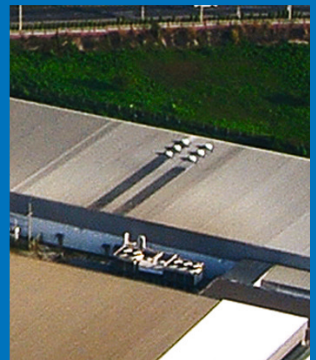
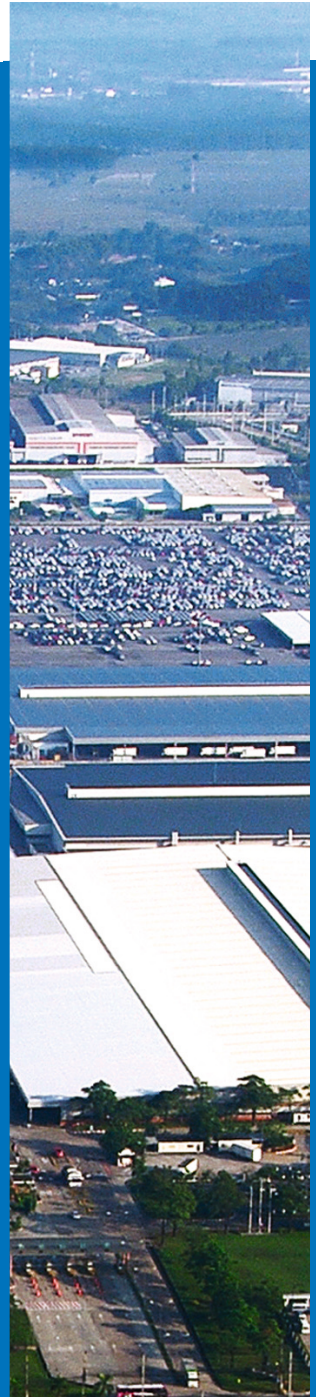




รายงานประจำปี
2556
ANNUAL REPORT
2013



**WORLD CLASS
INDUSTRIAL ESTATES
UTILITIES
AND PROPERTY
SOLUTIONS**



CORPORATE VISION

To create long-term shareholder value in a controlled way achieved through focused appropriate strategic, business, financial, environmental, community and governance disciplines.

MISSION

To Develop World Class Industrial Estates, Utilities, Power and Property Customer Solutions.

STRATEGY

Hemaraj Land And Development Plc defines its business directions and strategies as :

- Developing industrial estate, utility, power, and property solutions that have predictable growing revenue and superior profit opportunities in order to optimize shareholder value.
- Leveraging complementary management expertise, customer relationship, infrastructure and environmental competence to expand opportunities in industrial estates, utilities, power, and property.
- Utilizing sound company human and financial resources selectively for competing investment opportunities.
- Contributing positively to neighbors, society and to our stakeholders with sustainable programs in education, community and the environment.

FINANCIAL HIGHLIGHTS

KEY FINANCIAL FIGURES

(Million Baht)

	2009	2010	2011	2012	2013
Operating Revenue*	2,229	3,813	4,232	6,448	8,849
Total Industrial Estate Revenue*	704	1,501	1,785	3,973	5,771
Total Utilities Revenue*	1,026	1,065	1,230	1,496	1,647
Total Rental Property and Services*	515	480	573	723	1,012
Total Sale of Property*	(15)	766	644	257	420
Total Revenue	2,050	3,685	4,151	6,399	8,770
Net Income	575	1,216	537	2,285	4,339
Cash and cash equivalent	909	3,517	3,718	1,694	4,780
Total Assets	13,680	18,715	20,010	26,357	33,434
Total Debts/Loans	4,058	8,011	8,462	10,741	13,928
Total Liabilities	5,222	9,577	10,881	15,277	18,778
Total Shareholder's Equity	8,458	9,139	9,129	11,080	14,657
Earning Per Share (Baht)	0.06	0.13	0.06	0.24	0.45
Par (Baht)	0.40	0.40	0.40	0.40	0.40

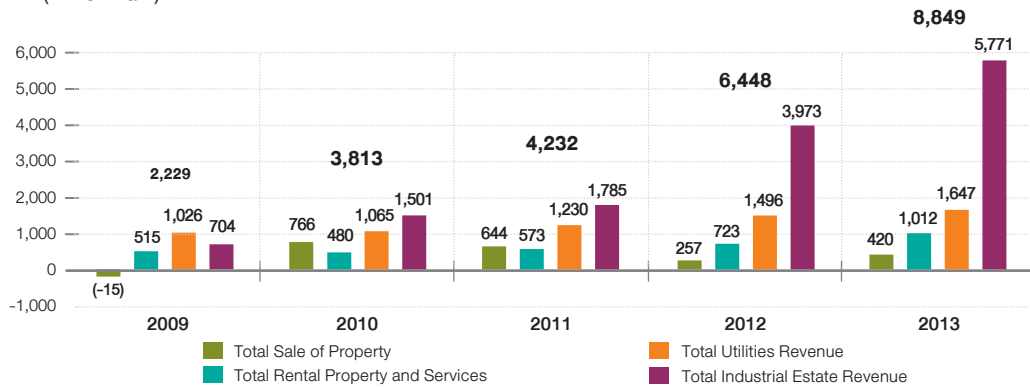
KEY FINANCIAL RATIOS

	2009	2010	2011	2012	2013
Current Ratio (Times)	2.42	5.80	4.95	2.34	3.51
Net Debt to Equity (Times)	0.51	0.66	0.78	1.23	0.95
Return on Assets	4%	8%	3%	10%	15%
Return on Equity	7%	14%	6%	24%	36%
Net Profit Margin	28%	31%	13%	35%	38%
Earnings per Share (Baht)	0.06	0.13	0.06	0.24	0.45
Book Value per Share (Baht)	0.87	0.94	0.94	1.14	1.51
No. of Shares Issued and Paid (Million Shares)	9,705	9,705	9,705	9,705	9,705

NOTE : * Internal Reclassification

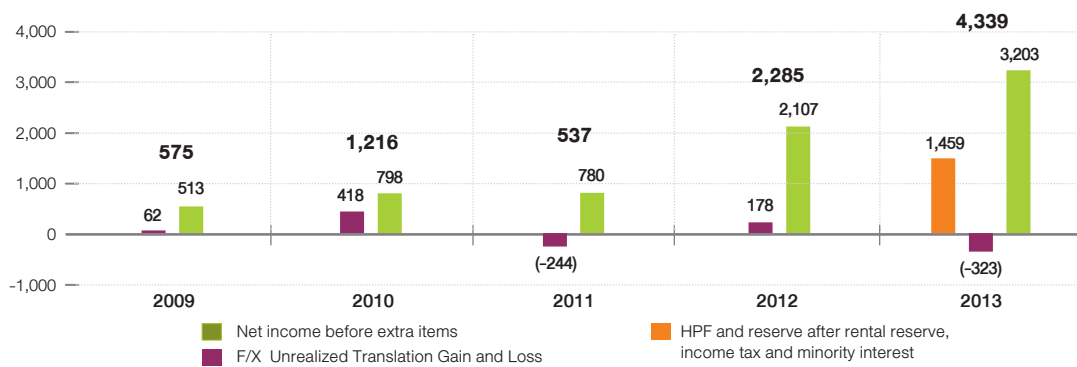
OPERATING REVENUE

(Million Baht)



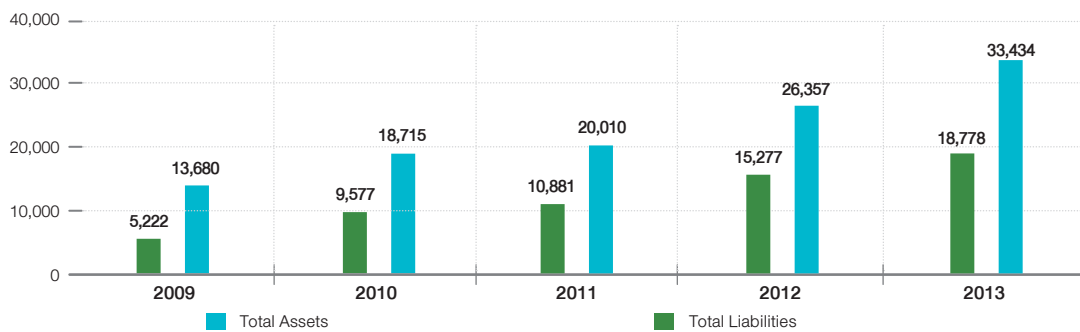
TOTAL NET INCOME

(Million Baht)



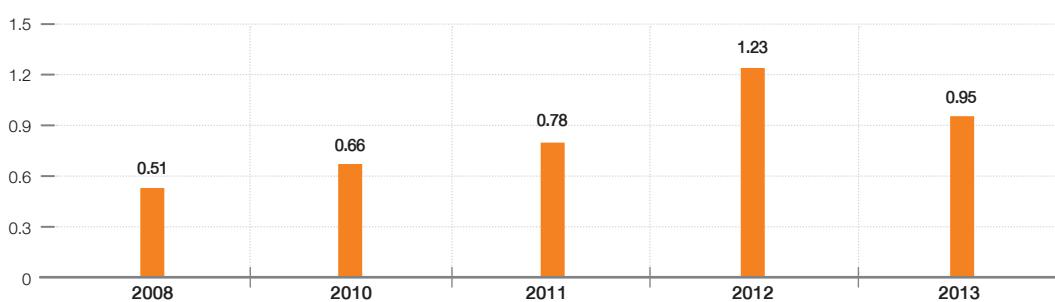
TOTAL ASSETS AND TOTAL LIABILITIES

(Million Baht)



NET DEBT TO EQUITY

(Times)



MESSAGE FROM THE BOARD OF DIRECTORS



A handwritten signature in blue ink, appearing to read 'David R. Nardone', written over a light green background.

Mr. David R. Nardone
President & Chief Executive Officer
10 March 2014

Hemaraj Land And Development Public Company Limited had record operating and financial results for 2013. These 2013 results demonstrate the improving predictability of Hemaraj revenue and earnings.

For 2013, revenue performance was Total Revenue of Baht 8,769.6 million, a 37% increase from the same period of 2012. Total Net income was Baht 4,338.5 million or on a Normalized Net Income (NNI) basis, taking out variations in Unrealized Foreign Exchange, Baht 4,661.9 million, comparable to the NNI for the year of 2012 of Baht 2,107.3 million. This reflected solid results as well as the favorable market for the launch of Hemaraj's first property fund.

Hemaraj reported 2013 Total Assets of Baht 33,434 million including Baht 4,780 million in cash and deposits. Total Liabilities were Baht 18,778 million with Total Shareholder Equity of Baht 14,656 million. The Net Debt to Equity ratio was 0.95 to 1 times representing a stronger funding structure utilizing a higher percentage of long term bonds.

Our broadened revenue reflected the Industrial Estate Land sales revenue increasing 45%, Industrial Estate Utilities revenue increase of 13%, Ready Built Factory rental revenue increase of 48%, as well as Logistics Park rental revenue increase of 552%, all being in comparison with the prior year.

Automotive continues to be a strong industry for investment in Thailand, in addition to logistics, chemical, consumer and others. The automotive production in Thailand for 2013 increased only slightly to 2.4 million vehicles and is projected at 3.0 to 3.2 million vehicles over the next 3 to 5 years. Investors focus on the access to market distribution with expansion and relocation of capital to Thailand due to reasonable cost currency and established infrastructure and supply line channels. Foreign Direct Investment in Thailand reflected Baht 1,027 billion approved projects for the year of 2013 by the Board of Investment, a 4% increase from the same period of 2012.

For the year 2013, operating results were Industrial Estate Sales of 2,200 rai (880 acres or 352 hectares), with 101 contracts, 60 new customers and 41 expansion projects from existing customers. Japan followed by Thailand Europe and China were the leading investors.

Ready Built Factories for Rent increased net 61,559 square meters or 26% from 2012 cumulative balance, totaling 297,368 square meters under rent comprising of 175,274 square meters at Hemaraj companies and 122,094 square meters rented under the year-end Hemaraj Property Fund (HPF).

Hemaraj Logistics Parks for Rent increased 55,325 square meters from 2012 year-end cumulative balance, totaling 72,145 square meters under rent.



Mr. Chavalit Sethameteekul
Chairman of the Board of Directors
10 March 2014

For Power Business, our first 126 MW SPP power project with Gulf J-Power, namely GJPNLL, commenced its commercial operation in May 2013. Gheco-One, a 660 MW IPP power project with Hemaraj 35% shareholding, which had initial teething start up performance, was successfully operating at near 100% availability by year end 2013. Both are projected to increase contributions to earnings going forward.

Hemaraj Industrial Property and Leasehold Fund (HPF) was successfully launched on 24 December 2013. The total value of Baht 4.7 billion comprised Baht 3.22 billion of investments in freehold and Baht 1.48 billion from leasehold ready built factories - encompassing a total area of 150,117 square meters. (104 Ready built factories).

At the end of year 2013 and early in 2014, Thailand is impacted by political discourse having a negative effect on domestic growth, tourism, and the smooth functioning of government. While no direct effect to our industrial customers operations, this has impacted investment timing as well as the immediate market opportunities for automotive and other goods locally. It is reflected in subdued economic performance, lower local automotive production and sales, and other impacts. Investment timing therefore has some delay due to lower demand, approval process delays, and investor apprehension. We are exercising additional caution in our business plans though confident of long term trends.

At Hemaraj, we strongly believe that being socially and environmentally responsible is significant for all stakeholders and the community, and also essential to the long-term sustainability of our business. This is reflected in our corporate strategy, focusing on balancing between operational excellence, social and educational development, and the best practice in environmental management via various programs and activities carried throughout the year.

Our good corporate governance commitment has again been recognized with the 'Excellent' 5 logo corporate governance rating by the Thai Institute of Directors now for 5 years consecutively (in 2009-2013). Our actions as a company reflect our commitments, obligations, and responsibilities toward all stakeholders including our employees, customers, shareholders, neighbors, community, environment, and society.

Hemaraj is pursuing balanced growth with capital investments in our core business areas - Industrial Estates, Ready Built Factories, Logistics Parks, Utilities, Power, and Property. The strategy of broadening revenue is reducing the risk profile of the company, while improving the operating and financial results on a sustainable basis. Our strategy remains to create long term shareholder value. On behalf of the Management and the Board of Directors of Hemaraj Land And Development Public Company Limited, we would like to express our appreciation to our stakeholders for joining us in this journey while entrusting us with this responsibility.

INFORMATION OF BOARD OF DIRECTORS AND MANAGEMENT

Hemaraj Land and Development Public Company



Mr. Chavalit Sethameteekul

Director 29 April 2008

Chairman of the Board of Directors

Age : 67 Years

Education / IOD Training :

- M.B.S. (Political Science), Thammasart University, Bangkok
- Certificate class 40, National Defence College of Thailand
- Barrister at Law, Institute of Legal Education of Thai BAR
- LL.B..(Hons), Thammasart University, Bangkok
- DAP 6/2003 and DCP 74/2006, Thai Institute of Directors Association (IOD)
- Kellogg School of Management, "Strategic Thinking and Executive Action" (Kellogg School of Management, Evanston, Illinois, Campus of Northwestern University, USA)

Present Positions:

- | | |
|-----------------|------|
| Public Company | None |
| Other Companies | |
- Chief Executive Officer, Sriracha Harbour PCL.
 - Independent Director Bangkok Dusit Medical Services PCL.

Previous Positions:

- Director General, The Customs Department, Ministry of Finance
- Deputy Permanent Secretary, Ministry of Finance
- Inspectors General, Ministry of Finance
- Deputy Director General, The Excise Department, Ministry of Finance
- Chairman, The Board of Small Business Credit Guarantee Corporation
- Vice Chairmen, The Board of Metropolitan Electricity Authority
- Vice President, The Board of Airports of Thailand Public Company Limited
- Vice President, The Board of TOT Public Company Limited
- Director, Office of The Council of State
- Director, The Thai BAR

% Hemaraj Stock Held

as of 31/12/2013 : 0.00%



Mr. Sudhipan Charumani

Independent Director 13 May 1993

Chairman of the Audit Committee

Chairman of the Nomination Committee

Age : 70 Years

Education / IOD Training :

- Institute of Chartered Accountants in England and Wales
- ACP 6/2005, DAP 2/2003, DCP 57/2005, MIA 3/2008, MIR 4/2008, QFR 3/2006, RCC 8/2009, DCP Re 2/2009, Thai Institute of Directors Association (IOD)

Present Positions:

- | | |
|-----------------|------|
| Public Company | None |
| Other Companies | |
- Director Vasupak Associates Co., Ltd.

Previous Positions:

- Director Union Textile Industries Co.,Ltd .
- Director Union Thread Industries Co.,Ltd

% Hemaraj Stock Held

as of 31/12/2013 : 0.00%



Mr. Sawasdi Horrurung

Director 29 April 2013

Chairman of the Executive Committee

Age : 73 Years

Education / IOD Training :

- An Honorary Degree (Business Administration) : Faculty of Humanities and Social Science (Burapha University)
- An Honorary Degree : Faculty of Engineering (Rajamangala University of Technology Thanyaburi)
- DAP 35/2005

Present Positions :

- | | |
|----------------------|------|
| Subsidiary Companies | |
| Public Company | None |
| Other Companies | None |
- Chairman in 9 Subsidiary Companies of Non-Liste SET Companies

Previous Positions:

- Chairman, Hemaraj Land and Development Plc. (from 1988 to 2008)
- Chairman, N.T.S. Steel Group Plc.
- Chairman, Nakornthai Strip Mill Plc.
- Chairman, Millennium Steel Plc.
- Chairman of Executive Committee Sun Tech Group Plc.
- Chairman, Sriracha Harbour Plc.
- Chairman, NCC Management & Development Co.,Ltd
- Chairman, CA Post (Thailand) Co.,Ltd
- Chairman, Glow Hemaraj Energy Co.,Ltd
- Chairman, Gheco-One Co.,Ltd
- Director, Bangkok Expressway Plc.
- President, Thai Industrial Estate Association
- President, The Association of Thailand Steel Industries
- The Member, The Trade Association of Condominium
- The Board, Iron and Steel Institute of Thailand
- Advisor, Deputy Minister of Transport and Communication
- Advisor, Minister of Agriculture and Cooperatives
- Advisor, Minister of Foreign Affairs
- Advisor, Minister of Interior
- Advisor, Minister of Foreign Affairs

% Hemaraj Stock Held

as of 31/12/2013 : 0.67%



Mr. Thongchai Srisomburanant
 Director 27 April 2006
 Vice Chairman of the Executive Committee
 Member of Nomination Committee

Age : 61 Years

Education / IOD Training :

- Junior High School, Rojseri-Anusorn School
- DAP 77/2009, Thai Institute of Directors Association (IOD)

Present Positions :

- Subsidiary Companies
- Director in 16 Subsidiary Companies of Non-Listed SET Companies
- Public Company None
- Other Companies
- Director
Live Smart Co., Ltd.
 - Director
Ruamruedee Capital Co.,Ltd

Previous Positions :

- Director
Pan Sanitary Co.,Ltd.
- Director
Private Business

**% Hemaraj Stock Held
 as of 31/12/2013 :** 0.02%



Mr. Thavorn Anankusri
 Director 29 April 2011
 Executive Director

Age : 72 Years

Education :

- Primary School, Wattanasuksa School

Present Positions :

- Consultant Private Sector
- Subsidiary Companies
- Director
Million Island Pattaya Co.,Ltd
- Public Company None
- Other Companies None

**% Hemaraj Stock Held
 as of 31/12/2013 :** 0.002%



Mr. David Richard Nardone
 Director 27 April 1994
 Executive Director
 Managing Director and President

Age : 58 Years

Education / IOD Training :

- MBA, Northeastern University, Boston, USA
- DCP 57/2005, Thai Institute of Directors Association (IOD)

Present Positions :

- Subsidiary Companies
- Chairman and Director in 18 Subsidiary Companies of Non-Listed SET Companies
- Associated Companies
- Vice Chairman
GHECO-One Co., Ltd.
 - Chairman
Cofely (Thailand) Co.,Ltd. (Sale of shares on 19 December 2013)
 - Director
Houay Ho Thai Co., Ltd.
 - Director
Houay Ho Power Co., Ltd.
 - Director
Glow Hemaraj Wind Co., Ltd.
 - Director
Gulf JP NLL Co.,Ltd.
- Public Company None
- Other companies None

**% Hemaraj Stock Held
 as of 31/12/2013 :** 0.28%



Mr. Vivat Jiratikarnsakul

Director 27 April 1994

Executive Director
Executive Vice President

Age : 58 Years

Education / IOD Training :

- Bachelor of Sanitary, Faculty of Engineering, Chulalongkorn University
- DAP 2/2003 and DCP 38/2003, Thai Institute of Directors Association (IOD)
- IOD Luncheon briefing 1/2013 : Thailand Economic Outlook 2013

Present Positions :

- Subsidiary Companies
- Director in 18 Subsidiary Companies of Non-Listed SET Companies
- Associated Companies
- Director
GHECO-One Co., Ltd.
 - Director
Cofely (Thailand) Co.,Ltd. (Sale of shares on 19 December 2013)
 - Director
Houay Ho Thai Co., Ltd.
 - Director
Houay Ho Power Co., Ltd.
 - Director
Glow Hemaraj Wind Co., Ltd.
- | | |
|-----------------|------|
| Public Company | None |
| Other Companies | None |

% Hemaraj Stock Held

as of 31/12/2013 : 0.09%



Mr. Peter John Edmondson

Independent Director 15 November 1999

Member of the Audit Committee

Age : 64 Years

Education :

- Bachelor of Science in Chemistry (Honor), University of Sheffield, England
- DCP 95/2012, Thai Institute of Directors Association (IOD)

Present Positions :

Investor Consultant	Private Sector
Public Company	None
Other Companies	None

Previous Positions :

- Manager
West Merchant Bank Singapore
- Director
Standard Charter Merchant Bank Singapore
- Senior Manager
The Arab Investment Company, Riyadh and Bahrain
- Manager
Williams & Glyn's Bank

% Hemaraj Stock Held

as of 31/12/2013 : 0.03%



Mrs. Punnee Worawuthichongsathit

Independent Director 2 November 2000

Member of the Audit Committee

Member of the Corporate

Governance Committee

Age : 62 Years

Education / IOD Training :

- Master in Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University
- ACP 2/2004, DAP 2/2003, DCP 38/2003, MFM 1/2009, MFR 5/2007, MIA 1/2007, MIR 2/2008, QFR 1/2006,
- RCC 7/2008, DCP Re 2/2009, Thai Institute of Directors Association (IOD)
- CPA Certificate, Thailand
- CIA Certificate, The Institute of Internal Auditors of USA
- CPIA, QIA Certificates, The Institute of Internal Auditors of Thailand
- Chartered Director

Present Positions :

- Public Company
- Independent Director/Member of the Audit Committee
The Brooker Group PCL.
 - Independent Director/Member of the Audit Committee
Thai Wacoal Public Co.,Ltd
- Other Companies
- Independent Director/Member of the Audit Committee
Monotechnology Co.,Ltd
 - Director
Boon-Korn Co.,Ltd
 - Director - Tax Accounting
Federation of Accounting Professions, under The Royal Patronage of His Majesty the King
 - Director - Tax Department Board of Trade of Thailand

Previous Positions:

- Independent Director/Member of the Audit Committee
GM Multimedia Public Co.,Ltd

% Hemaraj Stock Held

as of 31/12/2013 : 0.00%



Ms. Pattama Horrurunguang

Director 1 January 2003

Executive Director

Senior Vice President and Chief Financial Officer

Member of the Corporate Governance Committee

Age : 52 Years

Education / IOD Training :

- MBA, Thammasat University
- DAP 1/2003, DCP 55/2005, RCC 9/2009, Thai Institute of Directors Association (IOD)
- IOD Luncheon briefing 1/2013 : Thailand Economic Outlook 2013
- Risk Management Committee Program (RMP) Class 2/2013

Present Positions:

Subsidiary Companies

- Director in 15 Subsidiary Companies of Non-Listed SET Companies

Associated Companies

- Director
Cofely (Thailand) Co.,Ltd. (Sale of shares on 19 December 2013)
- Director
GHECO-One Co., Ltd.
- Director
Houay Ho Thai Co., Ltd.
- Director
Glow Hemaraj Wind Co., Ltd.
- Director
Gulf JP NLL Co.,Ltd.

Public Company None

Other Companies

- Director,
CA-Post (Thailand) Co.,Ltd

% Hemaraj Stock Held

as of 31/12/2013 : 0.00%



Mr. Somphong Wanapha

Independent Director 29 April 2008

Chairman of the Corporate Governance Committee

Age : 70 Years

Education / IOD Training :

- MBA, Finance, Michigan State University, USA (Royal Thai Government Scholarship)
- ACP 13/2006, DCP 62/2005, MFM 1/2009, MFR 9/2009, MIA 5/2009, MIR 6/2009, RCP 17/2007,
- DCP Re 2/2009, Thai Institute of Directors Association (IOD)
- IOD Luncheon briefing 1/2013 : Thailand Economic Outlook 2013

Present Positions :

Public Company

- Chairman of the Audit committee
Prasit Patana PCL.

Other Companies

- Chairman
Erawan Textile Co.,Ltd
- Chairman of the Audit committee
SECOM Co.,Ltd

Previous Position :

- Chairman of the Audit committee
Government Savings Bank
- Chairman
Executive Board on M.B.A. Program,
Thammasat University
- Chairman
Public Warehouse Organization, Ministry of
Commerce
- Director
State Enterprise Performance agreement
Evaluation Committee, Ministry of Finance
- Director
Sahapatana Interholding PCL.
- Secretary General
Thailand Board of Investment

% Hemaraj Stock Held

as of 31/12/2013 : 0.00%



Mr. Vikit Horrurunguang

Director 6 June 2008

Age : 43 Years

Education / IOD Training :

- MBA, Finance, Northeastern University, USA
- DCP 64/2005, DCP Re 2/2009, Thai Institute of Directors Association (IOD)

Present Positions:

Public Company None

Other Companies

- Managing Director
Sriracha Harbour PCL.
- Deputy Managing Director
T.C.Exhibition Co.,Ltd.
- Director
Suntec Metal Co.,Ltd.
- Director
Flaming Property Co.,Ltd.
- Director
Eastern Enterprise Co.,Ltd.
- Director
CA-Post (Thailand) Co.,Ltd

Previous Position :

- Director
Phromnares Co.,Ltd.
- Executive Vice President
Neo Step Co.,Ltd.

% Hemaraj Stock Held

as of 31/12/2013 : 1.12%

MANAGEMENT



15 14 5 7 9 12 4 3 1 2 6 10 8 13 11 17 16

- 1 Mr. David Richard Nardone** Age 58
Education MBA, Northeastern University, Boston, USA
Position at Hemaraj Director / Executive Director / President / Chief Executive Officer
Year Joined Hemaraj 1993
Hemaraj Stock Held as of 31/12/2013: 0.28%
- 2 Mr. Vivat Jiratikarnsakul** Age 58
Education Bachelor of Sanitary, Faculty of Engineering, Chulalongkorn University
Position at Hemaraj Director / Executive Director / Executive Vice President
Year Joined Hemaraj 1989
Hemaraj Stock Held as of 31/12/2013: 0.09%
- 3 Ms. Pattama Horrungruang** Age 52
Education MBA, Thammasat University
Position at Hemaraj Director / Executive Director / Senior Vice President / Chief Financial Officer
Year Joined Hemaraj 2003
Hemaraj Stock Held as of 31/12/2013: 0.00%
- 4 Mr. Tanin Subboonrueng** Age 50
Education MBA, Business Administration, Assumption University
Position at Hemaraj Vice President - Industrial Estate Operations
Year Joined Hemaraj 1996
Hemaraj Stock Held as of 31/12/2013: 0.00%
- 5 Mr. Preeprem Malasitt** Age 61
Education MBA, Northern Illinois University, USA
Position at Hemaraj Director - IE Training Center and New Projects
Year Joined Hemaraj 2007
Hemaraj Stock Held as of 31/12/2013: 0.00%
- 6 Mr. Sirisak Kijraksa** Age 53
Education Bachelor of Accounting, Bangkok University
Position at Hemaraj Director - Accounting and Legal, Company Secretary
Year Joined Hemaraj 1990
Hemaraj Stock Held as of 31/12/2013: 0.00%
- 7 Ms. Ladda Rojanavilaivudh** Age 47
Education MBA, Bangkok University and MA, Nara Women University, Nara, Japan
Position at Hemaraj Director - Industrial Customer Development
Year Joined Hemaraj 2001
Hemaraj Stock Held as of 31/12/2013: 0.00%
- 8 Ms. Anchalee Parsertchand** Age 44
Education MBA, Assumption University and MA, Japanese, Keio University, Tokyo, Japan
Position at Hemaraj Director - Industrial Customer Development
Year Joined Hemaraj 2001
Hemaraj Stock Held as of 31/12/2013: 0.00%
- 9 Ms. Somjai Wachiraha** Age 53
Education Bachelor of Business Administration, General Affairs, Ramkhamhaeng University
Position at Hemaraj Director - Finance
Year Joined Hemaraj 1990
Hemaraj Stock Held as of 31/12/2013: 0.00%
- 10 Ms. Siyaphas Chantachairoj** Age 44
Education MBA, Economic & Administration, Chulalongkorn University
Position at Hemaraj Director - Corporate Marketing & Residential Customer Development
Year Joined Hemaraj 1993
Hemaraj Stock Held as of 31/12/2013: 0.00%
- 11 Mr. Apichat Trongasukson** Age 48
Education MBA, Nida University and MS (Computer), Mahidol University
Position at Hemaraj Assistant Director - Information System & Services
Year Joined Hemaraj 1994
Hemaraj Stock Held as of 31/12/2013: 0.00%
- 12 Mr. Paopitaya Smutrakalin** Age 43
Education MS, Finance, Drexel University, Philadelphia, USA
Position at Hemaraj Director - Corporate Planning & Investor Relations
Year Joined Hemaraj 1996
Hemaraj Stock Held as of 31/12/2013: 0.00%
- 13 Mr. Niphone Harnpatanapanich** Age 57
Education MBA, Chulalongkorn University
Position at Hemaraj Director - Residential Project Planning
Year Joined Hemaraj 2003
Hemaraj Stock Held as of 31/12/2013: 0.00%
- 14 Ms. Prattana Kijjanon** Age 50
Education MBA, Thammasat University
Position at Hemaraj Director - Procurement
Year Joined Hemaraj 2008
Hemaraj Stock Held as of 31/12/2013: 0.00%
- 15 Mr. Rakphol Kangnoy** Age 38
Education Bachelor of Science Environmental Engineering, Burapha University
Position at Hemaraj Director - Industrial Estate Operations
Year Joined Hemaraj 2008
Hemaraj Stock Held as of 31/12/2013: 0.00%
- 16 Mr. Suwat Thitathanakit** Age 43
Education MBA, Thammasat University
Position at Hemaraj Director - Industrial Estate Development
Year Joined Hemaraj 2003
Hemaraj Stock Held as of 31/12/2013: 0.00%
- 17 Mr. Bordin Harnvanich** Age 42
Education MBA, Chulalongkorn University
Position at Hemaraj Director - Industrial Factories and Logistics Parks Development
Year Joined Hemaraj 2003
Hemaraj Stock Held as of 31/12/2013: 0.00%

THE COMPANY'S BUSINESS PROFILE



Hemaraj Land And Development Public Company Limited ("Hemaraj") has continued to be Thailand's leading developer of Industrial Estates, Utilities, and Property Customer Solutions since 1988. The "Detroit of the East" Automotive Cluster in the Eastern Seaboard and Hemaraj Eastern Seaboard is the most significant automotive cluster in Thailand where Ford, MG, Mazda, Suzuki, General Motors, Auto Alliance (a joint venture between Ford and Mazda), SAIC and over 215 automotive manufacturers from all over the world have selected Hemaraj's Industrial Estates as their strategic locations for their investment in Thailand. Situated at the prime location to the National Petrochemical Complex, Map Ta Phut Deep Sea Port in Rayong and Laem Chabang Deep Sea Port in Chonburi, Hemaraj's Industrial Estates have become clusters for Petrochemical and other Industrial as well for over 20 years.

By offering the developed industrial land, utilities, ready built factories for rent, warehouse for logistics, quality industrial services, and an integrated logistics and supply chain in 7 industrial estates and industrial lands, mostly located in Eastern Seaboard of Thailand, Hemaraj's Industrial Estates have also focused on the environmental management through policies and plans which reflected in various successes and achievement awards i.e. the success of E:MC² (Environmental Monitoring and Control Center) program, achievements in ISO 14001:2004, ISO 9001:2008, and EIA Monitoring Awards. In 2010 Hemaraj has been chosen as the industrial estate model for practicing ECO industrial town from IEAT. Hemaraj is well aware of the importance of good corporate governance, thus, has adopted the Good Corporate Governance as practical guidelines and tried to continuously improve those perfect practices as reflected by achieving the 5 logos or "Excellent" corporate governance recognition rating from Thai Institute of Directors (IOD) 5 years consecutively from 2009-2013.

INDUSTRIAL ESTATES

Hemaraj has developed and managed 5 Industrial Estates, 2 Industrial Lands with a combined land area of 40,624 rai (16,250 acres) and under development 750,000 square meters of Ready Built Factories and Logistics parks. Hemaraj has 615 distinct customers from 933 contracts including 215 automotive customers with 329 automotive contracts with the total investment estimate more than US\$ 26 billion and over 100,000 employees.

1. Hemaraj Eastern Seaboard Industrial Estate (Hemaraj-ESIE)
2. Eastern Seaboard Industrial Estate (ESIE)
3. Hemaraj Eastern Industrial Estate (Hemaraj EIE)
4. Hemaraj Chonburi Industrial Estate (Hemaraj CIE)
5. Hemaraj Chonburi Industrial Estate 2 (Hemaraj CIE 2)
6. Hemaraj Rayong Industrial Land (Hemaraj RIL)
7. Hemaraj Saraburi Industrial Land (Hemaraj SIL)

	LOCATION	BOI Zones	TOTAL AREA (RAI)	KEY ESTATE SPECIALIZATION
H-ESIE	Pluak Daeng District, Rayong	II, III, Free Zone	8,113	Auto Manufacturing, Auto Parts
ESIE	Pluak Daeng District, Rayong	III, Free Zone	9,142	Auto Manufacturing, Auto Parts
HEIE	Map Ta Phut District, Rayong	III	3,548	Chemical, Petrochemical, Steel, Cogeneration Power
HCIE	Sriracha District, Chonburi	II, Free Zone	3,885	Electronics, Steel, Power
HCIE II	Sriracha District, Chonburi	II, Free Zone	632	Auto Manufacturing, Auto Parts
HRIL	Ban Khai District, Rayong	III	3,438	Light Chemical, Consumer, Building Material
HSIL	Nong Khae District, Saraburi	II	3,619	Building Material, Electronics, Cogeneration Power

UTILITIES



Industrial Estate: the largest private supplier of clarified and treated potable water to industrial users with the current capacity of 268,000 cubic meters per day and 132,000 cubic meters per day for waste water treatment. Hemaraj provides dependable utility solutions to industrial customers and manages the industrial estate property and private utilities to allow customers to optimize their efforts in manufacturing. Hemaraj has received EIA Monitoring Awards in 2011 for Hemaraj CIE and ESIE from the Ministry of Natural Resources and Environment and all Hemaraj's industrial estates are ISO 14001:2004, ISO9001:2008 certified.

Water:

- Hemaraj Water Company Limited: a 100% indirect subsidiary company to develop and manage Water Resources and to provide treated water to industrial factories.
- Hemaraj Clean Water Company Limited: a 100% subsidiary company to produce and distribute the industrial water to supply the industrial factories in the Industrial Estates.

Other Utilities and Services: Utilities and Industrial Services assist the customers in benefiting from the shared resources and utility expertise of Hemaraj and its global partners. These capabilities extend beyond Hemaraj's industrial estates and leverage technical resources.

- Cofely (Thailand) Limited (Previously Elyo-H Facilities Management): a 40/60 Joint Venture with GDF Suez Energy and Teo Hong Silom to provide utility and facility management services to industrial customers. On 19 December 2013, Hemaraj sold all shares of Cofely (Thailand) Limited considering Cofely's business is not Hemaraj's group core business.
- Eastern Pipeline Services Company Limited: a 100% subsidiary company to provide piping distribution for Chemical, Steam and Industrial Gas for Heavy Industrial Users with a total investment of Baht 300 million.

- H-Construction Management and Engineering Company Limited: a 100% subsidiary company to provide design, construction supervision, project and construction management services.

POWER:

- GHECO-One Company Limited, a 35/65 Joint Venture in a 660 MW IPP with Thailand's largest private power provider, Glow Energy, to supply power to Electricity Generating Authority of Thailand (EGAT). The Gheco-One Project has started its commercial operation since 19 August 2012.

- Hemaraj holds 5% equity in Glow IPP, the 713 MW IPP Power Project locating in Hemaraj Chonburi Industrial Estate in operation since 2001.

- Hemaraj holds 12.75% indirectly in Hydro Power Plant Project, Houay Ho Power in Laos People's Democratic Republic through the holding of shares in Houay Ho Thai Company Limited, a Joint Venture between Hemaraj and Glow group. Houay Ho Power is a company operating a 152 megawatt Hydro Power Plant business in Laos People's Democratic Republic under a 30 years concession from the Laos Government.



- Hemaraj Energy Company Limited (Hemaraj Energy), a subsidiary of Hemaraj Land And Development Public Company Limited signed an agreement with Gulf JP Company Limited to jointly invest in Gulf JP NLL Company Limited (GNLL). With a total investment of 5.5 billion baht, GNLL developed 126 megawatt SPP Project to supply power to the Electricity Generating Authority of Thailand (EGAT) and industrial estates customers. Under the joint venture agreement, Hemaraj Energy holds 25.01 percent share in GNLL and the project has its commercial operation since 1 May 2013.

PROPERTY

Ready Built Factories for Rent:

Hemaraj designs and develops turnkey RBF factories, with clear span layout, no column in the middle, and expandable options sizing from 450 square meters to 10,000 square meters for rent located in both General Industrial Zone and Duty Free Zone in multiple industrial estates/zones of Hemaraj. Ready Built Factories provides customers flexibility on investment and financing as well as a growth path to larger buildings or developed land as their business expands. Hemaraj also manages the utility and fit-out requirements to fit customers needs. Hemaraj has built 324 units with over 657,663 square meters to date in its multiple industrial estate locations.

Logistics Park for Rent:

Hemaraj Logistics Park is comprising high quality logistics distribution warehouse buildings. Now available in 4 locations with total area 395,000 square meters. With the growing demand for logistic services and storage which has become more specific and sophisticated, Hemaraj sees a great potential in the development of logistics parks to serve all aspects of customers' requirements. Located in strategically location, Hemaraj Logistics Park develops the top quality international standard ready-built logistics warehouses with various sizes from 1,545 to 50,000 square meters. Now are available in 4 selected locations with over 180,000 square meters being developed. Besides, the customers will experience Hemaraj's world class utilities, facilities, and after-rent services.



