
TFRIC 4	Determining whether an Arrangement contains a Lease	2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2014
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	2014
TFRIC 10	Interim Financial Reporting and Impairment	2014
TFRIC 12	Service Concession Arrangements	2014
TFRIC 13	Customer Loyalty Program	2014
TFRIC 17	Distributions of Non-cash Assets to Owners	2014
TFRIC 18	Transfers of Assets from Customers	2014
TIC 15	Operating Leases-Incentives	2014
TIC 27	Evaluating the Substance of Transactions Involving the Legal	2014



<u>TFRS</u>	<u>Topic</u>	<u>Year effective</u>
	Form of a Lease	
TIC 29	Service Concession Arrangements – Disclosure	2014
TIC 32	Intangible Assets-Web Site Costs	2014

Management expects to adopt and apply these new and revised TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the consolidated and separate s and Company's financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

The financial statements are prepared and presented in Thai Baht, which is the Company's functional currency (unless otherwise stated, e.g. nearest thousand)

2.4 Significant accounting judgments and estimates

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

Finance leases/ Operating leases

The Company and subsidiaries have entered into lease agreements for the rental of land and motor vehicles. The Company and subsidiaries have determined, based on an evaluation of the terms and conditions of the arrangements, that the lessor retains all the significant risk and rewards of ownership of these properties, and so accounts for the contracts as operating leases.

Allowances for doubtful accounts are intended to adjust the value of receivables for probable credit losses. The management uses judgment to establish reserves for estimated losses for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of specific reviews, collection experience, and analysis of debtor aging, taking into account changes in the current economic conditions. However, the use of different estimates and assumptions



could affect the amounts of allowances for receivable losses and adjustments to the allowances may therefore be required in the future.

Impairment of investments

The Company and subsidiaries treat investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment.

Depreciation

In calculating depreciation of plant and equipment, the management estimates useful lives and salvage values of the plant and equipment and reviews estimated useful lives and salvage values if there are any changes.

3. CUMULATIVE EFFECT OF THE CHANGE IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW ACCOUNTING STANDARD

- 3.1 During the current period, the Company made the change described in Note 3.2 to the financial statements to its significant accounting policies, as a result of the adoption of TAS 12 Income Taxes. The cumulative effect of the change in the accounting policies has been separately presented in the statements of changes in shareholders' equity.
- 3.2 The amounts of adjustments affecting the statements of financial position as at December 31, 2012 and the statement of comprehensive income for the years ended December 31, 2012 are summarized below.

(Unit : Baht)

	December 31, 2012	
	Consolidated	Separate
	financial statements	financial statements

Statements of financial position

Increase in deferred income tax assets	7,714,928	3,935,776
Increase in deferred income tax liabilities	10,078,695	-
Increase in non - controlling interests	45,856	-
Increase (decrease) in unappropriated retained earnings	(2,409,623)	3,935,776

(Unit : Baht)

	For the year ended December 31, 2012	
	Consolidated	Separate
	financial statements	financial statements

Statements of comprehensive income

Increase (Decrease) in income tax	(2,298,744)	3,369,003
Increase in profit attributable to non controlling interest	44,364	-
Increase (Decrease) in profit attributable to Owners of the parent	2,254,380	(3,369,003)
Increase (Decrease) in basic earnings per share (Baht)	0.003	(0.006)



4. SIGNIFICANT ACCOUNTING POLICIES

- 4.1 The consolidated financial statements include the financial statements of Sena Development Public Company Limited and subsidiaries that the Company had the significant control in those subsidiaries as follows :

	Head office	Percentage of holding direct and indirect		Type of Business
		2013	2012	
Victory Asset Management Co., Ltd.	Bangkok	99.99	99.99	Services apartment and design building and furniture
S.N. Asset Development Co., Ltd.	Bangkok	99.65	99.65	Property development for sale
S&P Estate Development Co., Ltd.	Phathumthani	79.96	79.96	Property development for sale
Property Gateway Co., Ltd.	Bangkok	99.99	99.99	Property development for sale
T.Treasury holding Co., Ltd *	Bangkok	99.99	99.99	Services the golf course

* On January 5, 2012, the Company invested in such subsidiary and has prepared for the consolidated financial statement as at January 1, 2012. The overall performance of the company said in statements of comprehensive income and statements of cash flow. (Due to differences in performance during this period did not differ significantly)

The significant inter-transactions with subsidiaries in the consolidated financial statements were eliminated.

The consolidated financial statements used the same accounting policy for the same transactions and event that resemble.

4.2 Financial instrument

The Company have no policy to hold financial instrument for speculation and hedging

For the financial instruments shown in statement of financial position consist of cash and cash equivalents, current investment, account receivable, account payable and others payable, loans to related parties, loan from related parties and financial institution An accounting policy of each part of an item shown in others title.

4.3 Basis of recognition of revenues and expenses

- Sales of land and houses are recognized as revenue when the construction works are completed and the ownerships have been transferred to buyers.
- Other revenues and expenses are recognized on the accrual basis

4.4 Cash and cash equivalents



Cash and cash equivalents are cash, tax coupons, bank deposits in the type of savings account, current account and fixed deposits not exceeding three months maturity period with no obligation.

4.5 Temporary Investments

Temporary Investments is the company and subsidiaries holding less than 1 year.

4.6 Account receivable

The company and subsidiaries provide allowance for doubtful accounts equal to the amount of expected uncollectible receivable which are based on management evaluation of ability to pay of each receivable.

4.7 Inventories

Inventories comprise property development for sales are stated at the lower of cost and net realizable value, consisting of the cost of land, land development, construction costs and directly related interest and expenses.

4.8 Land held for development

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

4.9 Investments

Investments in subsidiaries and associated companies under the consolidated financial statements are stated in Balance sheet by equity method. (if any)

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is recognized in the statement of income.

4.10 Investments property and Project under construction

Investments Property

- a) Land is stated at cost
- b) Building and construction, office equipment and furniture. Stated at cost less accumulated depreciation. Depreciation is calculated on a straight line basis over the estimated useful lives as follows.

	<u>Useful life</u>	
Building and construction	20 - 30	Years
Equipment and furniture	5	Years
Building and Building Fixtures	30 - 50	Years



Project under Construction

- a) Land Leasehold right (Advance rental payment) is stated at cost and depreciated by straight – line method over the term of rental agreement (Note 11)
- b) Building under construction. Shown at cost. And will calculate the depreciation on those assets available.

4.11 Property, plant and equipment-net

Land is stated at cost

Equipments are stated at cost less accumulated depreciation and loss on impairment(if any)

The depreciation is computed by straight-line method over their estimate useful life as follows:

	<u>Useful life (Years)</u>
Building office	13 -50
Golf improvement	10
Sale Office improvement	Term of managing agreement
Office equipments	5
Tools and equipment	5
Vehicles	5

4.12 Impairment

The carrying amounts of the Group assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in the statement of income.

Calculation of recoverable amount

The recoverable amount of non-financial assets is the greater of the assets' net selling price and value in use. In assessing 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. For an asset that does not generate cash inflows independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.



An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4.13 Provision for employees' long-term benefits

Short-term employee benefits

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

Post-employment benefits

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.

Actuarial gains and losses arising from other long-term benefits are recognized immediately in profit or loss.

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

4.14 Estimation

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the report amount of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

4.15 Capitalization of Interest

Borrowing costs are capitalized as cost of assets that the company has incurred borrowing cost on assets that required a period of time to get them ready for use. Capitalization of borrowing cost will be stopped when such assets are ready for their intended use.

4.16 Long-term leases

Where the Group is the lessee



Leases of property or equipment which substantially transfer all the risks and rewards of ownership to the lessees are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of income over the lease period. The property or equipment acquired under finance leases is depreciated over the useful life of the asset.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases are charged to the statement of income on a straight-line basis over the period of the lease. For long-term leases where the Group does not occupy the entire areas at the lease inception date, lease expenses are charged to the statement of income on a systematic basis over the period of the lease in proportion to the area that the Group occupies in each year.

When an operating lease is terminated before the lease period expires, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which the termination takes place.

Where the Group is the lessor

Assets leased out under operating leases are included in property and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with other similar property and equipment owned by the Group. Rental income is recognised on a straight-line basis over the lease term.

Assets leased out by the Group under which a significant portion of the risks and rewards of ownership are transferred to the lessee are classified as finance lease. The assets held under finance lease are recorded as accounts receivable under finance lease in the balance sheet.

The sales revenue recorded at the commencement of a finance lease represents the fair value of the asset, or if lower, the present value of the minimum lease payments accruing to the lessor, computed at a commercial rate of interest. The cost of sale recognised at the commencement of the lease term is the cost or carrying amount of the leased property. The difference between the sales revenue and the cost of sale is recorded as gain which is recognised by the Group in accordance with its normal accounting policy.

4.17 Finance lease

Leases of assets that substantially transfer to the Company and its subsidiaries all the rewards and risks of ownership of assets and that the Company and its subsidiaries intends to exercise the



option of the leases to purchase the assets at the expiration of the lease term, are accounted for as finance leases.

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

4.18 Operating Lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lesser are classified as operating leases. Lease payments under an operating lease are recognized as an expense on a systematic basis over the lease term.

4.19 Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not

recognized for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group/Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group/Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change



its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Group records income tax expense (if any), based on the amount currently payable under the Revenue Code.

4.20 Basic earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing net profit (loss) by the number of outstanding ordinary shares at the statement of financial position date in case of capital increased (decreased) using the weighted average according period of time receive (repayment) ordinary shares.

4.21 Segment information

Business segments provide products and services that are subject to risks and returns that are different from those of other business segments. Geographic segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those of components operating in other economic environments.

Segment information is presented in business segments consist of; the property development for sales, services the golf course and the investment properties for rent. Revenue less than 10 percent of total revenue, the consolidated financial statements not present information in segment information.

4.22 Related parties

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



5. TRANSACTIONS WITH RELATED PARTIES

The Company has extensive transactions with the related parties the part of transactions between related parties are assets, liabilities, revenues, costs and expenses. These related parties are related through shareholdings and/or with directorship. The effect of these transactions is the normal business have included in the financial statement with the agreement between the company and the related companies.

