

**N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

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**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS AND  
SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
DECEMBER 31, 2010 AND 2009**

## **REPORT OF THE AUDITOR**

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

I have audited the consolidated balance sheets of N.C. Housing Public Company Limited and its Subsidiaries as at December 31, 2010 and 2009, the related consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended and the separate balance sheets of N.C. Housing Public Company Limited as at December 31, 2010 and 2009, the related statements of income, changes in shareholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of N.C. Housing Public Company Limited and its subsidiaries as at December 31, 2010 and 2009, the consolidated results of their operations, the consolidated changes in their shareholders' equity and their consolidated cash flows for the year then ended and the separate financial position of N.C. Housing Public Company Limited as at December 31, 2010 and 2009, the results of its operations, the changes in its shareholders' equity and its cash flows for the year then ended in conformity with generally accepted accounting principles.

(Miss Chantra Wongsri - Udomporn)  
Certified Public Accountant  
Registration No. 4996

Dharmniti Auditing Company Limited  
Bangkok, Thailand  
February 22, 2011  
2011/0072/0058

**N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010 AND 2009**

1. GENERAL INFORMATION

(a) Legal status and address of the Company

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

The address of its registered office is as follows:

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

(b) Nature of the Company's business

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

(c) Employees

As at December 31, 2010 and 2009, the Company and subsidiaries have 157 employees and 150 employees, respectively (130 employees and 129 employees, respectively for the Company only).

(d) Expenses by nature

Significant expenses by nature are follow:

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2010	2009	2010	2009
Changes in land, constructions in progress				
and land held for development	(103,131,826.34)	130,935,672.71	(103,242,804.30)	131,236,014.86
Utilities and construction in progress	946,214,363.15	402,528,327.46	939,938,651.12	402,316,721.46
Interest capitalization	22,084,993.48	24,969,878.91	22,084,993.48	24,969,878.91
Employee benefit expenses	60,122,620.29	52,690,144.43	53,916,895.65	47,661,437.44
Depreciation and amortization expenses	11,548,163.10	14,972,098.25	11,470,738.74	14,797,827.69

## 2. BASIS OF FINANCIAL STATEMENT PREPARATION AND PRINCIPLES OF CONSOLIDATION

### 2.1 Basis for the preparation of financial statements

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation B.E. 2552 for public limited company, issued under the Accounting Act B.E.2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from such financial statements in Thai language.

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

### 2.2 Adoption of new accounting standards during the year

During the year 2010, the Federation of Accounting Professions (FAP) has issued Notifications to mandate the use of the revised 2009, new issued of accounting standards and financial reporting standards and the interpretation, totalling 32 standards, as follows.

Framework for the Preparation and Presentation of Financial Statements (revised 2009)

TAS 1 (revised 2009) Presentation of Financial Statements

TAS 2 (revised 2009) Inventories

TAS 7 (revised 2009) Statement of Cash Flows

TAS 8 (revised 2009) Accounting Policies, Changes in Accounting Estimates and Errors

TAS 10 (revised 2009) Events after the Reporting Period

TAS 11 (revised 2009) Construction Contracts

TAS 12 Income Taxes

TAS 16 (revised 2009) Property, Plant and Equipment

TAS 17 (revised 2009) Leases

TAS 18 (revised 2009) Revenue

TAS 19 Employee Benefits

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

TAS 23 (revised 2009) Borrowing Costs

TAS 24 (revised 2009) Related Party Disclosures

TAS 26 Accounting and Reporting by Retirement Benefit Plans

TAS 27 (revised 2009) Consolidated and Separate Financial Statements

TAS 28 (revised 2009) Investments in Associates  
 TAS 29 Financial Reporting in Hyperinflationary Economies  
 TAS 31 (revised 2009) Interests in Joint Ventures  
 TAS 33 (revised 2009) Earnings per Share  
 TAS 34 (revised 2009) Interim Financial Reporting  
 TAS 36 (revised 2009) Impairment of Assets  
 TAS 37 (revised 2009) Provisions, Contingent Liabilities and Contingent Assets  
 TAS 38 (revised 2009) Intangible Assets  
 TAS 40 (revised 2009) Investment Property  
 TFRS 2 Share-based Payment  
 TFRS 3 (revised 2009) Business Combinations  
 TFRS 5 (revised 2009) Non-current Assets Held for sale and Discontinued Operations  
 TFRS 6 Exploration for and Evaluation of Mineral Resources  
 TFRIC 15 Agreements for the Construction of Real Estate

These accounting standards and financial reporting standards are effective for the fiscal year beginning on or after January 1, 2011, except for TAS 12, TAS 20 and TAS 21, they are effective for the fiscal year beginning on or after January 1, 2013.

The management of the Company has assessed the effect of these accounting standards and financial reporting standards and believes that they will not have any significant impact on the financial statements for the year in which they are initially applied, except for TAS 12 Income Taxes, TAS 16 (revised 2009) Property, Plant and Equipment, TAS 19 Employee Benefits TAS 18 (revised 2009) Revenue and TFRIC 15 Agreements for the Construction of Real Estate. The management of the Company is in the process of reviewing the effect of such accounting standards to the financial statements for the year in which they are initially applied.