Selective Property:

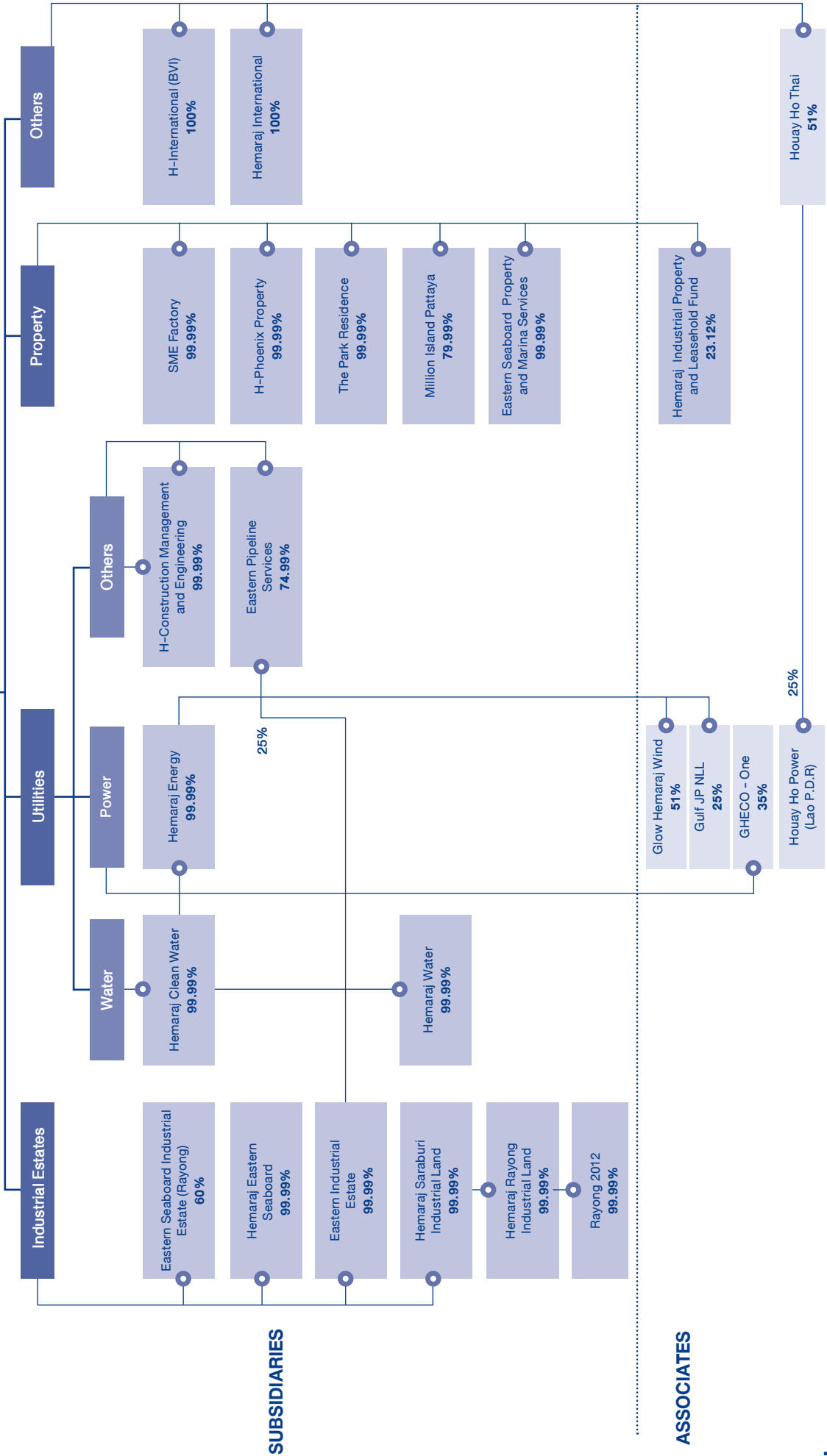
- H-Phoenix Property Company Limited:** a 100% subsidiary company for commercial property lease or sale and management with a registered capital and paid-up of Baht 480 million. H-Phoenix has acquired the majority ownership of office units in UM Tower and additional adjacent freehold land areas of 2 rai 3 ngan 55.2 square wah (1,155.2 square wah or 4,620.8 square meters). UM Tower is a 31-storey juristic office building, set on two rai of land with a total net lettable or salable area of 35,500 square meters. The building is located at 9 Ramkhamhaeng Road, which is close to the expressway, airport, linking the Eastern Seaboard, and downtown as well as next to the Airport Express Station which started operating in 2010. The adjacent land will provide Hemaraj with future property development opportunities.

- “The Park Chidlom”**, an exclusive Bangkok luxury high-rise condominium residence under the lifestyle concept of “a symphony in living’ with the highest international standards in the most convenient Bangkok city location. The Park Chidlom, set on five and one half rai, has two residential towers: the 35-storey Somkid Tower and the 28-storey Chidlom Tower, with a total of 218 units comprising 87,000 gross square meters and 53,000 net square meters. In 2008, The Park Chidlom won the Best High Rise Development Thailand – Five Star Award of the prestigious CNBC Asia Pacific Property Awards 2008 held in Singapore.

- “Integrated Real Estate at Koh Lan Pattaya”** Hemaraj set up Million Island Pattaya to acquire the land at Koh Lan Pattaya Thailand more than 200 Rai (more than 300,000 square meters). The project integrates clustered themed retail dining entertainment and leisure activities within beach resort hotels and condominiums. The development will be attractive to both Thai and foreign residents and Pattaya’s growing accessibility with 10 million tourists already.

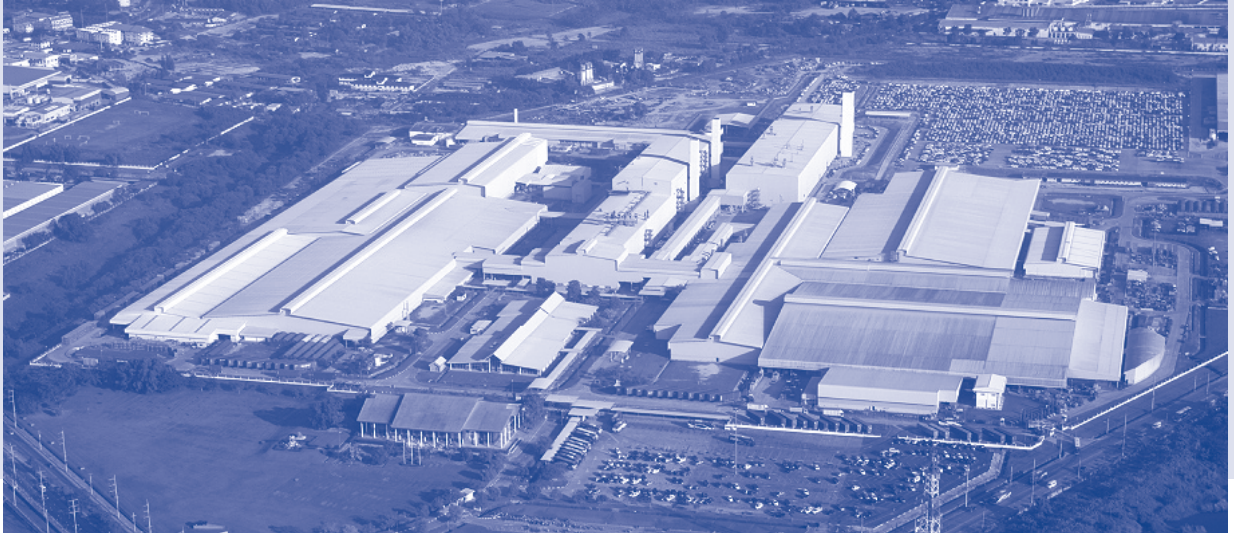
BUSINESS STRUCTURE

Hemaraj Land and Development PCL.



MAJOR/SIGNIFICANT EVENTS IN 2013

OVERALL BUSINESS OPERATION



Hemaraj Land And Development Public Company Limited announced an impressive a record overall business performance for 2013 with the Industrial Estate Sales of 2,200 rai (880 acres or 352 hectares) with 101 contracts, 60 new customers and 41 project expansions from existing customers, with accelerated investment from overseas and relocation and diversification of sites in Thailand. Total industrial customers stand at 615 distinct new customers with 933 contracts. This includes 215 automotive customers with 329 automotive contracts.

Ready Built Factories for Rent in Year 2013 grew by 61,559 square meters or a 26% increase from the Year 2012 cumulative balance. Hemaraj Logistics Park for rent new of 72,145 square meters. Industrial Estate Utilities Demand increased by 4% from the prior year.

The 2013 investment policy of Hemaraj continues to focus on core business areas - industrial estate, utilities, power, and properties. With Thailand's economic outlook positive, and the continued relocation and consolidation of automotive investment, the company expects its business to grow in all areas.

THE DEVELOPMENT OF "HEMARAJ CHONBURI INDUSTRIAL ESTATE 2"

Hemaraj development of Hemaraj #7 Industrial Estate "Hemaraj Chonburi Industrial Estate 2". Covering a land area of 632 rai (253 acres or 101 hectares) in Chaopraya Surasak Sub-district, Sriracha District, Chonburi Province. Hemaraj Chonburi Industrial Estate II is accessible from both New Highway 331 and Highway 3241 and logistically convenient to the Laem Chabang deep sea container port and Sri Racha city, only 25 kilometers away.



HEMARAJ APPOINTED ASIA PLUS TO UNDERWRITE BAHT BONDS

On January 2013, Hemaraj Land And Development Public Company Limited has issued 10-year Bonds at 5.50% interest rate with Asia Plus as the underwriter of Hemaraj debentures worth a total of Baht 2,500 million.

HEMARAJ SET UP NEW SUBSIDIARY COMPANY

On 21 March 2013, Hemaraj Land and Development Public Company Limited has set up Eastern Seaboard Property and Marina Services Company Limited a new subsidiary company in order to be the business of property development for investment and marina services.

HEMARAJ SALE OF SHARES IN COFELY (THAILAND) COMPANY LIMITED

On 19 December 2013, Hemaraj sold all shares in Cofely (Thailand) Company Limited to Cofely South East Asia Pte Ltd at the price of 40,989,594.10 Baht which the Joint Venture Company had the net book value at the date of 31 December 2012 in the equal amount of 26,306,765 Baht, as considering Cofely's business type is not Hemaraj's group core business. In addition, Hemaraj made the loan to the Joint Venture Company as the proportion of Shareholder in amount of 4,400,000 Baht which will be repaid the Loan Amount including interest on the date of the Sale Shares Transaction (the Closing Date).

HEMARAJ LAUNCHES HEMARAJ INDUSTRIAL PROPERTY AND LEASEHOLD FUND (HPF)

On 17 December 2013, Hemaraj Land And Development Plc. recently organized a press conference to announce the launch of Hemaraj Industrial Property and Leasehold Fund (HPF). The THB 4.7 billion fund, financial advisor and managed by MFC Asset Management Plc., comprises investments in freehold assets and leasehold property – including land and 104 ready-built factories in four locations: Eastern Seaboard Industrial Estate (Rayong), Hemaraj Eastern Seaboard Industrial Estate, Hemaraj Chonburi Industrial Estate and Hemaraj Saraburi Industrial Land – with no less 90% of net profits paid out to investors as dividends.



TRIS RATING AFFIRMS COMPANY RATING AT “A-” AND REVISES OUTLOOK TO “POSITIVE”

On 15 November 2013, TRIS Rating has affirmed the company and senior debenture ratings of Hemaraj Land and Development PLC (HEMRAJ) at “A-”. At the same time, TRIS Rating has revised HEMRAJ's rating outlook to “positive” from “stable”. The “positive” outlook reflects the company's improved competitive position in the industrial estate property and a growing base of predictable income from power and utilities businesses.

HEMARAJ RECEIVED “EXCELLENT” FROM THAI INSTITUTE OF DIRECTORS AND “EXCELLENT” FROM THAI INVESTORS ASSOCIATION

Hemaraj receives the ‘Excellent’ corporate governance recognition level in the Corporate Governance Report of Thai listed Companies in 2013 (CGR) from Thai Institute of Directors. Hemaraj achieves the ‘Excellent’ recognition level in Assessment Program of Listed Companies by Thai Investors Association from AGM 2013. Hemaraj received the “Excellent” corporate governance recognition level for 5 consecutive years from 2009-2013.

MAJOR CUSTOMER DEVELOPMENT IN 2013



MAZDA POWERTRAIN MANUFACTURING (THAILAND) SECURES 130-RAI LAND IN HEMARAJ'S INDUSTRIAL ESTATE

Mazda Powertrain Manufacturing (Thailand) Co., Ltd., an affiliate of Mazda Motor Corporation, has purchased a 130-rai plot of land in Eastern Seaboard Industrial Estate (ESIE) developed by Hemaraj Land And Development Plc. to construct a transmission plant with an annual production capacity of approximately 400,000 units. Operations will commence in the first half of the fiscal year ending March 2016.

The new plant will strengthen Mazda's global production by responding to increasing demand for models featuring its SKYACTIV-Drive drive automatic transmissions. The company aims to reach 1.7 million units in annual global sales by March 2016.



HEMARAJ SEALS ESIE LAND PURCHASE DEAL WITH HIROSHIMA ALUMINUM INDUSTRY

Hiroshima Aluminum Industry Co., Ltd., a global supplier of aluminum die castings, casting molds and plastic components used in automotive industries, recently acquired a 53-rai property at Eastern Seaboard Industrial Estate (Rayong), developed by Hemaraj Land And Development Plc. The new plant will boost Hiroshima Aluminum Industry's capacity to capture the increased demand for environmentally-friendly aluminum and plastic products through new technologies.



HIROSHIMA SEIMITSU KOGYO PURCHASES LAND IN HEMARAJ'S INDUSTRIAL ESTATE

Hiroshima Seimitsu Kogyo Corporation, an integrated company that develops designs and produces automotive parts, recently inked a land purchase deal with Hemaraj Land And Development Plc. for a 12-rai tract located at Eastern Seaboard Industrial Estate (Rayong). The company plans to build a new manufacturing facility with high performance equipment and cutting edge technology, in anticipation of the rapidly increasing demand in the automotive industry due to the expanding global economy.

ONDO CORPORATION SEALS 42-RAI DEAL AT HEMARAJ'S INDUSTRIAL ESTATE

Hemaraj Land And Development Plc. and ONDO Corporation, a leading producer of state-of-the-art automobile parts using advanced technology from Japan, recently concluded a land purchase contract for a 42-rai site at Eastern Seaboard Industrial Estate (Rayong). Hiroshima-based ONDO has initiated plans to build a new production facility that will feature cutting-edge technology and innovations to meet the increasing demand of major automakers.



FAST AUTO DRIVE (THAILAND) PURCHASES LAND IN HEMARAJ'S INDUSTRIAL ESTATE

Fast Auto Drive (Thailand) Co., Ltd., a subsidiary of Shaanxi Fast Auto Drive Group (Fast Group), a global leader in the production of transmission systems for heavy-duty vehicles, sealed the purchase of a 16-rai plot of land in the Eastern Seaboard Industrial Estate (Rayong), from Hemaraj Land And Development Plc. Fast Group will soon build one of its first overseas factories out of China, in order to meet the growing demand of customers from the US, Australia and Eastern Europe.



TA YIH LUN AN PURCHASES LAND IN HEMARAJ CIE

Ta Yih Lun An (Thailand), a Taiwanese leading manufacturer and supplier of ABS plastic spoiler, has signed a contract to purchase land from Hemaraj Land and Development Plc. for a production facility in Hemaraj Chonburi Industrial Estate. The new factory will serve as a key element in Ta Yih Lun An's business expansion and its mission to provide high quality durable products that has a lifetime guarantee.



SEKISUI CHEMICAL FINALIZES LAND PURCHASE DEAL AT HEMARAJ EIE

Japan-based Sekisui Chemical, leading manufacturer of high-performance materials used in specialized fields in the automotive, medical, construction and IT sectors, recently signed a land purchase agreement for 16 rai in Hemaraj Eastern Industrial Estate (Map Ta Phut). The company will soon construct its purpose-built manufacturing facility to serve the growing demands of its clients and to increase its global market share.





SHINSEI KOKI BUYS LAND IN HEMARAJ CIE

Shinsei Koki, a leading manufacturer of automobile parts and accessories from Japan, recently signed a purchase agreement for 8 rai of land to build its new production facility in Hemaraj Chonburi Industrial Estate, developed by Hemaraj Land And Development Plc. The new plant will increase the company's production capacity to serve the demands of its clients in the automobile industry.



STAR BUT (THAILAND) FINALIZES HEMARAJ RIL LAND DEAL FOR FUTURE MANUFACTURING PLANT

Star BUT (Thailand), a subsidiary of China's Xuzhou BUT Construction Machinery Joint-stock, recently finalized its deal with Hemaraj Land And Development Plc. to purchase a 36-rai plot at Hemaraj Rayong Industrial Land (Hemaraj RIL). This will be the site of Star BUT's new facility to manufacture steel fabrications for construction machines.

Founded in 1995, BUT was the first Chinese domestic steel fabrication supplier for US-based Caterpillar Inc. The new premise will strengthen BUT's position as a world-class company providing excellent products throughout the globe.



YOUNGSIN METAL INDUSTRIAL ACQUIRES LAND AT EASTERN SEABOARD INDUSTRIAL ESTATE

Youngsin Metal Industrial Co., Ltd., a respected manufacturer of high quality bolts, screws and forging parts for the automotive, electronics, machinery and construction industries from Korea, recently finalized an agreement to purchase land at the Eastern Seaboard Industrial Estate (Rayong) developed by Hemaraj Land And Development Plc. The company will soon build an advanced manufacturing plant to ramp up production for its growing customer base in the region.



FLYING SOUTH (THAILAND) CLOSES DEAL TO LEASE AN RBF IN EASTERN SEABOARD INDUSTRIAL ESTATE (RAYONG)

Flying South (Thailand) Co., Ltd., a subsidiary of Nihon Parkerizing Hiroshima Works Co., Ltd. in Japan, recently signed contract to lease a ready-built factory in Eastern Seaboard Industrial Estate (Rayong), developed by Hemaraj Land And Development Plc. The factory will deliver surface treatment services to clients in various manufacturing industries.

**SAIC MOTOR-CP JOINT VENTURE AGREES TO LEASE
READY-BUILT FACTORIES IN HEMARAJ EASTERN
SEABOARD INDUSTRIAL ESTATE**

SAIC Motor-CP Co., Ltd., an automotive industry joint venture founded by China-based automaker SAIC Motor Corporation and Thailand's CP Group, has reached an agreement with Hemaraj Land And Development Plc. over the leasing of ready-built factories, representing a total area of 17,280 square meters, in Hemaraj Eastern Seaboard Industrial Estate. SAIC Motor-CP is planning to develop a production facility that will initially be capable of building 50,000 vehicles annually under the SAIC-owned MG English brand for Thailand and international markets.



**KISHIMOTO CHOOSES EASTERN SEABOARD INDUSTRIAL
ESTATE (ESIE) FOR ITS NEWEST FACTORY SITE**

Kishimoto Industry (Thailand) Co.,Ltd., a subsidiary of Kishimoto Kogyo Co. Ltd., recently signed a contract with Hemaraj Land And Development Plc. to lease a 900 square metres ready built factory in Eastern Seaboard Industrial Estate (Rayong). The company, which has a registered capital of 40 million Baht, plans to increase its capacity for metal pressing for automotive parts and electrical appliances



**EDOGAWA LEASES READY BUILT FACTORY AT HEMARAJ
SARABURI INDUSTRIAL LAND**

Edogawa Gosei (Thailand) Co. Ltd., a leading producer of specialty paints and solvents for industrial equipment, recently signed a lease contract with Hemaraj Land And Development Plc. for a Ready Built Factory at Hemaraj Saraburi Industrial Land (Hemaraj SIL). The new 1,728 square metres facility will help Edogawa Gosei reach its full production capacity and help accelerate its business.



**GKN DRIVELINE (THAILAND) LEASES READY-BUILT FACTORY IN
HEMARAJ ESIE**

GKN Driveline (Thailand), a BOI-promoted company that manufactures highly-engineered driveshafts and associated components for passenger cars, recently signed a contract with Hemaraj Land And Development Plc. to lease a Ready Built Factory of 6,000 sq.m. in Hemaraj Eastern Seaboard Industrial Estate. To complement the production of its first manufacturing facility located in Eastern Seaboard Industrial Estate (ESIE), the new GKN Driveline plant will use the latest technologies to answer the growing demands of customers in the automobile industry.





NEMOTO WORKS SIGNS ESIE FACTORY LEASING DEAL

Japan-based Nemoto Works Co., Ltd, acclaimed specialist in welding works for parts of shovels, has signed a lease for a ready-built factory at Eastern Seaboard Industrial Estate developed by Hemaraj Land And Development Plc. Once completed, the plant will enable Nemoto Works to satisfy the growing demand from its world-class customers dealing in heavy machinery for the construction sector.



MOZU METAL WORKS SEALS FACTORY DEAL IN HEMARAJ CIE

Mozu Metal Works, a respected manufacturer of steel parts for agricultural machinery, recently finalized its contract for a 528 square meters ready built factory in Hemaraj Chonburi Industrial Estate. With demand for agricultural mechanization expected to grow in the near future, Mozu Metal Works is getting ready to supply high-quality products that will contribute to advances in agriculture in the region.



TAK SPRING INDUSTRY FINALIZES RBF LEASE IN HEMARAJ CIE

TAK Spring Industry Co., Ltd., a manufacturer of high quality springs for automobile production, recently agreed to lease a ready-built factory in Hemaraj Chonburi Industrial Estate, developed by Hemaraj Land And Development Plc. As part of the company's efforts to address burgeoning demand, the new plant will help raise TAK Spring's capacity to produce various types of automotive springs once operation commences.



SPF COMPANY FINALIZES READY BUILT FACTORY LEASE AT HEMARAJ CHONBURI INDUSTRIAL ESTATE

Japan's SPF Company, leading manufacturer of corrosion-resistant equipment for surface finishing and chemical processing industries, recently signed a lease agreement for a ready-built factory (RBF) in Hemaraj Chonburi Industrial Estate. The new production facility will deliver a comprehensive range of high-performance products designed to suit their customers' specific requirements.

SHIBASAKI TB FINALIZES READY BUILT FACTORY LEASE AT HEMARAJ SARABURI INDUSTRIAL LAND

Shibasaki TB (Thailand) Co., Ltd, a joint venture between Shibasaki Seisakusyo Co.,Ltd and Tokyo Byokane (S) PTE LTD a leading manufacturer of top quality Metal parts for automotive, recently signed a lease agreement for a ready-built factory (RBF) with Hemaraj Land And Development Plc.. Covering a total area of 1,296 square meters in Hemaraj Saraburi Industrial Land, the new production facility will deliver a comprehensive range of high-performance products to cater to customers in the region.



H-R-D-ENGINEER LEASES READY BUILT FACTORY IN HEMARAJ CIE

H-R-D- ENGINEER Co., Ltd., a Japan-based manufacturer, design, assembly and installation the Machinery and Electronic Devices includes all of types dependent on customer requirements for use in the Manufacturing Industry , by the high technology and professional, which the headquarter location in Hiroshima ,Japan. Recently signed a lease agreement for a ready-built factory in Hemaraj Chonburi Industrial Estate (Hemaraj CIE) and this new factory will start run-production around January 2014.



MIYAGO INDUSTRY TO EXPAND WITH FACTORY LEASING DEAL AT HEMARAJ SIL

Japan-based Miyago Industry, a leading manufacturer of machine, electronics and automobile components, has signed a contract to lease a ready-built factory at Hemaraj Saraburi Industrial Land. Founded in 1963, Miyago specializes in the manufacturing of complex, high-precision parts for machinery and electronic devices. Once completed, the 6,000-square meter plant will increase Miyago's production capacity to satisfy demand from a wide range of world-class customers.



LOGICOM LEASES READY-BUILT FACTORY IN HEMARAJ'S INDUSTRIAL ESTATE

Logicom International (Thailand) Co., Ltd., a leading logistics service provider, has signed a contract to lease a 482-square-meter ready-built factory in Eastern Seaboard Industrial Estate (Rayong) developed by Hemaraj Land and Development Plc. The facility will serve as a key element in Logicom's business expansion





INERGY AUTOMOTIVE SYSTEMS LEASES WAREHOUSE IN HEMARAJ LOGISTICS PARK 4

Inergy Automotive Systems Co., Ltd. has signed a contract with Hemaraj Land And Development Plc. – Thailand’s leading developer of Industrial Estates, Utilities, Power and Property Solutions – for the lease of a 11,647-square meter warehouse in Hemaraj Logistics Park 4 (HLP4).

France-based Inergy, the number one supplier of complete plastic fuel systems for the world’s automotive industry, currently operates a plant in the Eastern Seaboard Industrial Estate (ESIE) in Rayong, and also leases warehouse space at Hemaraj Logistics Park 4 (HLP4). The newly-added warehouse facility is part of Inergy’s ongoing expansion in Thailand.



UTI FINALIZES LEASE AGREEMENT FOR WAREHOUSE AT HEMARAJ LOGISTICS PARK 2

UTi Worldwide Co. Ltd., leading provider of integrated supply chain solutions, recently signed an agreement with Hemaraj Land And Development Plc. to lease the third warehouse located in Hemaraj Logistics Park 2. Representing a total area of 3,370 square meters, the new UTi logistics warehouse will ensure the efficient delivery of world-class services and solutions with qualified value to its clients in Thailand and international markets.

At present, UTi has leased warehouses and operates in Hemaraj Logistics Parks 2 with a total area of 13,638 square meters.



SUPAVUT SIGNS LEASING DEAL FOR WAREHOUSE IN HEMARAJ LOGISTICS PARK 4

Supavut Industry Co., Ltd., a plastic components manufacturer specializing in injection-molded and blow-molded automobile parts, recently signed a contract with Hemaraj Land And Development Plc. for the lease of a logistics warehouse in Hemaraj Logistics Park 4. The additional warehouse space will help drive operational efficiency for Supavut Industry, whose key products are plastic vehicle, console parts, painting parts (interior) and exterior parts, including mold maker with high technology.



OTC DAIHEN ASIA LEASES READY-BUILT FACTORY AT HEMARAJ'S INDUSTRIAL ESTATE TO ENHANCE CUSTOMER SERVICE

OTC DAIHEN Asia Co. Ltd., a provider of high-quality welding machines, industrial robots, and related services, recently signed a contract with Hemaraj Land And Development Plc. for the lease of a strategic service base and distribution warehouse at the Hemaraj Eastern Seaboard Industrial Estate (Hemaraj ESIE). The agreement is part of OTC DAIHEN Asia’s efforts to expand its operations in Thailand.

HEMARAJ BACKS ROYAL EFFORTS TO PRESERVE PLANT GENETICS

Hemaraj Land And Development Plc. – a leading developer of industrial estates, utilities, power, and property solutions – recently donated 100,000 Baht to support the Plant Genetic Conservation Project. Hemaraj executives presented the contribution to Her Royal Highness Princess Maha Chakri Sirindhorn during an audience at Dusidalai Hall, Chitralada Royal Villa in Bangkok.

Conceived in 1992 through the initiative of the Princess, the project aims to develop plant genetics resources and expertise to maintain the diversity of flora in Thailand. Hemaraj's contribution will be used to back efforts to preserve the genetic legacy of Mahesak and Sak Siamintra – two of the oldest and biggest living teak trees in the world.



HEMARAJ RECEIVES CSRI RECOGNITION 2013 AWARD

Hemaraj Land And Development Plc., Thailand's world class industrial estate developer, has been granted the CSRI Recognition 2013 by the Corporate Social Responsibility Institute: CSRI. This award is presented to listed companies who have shown their adherence to good governance, social responsibility and the environment. As the company celebrates its 25th year, this distinction is a confirmation of Hemaraj's role as a successful business leader and its commitment to Thailand's sustainable growth.





HEMARAJ BAGS AMCHAM CSR EXCELLENCE RECOGNITION AWARD 2013

Hemaraj Land And Development Plc. has been chosen as a winner of the prestigious Excellence Recognition Award 2013 from The American Chamber of Commerce in Thailand (AMCHAM). The award was conceived in recognition of the efforts of Chamber members in promoting education, environmental protection and social development. Throughout its 25-year history, Hemaraj – a four-time winner of the award – has consistently conducted its business with good governance and a focus on sustainable social contributions.



HEMARAJ HONORED WITH FOURTH STRAIGHT CSR-DIW CONTINUOUS AWARD

Hemaraj Rayong Industrial Land (Hemaraj RIL) and Hemaraj Saraburi Industrial Land (Hemaraj SIL) developed by Hemaraj Land And Development Plc., were recently chosen as winners of 2013's CSR-DIW Continuous Award by the Department of Industrial Works for the fourth consecutive year. The award, conceived by the Department in cooperation with the Management System Certification Institute (Thailand), seeks to promote social responsibility and sustainable development in the industrial sector.



HEMARAJ HELPS EASE TEACHER SHORTAGE IN CHONBURI

Hemaraj Land And Development Plc., in cooperation with the AMCHAM Thailand Charitable Foundation and Glow Group recently handed over an extra temporary English teacher to Ban Phan Sadet Nok School in Chonburi under the Adopt-A-School : Teacher Fellowship Program. Since 2008 Hemaraj and the foundation have funded the program by providing financial support for the hiring of an extra temporary teacher for schools to help ease the problem of teacher shortage in the Eastern Seaboard area.



HEMARAJ AND AMCHAM ORGANIZED ENGLISH CAMP FOR TEACHERS IN EASTERN SEABOARD

Hemaraj Land And Development Plc., in cooperation with the AMCHAM Thailand Charitable Foundation recently organized a 4-day English Training Course under the Adopt-A-School. Forty primary school teachers from forty different schools in Rayong and Chonburi were invited to join the seminar, which focused on the development of communication skills in the classroom using English as the medium of instruction.

HEMARAJ REACHES OUT TO 14,400 STUDENTS IN EASTERN SEABOARD AREA

For the 17th consecutive year, Hemaraj Land And Development Plc. held its Annual School Contribution Program to help students from neighboring communities of Hemaraj's industrial estates, located in the Eastern Seaboard area.



HEMARAJ CONTINUES 5TH YEAR "ART CAMP" FOR TEACHERS IN EASTERN SEABOARD AREA

Hemaraj Land And Development Plc. recently initiated the "Art Camp for Teachers" program to address a shortage of specialized art teachers in Chonburi and Rayong provinces. The program's objective is to equip teachers with basic knowledge of art, which can be applied in their teachings.

The 4-day workshop program includes fundamentals of art, aesthetics, art history and criticism. The session on fundamentals of art focuses on understanding lines, colors, and composition, drawing and painting small objects, buildings and drawing under given topics.



HEMARAJ CONTINUES 5TH YEAR "ART CAMP" FOR EASTERN SEABOARD SCHOOLS

Hemaraj Land And Development Plc., organized "Art Camp" – a continuous art workshop program for students. Since the first workshop in 2009, Hemaraj has invited art experts from Inspire Sight Art & Culture Center to give basic principles and knowledge about arts through fun hands-on activities. During the workshop, art is also related to environment and local culture to help enhance students' skill in arts and instill a feeling of pride and gratitude towards their hometown.



HEMARAJ PROMOTES HOMELAND PRIDE THROUGH ART CONTEST

In celebration of its 25th anniversary, Hemaraj Land And Development Plc. organized the Hometown Art Contest under the theme of "My Home... Our Environment." The contest, conceived to develop artistic skills and promote creativity, featured submissions from Mathayom 4 to 6 students in schools across the Eastern Seaboard.





HEMARAJ HOLDS TOURING ART CAMP FOR THAI YOUTH

Hemaraj Land And Development Plc. recently organized the Touring Art Camp program for Mathayom 1-3 students from schools around the Eastern Seaboard. The activity aims to foster creativity and a love of arts among teenagers in local communities.

The three-day activity comprises an art workshop on such topics as line and colors, art composition, drawing of objects and buildings, drawing for personal interests as well as outdoor drawing activity at Khod Timtharam Temple and Nong Pla Lai reservoir in Rayong.



HEMARAJ DONATES COMPUTERS TO SUPPORT EDUCATION

As part of its education and outreach program to help schools in neighboring communities, Hemaraj Land And Development Plc. recently donated computers to the Baan Klong Krum School in Rayong Province. Mr. Somyot Chuenarom Baan Klong Krum Principal, accepted the donation from Hemaraj executives.



HEMARAJ TACKLES EYESIGHT DILEMMAS WITH FREE OPTOMETRIC SERVICES FOR COMMUNITY MEMBERS

Hemaraj Land And Development Plc., recently arranged a mobile unit to provide free optical check-ups and eye-glasses for residents of Chomphonchaopraya Sub-district Municipality, Rayong. Over 220 community members took up the offer in this annual event. This optical check-up service underlines Hemaraj's commitment to society with the goal of improving the quality of life for communities in the vicinity of its industrial parks.



FREE EYE-GLASSES FROM HEMARAJ

Hemaraj Land And Development Plc., recently arranged a mobile unit to provide free optical check-ups and eye-glasses for Tasith community at Wat Khao Noi, Rayong Province. Over 260 community members received the services at the event, Hemaraj has organized free optical check-ups and eye-glasses annually.

BLOOD DONATION AT HEMARAJ'S INDUSTRIAL ESTATES

Hemaraj Land And Development Plc. organized its annual blood donation activity at ESIE and EIE offices. There were a lot of employees of Hemaraj and its customers participating in the event. The blood will be handed over to the Thai Red Cross Society, Rayong for use in the hospitals in the province.



COMMUNITY LEADERS VISIT CHITRALADA PALACE

On the occasion of its 25th anniversary, Hemaraj Land And Development Plc executives and community leaders in Rayong and Chonburi visited Chitralada Palace to view projects under the royal patronage of His Majesty the King. This initiative aimed to develop the awareness of communities for self-sufficiency and environment preservation.



HEMARAJ SUPPORTED WATER RELIEF IN PLUAKDAENG, RAYONG

Hemaraj Land And Development Plc. in cooperation with the Disaster Prevention and Relief Office, Pluakdaeng Subdistrict Administrative Organisation (Aor Bor Tor Pluakdaeng), Rayong recently distributed water to communities in Pluakdaeng area affected by draught situation.



HEMARAJ DONATES WATER TO TASITH, RAYONG

Hemaraj Land And Development Plc. in cooperation with the Disaster Prevention and Relief Office, Tasith Subdistrict Administrative Organisation (Aor Bor Tor Tasith), Rayong recently distributed water to communities in Tasith area affected by draught situation.





TREE PLANTING CEREMONY MARKS 25TH ANNIVERSARY OF HEMARAJ

Hemaraj Land and Development Plc. recently held a tree planting event at the Eastern Seaboard Industrial Estate (Rayong) to mark its 25th Anniversary and to promote its commitment to a sustainable future.

Hemaraj executives and staff members were joined by local community leaders, clients, volunteers and students to plant over 750 saplings of different varieties, raising the total number of saplings planted to 1,870. This green activity follows the teachings of His Majesty the King on environmental preservation.



HEMARAJ CONTINUES SUPPORT FOR CHONBURI FOOTBALL CLUB

As a major sponsor of Chonburi FC, Hemaraj has provided cash support totaling 24 million baht to the club from 2008 to 2012 and for this year another 6 million baht will be contributed as a continuous support to the club.



HEMARAJ PROMOTES SOCIAL DEVELOPMENT VIA SPORTS TO RAYONG FC

Hemaraj Land And Development Plc., Thailand's world-class industrial estate developer, reinforces its support for sports by contributing an additional 3 Million Baht to the Rayong Football Club (Rayong FC) team in 2013. This follows to foster the development of the local sporting community and to encourage social progress through sports initiatives.



HEMARAJ BRINGS CHILDREN'S DAY JOY TO WAT MAP CHALOOD CHILD DEVELOPMENT CENTER

Hemaraj Land And Development Plc. and representatives of the Wat Map Chalood community in Rayong recently brought the joys of Children's Day to the Wat Map Chalood Child Development Center with a joint contribution of funds, stationery, toys, and various items of basic necessities as a gift to the Center's 37 young students.

Previously located within the premises of Wat Map Chalood, the Center is now part of Map Ta Phut Municipality School and is entirely funded by community contributions.

HEMARAJ SIL PROMOTES ENVIRONMENTAL CONSERVATION AT THE 16TH ANNUAL YOUTH CAMP

Hemaraj Saraburi Industrial Land (Hemaraj SIL), recently held the 16th Annual Youth Camp at Central Botanical Garden (Phu Khae) in Chalermprakiat District, Saraburi Province, in cooperation with companies located within the industrial land. The main aim of the Youth Camp was to educate the children on environmental protection, to cultivate discipline and to raise awareness about drug abuse. A total of 86 children from different schools within the community joined the program, which included a visit to Narai Ratchaniwet Palace and Phrabatnampu Temple.



HEMARAJ UPGRADES WAT MAAB CHALOOD ELECTRICAL SYSTEM

The Eastern Safety and Environmental Club (ESEC) of Hemaraj Eastern Industrial Estate (Map Ta Phut), recently made a donation to Wat Maab Chalood for the improvement and general maintenance of its electrical system. Presiding over the ceremony was Mr. Tada Soontonphan, Office Director of Hemaraj Eastern Industrial Estate (Map Ta Phut), who was joined by leaders and members of the Maab Chalood and Maab Chalood – Chak Klang communities.



HEMARAJ HOLDS KATHIN CEREMONY AT SARABURI TEMPLES

Hemaraj Saraburi Industrial Land led local businesses and members of the community in a Kathin Ceremony to raise funds for the repair and reconstruction of monks' residences in Nong Sadao Temple and Rat Charoen Temple in Nong Kae District, Saraburi Province. This activity underlines Hemaraj's steadfast support for residents of neighboring communities.



HEMARAJ HOLDS BIG CLEAN-UP DAY TO SAVE SON KRASIB BEACH

The Eastern Safety and Environmental Club (ESEC) of Hemaraj Eastern Industrial Estate (Map Ta Phut) recently held a big clean-up day as part of the "Son Krasib Beach Development Project" to protect the natural environment around the industrial estate and to strengthen the relationship between the business community and the local community. ESEC members were joined by villagers and representatives of the Industrial Estate Authority of Thailand for beach games and friendly sports competitions.





HEMARAJ CELEBRATES SONGKRAN WITH LOCAL COMMUNITIES IN RAYONG

Members of the Eastern Safety and Environment Club (ESEC), Hemaraj Eastern Industrial Estate (Map Ta Phut), embraced the spirit of the Songkran Festival by participating in traditional celebrations organized by the communities of Map Chalut and Chak Klang in Rayong province.

Hemaraj staff and local community members paid respect to their elders in the traditional Thai way and performed a ritual bathing of a Buddha image to herald the start of a prosperous year



HEMARAJ JOINS SONGKRAN FESTIVAL AT CHOM PHON CHAO PHRAYA SUBDISTRICT

Superintendent of Hemaraj Eastern Seaboard Industrial Estate, recently joined Chom Phon Chao Phraya Subdistrict's Songkran Festival. On the same occasion, towels were distributed to the elders of Chom Phon Chao Phraya Subdistrict as souvenirs. Hemaraj has organized the Thai New Year Culture to the community annually.

TRAINING

In 2013, the company arranged internal training programs by selecting the programs that appropriate for each department. The programs include emergency and insurgency response program, fire fighting drills, services training, marketing and sales techniques, technical skills such as computer and English etc., work ethics, accounting practices and new accounting standards, energy saving and several environmental programs.

For external training, the programs mainly aim for supporting duties as well as developing experiences and skills to its employees. In 2013, the company provided the trainings both internally and externally for its employee totaling 7,889 hours, average 24.13 hours/person.



CHEMICAL SPILL PREVENTION TRAINING

Hemaraj arranged training program about chemical spill prevention training to related officers on April 26, 2013 at Water Filtration Plant Eastern Seaboard Industrial Estate (Rayong).

TRAFFIC ACCIDENT PREVENTION TRAINING

Hemaraj arranged training program about traffic accident prevention training to related officers on May 17, 2013 at Eastern Seaboard Industrial Estate (Rayong).



FIRE FIGHTING DRILL

Hemaraj arranged training program about fire fighting drill training to related officers on July 18, 2013 at Eastern Seaboard Industrial Estate (Rayong).



BASIC FIRE FIGHTING TRAINING

Hemaraj arranged training program about basic fire fighting training to related officers on September 26, 2013 at Eastern Seaboard Industrial Estate (Rayong).



FIRE EVACUATION DRILL

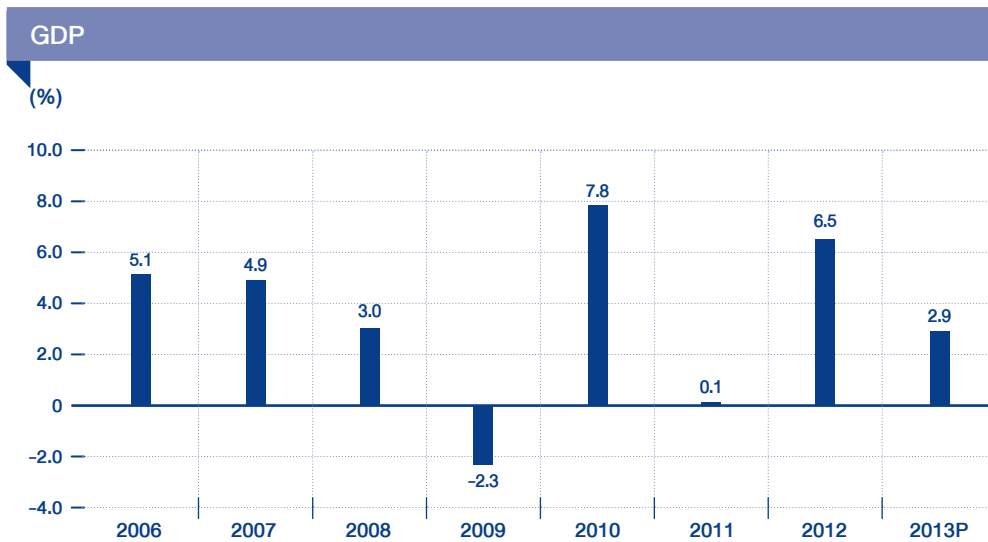
Hemaraj arranged training program about fire evacuation drill to related officers on September 26, 2013 at Eastern Seaboard Industrial Estate (Rayong).