The related parties are as follows:

Company name	Nature of business	Relationship
Bann Ruam Tang Fhun Co., Ltd.	Property development	Common shareholders and directors
Pattaya Country Club Co., Ltd.	Golf course and resort	Common shareholders
S.P.R. Engineering Co., Ltd.	Property development	Common shareholders and directors in subsidiary
Rattapol Co.,Ltd.	Construction materials and equipment	Director's relative
Tun Charoen Co., Ltd.	Holding Company	Director's relative
Individual Jurisdiction By:		
Khun Srianong Keerativaranon and/or		Director's Mother
Khun Soawaluk Aueypomsong		Subsidiary's staff
Khun Boontuen Suebnoi		Director of subsidiary (Leave on October 26, 2012)
Khun Theerawat Thanyalakpark		Director
Khun Nuttaya Thanyalakpark		Director's relative
Khun Benyaluk Thanyalakpark		Director
Khun Umaporn Thanyalakpark		Director
Khun Kessara Thanyalakpark		Director
Khun Sriwarat Thanyalakpark		Director's relative
Khun Ekthawee Thanyalakpark		Director's relative

The significant transactions between the Group and its related parties reflected in the accompanying financial statements as at December 31, 2013 and December 31, 2012 as follows:



		Baht	
		Consolidated financial statements	
		December 31,	December 31,
Relationship		2013	2012
<u>Trade accounts and other Receivable to related parties</u>			
Pattaya Country Club Co., Ltd.	Common shareholders	723,534	2,953,200
Bann Ruam Tang Fhun Co., Ltd	Common shareholders and directors	31,514	18,713
Total		755,048	2,971,913

		Baht			
		Separate financial statements			
		January 1,			December 31,
Relationship		2013	Increase	Decrease	2013
<u>Short-term loans and accrued interest income to related parties</u>					
S&P Estate Development Co., Ltd.	Subsidiary				
Principle		21,665,360	1,019,066	(22,684,426)	-
Accrued interest income		12,862,691	138,555	(13,001,246)	-
		34,528,051	1,157,621	(35,685,672)	-
Property Gateway Co., Ltd.	Subsidiary				
Principle		271,000,000	372,000,000	(170,000,000)	473,000,000
Accrued interest income		14,334,440	12,339,678	-	26,674,118
		285,334,440	384,339,678	(170,000,000)	499,674,118
T.Treasury holding Co., Ltd	Subsidiary	-	8,000,000	-	8,000,000
Principle		-	19,185	-	19,185
Accrued interest income		-	8,019,185	-	8,019,185
Total		319,862,491	393,516,484	(205,685,672)	507,693,303



Baht

Separate financial statements

Relationship	January 1,			December 31,
	2012	Increase	Decrease	2012
<u>Short-term loans and accrued interest income to related parties</u>				
S&P Estate Development Co., Ltd.	Subsidiary			
Principle	56,665,360	-	(35,000,000)	21,665,360
Accrued interest income	11,746,665	1,116,026	-	12,862,691
	<u>68,412,025</u>	<u>1,116,026</u>	<u>(35,000,000)</u>	<u>34,528,051</u>
Property Gateway Co., Ltd.	Subsidiary			
Principle	180,400,000	90,600,000	-	271,000,000
Accrued interest income	6,384,030	7,950,410	-	14,334,440
	<u>186,784,030</u>	<u>98,550,410</u>	<u>-</u>	<u>285,334,440</u>
Total	<u>255,196,055</u>	<u>99,666,436</u>	<u>(35,000,000)</u>	<u>319,862,491</u>

The Company and subsidiaries mutually agree to charge interest rate 1.35-5.5 per annum on loans for use in normal operations.

Baht

Consolidated and separate financial statements

		January 1,			December 31,
	Relationship	2013	Increase	Decrease	2013
<u>Promissory notes payable to related parties</u>					
Khun Theerawat					
Thanyalakpark	Director	343,010,317	-	-	343,010,317
Khun Kessara					
Thanyalakpark	Director	49,001,474	-	-	49,001,474
Khun Umaporn					
Thanyalakpark	Director	48,994,105	-	-	48,994,105
Khun Sriwarat					
Thanyalakpark	Director's relative	48,994,104	-	-	48,994,104



Baht

Consolidated and separate financial statements				
Relationship	January 1,			December 31,
	2013	Increase	Decrease	2013
Total	490,000,000	-	-	490,000,000

Baht

Consolidated and separate financial statements				
Relationship	January 1,			December 31,
	2012	Increase	Decrease	2012
<u>Promissory notes payable to related parties</u>				
Khun Theerawat				
Thanyalakpark	Director	-	343,010,317	- 343,010,317
Khun Kessara				
Thanyalakpark	Director	-	49,001,474	- 49,001,474
Khun Umaporn				
Thanyalakpark	Director	-	48,994,105	- 48,994,105
Khun Sriwarat				
Thanyalakpark	Director's relative	-	48,994,104	- 48,994,104
		-	490,000,000	- 490,000,000

The Company has promissory notes with related parties 4 bills, non-interest rate, due within January 5, 2014. Due to the promissory will be due within one year, accordingly, the Company presented the promissory notes under current liabilities in the Statement of financial position as at December 31, 2013.

Baht

Separate financial statements				
Relationship	January 1,			December 31,
	2013	Increase	Decrease	2013

Short-term loans and accrued interest interest from related parties

1. S.N. Asset Development Subsidiary
Co., Ltd.



		Baht			
	Principle	55,000,000	345,000,000	(400,000,000)	-
	Accrued interest				
	expenses	-	2,763,584	(2,763,584)	-
		55,000,000	347,763,584	(402,763,584)	-
2.	T.Treasury holding				
	Co., Ltd	Subsidiary			
	Principle	-	50,000,000	(50,000,000)	-
	Accrued interest				
	expenses	-	130,055	(130,055)	-
		-	50,130,055	(50,130,055)	-
3.	Victory Asset				
	Management Co., Ltd.	Subsidiary			
	Principle	-	11,000,000	(11,000,000)	-
	Accrued interest				
	expenses	-	13,151	(13,151)	-
		-	11,013,151	(11,013,151)	-
4.	S&P Estate				
	Development Co., Ltd.	Subsidiary			
	Principle	-	13,000,000	(1,850,000)	11,150,000
	Accrued interest				
	expenses	-	64,551	-	64,551
		-	13,064,551	(1,850,000)	11,214,551
Total		55,000,000	421,971,341	(465,756,790)	11,214,551

		Baht			
		Separate financial statements			
		January 1,			December 31,
Relationship		2012	Increase	Decrease	2012
S.N. Asset Development					
Co., Ltd.	Subsidiary				
	Principle	-	466,000,000	(411,000,000)	55,000,000
	Accrued interest expenses	-	925,246	(925,246)	-



Baht

Separate financial statements

Relationship	January 1,			December 31,
	2012	Increase	Decrease	2012
	-	466,925,246	(411, 925,246)	55,000,000
Victory Asset Management Co., Ltd.	Subsidiary			
Principle	-	5,000,000	(5,000,000)	-
Accrued interest expenses	-	2,049	(2,049)	-
	-	5,002,049	(5,002,049)	-
T.Treasury holding Co., Ltd	Subsidiary			
Principle	-	3,000,000	(3,000,000)	-
Accrued interest expenses	-	245	(245)	-
	-	3,000,245	(3,000,245)	-
Total	-	474,927,540	(419,927,540)	55,000,000

Short-term loans from related company, interest rate 2.50-5.10 per annum for a loan on normal operations.

Baht

Consolidated

financial statements

Separate

financial statements

	December 31,		December 31,	
	2013	2012	2013	2012
Provisions for employee benefits				
Directors and executives	4,623,400	4,710,398	4,526,108	4,627,812

Significant transactions between the Company and its related parties for the years ended December 31, 2013 and 2012 are as follows;



Baht

Separate financial statements

	Relationship	Pricing policy	2013	2012
<u>Interest Income</u>				
S&P Estate Development Co., Ltd.	Subsidiary	3% per annum	138,555	1,116,026
T.Treasury holding Co., Ltd	Subsidiary	3% per annum	19,185	-
Property Gateway Co., Ltd.	Subsidiary	1.35-4% per annum	12,339,679	7,950,410
			12,497,419	9,066,436

Baht

Consolidated financial statements

	Relationship	Pricing policy	2013	2012
<u>Revenue from management projects</u>				
Pattaya Country Club Co., Ltd.	Common shareholders	Contract month Baht 230,000	2,760,000	2,760,000

Baht

Consolidated financial statements

Separate financial statements

	Relationship	Pricing policy	2013	2012	2013	2012
<u>Purchase of land and structures</u>						
S.N. Asset Development Co., Ltd.	Subsidiary	Agreed-upon price *	-	-	3,105,000	-

* sale price of land (Area for three plots were 183 square wah) was higher than the price at Land Department (Cost of land is amount of Baht 0.48 million.)



			Baht			
			Consolidated financial statements		Separate financial statements	
Relationship	Pricing policy		2013	2012	2013	2012
<u>Sub-contract fee and materials cost</u>						
S.P.R. Engineering Co., Ltd.	Common shareholders and directors in subsidiary	Agreed price	-	1,452,763	-	1,452,763
Rattanapol Co., Ltd.	Director's relative	Market price	5,657,833	4,274,703	4,761,319	3,684,994
			5,657,833	5,727,466	4,761,319	5,137,757

			Baht			
			Consolidated financial statements		Separate financial statements	
Relationship	Pricing policy		2013	2012	2013	2012
<u>construction Expenses</u>						
Tun Charoen Co., Ltd.	Director's relative	Agreed price	-	4,074,527	-	-

			Baht			
			Consolidated financial statements		Separate financial statements	
Relationship	Pricing policy		2013	2012	2013	2012
<u>Rent Expenses</u>						
Tun Charoen Co., Ltd.	Director's relative	2 million Baht per annum	2,000,000	2,000,000	-	-



			Baht			
			Consolidated financial statements		Separate financial statements	
	Relationship	Pricing policy	2013	2012	2013	2012
<u>Interest Expenses</u>						
S.N. Asset Development Co., Ltd.	Subsidiary	3% per annum	-	-	2,763,583	925,246
Victory Asset Management Co., Ltd.	Subsidiary	3% per annum	-	-	13,151	2,049
S&P Estate Development Co., Ltd	Subsidiary	3% per annum	-	-	64,551	
T.Treasury holding Co., Ltd	Subsidiary	3% per annum	-	-	130,055	245
			-	-	2,971,340	927,540

Baht			
Consolidated financial statements		Separate financial statements	
2013	2012	2013	2012

Expense-Director and Director Management

Project costs for employee benefits	(86,998)	790,792	(101,704)	777,105
Other	9,204,123	9,107,485	8,784,123	8,687,485
	9,117,125	9,898,277	8,682,419	9,464,590



COMMMITMENTS

- On April 11, 2012, a subsidiary has entered into rental agreement with a related company, the objective for construction a park, rental fee amount of Baht 2 Million per year, totaling of Baht 10 million since April 16, 2012 to April 15, 2017.