### 2.3 Basis of consolidated and operations

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

	Percentage of Holding by		Nature of Business
	direct and indirect		
	2010	2009	
N.C. Property Management Co., Ltd.	100.00	100.00	Contractor and project management
Quality Living Management Co., Ltd.	100.00	100.00	Property management service

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

	Percentage of total assets included in consolidated balance sheet		Percentage of total revenues included in consolidated income statement for the year ended	
	2010	2009	2010	2009
<u>Subsidiary companies</u>				
N.C. Property Management Co., Ltd.	0.16	0.16	0.14	0.14
Quality Living Management Co., Ltd.	0.87	0.05	0.38	0.37

2.3.3 The acquisition of subsidiaries are recorded by Purchase Method.

2.3.4 Significant intercompany transactions between the Company and subsidiaries have been eliminated.

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

### 3. SIGNIFICANT ACCOUTING POLICIES

#### 3.1 Recognition of revenues and expenses

Revenue from sales of land and houses are recognized on the percentage of completion method. The calculations is based on percentage of incurred actual cost which will compare with both total estimation cost excluded land cost and evaluation from engineer. Revenue is recognized on sale contracts on which the deposits are collected for not less than 20 percent of contract price, the Company will discontinue recognizing revenue on sale contracts for which customers default the payment of installment over 3 periods.

The excess of buyers' payment over the percentage of work completion is recorded as unrealized income. And the excess of work completion over buyers' payment is recorded as unbilled receivable.

Allowance for cost of sales are based on the estimated cost of real estate project and recognize on the percentage of sale revenue which will be periodically reviewed in case the significant cost changes.

Revenue from sale condominiums is recognized on the percentage of completion method and the total agreements to sell condominiums should not be less than 40% of the areas opening for sales buyer's paid deposits and installments should not be less than 20% of the corresponding contract sales amounts.

Revenue from construction is recognized on the percentage of completion method. The part of not due is recognized as "Accrued income"

A subsidiary recognizes the revenue from construction on the percentage of completion method. The part of not due is recognized as "Accrued income"

A subsidiary recognizes service income on a time proportion basis in accordance with contract.

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

### 3.2 Cash and cash equivalents

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

### 3.3 Allowance for doubtful accounts

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

### 3.4 Inventories - net

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

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

The Company ceases to capture the related interest as part of inventories cost when construction of the project had finished or suspended.

### 3.5 Property development and land held for development

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

Land held for development, the Company intends to hold for future benefit which are stated at cost less provision for impairment. Cost consists of land cost and related expenses for land acquisition including interest. The Company will stop to capture the capitalized interest when land development is completed.

The Company ceases to capture the related interest as part of property development cost when construction of the project had finished or suspended.

### 3.6 Investment in subsidiaries

Investments in subsidiaries are stated at cost method. The Company recognizes impairment loss on the investment in the statement of income. The Company recognizes dividends receive when the subsidiaries announce paid dividends.

Equity securities that are not marketable are stated at cost less impairment losses.

Loss on impairment (if any) of investments in subsidiary are recognized in income statement.

### 3.7 Property, plant and equipment

Land is stated at Cost.

Plant and equipment are stated at cost less accumulated depreciation.

Depreciation is calculated by the straight-line method, based on the estimated useful lives of the assets as follows:

Buildings	20 years
Building improvement	20 years
Machinery and equipments	5 years
Sample house and sales office buildings	5 years
Office equipments	5 years
Furniture and fixtures	5 years
Vehicles	5 years

### 3.8 Intangible assets

Intangible assets represent the cost of software license used in operations. Intangible assets stated at cost less accumulated amortization. Amortization of intangible assets is calculated by reference to their costs on the straight - line method over the estimated useful lives of 10 years.

### 3.9 Trade Payable and Other Payables

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

### 3.10 Impairment of assets

At each reporting date, the Company and its subsidiaries perform impairment reviews in respect of property, plant, and equipment and other assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, a conservative valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the company and its subsidiaries could obtain from the disposal of the asset in an arm's length



transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the income statement.

### 3.11 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and

individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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

### 3.12 Provisions for estimated liabilities

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

### 3.13 Finance lease

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

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

### 3.14 Financial instruments

The Company and its subsidiary companies have no policy to speculated in or engage in the trading of any financial derivative instruments.

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

### 3.15 Employee benefits

The Company and its subsidiary companies and their employees have jointly established provident funds as approved by the Ministry of Finance in accordance with the Provident Fund

Act B.E. 2530. The funds are contributed by the Company, its subsidiary companies and their employees at the rate of 2 - 5 percent of their basic salary and will be paid to employees upon termination in accordance with the rules of each company's staff provident fund.

The funds are managed by TISCO Asset Management Public Company Limited.

### 3.16 Earnings per share

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

### 3.17 Income tax

The Company records income tax expense, if any, based on the amount currently payable under the Revenue Code. For the income tax calculation method and policies had been disclosed in Note to financial statement no.24.

### 3.18 Significant accounting judgments and estimates

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

#### 3.18.1 House building contracts

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

#### 3.18.2 Estimated house construction project costs

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

#### 3.18.3 Estimated expenses for house construction projects

In determining estimated expenses for house construction projects, the management is required to use judgment and relevant information to estimate losses that may be incurred from warranties and claims on the construction contract works. The estimates are

made through a combination of specific reviews of construction projects, analysis of actual claims incurred and historical statistic information, among others. However, the use of different estimates and assumptions could affect the amounts of estimated expenses for construction projects.