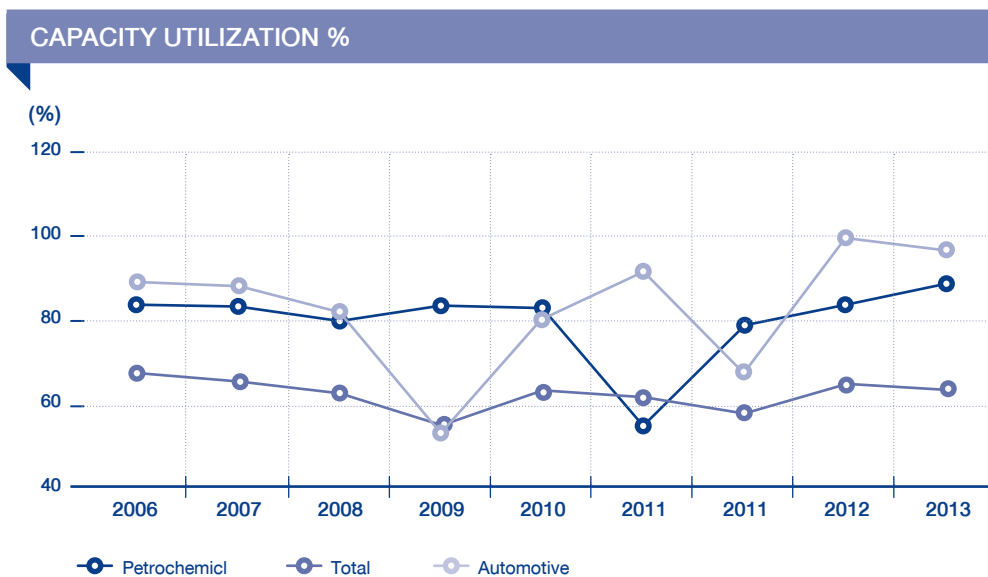
ECONOMIC & COMPETITIVE CONDITION

The 2013 Thai economy grew by 2.9% compared to 6.5% in 2012, partly due to the expansion of the export that was lower than estimated. Moreover, the economy was also affected by political protest started since October 2013 which dragged down the investment, consumption and tourism.

In 2013, the Private Consumption Index decreased by 0.2%. Manufacturing Production Index decreased by 3.2% and the capacity utilization rate also decreased to 64.4%. For the year 2013, the Private Investment Index decrease by 8.1%. Export volumes for Thailand were decreased to US\$ 225.4 billion, a 0.2% decrease, whereas Imports decreased by 0.4% to US\$ 219.0 billion. In addition, Import of Raw Materials and Intermediate Goods increased by 0.6% while Capital Goods decreased by 4.5%. Current account ended the year with a deficit of US\$ 2.8 billion. The balance of payments was deficit of US\$ 5.1 billion.

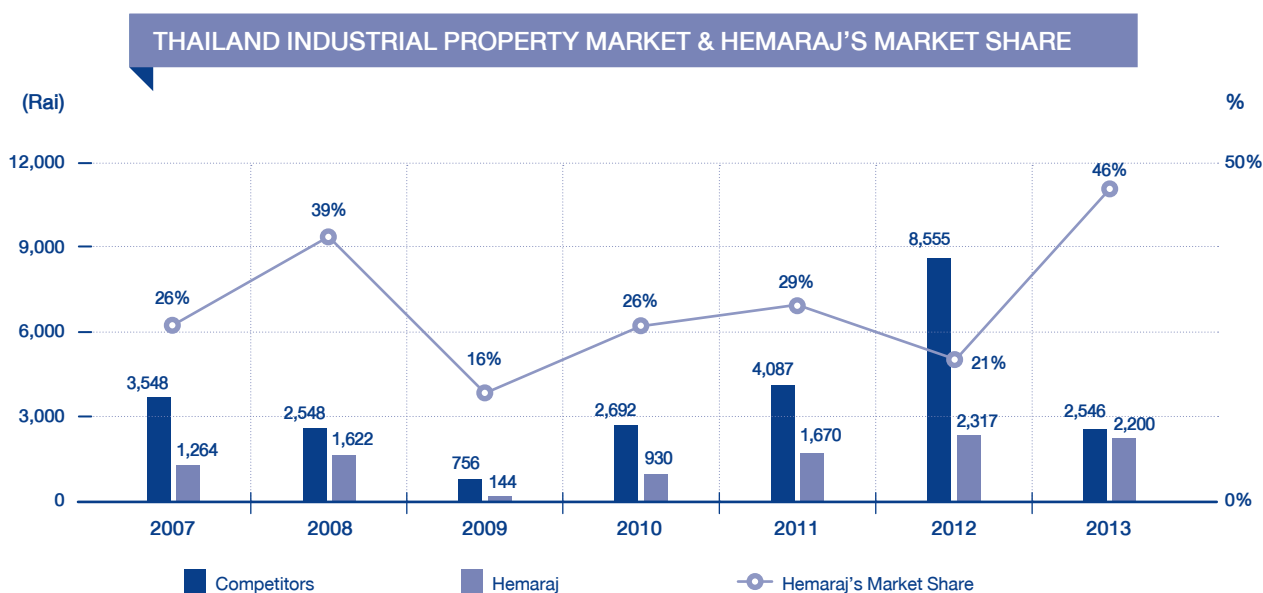


Source: Bank of Thailand, December 2013



Source: The Office of Industrial Economics

Land sales of industrial property market sector decreased 44% from 10,871 rai in 2012 to 4,746 rai in 2013. In 2013, Hemaraj sold 2,200 rai of industrial land, or equivalent to 46% of total market share. We believe market data is incomplete for 2013.



Source: CB Richard Ellis, Quarter 4, 2013

The Board of Investment (BOI) project approval in 2013 increased significantly to Baht 1,027 billion compared with Baht 984 billion in 2012, or a 4.4% increase. The number of projects approved was 2,016 projects, a 11.8% decrease from 2012.



Source: Board of Investment, January 2014

Thailand still remains a regional production hub in the ASEAN automotive industry, particularly for one-ton pickups and small passenger cars. In 2013, the vehicle production inclined to 2.46 million vehicles from 2.43 million vehicles in 2012, or an increase of 1.2%. Domestic vehicle sale in 2013 was 1,330,680 vehicles and 1,094,089 vehicles for export. In 2013, automotive export was 13.8% of total export value.

1 Rai = 1,600 Square Meters or 0.4 Acres

Source: Bank of Thailand, December 2013 and Automotive Intellegent Unit

RISK FACTORS & OTHERS

EXTERNAL RISKS

The company faces investment and management risks associated with Thai government, Bank of Thailand, and government agency offices policy as well as external political such as town planning environmental law investment promotion act and economic environment in neighboring and other countries. In addition Foreign Direct Investment, inflation, oil price, interest rates, land cost, construction cost, announced the minimum wage to 300 baht nationwide, and shortages of skilled labor are factors that could affect the company businesses.

The company is aware of the risks and effects associating with such factors and tries to have a systematic monitoring and analytical measurement to prevent and to minimize such risks at the acceptable level when comparing to the expected return. The Board of Directors and Management have also implemented the business strategy with appropriate adjustments based on the situation as witnessed from broadened operating revenue and improved profit margins. Increases in revenue from industrial estates utilities and rental, which are recurring and predictable, have balanced our revenue structure. Our multiple-locations industrial estates with a high percentage of repeat customers and the niche selective property projects have also reduced our risk profile.

However, industrial development is in place, broad revenue cushions this impact, and strong balance sheet minimizes disruption.

FINANCIAL RISKS

The operating performance, financial status, economic environment in Thailand and other countries, access to financial and capital market, foreign exchange and interest rates are risk factors to the company's financial management.

The operating performance, financial status, economic environment in Thailand and other countries, access to financial and capital market, foreign exchange and interest rates are risk factors to the company's financial management. Since the financial crisis in 1998, the company has consistently improved its financial position by having an appropriate and sufficient source of funds with a reasonable cost of capital and appropriate financial structure to support the company's competitiveness. As of end of 2013, the Company's net debt to equity ratio was 0.95 to 1 times with cash balance of Baht 4,780 million. With a strong balance sheet and a lower debt level, high level of cash on hands, no foreign currency debts, and broader lending sources, these will provide the company more flexibility to grow the business expansion, yet to minimize the financial risks.

RISK FROM AUTOMOTIVE AND PETROCHEMICAL CUSTOMERS

The company has 274 customers from automotive (215) and petrochemical (59) sectors out of 615 customers, or 45% of total customers. The company will be affected from the slowdown of investment from these sectors both revenue from land sales and other related revenue.

The company is aware of such factors and has benefited from these clusters, but it is also expanding our customer base in different sectors such as electronic, energy, steel, construction materials, etc. so that the company will not entirely depend on one or two sectors. The company now has 7 industrial estates under development. The company also tracks and analyzes the customer mix and demographic on a regular basis and adjusts our strategy accordingly. In 2013, Industrial Estate Land Sales were 2,200 rai of which 1,140 rai or 52% were from non-automotive/petrochemical sectors.

RISK FROM INVESTING IN INDEPENDENT POWER PRODUCER (IPP)

The company has invested in Independent Power Producer (IPP) project in Gheco-One Company limited with Glow Energy. This is in line with our strategy to broaden our revenue by selectively pursuing superior profit opportunities from complementary businesses to increase the predictability and sustainability of the longer-term revenue stream. Risk from investment, risk from changes of rules, regulations, and government policy, delay of construction, financing risk, risk from environmental impact, risk from raw material sourcing, risk from operations regularly and continuously, risk from sole customer, foreign exchange risk, and interest rate risk are risks involved the project and the material change in such factors could materially affect the project's performance as well as the company's.

The company is aware of the risk from such factors by having a feasibility study as well as the sensitivity analysis cover all areas and considering together with the attractiveness of the project, including the return which is recurring and predictable throughout the project life after the commercial operation regularly. This project will be developed and managed by Glow Energy (GDF Suez), Thailand's leading private power producer. In addition, Gheco-One signed the foreign exchange rate swap, interest swap, coal cost forward contract, and various contracts on matching currency of lending with costs and revenue streams and interest rate swaps in order to minimize those risks.

Gheco-One has commercially operated since 19 August 2012.

RISK FROM CHANGING OF ENVIRONMENTAL AND SAFETY LAWS

In September 2009, the Central Administrative Court issued an injunction to 8 government agencies to suspend the 76 projects in Map Ta Phut temporarily until actions made in compliance with the Constitution of The Kingdom of Thailand 2550 Article 67 (2). In December 2009, the Supreme Administrative Court revised the injunction and suspended the projects which are under the 11 categories of projects or activities that may have severe impacts on the community with respect to the Notice of the Ministry of Natural Resources and Environment dated August 31, 2010 and their licenses were issued after the Constitution B.E. 2550 until appropriate actions are made in compliance with the Constitution of The Kingdom of Thailand 2550 Article 67 (2). The related government agencies, private sector, and the community have been participating to issue the framework, guidelines, as well as the rules and regulations in compliance with Article 67 (2) of the Constitution to be appropriate and fair to all parties for those projects that may have severe impacts on the community and subject to the EHIA.

The company is aware of these risks by having monitors and analyzes the impacts of changes in environmental and safety laws and regulations on our business development and operation regularly. We also closely coordinates with government agencies, incorporates necessary and available information to our business development plan and response measures, and ensures ongoing community relations activities in operating areas with a constant focus on community participation.

In longer term, the company's strategy is to broaden the revenue base into businesses, which have growing, and predictable revenue stream such as utilities business. In 2013, the company had operating revenue from non-industrial land sales as much as 35% of Total Operating Revenue. Moreover, the share of profit from joint ventures in energy business will add stability to the company.

RISK FROM THE FLOOD

Following the flood situation in many areas of north and central part of Thailand in 2012, and in 2013 at central and eastern part of Thailand. Hemaraj has been monitoring the situation closely. Despite the unfortunate inundations in many provinces, Hemaraj's 6 Industrial Estates are not affected by flooding at all because of the following reasons:

1) Our 5 industrial estates in Rayong and Chonburi Provinces are in high elevation, ranging from +44 meters (Hemaraj Rayong Industrial Land) to +134 meters (Hemaraj Chonburi Industrial Estate) above the mean sea level. In case of Hemaraj Saraburi Industrial Land (H-SIL), it is not located in the flood plain of Chao Phraya River and it also has 3 water access points which are Nong Roo, Preaw, and Raphiphat canals. HSIL is +4 to+8 meters above the mean sea level and its dikes which surround the industrial estate are +2 to +4 meters above the water level of the 3 canals.

2) Our industrial estate design utilities use large u-ditches or storm pipes and the slope nature of the land helps to drain the storm water.

In addition, Hemaraj takes caution in preparing measures in an attempt to cope with any unprecedented rainfall with emergency teams standing by 24x7.

RISK FROM POLITICAL INSTABILITY AND THAI GOVERNMENT INSTABILITY

The political instability within the country which has been occurring from time to time since the year 2010. During early the year 2014, the care-taker government has declared the emergency decree in Bangkok and nearby provinces and until now they have not reached the mutual agreement with the protester. This incident may adversely impact negatively on Thailand's image, the interest and confidence of customers, investors or tourists.

In addition, the business might be affected from a change of Government team or relevant working group that often cause intermittent and uncertain of the policy especially the policy regarding to investment promotion, industrial estates development and fundamental utility and foundation that is essential for developing countries. However, from the past events, political instability was affecting the economy only in a short period. After political issues have been resolved, the consumption, the spending, the business and foreign's investments will come back as normal.

The company is aware of this risk and continues to monitor and analyze the impact of this ongoing political unrest. In the short term, the company has not yet seen the direct impact to our industrial customers' operation. But if the assembly were to escalate, it could affect the image and confidence of the country, and as a result, the foreign investment may slow down. The company has already adjusted the work plan including the operation, the investment and the financing to properly accommodate this uncertainty.

STOCK INFORMATION AND SHAREHOLDING

SHAREHOLDING

Top ten of Hemaraj Land And Development's Shareholders as at 16 October 2013

NO.	MAJOR SHAREHOLDERS	NO. OF SHARES	% OF TOTAL ISSUED SHARE
1	Miss Phenpunnee Horrungruang	1,068,725,770	11.01
2	Credit Agricole (Suisse) SA, Singapore Branch	844,906,389	8.71
3	Thai NVDR Company Limited	828,397,939	8.54
4	CHASE NOMINEES LIMITED 28	760,011,595	7.83
5	Nomura Singapore Limited – Customer Segregated Account	651,534,500	6.71
6	Miss Chavanthorn Srisomburananont	471,664,400	4.86
7	EFG BANK AG	425,162,000	4.38
8	Mr. Sombat Tepsatist	337,989,500	3.48
9	QUAM SECURITIES COMPANY LIMITED A/C CLIENT	336,830,000	3.47
10	STATE STREET BANK EUROPE LIMITED	334,507,900	3.45
	Total	6,059,729,993	62.44

OTHER INSURANCE SECURITIES

During the year 2010 - 2013, the company has issued unsubordinated and unsecured of Baht 10,838 million at Baht 1,000 per share with duration 3-10 years and pay interest every three months. In 2013, 3 bonds, namely HEMRAJ133A, HEMRAJ134A, and HEMARAJ135A, became due and fully repaid. As at December 31, 2013, the outstanding amount of the bonds were Baht 10,838 million.

Unsubordinated and Unsecured debentures

DEBENTURES	AMOUNT (MB)	INTEREST RATE PER ANNUM		YEAR/ MATURITY DATE
HEMRAJ133A*	450	4.50%		3 Year, Maturity Date 2013
HEMRAJ134A**	562	4.50%		3 Year, Maturity Date 2013
HEMRAJ144A	400	4.90%		4 Year, Maturity Date 2014
HEMRAJ135A ***	150	4.50%		
HEMRAJ155A	1,500	Year 1-3	4.90%	5 Year, Maturity Date 2015
		Year 4	5.80%	
		Year 5	6.50%	
HEMRAJ177A	2,300	Year 1 – 3	4.90%	7 Year, Maturity Date 2017
		Year 4 – 6	6.00%	
		Year 7	6.50%	
HEMRAJ190A	638	Year 1 – 3	4.90%	9 Year, Maturity Date 2019
		Year 4 – 6	6.00%	
		Year 7	6.50%	
		Year 8 – 9	6.75%	
HEMRAJ160A	1,500	Year 1 – 3	5.15%	5 Year, Maturity Date 2016
		Year 4	5.50%	
		Year 5	5.60%	
HEMRAJ217A	2,000	5.65%		9 Year, Maturity Date 2021
HEMRAJ231A ****	2,500	5.50%		10 Year, Maturity Date 2023

NOTE :

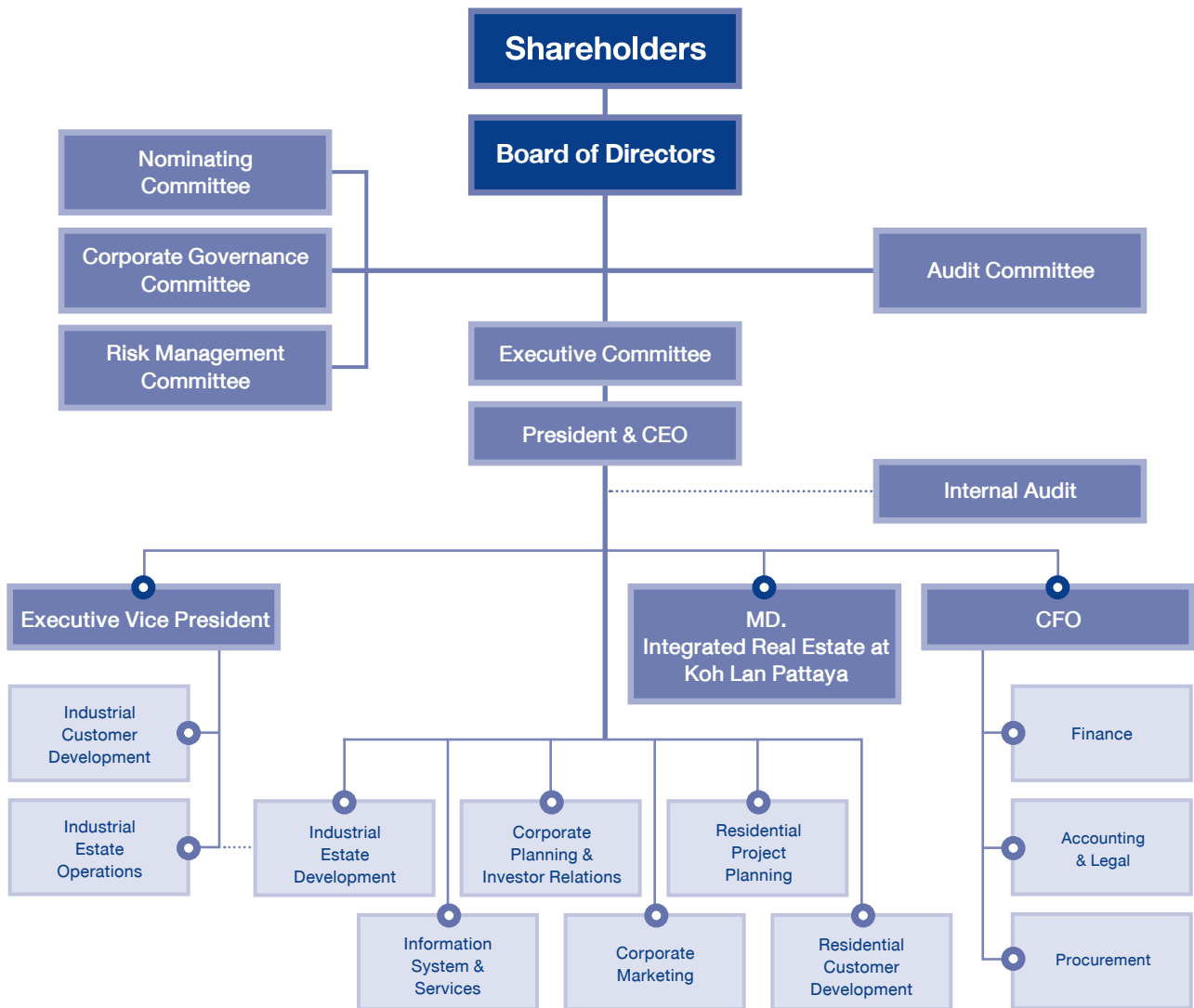
- * HEMRAJ133A Maturity Date on 5 March 2013
- ** HEMRAJ134A Maturity Date on 8 April 2013
- *** HEMRAJ135A Maturity Date on 25 May 2013
- **** HEMRAJ231A issued on 25 January 2013

DIVIDEND POLICY

The Company shall pay dividend at the rate of not less than 50% of net profit of the Company's separated financial statement after all deductions as required by law or by the company, subject to Hemaraj and its affiliate's cash flow, liquidity, contract's obligations and commitments and future investment plans, including justifications and other future consideration as deem appropriate.

MANAGEMENT STRUCTURE

MANAGEMENT STRUCTURE AS OF 31 DECEMBER 2013



BOARD OF DIRECTORS

As of December 31, 2013, Board of Directors consists of 12 members as follows:

- | | |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| 1. Mr. Chavalit Sethameteekul | Chairman of the Board of Directors / Director |
| 2. Mr Sawasdi Horrungruang | Director / Chairman of the Executive Committee |
| 3. Mr. Thongchai Srisomburananonta | Director/ Vice Chairman of the Executive Committee/
Nomination and Remuneration Committee |
| 4. Mr. Thavorn Anankusri | Director/ Executive Director |
| 5. Mr. David Richard Nardone | Managing Director/ Executive Director |
| 6. Mr. Sudhipan Charumani | Independent Director/ Chairman of the Audit Committee/
Chairman of the Nomination and Remuneration Committee |
| 7. Mr. Peter John Edmondson | Independent Director/ Audit Committee |
| 8. Mrs. Punnee Worawuthichongsathit | Independent Director/ Audit Committee/ Corporate Governance
Committee/ Nomination and Remuneration Committee |
| 9. Mr. Vivat Jiratikarnsakul | Director/ Executive Director |

10. Ms. Pattama Horrungruang	Director/ Executive Director/ Corporate Governance Committee
11. Mr. Somphong Wanapha	Independent Director/ Chairman of the Corporate Governance Committee
12. Mr. Vikit Horrungruang	Director

Authorized director acting on behalf of the company as follows : Mr Sawasdi Horrungruang signed with Mr. Thongchai Srisomburananonta or Mr. Thavorn Anankusri or Mr. David Richard Nardone or Mr. Vivat Jiratikamsakul or Ms. Pattama Horrungruang include 2 persons and company seal or Mr. Thavorn Anankusri or Mr. David Richard Nardone or Mr. Vivat Jiratikamsakul signed with Mr. Thongchai Srisomburananonta or Ms. Pattama Horrungruang include 2 persons and company seal.

The Company's Board of Directors consists of 4 Independent Directors who have qualifications according to such prescribed in regulation of SET and SEC as follows:

(1) holding shares not exceeding 0.50 percent of the total number of voting rights of the company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, including the shares held by related persons of the independent director;

(2) neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the company, its parent company, subsidiary, affiliate, same-level subsidiary or juristic person who may have conflicts of interest unless the foregoing status has ended not less than two years prior to the date of application filing with the Office;

(3) not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children, executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling persons of the company or its subsidiary;

(4) not having a business relationship with the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, in the manner which may interfere with his independent judgement, and neither being nor having been a major shareholder, non-independent director or executive of any person having business relationship with the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than two years prior to the date of application filing with the Office.

The term "business relationship" includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the applicant or his counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the applicant or twenty million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Act of Listed Companies Concerning the Connected Transactions mutatis mutandis. The combination of such indebtedness shall include indebtedness taking place during the course of one year prior to the date on which the business relationship with the person commences;

(5) neither being nor having been an auditor of the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and not being a major shareholder, non-independent director, executive or partner of an audit firm which employs auditors of the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than two years from the date of application filing with the Office;

(6) neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million Baht from the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and neither being nor having been a major shareholder, non-independent director, executive or partner of the professional advisor unless the foregoing relationship has ended not less than two years from the date of application filing with the Office;

(7) not being a director who has been appointed as a representative of the company's director, major shareholder or shareholders who are related to the company's major shareholder;

(8) not having any characteristics which make him incapable of expressing independent opinions with regard to the company's business affairs.

BASIC SCOPE OF BOARD OF DIRECTORS' RESPONSIBILITY

The Board of Directors' prime responsibility is to formulate corporate visions, overall policies and major strategies with ability, integrity and care, so as to achieve continuous and long lasting benefits to the company and Shareholders. This responsibility includes effective control and supervision of the Management to assure that Board instructions are put into practice with efficiency and in line with relevant rules of law and supervising authorities' regulations, with the Company's own requirements, as well as with good corporate governance principles. In discharging its responsibility, the Board may appoint or assign one or more specific directors or any other persons to act on its behalf, and can revoke such appointments or assignments, as it considers necessary or appropriate.

TERM OF THE BOARD OF DIRECTORS

In every Annual Ordinary Meetings, 1/3 of the board of directors shall be resigned. In case it is undividable, the resigned director must be as close to 1/3 and such resigned director may be re-elected to assume the same position.

EXECUTIVE COMMITTEE

As of December 31, 2013, Executive Committee consists of 6 members as follows:

1. Mr Sawasdi Horrungruang	Chairman of the Executive Committee
2. Mr. Thongchai Srisomburananonta	Vice Chairman of the Executive Committee
3. Mr. Thavorn Anankusri	Executive Committee Member
4. Mr. David Richard Nardone	Executive Committee Member
5. Mr. Vivat Jiratikarnsakul	Executive Committee Member
6. Ms. Pattama Horrungruang	Executive Committee Member

The Executive Committee has been assigned by the Board of Directors to help formulate the Company's operation policy and strategies, to supervise and to ensure that such approved policy and strategies are followed through with responsibilities, integrity and care, and in line with relevant rules of law, the Company's rules, as well as the Board of Directors and Shareholders approval.

SCOPE OF THE EXECUTIVE COMMITTEE'S AUTHORITY AND RESPONSIBILITY

1. To screen and review business plans, investment plans, together with the relevant budgets, as prepared by the Management, prior to submitting the said data to the Board of Directors for consideration and approval.
2. To monitor, supervise and control the Company's work progress, in order to ensure that the Company's operations are in line with what the authorizing or assigning Board would expect.
3. To consider granting permission to commence important activities, as well as to authorize payments in excess of Management authority, in accordance with the Company's authorization rules and the approved budgets.
4. To set the Company's organization chart, authority of the Management, the remuneration policy and salary structure of the Company.
5. To assign one or more specific persons to act on behalf of the Executive Committee, or to revoke such assignments as the Executive Committee may consider appropriate.
6. To perform any other tasks, as assigned by the Board of Directors.

The above-stated scope of authority would not apply where a vested interest or a conflict of interest concerning a related-party transaction under SEC regulations is at issue. In such a case, the Executive Committee would need to refer the matter to the Board of Director or to a Shareholders's Meeting, as the case may be, for consideration and approval, unless appropriate pre-set permission is already in evidence.

AUDIT COMMITTEE

As of December 31, 2013, Audit Committee consists of 3 members as follows:

- | | |
|-------------------------------------|----------------------------------------------------------------------------------------------------|
| 1. Mr. Sudhipan Charumani | Audit Committee Chairman who has knowledge and experiences to audit Company's financial statements |
| 2. Mr. Peter John Edmondson | Audit Committee Member |
| 3. Mrs. Punnee Worawuthichongsathit | Audit Committee Member who has knowledge, and experiences to audit Company's financial statements |

The Audit Committee Charter endows the Audit Committee with the following duties and responsibilities to the Company's Board of Directors:

1. To review that the Company's financial reports are correct and sufficient;
2. To review that the Company has appropriate and efficient internal control and internal audit system; to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;
3. To review that the Company complies with laws relating to securities and securities markets, as well as with SET's rules and regulations and any other laws relating to the Company's business;
4. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year;
5. To 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 Exchange's regulations, and are reasonable and for the highest benefit of the Company;
6. To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information;
 - An opinion on the accuracy, completeness and creditability of the Company's financial report,
 - An opinion on the adequacy of the Company's internal control system,
 - An opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
 - An opinion on the suitability of an auditor,
 - An opinion on the transactions that may lead to conflicts of interests,
 - The number of the audit committee meeting, and the attendance of such meeting by each committee member,
 - An opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and
 - Other transactions which, according to the audit committee's opinion, should be know to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors; and
7. To report the Audit Committee's performance to the Company's Board of Directors at least on a quarterly basis;
8. To perform any other work that the Audit Committee agrees to, as may be assigned by the Company's Board of Directors.

The Audit Committee has 3 years period and may be re-elected to assume the same position.

CORPORATE GOVERNANCE COMMITTEE

As of December 31, 2013, the Corporate Governance Committee consists of 3 members as follows:

- | | |
|-------------------------------------|-------------------------------|
| 1. Mr. Somphong Wanapha | Corporate Governance Chairman |
| 2. Mrs. Punnee Worawuthichongsathit | Corporate Governance Member |
| 3. Ms. Pattama Horrunguang | Corporate Governance Member |

The Corporate Governance Committee shall consider and propose practical guidelines and advices of Good Corporate Governance according to the SET and SEC's regulations including other institutions. The Company has set the Corporate Governance Policies including business ethics according to the advices from the Corporate Governance Committee who has considered, edited and proposed to the Board of Directors. The company's Corporate Governance Policy and Business Ethics has been approved by The Board of Directors and become effective already. The Corporate Governance Committee has 3 years period and may be re-elected to assume the same position.

NOMINATION AND REMUNERATION COMMITTEE

As of December 31, 2013, the Nomination and Remuneration Committee consists of 3 members as follows:

- | | |
|-------------------------------------|------------------------------------------------|
| 1. Mr. Sudhipan Charumani | Nomination and Remuneration Committee Chairman |
| 2. Mr. Thongchai Srisomburananonta | Nomination and Remuneration Committee Member |
| 3. Mrs. Punnee Worawuthichongsathit | Nomination and Remuneration Committee Member |

In February 2011, Mr. Chavalit Sethameteekul resigned from Nomination and Remuneration Committee Member and the Board of Director's Meeting approved Mrs. Punnee Worawuthichongsathit, who is Independent Director, to be Nomination and Remuneration Committee Member for the replacement.

The Nomination and Remuneration Committee handles preliminary selections, as well as to compile relevant data, of suitable candidates for Board's formal consideration. A short list of suitable Director candidates, together with relevant background information, would be submitted in advance by current directors and/or shareholders for formal consideration in the Board meeting. Such a meeting would first concentrate on the Company's specific requirements, before proceeding to discuss each candidate in depth on issues of reputation, experience, reliability, known ability and vision, as well as other relevant aspects. Those chosen by the Board would have their names proposed to the forthcoming Shareholders' Meeting for consideration and approval.

The Nomination and Remuneration Committee shall determine the compensation of the Board of Directors and Directors in Sub-Committees for the Board of Directors and the Annual General Meeting of Shareholder's consideration and approval. Such compensation proposal would be based on the general market trend, information obtained from the Stock Exchange of Thailand, individual responsibility levels and work results, as well as on the Company's actual performance and prevailing financial strength. The Nomination and Remuneration Committee has 3 years period and may be re-elected to assume the same position.

RISK MANAGEMENT COMMITTEE

In 2013, the Board of directors Meeting appointed new risk management committee members as follows:

- | | |
|----------------------------------|------------------------------------|
| 1 Mr. Sawasdi Horrungruang | Risk Management Committee Chairman |
| 2 Mr. Thongchai Srisomburananont | Risk Management Committee Member |
| 3 Ms. Pattama Horrungruang | Risk Management Committee Member |
| 4 Mr. David Richard Nardone | Risk Management Committee Member |
| 5 Mr. Vivat Jiratikarnsakul | Risk Management Committee Member |
| 6 Ms. Pattama Horrungruang | Risk Management Committee Member |

Responsibilities of risk management committee :

1. Determine risk management policies
2. Determine risk management strategies in order to maintain acceptable risk level under appropriate cost which yields acceptable return

3. Reports the results of the risk assessment to the committee
4. To make the decisions and recommend to the problem related to risk management
5. Act accordingly to the work assigned by the committee

After 3 years the risk committee is able to remain at the same position

COMPANY MANAGEMENT

The Company Management consists of

1	Mr. David Richard Nardone	President & Chief Executive Officer
2	Mr. Vivat Jiratikarnsakul	Executive Vice President
3	Ms. Pattama Horrungruang	Senior Vice President & Chief Financial Officer
4	Mr. Tanin Subboonrueng (1)	Vice President - Industrial Estate Operations
5	Mr. Sirisak Kijraksa	Director - Accounting and Legal
6	Ms. Somjai Wachiraha	Director - Finance
7	Mr. Niphone Harnpatanapanich	Director - Residential Project Planning
8	Mr. Suwat Thitathanakit (2)	Director - Industrial Estate Development
9	Mr. Bordin Harnvanich (3)	Director - Industrial Factories and Logistics Parks Development
10	Mr. Rakphol Kangnoy	Director - Industrial Estate Operations
11	Mr. Paopitaya Smutrakalin	Director - Corporate Planning and Investor Relations
12	Ms. Siyaphas Chantachairoj	Director - Corporate Marketing & Residential Customer Development
13	Ms. Ladda Rojanavilaivudh	Director - Industrial Customer Development
14	Ms. Anchalee Parsertchand	Director - Industrial Customer Development
15	Mr. Preeprem Malasitt	Director - IE Training Center and New Projects
16	Ms. Prattana Kijjanon	Director - Procurement
17	Mr. Apichat Trongasukon	Assistant Director - Information System & Services

NOTE : (1) (2) (3) appointed position on July 1, 2013

The President & CEO has the responsibility in assigning each management member with appropriate duties and authority in order to enable the Company to implement its policy and strategies, together with its business plans, in an efficiently effective manner and in accordance with the targets and budgets as determined or approved by the Board and/or the Executive Committee.

COMPANY SECRETARY

The Company has appointed Mr. Sirisak Kijraksa as of company secretary since February 29, 2008. The qualified of company secretary appear in section of good corporate governance.

REMUNERATION FOR DIRECTORS AND MANAGEMENT

1. In 2013, the total remuneration for the 12 Directors, as approved by the Shareholders, was Baht 20,201,700 (Baht 17,155,000 in 2012), being consisted of Meeting Fees and quarterly remuneration as per following details:

NAME	POSITION	DIRECTORS' REMUNERATION (BAHT)		
		Meeting Fees	Compensations	Total
1. Mr. Chavalit Sethameteekul	Chairman of Board of Directors	300,000	1,500,000	1,800,000
2. Mr. Sawasdi Horrungruang	Director/ Chairman of Executive Committee	175,000	1,166,700	1,341,700

NAME	POSITION	DIRECTORS' REMUNERATION (BAHT)		
		Meeting Fees	Compensations	Total
3. Mr. Thongchai Srisomburananonta	Director / Vice Chairman of Executive Committee / Nomination and Remuneration Committee	285,000	2,000,000	2,285,000
4. Mr.Thavorn Anankusri	Director/ Executive Committee	245,000	1,750,000	1,995,000
5. Mr. Sudhipan Charumani	Independent Director/ Chairman of Audit Committee/ Chairman of Nomination and Remuneration Committee	465,000	1,000,000	1,465,000
6. Mr. David Richard Nardone	Director/ Executive Committee	245,000	1,750,000	1,995,000
7. Mr. Peter John Edmondson	Independent Director/ Audit Committee	330,000	1,000,000	1,330,000
8. Mrs. Punnee Worawuthichongsathit	Independent Director/ Audit Committee and CG Committee / Nomination and Remuneration Committee	445,000	1,000,000	1,445,000
9. Mr. Vivat Jiratikarnsakul	Director/ Executive Committee	245,000	1,750,000	1,995,000
10. Ms. Pattama Horrurunguang	Director/ Executive Committee and CG Committees	285,000	1,750,000	2,035,000
11. Mr. Somphong Wanapha	Director/ Chairman of CG Committee	270,000	1,000,000	1,270,000
12. Mr. Vikit Horrurunguang	Director	245,000	1,000,000	1,245,000
Total		3,535,000	16,666,700	20,201,700

No remuneration or other privilege

* Company has repositioned Mr. Sawasdi to be Chairman of the Executive Committee and Mr Thongchai to be Vice Chairman of the Executive Committee on December 2013

2. In 2013, the total remuneration for the Company's Executives and Management in the forms of salaries, bonuses, and provident fund for 22 persons in 2013 was Baht 199.706 million.

PERSONNEL

Total number of employees and its subsidiaries which includes full time employees, directors, and advisers is 350 employees.

Total remuneration of executives and employees of the company and subsidiaries for the year 2013 which included salaries, bonuses, provident fund and the other benefits, the total amount was 384.10 Million Baht.

The company believes that the success of organization can be achieved through the quality, competency, and the commitment of the employees of all level. The company realized that employees are the company's valuable resource by providing them with fair and appropriate compensation. Creating a good and safe working environment and also disclosing the policy and welfare that they are entitle. In the employee handbook which covers on regulations, group health insurance, provident fund, etc. The company also focusing on continued developing knowledge and skills of employees by providing necessary training both internal and external the company.

The company has an annual budget for human resources development program for its employee in developing skill which is essential to their works. Such program also covers the quality assurance and environmental management in compliance with the standard of environment management system (ISO 14001) and the quality management system (ISO 9001).

INTERNAL CONTROL AND RISK MANAGEMENT

The company emphasizes on the important of internal control and risk management by focusing on arranging sufficient and appropriate system for the business. Since 2000, the Board of Directors has hired an independent auditing office to serve as internal auditor. Under the coordination with Company Secretary, internal audit is obligated to report quarterly to the Audit Committee and the Management which follows the annual audit plan agreed by the Audit Committee and the Management. The report is aim at the assessment of efficiency, effectiveness and also the adequacy of internal control and risk management for an individual task as well as overall business operations. The report also includes the assessment of employees' attention to internal control, corporate governance principles, operational monitoring, asset protection and fraud prevention.

The company has implemented risk management by established risk management policy .The risk management policy involves the considerate operational strategy which consider each risk factor. The company also try to minimize those risk factors to be at an acceptable level compared to the required return.The company will follow the risk management policy under the supervision of the risk management committee by reporting to them on a regular basis.

The Board of Directors acknowledged and approved the report of the Audit Committee in the 5 assessment areas: internal control, risk management, operational monitoring, information and communication, and tracking system of the company and its subsidiary that the efficiency, effectiveness and adequacy of the internal control were at the same level as they were in the previous year and without any significant flaw and also in line with the external auditor's report. The summary of the report was presented in 2013 Annual Report to both the Board of Directors and shareholders. All notes and recommendations from the said report conducted by both internal and external auditor are taken into account for continuing improvement in such areas.

The Board of Directors also has a role in assessing the adequacy of internal control according to an annual assessment form that the company prepared in accordance with the guidelines of the Stock Exchange of Thailand. The key objective is to allow the Board of Directors to recognize and monitor closely pleasant and unpleasant works for the maximum benefit of the company in every aspect.

The company operates under a system of good governance with the assistance of sub-committee, for example, the Audit Committee, the Board of Directors, the Governance Committee and etc., in order to present ideas to the Board of Directors. The system also includes business consultants legal advisor, internal auditors and certified public consultant.

According to the Audit Committee Meeting No.1/2012 on February 28, 2012, C.S.E Company Limited was selected to be company's internal auditor effective from January 1, 2012 to December 31, 2013. C.S.E Company Limited assigned Mrs. Wimollak Phanrattanapong, the Director, to be the main responsible person acting as company's internal auditor.

The Audit Committee has considered the qualification of C.S.E Company Limited and Mrs. Wimollak Phanrattanapong and agreed that they are appropriate and adequate to perform the duties since they are independent and have experiences in auditing in various businesses for over 20 years. Moreover, they involved in training courses related to auditing with Federation of Accounting Professions and other organizations.

The consideration and approval, appointment, transfer and dismissal of the head of internal auditor of the company must be approved by the Audit Committee. The qualification of the head of internal auditor is presented in the appendix.

INTERNAL AUDITOR - EXTERNAL ENTITY

Company Name	:	C.E.S. Company Limited
Address	:	92/18 Floor 9 Sathornthani 2 North Sathorn Road Silom Bangrak Bangkok 10500
Telephone	:	02 - 2668423
Fax	:	02 - 2367877
Head of Internal Auditor	:	Mrs. Wimollak Phanrattanapong CPA : 4102
Training Course in 2013	:	Federation of Accounting Professions Training course and consultancy 8

GOOD CORPORATE GOVERNANCE POLICY

Hemaraj Land and Development Plc., subject to the awareness on the importance of good corporate governance, have thus adopted Good Corporate Governance of the Stock Exchange of Thailand (SET) as practical guidelines and tried to continuously improve those perfect practices to achieve good standards, efficiency and transparency in our business operation and enhance confidence to all shareholders, investors and other related parties based on important contents as follows:-

1. RIGHTS OF THE SHAREHOLDERS

The company has well realized to safeguard rights and benefits of the shareholders by effectively operating our business to build permanent growth and provide suitable remuneration to the shareholders including to encourage the shareholders to exercise their rights in the Shareholders' Meeting and shall not infringe nor prejudice the shareholders' rights whatsoever.

All shareholders shall be invited to join in Annual Ordinary Meeting or Extraordinary Meeting (if any) as the company shall serve invitation letter and related agendas for consideration prior to all Meetings. The shareholders, as the investors are entitled to vote according to the number of shares holding and each of them shall exercise all votes to conclude the resolution and maintain their benefits and comment toward important decisions, such as, profit allocation and dividend payment, appointment of auditor, prescription of compensation and election the Board of Directors, amendment of Articles of Association and increasing of capital, etc. All shareholders are entitled to receive correct, open, sufficient and update information. The shareholder can appoint any person as its proxy to join in the meeting as deemed appropriate or may appoint Chairman of Audit Committee who is an independent director according to the instruction of the Securities and Exchange Commission (SEC). In such meeting, the company shall provide the shareholders an equal opportunity to inquire company-related business as deemed reasonable.