- a. On December 11, 2008, the Company had entered into collaboration agreement with Victory Asset Management Co., Ltd. (Subsidiary) to promote the subsidiaries and to promote sales of land with house of the Company with the following conditions:

Victory Asset Management Co., Ltd shall give the rate of 20% discount on normal rental fee and service fee charged to customer who holds sena card.

The Company shall repay such [discount](#) fee at rate 20% to Victory Asset Management Co., Ltd. (cancelled since February 27, 2013).

- A related company has entered into management and used in house with a subsidiary called Pattaya Country Club and resort project, to a outside person into stay. Within 2 years between May, 2010 to May, 2012. The subsidiary will split revenues rate 30% of the revenue received.

On May 15, 2012, the Company has extended period to be ended December 31, 2012. December 25, 2012, the Company has extended for 1 year with effect from January 2013 to December 2013. And December 25, 2013. If the termination of the lease shall be extended.

- A subsidiary has assigned to be sale representation of two related companies, since January 1, 2013 to December 31, 2013, with the service fee of 3-5% of selling price. Under the condition in agreement, a subsidiary has to follow.
- On December 24, 2013, the Company has extended for 1 year with effect from January 1, 2014 to December 31, 2014.
- A subsidiary company has entered into management Pattaya Country Club and resort project with a subsidiary, totaling of Baht 230,000 per month, within 1 year between January 2013 to December 2013. If the termination of the lease shall be extended.
- On April 30, 2013 A subsidiary has entered into management agreements with the Company for a period of 1 year between May 1, 2013 to April 30, 2014 Baht 50,000 per month.
- As at December 31, 2013 and December 31, 2012 the Company and its subsidiaries are between contingent liabilities arising from loan guarantees. No collateral fee charge (Note 29.1.d).



Conflict of interest agreement

On December 23, 2005, the Company signed the memorandum with related company so as to increase transparency in corporate governance and comply with the Securities and Exchange Act, B.E. 2535 regarding to good corporate governance in the areas of minority shareholders benefit protection while there is important agreement as follows:

Between the Company and Pattaya Country Club Co., Ltd. (Related company)

1. The related company will not purchase or operate land development or house construction so as to sell or to let or any other business operation in respect of real estate no matter by related company or in the collaboration project or joint investment with other entrepreneur except real estate the related company has operated presently.
2. In case that the related company will develop real estate on the land of such related company which was located on the outside area of Pattaya Country Club Golf course, such related company will have to propose to the Company as developer or participant in such project development as the first choice. If the Company denied such offer, the related company may enter to operate such land development no matter by itself or participation in the collaboration project or joint investment with other entrepreneur.
3. In case that the related company wishes to sell land of such related company which was located on outside area of Pattaya Country Golf Club, Such related company agreed to offer to sell such land to the Company as the first choice with the prices not higher than appraisal value appraised by independent appraisers who receive the consent from Securities Exchange Committee which appraisal value appraised for the period not exceeding six months before the company will purchase such land.
4. Both parties agreed that any operation under this contract, both parties are responsible for compliance according to law, regulation, announcement including regulation and notification issued by Stock Exchange of Thailand, especially notification in respect of connected transactions or acquisition or disposal of assets or any other notification in order to protect the benefit of minority shareholders of the Company.
5. Any counter party cannot discreetly use human resource including any asset of another counter party for its own benefit in its business operation.

However, on April 3, 2006, the Company agreed to additionally amend such agreement with the Pattaya Country Club Co., Ltd.

The contract of additional amendment between the Company and Pattaya Country Club Co., Ltd. (related company)



1. (Amendment of topic no.1.1), Pattaya Country Club Co., Ltd. will not purchase additional land or operate land development or house construction for sale or for let or any other business operation in respect of real estate no matter by Pattaya Country Club Co., Ltd. itself or in the collaboration or joint investment with other entrepreneur apart from the real estate project which has already operated presently.
2. (Amendment of topic no 1.2), in case that Pattaya Country Club Co., Ltd. wishes to develop real estate project on the land which was located outside area of Golf course, it will have to offer to Sena Development Company Limited as the sole developer of such project. If Sena development Co., Ltd denied such offer, Pattaya Country Club Co., Ltd. does not hold the right to develop such land no matter by itself or participant in the collaboration project or joint investment with other entrepreneur. In this case, Pattaya country Club Co., Ltd. holds sole right of such land disposal.

On January 3, 2012, the Company agreed to additionally amend such agreement with the Pattaya Country Club Co., Ltd, as follows:

3. (To amend Article 1.2) Sena Development Public Company Limited has the right to purchase land and structure of Pattaya Country Club located at the peripheral area of the golf course of Pattaya Country Club, to which Pattaya Country Club has no right to deny. Both parties agreed to date that the selling price determined by Sena Development Public Company Limited would not be higher than that appraised by an independent appraiser, and in case transaction was made after 1 year of the date of execution of this Memorandum of Understanding, such price could be adjusted based on the cost at the rate of not exceeding 7 % per annum (originally, in case Pattaya Country Club wishes to develop a real estate project on the land of the Company in the peripheral area of the golf course, Pattaya Country Club must propose for Sena Development Public Company Limited alone to carry out such project. If Sena Development Public Company Limited denies such proposal, Pattaya Country Club has no right to carry out the development of the land, whether personally or by participating in a cooperating or co-investing project with other entrepreneurs. In this case, Pattaya Country Club has only one right, i.e. to sell the land).
4. (To amend Article 1.3) in case Pattaya Country Club wishes to sell its land with structure located in the peripheral area of the golf course, Pattaya Country Club agrees to offer for sale said land to Sena Development Public Company Limited first at the price not higher than that determined in Article 1.2. However, if Sena Development Public Company Limited does not wish to buy said land, Pattaya Country Club shall then have the right to offer for sale said land to a third party at the price not lower than that offered to Sena Development Public Company Limited.



Between the Company and Bann Ruam Tang Fhun Co., Ltd. (Formerly known as Grungthep Land development Co., Ltd.) (related company)

As long as the related company takes the whole profit received from operation after deducting expense and paying tax according to law and donating to various public charity organization which is generally acceptable or for other charity (no matter that donation will receive taxation benefit or not), the Company consents that related company to operate business which may have the competition nature with the Company.

2. Any counter party cannot discreetly use human resource including any asset of another counter party for its own benefit in its business operation.
3. The related company agrees and certifies that the related company will not pay dividend to shareholders or any benefit both in monetary and non-monetary from related company to shareholders, directors and the management. Except payroll or directors remuneration according to the normal rates which determined in advance.

Furthermore, the Company and Bann Ruam Tang Fhun Co., Ltd. have additional guidance as follows:

1. Major shareholders of the related company shall operate charity project only for one project at one time and the project value shall not exceed 5% of all project value of the Company.
2. The Audit committee and the auditor of the Company shall audit the accuracy of the [financial](#) statements of related company and total profit shall be donated to the charity.

Between the Company and T. Treasury Holding Co., Ltd. (related companies)

1. The related companies will not purchase or operate land development or house construction for sale or for let or any other business operation in respect of real estate no matter by related companies themselves or in the collaboration project or joint investment with other entrepreneur apart from the business of real estate that T. Treasury Holding Co., Ltd. has already operated presently.

On April 3 and 10, 2006, the Company has signed the Memorandum of understanding with related companies so as to increase transparency in the corporate governance and comply with the Securities and Exchange Act, B.E. 2535 regarding to good corporate governance in the areas of minority shareholders benefit protection while there is important agreement as follows:

Between the Company and Sirinthip Karn Keha Co., Ltd.

1. Sirinthip Karn Keha Co., Ltd. will not purchase additional land or operates land development or house construction for sales or for let or any other business operation in respect of real estate no matter by Sirinthip Karn Keha Co., Ltd. itself or in the collaboration project or joint



investment with other entrepreneur apart from land that Sirinthip Karn Keha holds ownership presently.

2. In case that Sirinthip Karn Keha Co., Ltd. wishes to develop real estate project on the land of Sirinthip Karn Keha Co., Ltd., Sirinthip Karn Keha Co., Ltd. will have to offer to Sena Development PCL. as sole developer of such project. If Sena Development PCL. denied such offer, Sirinthip Karn Keha Co., Ltd. does not hold the right to develop such land no matter by itself or by participant in the collaboration project or joint investment with other entrepreneur. In this case, Sirinthip Karn Keha Co., Ltd. holds sole right of such land disposal.
3. Sirinthip Karn Keha Co., Ltd. will have to offer to sell such land to Sena Development Co., Ltd. as the first choice as the price not higher than appraised price by independent appraiser received the consent from Securities Exchange Committee which appraisal value appraised for the period not exceeding six months before Sena Development PCL. will purchase such land. However, if Sena Development PCL. does not wish to purchase such land from Sirinthip Karn Keha Co., Ltd., Sirinthip Karn Keha Co., Ltd. will therefore hold the right to sell such land to outside parties in the prices not lower than prices offered to Sena Development Company Limited.
4. Both parties agreed that in any operation under this contract, both parties are responsible for compliance with legal, regulation, announcement including regulation and notification issued by Stock Exchange of Thailand, especially notification in respect of connected transactions or acquisition or disposal of assets or any other notification in order to protect the benefit of minority shareholders of the Company.

Between the Company and Jaroen Roj Land Co., Ltd. (related company)

1. Jaroen Roj Land Co., Ltd. agrees and certifies to Sena Development PCL. that Jaroen Roj Land Co., Ltd. will not purchase additional land or operate land development or house construction for sale or for let or any other business operation in respect of real estate no matter by Jaroen Roj Land Co., Ltd. itself or in the collaboration project or joint investment with other entrepreneur apart from real estate project that Jaroen Roj Land Co., Ltd. has operated presently.