#### 3.18.4 Leases

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

#### 3.18.5 Allowance for doubtful accounts

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

#### 3.18.6 Impairment of equity investments

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

#### 3.18.7 Property plant and equipment/Depreciation

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

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

#### 3.18.8 Intangible assets

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

#### 3.18.9 The lawsuits

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

#### 4. TRANSACTIONS WITH RELATED COMPANIES

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

The significant transactions between the Company and its related companies reflected in the accompanying consolidated financial statements are as follows:-

The significant outstanding balance at December 31, 2010 and 2009 are as follow:-

		In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
Type of relation		2010	2009	2010	2009
<b>Payable to related parties</b>					
- N.C. Property Management Co., Ltd.	Subsidiary	-	-	4,222,776.48	4,223,514.78
- S.C. Construction And Decoration Co., Ltd.	Co-shareholder and director	362,557.06	133,862.78	362,557.06	133,862.78
- Sathaporn Wattana Trading Co., Ltd.	Co-shareholder and director	26,660,329.13	13,090,226.47	26,589,295.25	12,863,219.55
- Sathaporn Wattana Transport Partnership	Co-shareholder and director	3,500.00	-	3,500.00	-
		<u>27,026,386.19</u>	<u>13,224,089.25</u>	<u>31,178,128.79</u>	<u>17,220,597.11</u>
<b>Short-term loan from related parties</b>					
- Quality Living Management Co., Ltd.	Subsidiary				
Balance, beginning of year		-	-	2,850,000.00	2,850,000.00
Addition during the year		-	-	-	-
Deduction during the year		-	-	(2,850,000.00)	-
Balance, ending of year		-	-	-	2,850,000.00
- N.C. Estate Co., Ltd.	Subsidiary				
Balance, beginning of year		-	-	-	1,723,805.68
Addition during the year		-	-	-	-
Deduction during the year		-	-	-	(1,723,805.68)
Balance, ending of year		-	-	-	-
- N.C. Property Management Co., Ltd.	Subsidiary				
Balance, beginning of year		-	-	12,850,000.00	18,650,000.00
Addition during the year		-	-	5,200,000.00	10,200,000.00
Deduction during the year		-	-	(3,500,000.00)	(16,000,000.00)
Balance, ending of year		-	-	14,550,000.00	12,850,000.00
		<u>-</u>	<u>-</u>	<u>14,550,000.00</u>	<u>15,700,000.00</u>

	Type of relation	In Baht				
		Consolidated Financial Statements		Separate Financial Statements		
		2010	2009	2010	2009	
<b>Short-term loan from directors</b>						
- Manager of legacy						
	Mr.Namchai Tanthathoedtham *	Director				
	Balance, beginning of year		155,150,000.00	149,050,000.00	155,150,000.00	149,050,000.00
	Addition during the year		-	6,700,000.00	-	6,700,000.00
	Deduction during the year		(38,750,000.00)	(600,000.00)	(38,750,000.00)	(600,000.00)
	Balance, ending of year		<u>116,400,000.00</u>	<u>155,150,000.00</u>	<u>116,400,000.00</u>	<u>155,150,000.00</u>
- Mr. Somchao Tanthathoedtham						
		Director				
	Balance, beginning of year		12,450,000.00	31,820,000.00	12,450,000.00	31,820,000.00
	Addition during the year		-	4,500,000.00	-	4,500,000.00
	Deduction during the year		(735,000.00)	(23,870,000.00)	(735,000.00)	(23,870,000.00)
	Balance, ending of year		<u>11,715,000.00</u>	<u>12,450,000.00</u>	<u>11,715,000.00</u>	<u>12,450,000.00</u>
			<u>128,115,000.00</u>	<u>167,600,000.00</u>	<u>128,115,000.00</u>	<u>167,600,000.00</u>
<b>Accrued interest from related parties</b>						
	- Quality Living Management Co., Ltd.	Subsidiary	-	-	-	3,591.77
	- N.C. Property Management Co., Ltd.	Subsidiary	-	-	18,336.99	13,497.26
			-	-	18,336.99	17,089.03
<b>Accrued interest</b>						
- Manager of legacy						
	Mr.Namchai Tanthathoedtham *	Director	-	15,546,132.21	-	15,546,132.21
	- Mr. Somchao Tanthathoedtham	Director	-	335,185.62	-	335,185.62
			-	15,881,317.83	-	15,881,317.83

\* Manager of legacy Mr.Namchai Tanthathoedtham

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

The issued short-term loans from related companies are promissory notes carried interest rate at 0.50% per annum, will be paid on the date due specified in the promissory notes, in year 2010 and interest rate of 0.50% - 2.75% per annum will be paid when requested, in year 2009.

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

Loan from directors are promissory notes carried interest rates at 5.75% per annum in year 2010 and 2009 and will be paid on the date due specified in the promissory notes (in year 2009, will be paid when requested).