It is the duties and responsibilities of Board of Directors and related senior Managements to join in each Shareholders' Meeting to jointly clarify related details of the agendas and answer all inquiries of the shareholders. In case of it is necessary and unable to join in the meeting, notice must be given to the Chairman of the Board or Office of the Secretary of the company in advance.

2. EQUITABLE TREATMENT OF SHAREHOLDERS

The company have emphasized and overseen to maintain equitable treatment of shareholders.

2.1 To ensure a clear and transparent process while enabling the Company to tangibly observe corporate governance, allowing minor shareholders to propose in advance the agenda items for the AGM and nominate directors, criteria were established for proposals made by minor shareholders to identify items that are truly beneficial to the Company and choose qualified individuals as directors who efficiently perform their roles for the best interest of the Company and stakeholders and also through the Company's web site.

2.2 All shareholders shall be invited to join in all Ordinary or Extraordinary Meetings. The company shall serve the shareholders invitation letter and related agendas for consideration in advance especially before the Ordinary Shareholders' Meeting which shall be held once a year within April. The company shall not add any important agenda without advance notice to the shareholders to enable the shareholders to study supporting information before making any decision.

2.3 Any shareholder unable to personally join in the meeting, the company shall deliver Power of Attorney according to the form prescribed by Ministry of Commerce to such shareholder along with invitation letter to enable such shareholder to assign its proxy to join in the meeting on its behalf. In this regard, the company shall propose name and information of at least one independent director of the company as additional option of the shareholder.

2.4 The shareholder is entitled to vote according to the number of share holding and each of them must exercise all votes to conclude resolution and maintain benefit of the investor for transparency and traceability. For voting in important agenda, the company shall give voting cards equal to the number of agendas to the shareholders upon registration. After the question is satisfactorily answered, the shareholder shall vote on the card of such agenda, the cards shall be gathered and counted by the independent person for transparency.

2.5 The company has correctly, adequately and clearly recorded Minutes of Meeting for material content and after submitting to SET and SEC sent to the shareholder after 14 days of the Meeting and further publicized such minutes on company's website.

2.6 The company has prescribed written guidelines to maintain and safeguard internal information related to the good corporate governance for fairness to the shareholders and to prevent the directors, employees and related persons, such as, spouse, under legal age child and nominee from using internal information which is an important content on changing of share price and still undisclosed to the public to sell and purchase share. In this regard, pursuant to the Securities and Exchange Act, B.E. 2535, the directors and Managements must report the possession of company's securities upon first admission and further report all securities transaction to SEC within 3 working days and the company shall compile such report as agendas to regularly inform the Board of Directors' Meeting.

3. ROLES OF THE STAKEHOLDERS

The company have realized to the rights of all groups of stakeholders, i.e. from shareholder, employee, customer, debtor, supplier and competitor, environment and society and government agencies to receive appropriate care of rights and free from any infringement according to related laws or agreements by prescribing rules on treatment of stakeholders in each group as follows:-

Shareholders

Disclosure of important information both related to financial and non-financial to the shareholder correctly, adequately, equally and in time via several channels, such as, company's website, newspaper advertising or written letter, etc.

Employees

The company value every of its employees with its consideration that they are worthy resource without discrimination, from their knowledge, capacity, the employees' qualification and the suitable achievement according to the performance evaluation, the company's performance and survey of salary level in the market of both same business and other business, providing a good safety working environment, provide them to know policy and their entitled welfare by producing employee manual to prescribe working rules and regulations, group health insurance manual, group life insurance, life provident fund, etc.. Moreover, it also emphasizes on development of knowledge, ability and skill of employee by providing of annual budget for them to attend training and seminars in order to enhance their efficiency and develop their skill, expertise and ability to perform their duties effectively.

Customers

Concern on the customer's satisfaction and strictly comply with contract or agreed conditions and attentively solve all problems claimed or suggested by the customers. The Company will explore the customer satisfaction with the products and services of the company at least one year, then the result is used to rectify the defects.

Creditor, Supplier and Competitor

Treat creditors with fairness and not violate the rights of creditors by strictly complying with the terms of contracts and financial obligations regarding repayment, assets safeguarding, and other conditions including the misuse of loan as agreed with the creditors, the use of dishonest procedure and the concealing of facts that will cause damages to the creditors.

Comply with good competition rules, such as, comply with terms and conditions of the contract, do not take any trading advantage nor exploit benefit by giving false or untrue information nor use dishonest method to destroy the competitor. In addition, the company has the rule and regulation for the supplier and/or contractor selection, provided that the assessment for supplier and/or contractor selection is separated according to the activity or work responsibility in a format as specified by the company. In other words, the score is separated into 3 groups as follows: Group A shall be registered as the addition for the procurement; Group B shall be considered in the next time by the additional assessment; and Group C shall not be considered for the procurement for 3 years. Nevertheless, such regulation shall be revised once a year.

Environment and Society

The company has environmental policy to develop industrial estate which is the company's major business simultaneously with environmental conservation according to the environmental management standard ISO 14001. In social respect, the company has policy to promote participation with other social organizations, communities and neighboring establishments in education, safety, fire prevention and others, such as, to establish scholarship project to the community schools, company visitation program and establishment of security center and fire prevention for group of companies.

Government agencies

Comply with related laws, rules, regulations and official stipulations including also good cooperation with government agencies. The company cooperates and supports the measure of government and private in relation to the anti – corruption and unreasonable expense.

The company emphasized to strictly comply with environmental laws and standards by prescribing all managements and employees to strictly observe and perform their duties according to the rules, regulations, laws, policies, requirements and standards related to the quality, safety, occupational health and environment. In addition, the company also publicized to build knowledge and understanding on procedures and precautions for correct practice, free from danger to the health, property and environment. Moreover, the company also developed, reviewed and corrected thereof, strongly and continuously shared the responsibility to the safety, occupational health and environment of the society by arranging both internal and external training schemes that consist of legal knowledge, environmental operation management including cultivating sense of duty on environmental conservation every year for all employees of the Company, using natural resources for optimal benefit i.e. re-using copy paper, turning off air-conditioner during the lunchtime and watering the plants with treated water at the industrial estates, with awareness to the environmental importance and safety of related stakeholders including to promote social activities to conserve environment and sustainably develop living quality.

Accident statistics or Absenteeism rate or Morbidity rate of the operation

The company does not have statistic for accident statistics or absenteeism rate or morbidity rate of the operation in 2013

The company has a policy of non-infringement any intellectual property or copyright, including investigating of the third party's information for avoiding the intellectual property infringement of other person such as non-exploiting business plan of other person.

The company shall strictly comply with the rules of human rights, treat to labors fairness, learns and understands the principle of human right, provided that such principle of human right shall be applied as the part of business operation. In addition, the company opposes the activity which may violate the principle of international human right, not hire the child or illegal labors. In addition, the Company also has the guideline to promote to employee to respect for the human rights and dignity of the individual human.

Moreover, the Company provides channel to report any misconduct directly or the infringement of the intellectual property right to the board of directors through the Company's website or any issue can be sent directly as follows:

1. Direct submission to the Company Secretary's office
 - 1.1 Telephone number 02-719-9555
 - 1.2 Facsimile number 02-719-95646-47
 - 1.3 E-mail : secretarycompany@hemaraj.com
2. Direct E-mail the Chairman of the Audit Committee
E-mail : auditcommittee@hemaraj.com

4. DISCLOSURE OF INFORMATION AND TRANSPARENCY

The company has disclosed financial information and other information related to business and operating result in correct, sufficient, regular, update and credible manner via the Stock Exchange in the Annual Information Form (Form 56-1) and Annual Report (56-2) and on www.hemaraj.com and invest@hemaraj.com both in update Thai and English version to enable the investor to clearly know and/or study about the company. In addition, the senior management also held seminar between senior management and investment facilitator, analyst and economic reporter both domestic and abroad regularly and invite all interesting parties from several important sectors to visit industrial estate of the company.

In addition, the company also established "Investor Facilitation" unit to directly publicize information beneficial to the investors, shareholders, related parties, general publish, financial institute and securities analysts, provided that the company shall provide the information of company which is beneficial to the investors and join the Opportunity day as organized by the Stock Exchange of Thailand.

Important information of the company is consisted of financial and non-financial information, particularly, the financial statements of the company has been reviewed/audited from the auditor that it is correct in according to the general certified accounting principles and duly approved from the Audit Committee/Board of Directors before disclosing to the shareholders. The Board of Directors has disclosed their responsibilities toward such financial report in the annual report. For the disclosure of non-financial information, the company has disclosed interrelated items, discussion of management and risk management including good corporate governance report in annual report and Form 56-1 and company's website.

The company has disclosed details of roles and responsibilities of Board of Director, sub-committee, frequency of the Meeting and frequency of participation of each director, comment of the Board on business operation and also disclosed compensation payment policy for directors and senior managements in the annual disclosure form (form 56-1) and annual report of the company.

5. RESPONSIBILITIES OF THE BOARD OF DIRECTORS

5.1 Structure of the Board of Directors

The Board of Directors can be grouped according to the characteristic as follows:

- Directors who are management groups.
- Directors who are not management.
- Directors who are independent.

At least 1/3, but not less than 3 members, of the Board of Directors must be independent directors. Presently, the company has 12 directors, consisted of the directors who are not management 6 persons of which 4 persons are independent directors.

The Board of Directors shall assume their positions for 3 years whereby 1/3 directors shall be resigned in every Annual Ordinary Meetings. In case it is undividable, the resigned director must be as close to 1/3 and such resigned director may be re-elect to assume the same position.

The Company has prescribed qualification of independent director who have well knowledge in Finance, Economic, Accounting, public administration and other field of businesses suitable as standard factors to safeguard benefit of the shareholders and others. Additionally, to have qualification according to such prescribed in regulation of SET and SEC as follows:-

1. holding share not exceeding 0.5% of paid up capital of the company, subsidiaries, associates or related companies or juristic persons with potential conflict of interest including also share held by related persons.

2. uninvolved in management, not being an employee, staff, consultant earning permanent salary in the company or the company's management, its subsidiaries, associates, related companies or other persons with potential conflict of interest except in the case that such interests finished at least 2 years prior to the appointment date.

3. Shall have no blood relationship or relationship through legal registration in the forms of parents, spouse, siblings and children, or children's spouses with executive directors, management, controllers, or major shareholders of the company or its subsidiaries of executive directors, management, controllers, or the persons who are nominated for an executive position or executives of the company or its subsidiaries.

4. Not holding business relationship with the company, principal company, subsidiary companies, affiliated companies, major shareowner, or person holding controlling power of the company, which may hinder the exertion of his/her independent discretion, and not being or having ever been a shareowner, with significant implication, or person holding controlling power of the person holding business relationship with the company, principal company, subsidiary companies, affiliated companies, major shareowner, or person holding controlling power of the company, unless having vacated from said tenure for not less than two years before appointment as an independent director.

Business relationship as in first paragraph shall include the normal course of trading transaction for business undertaking, lease or grant of lease of immovable asset, transactions relating to asset or service, or grant or receipt of financial assistance through acceptance or grant of loans, guaranty, grant of asset as guaranty for loans, including other similar behavior, thus making the person applying for permission or a contract party liable to payment of debt to another party, from 3 percent of net tangible assets of the person applying for permission, or from Baht 20 million or over, whichever is lower. The calculation of debt burdens as referred to above shall comply with the valuation of connected transaction in compliance with the notification of the Capital Market Supervisory Board on the criteria of the connected transaction, with the respective differences having been considered (*mutatis mutandis*). However the consideration of the said debt burdens shall include the debt burden incurred within one year before having business relationship with the same person.

5. Shall not be or used to be auditors of the company, its subsidiaries, joint venture companies, the major shareholders or the company's executives. The Independent Directors shall not be major shareholders, executives or business partners of juristic person under the management of the auditor of the company, its subsidiaries, joint venture companies, major shareholders or the company's executives except when such activities finished at least 2 years prior to the appointment date.

6. Shall not work or used to work in a profession that included law and financial consultant services and asset appraising, which receives service fees of over 2 million baht per year from the company, its subsidiaries and joint venture companies or major shareholders or the company's executives. In the case that the profession is registered as a person juristic, this rule covers the case of being the major shareholder, executives, or business partner of that professional service, except such services ended at least 2 years prior to the appointment date.

7. Not being the director who is appointed to safeguard benefit of the company director, major shareholder or shareholder who is related to the major shareholder of the company.

8. Able to perform his duties and express comment independently.

The Company have policy to allow the director to assume as director in the listed companies not exceed 5 (five) companies. And in case of being the director in the same business, the information about position of each director must be disclosed to the shareholders.

The Company does not allow Chief Executive Officer or senior management to assume the same position in other companies at too high degree until resulting inefficient performance. In case of being the chief executive officer or senior management in other companies in the same business, information about position of each director must be disclosed to the shareholders.

The Company has clearly separated Chairman of the Board, the Chief Executive Officer and their duties.

The Company has appointed a Company Secretary to provide advices on legal aspect, rules and regulations of SEC, SET and other laws which should be known and coordinate to comply with resolution of the Board and oversee activities of the Board.

5.2 Roles and Responsibilities of the Board of Directors

The roles and responsibilities of the Board of Directors are as prescribed by the relevant laws, rules and regulations while the roles and responsibilities of the committees are also clearly defined. This allows the Board and the committees to review and provide appropriate advice within the scope of its roles and responsibilities.

The roles and responsibilities of the Company's Board of Directors are as follows:

- The Company's directors must be knowledgeable, capable and experienced. They must also have an interest in the business of the company in which they are directors, as well as having honesty and integrity in conducting such businesses.

- The Directors must perform their duties with honesty and care according to the relevant laws, The SET's and SEC's roles and regulation as well as with good corporate governance principles. They must also protect the rights of the Company, in addition to being accountable to the Company's shareholders.

- The Board of Directors' prime responsibility is to formulate corporate vision, overall policies and major strategies with ability, integrity and care, so as to achieve continuous and long lasting benefits for the Shareholders. This responsibility includes effective control and supervision of the Management to assure that Board instructions are put into practice with efficiency and in line with relevant rules of law and supervising authorities' regulations, with the Company's own requirements, as well as with good corporate governance principles. In discharging its responsibility, the Board may appoint or assign one or more specific directors or any other persons to act on its behalf, and can revoke such appointments or assignments, as it considers necessary or appropriate. The Company will revise the company's vision and mission at least every 5 years.

- The Board of Directors must manage to have effective internal control system and internal audit system.

5.3 Sub-committee

The Board of Directors can set committees to assist in the study and screening of some specific tasks on behalf of the board. The qualifications and scope of work of each sub-committee will be defined. The company has therefore appointed sub-committees as follows: -

- **The Executive Committee**, presently consisted of 6 directors, has been assigned by the Board of Directors to help formulate the Company's operation policy and strategies, and to supervise and ensure that such approved policy and strategies are followed through by the Management with efficiency and safety, so that the Company successfully attains its desired goals. Scope of the Executive Committee's Authority and Responsibility

- **Audit Committee**, consisted of 3 Independent Directors, All Audit Committees must have the good knowledge, understanding and working experience of accounting, legal and finance, having duties and responsibilities to the Board of Directors, as follows:

1. To review that the Company's financial reports are correct and sufficient;

2. To review that the Company has appropriate and efficient internal control and internal audit systems and consider the independence of The Internal Audit Department including consider and approve the appointment, removal and termination of the head of The Internal Audit Department or other departments which is responsible for the Internal Audit;

3. To review that the Company complies with laws relating to securities and securities markets, as well as with SET's rules and regulations and any other laws relating to the Company's business;

4. To consider, select and propose the appointment of the Company's statutory auditor and to propose his professional fees including attend the meeting with the account department without the management department, at least once a year;

5. To review the connected transactions, or the transactions that may lead to conflicts of interests, to ensure that they are to compliance with the laws and the Exchange 's regulations, and are reasonable and for the highest benefit of the company.

6. To prepare, and to disclose in the company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information:

- An opinion of the accuracy, completeness and creditability of the company's financial report;
- An opinion on the adequacy of the company's internal control system;
- An opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the company's business;
- An opinion on the suitability of an auditor;
- An opinion on the transactions that may lead to conflicts of interests;
- The number of the Audit Committee meetings, and the attendance of such meeting by each committee member;
- An opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and;
- Other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the company's board of directors;

7. To report the Audit Committee's performance to the Company's Board of Directors at least once a quarterly basis;

8. To perform any other work that the Audit Committee agrees to, as may be assigned by the Company's Board of Directors.

- **The Nomination and Remuneration Committee**, having duties and responsibilities as follows: -

- To assist in identifying qualified individuals to be nominated as a Director and Chief Executive Officer based on appropriate criterion for approval by the Company's Board of Directors and/or the General Meeting of Shareholders, as the case may be.

- To study, evaluate and propose the remuneration of Board of Director including the Sub-Committee and to propose to be approved by the Annual General Shareholder meeting.

- **The Corporate Governance Committee**, consisted of 3 directors, to consider and propose practical guidelines and advices of good corporate governance according to the SET to Board of Directors.

- **The Risk Management Committee**, consisted of 6 directors, to review the company's risk management and provide advices and/or recommendations in relating to the company's risk management to the Executive Committee, provided that the Risk Management Committee is authorized to investigate any documents and call any relevant person in order to obtained the information for considering or other action as assigned by the Executive Committee.

- **The company secretary**, the company has appointed 1 qualified person as the company secretary, provided that the company secretary is the person who has knowledge and understanding of business, including the secretarial work as well as related laws and regulation. In addition, the company secretary shall also develop his knowledge and update news and information in order to always develop his performance. The company secretary shall perform his function according to law and company's rule and regulation with his responsibility, carefulness, honesty and diligence subject to the company's corporate governance. The company secretary shall not do any act which may affect the company's reputation and image or have a conflict of interest with the company and keep the company's confidential information. Moreover, the company secretary has a pleasant personality and ability to cooperate with other internal department, including other entity.

The company secretary has duties and responsibilities as specified and announced by the Securities and Exchange Commission, the Stock Exchange of Thailand. In addition, the company secretary support the Board of Directors in relating to the rule and regulation in order that the Board of Director is able to perform his duties efficiently and to meet the target which results in the maximum benefit for the company. The company secretary has a duty to provide the advice relating to law, rule and regulation of the Securities and Exchange Commission, the Stock Exchange of Thailand, including other law that the company should know, cooperate to comply with the Board of Director's resolution and also assist in Board of Director's activities.

5.4 Corporate Governance Policy: The Board of Directors have launched the Good Corporate Governance Policy, complied with and regularly reviewed such policy once a year.

5.5 Code of Business Conduct: The Company has established Code of Business Conduct as manual for Board of Directors, executive officer and employee to understand and comply with such code thoroughly.

5.6 Conflict of Interest: The Company's Board of Directors and Management have been acknowledged and realized the importance of legal and ethical conflict of interest and related transactions guidelines. The company has disclosed, in accordance with the regulations of Stock Exchange of Thailand, such information, detail and reason/necessity, if any in the company's Annual Report and the 56-1 Form. The Company further uses the Audit Committee, internal auditors, external auditors, and external lawyers to review compliance.

In the addition, a director, and executives or a related person may have any transactions with the company or the subsidiaries, in case of any normal business or supporting normal business transaction in the future, the Board of Directors approved in principle, that the management could approve those above transactions, which must be a transaction with the same commercial terms as those an ordinary person would agree with any unrelated counterparty under the similar circumstances, on the basis of commercial negotiation and without any dependent interest resulted from the status of the director, executive or related person by the Securities and Exchange Act (No.4) B.E. 2551.

The company had established rules that a director and an executive shall file the company a report on his interest or a related person's interest. Within 30 days for the first report and submit next report within 15 days from the change date. Company's secretary shall be responsible for keeping reports on interest filed by directors and executives and presenting copies of such reports to Chairman of the Board and Chairperson of the Audit Committee. The information will be used to monitor and manage the conflict of interest.

5.7 Internal controlling system and internal audit, The Audit Committee is aware of the importance of internal control system, the Company establishes the Company's internal control system to be applied adequately and appropriately for operations in order to protect any potential damages to the Company. The audit committee is responsible to review that the Company has appropriate and efficient internal control and internal audit systems. Through its basic quarterly discussions with the outsourced professional internal Auditor, the experienced External Auditor, and appropriate Management representatives, the Audit Committee, whose members are also well acquainted with accounting and financial issues, is confident that the Company, together with its subsidiaries, are equipped with a dependable system of internal control, of which the outsourced internal audit function constitutes an important integral part. Such satisfactory findings have been reported for Board acknowledgement subsequent to each quarterly meeting of the Audit Committee.

5.8 Risk Management The committee strongly emphasized on risk management. In 2013, the committee set up the risk management committee to meet the criteria of The Stock Exchange of Thailand for Corporate Governance. The risk management policy involves the considerate operation strategy by considering each factor. The company also try to minimize those risk factors to be at the acceptable level compare the required return. The director of risk management policies specific to the operation of the risk management committee. The results were reported to the Board on a regular basic.

5.9 Usage of internal information: The company has measures to respond SET's policy to prevent unauthorized use of internal material information of the company by its personnel (or related party) or leakage to specific individual or group of the outsiders before generally publicized by the company. In this regard, the Company has announced to all personnel especially at Management level about ethics, reputation and image of the company including rules and methods of SET and SEC regarding such matter and duties to disclose and report about share holding or changing thereof.

5.10 The Board of Directors' Meeting

The Board shall prescribe meeting date in advance which shall be held at least 6 times a year (including the meeting for considering the company's balance sheet which is held 4 times a year), provided that in year of 2012, the Board of Director's meeting is held 4 times, to certify quarterly financial statement of the company. In this regard, the Audit Committee shall review correctness and completeness of information disclosed in financial statements and further report to the Board of Directors on quarterly basis.

In addition to those above mentioned meetings, the company also holds the meeting to consider about business operation as deemed necessary including in urgent matter if necessary. The Management shall prepare performance report to the Board on monthly basis to enable the Board to continuously and timely supervise and control performance of Management.

In each meeting, the Chairman of the Board and Chief Executive Officer shall jointly consider several matters to be included in the agendas. For other matters, each director can propose the matter as he deemed important and necessary to the meeting.

The company shall serve invitation letter, agendas and supporting details to the Board for consideration in advance before each meeting. For matter of nondisclosure agendas shall be discussed in the meeting.

The Chairman of Board of Directors shall allocate times for the Management to propose its concerned matter and the directors shall sufficiently, carefully and thoroughly debate all problems and allow the Board to carefully discreet all issues included in the meeting including the corporate governance.

The Board shall invite senior executives to join in the Meeting to provide information, details and additional information related to those problems to enable the meeting to know all information and make acquaintance to senior executives for use in supporting the management succession plan.

The company allows non-management independent directors to hold the meeting to jointly discuss all possible issues without participation of the management.

During the period from January to December 2013, the Company held 7 Board of Directors' Meetings which most Board of Directors attended the meetings except on urgent business or on the overseas business trips.

Name of Director	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance Committee	Risk Management Committee	Shareholder Meeting
Mr. Chavalit Sethameteekul *	6/7	-	-	-		1/1
Mr. Sawasdi Horrungruang **	5/7					1/1
Mr. Thongchai Srisomburanaanonta	7/7	-	2/2	-		1/1
Mr.Thavorn Anankusri	7/7					1/1
Mr. David Richard Nardone	7/7	-	-	-		1/1
Mr. Sudhipan Charumani	7/7	4/4	2/2	-		1/1
Mr. Peter John Edmondson ***	6/7	4/4	-	-		1/1
Mrs. Punnee Worawuthichongsathit	7/7	4/4	2/2	2/2		1/1
Mr. Vivat Jiratikarnsakul	7/7	-	-	-		1/1
Ms. Pattama Horrungruang	7/7	-	-	2/2		1/1
Mr. Somphong Wanapha *	6/7	-	-	2/2		1/1
Mr. Vikit Horrungruang	7/7	-	-	-		1/1

NOTE: * 2 Members, not attend the board meeting due to business trip Aboard.

** Appointed as Director on 29 April 2013.

*** Not attend the meeting due to the missions abroad.

SELF-ASSESSMENT OF BOARD OF DIRECTORS, MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

The Board of Directors shall regularly conduct self-assessment according to the form of the company to jointly consider their performances and problems to find out appropriate improvement.

COMPENSATION OF THE BOARD OF DIRECTORS AND MANAGEMENT

Remuneration of The Board of Directors including subcommittee have been evaluated and considered by the Nomination and Remuneration Committee to propose to be considered by the Board of Director and then proposed for an approval in the Annual General Shareholder's meeting. Such compensation proposals are based on market trend including data from SET, individual responsibility level and Board performance, as well as the company's actual performance and prevailing financial strength. For the top executive level and CEO, compensation are determined by the Executive Committee, taking into account such factors as the basic in house rates, the prevailing employment environments, work performance or

contribution to the company, the degree of dedication shown and the company's own specific needs. These consideration factors are deemed to provide a suitable package for the recruitment and retention of quality personnel for the company's benefits.

DIRECTORS AND MANagements DEVELOPMENT

The Board of Directors has policy to promote training and education to the directors, audit committee, management, secretary and employee of the company about corporate governance, business ethics and compliance with quality management system standard ISO 9001:2008 to continuously improve their performances. The company shall, especially, promote the directors and secretary to attend several training courses of Institute of Directors.

The company will provide director manual that included all important information about nature and business operation of the company for new director to study and as guidelines for proper implementation.

The Board of Directors promotes the Company to plan for Development Plan of executives and assigning the Managing Director to report interim performance to the Board of Directors.

In preparation of the person to work in the case of the Managing Director / the Chief Executive Officer is unable to work or retirement in order to reduce the risk or effect caused by the discontinued management. Therefore, the company has established the succession plan including providing the training and development of the knowledge and ability to the Executive Director for gaining the understanding, experiences and the readiness of the work management. The person who has the suitable qualification may be elected to assume this position.

HANDLING OF THE COMPANY'S INTERNAL INFORMATION

The company has established a policy in response of the Stock Exchange's policy that aims to protect the Company's internal confidential information being used or exploited by employees (or relevant individuals) or related to the outside prior to the official announcement to the public. The company has announced ethics, reputation of the organization as well as regulations of the Stock Exchange of Thailand and Securities and Exchange Commission (SEC) to employees especially the management and also the responsibility in revealing and reporting the possession of company's shares. The Company has defined the practice of trading securities by using inside information below. "Prohibits directors, executives, as well as spouses and minor children of such persons trading in securities of the company within the two weeks before the disclosure of quarterly financial statements of the company and within 24 hours after the disclosure of financial statements to the stock exchange of thailand. "

CORPORATE SOCIAL RESPONSIBILITY (CSR)

HEMARAJ LAND AND DEVELOPMENT PLC AND ITS SUBSIDIARIES' CORPORATE SOCIAL RESPONSIBILITIES (CSR)

Hemaraj is committed to emphasize the importance of responsibility to social, communities, and environment under its "Committed to Thailand's Sustainable Growth" policy, and to run business with ethics and honor for the proper and fair benefit of all stakeholders, which are shareholders, employees, customers, creditors, suppliers and competitors, environment and society as well as government agencies.

Hemaraj integrates CSR into every aspect of its business, especially in the development of its industrial estates and utilities. CSR has been the company's core policy since it was established in 1988. For instance, the implementation of programs such as Public Participation 1 (PP1) and Public Participation 2 (PP2) has enabled the company to communicate with surrounding communities for the past 25 years. It helped the company identify needs of the communities and define the most effective outreach programs.

The company also focuses on CSR activities throughout the development of its industrial estates and during its business operations. By applying ISO 14001:2004, ISO 9001:2008 systems and the CSR DIW under the supervision of the Department of Industrial Works, Hemaraj has been able to provide sustainable and environment-friendly services to their shareholders.

In addition, Hemaraj continues its support to social in aspects of the environmental protection, promote education, sports, and community care to communities not only for neighbors area but also in provincial or national level focusing the sustainable growth according to the situation and the company's status

The company and its subsidiaries have defined process activities through various communication channels: annual report, code of conduct, website, brochures, newsletters, etc. to ensure that all stakeholders are informed about the company's CSR policies, and responsibilities.

Hemaraj continues to support employee's capability, provide good standard of living in order to establish a lasting relationship. Moreover, the company treats all employees fairly and provides a good and safe working environment, fair remuneration packages, and good benefits. Innovative initiatives are encouraged, such as the Constructed Wetlands, - Following HM King Bhumibol's footsteps in treating waste water biologically, which enables employees to acquire knowledge about surrounding communities and be able to share knowledge to the communities.

Hemaraj also encourages its employees to take part in community projects by participating in CSR activities. For example, annual school contribution around the company's industrial estates cover 53 schools and 15,000 students; water supply projects are initiated in various communities during water-shortage periods, as well as regular forestation projects in neighboring communities.

In addition, Hemaraj supports the government and public sector for all forms of anti-corruption and communication with employees as stipulated in the employee manual and the code of conduct to encouraged employees for anti-corruption's practices, support to other person's rights.

For environmental, Hemaraj has endeavored to protect and save environment since the day one the company started the development. For over 25 years that the company has developed and operated our industrial estate and properties to serve our value customers, environmental issue always ranks as our top priority. Over the past decade, the climate change and energy saving are issues that challenge our management and operation. A lot of researches and development programs have been studied and implemented within the Hemaraj group.

In the early 2000s decade, Hemaraj has started the research related to alternative technologies for wastewater management. In 2002, Hemaraj was the first who implemented the vertical flow Constructed Wetland for industrial wastewater treatment in Thailand. It was constructed and operated as the main wastewater treatment facility in Eastern Seaboard Industrial Estate (Rayong) with the significant success in terms of treatment efficiency and energy saving. The system then applied to our other industrial estates, and also introduced to nearby local communities, as their treatment facility.

In each year, over 10 million cubic meters of industrial wastewater were treated by this system which consequently saved substantial amount of energy compared to the use of conventional system, enhanced the treatment efficiency, caused less effect to the waterway, and allowed the company to recycle treated wastewater and used as second-grade water within the industrial estates.

To illustrate, the Environmental Monitoring & Control Center (ESIE) : E:MC² has been established at the Eastern Seaboard Industrial Estate (Rayong) with a Baht 5-million investment. A cooperation between Hemaraj and IEAT, the E:MC² serves as the country's first environmental real time monitoring unit at private sector's industrial estate.

Hemaraj has consistently integrated environmental programs and social activities. In addition to the implementation of the global environmental control standard, ISO14000:2004, industrial estates under our management were frequently awarded for the EIA Awards from Office of Natural Resources and Environmental Policy and Planning (ONEP) as an organization that strictly implementing environmental measures as required by EIA and outstanding environmental management.

Hemaraj is dedicated to the business development while maintaining the quality of the environment including health and safety of our employee by closely monitoring the air emission and discharged wastewater quality through Environmental Monitoring Control Center (E:MC²) together with a number of friendly environmental & social programs including ECO Industrial Estate, ECO School project, tree planting program, protection strip establishment, and etc.

Being recognized as one of the world class developer in the region, Hemaraj Land and Development Public Company Limited has a crucial role to ensure that our development policy will lead the business to a sustainable that combines economic growth, human development, and environmental & social responsibility as fundamental concept in a long run. The company foresees this significance from day one and persistently believes in the principle of sustainable co-existing of environment and community and this is the company's promise and commitment to the public. (Details of project community and Society relations in section Major significant Events in 2013 Page 163)

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OF OPERATION FOR YEAR 2013

(A) OVERALL PERFORMANCE

For the Year of 2013, Hemaraj reported Total Net Income of Baht 4,338 million increased Baht 2,053 million, or an increase of 90% comparing to Year 2012 Net income of Baht 2,285 million. The increase of Net Income of the year 2013 was due to revenue from core businesses which are industrial estate land sales, utilities service, rental properties and power business. Moreover, Hemaraj also realized gain on sale and lease under financial lease from Hemaraj Property Fund (HPF) that booked in Quarter 4'2013 of Baht 2,527 million.

Hemaraj Industrial Property and Leasehold Fund (HPF) was registered and approved by The Securities and Exchange Commission (SEC) and Stock Exchange of Thailand (SET) on 24 December 2013. The total value of Baht 4.7 billion comprised Baht 3.22 billion of investments in freehold and Baht 1.48 billion from leasehold ready built factories with a total area of 150,117 square meters. Hemaraj invested in this property fund at Baht 1,086.8 million.

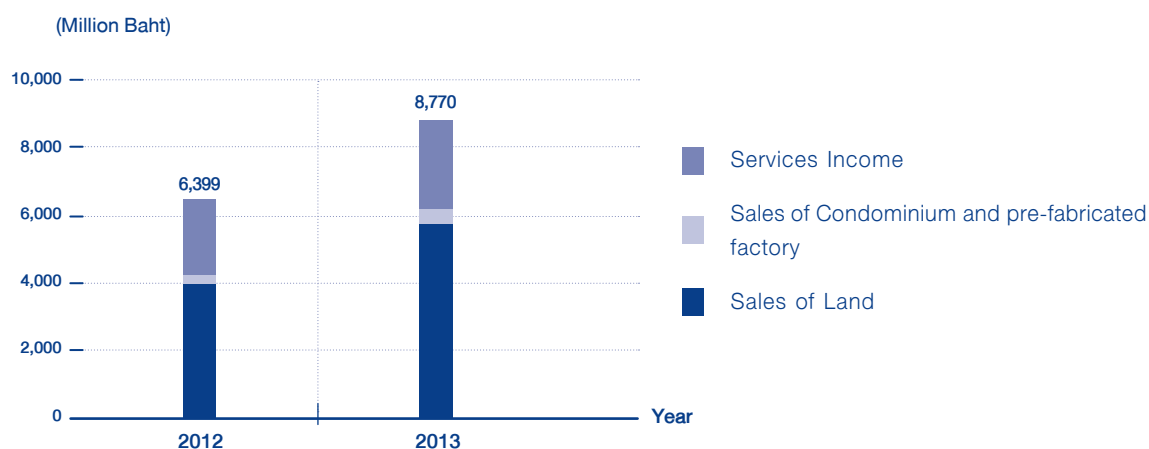
(B) REVENUE ANALYSIS

Revenue Structure

Revenue Structure of Hemaraj consists of sales of developed industrial land, utilities service, ready built factories for rent, logistics warehouse for rent, other services income and sales of condominium, pre-fabricated factory and others. For the year 2013, Hemaraj's Total Revenue from sales and services was Baht 8,770 million compared with Baht 6,399 million for the same period of 2012, representing a 37% increase. The increase was mainly from the increase in sales of land and services income.

REVENUE BY ITEMS

REVENUES	YEAR 2013		YEAR 2012		INCREASE/DECREASE	
	MILLION	%	MILLION	%	MILLION	%
Sales of Land	5,771	65.81	3,972	62.08	1,798	45.27
Sales of Condominium, Pre-fabricated factory and others	420	4.78	257	4.01	163	63.32
Services Income	2,579	29.41	2,170	33.91	409	18.86
Total Revenue	8,770	100.00	6,399	100.00	2,370	37.04



SALES OF LAND

For Year 2013, Sales of Land was Baht 5,771 million, or an increase of 45% comparing to Year 2012 of Baht 3,972 million. Industrial Estate Land Sales for Year 2013 were 2,200 rai with 101 contracts, 60 new customers and 41 project expansions from existing customers. Hemaraj now has 615 distinct new customers with 933 contracts.

SERVICES INCOME

For Year 2013, Service Income increased to Baht 2,579 million, or an increase of 19% from last year mainly due to the increase in industrial estate utilities revenue and rental revenue. The increase in industrial estate utilities was mainly from the higher utility volumes and rates and the increase in rental property and service revenue was reflected from higher rental rate and more rental units.

For Year 2013, Industrial Estate Utilities revenue increased to Baht 1,569 million, or an increase of 13% reflecting the higher utility volumes and rates from industrial estate customers.

Total Rental Property and Services revenue, including ready built factory rental, logistics parks rental, pipe-rack rental and commercial office rental increased to Baht 1,012 million, or an increase of 40%. For Ready Built Factories for Rent increased 61,559 square meters or 26% from 2012 year-end cumulative balance, totaling 297,368 square meters. Hemaraj Logistics Parks for Rent increased 55,325 square meters from 2012 year-end, cumulative balance totaling 72,145 square meters under rent.

SALES OF CONDOMINIUM AND OTHER INCOME

For Year 2013, more Residential Condominium units were sold and transferred with realized sales value at Baht 352 million. As of 31 December 2013, accumulative condominium sold and transferred was 211 units and realized sales value cumulatively at Baht 6,301 million.

For Year 2013, Other Income was at Baht 2,774 million mainly consisted of a gain on sale and lease under financial lease of ready built factories to Hemaraj Industrial Property and Leasehold Fund (HPF) of Baht 2,527 million booked in Quarter 4'2013.

(C) GROSS PROFIT ANALYSIS

The Gross Profit was Baht 4,187 million, a 42% increase from the same period of last year. The Gross Profit Margin improved to 48%.

(D) EXPENSES ANALYSIS

For Year 2013, Selling Expenses increased Baht 137 million and Administrative Expenses increased Baht 32 million mainly due to higher revenue comparing to the same period last year. Moreover, Hemaraj has booked additional provision expense for 3 years rental income guarantee of 294.5 million for sale and long-term lease of ready built factories to Hemaraj Property Fund (HPF).

Financial Costs increased Baht 178 million from Year 2012 mainly from higher loans to support land purchase and other business developments.

Income Tax Expenses was Baht 504 million, increased Baht 325 million from last year mainly due to higher Net Income from normal operation and also from sale and lease of ready built factories – with a total area of 150,117 square meters to Hemaraj Property Fund (HPF).

FINANCIAL POSITION

The Consolidated Balance Sheet in 2013 is summarized as follows.

ASSETS

Total Assets in 2013 were Baht 33,434 million, a 27% increase from Baht 26,357 million in 2012. Total Current Assets in 2013 were Baht 17,748 million compared to Baht 12,849 million in 2012, or an increase of 16%. This includes Cash and Deposits on Hand of Baht 4,780 million, Account Receivable of Baht 152 million and Cost of Real Estate Developments of Baht 11,138 million.

Non-Current Assets were Baht 15,689 million in 2013. This includes Investment property of Baht 6,741 million, Property, plant, and equipment of Baht 1,494 million, and Long-term investment in other companies of Baht 6,812 million. Long term investment includes, 5% direct holding in a 713 MW gas-fired power plant Glow IPP Co., Ltd., 51% holding in Houay Ho Thai Co., Ltd. which holds 25% in 152 MW Hydro Power Project in People Democratic Republic of Laos and 35% holding in 660 MW coal-fire power plant Gheco-One. These three power projects are the joint investments with Glow Energy Plc. (GDF Suez). Another investment was with Gulf JP to invest 25% in the 126MW SPP Power Plant in Hemaraj Rayong Industrial Park and the last investment was 23% holding in Hemaraj Property Fund (HPF).

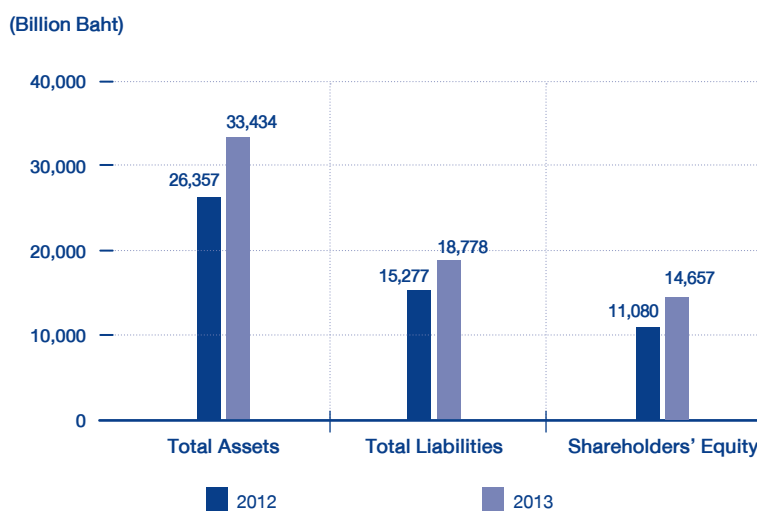
LIABILITIES

As of 31 December 2013, total Liabilities were Baht 18,778 million, or equal to 56% of total liabilities and shareholders' equity. Major items comprise of debentures and loans from financial institutions total Baht 13,928 million. Total liabilities increased Baht 3,500 million or an increase of 23% from Baht 15,277 million in 2012. The increase was mainly from the issuance of unsecured Baht Bonds and more loan drawdown total of Baht 3,190 million in 2013 to fund the project development i.e. land purchase, industrial estate, ready built factory and logistics parks.

SHAREHOLDERS' EQUITY

Total Shareholders' Equity in 2013 was Baht 14,657 million, increased Baht 3,577 million from Baht 11,080 million in 2012. The increase was mainly from:

- Higher profit of the Company and its subsidiaries for the year amounted to Baht 4,338 million.
- Deduct: Year 2012 cash dividend paid in May 2013 and Year 2013 interim dividend paid in October 2013 total of Baht 1,263 million. Dividend paid to non-controlling interests at Baht 240 million.