Between the Company and Bung Num Ruk Thanee Co., Ltd. (related company)

1. Bung Num Ruk Thanee Co., Ltd. agrees and certifies to Sena Development PCL. that Bung Num Ruk Thanee Co., Ltd. will not purchase additional land or operate land development or house construction for sale or for let or any other business operation in respect of real estate no matter by Bung Num Ruk Thanee Co., Ltd. itself or in the collaboration project or joint



investment with other entrepreneur apart from real estate project that Bung Num Ruk Thanee Co., Ltd. has operated presently.

Between the Company and Thitirat Wisawagam Co., Ltd. (related company)

1. Thitirat Wisawagam Co., Ltd. agrees and certifies to Sena Development Company Limited that Thitirat Wisawagam will not purchase additional land or operate land development or house construction for sale or for let or any other business operation in respect of real estate no matter by Thitirat Wisawagam itself or in the collaboration project or joint investment with other entrepreneur apart from real estate project that Thitirat Wisawagam Co., Ltd. has operated presently.

6. CASH AND CASH EQUIVALENTS

consist of;

	Baht			
	Consolidate financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash	1,550,975	1,544,338	645,000	449,200
Cash at banks - saving accounts	251,084,954	182,920,380	127,216,634	65,556,963
Cash at banks - current accounts	8,703,100	17,587,178	4,347,406	16,174,535
Check due but not deposit	58,834,066	28,813,226	58,700,503	28,813,226
Bill of Exchange	52,000,000	86,500,000	-	-
Total	372,173,095	317,365,122	190,909,543	110,993,924

Saving deposit is subject to bank's floating interest rate.

As at December 31, 2013 and 2012 bill of exchange from financial institutions can be summarized as follows:

	Consolidate financial statements		Separate financial statements	
	2013	2012	2013	2012
Amount (Million Baht)	52.00	86.50	-	-
Number of bills	4	12	-	-
Due date	During the month of February 2014	During the month of January 2013 and at call	-	-
Interest rate	2.50% - 3.10%	2.50-2.60%	-	-
Commitment	None	None	-	-



7. AGING ANALYSIS

As at December 31, 2013 and 2012 consist of;

	Baht			
	Consolidate financial statements		Separate financial statements	
	2013	2012	2013	2012
Notes receivable	73,832	2,000	-	-
Accounts receivable-Aging				
In due	-	222,316	-	-
Not over 3 months	985,780	1,106,866	-	-
Over 3 – 6 months	7,313	201,494	-	-
Over 6 month and less 1 years	24,123	111,101	-	-
Total	1,091,048	1,643,777	-	-
Other receivable				
Advance payment	22,877,572	9,418,560	18,152,342	7,299,351
Prepaid expenses	61,120,496	25,353,380	58,835,224	23,617,831
Deposit for purchase land (Note 29.3)	19,250,000	5,200,000	19,250,000	5,200,000
Others	6,015,604	2,921,468	3,695,243	766,739
Total	109,263,672	42,893,408	99,932,809	36,883,921
Total Trade accounts receivable and other receivable	110,354,720	44,537,185	99,932,809	36,883,921

8. INVENTORIES – NET

As at December 31, 2013 and 2012 consist of;

	Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Land	2,397,167,427	2,340,687,121	1,868,273,518	1,588,197,326
Land development cost	73,815,700	57,332,095	60,408,499	43,653,516
Land and club-house	12,873,426	12,873,426	12,873,429	12,873,426
Public utility	463,583,883	308,822,584	339,242,821	219,225,867
Construction works	4,688,986,039	3,451,940,145	3,868,008,673	2,749,343,551
Management fee	34,319,036	22,070,411	26,757,934	14,509,309
Borrowing cost	119,797,868	97,144,033	93,902,437	54,490,523
Others expenses	150,547,310	126,853,443	128,328,845	99,147,391
Total	7,941,090,689	6,417,723,258	6,397,796,156	4,781,440,909



Less Accumulated				
transfer to cost of				
property sales	(5,691,210,492)	(4,565,809,540)	(4,736,365,538)	(3,675,463,839)
Deferred interest	(6,261,448)	(10,346,412)	(6,261,449)	(6,261,449)
expenses				
Net	2,243,618,749	1,841,567,306	1,655,169,169	1,099,715,621
Finished house held for				
sales - net	39,388,883	7,165,156	39,388,883	7,165,156
Total	2,283,007,632	1,848,732,462	1,694,558,052	1,106,880,777

As at December 31, 2013, the Company and subsidiary mortgaged the above land with total cost amount of Baht 1,559.95 million and Baht 511.29 million, respectively, as collateral for loans (Note 29.1.d).

Consolidated financial statements

For the years ended December 31, 2013 and 2012, the Company and subsidiary capitalized interest expense as a part of cost of inventory amounting to Baht 49.46 million and Baht 25.60 million, respectively.

Separate financial statements

For the years ended December 31, 2013 and 2012, the Company capitalized interest expense as a part of cost of inventory amounting to Baht 39.41 million and Baht 15.62 million, respectively.

The projects of the Company group are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Number of projects on hand at beginning of year	20	18	17	15
Number of closed projects	-	-	-	-
Number of the new projects	4	2	4	2
Number of projects on hand at end of year	24	20	21	17
Amount of sale contracts (Million Baht)	10,097	7,145	8,750	6,167
Percentage of total sales in projects on hand	75	79	73	78

Cost of each plot of land is lower than the appraisal values, according to the report of independent appraiser by market value method.

9. LAND HELD FOR DEVELOPMENT-NET



As at December 31, 2013 and 2012 consist of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cost of land	879,151,636	710,102,926	514,385,916	562,903,417
Related expenses of land	25,455,141	6,425,181	17,622,774	6,425,181
Public utility development	18,664,840	8,619,458	279,538	8,619,458
Borrowing cost	25,197,415	275,789	-	275,789
Total	948,469,031	725,423,354	532,288,228	578,223,845

Costs of each plot of land are not exceeding the appraisal value appraised by independent appraiser with market value method or not less than appraisal value appraised by Land Department.

During the year 2013, the Company purchased land from a foundation of Baht 108.29 million. The Company had paid in partial by cash and the remaining of Baht 78,290,766 were paid by the issue of promissory due on September 6, 2014. Under the term of the agreement, the Company commit to pay at Baht 16.60 million for the cost of remove of the former occupant.

As at December 31, 2013 and 2012, the company has mortgaged land held for development at the cost amounting to Baht 359.07 million and Baht 267.15 million as collateral for loans (Note 29.1.d).

10. INVESTMENTS IN SUBSIDIARIES

As at December 31, 2013 and 2012 consist of:

Company	Baht							
	Separate financial statements							
	Paid-up Capital		Portion of Investment		Cost method		Dividend for	
	(Thousand Baht)		(%)				the years ended	
	2013	2012	2013	2012	2013	2012	2013	2012
Victory Asset Management Co., Ltd.	192,200	192,200	99.99	99.99	175,378,636	175,378,636	-	-
S.N. Asset Development Co., Ltd.	122,000	122,000	99.65	99.65	121,573,000	121,573,000	-	-
S&P Estate Development Co., Ltd.	14,000	14,000	79.96	79.96	11,195,000	11,195,000	-	-



Property Gateway					100,000,0	100,000,0		
Co., Ltd.	100,000	100,000	99.99	99.99	00	00	-	-
T.Treasury holding					590,000,0	590,000,0		
Co., Ltd	66,500	66,500	99.99	99.99	00	00	-	-
					998,146,6	998,146,6		
Total					36	36	-	-

At the resolution of the Extraordinary Shareholders' Meeting held on December 27, 2011, the shareholders approved to purchase share in T.Treasury holding Co., Ltd. (Related parties) of 40,000 shares amount of Baht 590 million. The Company has pay cash amount of Baht 100 million and no interest promissory note for old shareholders amount Baht 490 million.

On January 2012, the company paid for the shares, has cashier's check amount of Baht 100 million for old shareholders, a number of 4 bills amount of Baht 490 million (Note 5) due January 5, 2014. The company has no interest and no guarantee, registered with the Ministry of Commerce of Thailand on January 6, 2012.

And on May 25, 2012, T.Treasury holding Co., Ltd 's shares capital held bay the company number of 66,498 shares (99.99% of the company's holding) have been mortgaged the Company 's loan (Note 29.1.c and 28.2).

11. INVESTMENT PROPERTY – NET

The significant movements during for the years ended December 31, 2013 and 2012 are as follows:



Consolidated financial statements (Baht)											
	Cost			Accumulated depreciation.				Book value- net			
	2012	Increased	Transfer in (out)	2013	2012	Increased	From Investment	decreased	2013	2012	2013
Building	-	-	326,207,336	326,207,336	-	4,915,453	-	-	4,915,453	-	321,291,883
Lift Systems	-	-	22,102,000	22,102,000	-	554,518	-	-	554,518	-	21,547,482
Plumbing, electrical system	-	-	55,486,922	55,486,922	-	1,392,114	-	-	1,392,114	-	54,094,808
Utilities	-	-	2,909,339	2,909,339	-	72,992	-	-	72,992	-	2,836,346
Compressed air systems	-	-	22,173,196	22,173,196	-	556,304	-	-	556,304	-	21,616,892
Landscaping and other	-	-	12,720,455	12,720,455	-	319,144	-	-	319,144	-	12,401,311
Total	-	-	441,599,248	441,599,248	-	7,810,525	-	-	7,810,525	-	433,788,723
<u>Increase</u> leasehold right											71,050,325
<u>Less</u> Amortization of leasehold right											(7,367,812)
Investment property - Net											497,471,236