	Pricing basis	In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2010	2009	2010	2009
<u>Transaction during the year</u>					
Sales					
Manager of legacy	Market price	-	6,199,212.00	-	6,199,212.00
- Mr. Namchai Tanthathoedtham *					
Mr. Somnuek Tanthathoedtham	Market price	-	4,617,300.00	-	4,617,300.00
Mr. Sujin Tanthathoedtham	Market price	-	3,762,000.00	-	3,762,000.00
Namchai Asset Development Co., Ltd.	Market price	-	6,498,735.00	-	6,498,735.00
Dividends received					
N.C. Property Management Co., Ltd.	Baht 160 per share	-	-	-	15,999,040.00
Other income - office rental					
Quality Living Management Co., Ltd.	Baht 5,000 per month	-	-	60,000.00	60,000.00
Other income - utility charges					
Quality Living Management Co., Ltd.	Baht 1,401.87 per month	-	-	16,822.44	16,822.44
Other income - gain from sale of fixed assets					
Sathaporn Wattana Transport Partnership	Agreed price	-	32,100.00	-	32,100.00
Namchai Asset Development Co., Ltd.	Agreed price	-	560,746.66	-	-
Other income - gain from returns					
of capital from subsidiary					
N.C.Estate Co., Ltd.	Net book value	-	-	-	3,820,667.77
Purchase construction materials					
Sathaporn Wattana Trading Co., Ltd.	Market price	57,589,120.18	27,350,309.54	57,087,927.54	27,138,703.54
S.C. Construction And Decoration Co., Ltd.	Market price	228,694.28	9,549.75	228,694.28	9,549.75
Management fee					
Quality Living Management Co., Ltd.	Minimum Baht 30,000 per project	-	-	2,247,000.00	2,172,000.00
Utility charges					
N.C. Property Management Co., Ltd.	At cost	-	-	4,140.00	7,360.00
Transportation Fee					
Sathaporn Wattana Transport Partnership	Market price	6,300.00	-	6,300.00	-
Other expense - rental					
Mrs. Patcharin Tanthathoedtham	Baht 55,000 per month	660,000.00	660,000.00	660,000.00	660,000.00
Interest expenses					
Quality Living Management Co., Ltd.	In year 2010, at the rate of 0.50% p.a.	-	-	8,222.61	31,838.00
	In year 2009, at the rate of 0.50%-2.75% p.a.				
N.C. Property Management Co., Ltd.	In year 2010, at the rate of 0.50% p.a.	-	-	72,829.44	155,055.82
	In year 2009, at the rate of 0.50%-2.75% p.a.				
N.C. Estate Co., Ltd.	In year 2009, at the rate of 0.75% - 2.75% p.a.	-	-	-	10,649.81
Manager of legacy					
- Mr. Namchai Tanthathoedtham *	At the rate of 5.75% p.a.	8,661,587.31	8,922,716.11	8,661,587.31	8,922,716.11
Mr. Somchao Tanthathoedtham	At the rate of 5.75% p.a.	675,233.50	1,487,999.18	675,233.50	1,487,999.18
* Manager of legacy Mr.Namchai Tanthathoedtham					
- Mr. Somchao Tanthathoedtham					
- Mr. Prasit Tanthathoedtham					
- Mr. Somnuek Tanthathoedtham					
- Mr. Sujin Tanthathoedtham					

## 5. CASH AND CASH EQUIVALENTS

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2010	2009	2010	2009
Cash in hand	21,105,711.00	8,496,363.00	21,090,711.00	8,481,363.00
Cash at bank - current accounts	3,686,515.76	996,403.92	2,746,639.54	713,696.05
Cash at bank - savings accounts	5,741,617.99	6,385,863.08	1,008,353.69	4,700,751.26
<b>Total</b>	<b>30,533,844.75</b>	<b>15,878,630.00</b>	<b>24,845,704.23</b>	<b>13,895,810.31</b>

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

## 6. TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable consist of the following:

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2010	2009	2010	2009
Real Estate				
Receivable from installment	412,235.00	1,717,586.00	412,235.00	1,717,586.00
Contractor and project management				
Accrued contractor income	196,817.75	-	-	-
Property manager services				
Management receivable	684,767.00	32,100.00	-	-
<b>Total</b>	<b>1,293,819.75</b>	<b>1,749,686.00</b>	<b>412,235.00</b>	<b>1,717,586.00</b>
<u>Less</u> Allowance for doubtful accounts	<u>(297,402.00)</u>	<u>(532,952.00)</u>	<u>(297,402.00)</u>	<u>(532,952.00)</u>
<b>Trade accounts receivable-net</b>	<b>996,417.75</b>	<b>1,216,734.00</b>	<b>114,833.00</b>	<b>1,184,634.00</b>

The accounts receivable were classified by aging as follows:

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2010	2009	2010	2009
Net yet due	-	-	-	-
Over 0 month to 3 months	922,259.75	32,100.00	40,675.00	-
Over 3 months to 6 months	-	63,000.00	-	63,000.00
Over 6 months to 12 months	20,000.00	1,121,634.00	20,000.00	1,121,634.00
Over 12 months	351,560.00	532,952.00	351,560.00	532,952.00
<b>Total</b>	<b>1,293,819.75</b>	<b>1,749,686.00</b>	<b>412,235.00</b>	<b>1,717,586.00</b>

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

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2010	2009	2010	2009
Beginning balance	532,952.00	532,952.00	532,952.00	532,952.00
Increase	-	-	-	-
Decrease	(235,550.00)	-	(235,550.00)	-
Ending balance	297,402.00	532,952.00	297,402.00	532,952.00

During the year 2010, allowance for doubtful accounts decrease due to the return from customers of Baht 0.10 million and write-off receivables to bad debts of Baht 0.14 million.