CASH FLOWS AND SOURCE OF FUND ANALYSIS

(1) CASH FLOWS ANALYSIS

STATEMENT OF CASH FLOWS (MILLION BAHT)	YEAR 2013	YEAR 2012	INCREASE/(DECREASE)	
			MILLION	%
Net Cash Provided by (Used in) Operating Activities	(319)	933	(1,252)	(134)
Net Cash Provided by (Used in) Investing Activities	1,728	(4,768)	6,496	(136)
Net Cash Provided by (Used in) Financing Activities	1,677	1,811	(134)	(7)
Increase (decrease) in cash and cash equivalents	3,086	(2,024)	5,110	(252)
Cash and cash equivalent, beginning of years	1,694	3,718	(2,024)	(54)
Cash and cash equivalent, end of years	4,780	1,694	3,086	182

At year-end 2013 and 2012, Cash and Deposits were Baht 4,780 million and Baht 1,694 million respectively.

For Year 2013, Net Cash used in operating activities was Baht 319 million decreased from last year due mainly to investment in land and real estate developments.

Net Cash provided by investing activities was Baht 1,728 million increased significantly mainly from cash received from sales of properties to Hemaraj Industrial Property and Leasehold Fund (HPF) of Baht 4,700 million despite higher investment in associate and investment property.

Net Cash provided by financing activities was Baht 1,677 million, which mainly from bond issuance and loans increase during the year net with cash dividend paid at Baht 1,263 million.

(2) USE OF FUND

In year 2013 and 2012, Hemaraj continue to invest in land, power investment, real estate development and rental properties development in order to support the expansion of the customers' base and be able to provide better and more integrated services in the industrial estates.

(3) SOURCE OF FUND

Hemaraj continue to manage and acquire appropriate source of funds considering the sufficient liquidity level. In Year 2013, Hemaraj issued the unsecured Baht Bonds of Baht 2,500 million with 10 years duration in order to capture appropriate long term source of fund and to be access to various capital market.

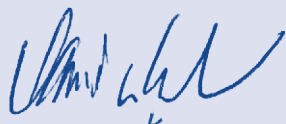
Net Debt to Equity ratio was 0.95 to 1 at year end 2013 and was 1.23 to 1 at year end 2012, lower than other companies in the same industry. With lower Net Debt to Equity ratio reflected strong funding structure with flexibility.

REPORT ON RESPONSIBILITIES OF THE BOARD OF DIRECTORS

TOWARDS THE FINANCIAL REPORT OF THE YEAR

The Board of Directors of Hemaraj Land and Development Public Company Limited realizes its role and responsibility as the Directors of a listed company in supervising the Company to have the Financial Reports of year 2013 to present sufficient in materiality, relevant and transparent financial and accounting information. Appropriate accounting policies have been put in place and adhered to on a consistent basis according to the generally accepted accounting principle while due consideration has been placed on the process of preparing the Company's and the Consolidated fiscal year 2013 financial statements including other information that have been included in the annual report of this year. The Audit Committee, who is appointed by the Company's Board of Directors, comprising of independent directors fully qualified in accordance with the requirement of the Stock Exchange of Thailand have reviewed and ensure accuracy and sufficiency of the financial report including accurate and complete disclosure of connected transactions or transactions with possible conflict of interests, sufficient and effective internal control and internal audit system, risk management and appropriate corporate governance and to be compliance with the requirement of the Stock Exchange of Thailand and relevant rules and regulations.

The Company's Board of Directors has the opinion that the financial statements and financial reports for the year 2013 of the Company and the Subsidiaries, which have been reviewed by the Audit Committee in conjunction with the management, and audited by the Company's auditors, reflect accurate financial position, operational results and cash flow status in accordance with consistent appropriate accounting policies generally accepted accounting standards and according to relevant rules and regulations.



(MR.DAVID RICHARD NARDONE)

President & CEO

17 March 2014



(MR.CHAVALIT SETHAMETEEKUL)

Chairman of the Board of Directors

17 March 2014

AUDIT COMMITTEE REPORT FOR 2013

The Audit Committee of Hemaraj Land And Development Public Company Limited has the following independent non-executive directors as its members:

- | | |
|-------------------------------------|--------------------------|
| 1) Mr. Sudhipan Charumani | Audit Committee Chairman |
| 2) Mr. Peter J. Edmondson | Audit Committee Member |
| 3) Mrs. Punnee Worawuthichongsathit | Audit Committee Member |

The Audit Committee members are qualified in accordance with the rules and regulations for Audit Committees, as issued by the Securities and Exchange Commission and the Stock Exchange of Thailand. The Audit Committee has fulfilled its responsibilities according to the scope and duties assigned by the Board of Directors in compliance with its Charter and official regulations.

Four formal Audit Committee meetings were held in respect of its 2013 financial year duties. By invitation, such meetings were also attended by the internal and external auditors, as well as by members of the company management, inclusive of the Chief Financial Officer, with occasional participations by the Chief Executive Officer and the Company's external legal council upon requests. Moreover, the Audit Committee also arranged time to meet with the internal and external auditors without executives of the Company being present. Such meetings were officially arranged quarterly, with informal consultations added as deemed necessary.

The activities of the Audit Committee covered the following areas:

1) Review of the interim and annual financial statements of 2013 to verify that the statements were accurate and complete, and that relevant supporting financial information was disclosed. The review was conducted with inputs from the management and the external auditors. The Audit Committee and external auditors agreed that the financial statements were correct and had been prepared in accordance with financial reporting standards. It should be hereby mentioned that as a Thai listed public company, the Company had diligently applied itself to the Federation of Accounting Professionals of Thailand's revised sets of accounting standards, which had been introduced in conjunction with international practice.

2) Review of the internal and risk management control system in order to verify that the system was appropriate and effective in meeting its objectives. The review which was conducted with inputs from the internal auditors, coupled with discussions with the external auditors, did not reveal any significant weaknesses or deficiencies, either at company or subsidiary level. The Audit Committee and both the internal and external auditors are of the view that the prevailing internal control and risk management system meets the requirements of the SET and SEC, and is adequate to safeguard assets and provide sufficient disclosure of information.

3) Review of the internal audit function to ensure its effectiveness and independence. The internal audit function is conducted by a reputable and independent outsourced audit firm. Work is performed in accordance with a program jointly studied and approved on a continuing basis by the Audit Committee, together with the Management. The internal auditors report their findings to both the Audit Committee and the Management on a quarterly basis, with open access to the Audit Committee at all times. The Audit Committee believes that the internal audit functions of the Company and subsidiaries are appropriate, effective and independent.

4) Review of compliance with the Securities and Exchange Acts, other relevant laws and SEC-SET regulations, as well as the Company's own rules and obligations to external parties. This review, which was performed by the Audit Committee members, with contracted assistance from the internal auditors, did not find any significant instances of non-compliance.

5) Review of, and giving opinion on, connected transactions and transactions potentially giving rise to conflicts of interest, together with the aspect of information disclosure on such transactions in compliance with the regulations of the SET and SEC. The Audit Committee and both the internal and external auditors were of the opinion that such transactions had fully and appropriately been disclosed in the financial statements and notes thereto, and were reasonable, of a normal business nature, as well as being beneficial to the Company.

6) Considering the appointment of external auditors and their remuneration for the year 2014, and recommending such to the Board of Directors for submission to the Shareholders' Annual General Meeting. Having considered past performance, independence and remuneration issues, the Audit Committee was satisfied with audit personnel of the present external audit firm, A.M.T. & Associates, on all counts. The Audit Committee thus recommended Mr.Chaiyut Angsuwitaya (Certified Public Accountant registration number 3885), or Mrs. Natsarak Sarochanunjeen (Certified Public Accountant registration number 4563) or Professor Kesee Narongdej (Certified Public Accountant registration number 76) of A.M.T. & Associates be appointed the Company's external auditor for the financial year ending 31st December 2014 at a remuneration of Baht 1,425,000. This represented a Baht 110,000 increment from the 2013 level due largely to increased work volume.

The Audit Committee also agreed to recommend the appointment of Mr.Chaiyut Angsuwitaya (Certified Public Accountant registration number 3885, or Mrs. Natsarak Sarochanunjeen (Certified Public Accountant registration number 4563), or Professor Kesree Narongdej (Certified Public Accountant registration number 76), each from A.M.T. & Associates, to serve as the external auditor of the Company's subsidiaries for the 2014 financial year at a remuneration of Baht 4,205,000. This denoted a Baht 203,500 increase from the 2013 level, induced by expansion in working volume and in the number of subsidiaries companies.

Additionally, the Audit Committee recommended an increase of "BOI certifying budget" from Baht 219,000 level in 2013 to Baht 300,000 for 2014 in anticipation of this aspect of audit-work increment.

The present and proposed external auditors have no family, financial interest, employment, investment or business relationship with the Company or any of its subsidiaries, other than in the normal course of audit business.

In summary, the Audit Committee, in the course of discharging its Chartered responsibilities as assigned by the Board of Directors, found that the Company had presented its financial and operational information in a true and fair manner, had appropriate and effective internal controls and audit and risk management, had complied with laws, regulations and obligations, and had disclosed connected transactions correctly. Moreover, the Company continued to promote good corporate governance practice, obtaining a top-classification score in the National CG Committee's 2013 report for its CG standing among Thai listed companies, as well as retaining full points in the Thai Investors Association's 2013 report in respect of its AGM conducting.



(SUDHIPAN CHARUMANI)

Chairman of the Audit Committee

17th March 2014

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF HEMARAJ LAND AND DEVELOPMENT PUBLIC COMPANY LIMITED

I have audited the accompanying consolidated financial statements of Hemaraj Land and Development Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2013, the related consolidated statements of changes in shareholders' equity, income, comprehensive income and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and I have also audited the separate financial statements for the same year of Hemaraj Land and Development Public Company Limited.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

OPINION

In my opinion, the financial statements present fairly, in all material respects, the consolidated financial position of Hemaraj Land and Development Public Company Limited and its subsidiaries as of December 31, 2013, and the result of their operations and their cash flows for the year then ended and the financial position of Hemaraj Land and Development Public Company Limited as of December 31, 2013, the results of its operations and its cash flows for the year then ended in accordance with financial reporting standards.



(SUMIT KHOPAIBOON)
Certified Public Accountant
Registration No. 4885

A.M.T. & ASSOCIATES
Bangkok, Thailand
February 28, 2014

STATEMENTS OF FINANCIAL POSITION

HEMARAJ LAND AND DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

As at December 31st, 2013

BAHT

	NOTE	CONSOLIDATED FINANCIAL STATEMENTS			SEPARATE FINANCIAL STATEMENTS		
		AS AT 31 st DECEMBER 2013	AS AT 31 st DECEMBER 2012	AS AT 1 st JANUARY 2012	AS AT 31 st DECEMBER 2013	AS AT 31 st DECEMBER 2012	AS AT 1 st JANUARY 2012
			(Restated)	(Restated)		(Restated)	(Restated)
ASSETS							
CURRENT ASSETS							
Cash and cash equivalents	7	4,780,438,968	1,694,152,392	3,718,192,968	1,028,712,647	823,897,197	2,120,643,698
Trade receivables, net							
Related parties	8	-	1,924	1,516	374,757,192	194,728,544	144,933,021
Other parties	8	152,102,985	141,163,776	114,332,366	8,037,584	8,480,619	7,899,272
Other receivables							
Unbilled completed work		-	7,441,850	3,025,750	-	-	-
Prepaid expenses		12,276,165	8,787,517	10,470,034	2,453,542	2,683,782	3,875,967
Others		5,024,072	10,851,617	4,892,011	2,351,295	4,075,819	1,425,702
Short-term loans to related parties, net	6	1,559,495,896	1,463,617,980	802,701	6,640,209,639	5,658,562,440	2,322,859,710
Inventories		9,360,000	9,840,000	11,040,000	9,360,000	9,840,000	11,040,000
Cost of real estate developments, net	9,31 and 32	11,138,187,719	9,413,690,860	7,878,583,511	3,795,108,284	1,513,616,810	1,649,025,527
Other current assets							
Revenue department receivable		66,017,676	74,296,295	57,619,515	34,130,879	54,961,575	41,944,096
Others		25,118,606	25,243,145	15,196,971	1,081,749	1,205,122	1,922,236
Total Current Assets		17,748,022,087	12,849,087,356	11,814,157,343	11,896,202,811	8,272,051,908	6,305,569,229
NON - CURRENT ASSETS							
Available-for-sale investments-marketable securities, net		584,791	666,720	590,978	584,791	666,720	590,978
Deposit at financial institution with commitment	7	-	66,824	276,098,043	-	66,824	276,098,043
Investments in associates	2,2, 6, 10, 31 and 32	6,811,652,727	5,353,485,865	4,277,764,498	5,422,459,244	4,355,619,244	3,970,619,244
Investments in subsidiaries	6, 11 and 31	-	-	-	5,579,784,554	5,172,234,568	4,092,034,592
Other long-term investments, net							
Related parties	12	1,500,000	1,500,000	1,500,000	-	-	-
Other parties	12, 31 and 32	142,783,003	142,783,003	142,783,003	142,500,003	142,500,003	142,500,003
Investment property, net	13 and 31	6,741,040,523	6,216,012,782	2,099,988,005	34,939,065	132,088,042	50,565,115
Assets for rent, net	14	131,825,565	144,394,305	149,614,685	-	-	-
Property, plant and equipment, net	15 and 31	1,493,592,721	1,285,297,321	944,610,359	124,249,758	121,076,351	101,008,538
Intangible assets							
Sinking fund, net	16 and 32	95,405,271	85,718,171	82,617,763	15,096,290	16,622,646	18,153,184
Advance payment for right		69,692,654	82,661,832	94,982,131	69,692,654	82,661,832	94,982,131
Right from investment in associate, net	10.3	27,516,669	-	-	-	-	-
Others		29,290,701	22,765,407	17,839,192	29,290,701	22,765,407	17,839,192
Deferred tax assets	3 and 30	92,396,119	118,300,715	102,910,344	17,962,131	84,788,475	61,912,094
Other non-current assets							
Leasehold land and land held for commercial purposes, net	17 and 31	45,903,558	49,614,279	53,325,000	45,903,558	49,614,279	53,325,000
Others		3,205,814	4,678,307	4,759,976	2,451,524	2,408,959	2,415,277
Total Non-Current Assets		15,686,390,116	13,507,945,531	8,249,383,977	11,484,914,273	10,183,113,350	8,882,043,391
TOTAL ASSETS		33,434,412,203	26,357,032,887	20,063,541,320	23,381,117,084	18,455,165,258	15,187,612,620

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

STATEMENTS OF FINANCIAL POSITION (Continued)

HEMARAJ LAND AND DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

As at December 31st, 2013

BAHT

	NOTE	CONSOLIDATED FINANCIAL STATEMENTS			SEPARATE FINANCIAL STATEMENTS		
		AS AT 31 st DECEMBER 2013	AS AT 31 st DECEMBER 2012	AS AT 1 st JANUARY 2012	AS AT 31 st DECEMBER 2013	AS AT 31 st DECEMBER 2012	AS AT 1 st JANUARY 2012
			(Restated)	(Restated)		(Restated)	(Restated)
LIABILITIES AND SHARE HOLDERS' EQUITY							
CURRENT LIABILITIES							
Short-term loan from Financial institution	18	609,679,390	-	-	400,000,000	-	-
Trade payables							
Related parties		7,347,617	2,573,331	2,991,625	684,192	1,762,123	2,688,690
Other parties		400,653,747	1,394,226,145	447,412,452	14,833,951	29,035,904	27,166,502
Other payables							
Accrued cost of real estate developments	9	1,165,419,319	721,225,568	459,209,069	685,913	685,913	685,913
Cash received and income received in advance	19	1,334,930,927	1,478,737,743	875,547,988	47,596,506	43,488,102	9,038,588
Accrued interest expenses		104,457,915	91,969,580	83,318,454	104,002,075	90,860,828	83,273,671
Accrued expenses		176,612,467	58,364,423	35,843,170	36,037,503	29,046,448	19,364,394
Others		121,708	441,044	6,046,691	36,831	24,000	48,000
Current portion of long - term liabilities							
Debenture	20	400,000,000	1,162,000,000	-	400,000,000	1,162,000,000	-
Long - term borrowings	22 and 31	499,789,625	379,739,111	249,103,709	317,289,625	124,239,625	213,239,625
Long - term borrowings by scheduled transfer	31	-	-	58,909,361	-	-	58,909,361
Short - term borrowings from related parties	6	-	-	20,000,000	132,652,178	5,197,174	-
Accrued income tax		221,310,659	84,564,684	73,819,240	-	-	-
Other current liabilities							
Revenue department payable		33,917,130	43,420,086	23,234,504	17,901,510	15,726,945	12,568,029
Dividend payable		9,657,419	10,710,024	9,709,143	9,656,989	10,709,630	9,708,823
Others		91,498,034	66,867,771	43,516,757	33,437,428	20,918,479	13,088,712
Total Current Liabilities		5,055,395,957	5,494,839,510	2,388,662,163	1,514,814,701	1,533,695,171	449,780,308
NON - CURRENT LIABILITIES							
Debentures, net	20	10,438,000,000	8,338,000,000	7,500,000,000	10,438,000,000	8,338,000,000	7,500,000,000
Long - term borrowings, net	22 and 31	1,980,950,000	861,498,363	634,000,000	1,740,950,000	380,000,000	490,000,000
Long - term borrowings from related party	6 and 21	-	-	-	1,035,967,713	998,917,639	1,021,859,118
Deferred tax liabilities	3 and 30	176,222,350	8,762,576	4,395,118	1,828,914	1,254,022	645,977
Employee benefit obligations	23	70,702,637	65,062,787	57,972,808	31,393,681	30,248,986	27,534,855
Provision for liabilities arising from guarantee rental income	6 and 24	294,495,624	-	-	31,267,080	-	-
Other non - current liabilities							
Retention payables		283,008,845	237,525,808	100,932,007	29,110,759	25,877,745	17,380,650
Rental deposit and guarantee received							
Related party	6	76,107,762	-	-	6,239,955	-	-
Other parties		210,964,099	237,727,535	169,631,699	3,037,910	7,374,710	5,587,400
Rental income received in advance							
- net of current portion - related party	6	161,839,658	-	-	-	-	-
Deferred leasehold right income, net							
Related party	6	-	-	-	48,427,792	50,911,792	53,395,792
Other parties		9,394,903	11,173,125	13,111,369	-	-	-
Others		20,451,975	22,636,167	16,250,510	13,422,944	16,254,497	10,728,063
Total Non - Current Liabilities		13,722,137,853	9,782,386,361	8,496,293,511	13,379,646,748	9,848,839,391	9,127,131,855
Total Liabilities		18,777,533,810	15,277,225,871	10,884,955,674	14,894,461,449	11,382,534,562	9,576,912,163

STATEMENTS OF FINANCIAL POSITION (Continued)

HEMARAJ LAND AND DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

As at December 31st, 2013

BAHT

NOTE	CONSOLIDATED FINANCIAL STATEMENTS			SEPARATE FINANCIAL STATEMENTS		
	AS AT 31 st DECEMBER 2013	AS AT 31 st DECEMBER 2012	AS AT 1 st JANUARY 2012	AS AT 31 st DECEMBER 2013	AS AT 31 st DECEMBER 2012	AS AT 1 st JANUARY 2012
		(Restated)	(Restated)		(Restated)	(Restated)
SHAREHOLDERS' EQUITY						
Sharecapital - Baht 0.40 parvalue						
Authorized share capital						
Ordinary shares 15,000,000,000 shares	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Issued and paid - up share capital						
Ordinary shares 9,705,186,191 shares	3,882,074,476	3,882,074,476	3,882,074,476	3,882,074,476	3,882,074,476	3,882,074,476
Share premium account (discount) - ordinary shares, net	438,704,620	438,704,620	438,704,620	438,704,620	438,704,620	438,704,620
Retained earnings						
Appropriated - legal reserve 25	889,198,025	808,128,668	631,106,544	600,000,000	543,231,657	437,288,250
Unappropriated	8,353,245,729	5,358,563,517	3,929,695,823	3,565,623,794	2,208,301,659	852,375,420
Other components of equity	(31,304,091)	(32,559,865)	(32,473,611)	252,745	318,284	257,691
Total Equity Attributable to Owners of the Parent	13,531,918,759	10,454,911,416	8,849,107,852	8,486,655,635	7,072,630,696	5,610,700,457
Non - controlling interests	1,124,959,634	624,895,600	329,477,794	-	-	-
Total Shareholders' Equity	14,656,878,393	11,079,807,016	9,178,585,646	8,486,655,635	7,072,630,696	5,610,700,457
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	33,434,412,203	26,357,032,887	20,063,541,320	23,381,117,084	18,455,165,258	15,187,612,620

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

STATEMENTS OF INCOME

HEMARAJ LAND AND DEVELOPMENT PUBLIC COMPANY LIMITED AND
ITS SUBSIDIARIES

For The Year Ended December 31, 2013

BAHT

	NOTE	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2013	2012 (Restated)	2013	2012 (Restated)
REVENUE FROM SALES AND SERVICES					
Sales of real estate		6,190,459,859	4,229,365,765	631,800,305	297,324,899
Services income	6	2,579,142,818	2,169,985,912	160,502,188	135,485,455
TOTAL REVENUE FROM SALES AND SERVICES		8,769,602,677	6,399,351,677	792,302,493	432,810,354
COST OF SALES AND SERVICES					
Cost of real estate sales		3,210,586,055	2,308,106,895	383,651,962	175,991,573
Cost of services	6	1,371,502,924	1,148,093,066	113,590,989	100,966,297
TOTAL COST OF SALES AND SERVICES		4,582,088,979	3,456,199,961	497,242,951	276,957,870
GROSS PROFIT		4,187,513,698	2,943,151,716	295,059,542	155,852,484
Other income					
Gain from bargain purchase	11.2	-	56,351,458	-	-
Gain on sales of properties and long - term leases	13	2,527,167,494	-	296,831,009	-
Gain on sales of investment in associate		13,979,329	-	20,990,004	-
Interest income	6	127,793,253	86,044,040	361,838,139	173,214,830
Management income and commission fee	6	1,858,122	1,500,000	454,857,697	292,317,524
Dividend income	10 and 11	54,884,606	27,854,236	2,370,662,248	2,261,132,667
Gain on exchange rate		-	-	-	22,771,062
Others		48,552,660	27,232,125	25,460,889	11,672,317
Selling expenses		(432,576,711)	(295,434,984)	(81,408,841)	(49,333,671)
General and administrative expenses		(551,199,427)	(513,206,125)	(275,233,890)	(279,449,453)
Provision for loss arising from guarantee of minimum rental income	6 and 24	(294,495,624)	-	(31,267,080)	-
Other expenses					
Loss on exchange rate		(6,828)	(68,308)	(46,452,559)	-
Finance costs	6	(652,043,207)	(474,510,137)	(646,247,578)	(469,309,628)
Share of gain from investments in associates	2.2 and 10	558,973,938	690,951,366	-	-
PROFIT BEFORE INCOME TAX EXPENSES		5,590,401,303	2,549,865,387	2,745,089,580	2,118,868,132
INCOME TAX REVENUE (EXPENSES)	30	(504,307,941)	(179,324,137)	(69,391,428)	22,283,485
PROFIT FOR THE YEARS		5,086,093,362	2,370,541,250	2,675,698,152	2,141,151,617
Profit (loss) attributable to:					
Equity holders of the parent		4,338,477,843	2,285,171,789	2,675,698,152	2,141,151,617
Non-controlling interests		747,615,519	85,369,461	-	-
PROFIT FOR THE YEARS		5,086,093,362	2,370,541,250	2,675,698,152	2,141,151,617
BASIC EARNINGS PER SHARE					
Attributable to owners of the parent (Baht)		0.4470	0.2355	0.2757	0.2206
Weighted average number of ordinary shares (shares)		9,705,186,191	9,705,186,191	9,705,186,191	9,705,186,191

STATEMENTS OF COMPREHENSIVE INCOME

HEMARAJ LAND AND DEVELOPMENT PUBLIC COMPANY LIMITED AND
ITS SUBSIDIARIES

For The Year Ended December 31, 2013

BAHT

NOTE	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012 (Restated)	2013	2012 (Restated)
PROFIT FOR THE YEARS	5,086,093,362	2,370,541,250	2,675,698,152	2,141,151,617
OTHER COMPREHENSIVE INCOME (LOSS):				
Translation of financial statements differences	202,713	(146,848)	-	-
Loss on remeasuring available-for-sale investments	(65,539)	60,593	(65,539)	60,593
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEARS - NET OF TAX	137,174	(86,255)	(65,539)	60,593
TOTAL COMPREHENSIVE INCOME FOR THE YEARS	5,086,230,536	2,370,454,995	2,675,632,613	2,141,212,210
Total comprehensive income attributable to:				
Equity holders of the parent	4,338,615,017	2,285,085,534	2,675,632,613	2,141,212,210
Non-controlling interests	747,615,519	85,369,461	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEARS	5,086,230,536	2,370,454,995	2,675,632,613	2,141,212,210

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

STATEMENTS OF CASH FLOWS

HEMARAJ LAND AND DEVELOPMENT PUBLIC COMPANY LIMITED AND
ITS SUBSIDIARIES

For The Year Ended December 31, 2013

BAHT

	NOTE	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2013	2012 (Restated)	2013	2012 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit for the years		5,086,093,362	2,370,541,250	2,675,698,152	2,141,151,617
Adjustments for					
Doubtful debt expenses		7,928,165	(8,175,137)	959,460	(11,096,187)
Bad debt expenses		-	4,542,038	-	4,542,038
Share of profit from investments in associates	2.2 and 10	(558,973,938)	(690,951,366)	-	-
Unrealized (gain) loss on exchange rate		-	-	46,450,074	(22,841,479)
Gain from bargain purchase	11.2	-	(56,351,458)	-	-
Gain from sales of equipment		(864,955)	(3,681,294)	(177,569)	(3,251,391)
Gain on sales of investment in associates		(13,979,329)	-	(20,990,004)	-
Gain on sales of properties		(2,527,167,494)	-	(296,831,009)	-
Depreciation of assets	13, 14 and 15	337,751,368	244,343,262	22,779,647	21,168,436
Amortization of sinking fund	16	6,520,351	6,390,907	1,526,356	1,530,538
Amortization of advance payment for right		2,583,182	10,111,888	2,583,182	10,111,888
Amortization of rent right		5,658,544	5,658,544	5,658,544	5,658,544
Amortization of right from investments in associates	10.3	759,187	-	-	-
Employee benefit expenses	23	7,131,534	7,089,979	2,636,379	2,714,131
Provision for loss arising from guarantee of minimum rental income	24	294,495,624	-	31,267,080	-
Provision for maintenance		86,758,612	(7,314,270)	5,584,043	(537,309)
Dividend income	10 and 11	(54,884,606)	(27,854,236)	(2,370,662,248)	(2,261,132,667)
Realization of deferred leasehold right income - related party	6	(1,885,320)	-	(2,484,000)	(2,484,000)
Realization of deferred leasehold right income - others		-	(1,938,244)	-	-
Finance costs	6	652,043,207	474,510,137	646,247,578	469,309,628
Income tax expenses (revenue)	30	504,307,940	179,324,137	69,391,428	(22,283,485)
		3,834,275,434	2,506,246,137	819,637,093	332,560,302
Decrease (increase) in operating assets :					
Account receivables - related parties		1,924	(408)	(193,526,854)	(49,795,523)
Account receivables - other parties		(18,867,373)	(30,011,368)	12,981,782	(840,256)
Other account receivables		2,338,897	(6,868,853)	1,954,765	(4,049,697)
Unbilled completed work		7,441,850	(4,416,100)	-	-
Inventory		480,000	1,200,000	480,000	1,200,000
Cost of real estate developments		(2,912,343,358)	(2,534,174,703)	(2,331,488,730)	48,528,103
Receivables - Revenue Department		1,114,096	(6,232,660)	123,373	753,510
Other current assets		(8,297,592)	-	-	-
Advance payment for right		10,385,995	-	10,385,995	-
Intangible assets		-	(7,849,589)	-	(7,849,589)
Other non - current assets		(5,052,801)	81,669	(6,567,859)	6,318

STATEMENTS OF CASH FLOWS (Continued)

HEMARAJ LAND AND DEVELOPMENT PUBLIC COMPANY LIMITED AND
ITS SUBSIDIARIES

For The Year Ended December 31, 2013

BAHT

	NOTE	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2013	2012 (Restated)	2013	2012 (Restated)
Increase (decrease) in operating liabilities :					
Trade payables - related parties		4,774,286	(418,293)	(1,077,931)	(926,567)
Trade payables - other parties		(993,572,399)	546,813,693	(14,201,954)	1,869,402
Accrued cost of real estate developments		444,193,750	262,016,500	-	-
Cash received and income received in advance		(143,806,817)	603,189,755	4,108,404	34,449,514
Accrued expenses		118,248,044	22,521,252	6,991,056	9,682,054
Other account payables		(319,336)	(5,605,648)	12,831	(24,000)
Other current liabilities		(67,712,719)	50,850,866	6,934,906	11,525,992
Employee benefit liabilities	23	(1,491,684)	-	(1,491,684)	-
Retention payables		45,483,038	136,593,801	3,233,014	8,497,095
Rental deposit and guarantee received		49,344,326	68,095,836	1,903,155	1,787,310
Payables Revenue Department		(9,502,956)	-	2,174,564	-
Rental income received in advance		167,531,127	-	-	-
Other non - current liabilities		(2,184,186)	6,385,656	(2,831,546)	5,526,433
Cash Provided by (Used in) Operating Activities		522,461,546	1,608,417,543	(1,680,265,620)	392,900,401
Cash paid for finance costs		(682,644,732)	(475,540,283)	(639,322,085)	(453,998,921)
Cash (paid) refund for corporate income tax		(158,594,557)	(200,107,049)	18,856,888	(13,053,874)
Net Cash Provided by (Used in) Operating Activities		(318,777,743)	932,770,211	(2,300,730,817)	(74,152,394)
CASH FLOWS FROM INVESTING ACTIVITIES					
Increase in short - term loans to related parties		(95,877,915)	(1,456,002,222)	(1,082,767,146)	(2,911,607,715)
Increase in investments in associate		(1,432,978,400)	(385,000,000)	(1,086,840,000)	(385,000,000)
Increase in investments in subsidiary		-	-	(407,549,986)	(1,080,199,977)
Dividend received from associates	10	31,429,013	229,998	31,429,013	229,998
Dividend received from subsidiaries	11	-	-	2,517,873,548	1,823,813,630
Dividend received from other companies		54,884,606	27,854,236	49,934,639	25,004,255
Cash received from sales investments					
in associate	10	40,990,004	-	40,990,004	-
Decrease in deposit at financial institution					
with commitment		66,824	276,031,220	66,824	276,031,220
Increase in investment property	13	(792,000,070)	(2,767,105,419)	(103,444)	-
Increase in assets for rent	14	(1,373,666)	(14,804,734)	-	-
Increase in building and equipment	15	(340,387,438)	(443,048,672)	(20,346,631)	(37,826,394)
Cash received from sales of building and equipment		869,159	3,681,308	177,570	3,251,402
Increase in sinking fund	16	(16,207,451)	(9,491,315)	-	-
Net cash received from sales of properties					
and long - term leases		4,278,477,164	-	442,742,191	-
Net Cash Provided by (Used in) Investing Activities		1,727,891,830	(4,767,655,600)	485,606,582	(2,286,303,582)

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

STATEMENTS OF CASH FLOWS (Continued)

HEMARAJ LAND AND DEVELOPMENT PUBLIC COMPANY LIMITED AND
ITS SUBSIDIARIES

For The Year Ended December 31, 2013

BAHT

	NOTE	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2013	2012 (Restated)	2013	2012 (Restated)
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase in short - term from financial institution		609,679,390	-	400,000,000	-
Increase in debentures	20	1,338,000,000	2,000,000,000	1,338,000,000	2,000,000,000
Decrease in short-term loan from related party		-	(20,000,000)	-	-
Decrease in long - term borrowings from related party		-	-	(9,400,000)	(100,000)
Increase (decrease) in long - term borrowings	22 and 31	1,239,502,151	299,224,404	1,554,000,000	(257,909,361)
Increase in non-controlling interest		(7,549,948)	-	-	-
Cash paid for dividend		(1,262,660,279)	(678,281,164)	(1,262,660,315)	(678,281,164)
Dividend paid to non-controlling interests		(240,001,538)	(60,001,622)	-	-
Cash received from non-controlling interests		-	270,050,043	-	-
Net Cash Provided by (Used in) Financing Activities		1,676,969,776	1,810,991,661	2,019,939,685	1,063,709,475
Exchange differences on translating financial statements		202,713	(146,848)	-	-
Increase (decrease) in cash and cash equivalents, net		3,086,286,576	(2,024,040,576)	204,815,450	(1,296,746,501)
Cash and cash equivalents, beginning of years		1,694,152,392	3,718,192,968	823,897,197	2,120,643,698
Cash and cash equivalents, end of years	7	4,780,438,968	1,694,152,392	1,028,712,647	823,897,197

OPERATING ACTIVITIES, INVESTING ACTIVITIES AND FINANCING ACTIVITIES NOT AFFECTING CASH

Transfer among cost of real estate development and investment property					
Decrease in cost of real estate development	13	940,133,538	729,685,497	12,925,151	84,932,791
Increase in investment property	13	(940,133,538)	(729,685,497)	(12,925,151)	(84,932,791)

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

HEMARAJ LAND AND DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

For The Year Ended December 31, 2013

BAHT

SEPARATE FINANCIAL STATEMENTS

	NOTE	ISSUED AND PAID-UP SHARE CAPITAL	SHARE PREMIUM ACCOUNT (DISCOUNT) - ORDINARY SHARES, NET	RETAINED EARNINGS			OTHER COMPONENTS OF EQUITY		TOTAL SHAREHOLDERS' EQUITY
				APPROPRIATED - LEGAL RESERVE	UNAPPROPRIATED	OTHER COMPREHENSIVE INCOME (LOSS)	TOTAL OTHER COMPONENTS OF EQUITY		
								AVAILABLE-FOR-SALE INVESTMENTS	
Beginning balance as of January 1, 2013 - As previous report		3,882,074,476	438,704,620	543,231,657	2,124,697,358	388,133	388,133	6,989,096,244	
Cumulative effect of change in accounting policies - Income tax	3	-	-	-	83,604,301	(69,849)	(69,849)	83,534,452	
Beginning balance as of January 1, 2013 - Restated		3,882,074,476	438,704,620	543,231,657	2,208,301,659	318,284	318,284	7,072,630,696	
Total comprehensive income		-	-	-	2,675,698,152	(65,539)	(65,539)	2,675,632,613	
Appropriated - legal reserve	25	-	-	56,768,343	(56,768,343)	-	-	-	
Dividend paid	25	-	-	-	(1,261,607,674)	-	-	(1,261,607,674)	
Ending balance as of December 31, 2013		3,882,074,476	438,704,620	600,000,000	3,565,623,794	252,745	252,745	8,486,655,635	
Beginning balance as of January 1, 2012 - As previous report		3,882,074,476	438,704,620	437,288,250	791,054,603	312,391	312,391	5,549,434,340	
Cumulative effect of change in accounting policies - Income tax	3	-	-	-	61,320,817	(54,700)	(54,700)	61,266,117	
Beginning balance as of January 1, 2012 - Restated		3,882,074,476	438,704,620	437,288,250	852,375,420	257,691	257,691	5,610,700,457	
Total comprehensive income (restated)		-	-	-	2,141,151,617	60,593	60,593	2,141,212,210	
Appropriated - legal reserve	25	-	-	105,943,407	(105,943,407)	-	-	-	
Dividend paid	25	-	-	-	(679,281,971)	-	-	(679,281,971)	
Ending balance as of December 31, 2012		3,882,074,476	438,704,620	543,231,657	2,208,301,659	318,284	318,284	7,072,630,696	

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)

HEMARAJ LAND AND DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

For The Year Ended December 31, 2013

BAHT

CONSOLIDATED FINANCIAL STATEMENTS

NOTE	TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT										
	Issued and paid-up share capital	Share premium account (discount) - ordinary shares, net	RETAINED EARNINGS		OTHER COMPONENTS OF EQUITY				Total Equity Attributable to Owners of the Parent	Non-controlling interests	Total Shareholders' Equity
			Appropriated - legal reserve	Unappropriated	Exchange differences on translating financial statements	Available-for-sale Investments	Share of other comprehensive loss of associate	Total Other components of equity			
Beginning balance as of January 1, 2013 - As previous report	3,882,074,476	438,704,620	808,128,688	5,320,725,401	(31,759,650)	388,133	(1,118,600)	(32,490,017)	10,417,143,148	621,893,379	11,039,036,527
Cumulative effect of change in accounting policies - Income tax	-	-	-	37,838,116	-	(69,848)	-	(69,848)	37,768,268	3,002,221	40,770,489
Beginning balance as of January 1, 2013 - Restate	3,882,074,476	438,704,620	808,128,688	5,358,563,517	(31,759,650)	318,285	(1,118,600)	(32,559,865)	10,454,911,416	624,895,600	11,079,807,016
Total comprehensive income	-	-	-	4,338,477,843	202,713	(65,539)	-	137,174	4,338,615,017	747,615,519	5,086,230,536
Appropriated - legal reserve	-	-	81,069,357	(81,069,357)	-	-	-	-	-	-	-
Dividend paid	-	-	-	(1,261,607,674)	-	-	-	-	(1,261,607,674)	-	(1,261,607,674)
Transfer to retained earnings - unappropriated	-	-	-	(1,118,600)	-	-	1,118,600	1,118,600	-	-	-
Increase in non-controlling interest	-	-	-	-	-	-	-	-	-	(7,549,948)	(7,549,948)
Dividend from subsidiary paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(240,001,537)	(240,001,537)
Ending balance as of December 31, 2013	3,882,074,476	438,704,620	889,198,025	8,353,245,729	(31,566,837)	252,746	-	(31,304,091)	13,531,918,759	1,124,959,634	14,656,878,393
Beginning balance as of January 1, 2012 - As previous report	3,882,074,476	438,704,620	631,106,544	3,883,184,594	(31,612,702)	312,391	(1,118,600)	(32,418,911)	8,802,651,323	326,483,147	9,129,134,470
Cumulative effect of change in accounting policies - Income tax	-	-	-	46,511,229	-	(54,700)	-	(54,700)	46,456,529	2,994,647	49,451,176
Beginning balance as of January 1, 2012 - Restate	3,882,074,476	438,704,620	631,106,544	3,929,695,823	(31,612,702)	257,691	(1,118,600)	(32,473,611)	8,849,107,852	329,477,794	9,178,585,646
Total comprehensive income (related)	-	-	-	2,285,171,789	(146,848)	60,594	-	(86,254)	2,285,085,535	85,369,461	2,370,454,996
Appropriated - legal reserve	-	-	177,022,124	(177,022,124)	-	-	-	-	-	-	-
Dividend paid	-	-	-	(679,281,971)	-	-	-	-	(679,281,971)	-	(679,281,971)
Increase in non-controlling interest	-	-	-	-	-	-	-	-	-	270,050,043	270,050,043
Dividend from subsidiary paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(60,001,698)	(60,001,698)
Ending balance as of December 31, 2012	3,882,074,476	438,704,620	808,128,688	5,358,563,517	(31,759,650)	318,285	(1,118,600)	(32,559,865)	10,454,911,416	624,895,600	11,079,807,016

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

NOTES TO FINANCIAL STATEMENTS

HEMARAJ LAND AND DEVELOPMENT PUBLIC COMPANY LIMITED AND
ITS SUBSIDIARIES

For The Year Ended December 31, 2013

1. GENERAL INFORMATION

1.1 GENERAL MATTER

On August 15, 1988, Hemaraj Land and Development Public Company Limited (“the Company”) was incorporated under the Civil and Commercial Code of Thailand and was subsequently listed on the Stock Exchange of Thailand and transformed as a Public Company Limited on July 10, 1992 and July 12, 1993, respectively.

The Company, which is the parent company of Hemaraj Group, operates its business as a real estate developer as follows:

1. Industrial estate development projects located in the Eastern Seaboard of Thailand

The projects are operating under the joint operation agreements with the Industrial Estate Authority of Thailand (“IEAT”), in the names of the Company and its 3 subsidiaries as follows:

COMPANY NAME	INDUSTRIAL ESTATE	SITE LOCATION
Hemaraj Land and Development Plc.	Hemaraj Chonburi I and II	Sriracha district, Chonburi province
Eastern Industrial Estate Co., Ltd.	Hemaraj Eastern (Map Ta Phut)	Muang district, Rayong province
Eastern Seaboard Industrial Estate (Rayong) Co., Ltd.	Eastern Seaboard (Rayong)	Pluak Daeng district, Rayong province
Hemaraj Eastern Seaboard Industrial Estate Co., Ltd.	Hemaraj Eastern Seaboard	Pluak Daeng district, Rayong province

2. Industrial zone development projects

The projects are operating under the names of 2 subsidiaries as follows:

COMPANY NAME	INDUSTRIAL ZONE	SITE LOCATION
Hemaraj Saraburi Industrial Land Company Limited	Hemaraj Saraburi	Nongkae district, Saraburi province
Hemaraj Rayong Industrial Land Company Limited	Hemaraj Rayong	Ban kai district, Rayong province

3. A condominium for sales being developed by the Company in the project name of The Park Chidlom, located at Chidlom Road, Bangkok.