Consolidated financial statements (Baht)											
	Cost			Accumulated depreciation.				Book value- net			
	2012	Increased	Decreased	Transfer in	2013	2012	Increased	From	decreased	2012	2013
				(out)				Investment			
Land	394,372,131	-	-	-	394,372,131	-	-	-	-	394,372,131	394,372,131
Golf development	124,264,000	-	-	-	124,264,000	-	-	-	-	124,264,000	124,264,000
Golf improvement	7,652,340	16,602,620	-	4,309,599	28,564,559	127,888	-	936,020	-	7,524,452	27,500,651
Building and Structure	48,397,710	393,406	-	40,501,867	89,292,983	10,676,952	10,319,371	-	-	20,996,323	68,296,660
Sale office improvement	1,304,253	-	-	-	1,304,252	863,218	441,033	-	-	1,304,251	1
Office Equipments	55,586,935	14,339,693	(75,039)	-	69,861,589	29,975,821	17,830,401	-	(3,418)	25,611,114	22,159,608
Vehicles	42,392,139	3,800,000	-	(639,000)	45,553,139	27,369,016	5,648,879	-	(638,999)	15,023,123	13,174,243
Work in progress	4,309,599	63,859,619	-	(4,309,599)	63,859,619	-	-	-	-	4,309,599	63,992,619
Total	678,279,106	98,582,510	(75,039)	39,862,867	817,062,272	69,012,895	34,397,981	936,020	(642,417)	609,266,212	713,623,790
Less Allowance for impairment										(3,864,368)	(3,864,368)
Property Plant and Equipment - net										605,401,844	709,759,422



Investment property consist of: 1) Land is stated at cost, Building and construction stated at cost less accumulated depreciation of assets for rent such as three apartments are not exceeding the appraisal value appraised by independent appraiser (T.A. Management Corporation (1999) Co., Ltd.) as per report dated February 6, 2009 and January 23, 2012). 2) Assets for rent such as land and warehouse for rent at Sukhumvit 50, is stated at cost less accumulate depreciation. The subsidiary estimates for the useful life according to the company's policy to rent around 6 years. And 3) Communities mall is stated at cost less accumulate depreciation and leasehold right is stated amortization of leasehold right on a straight line basis over the estimated useful live 30-50 years.

On July 1, 2013, a subsidiary changed the estimated useful lives of Godown from 6 years to 20 years since July 1, 2013. The depreciation will be reduced Baht 2.62 million per quarter.

As at December 31, 2013, the subsidiaries have mortgaged land and structures cost of Baht 441.60 million and 345.70 million as collateral for loans from the financial institutions.

12. PROPERTY, PLANT AND EQUIPMENT - NET

The significant movements during for the years ended December 31, 2013 and 2012 are as follows:



Consolidated financial statements (Baht)												
	Cost				Accumulated depreciation				Book value- net			
	2012	Increased	Decreased	Transfer in (out)	2013	2012	Increased	From Investment	decrease d	2012	2012	2013
Land	394,372,131	-	-	-	394,372,131	-	-	-	-	-	394,372,131	394,372,131
Golf development	124,264,000	-	-	-	124,264,000	-	-	-	-	-	124,264,000	124,264,000
Golf improvement	7,652,340	16,602,620	-	4,309,599	28,664,559	127,888	-	996,020	-	1,063,908	7,524,452	27,500,651
Building and Structures	48,397,710	393,406	-	40,501,867	89,292,983	10,676,952	10,319,371	-	-	20,996,323	37,720,758	58,296,660
Sale office improvement	1,304,253	-	-	-	1,304,252	863,218	441,033	-	-	1,304,251	441,035	1
Office Equipments	55,586,935	14,339,693	(75,039)	-	69,851,589	29,975,821	17,830,401	-	(3,418)	47,802,804	25,611,114	22,159,508
Vehicles	42,392,139	3,800,000	-	(639,000)	45,553,139	27,369,016	5,648,879	-	(638,999)	32,378,896	15,023,123	13,174,243
Work in progress	4,309,599	63,859,619	-	(4,309,599)	63,859,619	-	-	-	-	-	4,309,599	63,992,619
Total	678,279,106	98,592,510	(75,039)	39,852,867	817,062,272	69,012,895	34,397,981	936,020	(642,417)	103,546,182	609,266,212	713,623,790
Less Allowance for impairment	-	-	-	-	-	-	-	-	-	-	(3,864,368)	(3,864,368)
Property Plant and Equipment - net	-	-	-	-	-	-	-	-	-	-	605,401,844	709,759,422



Consolidated financial statements(Baht)										
	Cost			Accumulated depreciation.			Book value-net			
	2011	Increased	From Investment	Transfer in (out)	2012	2011	Increased	From Investment	Decrease	2012
Land	38,467,368	-	355,904,763	-	394,372,131	-	-	-	-	394,372,130
Golf development	-	-	124,284,000	-	124,284,000	-	-	-	-	124,284,000
Golf improvement	-	7,652,340	-	-	7,652,340	-	127,888	-	-	7,524,452
Building and Structures	32,110,088	462,000	16,963,535	(1,137,923)	49,397,710	6,185,205	2,237,593	2,254,154	-	37,720,758
Site office improvement	-	1,304,253	-	-	1,304,253	-	883,218	-	-	441,035
Office Equipments	43,282,339	9,323,390	3,827,465	(826,259)	55,586,935	21,077,169	7,930,797	1,146,839	(179,084)	25,811,114
Vehicles	22,141,715	7,399,187	12,851,237	-	42,392,139	12,846,641	5,405,812	9,116,593	-	15,023,123
Work in progress	-	4,309,389	-	-	4,309,389	-	-	-	-	4,309,389
Total	135,981,520	30,450,769	513,811,000	(1,964,182)	678,279,107	40,109,015	16,565,308	12,517,856	(179,084)	809,266,212
Less Allowance for impairment	-	-	-	-	-	-	-	-	-	(3,884,388)
Property Plant and Equipment - net	-	-	-	-	-	-	-	-	-	805,401,844



Separate financial statements (Bath)											
	Cost				Accumulated depreciation.				Book value- net		
	2012	Increased	Decreased	Transfer in	2013	2012	Increased	Transfer in	2013	2012	2013
Land	21,321,308	-	-	-	21,321,308	-	-	-	-	21,321,308	21,321,308
Building and Structures	7,591,211	-	-	40,501,867	48,093,078	1,418,966	275,875	-	1,694,841	6,172,245	46,398,237
Office Equipments	33,315,892	9,549,160	-	-	42,865,052	19,563,931	13,527,070	-	33,091,001	13,751,961	9,774,051
Vehicles	28,583,873	3,150,000	-	(639,000)	31,094,873	16,779,643	4,405,275	(638,999)	20,545,919	11,804,230	10,548,954
Total	90,812,284	12,699,160	-	39,862,867	143,374,311	37,762,540	18,208,220	(638,999)	55,331,761	53,049,744	88,042,550
Less Allowance for impairment										(3,864,368)	(3,864,368)
Property Plant and Equipment - net										49,185,376	84,178,182



Separate financial statements (Baht)									
	Cost				Accumulated depreciation.			Book value-net	
	2011	Increased	Decreased	Transfer in (out)	2012	2011	Increased	Decreased	2012
Land	21,321,308	-	-	-	21,321,308	-	-	-	21,321,308
Building and Structures	8,729,134	-	-	(1,137,923)	7,591,211	1,118,118	300,848	-	6,172,245
Office Equipments	30,563,431	3,474,177	(721,716)	-	33,315,892	15,176,359	4,526,512	(137,940)	13,751,961
Vehicles	21,190,236	7,393,637	-	-	28,583,873	12,555,370	4,224,273	-	11,804,230
Work in progress	-	-	-	-	-	-	-	-	-
Total	81,804,109	10,867,814	(721,716)	(1,137,923)	90,812,284	28,849,847	9,050,633	(137,940)	53,049,744
Less Allowance for impairm.	-	-	-	-	-	-	-	-	(3,864,368)
Property Plant and Equipment - net	-	-	-	-	-	-	-	-	49,185,376



As at December 31, 2013 and 2012, the subsidiaries have mortgaged the land and building amounting of Baht 28.91 million and 410.49 million, as collateral for long-term loans from financial institutions.

As at December 31, 2013 and 2012, a portion of the Company's equipment with historical cost of Baht 22.41 and 17.15 million and a portion of subsidiary's assets at Baht 13.50 and 13.28 million, are fully depreciated but they are still in use.

13. PROJECT UNDER CONSTRUCTION

	Baht	
	Consolidated and separate financial statements	
	2013	2012
First rental repayment	30,000,000	30,000,000
Leasehold right transferring expenses	25,000,000	25,000,000
Compensation for extending the lease	15,000,000	15,000,000
Registered expenses	1,050,325	1,050,325
Construction	441,599,248	273,711,189
	512,649,573	344,761,514
<u>Less</u> Amortization of leasehold right	(7,367,812)	(5,711,668)
Transfer	(505,281,761)	-
Total	-	339,049,846

On September 2, 2008, the Company had entered into the memorandum of Land leasehold right transferring from a non related company; to rent the land with a Foundation for 32 years, expire on 2041. The Company has to pay for the first rental fee amounting to Baht 30 million (Baht of 20 million will be paid on the memorandum signing part of date, and Baht of 10 million will be paid within January 10, 2010). Also, monthly rental fee each Baht of 50,000 starting from September 2011. The Company has the commitment to construct the project by amount not less than Baht 300 million and has to finish the project construction within 10 years from the registration of leasehold the whole construction on rental land will be transferred the ownership to lesser when the period of this project contract is terminated. In addition, the Company has to pay for the benefit fee at the rate of 20% of net profit to land leasehold right transferor. Together with land leasehold right transferring charges amount of Baht 25 million. September 11, 2009, the Company has registered land leasehold right with such foundation and payment complete for leasehold right.

Term of rental agreement extend

And on February 15, 2012, The Company and a Foundation has canceled the agreement on September 11, 2009 and attached the contract as per report date September 10, 2009. The Company



and a Foundation has entered a revised agreement to extend a rental period being 50 years starting from February 1, 2012 to January 31, 2062 and a part of conditions in agreement, The Company has to pay Baht of 10 million to a Foundation contract (And on February 14, 2012, the Company has paid for the extend rental period fee additional by amount of Baht 5 million to the Foundation, totally the extend rental period fee amount of Baht 15 million) and pay monthly rental fee baht of 50,000(since February 2012 to September 2041), and baht of 100,000(since October 2041 to January 2062). The Company has registered new land leasehold right on February 17, 2012 and entered the pledged agreement with the financial institute, credit line Baht of 372 million.

The rental objective is to construct any structures on lease land in order to sub-lease or any business commercial benefit.

As at December 31, 2013, the Company has case in sued interim of project under construction (Note 29.4).

In year 2013 and 2012 the Company has mortised such leasehold right by amount of Baht 7.37 million and Baht 5.71 million (included the effective form above extended term of rental agreement) in Statement of Comprehensive Income.