Receivable from installment consists of

		In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2010	2009	2010	2009
Contracted sales value	(In Million Baht)	6,781.67	7,246.04	6,781.67	7,246.04
Installment dues	(In Baht)	6,351,819,020.66	6,937,306,832.86	6,351,819,020.66	6,937,306,832.86
<u>Less</u> collected amount	(In Baht)	(6,351,406,785.66)	(6,935,589,246.86)	(6,351,406,785.66)	(6,935,589,246.86)
Receivable from installment	(In Baht)	412,235.00	1,717,586.00	412,235.00	1,717,586.00

## 7. UNBILLED RECEIVABLE / UNREALIZED INCOME

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2010	2009	2010	2009
Installment dues	6,351,819,020.66	6,937,306,832.86	6,351,819,020.66	6,937,306,832.86
<u>Less</u> recognized income	(6,363,645,131.66)	(6,921,626,714.86)	(6,363,645,131.66)	(6,921,626,714.86)
	(11,826,111.00)	15,680,118.00	(11,826,111.00)	15,680,118.00
The transactions consist of				
Descriptions as below				
Unbilled receivables				
Unrealized incomes collected from	38,689,853.00	6,827,000.00	38,689,853.00	6,827,000.00
both the deposit of purchase and sale contract paid under 20% of its contract amount and the excess installment over the project progression.	(26,863,742.00)	(22,507,118.00)	(26,863,742.00)	(22,507,118.00)
	11,826,111.00	(15,680,118.00)	11,826,111.00	(15,680,118.00)



## 8. INVENTORIES - NET

Inventories - net consist of

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2010	2009	2010	2009
Houses and condominiums for sales	304,060,238.68	423,756,501.84	304,060,238.68	423,756,501.84
<u>Less allowance for declining value of inventories</u>	-	-	-	-
Inventories - net	<u>304,060,238.68</u>	<u>423,756,501.84</u>	<u>304,060,238.68</u>	<u>423,756,501.84</u>

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

	Consolidated Financial Statements / Separate Financial Statements			
	2010		2009	
	Unit	In Million Baht	Unit	In Million Baht
House and condominiums for sales	114	304.06	133	423.76
The selling contracted house and condominiums	<u>(36)</u>	<u>(77.33)</u>	<u>(28)</u>	<u>(63.07)</u>
House and condominiums for sale - net	<u>78</u>	<u>226.73</u>	<u>105</u>	<u>360.69</u>

As at December 31, 2010 and 2009 inventories of the project in the amount of Baht 304.06 million and Baht 423.76 million, respectively, are mortgaged as collateral for long-term loans with local financial institutions in the amount of Baht 1,700.83 million and Baht 2,316.11 million, respectively. (see note 17).

9. PROPERTY DEVELOPMENT

9.1 Actual property development cost consist of :

Consolidated Financial Statement (In Baht)								
As at December 31, 2010								
Project	Land, utilities and interest capitalization	Construction in progress	Sample houses	Sale office buildings	Total	Less transfer to inventory	Less transfer to cost of sale	Property development cost
Baan Pha Piyarom 9	191,257,126.73	202,405,689.60	15,779,965.12	-	409,442,781.45	(48,061,957.72)	(266,169,826.52)	95,210,997.21
Baan Pha Piyarom 10	170,706,382.80	200,725,205.33	-	-	371,431,588.13	(42,542,269.42)	(214,094,900.36)	114,794,418.35
Baan Pha Rangsit Klong 7	47,688,322.90	90,037,955.83	-	-	137,726,278.73	(7,670,344.13)	(100,603,089.95)	29,452,844.65
Baan Pha Green Park								
Royal Pinklao	162,506,899.29	131,886,037.90	2,217,215.82	-	296,610,153.01	-	(296,610,153.01)	-
Baan Pha Green Park								
Pracha-Utid	404,541,659.57	289,350,935.15	15,315,951.52	-	709,208,546.24	(48,450,850.89)	(487,520,110.45)	173,237,584.90
Baan Pha Green Park								
Rangsit 2	244,902,605.26	411,348,973.99	5,836,234.74	-	662,087,813.99	(2,923,507.19)	(659,164,306.80)	-
Baan Pha Green Park								
Phutta-Monthon	215,055,653.54	292,064,582.11	1,638,730.00	-	508,758,965.65	(9,255,706.32)	(485,957,132.12)	13,546,127.21
Baan Pha Green Park Klong 3	264,992,299.47	213,218,621.19	10,599,195.30	-	488,810,115.96	(19,023,943.15)	(306,527,645.34)	163,258,527.47
The Royal Green Park								
Karnjanapisek - Petchkasem	225,791,345.33	31,762,492.19	-	-	257,553,837.52	(7,224,674.56)	(7,204,902.69)	243,124,260.27
Baan Narisa	142,879,471.99	141,687,380.93	-	715,955.62	285,282,808.54	(6,636,443.12)	(278,646,365.42)	-
Baan Pha Thanyathani	55,033,996.50	249,387,384.07	-	-	304,421,380.57	(15,191,442.55)	(289,229,938.02)	-
Baan Pha Thanyathani village 2	437,750,443.77	241,515,883.97	29,849,786.42	-	709,116,114.16	(47,570,615.17)	(410,761,552.12)	250,783,946.87
Baan Pha Rim Had Jomtien	155,204,629.32	204,471,931.86	10,288,959.79	-	369,965,520.97	(2,758,148.00)	(367,207,372.97)	-
The Green Park Jomtien								
by NC GROUP	98,740,189.64	71,684,928.41	-	-	170,425,118.05	(46,750,336.46)	(49,773,631.29)	73,901,150.30
Khon Kan Condominium	46,233,102.05	44,576,007.33	-	-	90,809,109.38	-	(90,809,109.38)	-
	<u>2,863,284,128.16</u>	<u>2,816,124,009.86</u>	<u>91,526,038.71</u>	<u>715,955.62</u>	<u>5,771,650,132.35</u>	<u>(304,060,238.68)</u>	<u>(4,310,280,036.44)</u>	<u>1,157,309,857.23</u>