4. Real estate development under the names of 2 subsidiaries as follows:

COMPANY NAME	SITE LOCATION
Million Island Pattaya Company Limited	Koh Lan, Chonburi province
Rayong 2012 Company Limited	Rayong province

5. Service business related to the mentioned industrial estates consisting of service providing for public utilities, office building and prefabricated factory for sale and lease, land rental, commercial plaza rental, pipe rack rental in Industrial Estates, building contractor and others.

Hemaraj Group’s head office is located at 18th floor, UM Tower, 9 Ramkhamhaeng Road, Suanluang subdistrict, Suanluang district, Bangkok, Thailand 10250.

1.2 NEW FINANCIAL REPORTING STANDARDS WHICH ARE EFFECTIVE FOR THE CURRENT YEAR

The Federation of Accounting Professions issued the following accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance that are effective for fiscal years beginning on or after 1 January 2013 as follows:

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

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except for TAS 12 Income Taxes which requires an entity to identify temporary differences arising from differences between the carrying amount of an asset or liability in the statement of financial position and its tax base in order to recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria.

The Company and its subsidiaries have changed this accounting policy in the first quarter of current year and restated the prior year's financial statements, presented as comparative information, as though the Company and its subsidiaries had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 3 to the financial statements.

1.3 NEW FINANCIAL REPORTING STANDARDS WHICH ARE NOT EFFECTIVE FOR THE CURRENT YEAR

During the current period, the Federation of Accounting Professions has issued notifications, already published in the Royal Gazette, mandating the use of Accounting Standards, financial reporting standard, accounting standard interpretation and financial reporting standard interpretations as follows:

		EFFECTIVE DATE
Accounting Standard:		
TAS 1	Presentation of Financial Statements (revised 2012)	1 January 2014
TAS 12	Income Taxes (revised 2012)	1 January 2014
TAS 17	Leases (revised 2012)	1 January 2014
TAS 18	Revenue (revised 2012)	1 January 2014
TAS 24	Related Party Disclosures (revised 2012)	1 January 2014
TAS 28	Investments in Associates (revised 2012)	1 January 2014
TAS 31	Interests in Joint Ventures (revised 2012)	1 January 2014
TAS 34	Interim Financial Reporting (revised 2012)	1 January 2014
Financial Reporting Standard:		
TFRS 2	Share – Based Payment (revised 2012)	1 January 2014
TFRS 3	Business Combination (revised 2012)	1 January 2014
TFRS 4	Insurance Contracts (revised 2012)	1 January 2016
TFRS 5	Non – current Assets Held for Sale and Discontinued Operations (revised 2012)	1 January 2014
TFRS 8	Operation Segments (revised 2012)	1 January 2014
Accounting Standard Interpretation:		
TSIC 15	Operating Leases – Incentives	1 January 2014

TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets – Web Site Costs	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmers	1 January 2014
TFRIC 17	Distributions of Non – cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

The management of the Company and its subsidiaries has assessed that TAS 1 (revised 2012), TAS 12 (revised 2012), TAS 17 (revised 2012), TAS 18 (revised), TAS 24 (revised 2012), TAS 28 (revised 2012), TAS 34 (revised 2012) and TFRS 8 (revised 2012) will not have material impact on the financial statements when it is applied. The other TAS, TFRS, TSIC, and TFRIC are not relevant to the business of the Company and its subsidiaries, therefore they do not have impact on the financial statement when they are applied.

2. BASIS OF CONSOLIDATED FINANCIAL STATEMENT PRESENTATION

2.1 BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The Company had conducted in accordance with the Financial reporting standards and accounting treatment guidance promulgated by the Federation of Accounting Professions and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated September 28, 2011, issued under the Accounting Act B.E. 2543.

An English language version of the financial statements has been prepared from the statutory financial statements that were issued in Thai language. In case of conflict of difference in understanding, the financial statements in Thai language shall prevail.

2.2 BASIS FOR PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements incorporate the financial statements of the Company and its majority owned directly and indirectly (over 50% of their paid-up capital) in subsidiaries and are prepared on the same basis as the consolidated financial statements for the year ended December 31, 2012. There have been no significant changes in the composition of the Group during the current year.

All subsidiaries were registered and incorporated in Thailand except H-International (BVI) Company Limited and Hemaraj International Limited which were incorporated in British Virgin Islands and Cayman Islands, respectively.

In addition, the consolidated and the Company's financial statements for the years ended December 31, include share of profit (loss) from associates as follows:

	MILLION BAHT	
	2013	2012
SHARE OF PROFIT (LOSS) FROM INVESTMENTS IN ASSOCIATES		
GHECO - One Company Limited (**)	568.10	643.23
Houay Ho Thai Company Limited (**)	(0.08)	46.99
Houay Ho Power Company Limited (**)	4.93	(0.10)
Glow Hemaraj Wind Company Limited (**)	(0.11)	(0.06)
Cofely (Thailand) Company Limited (*)	1.20	0.89
Gulf JP NLL Company Limited(**)	(15.07)	-
Total share of profit from investments in associates	558.97	690.95

(*) Based on the information from the financial statements which were provided by the management and were not audited by an auditor.

(**) Based on the information from the financial statements which were audited by other auditors.

3. Cumulative effect of the change in accounting policies due to the adoption of new accounting standard

The Company and its subsidiaries made the change described in Note 1.2 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.

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

(Unit: Thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	AS AT 31 DECEMBER 2012	AS AT 1 JANUARY 2012	AS AT 31 DECEMBER 2012	AS AT 1 JANUARY 2012
STATEMENTS OF FINANCIAL POSITION				
Decrease in investments in associates	(68,768)	(49,064)	-	-
Increase in deferred tax assets	118,301	102,910	84,788	61,912
Increase in deferred tax liabilities	(8,763)	(4,396)	(1,254)	(646)
Other comprehensive income (loss)				
Decrease in unrealized gain of available-for-sale investments	70	55	70	55
Increase in non-controlling interests	(3,002)	(2,995)	-	-
Decrease in unappropriated retained Earnings	(37,838)	(46,511)	(83,604)	(61,320)

(Unit: Thousand Baht)

	FOR THE YEAR ENDED 31 DECEMBER 2012	
	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
STATEMENTS OF COMPREHENSIVE INCOME		
PROFIT OR LOSS:		
Increase in share of profit from investments in associate	19,703	-
Decrease in income tax	11,038	22,283
Increase in profit attributable to non-controlling interest	8	-
Increase (decrease) in profit attributable to equity holders of the Company	(8,673)	22,283
Increase (decrease) in basic earnings per share (Baht)	(0.0009)	0.0023
OTHER COMPREHENSIVE INCOME:		
Increase in profit on remeasuring available-for-sale investments	15	15

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 THE MEASUREMENT BASES USED IN PREPARING THE FINANCIAL STATEMENTS

Other than those disclosed in other topics, significant accounting policies and other notes to the financial statements, the financial statements are prepared on the historical cost basis.

4.2 CASH AND CASH EQUIVALENTS

Cash and cash equivalents represent cash on hand and at banks, and temporary investments net of cash at banks pledged as collateral.

4.3 TRADE ACCOUNT RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Trade account receivables are stated at net realizable value. The Company and subsidiaries provide allowance for doubtful accounts for estimated losses that may incurred in collection of receivables. The allowance for doubtful accounts is generally considered from collection experience and aging analysis.

Allowance for doubtful accounts is based on receivables from services which are overdue by more than 90 days.

4.4 INVENTORIES

Inventories are valued at the lower of cost (the average cost method) or net realizable value.

4.5 COST OF REAL ESTATE DEVELOPMENTS

Cost of real estate developments consists of land costs, development costs, pre-fabricated factory costs, condominium construction costs, and finance costs on borrowings for projects development, pre-fabricated factory, condominium construction, land deposits and advances for construction costs. These costs are transferred to cost of sales when revenue from sales is recognized.

Cost of real estate developments is stated at the lower of cost or net realizable value.

Loss on projects revaluation is included in the statements of income.

4.6 CAPITALIZATION OF BORROWING COSTS

Borrowing costs are expensed in the period in which they are incurred, except borrowing costs of long term borrowing and borrowing from other parties in relation to the cost of real estate should be treated as part of the cost of the relevant assets. Capitalization should cease when substantially all of the activities necessary to prepare the asset for its intended use or sale are completed and should be suspended during periods

in which active development is interrupted. The Company and its subsidiaries will recognize impairment loss when the carrying amount of an asset exceeds its recoverable amount.

4.7 AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments consist of investments in marketable securities, which are stated at fair value (net of allowance for investments revaluation).

Gain (loss) on investment revaluation is included in other comprehensive income.

4.8 INVESTMENTS AND LOANS

Investments

- A. Investments in subsidiaries and associates are recorded by using the cost method in the separate financial statements. Investments in associates are recorded by using equity method in the consolidated financial statements.
- B. Other investments represent investments in related and other companies which are stated at cost net of provision for impairment loss.

Impairment loss on other investments is included in the statements of income.

Loans

The Company and its subsidiaries have recorded allowance for doubtful debts by using uncollectible amounts, based on a review of the current financial status and the repayment ability. The recognition of interest income is ceased when overdue by more than 180 days.

4.9 INVESTMENT PROPERTY

Investment properties are Land and building. Land for investment is stated at cost. Other investment properties are stated at cost less accumulated depreciation. Depreciation is computed by the straight-line method over the estimated useful lives of the assets of 20 years for building and 5 years for other investment properties. No depreciation is provided for land.

According to the FAP's announcement No.19/2554: Accounting guidance for accounting record for condominium, effective from January 1, 2011, the Company and its subsidiaries changed the method of depreciation computation from the original cost of office condominium exclusive of cost of land in 20-year expected life to the net book value of office condominium inclusive of cost of land deducting the residual value of office condominium in the remaining 30-year expected life.

4.10 ASSETS FOR RENT

Assets for rent are pipe racks stated at cost less accumulated depreciation. Depreciation is computed by the straight-line method over the estimated useful lives for 15 years.

4.11 PROPERTY, PLANT AND EQUIPMENT

Land is stated at cost. Property, plant and equipment are stated at cost less accumulated depreciation and provision for impairment loss. Motor vehicles under financial lease are stated at fair value less accumulated depreciation. Depreciation is computed by the straight-line method over the estimated useful lives of the assets of 5 years for equipment and 20 years for building and structures. No depreciation is provided for land.

According to the FAP's announcement No.19/2554: Accounting guidance for accounting record for condominium, effective from January 1, 2011, the Company and its subsidiaries changed the method of depreciation computation from the original cost of office condominium exclusive of cost of land in 20-year

expected life to the net book value of office condominium inclusive of cost of land deducting the residual value of office condominium in the remaining 30-year expected life.

4.12 INCOME TAX

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

Current tax

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

Deferred tax

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

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

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

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

4.13 RIGHT FROM INVESTMENT IN ASSOCIATE

Right from investment in associate is the cost of business combination over the fair value of the net assets. Right from investment in associate presented under intangible asset will be amortised in 25 years which is the period of power purchase agreement ("PPA") with Electric Generating Authority of Thailand ("EGAT") commencing the project's commercial operation on May 1, 2013.

4.14 LEASEHOLD RIGHT AND LAND HELD FOR COMMERCIAL PURPOSES

Leasehold right and land held for commercial purposes consist of land leasehold right, land costs, development costs and capitalized finance costs on borrowings for undeveloped projects and projects which were temporarily suspended from development.

Leasehold land and land held for commercial purposes are stated at the lower of cost or net realizable value.

Loss on projects revaluation is included in the statements of income.

4.15 RELATED PARTY TRANSACTIONS

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

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

4.16 SINKING FUND

The Company and its subsidiaries have recorded a fund for the major maintenance and replacement of utilities systems and facilities for the customers in the industrial estate, under the joint operating agreements with the Industrial Estate Authority of Thailand (“IEAT”) to be Deferred Sinking Fund and has recorded amortization to be cost of services by the straight-line method over 20 years of useful lives.

4.17 LONG – TERM LEASES

Lessor

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Leased properties under operating leases presents in investments properties and is depreciated over the useful life of the assets. Operating leases receipts are recognized as revenue in profit or loss on a straight line basis over the lease term.

Leases of property, plant and equipment which substantially transfer all the risks and rewards of ownership to the lessees are classified as finance leases. Leased property under operating leases presents in investment properties and is depreciated over the useful life of the assets. The finance lease 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 finance lease recognised at the commencement of the lease term is the cost or carrying amount of the leased property. The difference between the finance lease revenue and the cost is recorded as gain on sales of properties under the financial leases.

Lessee

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

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

4.18 IMPAIRMENT OF ASSETS

The Company and its subsidiaries have evaluated the impairment of properties, plant and equipment and other assets when the event is occurred or there is the situational change, which indicates that the recoverable amount of assets will be lower than their book value. The Company and its subsidiaries will recognize the loss from impairment as an expense in the statements of income.

4.19 CASH RECEIVED AND INCOME RECEIVED IN ADVANCE

Cash received in advance represents deposit received, the amounts received from real estate sales, but the ownership has not been transferred to buyers and all payments have not been received from the buyers and income received in advance represents the amounts received from utilities and rental income received in advance.

4.20 EMPLOYEE BENEFITS

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

Severance Payment as specified in Thai Law are recognized as expenses in the income statement along the service period of employees. The Company and its subsidiaries's post - employment benefit obligations are estimated by a qualified actuary under the actuarial assumption using the Projected Unit Credit Method. However, the actual benefit obligation may be different from the estimate.

The Company and its subsidiaries recognized the actuarial gains or losses arising from defined benefit plan in the period incurred in other comprehensive income.

4.21 DEFERRED LEASEHOLD RIGHT INCOME

Deferred leasehold right income represents leasehold right received from rental of land, building, pipe rack and leasehold right income to produce and distribute the industrial water which is recognized as revenue over the period of rental contract.

4.22 REVENUE AND EXPENSE RECOGNITION

Other than those disclosed in other topics, the policy of the Company and its subsidiaries on revenue and expense recognition are as follows:

A. Recognition of revenue and cost of real estate sales

The Company and its subsidiaries recognise revenue in full from sales of land, pre-fabricated factory and condominium when the risk and reward is transferred; the ownership has been transferred to buyers and all payments have been received from the buyers. Cost of sales is calculated from the realized sales contracts based on the ratio of total estimated project costs to total estimated project sales of each projects.

Total estimated costs and sales of each project shall be revised when there are significant changes in the estimated costs and expected sales price of each project.

B. Recognition of income and cost of services

Income and cost of services are recognised on the accrual basis. Service income represents income received from providing of public utilities, potable water, raw water and reused water, waste water treatment processing, additional work in building construction and rental services in respect of land, commercial plaza, warehouse, factory, resident and pipe rack to the Industrial Estate, training center and business center. Cost of services represents cost incurred from providing of such services.

Revenue and cost from mini and micro pre-fabricated factory construction are recognized upon signing of contract and receiving of installments by the percentage of completion method.

The recognition of income from public utilities service is ceased when the customers cease their business operations and have payment difficulties.

C. Other incomes and expenses.

Other incomes, selling and administration expense, finance costs and other expenses are recognized on the accrual basis.

4.23 ACCOUNTS IN FOREIGN CURRENCY

A. The financial statements of our overseas subsidiary are translated into Baht for consolidation purposes using rates of exchange as follows:

A.1 Assets and liabilities are translated at the average selling and purchasing price of exchange rate at the end of the year.

A.2 Revenues and expenses are translated at the average selling and purchasing price of exchange rate at the end of each month.

A.3 Share capital is translated at the exchange rate on the transaction date.

Translation of financial statements differences of foreign financial statements is included under other comprehensive income.

B. Other foreign currency transactions occurring during the year are converted into Baht at the rates prevailing on the dates of the transactions. Assets and liabilities at the end of the year are converted into Baht at the rates of exchange on that date.

Gain and loss on exchange rate is included in the statements of income.

4.24 EARNINGS PER SHARE

Basic earnings per share is computed by dividing net profit attributable to ordinary shareholders for the year by the weighted average number of ordinary shares issued and paid up during the year.

5. Significant accounting judgments and estimates

The preparation of consolidated financial statements in conformity with Financial Reporting Standard 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognized in the financial statements is included in the following notes:

Note to financial statements no. 8	Allowance for doubtful accounts
Note to financial statements no. 9	Accrued cost of real estate developments
Note to financial statements no. 9 and 17	Net realizable value lower than cost
Note to financial statements no. 10.3 and 11.2	Acquisition
Note to financial statements no. 13, 14 and 15	Utilisation of investment properties; assets for rent; and property, plant and equipment
Note to financial statements no. 16	Utilisation of intangible assets
Note to financial statements no. 23	Measurement of employee benefit obligations
Note to financial statements no. 24, 32 and 33	Provisions and contingencies
Note to financial statements no. 30	Current and deferred taxation
Note to financial statements no. 35	Valuation of financial instruments

6. TRANSACTIONS WITH RELATED PARTIES

The Company has certain transactions with its related parties. Significant balances and inter-company transactions are eliminated from the consolidated financial statements. Such transactions, which have been concluded on the term and the basis agreed between the relevant parties. Certain loans between each party are related to the business jointly operated.

Enterprises that directly or indirectly through one or more intermediaries, control, or under common control with the Company by through same shareholders and unit holder and co-directors as at December 31, were as follows:

COMPANY NAME	TYPE OF BUSINESS	RELATIONSHIP	PERCENTAGE OF HOLDING	
			2013	2012
SUBSIDIARIES				
Eastern Industrial Estate Company Limited	Industrial Estate Development	Common shareholders and co-directors	99.99	99.99
Eastern Seaboard Industrial Estate (Rayong) Company Limited	Industrial Estate Development	„	60.00	60.00
Hemaraj Eastern Seaboard Industrial Estate Company Limited	Industrial Estate Development	„	99.99	99.99
Hemaraj Saraburi Industrial Land Company	Industrial Estate Development	„	99.99	99.99
Hemaraj Rayong Industrial Land Company	Industrial Estate Development	„	99.99	99.99

COMPANY NAME	TYPE OF BUSINESS	RELATIONSHIP	PERCENTAGE OF HOLDING	
			2013	2012
Eastern Pipeline Services Company Limited	Pipe Rack Rental	„	99.99	99.99
H-International (BVI) Company Limited	Holding Company	„	100.00	100.00
Hemaraj International Limited	Holding Company	„	100.00	100.00
H-Construction Management and Engineering Company Limited	Design and Construction Supervision Service	„	99.99	99.99
The Park Residence Company Limited	Real Estate Development and Service Management	„	99.99	99.99
Hemaraj Water Company Limited	Water Resources Development and Management	„	99.99	99.99
SME Factory Company Limited	Sell and Lease of Factory	„	99.99	99.99
H - Phoenix Property Company Limited	Condominium office for sales, rent and services	„	99.99	99.99
Hemaraj Clean Water Company Limited	Produce and distribute the industrial water	„	99.99	99.99
Hemaraj Energy Company Limited	Holding Company	„	99.99	99.99
Million Island Pattaya Company Limited	Real Estate Development	„	84.99	79.99
Rayong 2012 Company Limited	Real Estate Development	„	99.99	99.99
Eastern Seaboard Property and Marina Services Company Limited	Real Estate Development for investment and marina services	„	99.99	-
ASSOCIATES				
GHECO - One Company Limited	Electricity and Power Generation	Common shareholders and co-directors	35.00	35.00
Houay Ho Thai Company Limited	Holding Company	„	51.00	51.00
Houay Ho Power Company Limited	Electricity and Power Generation	„	12.75	12.75
Glow Hemaraj Wind Company Limited	Electricity and Power Generation	„	51.00	51.00
Cofely (Thailand) Company Limited	Facilities Management Service	„	-	39.99
Gulf JP NLL Company Limited	Electricity and Power Generation	„	25.01	-
Hemaraj Industrial Property and Leasehold fund	Property Fund	Common unit holder	23.12	-
RELATED COMPANIES				
Sriracha Harbor Public Company Limited	Port Service and Transportation	Common shareholder and co-directors	0.00001	0.0001
Eastern Fluid Transport Company Limited	Pipe Rack Maintenance	„	15.00	15.00
Steel Top Company Limited	Steel Manufacturer and Distributor	Relationship through director	-	-
Siam Food Products Public Company Limited	Processing Agriculture Producer	Co-investors	-	-
Glow Energy Public Company Limited	Energy	„	-	-
Glow IPP2 Holding Company Limited	Holding Company	„	-	-
Cofely South East Asia Pte Ltd.	Energy	„	-	-
Gulf JP Company Limited	Electricity and Power Generation	„	-	-

As at December 31, short - term loans to related parties, which were shown in the statements of financial position, were as follows:

ASSETS

	THOUSAND BAHT				INTERCOMPANY TERM
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		
	2013	2012	2013	2012	
DIVIDEND RECEIVABLES:					
Subsidiaries:					
Eastern Industrial Estate Company Limited	-	-	-	-	
Eastern Seaboard Industrial Estate (Rayong) Company Limited	-	-	-	-	
Hemaraj Eastern Seaboard Industrial Estate Company Limited	-	-	435,000	800,000	
Hemaraj Saraburi Industrial Land Company Limited	-	-	480,000	300,000	
Hemaraj Clean Water Company Limited	-	-	41,925	96,750	
Eastern Pipeline Services Company Limited	-	-	11,250	-	
SHORT - TERM LOANS TO RELATED PARTIES:					
Subsidiaries:					
Eastern Industrial Estate Company Limited	-	-	369,349	426,617	MLR - 0.50% p.a.
Eastern Seaboard Industrial Estate (Rayong) Company Limited	-	-	-	-	Advance
Hemaraj Eastern Seaboard Industrial Estate Company Limited	-	-	-	90,128	MLR - 0.50% p.a.
Hemaraj Saraburi Industrial Land Company Limited	-	-	1,872,000	1,325,000	Advance and MLR - 0.50% p.a.
The Park Residence Company Limited	-	-	3,203	2,063	MLR - 0.50% p.a.
SME Factory Company Limited	-	-	1,035,886	687,632	MLR - 0.50% p.a.
Hemaraj Clean Water Company Limited	-	-	376,711	211,872	MLR - 0.50% p.a.
H - Phoenix Property Company Limited	-	-	183,138	125,267	MLR - 0.50% p.a.
Rayong 2012 Company Limited	-	-	-	129,615	MLR - 0.50% p.a.
Million Island Pattaya Company Limited	-	-	4,016	-	MLR - 0.50% p.a.
Hemaraj Energy Company Limited	-	-	268,229	-	MLR - 0.50% p.a.
Eastern Seaboard Property and Marina Services Company Limited	-	-	7	-	Advance
Associates:					
GHECO - One Company Limited	1,559,496	1,459,193	1,559,496	1,459,193	MLR p.a.
Cofely (Thailand) Company Limited	-	4,425	-	4,425	MLR p.a.
Net	1,559,496	1,463,618	6,640,210	5,658,562	

Short - term loans to related parties and its movement the year ended December 31, 2013 were as follows:

	THOUSAND BAHT			
	AS OF 31ST DECEMBER, 2012	DURING THE YEAR		AS OF 31ST DECEMBER, 2013
		INCREASE	DECREASE	
CONSOLIDATED FINANCIAL STATEMENTS				
Dividend receivables:				
Associates		480	(480)	-
Short - term loans to related parties:				
Associates	1,463,618	100,600	(4,722)	1,559,496
Net	1,463,618	101,080	(5,202)	1,559,496

	THOUSAND BAHT			
	AS OF 31ST DECEMBER, 2012	DURING THE YEAR		AS OF 31ST DECEMBER, 2013
		INCREASE	DECREASE	
SEPARATE FINANCIAL STATEMENTS				
Dividend receivables:				
Subsidiaries	1,196,749	2,289,299	(2,517,874)	968,174
Associates	-	480	(480)	-
Short - term loans to related parties:				
Subsidiaries	2,998,195	2,708,238	(1,593,893)	4,112,540
Associates	1,463,618	100,600	(4,722)	1,559,496
Net	5,658,562	5,098,617	(4,116,969)	6,640,210

LIABILITIES

	THOUSAND BAHT				INTERCOMPANY TERM
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		
	2013	2012	2013	2012	
SHORT - TERM BORROWINGS FROM RELATED PARTIES:					
Subsidiary :					
Eastern Seaboard Industrial Estate (Rayong) Company Limited	-	-	132,652	5,197	Advance
Total	-	-	132,652	5,197	
LONG - TERM BORROWINGS FROM RELATED PARTY:					
Subsidiary:					
H-International (BVI) Company Limited (1)	-	-	1,035,968	998,918	No interest is charged
DEFERRED LEASEHOLD RIGHT INCOME:					
Subsidiary:					
Hemaraj Clean Water Company Limited (2)					
Deferred leasehold right income	-	-	62,100	62,100	Rate mutually agreed
Less Accumulated amortization	-	-	(13,672)	(11,188)	between both parties
Deferred leasehold right income, net	-	-	48,428	50,912	
RENTAL DEPOSIT AND GUARANTEE RECEIVED					
Associated:					
Hemaraj Industrial Property and Leasehold Fund	76,108	-	76,108	-	Rate mutually agreed
Total	76,108	-	76,108	-	between both parties
RENTAL INCOME RECEIVED IN ADVANCE:					
Associated: (Note 6.3 and 13)					
Hemaraj Industrial Property and Leasehold Fund					
Current portion	5,584	-	-	-	Rate mutually agreed
Non - current portion	161,840	-	-	-	between both parties
Total	167,424	-	-	-	

	THOUSAND BAHT				INTERCOMPANY TERM
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		
	2013	2012	2013	2012	
PROVISION FOR LIABILITIES ARISING FROM GUARANTEE OF RENTAL INCOME:					
Associated: (Note 24)					
Hemaraj Industrial Property and Leasehold Fund	294,496	-	31,267	-	Rate mutually agreed
Total	294,496	-	31,267	-	between both parties

- (1) The Company had borrowings in Thai Baht and US Dollar which do not have the maturity date and the interest charge.
- (2) The Company and its 3 subsidiaries have entered into 25-year leasehold right contracts, in the total amount of Baht 559 million, for production and distribution of industrial water with Hemaraj Clean Water Company Limited.

Balance of Liabilities with related parties and its movement for the year ended December 31, 2013 were as follows:

	THOUSAND BAHT			
	AS OF 31ST DECEMBER, 2012	DURING THE YEAR		AS OF 31ST DECEMBER, 2013
		INCREASE	DECREASE	
CONSOLIDATED FINANCIAL STATEMENTS				
Short - term borrowings from related parties:				
Related parties	-	240,000	(240,000)	-
SEPARATE FINANCIAL STATEMENTS				
Short - term borrowings from related parties:				
Subsidiary	5,197	145,248	(17,793)	132,652
Long - term borrowings from related party:				
Subsidiary	998,918	46,450	(9,400)	1,035,968

The significant transactions with related parties for the year ended December 31, were as follows:

	MILLION BAHT				INTERCOMPANY TERM
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		
	2013	2012	2013	2012	
Sales of real estate	3,220.00	-	469.00	-	Market price
Service income	0.77	1.03	16.33	15.39	Market price
Interest income	100.60	26.34	341.28	136.88	MLR – 0.5% pa. and MLR pa.
Commission and management income	-	-	453.00	290.82	5% - 10% of contract price and 5% of service income received
Cost of service	12.66	14.18	2.07	1.42	Market price
Remuneration of directors and management	232.30	208.42	138.88	130.72	Meeting fee and annual compensation of director and sub-committee
Deferred leasehold right income	-	-	2.48	2.48	Rate mutually agreed between both parties

- 6.2 The Company and its subsidiaries have the following sales and lease of land and building long-term agreements with Hemaraj Industrial Property and Leasehold funds (“the Fund”) in which it and its related party hold investment units: -

(Unit: Million Baht)

	CONTRACT AMOUNT
	AS OF 31ST DECEMBER 2013
a) Agreement to sales properties - Hemaraj Chonburi Industrial Estate	469.00
b) Agreement relating to the lease of land and building - Hemaraj Chonburi Industrial Estate	251.00
c) Agreement to sales properties – Eastern Seaboard Industrial Estate (Rayong)	1,991.00
d) Agreement relating to the lease of land and building - Eastern Seaboard Industrial Estate (Rayong)	702.00
e) Agreement to sale properties – Hemaraj Eastern Seaboard Industrial Estate	760.00
f) Agreement relating to the lease of land and building - Hemaraj Eastern Seaboard Industrial Estate	130.00
g) Agreement relating to the lease of land and building - Hemaraj Saraburi Industrial Zone	397.00

- 6.3 On December 24, 2013, the Company and its subsidiaries entered into an agreement to lease of land and building in Hemaraj Chonburi Industrial Estate, Eastern Seaboard Industrial Estate (Rayong), Hemaraj Eastern Seaboard Industrial Estate and Hemaraj Saraburi Industrial Zone to Hemaraj Industrial Property and Leasehold Fund, whereby the Company agreed to lease land, building and other related equipment to the Fund and in return received 30 years’ rental for the land totaling Baht 167.53 million. The Company recorded this rental fees as “Rental income received in advance” in the statements of financial position, and it will be recognised as income over the period of the lease contract.

7. CASH AND CASH EQUIVALENTS

For the purpose of preparation of the statements of cash flows in accordance with the relevant Accounting Standard, as of December 31, cash and cash equivalents consisted of:

	THOUSAND BAHT			
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Cash and deposits at financial institutions	3,928,734	1,134,050	1,028,693	263,879
Highly liquid short - term investments - Time deposits	851,705	560,102	19	560,018
Deposit at financial institutions with commitment	-	67	-	67
Total	4,780,439	1,694,219	1,028,712	823,964
<u>Less</u> Deposit at financial institutions with commitment	-	(67)	-	(67)
Cash and cash equivalents	4,780,439	1,694,152	1,028,712	823,897

8. TRADE RECEIVABLES, NET

As of December 31, trade receivables, net consisted of:

	THOUSAND BAHT			
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
RELATED PARTIES				
Service receivables				
Accrued service income – subsidiaries	-	-	374,757	194,729
Accrued service income - related party	7,405	7,407	-	-
Accrued service income	7,405	7,407	374,757	194,729
Less Allowance for doubtful accounts	(7,405)	(7,405)	-	-
Trade receivables - related parties, net	-	2	374,757	194,729
OTHER PARTIES				
Service receivables				
Accrued service income	166,256	162,831	12,924	25,906
Less Allowance for doubtful accounts	(14,153)	(21,667)	(4,886)	(17,425)
Trade receivables - other parties, net	152,103	141,164	8,038	8,481

As of December 31, trade receivables, net classified by aging were as follows:

	THOUSAND BAHT			
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
TRADE RECEIVABLES - RELATED PARTIES				
Less than 3 months	-	2	374,575	194,729
Over 3 months to 6 months	-	-	-	-
Over 6 months to 12 months	-	-	-	-
Over 12 months	7,405	7,405	-	-
Total	7,405	7,407	374,575	194,729
Less Allowance for doubtful accounts	(7,405)	(7,405)	-	-
Trade receivables - related parties, net	-	2	374,575	194,729
TRADE RECEIVABLES - OTHER PARTIES				
Less than 3 months	152,103	141,164	8,038	8,481
Over 3 months to 6 months	25	2,688	-	-
Over 6 months to 12 months	1,936	189	433	-
Over 12 months	12,192	18,790	4,453	17,425
Total	166,256	162,831	12,924	25,906
Less Allowance for doubtful accounts	(14,153)	(21,667)	(4,886)	(17,425)
Trade receivables - other parties, net	152,103	141,164	8,038	8,481

For the allowance for doubtful accounts of related party receivables in the amount of Baht 7.40 million which obtain facility services in the industrial estate, are provided and charged by the Company. With the economic crisis in 1997 in Thailand, these companies have encountered with operation problem and the Company provided the provision for doubtful debt in full amount as the Company's basis. Consequently, these companies entered into the Debt Restructure under CDRAC or Business Reorganization Plan under the Bankruptcy Court. The Company has not yet adjusted the provision for these receivables under the Business Reorganization Plan until obtaining the settlement as the Plan or debt restructure from each receivable.

Balance of Allowance for doubtful accounts and its movement during the year ended December 31, were as follows:

	THOUSAND BAHT			
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
RELATED PARTIES				
Beginning balance	7,405	7,405	-	-
Additional allowance during the year	-	-	-	-
Received during the year	-	-	-	-
Ending balance	7,405	7,405	-	-
OTHER PARTIES				
Beginning balance	21,667	18,487	17,425	17,167
Additional allowance during the year	7,928	3,344	959	355
Received during the year	(15,442)	(164)	(13,498)	(97)
Ending balance	14,153	21,667	4,886	17,425

9. COST OF REAL ESTATE DEVELOPMENTS, NET

As at December 31, cost of real estate developments, net consisted of:

	THOUSAND BAHT			
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Land cost under developments	14,474,168	11,657,238	5,058,426	2,459,423
Project development costs	21,021,827	18,464,645	4,836,335	4,740,592
Accrued cost of real estate developments	1,165,419	721,226	686	686
Capitalized finance costs	3,058,761	3,032,453	1,158,850	1,152,440
Additional utility costs	6,697	7,602	6,528	7,416
Leasehold land	18,181	20,129	18,181	20,129
Land deposit	402,791	33,845	7,174	-
Advance for constructions	2,311	115,926	154	1,642
Total	40,150,155	34,053,064	11,086,334	8,382,328
<u>Less</u> Accumulated costs transferred to cost of land sales	(24,192,125)	(20,759,665)	(6,231,351)	(5,795,911)
Accumulated costs transferred to assets for rent	(3,846,167)	(2,906,033)	(86,200)	(99,125)
Accumulated costs transferred for debt settlement	(784,958)	(784,958)	(784,958)	(784,958)
Impairment loss	(188,717)	(188,717)	(188,717)	(188,717)
Cost of real estate developments, net	11,138,188	9,413,691	3,795,108	1,513,617

	THOUSAND BAHT			
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Capitalized finance costs for the year ended December 31 included in cost of real estate developments	28,331	16,654	6,216	-

Information of cost of real estate developments of Hemaraj Land and Development Public Company Limited, Eastern Industrial Estate Company Limited, Eastern Seaboard Industrial Estate (Rayong) Company Limited, Hemaraj Eastern Seaboard Industrial Estate Company Limited, Hemaraj Saraburi Industrial Land Company Limited, Hemaraj Rayong Industrial Land Company Limited, Rayong 2012 Company Limited and SME Factory Company Limited is as follows:-

VALUATION STATED IN THE FINANCIAL STATEMENTS

As at December 31, 2013 and 2012, cost of real estate developments is stated at the lower of cost and net realisable value for the projects in the same area.

OBLIGATION OF ASSETS

As at December 31, 2013 and 2012, the portion of land in the projects of the Company and the subsidiaries has been mortgaged as collateral for borrowings from local financial institutions and other companies.

10. Investments in associates

10.1 Investments in associates

As at December 31, the Company has common shareholders and co-directors and investments in associates were as follows:

COMPANY	PAID-UP CAPITAL (MILLION BAHT)		PERCENTAGE OF SHARES HELD BY THE COMPANY (PERCENT)		INVESTMENTS				NET BOOKED VALUE IN THE PORTION OF INVESTMENTS		DIVIDEND FOR THE YEARS ENDED DECEMBER 31,	
	2013	2012	2013	2012	CONSOLIDATED FINANCIAL STATEMENTS (EQUITY)		SEPARATE FINANCIAL STATEMENTS (AT COST)		2013	2012	2013	2012
					2013	2012	2013	2012				
GHECO – One Company Limited (1) (**)	11,624.00	11,624.00	35.00	35.00	5,613.98	5,045.88 (Restated)	4,068.40	4,068.40	5,613.98	5,114.65	-	-
Houay Ho Thai Company Limited (2) (**)	527.69	527.69	51.00	51.00	185.46	205.08	267.22	267.22	282.56	282.77	-	-
Houay Ho Power Company Limited (2) (**)	50.00	50.00	12.75	12.75	68.88	75.35	-	-	(6.37)	19.52	30.95	-
Glow Hemaraj Wind Company Limited (3) (**)	2.50	2.50	51.00	51.00	0.77	0.88	-	-	0.77	0.88	-	-
Cofely (Thailand) Company Limited (4)(*)	-	50.00	-	39.99	-	26.29	-	20.00	-	26.29	0.48	0.23
Gulf JP NLL Company Limited (5) (**)	1,384.00	-	25.01	-	302.79	-	-	-	303.93	-	-	-
Hemaraj Industrial Property and Leasehold Fund (6)	4,700.00	-	23.12	-	639.77	-	1,086.84	-	1,086.84	-	-	-
Total investments in associates					6,811.65	5,353.48	5,422.46	4,355.62	7,281.71	5,444.11	31.43	0.23

(1) 35% directly held by the Company in GHECO – One Company Limited.

In the first quarter of 2012, the Company had paid the share capital increase to GHECO – One Company Limited, in the total amount of Baht 385 million.

(2) 51% directly held by the Company in Houay Ho Thai Company Limited that has held 25% in Houay Ho Power Company Limited, a company registered in Lao People's Democratic Republic (US. currency is used for business operation). The Company did not include the financial statements of Houay Ho Thai Company Limited in the consolidated financial statements since the Company is the strategic partner.

(3) 51% indirectly held by Hemaraj Energy Company Limited in Glow Hemaraj Wind Company Limited, which had the initial capital share in the amount of Baht 10 million and Hemaraj Energy Company Limited had paid the share capital of Baht 2.50 per share in the total amount of Baht 1.28 million.

(4) In 2013, the Company has sold investment in Cofely (Thailand) to Cofely South East Asia PTE Limited total amount of Baht 40.99 million.

(5) In 2013, 25% indirectly held by Hemaraj Energy Company Limited in Gulf JP NLL Company Limited, which had the initial capital share in the amount of Baht 1,384 million and Hemaraj Energy Company Limited had paid Baht 10 per share.

(6) On December 19, 2013, the Company invested in 108.68 million units of Hemaraj Industrial property and leasehold fund at par value of Baht 10 each, amounting to Baht 1,086.84 million, representing 23.12% of the registered units of the Fund.

Carrying amounts are based on equity method, and presented net of unrealized gain on sales of properties to the Fund, addition with unrealized expenses on providing guarantee of minimum rental income of the projects.

(*) Based on the information from the 2012 year-end financial statements which were audited by other auditors but the 2013 year-end financial statements were provided by the management and were not audited by an auditor.

(**) Based on the information from the 2013 year-end financial statements were audited by other auditors.

10.2 Changes in investments in associates

(Unit : Million Baht)

	CONSOLIDATED FINANCIAL STATEMENT		SEPARATE FINANCIAL STATEMENT	
	EQUITY METHOD		COST METHOD	
	2013	2012	2013	2012
		(Restated)		
INVESTMENTS IN ASSOCIATES				
Beginning of the year	5,353	4,327	4,356	3,971
Purchase	1,433	385	1,087	385
Sold	(27)	-	(20)	-
Share of profits	559	710	-	-
Dividend received	(31)	-	-	-
	7,287	5,422	5,423	4,356
Cumulative effect of change in accounting policies for income tax	-	(69)	-	-
Right from investment in associate	(28)	-	-	-
Unrealised gains on sales of properties	(447)	-	-	-
Ending of the year	6,812	5,353	5,423	4,356

10.3 Acquisition

On January 30, 2013, one subsidiary invested in Gulf JP NLL Company Limited ("GNLL") operating 126 megawatt SPP Project which will supply electricity to the Electricity Generating Authority of Thailand (EGAT) and industrial estates customers. The subsidiary has purchased 34.61 million ordinary shares amounting to Baht 193.58 million from Gulf JP holding 25.01% of registered capital. The aforesaid company, GNLL, entered into power purchase agreement ("PPA") with Electric Generating Authority of Thailand ("EGAT") for a period of 25 years commencing the project's commercial operation on May 1, 2013.