14. DEFERRED TAX ASSETS

As at December 31, 2013 and 2012, the components of deferred tax asset are as follows:

		(Unit: Baht)			
		Consolidated		Separate	
		December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Total		8,929,749	7,714,928	3,325,385	3,935,776
Set off of tax		-	-	-	-
Net deferred tax assets (liabilities)		8,929,749	7,714,928	3,325,385	3,935,776

		(Unit: Baht)			
		Consolidated			
		(Charged) / credited to:			
		Other			
		January 1, 2013	Profit or loss	comprehensive income	Equity
					December 31, 2013
Deferred tax assets					
Loss carry forward		2,581,735	546,666	-	-
					3,128,401



Impairment of assets	888,805	(888,805)	-	-	-
Depreciation of investments property	(292,408)	(18,555)	-	-	(310,963)
Depreciation of property, plant and equipment	233,292	2,829,255	-	-	3,062,547
Retention	498,959	(79,282)	-	-	419,677
Advances received from customer	1,906,703	35,434	-	-	1,942,137
Employee benefit obligations	1,897,842	(1,209,892)	-	-	687,950
Total	7,714,928	1,214,821	-	-	8,929,749

(Unit: Baht)

Separate

(Charged) / credited to:

	January 1, 2013	Profit or loss	Other comprehensive e income	Equity	December 31, 2013
Deferred tax assets					
Impairment of assets	888,805	(888,805)	-	-	-
Depreciation of property, plant and equipment	-	1,389,956	-	-	1,389,956
Advances received from customer	1,711,898	179,809	-	-	1,891,707
Employee benefit obligations	1,335,073	(1,291,351)	-	-	43,722
Total	3,935,776	(610,391)	-	-	3,325,385

15. SHORT-TERM PROMISSORY NOTES PAYABLE TO FINANCIAL INSTITUTIONS

As at December 31, 2013 and 2012 consist of:

	Baht			
	Consolidated financial statements		separate financial statements	
	2013	2012	2013	2012
Promissory notes *	1,130,000,000	310,000,000	1,130,000,000	296,800,000
Bill of exchange **	577,000,000	480,000,000	423,000,000	480,000,000
Bond	46,400,000	-	-	-
<u>Less</u> Interest discounting bills of exchange	(6,004,547)	(7,040,732)	(3,744,554)	(7,040,732)



	617,395,452	472,959,268	419,255,446	472,959,268
Total	1,747,395,453	782,959,268	1,549,255,446	769,759,268

* As at December 31, 2013, The Company issued 3 promissory note, promissory note 2 by two financial institutions amounted to 1,130 million due from May - September 2014. interest rate 5%, MLR – 1 and MLR-2 per annum.

** The Company has issued 6 bills of exchanges due from January 2014 to May 2014 by amounting of Baht 423 million, discount rate of 4.35 – 5.85% per annum. The support business expansion and financial resources to conduct the business of the company.

On June 19, 2013, A subsidiary issued the short-term bonds, Baht 1,000 par value of 46,400 units, amounting to Baht 46.4 million due on March 14, 2014. The bonds bear interest at the rate of 5.1% per annum totaling Baht 1.67 million. The Subsidiary received the cash of Baht 44.73 million.

On August 2, 2013, A subsidiary issued the bill of exchange of Baht 154 million due within April 2013, discount rate of 4.80% per annum.

On October 11, 2012, its subsidiary issued 1 promissory note amount of Baht 13.20 million due from April 2013, guarantee by deposits at bank.

16. TRADE ACCOUNTS AND OTHER PAYABLE

As at December 31, 2013 and 2012 consist of:

	Baht			
	Consolidated financial statements		Separate statements	financial
	2013	2012	2013	2012
Account payable	177,030,343	43,885,529	163,478,938	36,264,561
Notes payable	33,160,790	48,844,038	30,175,752	45,203,983
Other payable	20,885,176	10,276,421	12,343,747	7,089,232
Total	231,076,309	103,005,988	205,998,437	88,557,776

17. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

As at December 31, 2013 and 2012 consist of:

**CURRENT LIABILITIES:**

	Credit limit	Baht			
		Consolidated		Separate	
		financial statements		financial statements	
	(Million baht)	2013	2012	2013	2012
Long-term loans from financial institutions					
Land	250	-	250,000,000	-	-
Construction works and project public utility development	757	13,000	53,982,800	11,000	45,000,000
Total	1,007	13,000	303,982,800	11,000	45,000,000

The significant movements during as at December 31, 2013 are as follows:

	Baht			
	Consolidated financial statements			
	January 1, 2013	Increase	Decrease	December 31, 2013
Long-term loans from financial institutions				
- Land	250,000,000	-	250,000,000	-
- Construction works and project public utility development	53,982,800	628,009,078	681,978,878	13,000
Total	303,982,800	628,009,078	931,978,878	13,000

	Baht			
	Separate financial statements			
	January 1, 2013	Increase	Decrease	December 31, 2013
Long-term loan from financial institutions				
- Land	-	-	-	-
- Construction works and project public utility development	45,000,000	628,009,078	672,998,078	11,000
Total	45,000,000	628,009,078	672,998,078	11,000



As at December 31, 2013, the Company has long-term loans with a bank under the condition of payment as following:

1. Loan facility of Baht 353 million
 - Construction work and project public utility development has charged the interest rate of MRL – 1.25 per annum. repayment within 30 month and 48 month, respectively

Subsidiaries

As at December 31, 2013, a subsidiaries have long-term loans from financial institutions as follows:

Land cost amounting of Baht 250 million interests in Year 1 and 2 interest rate of MLR - 1.25 % per annum. After that, the interest rate MLR - 0.75 % per annum. The interest is payable every end of the month.

Construction works and Project public utility development amounting of Baht 404 million interests in Year 1 and 2 interest rate of MLR - 1 % per annum. After that, the interest rate MLR - 0.75 % per annum. The interest is payable every end of the month.

Such loans are collateral by project land (Note 8), guaranteed by the Company

As the loan repayment schedule is proportionate to sales of real estate. The Company therefore presented all long-term loans as Current Liabilities.

NON-CURRENT LIABILITIES:

	Credit limit	Baht			
		Consolidated financial		Separate financial statements	
		statements			
	(Million baht)	2013	2012	2013	2012
Long-term loans from financial institutions					
Land	120	91,640,690	108,524,921	20,000,000	20,000,000
Construction works and project public utility development	385	329,163,500	80,500,000	329,163,500	80,500,000
Total	505	420,804,190	189,024,921	349,163,500	100,500,000
Current portion	-	(20,921,843)	(16,884,231)	(3,046,576)	-
Net	505	399,882,347	172,140,690	346,116,924	100,500,000



The significant movements during as at December 31, 2013 are as follows:

Baht				
Consolidated financial statements				
	January 1, 2013	Increase	Decrease	December 31, 2013
Long-term loans from financial institutions				
- Land	108,524,921	-	(16,884,231)	91,640,690
- Construction works and project public utility development	80,500,000	311,105,353	(62,441,853)	329,163,500
Total	189,024,921	311,105,353	(79,326,084)	420,804,190

Baht				
Separate financial statements				
	January 1, 2013	Increase	Decrease	December 31, 2013
Long term loans from financial institutions				
- Land	20,000,000	-	-	20,000,000
- Construction works and project public utility development	80,500,000	311,105,353	(64,441,853)	329,163,500
Total	100,500,000	311,105,353	(64,441,853)	329,163,500

As at December 31, 2013, a subsidiary has loan facility from a commercial bank, payment condition is as follows:

1. Loan facility of Baht 365 million

- Land and Construction cost charged interests in Year 1-2 interest rate of MLR 6.10 % per annum and Year 3-10 interest rate CIMB T's MLR -1.50 % per annum, repayment within 10 years and the first principal repayment within 25 months after the drawn down date. Such loans are mortgaged by The Company's land and structures (Notes 12).

Subsidiaries

As at December 31, 2013, a subsidiary has loan facility from a commercial bank, payment condition are as follows:

1. Loan facility of Baht 140 million



The first principal and interest repayment is not less than Baht 1,226,000 per month and repayment within 120 months after the first drawn down onward under the term of interest rate as follows:

1 st year to December 31, 2014	interest at the fixed rate 5% per annum.
January 1, 2015 onwards	interest rate of MLR+0.50% per annum.

These loans are guaranteed by land and structures at cost of Baht 200 million(Notes 10) and the guaranteed by directors of the Company and Sena Development Public Company Limited.

As at December 31, 2013 and 2012, the Company and subsidiary remaining credit line has not been drawn down as follow:

	Million Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Loans has not been drawn down	3,790	2,050	3,059	1,392

The above loans were guaranteed by the mortgage of land and construction there on as discussed in Note 8 and Note 9 and by the parent company and by the directors of the Company.

Under the term of the loan agreements, the Company and subsidiaries must to comply the certain financial term such as maintain the debt to equity ratio will not be above 1.5 and shall not be under the zero during the agreement period etc. And In some contracts, the company will have to pay a fee to cancel the loan at the rate of 2 percent of the loan was not drawn so on.