Consolidated (In Baht)								
As at December 31, 2009								
Project	Land, utilities and interest capitalization	Construction in progress	Sample houses	Sale office buildings	Total	Less transfer to inventory	Less transfer to cost of sale	Property development cost
Baan Pha Piyaom 3	151,468,080.91	237,054,693.06	4,965,489.83	-	393,488,263.80	-	(393,488,263.80)	-
Baan Pha Piyaom 7	215,718,268.33	266,374,721.50	-	-	482,092,989.83	-	(482,092,989.83)	-
Baan Pha Piyaom 8	105,117,829.29	220,495,531.71	-	-	325,613,361.00	-	(325,613,361.00)	-
Baan Pha Piyaom 9	189,283,960.54	165,408,136.57	15,779,965.12	-	370,472,062.23	(63,936,013.91)	(190,384,707.71)	116,151,340.61
Baan Pha Piyaom 10	152,899,049.99	103,661,496.05	-	-	256,560,546.04	(29,966,623.77)	(89,241,944.78)	137,351,977.49
Baan Pha Rangsit Klong 7	47,468,555.68	63,552,062.80	-	-	111,020,618.48	(18,107,611.98)	(59,274,571.31)	33,638,435.19
Baan Pha Green Park								
Royal Pinklao	162,506,899.29	131,824,880.70	2,217,215.82	-	296,548,995.81	(14,569,437.36)	(281,979,558.45)	-
Baan Pha Green Park								
Pracha-Utid	400,820,806.96	242,976,056.90	15,315,951.52	-	659,112,815.38	(68,876,690.51)	(363,814,715.63)	226,421,409.24
Baan Pha Green Park								
Rangsit 2	244,902,605.26	411,348,973.99	5,836,234.74	-	662,087,813.99	(2,923,507.19)	(659,164,306.80)	-
Baan Pha Green Park								
Phutta-Monthon	214,476,246.44	251,605,468.87	1,638,730.00	-	467,720,445.31	(45,451,574.02)	(358,204,654.87)	64,064,216.42
Baan Pha Green Park Klong 3	261,743,006.89	157,047,273.24	10,599,195.30	-	429,389,475.43	(51,221,294.27)	(218,003,852.52)	160,164,328.64
Baan Narisa	142,879,471.99	141,687,380.93	-	715,955.62	285,282,808.54	(6,636,443.12)	(278,646,365.42)	-
Baan Pha Thanyathani	55,033,996.50	247,111,455.19	-	-	302,145,451.69	(61,310,201.63)	(234,791,848.71)	6,043,401.35
Baan Pha Thanyathani village 2	417,109,731.26	150,149,940.26	29,849,786.42	-	597,109,457.94	(51,363,565.63)	(269,651,245.34)	276,094,646.97
Baan Pha Rim Had Jomtien	155,212,335.56	201,447,770.05	10,288,959.79	-	366,949,065.40	(6,310,906.13)	(360,638,159.27)	-
The Green Park Jomtien								
by NC GROUP	78,718,062.14	2,763,596.22	-	-	81,481,658.36	-	-	81,481,658.36
Khon Kan Condominium	46,233,102.05	44,576,007.33	-	-	90,809,109.38	(3,082,632.32)	(87,726,477.06)	-
	<u>3,041,592,009.08</u>	<u>3,039,085,445.37</u>	<u>96,491,528.54</u>	<u>715,955.62</u>	<u>6,177,884,938.61</u>	<u>(423,756,501.84)</u>	<u>(4,652,717,022.50)</u>	<u>1,101,411,414.27</u>

Separate Financial Statement (In Baht)

As at December 31, 2010

Project	Land, utilities and interest capitalization	Construction in progress	Sample houses	Sale office buildings	Total	Less transfer to inventory	Less transfer to cost of sale	Property development cost
Baan Pha Piyarom 9	191,257,126.73	202,405,689.60	15,779,965.12	-	409,442,781.45	(48,061,957.72)	(266,169,826.52)	95,210,997.21
Baan Pha Piyarom 10	170,706,382.80	200,725,205.33	-	-	371,431,588.13	(42,542,269.42)	(214,094,900.36)	114,794,418.35
Baan Pha Rangsit Klong 7	47,688,322.90	90,037,955.83	-	-	137,726,278.73	(7,670,344.13)	(100,603,089.95)	29,452,844.65
Baan Pha Green Park								
Royal Pinklao	162,506,899.29	131,886,037.90	2,217,215.82	-	296,610,153.01	-	(296,610,153.01)	-
Baan Pha Green Park								
Pracha-Utid	404,541,659.57	289,350,935.15	15,315,951.52	-	709,208,546.24	(48,450,850.89)	(487,520,110.45)	173,237,584.90
Baan Pha Green Park								
Rangsit 2	244,902,605.26	411,348,973.99	5,836,234.74	-	662,087,813.99	(2,923,507.19)	(659,164,306.80)	-
Baan Pha Green Park								
Phutta-Monthon	215,055,653.54	292,077,403.65	1,638,730.00	-	508,771,787.19	(9,255,706.32)	(485,957,132.12)	13,558,948.75
Baan Pha Green Park Klong 3	264,992,299.47	213,218,621.19	10,599,195.30	-	488,810,115.96	(19,023,943.15)	(306,527,645.34)	163,258,527.47
The Royal Green Park								
Karnjanapisek - Petchkasem	225,791,345.33	31,762,492.19	-	-	257,553,837.52	(7,224,674.56)	(7,204,902.69)	243,124,260.27
Baan Narisa	142,879,471.99	141,687,380.93	-	715,955.62	285,282,808.54	(6,636,443.12)	(278,646,365.42)	-
Baan Pha Thanyathani	55,033,996.50	249,387,384.07	-	-	304,421,380.57	(15,191,442.55)	(289,229,938.02)	-
Baan Pha Thanyathani village 2	437,750,443.77	241,528,131.35	29,849,786.42	-	709,128,361.54	(47,570,615.17)	(410,761,552.12)	250,796,194.25
Baan Pha Rim Had Jomtien	155,204,629.32	204,471,931.86	10,288,959.79	-	369,965,520.97	(2,758,148.00)	(367,207,372.97)	-
The Green Park Jomtien								
by NC GROUP	98,740,189.64	71,684,928.41	-	-	170,425,118.05	(46,750,336.46)	(49,773,631.29)	73,901,150.30
Khon Kan Condominium	46,233,102.05	44,576,007.33	-	-	90,809,109.38	-	(90,809,109.38)	-
	<u>2,863,284,128.16</u>	<u>2,816,149,078.78</u>	<u>91,526,038.71</u>	<u>715,955.62</u>	<u>5,771,675,201.27</u>	<u>(304,060,238.68)</u>	<u>(4,310,280,036.44)</u>	<u>1,157,334,926.15</u>