The investment acquisition of aforesaid company as at January 30, 2013 resulted in a right from investment in associate of Baht 28 million which is presented under intangible asset and will be amortized in 25 years. The details of the acquisitions were as follows:

(Unit : Thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS
Fair value of net assets as at purchase date	165,301
Cash paid for acquisition	193,577
Right from investment in associate	28,276

As at December 31, 2013 right from investment in associate consisted of:

(Unit : Thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS
Right from investment in associate	28,276
Less Accumulated amortization	(759)
Right from investment in associate, net	27,517

11. Investments in subsidiaries

11.1 Investment in subsidiaries

As at December 31, the Company has common shareholders and co-directors and investments in subsidiaries were as follows:

COMPANY	PAID-UP CAPITAL (MILLION BAHT)		PERCENTAGE OF SHARES HELD BY THE COMPANY (PERCENT)		INVESTMENTS				NET BOOKED VALUE IN THE PORTION OF INVESTMENTS		DIVIDEND FOR THE YEARS ENDED DECEMBER 31,	
					CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS (AT COST)					
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Eastern Industrial Estate Company Limited	400.00	400.00	99.99	99.99	-	-	400.00	400.00	568.54	557.28	70.00	-
Eastern Seaboard Industrial Estate (Rayong) Company Limited	358.00	358.00	60.00	60.00	-	-	214.80	214.80	1,344.14	578.01	360.00	90.00
Hemaraj Eastern Seaboard Industrial Estate Company Limited	1,000.00	1,000.00	99.99	99.99	-	-	1,080.96	1,080.96	2,675.74	1,673.27	1,095.00	1,350.00
Hemaraj Saraburi Industrial Land Company Limited	500.00	500.00	99.99	99.99	-	-	1,003.44	1,003.44	694.11	870.99	480.00	600.00
Hemaraj Rayong Industrial Land Company Limited (1)	1,000.00	1,000.00	99.99	99.99	-	-	-	-	1,124.59	1,124.86	-	-
Eastern Pipeline Services Company Limited (2)	100.00	100.00	99.99	99.99	-	-	56.34	56.34	92.56	91.73	45.00	54.00
H-International (BVI) Company Limited (3)	0.08	0.08	100.00	100.00	-	-	0.07	0.07	1,034.69	993.90	-	-
Hemaraj International Limited (4)	0.03	0.03	100.00	100.00	-	-	0.03	0.03	0.03	0.03	-	-
H-Construction Management and Engineering Company Limited	17.15	17.15	99.99	99.99	-	-	17.15	17.15	29.23	22.31	-	-
The Park Residence Company Limited	0.25	0.25	99.99	99.99	-	-	0.25	0.25	(2.62)	(0.97)	-	-
Hemaraj Water Company Limited (5)	100.00	100.00	99.99	99.99	-	-	-	-	180.33	213.21	-	-
SME Factory Company Limited	194.00	194.00	99.99	99.99	-	-	194.00	194.00	400.23	271.71	-	-
H – Phoenix Property Company Limited	480.00	480.00	99.99	99.99	-	-	480.00	480.00	517.93	536.77	20.00	-
Hemaraj Clean Water Company Limited	645.00	645.00	99.99	99.99	-	-	645.00	645.00	681.86	715.42	219.30	141.90
Hemaraj Energy Company Limited	25.00	25.00	99.99	99.99	-	-	-	-	79.97	24.60	-	-
Million Island Pattaya Company Limited (6)	1,750.00	1,750.00	84.99	79.99	-	-	1,487.49	1,080.20	1,486.38	1,079.90	-	-
Rayong 2012 Company Limited (7)	1,165.00	1,165.00	99.99	99.99	-	-	-	-	1,163.15	1,089.07	-	-
Eastern Seaboard Property and Marina Services	0.25	-	99.99	-	-	-	0.25	-	(0.81)	-	-	-
Total investments in subsidiaries	-	-	-	-	-	-	5,579.78	5,172.24	12,070.05	9,842.09	2,289.30	2,235.90

Million Baht

- (1) 99.99% indirectly held by Hemaraj Saraburi Industrial Land Company Limited.
- (2) 74.99% directly held by the Company and 25% indirectly held by Eastern Industrial Estate Company Limited.
- (3) H-International (BVI) Company Limited was registered in the British Virgin Islands (US. currency is used for business operation). No Thai income tax has been accrued for undistributed net income of the overseas subsidiary, since the net income are intend to be retained by the subsidiary for reinvestment purposes.
- (4) Hemaraj International Limited was registered in the Cayman Islands (US. currency is used for business operation). The Company obtained the information from the financial statements which were prepared by the subsidiary's management and were not audited by an auditor. Nevertheless, its total assets and net profit presented in the financial statements were immateriality to the consolidated financial statements.
- (5) 99.99% indirectly held by Hemaraj Clean Water Company Limited.
- (6) The Company set up a new subsidiary, Million Island Pattaya Company Limited, with an initial registered capital of Baht 1,750 million. The Company has held 148.75 million shares at 84.99% interest.
- (7) In quarter 4, 2012, Hemaraj Rayong Industrial Land Company Limited has paid for investment acquisition in Rayong 2012 Company Limited to previous shareholder in the amount of Baht 1,103.98 million (Note 11.2).

11.2 Acquisition

On December 26, 2012, Hemaraj Rayong Industrial Land Company Limited has paid for 99.99% investment acquisition in Rayong 2012 Company Limited to previous shareholder in the amount of Baht 1,103.98 million by lending from Hemaraj Saraburi Industrial Land Company Limited in the amount of Baht 700 million. As a result, the Company's consolidated financial statements have already included this subsidiary's statements of financial position as of December 31, 2012 and statements of comprehensive income for the period from December 26, 2012 to December 31, 2012.

On December 26, 2012, the investment acquisition in the amount of Baht 1,103.98 million in Rayong 2012 Company Limited resulted in a gain from a bargain purchase presenting a profit of Baht 56.35 million in the consolidated statement of income for the year ended December 31, 2012. The details of the acquisitions were as follows:

(Unit : Thousand Baht)

Net fair value of assets and liabilities

Assets		
Cash and cash equivalents	200	
Cost of real estate developments	1,267,000	1,267,200
Liabilities		
Borrowings from director		106,865
Net assets value		1,160,335
Cash paid for acquisition and fair value of equity as held before acquisition		
Cash paid for acquisition		1,103,983
Gain from bargain purchase		56,352

The subsidiary contributed net loss of Baht 0.11 million to the consolidated financial statement of the company for the period from December 26, 2012 to December 31, 2012. If the acquisition had occurred on February 29, 2012, net loss the period from February 29, 2012 (the incorporated date) to December 31, 2012 of the subsidiary would have been Baht 0.93 million.

12. Other long - term investments, net

As at December 31, other long-term investments, net consisted of:

THOUSAND BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
INVESTMENTS IN RELATED PARTIES				
Sriracha Harbor Public Company Limited	15,000	15,000	-	-
Eastern Fluid Transport Company Limited	1,500	1,500	-	-
Total	16,500	16,500	-	-
Less Provision for impairment loss on investments	(15,000)	(15,000)	-	-
Other long-term investments - related parties, net	1,500	1,500	-	-
OTHERS PARTIES				
Glow IPP Company Limited	142,500	142,500	142,500	142,500
Other company	1,000	1,000	-	-
Total	143,500	143,500	142,500	142,500
Less Provision for impairment loss on investment	(717)	(717)	-	-
Other long-term investments - other parties, net	142,783	142,783	142,500	142,500
Other long-term investments, net	144,283	144,283	142,500	142,500

13. Investment properties, NET

As at December 31, 2013 and 2012, investment properties, net consisted of:

(Unit : Thousand Baht)

	CHANGES IN COST			CHANGES IN ACCUMULATED DEPRECIATION			NET BOOK VALUE	
	BEGINNING	ADDITION	DISPOSAL/ TRANSFER	ENDING	BEGINNING	DEPRECIATION	DISPOSAL/ TRANSFER	ENDING
CONSOLIDATED FINANCIAL STATEMENTS								
Land (*)	2,454,558	346,512	(110,518)	2,690,552	-	-	-	2,690,552
Buildings (*)	3,205,685	1,094,990	(1,041,888)	3,258,787	670,201	186,254	(348,215)	2,750,547
Building improvements	14,596	26,382	(4,871)	36,107	11,026	3,589	(1,591)	23,083
Furniture and fixture	8,809	842	2,699	12,350	4,118	1,878	-	6,354
Construction in progress	1,217,710	458,926	(406,131)	1,270,505	-	-	-	1,270,505
Investment properties, net	6,901,358	1,927,652	(1,560,709)	7,268,301	685,345	191,721	(349,806)	6,741,041
SEPARATE FINANCIAL STATEMENTS								
Land (*)	31,665	-	(25,934)	5,731	-	-	-	5,731
Buildings (*)	115,351	-	(82,385)	32,966	14,972	5,593	(16,771)	29,172
Building improvements	69	59	(128)	-	25	7	(32)	-
Furniture and fixture	-	44	-	44	-	8	-	36
Investment properties, net	147,085	103	(108,447)	38,741	14,997	5,608	(16,803)	34,939

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Depreciations which included in statements of income for the years ended December 31:				
Cost of services	191,721	122,682	5,606	3,410
Furniture and fixture which has been fully depreciated but are still in used	9,997	8,051	-	-

Depreciations which included in statements of income for the years ended December 31:

Cost of services

Furniture and fixture which has been fully depreciated but are still in used

(*) Land and Buildings were transferred from real estate development cost.

As at December 31, 2013 and 2012, the partial investment properties of the Company and the subsidiaries have been mortgaged as collateral for borrowings from local financial institutions.

As at December 31, 2013 and 2012, the Company and subsidiaries had appraised the fair value of the investment properties which has value in the amount of Baht 12,704 million and Baht 9,818 million, respectively. (Separate financial statements: Baht 80 million and 216 million)

On December 24, 2013, the Company and its subsidiaries entered into agreements to purchase and to sell properties, whereby it agreed to sell properties in Hemaraj Chonburi Industrial Estate, Eastern Seaboard Industrial Estate (Rayong), Hemaraj Eastern Seaboard Industrial Estate and Hemaraj Saraburi Industrial Zone to Hemaraj Industrial Property and Leasehold Fund (“the Fund”), for total considerations of Baht 3,220 million. The Company and its subsidiaries registered the transfer of the ownership of the properties to the Fund on December 25, 2013.

In addition, the subsidiaries entered into lease agreements for the land and the buildings in Hemaraj Chonburi Industrial Estate, Eastern Seaboard Industrial Estate (Rayong), Hemaraj Eastern Seaboard Industrial Estate and Hemaraj Saraburi Industrial Zone to the Fund for the period 30 years, for total considerations of Baht 1,480 million. On December 25, 2013, the Company and its subsidiaries have transferred partial rights and duties according to leases agreement with customers to the Fund, except the public facilities in the industrial estate as stipulated by the regulation of Industrial Estate.

The Company and its subsidiaries had gains on the sale of properties and lease of the leasehold rights to the buildings of the such Industrial Estates net of related selling expenses totaling Baht 2,527 million (Separate financial statement: Baht 297 million). The Company recognized this transaction in profit or loss for the current year.

Furthermore, the Company and its subsidiaries entered into agreements to guarantee the minimum rental income that the Fund will receive from the Company and its subsidiaries over the period of 3 years totaling Baht 369 million.

The Company and its subsidiaries have estimated provision for loss from the minimum rental income guarantee at the present value of the cash flows which they expect to pay to the Fund, a total of Baht 294 million (Separate financial statement: Baht 31 million) and recorded it as an expense in profit or loss for the current year.

As discussed in Note 10, the Company has acquired 23.12% of the registered investment units of Hemaraj Industrial Property and Leasehold Fund. The Company treated Baht 447 million of its gains on sales of properties and long-term leases to the Fund as unrealised gains and minimum rental income guarantee expenses as unrealized expenses, in proportion to its investment in the Fund. This was presented as a deduction item in the investments in associate in the consolidated statements of financial position.

14. ASSETS FOR RENT, NET

As at December 31, 2013 and 2012, assets for rent, net consisted of:

(Unit : Thousand Baht)

	CHANGES IN COST			CHANGES IN ACCUMULATED DEPRECIATION			NET BOOK VALUE	
	BEGINNING	ADDITION	DISPOSAL/ TRANSFER	ENDING	BEGINNING	DEPRECIATION	DISPOSAL/ TRANSFER	ENDING
CONSOLIDATED FINANCIAL STATEMENTS								
Pipe rack	300,243	-	16,179	316,422	170,654	13,942	-	184,596
Construction in progress	14,805	1,374	(16,179)	-	-	-	-	-
Assets for rent, net	315,048	1,374	-	316,422	170,654	13,942	-	144,394
								131,826

**CONSOLIDATED
FINANCIAL STATEMENTS**

	2013	2012
	13,942	20,025

Depreciations which included in statements of income for the years ended December 31:
Cost of services

15. PROPERTY, PLANT AND EQUIPMENT, NET

As at December 31, 2013 and 2012, property, plant and equipment, net consisted of:

(Unit : Thousand Baht)

	CHANGES IN COST			CHANGES IN ACCUMULATED DEPRECIATION			NET BOOK VALUE			
	BEGINNING	ADDITION	DISPOSAL/ TRANSFER	ENDING	BEGINNING	DEPRECIATION	DISPOSAL/ TRANSFER	ENDING	BEGINNING	ENDING
CONSOLIDATED FINANCIAL STATEMENTS										
Land	2,198	-	-	2,198	-	-	-	-	2,198	2,198
Land improvements	-	3,246	3,738	6,984	-	364	-	364	-	6,620
Buildings and structure	436,386	4,630	21,036	462,052	135,677	23,578	-	159,255	300,709	302,797
Building improvements	391,396	3,375	283	395,054	381,273	4,064	-	385,337	10,123	9,717
Furniture, fixture and equipment	537,433	22,401	38,547	598,381	445,692	31,530	-	477,222	91,741	121,159
Vehicles	131,974	12,073	(2,105)	141,942	91,688	15,622	(2,369)	104,941	40,286	37,001
Raw water pipe	536,276	23,187	205,321	764,784	68,710	41,934	-	110,644	467,566	654,140
Reservoir	30,941	-	-	30,941	16,616	935	-	17,551	14,325	13,390
Potable water production system	206,256	(916)	93,396	298,736	32,396	14,061	-	46,457	173,860	252,279
Construction in progress	194,655	274,830	(365,028)	104,457	-	-	-	-	194,655	104,457
Total	2,467,515	342,826	(4,812)	2,805,529	1,172,052	132,088	(2,369)	1,301,771	1,295,463	1,503,758
Less Reserve for impairment loss of assets (*)									(10,166)	(10,166)
Property, plant and equipment, net									1,285,297	1,493,592

Property, plant and equipment, net (continued)

(Unit: Thousand Baht)

	CHANGES IN COST			CHANGES IN ACCUMULATED DEPRECIATION			NET BOOK VALUE			
	BEGINNING	ADDITION	DISPOSAL/ TRANSFER	ENDING	BEGINNING	DEPRECIATION	DISPOSAL/ TRANSFER	ENDING	BEGINNING	ENDING
Separate financial statements										
Buildings and structure	104,495	-	-	104,495	35,146	2,133	-	37,279	69,349	67,216
Building improvements	3,482	559	-	4,041	3,453	93	-	3,546	29	495
Furniture, fixture and equipment	100,294	4,601	700	105,595	82,224	6,642	-	88,866	18,070	16,729
Vehicles	59,348	5,813	(134)	65,027	34,809	7,779	(401)	42,187	24,539	22,840
Raw water pipe	7,883	375	-	8,258	4,667	379	-	5,046	3,216	3,212
Reservoir	2,937	-	-	2,937	74	147	-	221	2,863	2,716
Construction in progress	3,734	8,999	(967)	11,766	-	-	-	-	3,734	11,766
Total	282,173	20,347	(401)	302,119	160,373	17,173	(401)	177,145	121,800	124,974
Less Reserve for impairment loss of assets (*)									(724)	(724)
Property, plant and equipment, net									121,076	124,250

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Depreciations which included in statements of income for the years ended December 31:				
Cost of services	104,471	75,306	1,082	1,985
Selling and administrative expenses	27,616	26,330	16,091	15,774
Total Depreciation for the years	132,087	101,636	17,173	17,759
Cost of the property, plant and equipment which have been fully depreciated but are still in use	885,343	818,391	103,272	89,170

Depreciations which included in statements of income for the years ended December 31:

Cost of services	104,471	75,306
Selling and administrative expenses	27,616	26,330
Total Depreciation for the years	132,087	101,636

Cost of the property, plant and equipment which have been fully depreciated but are still in use

(*) Reserve for impairment loss of assets is provided for the ceased construction in progress.

As at December 31, 2013 and 2012, the land with building and structure of the Company and the subsidiaries has been mortgaged as collateral for borrowings from local financial institutions.

16. SINKING FUND, NET

As disclosed in the Note 32 to the financial statements, the Company and its subsidiaries had entered into the joint operating agreements with the Industrial Estate Authority of Thailand ("IEAT"). The Company and its subsidiaries are committed to be a provider and to set up a fund ("Sinking Fund") for major maintenance and replacement of utilities systems and facilities for the customers in the industrial estate. The Company and its subsidiaries had made the payment by cash and by transferring of partial piece of land for the Sinking Fund, and in addition, the Company and its subsidiaries had transferred the withdrawal rights over the Sinking fund to IEAT per the terms and conditions of such agreements. The Company and its subsidiaries have recorded the cash paid and land transferred to IEAT for the fund under Sinking Fund accounts. The amortization period of 20 years is applied on the useful future economic life of Sinking Fund under the joint contract agreements with IEAT.

As at December 31, sinking fund, net consisted of:

	THOUSAND BAHT			
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Sinking Fund	217,441	201,233	52,405	52,405
<u>Less</u> Accumulated amortization	(122,036)	(115,515)	(37,309)	(35,782)
Sinking fund, net	95,405	85,718	15,096	16,623

17. LEASEHOLD LAND AND LAND HELD FOR COMMERCIAL PURPOSES, NET

As at December 31, leasehold land and land held for commercial purposes, net consisted of:

	THOUSAND BAHT			
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Land bank	10,201	10,201	10,201	10,201
Land cost of projects suspended from developments	659,833	659,833	659,833	659,833
Suspended development project costs	94,799	94,799	94,799	94,799
Capitalized finance costs	153,678	153,678	153,678	153,678
Leasehold land	47,579	51,289	47,579	51,289
Total	966,090	969,800	966,090	969,800
<u>Less</u> Accumulated cost of sales	(841,514)	(841,514)	(841,514)	(841,514)
Accumulated costs transferred for debt settlement	(4,293)	(4,293)	(4,293)	(4,293)
Impairment loss	(74,379)	(74,379)	(74,379)	(74,379)
Leasehold land and land held for commercial purposes, net	45,904	49,614	45,904	49,614

Information of leasehold land and land held for commercial purpose is as follows:-

VALUATION STATED IN THE FINANCIAL STATEMENTS

In 2011, the leasehold land and land held for commercial purposes have been appraised by an independent appraisal company which caused diminution from assets appraisal in 2008. The Company recorded such decline as "Impairment loss of leasehold land and land held for commercial purposes" amounting to Baht 17.40 million in statements of income for the year ended December 31, 2011.

OBLIGATION OF ASSETS

As at December 31, 2013 and 2012, portion of land in the projects of the Company and the subsidiaries has been mortgaged as collateral for borrowings from local financial institutions.

18. SHORT-TERM LOAN FROM FINANCIAL INSTITUTIONS

As at December 31, 2013, the Company and its subsidiaries have short-term loans from local financial institutions in the amount of Baht 400 million and Baht 209.68 million, respectively. The short-term loans have repayment when call and interest rate is charged at 3% - 5% per annum.

As at December 31, 2013 and 2012, the Company and its subsidiaries have overdraft credit limit from local financial institutions in the amount of Baht 160 million. The interest rate is charged at MOR and MOR+0.50% per annum. Such overdraft is guaranteed by the mortgage on partial land and structure in the projects of real estate development of the Company and its subsidiaries.

19. CASH RECEIVED and INCOME RECEIVED IN ADVANCE

As of December 31, cash received and income received in advance consisted of:

THOUSAND BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Installments received from customers	1,211,773	1,374,420	47,176	43,138
Deposit for real estate	-	-	-	-
Income received in advance – service and rental	123,157	104,318	420	350
Total cash received and income received in advance	1,334,930	1,478,738	47,596	43,488

20. Debentures

As of December 31, the Company had issued unsubordinated and unsecured debentures with principal amount of Baht 1,000 by private placement, institution investors and high net worth individual as follows:-

NO.	DATE	MATURITY DATE	INTEREST RATE (P.A.)	THOUSAND BAHT	
				2013	2012
1/2010	March 5, 2010	March 5, 2013	4.50%	-	450,000
2/2010	April 8, 2010	April 8, 2013	4.50%	-	562,000
	April 8, 2010	April 8, 2014	4.90%	400,000	400,000
3/2010	May 25, 2010	May 25, 2013	4.50 %	-	150,000
	May 25, 2010	May 25, 2015	Year 1-3 : 4.90%, Year 4 : 5.80% and Year 5 : 6.50%	1,500,000	1,500,000
4/2010	July 21, 2010	July 21, 2017	Year 1-3 : 4.90%, Year 4-6 : 6.00% and Year 7 : 6.50%	2,300,000	2,300,000

NO.	DATE	MATURITY DATE	INTEREST RATE (P.A.)	THOUSAND BAHT	
				2013	2012
5/2010	October 5, 2010	October 5, 2019	Year 1-3 : 4.90%, Year 4-6 : 6.00%, Year 7 : 6.50% and Year 8-9 : 6.75%	638,000	638,000
1/2011	October 4, 2011	October 4, 2016	Year 1-3 : 5.15%, Year 4 : 5.50% and Year 5 : 5.60%	1,500,000	1,500,000
1/2012	July 12, 2012	July 12, 2021	5.65%	2,000,000	2,000,000
1/2013	January 25, 2013	January 25, 2023	5.50%	2,500,000	-
Total				10,838,000	9,500,000
Less Current portion of debenture				(400,000)	(1,162,000)
Debenture, net				10,438,000	8,338,000

THE ANNUAL GENERAL MEETING OF SHAREHOLDERS RESOLUTION ABOUT DEBENTURES

The Extraordinary General Meeting of Shareholders of Hemaraj Land and Development Public Company Limited no 1/2007 on September 11, 2007 had resolved to issue and sale of debentures with the primary details as follows was approved:

- Type : Secured or unsecured debentures with/without trustee.
- Denomination : Thai Baht and/or any other currencies.
- Total value : Up to Baht 6,000,000,000 or in other currency equivalent to it.
- Term : Up to 10 years from the date of issue.
- Offering : Public offering and/or private placement and/or offering to institutional investors in one or several tranches from time to time pursuant to the relevant notifications of the Securities and Exchange Commission.
- Early redemption : The early redemption of debentures is an option for both the debenture holders and the Company (as the issuer). This is subject to the terms and conditions of each offering.

The Annual General Meeting of Shareholders of Hemaraj Land and Development Public Company Limited no. 1/2011 on April 29, 2011 had resolved to issue and sale of debentures with the primary details as follows was approved:

- Type : Secured or unsecured debentures with/without trustee.
- Denomination : Thai Baht and/or any other currencies.
- Total value : Up to Baht 6,000,000,000 or in other currency equivalent to it.
- Term : Up to 15 years from the date of issue.
- Offering : Public offering and/or private placement and/or offering to institutional investors in one or several tranches from time to time pursuant to the relevant notifications of the Securities and Exchange Commission.
- Early redemption : The early redemption of debentures is an option for both the debenture holders and the Company (as the issuer). This is subject to the terms and conditions of each offering.

Other details and conditions relating to the issue and offer of debentures of the two meeting of shareholders' resolutions as mentioned above, such as type, number of debentures to be offered in each tranche, term, offering method, face value, purpose and use of process, offering price, interest rate, and interest payment shall be determined at the discretion of the Board of Directors

21. LONG-TERM BORROWINGS FROM RELATED PARTY

As at December 31, 2013, the Company had borrowings from H-International (BVI) Company Limited, an oversea subsidiary, amounting to USD 21.36 million and Baht 322.07 Million (2012 : USD 21.66 million and Baht 332.18 million) which do not have the maturity date and the interest charge.

22. LONG-TERM BORROWINGS

As at December 31, long-term borrowings consisted of:

	CREDIT LINE (MILLION BAHT)		CREDIT PERIOD	BORROWING CONDITION		INTEREST PAYMENT		BALANCES (MILLION BAHT)	
	A.1	A.2		PRINCIPAL REPAYMENT	TERM	INTEREST RATE PER ANNUM (%)	2013	2012	
Hemaraj Land and Development Public Company Limited									
A. Borrowing from local commercial bank consisted of:									
A.1	450		June 2008 – December 2015	28 quarterly installments, commencing from the 9th month after the first drawdown. Installment 1-12 : Bath 12.50 million each; Installment 13-20 : Bath 15.00 million each; Installment 21-27 : Bath 22.50 million each; and Installment 28 : repaid all remaining balance	End of month	Year 1-2: MLR-1.50, Year 3-4: MLR-1.125, Year 5: MLR-1.00	180.00	240.00	
A.2	500		December 2008 -December 2013	16 quarterly installments, commencing from March 2010. Installment 1-8 : Bath 12.50 million each; Installment 9-12 : Bath 37.50 million each; and Installment 13-16 : Bath 62.50 million each.	End of month	MLR+0.50	-	1.00	
A.3	1,000		April 2011 - April 2016	Six-month installments, commencing from the 13rd month after the first drawdown. Installment 1 : Bath 208.00 million each; Installment 2-7 : Bath 122.00 million each; Installment 8 : Bath 30.00 million each; and Installment 9 : repaid all remaining balance Or repayment when mortgage of land is released.	End of month	MLR	3.24	3.24	

Long-term borrowings (continued)

	BORROWING CONDITION				BALANCES (MILLION BAHT)		
	CREDIT LINE (MILLION BAHT)	CREDIT PERIOD	PRINCIPAL REPAYMENT	INTEREST PAYMENT TERM	INTEREST RATE PER ANNUM (%)	2013	2012
A.4	800	December 2010- March 2017	Quarterly installments, commencing from the year 2012. Year 2012 : Installment Bath 38.50 million each; Year 2013-2015 : Installment Bath 43.25 million each; Year 2016 : Installment Bath 31.75 million each; and Year 2017 : repaid all remaining balance Or repayment when mortgage of land is released.	End of month	MLR – 1.50	-	60.00
A.5	500	November 2012- May 2016	8 Quarterly installments, commencing from the 13rd month after each drawdown. Installment is not less than 12.50% of each drawdown.	End of month	MLR – 2.125	475.00	200.00
A.6	900	Jul 2013- Jul 2021	12 months of grace period, quarterly installments, commencing from the date of drawdown in each tranche. Installment 1-4 : Bath 100.60 million each; Installment 5-12 : Bath 238.00 million each; Installment 13-16 : Bath 123.80 million each; Installment 17-20 : Bath 141.00 million each; Installment 21-24 : Bath 150.00 million each; Installment 25-28 : Bath 146.60 million each; Total repayment within the 36th month from the date of first drawdown	End of month	MLR – 2.00	300.00	-
A.7	1,100	November 2013- November 2016		End of month	MLR – 2.00	1,100.00	-
Total	5,250 (*)					2,058.24	504.24

(*) Current portion of long term borrowings in the separate financial statements for the years then ended December 31, 2013 and 2012 is Baht 317.29 million and Baht 124.24 million, respectively.

Long-term borrowings (continued)

	BORROWING CONDITION				BALANCES		
	CREDIT LINE (MILLION BAHT)	CREDIT PERIOD	PRINCIPAL REPAYMENT	TERM	INTEREST PAYMENT		
					INTEREST RATE PER ANNUM (%)		
					2013	2012	
EASTERN SEABOARD INDUSTRIAL ESTATE (RAYONG) COMPANY LIMITED							
A. Borrowing from local commercial banks consisted of:							
A.1	175	September 2008 – September 2015	25 quarterly installments, Baht 7.0 million each, commencing from the 13th month after the first drawdown and the remaining will be repaid in the last period. Or repayment when mortgage of land and construction is released.	End of month	MLR-1.50	-	82.00
A.2	300	March 2011 – March 2016	Quarterly installments, Baht 20.0 million each, commencing from the 25th month after the first drawdown. Or repayment when mortgage of land and construction is released.	End of month	MLR-1.25	-	225.00
A.3	176	December 2012 - December 2019	Quarterly installments, Baht 7.5 million each, commencing from the 13th month after the first drawdown. Or repayment when mortgage of land and construction is released.	End of month	MLR-1.75	92.50	100.00
A.4	430	December 2012 - December 2016	Quarterly installments, Baht 7.5 million each, commencing from the 13th month after the first drawdown. Or repayment when mortgage of land and construction is released.	End of month	MLR-1.75	-	100.00
B. Borrowings from other persons consisted of:							
B.1	50	June 2011 - June 2013	Repayment as at the ending period of lending.	End of month	3.75	50.00	50.00
Total	1,131					142.50	557.00
MILLION ISLAND PATTAYA COMPANY LIMITED							
A. Borrowing from local commercial banks consisted of:							
A.1	320	November 2012- November 2015	8 Quarterly installments, commencing from November 2013. Installment is not less than 12.50% of each drawdown.	End of month	MLR – 2.125	280.00	180.00
Total	320					280.00	180.00
Grand total	6,701					2,480.74	1,241.24
Less						(499.79)	(379.74)
Long-term borrowings, net						1,980.95	861.50

Such long-term borrowings are guaranteed by the mortgage of most of land in the real estate development projects and investment properties of the Company and its subsidiaries.

23. Employee Benefit Obligation

The movements in the present value of the employee benefit obligation for years ended December 31, 2013 and 2012 were as follows:

	THOUSAND BAHT	
	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
Employee benefit obligation as at January 1, 2012	57,973	27,535
Paid during the period	-	-
Current service costs and interest costs	7,090	2,714
Actuarial loss (gain)	-	-
Employee benefit obligation as at December 31, 2012	65,063	30,249
Employee benefit obligation as at January 1, 2013	65,063	30,249
Paid during the period	(1,491)	(1,491)
Current service costs and interest costs	7,131	2,636
Actuarial loss (gain)	-	-
Employee benefit obligation as at December 31, 2013	70,703	31,394

Expenses to be recognized in income statement for the year ended December 31, were as follows:

	THOUSAND BAHT			
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Current service costs	4,755	5,109	1,704	1,817
Interest costs	2,376	1,981	932	897
Actuarial loss (gain)	-	-	-	-
Total	7,131	7,090	2,636	2,714

Principal actuarial assumptions in calculation of Employee benefit obligations for years ended December 31, 2013 and 2012 were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
Discount rate (%)	3.56 - 4.28	3.56
Incremental salary rate (%)	4.00 - 4.80	4.00 - 4.80
Early retired rate (%)	3.00 - 13.00 (*)	3.00 - 7.00 (*)
Mortality rate (%)	TMO 2008 (**)	TMO 2008 (**)

(*) Based on the weighted average by age group of employee.

(**) Reference from TMO 2008: Thai Mortality Ordinary Tables 2008

24. PROVISION FOR LIABILITIES ARISING FROM GUARANTEE RENTAL INCOME

As discussed in Note 13, the Company and its subsidiaries entered into agreements to guarantee the minimum rental income that the Fund will receive from the Company and its subsidiaries over the period of 3 years.

The Company and its subsidiaries have estimated provision for loss from the minimum rental income guarantee at the present value of the cash flows which it expects to pay to the Fund, were as follows:

	(Unit: Thousand Baht)	
	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
As at January 1, 2013	-	-
Increase during the year	294,496	31,267
Utilised	-	-
As at December 2013	294,496	31,267

25. STATUTORY RESERVE AND DIVIDEND

STATUTORY RESERVE OF THE COMPANY

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

As at December 31, 2013 and 2012, the Company had allocated profit amount of Baht 56.77 million and Baht 105.94 million, respectively as a statutory reserve.

STATUTORY RESERVE OF THE SUBSIDIARIES

Under the Civil and Commercial Code, the subsidiaries are required to set aside as a statutory reserve at least 5% of its profit every dividend declaration until the reserve reaches 10% of the registered share capital. The statutory reserve is not available for dividend distributions.

As at December 31, 2013 and 2012, the subsidiaries had allocated profit amount of Baht 24.30 million and Baht 71.08 million as a statutory reserve, respectively.

DIVIDEND

DIVIDEND	APPROVED BY	DIVIDEND PAID (MILLION BAHT)	DIVIDEND PER SHARE	PAYMENT DATE
YEAR 2013				
Interim dividend for year 2013	The Board of Directors' Meeting held on October 1, 2013	582.31	0.06	October 30, 2013
Dividend from the profit of year 2012	The Board of Directors' Meeting held on February 28, 2013 and the 2013 Annual General Meeting of Shareholders on April 30, 2013	679.30	0.07	May 17, 2013
Total dividend paid during year 2013		1,261.61	0.13	

DIVIDEND	APPROVED BY	DIVIDEND PAID (MILLION BAHT)	DIVIDEND PER SHARE	PAYMENT DATE
YEAR 2012				
Interim dividend for year 2012	The Board of Directors' Meeting held on August 10, 2012	388.20	0.04	September 7, 2012
Dividend from the profit of year 2011	The Board of Directors' Meeting held on February 28, 2012 and the 2012 Annual General Meeting of Shareholders on April 30, 2012	291.08	0.03	May 18, 2012
Total dividend paid during year 2012		679.28	0.07	

26. DIRECTORS' REMUNERATION

For the years ended December 31, directors' remuneration consisting of meeting fee and annual compensation of director and sub-committee were as follows:

	MILLION BAHT	
	2013	2012
Hemaraj Land and Development Public Company Limited	20.20	17.71
Eastern Seaboard Industrial Estate (Rayong) Company Limited	12.39	8.54
Total	32.59	26.25

27. PROVIDENT FUND

The Company and its 8 subsidiaries which are Eastern Industrial Estate Company Limited, Eastern Seaboard Industrial Estate (Rayong) Company Limited, Eastern Pipeline Services Company Limited, H - Construction Management and Engineering Company Limited, H - Phoenix Property Company Limited, Hemaraj Clean Water Company Limited, Hemaraj Saraburi Industrial Land Company Limited and Hemaraj Rayong Industrial Land Company Limited, jointly established the provident fund under the Provident Fund Act B.E. 2530, named "Tisco Secured Fixed Income Fund", to provide membership for their employees; resulting in off-balance in the statement of financial position. According to regulations of the fund, member and the Company contributes 4% - 10% of employees' monthly salaries, depending on the working period. Members are entitled to their whole contributions plus net benefit thereon, and the Company's contributions plus benefits thereon at the rates, depending on their working period. The provident fund is managed by Tisco Asset Management Company Limited. During 2013 and 2012, the Company and the above subsidiaries had contributed to provident fund in the total amount of Baht 13.18 million and Baht 11.81 million (Separate financial statements: Baht 4.99 million and Baht 4.68 million), respectively.

28. EXPENSE BY NATURE

The major expenses by nature for the year ended December 31, were as follows:

	MILLION BAHT			
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Changes in cost of real estate developments	(1,720.78)	(1,531.40)	(2,277.78)	139.12
Investment in cost of real estate developments	6,093.56	4,892.98	2,709.48	121.80
Capitalized finance costs	28.33	16.65	6.22	-
Investment in cost of real estate developments transferred to investment property	(940.13)	(1,070.12)	12.92	(84.93)
Employee related expenses	184.39	174.69	51.80	53.41
Depreciation and amortization	344.39	256.39	24.31	28.36
Transfer fee and specific business tax	294.24	192.66	42.92	12.52
Consulting fee	49.82	26.07	35.86	24.99
Remuneration of directors and management	232.30	208.42	138.88	130.72

29. BUSINESS SEGMENT INFORMATION

As of December 31, business segment information in the consolidated statements of financial position classified by domestic and overseas business was as follows:

	2013						2012				MILLION BAHT
	DOMESTIC			OVERSEAS			DOMESTIC		OVERSEAS		
	REAL ESTATE	POWER	OTHERS	HOLDING COMPANY	TOTAL	REAL ESTATE	POWER	OTHERS	HOLDING COMPANY	TOTAL	
Cost of real estate developments, net	11,138.19	-	-	-	11,138.19	9,413.69	-	-	-	9,413.69	
Investment in associates	-	6,811.65	-	-	6,811.65	26.29	5,327.19	-	-	5,353.48	
Leasehold land and land held for commercial purposes, net	45.90	-	-	-	45.90	49.62	-	-	-	49.62	
Investment property, net	6,741.04	-	-	-	6,741.04	6,216.01	-	-	-	6,216.01	
Assets for rent, net	-	-	131.83	-	131.83	-	-	144.39	-	144.39	
Property, plant and equipment, net	871.46	-	622.13	-	1,493.59	763.78	-	521.52	-	1,285.30	
Other assets	6,337.03	518.39	210.39	6.40	7,072.21	3,406.05	167.22	318.48	2.79	3,894.54	
Total Assets	25,133.62	7,330.04	964.35	6.40	33,434.41	19,875.44	5,494.41	984.39	2.79	26,357.03	

Business segment information (continued)

The operation information of the consolidated statements of income, for year ended December 31, classified by domestic and overseas business were as follows:

MILLION BAHT

	2013					2012				
	DOMESTIC			OVERSEAS		DOMESTIC			OVERSEAS	
	REAL ESTATE	POWER	OTHERS	HOLDING COMPANY	TOTAL	REAL ESTATE	POWER	OTHERS	HOLDING COMPANY	TOTAL
Sales of real estate	6,190.46	-	-	-	6,190.46	4,229.37	-	-	-	4,229.37
Service income	1,698.07	-	881.07	-	2,579.14	1,344.45	-	825.53	-	2,169.98
Total Sales and Services income	7,888.53	-	881.07	-	8,769.60	5,573.82	-	825.53	-	6,399.35
Profit (loss) from operations	2,257.06	(2.04)	660.57	(6.34)	2,909.25	1,511.19	(0.09)	629.84	(6.50)	2,134.44
Other income	2,758.83	0.04	1.38	-	2,760.25	141.17	0.15	1.31	-	142.63
Gain from bargain purchase	-	-	-	-	-	56.35	-	-	-	56.35
Gain on sales of investment in associate	13.98	-	-	-	13.98	-	-	-	-	-
Finance costs	(652.01)	-	(0.03)	-	(652.04)	(474.42)	-	(0.10)	-	(474.52)
Share of profit (loss) from investments in associates	1.20	557.77	-	-	558.97	0.89	690.06	-	-	690.95
Income tax expenses	(471.98)	-	(32.33)	-	(504.31)	(146.69)	-	(32.63)	-	(179.32)
Profit (loss) for the years	3,907.08	555.77	629.59	(6.34)	5,086.10	1,088.49	690.12	598.42	(6.50)	2,370.53
Profit attributable to non-controlling interests					(747.62)					(85.37)
Profit (loss) attributable to owners of the parent					4,338.48					2,285.16

30. INCOME TAX EXPENSES

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

(Unit: Thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
		(Restated)		(Restated)
CURRENT INCOME TAX:				
Interim corporate income tax charge	310,927	190,362	1,973	-
DEFERRED TAX:				
Relating to origination and reversal of temporary differences	193,381	(11,038)	67,418	(22,283)
INCOME TAX EXPENSES (REVENUE) REPORTED IN THE STATEMENTS OF INCOME	504,308	179,324	69,391	(22,283)

Deferred tax assets and deferred tax liabilities are summarized as follows:

(Unit: Thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS			SEPARATE FINANCIAL STATEMENTS		
	AS AT 31 DECEMBER 2013	AS AT 31 DECEMBER 2012	AS AT 1 JANUARY 2012	AS AT 31 DECEMBER 2013	AS AT 31 DECEMBER 2012	AS AT 1 JANUARY 2012
		(Restated)	(Restated)		(Restated)	(Restated)
STATEMENT OF FINANCIAL POSITION DEFERRED TAX ASSET						
Provision for doubtful debt	2,832	5,286	7,449	977	3,485	5,704
Impairment of asset	2,033	1,888	1,888	145	-	-
Impairment of investment	143	143	143	-	-	-
Timing differences of accounting and taxable income recognition	35,387	22,053	28,594	4,021	2,944	93
Reserve for maintenance	4,985	4,162	3,157	287	138	31
Employee benefits obligation	13,465	12,412	11,102	6,279	6,050	5,507
Provision for guarantee rental income	33,090	-	-	6,253	-	-
Tax loss carried forward not over than 5 years	461	72,357	50,577	-	72,171	50,577
	92,396	118,301	102,910	17,962	84,788	61,912
DEFERRED TAX LIABILITIES						
Timing differences of accounting and taxable income recognition - Leases	163,136	-	-	-	-	-
Timing differences of depreciation of buildings	13,033	8,693	4,341	1,776	1,184	591
Unrealised gains for investments in available-for-sale securities	53	70	55	53	70	55
	176,222	8,763	4,396	1,829	1,254	646

31. PLEDGED ASSETS

As of December 31, 2013, pledged assets were as follows:

HEMARAJ LAND AND DEVELOPMENT PUBLIC COMPANY LIMITED

- 1) 406.84 million Ordinary shares of GHECO - One Company Limited have been pledged with the lender secured for borrowings obtained by that company.
- 2) 14.25 million Ordinary shares of Glow IPP Company Limited have been pledged with the lender secured for borrowings obtained by that company.
- 3) The partial land and attachments have been mortgaged as collateral for borrowings from local commercial banks and financial institution.
- 4) The Company had mortgaged their condominium office units as collateral for the Company's borrowings from a local commercial bank.

EASTERN INDUSTRIAL ESTATE COMPANY LIMITED

The Company's partial land has been mortgaged as collateral for long-term borrowings from a local commercial bank.

EASTERN SEABOARD INDUSTRIAL ESTATE (RAYONG) COMPANY LIMITED

The Company's partial land and pre-fabricated factories has been mortgaged as collateral for overdrafts and borrowings from one commercial bank.

HEMARAJ EASTERN SEABOARD INDUSTRIAL ESTATE COMPANY LIMITED

The Company's partial land and pre-fabricated factories has been mortgaged as collateral for the Company and Parent Company's long-term borrowings from local commercial bank.

H - PHOENIX PROPERTY COMPANY LIMITED

The Company had mortgaged their condominium office units as collateral for the Parent company's borrowings from a local commercial bank.

HEMARAJ SARABURI INDUSTRIAL LAND COMPANY LIMITED

The Company's partial land as collateral for the Parent company's borrowings from a local commercial bank.