The some credit loan, a company has signed in promise the loan cooperates a subsidiary company , in promise the loan has specified some aspects condition , such as , ratio debt to equity maintenance builds not exceed asset more 1.5:1, a subsidiary company will assure and conclude maintain structure proportion shareholders of parent company hold shares a subsidiary company more than 99 percentages of the authorized capital

18. ESTIMATED LIABILITY-EMPLOYEE BENEFIT

An independent actuary carried out an evaluation of the Company's obligations for employees' long-term benefits using the projected unit credit method. The Company has provided the provision for employees' long-term benefits as follows:



	Baht	
	Consolidated financial statements	Separate financial statements
	2013	2013
Provision for employee benefits - beginning	8,804,602	5,804,664
Add The subsidiaries of the investment recognized amount	1,138,106	218,611
Provision for employee benefits - ending	9,942,708	6,023,275

	Baht	
	Consolidated financial statements	Separate financial statements
	2013	2013
Present value of unfunded obligation	9,942,708	6,023,275
Expense recognized in profit or loss as follows:		
Current service cost	1,017,722	218,611
Interest cost	120,384	-
Total – recognized in the statement of income	1,138,106	218,611
Principal actuarial assumptions (Actuarial basis)		

	Consolidated	Separate
	2013	2013
Discount rate (%)	4	4
Salary increase rate (%)	2 - 6	2 - 6
Retirement age (year old)	60	60

19. Share capital

On October 24, 2012, the meeting of the Extraordinary Shareholder Meeting No.1/2012, the Company approved to reduce the share capital from Baht 714,705,882 million to Baht 714,704,825 million by cancelling 1,057 unissued ordinary shares and increase a share capital from Baht 714,704,825 (714,704,825 ordinary shares, Baht 1 per share) to Baht 857,711,687 (857,711,687 ordinary shares, Baht 1 per share), to supporting the exercise of right under the warrants. The Company registered the reduction and increase the share capital with the Ministry of Commerce on November 2, 2012 and November 6, 2012. The newly issued shares allocated are as follow:



- Allocation of ordinary shares in the amount of not exceeding 110,500,000 shares with a par value of Baht 1 per share for the offering of sale to general investor, which shall have a discount rate of not exceeding 5% of the market price based on the Company's weighted average price between 7–15 consecutive trading days prior
- Allocation of ordinary shares in the amount of not exceeding 27,506,862 shares with a par value of Baht 1 per share in order to support the exercise of rights under the warrants to purchase the ordinary shares of the Company held by existing shareholders and persons who subscribe the newly issued ordinary shares, details of warrant are as follows.
- Allocation of ordinary shares in the amount of not exceeding 5,000,000 shares with a par value of Baht 1 per share in order to support the exercise of rights under the warrants to purchase the ordinary shares of the Company to the executives and employees of the Company and/or its subsidiaries No.1, details of warrant are as follows.

INCREASE AND DECREASE SHARE CAPITAL

At the annual general meeting of the shareholders of the Company held on April 26, 2012 the Company's shareholders approved:

- A) To decrease the Company's authorised share capital from Baht 700 million (700,000,000 shares at Baht 1 par value) to Baht 675 million (675,000,000 shares at Baht 1 par value) by cancellation the remaining registered ordinary shares totaling 25,000,000 shares with a par value of Baht 1 per share. And April 27, 2012, registered with the Ministry of Commerce of Thailand.
- B) To increase the Company's authorised share capital from Baht 675 million (675,000,000 shares at Baht 1 par value) (after reduction the above registered capital) to Baht 715 million (714,705,882 shares at Baht 1 par value) by the issuance of 39,705,882 new common shares at a ratio of 17 existing share to 1 stock dividend with a par value of Baht 1 per share to support the stock dividend payment. And April 30, 2012, registered with the Ministry of Commerce of Thailand

20. Warrant

The warrants to purchase the ordinary shares of the Company held by existing shareholders and persons who subscribe the newly issued ordinary shares details of warrant are as follows:

Type of warrants	Registered and transferable warrants
Term of warrants	2 years from the date of issuance of warrants.
Amount of warrants offered for sale	Not over 27,506,862 units
Exercise ratio	1 unit of warrant has the right to purchase. (Subject to change according to the adjustment of rights and conditions



provision)

Exercise price	The exercise price to purchase an ordinary share shall have a discount no more than 40% of the marker price
Exercise period	Their warrants on every last business day of each quarter within 2 years from the warrant issuance date and must declare intention to exercise their right within 7 business days prior to each exercise date throughout the warrant term.

The warrants to purchase the ordinary shares of the Company to the executives and employees of the Company and/or its subsidiaries No.1 details of warrant are as follows:

Type of warrants	Registered and non-transferable warrants
Term of warrants	3 years from the date of issuance and offering.
Amount of warrants offered for sale	Not over 5,000,000 units
Exercise ratio	1 unit of warrant has the right to purchase 1 new ordinary share. (Subject to change according to the adjustment of rights and conditions provision)
Exercise price	Baht 1.10 per share (Subject to change according to the adjustment of rights and conditions provision)
Conditions and period of exercise	<p>Their warrants on every last business day of each quarter. The first exercise date shall be 1 year after the date that the warrants are issued and offered to the executives and employees of the Company and/or its subsidiaries (Exercise date) in accordance with the following conditions:</p> <p>1) 12 months after the allotment date, warrant holders can exercise not more than 20% of total number of allotted warrants.</p> <p>2) 24 months after the allotment date, warrant holders can exercise any amount of allotted warrants until the maturity date.</p>

Present between approval by the Government agencies



21. DIVIDENDS PAID

Year 2013

At the Board of Directors' Meeting No. 4/2013 held on August 13, 2013, the directors approved to pay annual dividends of Baht 0.012 per share from net profit relating solely to business operations benefiting from the privileges under the Investment Promotion and Baht 0.036 per share from net profit which out the privileges under the Investment Promotion, totalling of Baht 34.31 million. The Company pay dividends on September 11, 2013.

At the Board of Directors' Meeting No. 1/2013 held on February 21, 2013, the directors approved to pay annual dividends of Baht 0.019 per share from net profit relating solely to business operations benefiting from the privileges under the Investment Promotion and Baht 0.064 per share from net profit which out the privileges under the Investment Promotion, totalling of Baht 59.32 million. The Company pay dividends on May 22, 2013. This dividend payment was approved by the shareholders in the shareholders' meeting held on April 24, 2013.

Year 2012

At the Board of Directors' Meeting No. 4/2012 held on August 10, 2012, the directors approved to pay interim dividends of Baht 0.029 per share from net profit relating solely to business operations benefiting from the privileges under the Investment Promotion and Baht 0.053 per share from net profit which out the privileges under the Investment Promotion, totalling of Baht 58.61 million. The Company pay dividends on September 7, 2012.

The meeting of the Company's Board of Directors held on April 26, 2012 passed a resolution to pay dividends to the Company's shareholders from the operations for the year 2011. A ratio of 17 existing ordinary shares to receive stock dividend of 1 share, with a total amount of not exceed Baht 39.71 million, or equivalent to the dividend of Baht 0.059 per share. In the case of any shareholder with a fraction of the shares after the stock dividend distribution, will be entitled to receive cash dividend at the rate of Baht 0.060 per share. In addition the Company will pay a cash dividend at Baht 0.060 per share. The Company pay dividend on May 8, 2012.

22. LEGAL RESERVE

Under the provisions of the Thai Public Company Limited Act B.E. 2535, the Company is required to appropriate at least 5% of its annual net income after deduction of the deficit brought forward (if any) as reserve fund until the reserve equal to 10% of authorized share capital. The reserve is not available for dividend distribution.



23. EXPENSES BY NATURE

The significant expenses by nature for the years ended December 31, 2013 and 2012 are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Changes in finished goods and works in process	434,275,170	234,131,493	587,677,275	284,978,366
Cost of land, Construction works and public utility development	1,538,715,207	1,115,783,665	1,616,355,246	1,004,499,086
Salary and wages and other employee benefits	130,036,479	112,323,590	80,528,450	64,325,704
Depreciation	37,783,346	19,995,664	16,862,256	7,781,813
Advertising expenses	191,877,000	125,351,555	177,624,0752	104,883,023
Specific business tax and transfer fee	75,992,480	65,969,584	71,731,984	54,914,294

24. INCOME TAX

Income tax expense for the years ended December 31, 2013 and 2012 consist of;

	Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Current income tax:				
Income tax during the years	77,258,235	77,818,540	72,224,774	58,413,721
Deferred income tax:				
Deferred income from the temporary difference and reverse the permanent difference	(790,992)	(2,298,744)	610,391	3,369,003
Income tax expense in Comprehensive income statements	76,467,243	75,519,796	72,835,165	61,782,724

25. EARNINGS PER SHARE

The calculations of basic earnings per share were based on the weighted average number of ordinary shares during the years, calculated as follow :



	(Share/Baht)			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Earning for the years	269,744,851	294,046,793	293,867,580	245,752,6641
Weighted average				
number of ordinary				
shares(shares)	714,704,825	714,704,825	714,704,825	714,704,825
Basic earnings per				
share(Baht)	0.38	0.41	0.41	0.34

26. PROMOTIONAL PRIVILEGES FROM B.O.I

By virtue of the provisions of the Investment Promotion Act of B.E. 2520, the Company and its subsidiaries has been granted privileges by the Board of Investment relating to developing a housing project for persons who have low or middle income a number of 5 and 1, respectively. (Where the usable area in each unit shall not be less than 28 square meters and the contracted sale amount is less than Baht 1,000,000). The principal privilege is the exemption from corporate income tax for a period of 5 years from the start of business operations related to these privileges. The promotional privileges will expire in various periods from January 11, 2015 to December 26, 2018.

As promoted companies, the Company and its subsidiaries must comply with certain terms and conditions prescribed in the promotional certificates.

The Company and subsidiary have been received promoted from B.O.I and Non-B.O.I as the following :

	(Unit : Baht)		
	Consolidated financial statements		
	For the years ended December 31, 2013		
	Investment	Non- Investment	
	Promotional	Promotional	Total
	activities		
Revenue from sales	173,634,319	1,827,318,454	2,000,952,773
Cost of sales	110,558,303	1,062,718,080	1,173,276,383
Gross profit	63,076,016	764,600,374	827,676,390
Other revenue	464,741	73,534,890	73,999,631
Income before expenses	63,540,758	838,135,263	901,676,021



Selling expenses	17,260,629	260,836,828	278,097,457
Administrative expenses	3,752,711	215,791,754	219,544,465
Management remuneration	-	9,117,124	9,117,124
Total Expenses	21,013,340	485,745,706	506,759,046
Income before finance costs and income tax			
income tax	42,527,418	352,389,706	394,916,975
Finance costs	(264,163)	(46,158,708)	(46,422,871)
Income before tax	42,263,255	306,230,849	348,494,104
Income tax	-	(76,467,243)	(76,467,243)
Net profit	42,263,255	229,763,606	272,026,861

(Unit : Baht)