Separate Financial Statement (In Baht)

As at December 31, 2009

Project	Land, utilities and interest capitalization	Construction in progress	Sample houses	Sale office buildings	Total	Less transfer to inventory	Less transfer to cost of sale	Property development cost
Baan Pha Piyarom 3	151,468,080.91	237,054,693.06	4,965,489.83	-	393,488,263.80	-	(393,488,263.80)	-
Baan Pha Piyarom 7	215,718,268.33	266,374,721.50	-	-	482,092,989.83	-	(482,092,989.83)	-
Baan Pha Piyarom 8	105,117,829.29	220,495,531.71	-	-	325,613,361.00	-	(325,613,361.00)	-
Baan Pha Piyarom 9	189,283,960.54	165,408,136.57	15,779,965.12	-	370,472,062.23	(63,936,013.91)	(190,384,707.71)	116,151,340.61
Baan Pha Piyarom 10	152,899,049.99	103,661,496.05	-	-	256,560,546.04	(29,966,623.77)	(89,241,944.78)	137,351,977.49
Baan Pha Rangsit Klong 7	47,468,555.68	63,552,062.80	-	-	111,020,618.48	(18,107,611.98)	(59,274,571.31)	33,638,435.19
Baan Pha Green Park Royal Pinklao	162,506,899.29	131,824,880.70	2,217,215.82	-	296,548,995.81	(14,569,437.36)	(281,979,558.45)	-
Baan Pha Green Park Pracha-Utid	400,820,806.96	242,976,056.90	15,315,951.52	-	659,112,815.38	(68,876,690.51)	(363,814,715.63)	226,421,409.24
Baan Pha Green Park Rangsit 2	244,902,605.26	411,348,973.99	5,836,234.74	-	662,087,813.99	(2,923,507.19)	(659,164,306.80)	-
Baan Pha Green Park Phutta-Monthon	214,476,246.44	251,707,824.58	1,638,730.00	-	467,822,801.02	(45,451,574.02)	(358,204,654.87)	64,166,572.13
Baan Pha Green Park Klong 3	261,743,006.89	157,047,273.24	10,599,195.30	-	429,389,475.43	(51,221,294.27)	(218,003,852.52)	160,164,328.64
Baan Narisa	142,879,471.99	141,687,380.93	-	715,955.62	285,282,808.54	(6,636,443.12)	(278,646,365.42)	-
Baan Pha Thanyathani	55,033,996.50	247,111,455.19	-	-	302,145,451.69	(61,310,201.63)	(234,791,848.71)	6,043,401.35
Baan Pha Thanyathani village 2	417,109,731.26	149,953,969.27	29,849,786.42	-	596,913,486.95	(51,363,565.63)	(269,651,245.34)	275,898,675.98
Baan Pha Rim Had Jomtien	155,204,629.32	201,455,476.29	10,288,959.79	-	366,949,065.40	(6,310,906.13)	(360,638,159.27)	-
The Green Park Jomtien by NC GROUP	78,718,062.14	2,763,596.22	-	-	81,481,658.36	-	-	81,481,658.36
Khon Kan Condominium	46,233,102.05	44,576,007.33	-	-	90,809,109.38	(3,082,632.32)	(87,726,477.06)	-
	<u>3,041,584,302.84</u>	<u>3,038,999,536.33</u>	<u>96,491,528.54</u>	<u>715,955.62</u>	<u>6,177,791,323.33</u>	<u>(423,756,501.84)</u>	<u>(4,652,717,022.50)</u>	<u>1,101,317,798.99</u>

As at December 31, 2010 and 2009, land and construction of almost projects in including land held for development totalling of Baht 2,562.02 million and Baht 2,339.09 million, respectively, are mortgaged as collateral against credit facilities for long-term loans with local financial institutions in the amount of Baht 1,700.83 million and Baht 2,316.11 million, respectively (see note 17).

Portions of the interest expense incurred for the years ended December 31, 2010 and 2009, amounting to approximately Baht 22.08 million and Baht 24.97 million, respectively, were capitalized as part of property development cost for the year. The capitalization rate for calculate interest is 5.60% and 6.90%, respectively.