HEMARAJ RAYONG INDUSTRIAL LAND COMPANY LIMITED

The Company's partial land as collateral for the Parent company's borrowings from a local commercial bank.

HEMARAJ ENERGY COMPANY LIMITED

26.31 million Ordinary shares of Gulf JP Company Limited have been pledged with the lender secured for borrowings obtained by that company.

32. COMMITMENTS UNDER AGREEMENTS

As of December 31, 2013, commitments under agreements were as follows:

The Company and its subsidiaries have participated in the establishment industrial estate with the Industrial Estate Authority of Thailand (IEAT) as the joint operation agreements as follows:

- 1) Hemaraj Chonburi Industrial Estate in Phase 1 and Phase 2 according to the joint operation agreements dated July 5 and December 29, 1989 respectively. On October 31, 2001, the Company entered into the amendment to such joint operation agreements with IEAT. On March 29, 2005, the Company combined such agreement into one joint operation agreement.

- 2) Hemaraj Eastern Industrial Estate (Map Ta Phut) according to the joint operation agreement dated December 27, 1989. On October 31, 2001, the subsidiary entered into the amendment to such joint operation agreements with IEAT. On March 29, 2005, the Subsidiary combined such agreement into one joint operation agreement.
- 3) Eastern Seaboard Industrial Estate (Rayong) according to the joint operation agreement No. 1/2539 and 1/2540.
- 4) Hemraj Eastern Seaboard Industrial Estate according to the joint operation agreement No. 1/2542 (TS 21).

The major conditions are summarized as follows:

- 1) The Company shall provide utilities systems and facilities to the entrepreneurs in the industrial estate with payment of expenses on its participation in the procedures to the IEAT.
- 2) The Company shall not transfer assets, component part and equipment as well as utilities systems and facilities to the IEAT.
- 3) The Company shall provide a fund for the maintenance and construction of utilities systems and facilities in the industrial estate (Sinking Fund).

HEMARAJ LAND AND DEVELOPMENT PUBLIC COMPANY LIMITED

- 1) The Company acquired 5% investment in the amount of Baht 142.5 million in Glow IPP Company Limited and has to maintain the 5% investment ratio to comply with the conditions with Electricity Generating Authority of Thailand.
- 2) The Company has commitment under construction contracts to construct pre-fabricated factories and utilities system, with the remaining commitment balance amounting to Baht 0.96 million.
- 3) The Company acquired 35% investment in the amount of Baht 4,068.40 million in GHECO-One Company Limited. The Company has commitment to pay for capital increase and grant loan to that company in proportion to the shareholders' participation. GHECO-One Company Limited entered into a power sale and purchase agreement (PPA) with EGAT on September 10, 2008 where GHECO-One shall supply all its electricity production to EGAT for 25 years from the Commercial Operation Date (COD) under the IPP Program. In addition, GHECO-One Company Limited had pledged the bid bond of USD 10 million to guarantee the bidding with Electricity Generating Authority of Thailand and guarantee by the Company in the portion of investment. GHECO-One has started commercial operation on 26 July 2012.

The total project cost of GHECO-One Company Limited is estimated at USD 1,170 million or Baht 38,991 million which require investment from shareholders in the amount of approximately Baht 13,500 million. The Company has commitment to invest in proportion to the shareholders' participation 35% being Baht 4,750 million. GHECO-One Company Limited is funded by local and international financial institutions of approximately of USD 460 million and Baht 9,960 million with the condition that the Company shall provide deposit or bank letter of credit to guarantee the joint venture agreement of the Company for the unpaid capital and the Company shall pledge the ordinary shares of GHECO-One Company Limited with the lender secured for this project borrowings.

EASTERN INDUSTRIAL ESTATE COMPANY LIMITED

The Company has commitment under construction and infrastructure contracts utilities system, with the remaining commitment balance amounting to Baht 0.80 million.

EASTERN SEABOARD INDUSTRIAL ESTATE (RAYONG) COMPANY LIMITED

- 1) The Company has obligations, under a joint-investment agreement with Hemaraj Land and Development Public Company Limited and another company, that the company has to pay commission on sales of land and management fee to Hemaraj Land and Development Public Company Limited based on revenues from sales of land, public utility service providing and lease of factories.

- 2) The Company has commitment under construction contracts to construct pre-fabricated factories, with the remaining commitment balance amounting to Baht 301.53 million.

HEMARAJ EASTERN SEABOARD INDUSTRIAL ESTATE COMPANY LIMITED

- 1) The Company has commitment from entering a purchase of land in amount of Baht 1,016.95 million. The Company has already paid Baht 305.08 million.
- 2) The Company has commitment under construction contracts to construct pre-fabricated factories and utilities system, with the remaining commitment balance amounting to Baht 59 million.

SME FACTORY COMPANY LIMITED

- 1) The Company has commitment from entering a purchase of land in amount of Baht 155.4 million. The Company has already paid Baht 96 million.
- 2) The Company has commitment under construction contracts to construct pre-fabricated factories and utilities system, with the remaining commitment balance amounting to Baht 46.23 million.

HEMARAJ SARABURI INDUSTRIAL LAND COMPANY LIMITED

- 1) The Company has commitment from entering a purchase of land in amount of Baht 202.96 million. The Company has already paid Baht 4.95 million.
- 2) The Company has commitment under construction contracts to construct utilities system, with the remaining commitment balance amounting to Baht 11.33 million.

HEMARAJ RAYONG INDUSTRIAL LAND COMPANY LIMITED

The Company has commitment under construction contracts to construct utilities system, with the remaining commitment balance amounting to Baht 53 million.

HEMARAJ CLEAN WATER COMPANY LIMITED

The Company has commitment under construction contracts in utilities system, with the remaining commitment balance amounting to Baht 28.73 million.

33. COMMITMENTS AND CONTINGENT LIABILITIES

As of December 31, 2013, commitments and contingent liabilities consisted of:

- 1) The Company and its subsidiaries have entered into land sale and purchase contracts, which the contract term requires the Company and its subsidiaries to contingently liable to repay deposits and installments in the event that buyers are unable to obtain satisfactory approvals from the Board of Investment and/or the IEAT to set up their operations.
- 2) The Company and its subsidiaries have obligation regarding guarantee of the borrowings agreement of the Company and its subsidiaries in the total credit line of Baht 4,768 million. (Separate financial statements : Baht 770 million)
- 3) The Company and its subsidiaries have obligations regarding guarantee of the hire purchase agreements of its related companies in the total credit line of Baht 11.85 million. (Separate financial statements : Baht 5.36 million)
- 4) The Company and its subsidiaries have obligations regarding guarantee and under condition of the letters of guarantee issued by the banks for their performance under the joint operation agreements with the Industrial Estate Authority of Thailand, their compliance with the agreement made with the Customs House in the free tax area, the construction of utilities under land sale contract, the construction of utility and power substation, and their performance under the raw water purchase agreement and others in the total amount of Baht 672.74 million. (Separate financial statements: Baht 170.61 million).

- 5) The Company has obligations regarding under condition of the letter of guarantee issues by the Company for the payment of the minimum income from annual minimum operating revenues of the subsidiaries to Hemaraj Industrial Property and Leasehold Fund.
- 6) The Company and its subsidiaries have contingent liabilities from entered into agreements to manage properties with the Fund, whereby it agreed to repay the excess operating expenses over 4 percent of annual total operating revenue of the Fund for the period 3 years from the register date of the Fund.
- 7) The Company has obligations regarding guarantee under condition of the letters of guarantee issued by the banks for a related company in the total amount not exceeding of Baht 17.67 million.

34. PROMOTIONAL PRIVILEGES

The Company and its 7 subsidiaries have been granted promotional certificates under the Investment Promotion Act, B.E. 2520 as follows:

	DATE OBTAINED FOR PROMOTIONAL PRIVILEGE	AREA/UNITS OBTAINED FOR PROMOTIONAL PRIVILEGE	MAJOR PRIVILEGES	
			EXEMPTION FROM CORPORATE INCOME TAX (***)	REDUCTION OF 50% OF CORPORATE INCOME TAX (****)

HEMARAJ LAND AND DEVELOPMENT PUBLIC COMPANY LIMITED

A. Industrial Estate Business				
A.1	December 29, 1988	1,500 Rai	7 years (*)	5 years (*)
A.2	February 15, 1990	2,000 Rai	7 years (*)	None (*)
A.3	July 25, 2001	1,282 Rai	7 years (**)	None (*)
B. Industrial Factory Development Business				
B.1	June 21, 2000	11 Units	7 years (*)	None (*)
B.2	June 18, 2012	2 Units	7 years (*)	None
B.3	July 5, 2012	9 Units	7 years (*)	None
B.4	August 1, 2012	8 Units	7 years (*)	None
B.5	February 14, 2013	1 Units	7 years (*)	None

EASTERN INDUSTRIAL ESTATE COMPANY LIMITED

A. Industrial Estate Business				
A.1	May 8, 1989	626 Rai	5 years (*)	5 years (*)
	September 23, 1992	1,850 Rai (Extension)	8 years (*)	5 years (*)
A.2	November 27, 2002	1,240 Rai	8 years (*)	5 years
A.3	March 17, 2009	576 Rai	8 years	5 years

EASTERN SEABOARD INDUSTRIAL ESTATE (RAYONG) COMPANY LIMITED

A. Industrial Estate Business				
A.1	June 21, 1995	2,063 Rai	8 years (*)	5 years (*)
	August 9, 1996	1,532 Rai (Extension)	8 years (*)	5 years (*)
A.2	October 27, 1997	2,466 Rai	8 years (*)	5 years
	July 31, 2000	325 Rai (Extension)	8 years (*)	5 years
A.3	July 25, 2001	716 Rai	7 years	None
A.4	December 8, 2004	1,020 Rai	8 years	5 years
A.5	October 17, 2007	520 Rai	8 years	5 years

	DATE OBTAINED FOR PROMOTIONAL PRIVILEGE	AREA/UNITS OBTAINED FOR PROMOTIONAL PRIVILEGE	MAJOR PRIVILEGES	
			EXEMPTION FROM CORPORATE INCOME TAX (***)	REDUCTION OF 50% OF CORPORATE INCOME TAX (****)
B.	Industrial Factory Development Business			
B.1	January 19, 2000	22 Units	8 years (*)	5 years
B.2	June 21, 2000	13 Units	8 years (*)	5 years
B.3	November 29, 2000	12 Units	8 years (*)	5 years
B.4	January 16, 2002	51 Units	8 years (*)	5 years
B.5	March 27, 2002	22 Units	8 years (*)	5 years
B.6	September 7, 2006	6 Units	8 years	5 years
B.7	March 23, 2007	7 Units	8 years	5 years
B.8	July 14, 2011	1 Unit	8 years	5 years
B.9	November 10, 2011	12 Units	8 years	5 years
B.10	August 22, 2012	23 Units	8 years	5 years
B.11	November 5, 2012	3 Units	8 years	5 years
B.12	March 1, 2013	7 Units	8 years	5 years
B.13	March 1, 2013	8 Units	8 years	5 years
B.14	March 1, 2013	9 Units	8 years	5 years

HEMARAJ EASTERN SEABOARD INDUSTRIAL ESTATE COMPANY LIMITED

A.	Industrial Estate Business			
A.1	May 22, 1997	1,407 Rai	8 years	5 years
A.2	May 22, 1997	1,375 Rai	8 years	5 years
A.3	May 22, 1997	1,485 Rai	8 years	5 years
A.4	September 26, 1996	1,653 Rai	8 years	5 years
A.5	January 23, 2008	1,500 Rai	8 years	5 years
B.	Industrial Factory Development Business			
B.1	August 14, 2007	13 Units	8 years	5 years
B.2	December 29, 2008	1 Unit	8 years	5 years
B.3	December 30, 2009	1 Unit	8 years	5 years
B.4	December 30, 2009	1 Unit	8 years	5 years
B.5	December 30, 2009	1 Unit	8 years	5 years
B.6	January 4, 2010	1 Unit	8 years	5 years
B.7	July 12, 2011	1 Unit	8 years	5 years
B.8	August 18, 2011	2 Units	8 years	5 years
B.9	August 2, 2011	3 Units	8 years	5 years
B.10	November 10, 2011	3 Units	8 years	5 years
B.11	November 30, 2011	3 Units	8 years	5 years
B.12	December 16, 2011	1 Unit	7 years	None
B.13	April 19, 2012	1 Unit	8 years	5 years
B.14	May 28, 2012	1 Unit	8 years	5 years
B.15	August 1, 2012	2 Unit	8 years	5 years
B.16	August 17, 2012	1 Unit	8 years	5 years
B.17	August 29, 2012	1 Unit	8 years	5 years
B.18	August 29, 2012	1 Unit	8 years	5 years
B.19	September 4, 2012	1 Unit	8 years	5 years
B.20	November 1, 2012	1 Unit	8 years	5 years
B.21	November 1, 2012	2 Unit	8 years	5 years

	DATE OBTAINED FOR PROMOTIONAL PRIVILEGE	AREA/UNITS OBTAINED FOR PROMOTIONAL PRIVILEGE	MAJOR PRIVILEGES	
			EXEMPTION FROM CORPORATE INCOME TAX (***)	REDUCTION OF 50% OF CORPORATE INCOME TAX (****)
B.22	November 1, 2012	2 Unit	8 years	5 years
B.23	December 17, 2012	7 Unit	7 years	None
B.24	December 20, 2012	4 Unit	7 years	None
B.25	January 28, 2013	1 Unit	8 years	5 years
B.26	January 28, 2013	5 Unit	8 years	5 years
B.27	May 29, 2013	2 Unit	7 years	None
B.28	November 26, 2013	2 Unit	7 years	None

HEMARAJ SARABURI INDUSTRIAL LAND COMPANY LIMITED

A. Industrial Zone				
A.1	November 21, 1991	1,450 Rai	7 years (*)	None (*)
A.2	August 25, 1994	1,200 Rai	7 years (*)	None (*)
A.3	April 27, 2005	890 Rai	7 years	None
B. Industrial Factory Development Business				
B.1	June 29, 2012	1 Unit	7 years	None
B.2	July 5, 2012	8 Unit	7 years	None
B.3	July 5, 2012	2 Unit	7 years	None
B.4	August 10, 2012	2 Unit	7 years	None
B.5	August 22, 2012	5 Unit	7 years	None
B.6	April 5, 2013	2 Unit	7 years	None
B.7	April 5, 2013	6 Unit	7 years	None
B.8	December 16, 2013	12 Unit	7 years	None

HEMARAJ RAYONG INDUSTRIAL LAND COMPANY LIMITED

A. Industrial Zone				
A.1	January 26, 1996	1,600 Rai	8 years (*)	5 years (*)
A.2	August 16, 2000	520 Rai	8 years (*)	5 years
A.3	March 14, 2001	1,343 Rai	8 years	5 years

HEMARAJ WATER COMPANY LIMITED

A. Utility and Other Services Business				
A.1	October 25, 2005	15.55 million cubic meters	8 years	5 years

SME FACTORY COMPANY LIMITED

A. Industrial Land Development Business				
A.1	November 9, 2011	276 rais	8 years	None
B. Industrial Factory Development Business				
B.1	May 21, 2007	2 Units	7 years	None
B.2	July 26, 2011	1 Units	8 years	5 years
B.3	August 10, 2012	12 Units	7 years	5 years

* Major Privilege was expired.

** Major Privilege still not started because the Company has not earned the revenues yet.

*** Starting from the first revenue recognised date.

**** Starting from the exemption from corporate income tax is expired.

For the years ended December 31, domestic revenues were classified into the promoted and the non-promoted businesses as follows:

THOUSAND BAHT						
	BOI		NON-BOI		TOTAL	
	2013	2012	2013	2012	2013	2012
CONSOLIDATED FINANCIAL STATEMENTS						
Sales of real estate	5,233,208.74	2,680,542.82	957,251.12	1,548,822.94	6,190,459.86	4,229,365.76
Service income	1,182,840.41	880,105.93	1,396,302.41	1,289,879.98	2,579,142.82	2,169,985.91
Total	6,416,049.15	3,560,648.75	2,353,553.53	2,838,702.92	8,769,602.68	6,399,351.67
SEPARATE FINANCIAL STATEMENTS						
Sales of real estate	-	-	631,800.30	297,324.90	631,800.30	297,324.90
Service income	9,282.63	2,347.27	151,219.56	133,138.19	160,502.19	135,485.46
Total	9,282.63	2,347.27	783,019.86	430,463.09	792,302.49	432,810.36

35. FINANCIAL INSTRUMENTS

RISK MANAGEMENT POLICY

Exposure to interest rate and currency risk arises in normal course of the Hemaraj Group's business. These are subject to the risk of market rates changing subsequent to the transaction date.

The Hemaraj Group's policy on interest rate risk and currency risk hedging is as follows:

- A. Maintaining proportions of domestic and foreign borrowings;
- B. Borrowing at fixed and floating interest rates;
- C. Pledging assets as collateral against borrowings.

The Hemaraj Group has no policy to speculate on or engage in the trading of any off-balance derivative financial statements.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Except as disclosed in Note 3 to the financial statements, fair value of significant financial instruments consists of:

- A. Fair value of cash and cash equivalents, deposits for investment, account receivables, bank overdrafts and borrowings from financial institutions, account payables and accrued expenses are approximately equal to the carrying amount because of short maturity of these instruments.
- B. Fair value of short-term investments in available-for-sale securities is equal to the market value.
- C. Fair value of short-term loans and advances to related parties, loans to related parties, other borrowings, short-term borrowings and advances from related parties, amount due to and borrowings from related parties could not be determined since the repayment period is not specified.

36. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of Directors on February 28, 2014.

TRANSACTIONS WITH RELATED PARTIES

THE NECESSITY AND REASONABLENESS OF RELATED TRANSACTIONS DURING THE YEAR

The related transactions among the company and its subsidiaries, affiliated companies, related companies and/or the third party generally are from normal course of businesses which the price of the transaction will be considered based on the reasonable and fair market prevailing rate and the company's rules and regulations. The transactions will be considered and approved by the Board of Directors, Executive Committee or top management as the case may be, including to be reviewed by the Audit Committee in compliance with the rules stated by the Stock Exchange of Thailand (SET), Securities and Exchange Commission (SEC), as well as Thai Accounting Standards in relation to information disclosure and practices of listed companies in connected transactions, announced by the Federation of Accounting Profession.

RELATED TRANSACTIONS IN THE YEAR 2013 BETWEEN THE COMPANY, SUBSIDIARIES AND ASSOCIATED COMPANIES, RELATED COMPANIES, ARE AS FOLLOWS :

NAMES OF COMPANY WITH RELATED TRANSACTIONS	DESCRIPTION OF RELATIONSHIP	SERVICE INCOME	INTEREST INCOME	COST OF SERVICE	DESCRIPTION	NECESSITY / OPINION OF AUDIT COMMITTEE
ASSOCIATED COMPANIES: 1.1 Cofely (Thailand) Company Limited* Facilities Management Services such as Airconditioning System, Cooling System.	<ul style="list-style-type: none"> - The Company holds 39.99% - There are 3 Company's Executive Directors to be the Directors and the Executive Directors in this Associated Company and one Management Member is a Director in this Associated Company. This is according to the Company's policy for joint venture investment. 	772	279	2,071	<ul style="list-style-type: none"> - The Company provides Utilities Services to the Associated Company: - In 2009, the Company as a Shareholder provided Baht 5.6 million of Loan to the Associated Company for the working capital according to the shareholding portion with an interest at MLR of a commercial bank and monthly interest payment - The Company obtains Preventive Maintenance and repairing services for RBF Factories and Industrial Estates from the Associated Company. 	<ul style="list-style-type: none"> - Utilities Rate is at the Market Rate. - Loan from the Company is proportionate to shareholding portion.
* In 2013, the company has sold investment in Cofely (Thailand) 40% to Cofely South East Asia PTE Limited and Cofely (Thailand) has repaid all loans in the same day.						

NAMES OF COMPANY WITH RELATED TRANSACTIONS	DESCRIPTION OF RELATIONSHIP	SERVICE INCOME	INTEREST INCOME	COST OF SERVICE	DESCRIPTION	NECESSITY / OPINION OF AUDIT COMMITTEE
1.2 Gheco-One Company Limited Electricity and Power Generation	<ul style="list-style-type: none"> - The Company holds 35.00% - There are 3 Company's Executive Directors to be the Directors and the Executive Directors in this Associated Company and one Management Member is a Director in this Associated Company. This is according to the Company's policy for joint venture investment. 	-	100,303	-	<p>Company provides Subordinated Loan as a proportion to its shareholding in accordance with the terms and conditions of shareholder's agreement due to the delay of commercial operation to be in August 2012 with an interest at MLR%.</p>	<p>Loan from the Company is proportionate to shareholding portion and necessity of this project. It was proposed and approved by Board of Directors.</p>

POLICY AND APPROVAL PROCEDURES OF RELATED TRANSACTIONS IN THE FUTURE

Future related transactions will be conducted as part of normal course of businesses of which the price will be considered based on the reasonable and fair market prevailing rate and the company's rules and regulations. The transactions will be considered and approved by the Management in each level, Executive Committee, Board of Director, or Shareholder's Meeting, whichever the case maybe according to the Company's rules and regulations. Directors or staff with an interest in such transaction shall not be allowed to participate in the approval process. In addition, the transaction will be reviewed by certified external auditor, 3rd party internal auditor, and the Audit Committee of the company. The company shall disclose the transaction details in compliance with related law and the regulation of the Stock Exchange of Thailand (SET), Securities and Exchange Commission (SEC), and Thai Accounting Standards in relation to information disclosure and practices of listed companies in connected transactions, announced by the Federation of Accounting Profession.

HOLDING STRUCTURE & REVENUE OF THE COMPANY SUBSIDIARIES AND ASSOCIATED COMPANIES

NAME	ADDRESS	NATURE OF BUSINESS	PAID CAPITAL (MIL.BAHT)	% OF INVESTMENT	2013	%	2012		REVENUE (MIL. BAHT)	
							2012	%	2011	%
Hemaraj Land And Development Public Company Limited Registration No. Bormorjor 0107536000676 Share Capital 15,000,000 shares Issued 9,705,186,191 shares	18th Floor, UM Tower, 9 Ramkhamhaeng Rd., Suanluang, Bangkok 10250, Thailand Tel.(662) 719-9555 Fax (662) 719-9546-7 www.hemaraj.com E-mail: invest@hemaraj.com	Industrial Estates, Utilities and Property Developer	3,882		1,222.08	10%	573.17	8%	809.40	19%
SUBSIDIARY COMPANIES										
Hemaraj International Limited (1)	Scotia Centre, 4th Floor P.O.Box 2804, George Town, Grand Cayman, Cayman Islands	Holding Company	0.03	100	-		-	0%	0.00	0%
H-International (BV) Company Limited (2)	Romasco Place, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola British Virgin Islands.	Holding Company	0.08	100	-		-	0%	-	0%
Eastern Industrial Estate Company Limited	18th Floor, UM Tower, 9 Ramkhamhaeng Road, Suanluang, Bangkok 10250, Thailand	Industrial Estate Developer	400	99.99	445.32	3%	378.77	5%	337.42	8%
Eastern Pipeline Services Company Limited (3)	18th Floor, UM Tower, 9 Ramkhamhaeng Road, Suanluang, Bangkok 10250, Thailand	Pipe Rack Rental	100	99.99	127.28	1%	118.05	2%	108.85	3%
Eastern Seaboard Industrial Estate (Rayong) Company Limited	18th Floor, UM Tower, 9 Ramkhamhaeng Road, Suanluang, Bangkok 10250, Thailand	Industrial Estate Developer	358	60	3,209.13	27%	666.97	9%	444.34	11%
H-Construction Management and Engineering Company Limited	18th Floor, UM Tower, 9 Ramkhamhaeng Road, Suanluang, Bangkok 10250, Thailand	Design and Construction and Supervision Service	17.15	99.99	15.23	1%	19.28	1%	25.16	1%

NAME	ADDRESS	NATURE OF BUSINESS	PAID CAPITAL (MIL.BAHT)	% OF INVESTMENT	2013	%	2012	%	REVENUE (MIL. BAHT)	
									2011	%
The Park Residence Company Limited	18th Floor, UM Tower, 9 Ramkhamhaeng Road, Suanluang, Bangkok 10250, Thailand	Real Estate Development and Service Management	0.25	99.99	-		-	0%	0.09	0%
Hemraj Eastern Seaboard Industrial Estate Company Limited	18th Floor, UM Tower, 9 Ramkhamhaeng Road, Suanluang, Bangkok 10250, Thailand	Industrial Estate Developer	1,000	99.99	4,444.68	36%	1,681.72	23%	1,124.52	27%
Hemraj Water Company Limited (4)	18th Floor, UM Tower, 9 Ramkhamhaeng Road, Suanluang, Bangkok 10250, Thailand	Water Resource Development and Management	100	99.99	412.47	3%	397.40	5%	247.93	6%
SME Factory Company Limited	18th Floor, UM Tower, 9 Ramkhamhaeng Road, Suanluang, Bangkok 10250, Thailand	Factory for Sale and Rental	194	99.99	250.11	2%	212.57	3%	17.98	0%
H-Phoenix Property Company Limited	18th Floor, UM Tower, 9 Ramkhamhaeng Road, Suanluang, Bangkok 10250, Thailand	Office for Sale and Rental	480	99.99	77.24	1%	96.57	1%	99.81	2%
Hemraj Clean Water Company Limited	18th Floor, UM Tower, 9 Ramkhamhaeng Road, Suanluang, Bangkok 10250, Thailand	Produce and distribute the industrial water	645	99.99	327.48	3%	292.12	4%	236.09	6%
Hemraj Saraburi Industrial Land Limited	111 Moo 7, Nong Pla Mao Sub-District Nong Khae District, Saraburi 18140, Thailand	Industrial Estate Developer	500	99.99	432.36	3%	1,403.49	19%	351.90	8%
Hemraj Rayong Industrial Land Limited (5)	18th Floor, UM Tower, 9 Ramkhamhaeng Road, Suanluang, Bangkok 10250, Thailand	Industrial Estate Developer	1,000	99.99	560.05	5%	758.07	10%	501.51	12%
Hemraj Energy Company Limited	18th Floor, UM Tower, 9 Ramkhamhaeng Road, Suanluang, Bangkok 10250, Thailand	Holding Company	25	99.99	0.04		0.16	0%	0.13	0%

NAME	ADDRESS	NATURE OF BUSINESS	PAID CAPITAL (MIL.BAHT)	% OF INVESTMENT	2013	%	2012	%	REVENUE (MIL. BAHT)	
									2011	%
Million Island Pattaya Company Limited	18th Floor, UM Tower, 9 Ramkhamhaeng Road, Suanluang, Bangkok 10250, Thailand	Industrial Estate Developer	1,750	84.99	0.32	-	-	0%		
Rayong 2012 Company Limited (6)	18th Floor, UM Tower, 9 Ramkhamhaeng Road, Suanluang, Bangkok 10250, Thailand	Industrial Estate Developer	1,165	99.99	0.05	-	-	0%		
Eastern Seaboard Property and Marina Services Company Limited	18th Floor, UM Tower, 9 Ramkhamhaeng Road, Suanluang, Bangkok 10250, Thailand	Industrial Estate Development for investment and marina services	0.25	99.99	-	-	-	0%		
ASSOCIATED COMPANIES										
Cofely (Thailand) Company Limited (7)	107/1 Moo 4, Eastern Seaboard Industrial Estate (Rayong), Pluakdeang, Rayong, Thailand	Facilities Management - Services	-	-	1.20	0.89	0.48	0%	0%	0%
GHECO-One Company Limited	195 Empire Tower, 38th Floor Park Wing, South Sathorn Road Bangkok 10120, Thailand	Electricity and Power Generation	11,624	35	568.10	662.93	(102.79)	9%	9%	-2%
Houay Ho Thai Company Limited	10 / 190-193, Trendy Tower, 26th Floor, Soi Sukhumvit 13, Sukhumvit Road, Kwaeng Klungtoeynua, Khet Wattana, Bankok	Holding Company	527.69	51	4.85	46.89	(29.99)	1%	1%	-1%
Glow Hemaraj Wind Company Limited	195 Empire Tower, 38th Floor, Park Wing, South Sathorn Road Bangkok 10120, Thailand	Electricity and Power Generation	2.50	51	(0.11)	(0.06)	(0.34)	0%	0%	0%
Gulf JP NLL Company Limited	87 M Thai Tower, 11st Floor, All Seasons Place, Wireless Road Phatumwan, Bangkok 10330, Thailand	Electricity and Power Generation	1,384	25.01	(15.07)	-	-	-1%		
Hemaraj Industrial Property and Leashold Fund	199 Column Tower, 21st-23rd Floor, Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand	Property Fund	4,700	23.12	-	-	-			

NAME	ADDRESS	NATURE OF BUSINESS	PAID CAPITAL (MIL.BAHT)	% OF INVESTMENT	2013	%	REVENUE (MIL. BAHT)			
							2012	2011	%	%
RELATED COMPANIES										
Eastern Fluid Transport Company Limited	618 Nimom Makkasan Road Makkasan, Ratchthewi Bangkok 10400, Thailand	Management and Maintenance of Pipe Rack	10	15						
Houay Ho Power Company Limited (8)	P.O.Box 5464, Nong Bone Road Bane Fai, Xaysetta District, Vientiane Lao People's Democratic Republic	Electricity and Power Generation	50 (Million USD)	12.75						
Glow IPP Company Limited	195 Empire Tower, 38th Floor Park Wing, South Sathorn Road Bangkok 10120, Thailand	Electricity and Power Generation	2,850	5						
Total Revenue : Hemaraj Land And Development PLC. and Subsidiaries					12,102.81	100%	7,308.99	100%	4,172.49	100%

REMARK

- 1) Incorporated in the Cayman Islands
- 2) Incorporated in the Territory of the British Virgin Islands
- 3) Held 74.99 % directly and 25% indirectly through Eastern Industrial Estate Company Limited
- 4) Held 99.99 % indirectly held by Hemaraj Clean Water Company Limited
- 5) Held 99.99% indirectly held by Hemaraj Saraburi Industrial Land Company Limited.
- 6) Held 99.99% indirectly held by Hemaraj Rayong Industrial Land Company Limited.
- 7) In 2013, the Company has sold investment in Cofely (Thailand) 40% to Cofely South East Asia PTE Limited
- 8) 51% directly held by the Company in Houay Ho Thai Company Limited that has held 25% in Houay Ho Power Company Limited, a company registered in Lao People's Democratic Republic (US. currency is used for business operation).

INFORMATION OF DIRECTORS AND MANAGEMENT IN COMPANY, SUBSIDIARIES AND ASSOCIATED COMPANIES

	NAME	SUBSIDIARY COMPANIES													ASSOCIATED COMPANIES													
		Eastern Industrial Estate Co., Ltd.	Eastern Seaboard Industrial Estate(Rayong) Co., Ltd.	Hemraj Eastern Seaboard Industrial Estate Co., Ltd.	Eastern Pipeline Services Co., Ltd.	The Park Residence Co., Ltd.	H-Construction Management and Engineering Co., Ltd	Hemraj Water Co., Ltd.	SME Factory Co., Ltd.	H-Phoenix Property Co., Ltd.	Hemraj Clean Water Co., Ltd.	Million Island Pattaya Co., Ltd.	Rayong 2012 Co., Ltd	H-International (BVI) Co., Ltd.	Hemraj International Co., Ltd.	Hemraj Saraburi Industrial Land (Saraburi) Co., Ltd.	Hemraj Rayong Industrial Land Co., Ltd.	Hemraj Energy Co., Ltd.	Eastern Seaboard Property and Marina Services Co., Ltd	GHECO-One Co., Ltd.	Glow Hemraj Wind Co., Ltd.	Cofely (Thailand) Co., Ltd. *	Houay Ho Thai Co., Ltd.	Houay Ho Power Co., Ltd.	Gulf JP NLL Co., Ltd.			
1	Mr. Chavalit Sethameteekul	/, X																										
2	Mr. Sudhipan Charumani	/																										
3	Mr. Sawasdi Horruruang	/, //	X									X																
4	Mr. Thongchai Srisomburanont	/, //	/	/, //	/	X						X																
5	Mr. Thavorn Anankusri	/, //																										
6	Mr. David Richard Nardone	/, //	/	/, //	/	X						/	/	/	/	/	/	/	/	/	/	/	X	/	/	/	/	
7	Mr. Vivat Jiratikarnsakul	/, //	/	/, //	/	/						/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	
8	Mr. Peter John Edmondson	/																										
9	Mrs. Punnee Worawuthichongsathit	/																										
10	Ms. Pattama Horruruang	/, //	/	/, //	/	/						/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	
11	Mr. Somphong Wanapha	/																										
12	Mr. Vikit Horruruang	/																										
13	Mr. Sunthorn Kongsunthornkitkul																											
14	Mr. Tanin Subboonrueng																											
15	Mr. Dheerasak Suwannayos										/																	
16	Mr. Sirisak Kijraksa										/																	

Notes: 1) / = Director 2) X = Chairman 3) // = Executive Director

* On 19 December 2013, Hemaraj sold all shares in Cofely (Thailand) Company Limited to Cofely South East Asia Pte Ltd

NO. OF SHARES OF DIRECTOR, EXECUTIVE DIRECTOR, SPOUSE, AND MINOR CHILD ON 31 DECEMBER 2013

NAME/ POSITION	NO. OF SHARES			
	1-JAN-13	DURING THE YEAR 2013	31-DEC-13	TOTAL
1. Mr.Chavalit Sethameteekul Chairman of the Board of Directors Spouse / Minor child	-	-	-	-
2. Mr. Sudhipan Charumani Independent Director Chairman of the Audit Committee Chairman of the Nomination Committee Spouse / Minor child	-	-	-	-
3. Mr.Sawasdi Horrurgruang Director Risk Management Committee Chairman Spouse / Minor child	64,803,500	-	-	64,803,500
4. Mr. Thongchai Srisomburananont Director Risk Management Committee Member Chairman of the Nomination Committee Spouse / Minor child	2,365,540	-	-	2,365,540
5. Mr.Thavorn Anankusri Director Risk Management Committee Member Spouse / Minor child	191,000	-	-	191,000
6. Mr. David Richard Nardone Director Managing Director and President Risk Management Committee Member Spouse / Minor child	27,559,783	-	27,559,783	27,559,783
7. Mr. Vivat Jiratikarnsakul Director Executive Vice President Risk Management Committee Member Spouse / Minor child	8,364,180	-	-	8,364,180
8. Mr. Peter John Edmondson Independent Director Member of the Audit Committee Spouse / Minor child	1,749,500	-	-	1,749,500
9. Mrs. Punnee Worawuthichongsathit Independent Director Member of the Audit Committee Spouse / Minor child	-	-	-	-
10.Ms. Pattama Horrurgruang Director Senior Vice President and Chief Financial Officer Risk Management Committee Member Spouse / Minor child	1,000	-	1,000	1,000
11.Mr. Somphong Wanapha Independent Director Chairman of the Corporate Governance Committee Spouse / Minor child	-	-	-	-
12.Mr. Vikit Horrurgruang Director Spouse / Minor child	108,195,000	-	108,195,000	108,195,000

NAME/ POSITION	NO. OF SHARES			
	1-JAN-13	DURING THE YEAR 2013	31-DEC-13	TOTAL
13. Mr. Tanin Subboonrueng Vice President - Industrial Estate Operations	-	-	-	-
Spouse / Minor child	-	-	-	-
14. Mr. Sirisak Kijraksa Director - Accounting and Legal	-	-	-	-
Spouse / Minor child	-	-	-	-
15. Ms. Somjai Wachiraha Director - Finance	-	-	-	-
Spouse / Minor child	-	-	-	-
16. Mr. Niphone Harnpatanapanich Director - Residential Project Planning	-	-	-	-
Spouse / Minor child	-	-	-	-
17. Mr. Preeprem Malasitt Director - IE Training Center and New Projects	-	-	-	-
Spouse / Minor child	-	-	-	-
18. Mr. Paopitaya Smutrakalin Director - Corporate Planning & Investor Relations	-	-	-	-
Spouse / Minor child	-	-	-	-
19. Ms. Siyaphas Chantachairoj Director - Corporate Marketing & Residential Customer Development	-	-	-	-
Spouse / Minor child	-	-	-	-
20. Ms. Ladda Rojanavilaivudh Director - Industrial Customer Development	-	-	-	-
Spouse / Minor child	-	-	-	-
21. Ms. Anchalee Parsertchand Director - Industrial Customer Development	-	-	-	-
Spouse / Minor child	-	-	-	-
22. Ms. Prattana Kijjanon Director - Procurement	-	-	-	-
Spouse / Minor child	-	-	-	-
23. Mr. Rakphol Kangnoy Director - Industrial Estate Operations	-	-	-	-
Spouse / Minor child	-	-	-	-
24. Mr. Suwat Thitathanakit Director - Industrial Estate Development	-	-	-	-
Spouse / Minor child	-	-	-	-
25. Mr. Bordin Harnvanich Director - Industrial Factories and Logistics Parks Development	-	-	-	-
Spouse / Minor child	-	-	-	-
26. Mr. Apichat Trongasukson Assistant Director - Information System & Services	-	-	-	-
Spouse / Minor child	-	-	-	-

THE REMUNERATION OF THE AUDITOR OF COMPANY

AUDIT FEE

The company and its subsidiary(ies) has made a payment for Audit Fee to A.M.T. Associates which it is the regular office of the auditor(s) in the latest accounting year in the total amount money of 5.63 Million Baht.

NON-AUDIT FEE

The company and its subsidiary(ies) has made a payment for Non-Audit Fee of other services such as service fee of the provision of BOI's report to Auditors which it is the regular office of the auditor(s) in the latest accounting year in the total amount money of 300,000 Baht.

PROFILE AND CONTACTS

- NAME** : Hemaraj Land And Development Public Company Limited
- BUSINESS ACTIVITY** :
1. Industrial Estate Development and Management
 2. Industrial Estate Utilities
 - 2.1 Utilities and Industrial Services including raw water supply, potable & clarified water and waste water management, etc..
 - 2.2 A center of services and other utilities industrial services such as utilities maintenance, preventive maintenance, renting a pipe rack and design & construction consultant etc..
 3. Power Investment
 - 3.1 IPP Project such as Gheco-One and Glow IPP
 - 3.2 SPP Project such as Gulf JP NLL
 - 3.3 Alternative Energy such as Hydro Power (Houay Ho Power)
 4. Property
 - 4.1 Ready Built Factories for rent
 - 4.2 Office condominium for sale or for rent - UM Tower
 - 4.3 Niche selective property project – The Park Chidlom
 - 4.4 Logistics Park for rent - Hemaraj Logistics Park
 - 4.5 Integrated Real Estate at Koh Lan Pattaya
- HEAD OFFICE** : 9 UM Tower, 18th Floor, 9 Ramkhamhaeng Road, Suangluang, Bangkok 10250, Thailand
Company Registration No. : 0107536000676
Phones : (66)- 0-2719-9555
Fax : (66)- 0-2719-9547
Website : <http://www.hemaraj.com>
- REGISTER SHARES** : Authorized capital Baht 6,000,000,000 and paid-up capital Baht 3,882,074,476.40, divided into common stock 9,705,186,191 shares at par value Baht 0.40 per share.
- JURISTIC PERSONS** : Details in section 20 Holding structure & revenue of the company, subsidiaries and associated companies
- OTHER REFERENCES** : **Share registrar**
Thailand Securities Depository Co., Ltd. 62 The Stock Exchange of Thailand Bldg. 4th Floor 6-7th Floor, Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand
Tel. 0-2229-2800; Fax 0-2654-5427
- Internal Audit**
CAS Co.,Ltd
92/18 Sathorn Thaneer Bldg, 9th Floor, Zone B, North Sathorn Road, Silom, Bangrak Bangkok 10500, Thailand
Tel. 0-2229-2800; Fax 0-2359-1259
- Auditor**
Mr. Sumit Khupiboon CPA No. 4885
A.M.T & Associates
491/27 Silom Plaza, Silom Road, Bangruk, Silom Road, Bangruk, Bangkok 10500, Thailand
Tel. 0-2234-1676, 0-2234-1678; Fax 0-2237-2133
- Attorney**
Allen & Overy (Thailand) Co., Ltd.
130 Sindhorn Building III, 22nd Floor, Wireless Road, Bangkok 10330, Thailand
Tel. 0-2263-7600; Fax 0-2263-7699
- FINANCIAL ADVISOR** : Per Project

ผู้ลงทุนสามารถศึกษาข้อมูลของบริษัทที่ออกหลักทรัพย์เพิ่มเติมได้จากแบบแสดงรายการข้อมูลประจำปี (แบบ 56-1) ของบริษัท
ที่แสดงไว้ใน www.set.or.th หรือ บนเว็บไซต์ของบริษัท เหมราชพัฒนาที่ดิน จำกัด (มหาชน) www.hemaraj.com

Investor may additionally obtain the information of the issuing company from its annual filing (Form 56-1)
showing in www.set.or.th or in the website of Hemaraj Land and Development Public Company Limited www.hemaraj.com



บริษัท เหมราชพัฒนาที่ดิน จำกัด (มหาชน)
HEMARAJ LAND AND DEVELOPMENT PUBLIC COMPANY LIMITED

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ทะเบียนเลขที่ : บมจ.0107536000676

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