Consolidated financial statements

For the years ended December 31, 2012

	Investment		
	Promotional activities	Non- Investment Promotional	Total
Revenue from sales	365,822,466	1,319,059,175	1,684,881,641
Cost of sales	227,182,238	703,110,352	930,292,590
Gross profit	138,640,228	615,948,823	754,589,051
Other revenue	1,988,574	51,901,487	53,890,060
Income before expenses	140,628,802	667,850,310	808,479,111
Selling expenses	31,140,243	172,383,792	203,524,035
Administrative expenses	6,252,800	179,203,130	185,455,930
Management remuneration	-	9,898,277	9,898,277
Total Expenses	37,393,043	361,485,199	398,878,242
Income before finance costs and income tax			
income tax	103,235,759	306,365,110	409,600,869
Finance costs	(122,068)	(36,466,060)	(36,588,128)
Income before tax	103,113,691	269,899,050	373,012,741
Income tax	-	(75,519,796)	(75,519,796)
Net profit	103,113,691	194,379,254	297,492,945



(Unit : Baht)

Separate financial statements

For the years ended December 31, 2013

	Investment		
	Promotional	Non- Investment	
	activities	Promotional	Total
Revenue from sales	169,160,007	1,665,881,548	1,835,041,555
Cost of sales	107,890,275	953,837,623	1,061,727,898
Gross profit	61,269,732	712,043,925	773,313,657
Other revenue	460,937	37,729,580	38,190,517
Income before expenses	61,730,670	749,773,504	811,504,174
Selling expenses	16,669,877	242,956,503	259,626,380
Administrative expenses	3,434,767	136,363,683	139,798,450
Management remuneration	-	8,682,419	8,682,419
Total Expenses	20,104,644	388,002,605	408,107,249
Income before finance costs and income tax	41,626,026	361,770,899	403,396,925
Finance costs	(264,163)	(36,430,018)	(36,694,181)
Income before tax	41,361,863	325,340,881	366,702,744
Income tax	-	(72,835,165)	(72,835,165)
Net profit	41,361,863	252,505,716	293,867,579

(Unit : Baht)

Separate financial statements

For the years ended December 31, 2012

	Investment		
	Promotional	Non- Investment	
	activities	Promotional	Total
Revenue from sales	323,778,145	1,013,852,731	1,337,630,876
Cost of sales	202,000,360	529,567,716	731,568,076
Gross profit	121,777,785	484,285,015	606,062,800
Other revenue	1,155,233	15,101,798	16,257,031



Income before expenses	122,933,018	499,386,813	622,319,831
Selling expenses	26,283,644	142,785,565	169,054,209
Administrative expenses	3,553,957	107,364,099	110,918,056
Management remuneration	-	9,464,590	9,464,590
Total Expenses	29,822,601	259,614,254	289,436,855
Income before finance costs and income tax	93,110,417	239,772,559	332,882,976
Finance costs	(121,237)	(25,226,354)	(25,347,591)
Income before tax	92,989,180	214,546,205	307,535,385
Income tax	-	(61,782,724)	(61,782,724)
Net profit	92,989,180	152,763,481	245,752,661

27. SEGMENT INFORMATION

The Group Company operates business on single geographic segments that Thailand and business segments consist of: Property development for sales. the golf course services and services apartment. The company's revenue from the golf course services and service apartment less than 10% of total revenue, so this segment information is not present for financial statement.

Unit: Million baht

Consolidated financial statement								
For the years ended December 31, 2013 and 2012								
	High Rise		Low Rise		Others		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
Revenue from sales	1,390.01	1,197.79	487.30	419.59	123.64	121.39	2,000.95	1,738.77
Cost of sales	840.72	639.93	255.52	244.73	77.03	45.63	1,173.28	930.29
Gross margin	549.29	557.86	231.77	174.86	46.61	75.76	827.18	808.48
Net profit							269.74	296.30



Unit: Million baht

Separate financial statement

For the years ended December 31, 2013 and 2012

	High Rise		Low Rise		Others		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
Revenue from sales	1,380.51	957.04	385.22	380.59	69.32	-	1,835.04	1,337.63
Cost of sales	832.46	512.73	196.04	218.84	33.24	-	1,061.73	731.57
Gross margin	548.05	444.31	189.18	161.75	36.08	-	773.31	606.06
Net profit							293.87	245.75

28. FINANCIAL INSTRUMENTS

a. Financial risk management policy

The Company is exposed to normal business risks from changes in market interest rates so The Company will consider to use appropriate financial instruments. The Company does not hold or issue derivative financial instruments for speculative or trading purposes.

b. Interest rate risk

Risk on interest rates is derived from the change of the interest rate in the future, which will affect upon the Group's operating results and cash flows. The Company is exposed to interest rate long term since they have deposits, loans from related parties and financial institutions that bear interest rates comparable to market interest rates. However, The Company does not used the financial instruments.

c. Fair Value

Since most of the financial assets and liabilities are short-term, the Group believes such book value of the financial assets and liabilities are presented in value not materially different from relevant fair value.

29. FINANCIAL INSTRUMENTS**29.1 The contingent liabilities and commitments with commercial banks**

As at December 31, 2013, the Group had contingent liabilities and commitments in financial institutions as follows:

- The Company and subsidiaries has mortgaged project land for overdrafts facility amounting to Baht 35 and Baht 8 million, respectively.
- The Company has commitment respect of bank guarantee electricity usage, public utilities and other amount of Baht 43.17 million to mortgage by bank deposit and land project. And



three subsidiaries of the bank as commitment to guarantee the consumption of Baht 23.42 million.

- c) The Company has mortgaged land of development and investments property of subsidiary (Credit limited amount of Baht 535 million) and T.Treasury holding Co., Ltd 's shares capital held by the company number of 66,498 shares have been mortgaged, the Company and subsidiary loan credit limit amount of Baht 780 million (Note 10)
- d) A subsidiary has changed credit lines for building construction amount of Baht 113 million to overdraft of Baht 3 million and short-term loans in form of promissory notes amount of Baht 110 million (amount of Baht 110 million used in conjunction with the Company amount of Baht 100 million) credit line that secured by the land and buildings of the Company and subsidiaries, directors of the Company and the Company (no collateral fee charge).
- e) A subsidiary has mortgaged land of development (together with structures) cost of Baht 200 million and guaranteed by company's director for credit facilities obtained from banks amount of Baht 18 Million (no collateral fee charge).
- f) A subsidiary has mortgaged land of development and investments property cost of Baht 594.39 million (Credit limited not less than amount of Baht 310 million) and guaranteed a subsidiary's loan credit limit amount of Baht 245 million (Note 11, 12).
- g) Construction work agreements

The Company has commitment construction work agreement to sub-contractors amounting of Baht 546.86 million. And two subsidiaries have commitment to sub-contractors amounting of Baht 191.28 million.

- h) A subsidiary has entered into memorandum of understanding with three non-related persons.
A subsidiary being the golf course management and will get profit sharing by 20% of net profit, and the remain profit will be shared follow the land ownership of golf course.
- i) A subsidiary has a concession of golf car rental operating to non-related company, for the period of 3 year, since February 2, 2012 to February 1, 2015, profit sharing of 50:50. If the termination of the lease shall be extended for another year.

29.2 Long-term contract

- a) The Company has hired a projects management consultant and sales representatives with a non- related company as follow;



	Baht/per annum	Period
Consulting fees	200,000	September 1, 2010 – December 31, 2012
Sales team fees	100,000	March 1, 2011 – December 31, 2012
Compensation fees following contact		

- b) On February 1, 2011, the subsidiary amended the agreement with the sale agent to pay compensation fee with individual (Unrelated). The agreement will pay 2% of the purchase price (the same pay rate of 1.5 % of the purchase price) as follow:

At reservation and contract signed	pay rate 0.50%	of selling price
Completed 3 installments	pay rate 0.50%	of selling price
Ownership transferred	pay rate 1.00%	of selling price

On February 1, 2012, the subsidiary additionally amended the agreement with the sale agent to pay compensation fee with individual the terms of settlement as it was. And some for sale if the price is set will be sold as part of compensation.

As at December 31, 2013, the subsidiary has commitments under such agreement amounting of Baht 1.40 million.

29.3 Other agreements

On January 11, 2013, the Company has entered into the to buy of land agreement with non related person by amount of Baht 385 million. At present, the Company has not been transferred the ownership right. (As at year 2013, the deposit amounting of Baht 19.25 million had been paid).

29.4 Litigation

In year 2006, the Company and the director of Sinsapthanya Co., Ltd. have been filed as defendant by two plaintiffs as the projects' billboard collapsed for the total claim of Baht 3.20 million and 0.06 million, respectively. On August 8, 2007, the Civil Court decrees the Company to pay compensation loss amounting to Baht 1.15 million and Baht 1.12 million, respectively together with interest charged 7.5% per annum since the filing date. And on July 4, 2012, the Appeal Court has the judgement as the Civil Court. The Company has issued the petition. The Company's lawyer consultant has the opinion that the Company do not the owner/advertiser and do not the bad result for the Company, and do not record any liability.

In year 2012, The Company has been filed as defendant by 11 plaintiffs as construction projects under development (Note 13) for the total claim of Baht 60.04 million (Insured under the policy



limit Baht 30 million), totaling 5 civil case. Present, the case is being considered by the Civil Court and the Company's lawyer opined that can't estimate the damage and insurance companies have such assets. The Company therefore, has not set up any provision in its accounts.

30. CAPITAL MANAGEMENT

The primary objectives of the Company's and subsidiaries' capital management are to maintain their abilities to continue as a going concern and to maintain an appropriate capital structure.

December 31, 2013, debt to equity ratio in the consolidated financial statements is 1.34:1 (Separate financial statements: Debt-to-equity ratio is 1.36:1).

31. SUBSEQUENT EVENT

At the Board of Directors' Meeting No. 1/2014 held on February 26, 2014, the directors approved to pay annual dividends of Baht 0.019 per share from net profit relating solely to business operations benefiting from the privileges under the Investment Promotion and Baht 0.132 per share from net profit which out the privileges under the Investment Promotion, totalling of Baht 107.92 million. The Company paid the dividends at Baht 0.048 totaling of Baht 34.31 million (Note 21). Remaining dividend at 0.103 baht totaling of Baht 73.61 million.

32. RECLASSIFICATION

Certain amounts in the 2012 financial statements has been reclassified to conform to the current year's classification but with no effect to previously reported net income or shareholders' equity.

33. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of directors on February 26, 2014.



บริษัท เสนาดีเวลลอปเม้นท์ จำกัด (มหาชน)
524 อาคาร ที.ที.เอช. ถนนรัชดาภิเษก แขวงสามเสนนอก เขตห้วยขวาง กรุงเทพมหานคร 10320

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