## 9.2 OBLIGATION AND COMMITMENT UNDER REAL ESTATE PROJECTS

	Consolidated Financial Statements		Separate Financial Statements	
	2010	2009	2010	2009
Number of projects on hand, beginning of year	17	19	17	19
Number of closing projects	3	3	3	3
Number of newly open projects	1	1	1	1
Number of projects on hand, ending of year	15	17	15	17
Contracted sales value (In million Baht)	6,781.67	7,246.04	6,781.67	7,246.04
As percentage of total current projects value	65.94	65.15	65.94	65.15

In 2010, the Company has developed a new housing project, called the Royal Green Park Karnjanapisek-Petchkasem, (7,544.40 square wah) which locates at Phasi Charoen, Bangkok.

As at December 31, 2010 and 2009 the Company has obligation and commitment to complete the public utility development project in the amount of Baht 104.38 million and Baht 155.26 million, respectively. Addition, fund for maintenance to public utilities in total amount of Baht 22.53 million and Baht 21.64 million, respectively, shall be conveyed to a colony's juristic person since the date of transferring of possession of project.

## 10. OTHER CURRENT ASSETS

Other current assets consist of the following :

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2010	2009	2010	2009
Prepaid expense	2,016,704.02	1,613,021.64	1,990,545.74	1,552,929.72
Receivables - the Revenue Department	946,289.17	2,406,937.05	761,239.45	2,406,937.05
Advance expense	2,136,004.18	2,327,578.30	-	-
Account receivable from lawsuit (see note 27.6a)	180,000.00	180,000.00	180,000.00	180,000.00
Advance received from sale of land	4,100,000.00	-	4,100,000.00	-
Other current assets	1,600,120.89	1,170,448.78	1,562,244.86	1,159,705.35
Total	10,979,118.26	7,697,985.77	8,594,030.05	5,299,572.12
<u>Less</u> Allowance for doubtful accounts	(313,154.00)	(316,578.00)	(313,154.00)	(316,578.00)
Net	10,665,964.26	7,381,407.77	8,280,876.05	4,982,994.12

On December 16, 2010, the Company has entered into purchase and sell of land contracts to buy the land (5,591 square wah) in the amount of Baht 41 million and the Company paid for deposit of land to Baht 4.1 million. The land locates at Banglamung, Chonburi province. The land will be transferred the ownership right within March 2011.

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

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2010	2009	2010	2009
Beginning balance	316,578.00	826,578.00	316,578.00	826,578.00
Increase	-	-	-	-
Decrease	(3,424.00)	(510,000.00)	(3,424.00)	(510,000.00)
Ending balance	313,154.00	316,578.00	313,154.00	316,578.00

During the year 2010, allowance for doubtful accounts decrease due to the return from customers of Baht 0.003 million.

During the year 2009, allowance for doubtful accounts were decreased in the total amount of Baht 0.51 million, the Company reversed account receivable from lawsuit because of having termination of the case already. In addition, the Company does not have to compensate any liability obligated as the loan guarantor to the Company's clients who fail in repayment of their loan to a financial institution.

#### 11. DEPOSIT PLEDGED AS COLLATERAL

As at December 31, 2010 and 2009, the Company had fixed deposit amounting to Baht 861,522.92 and Baht 969,725.74, respectively. They are pledged as collateral for customer's loan and gasoline.

As at December 31, 2010 and 2009, the subsidiaries had fixed deposit amounting to Baht 214,541.16 and Baht 212,957.02, respectively. They are pledged as collateral for bank over drafts limit and bank guarantee from bank (see note 15).

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

#### 12. INVESTMENT IN SUBSIDIARIES - AT COST METHOD

Type of business	Relationship	'aid - up share capita (In Thousand Baht)	Percentage of holding (%)	Separate Financial Statements						
				Cost Method (In Baht)		Equity Method (In Thousand Baht)		Dividend (In Thousand Baht)		
				2010	2009	2010	2009	2010	2009	
Subsidiaries :-										
N.C. Property Management Co., Ltd.	Contractor and Project management	Co - Shareholding/ Directing	10,000,000.00	100	11,864,497.94	11,864,497.94	24,848,228.95	22,189,235.42	-	15,999,040.00 *
Quality Living Management Co., Ltd.	Property manager service	Co - Shareholding/ Directing	1,000,000.00	100	0.01	0.01	3,788,107.53	3,430,275.32	-	-
					11,864,497.95	11,864,497.95	28,636,336.48	25,619,510.74	-	15,999,040.00
<u>Less</u> Allowance for declining value of investment					-	-				
Investment in subsidiaries-net					11,864,497.95	11,864,497.95				

The Company has recognized the equity gain (loss) in subsidiaries based on the audited financial statements.

At the extraordinary shareholders' meeting of a subsidiary, N.C. Estate Co., Ltd. No.1/2009, held on March 24, 2009, the subsidiary's shareholder approved to cease operation on March 26, 2009, the such subsidiary had been stoped activities since 2005 until the present.

The subsidiary had already registered with the Department of Business Development, Ministry of Commerce on March 26, 2009. These financial statements have been prepared on the liquidation basis of accounting with the value of assets shown at the net realizable values and liabilities shown at the settlement amounts. On July 16, 2009, the subsidiary has returned the share capital to shareholders in the amount of Baht 3.90 million.

\*See more details of dividend receipt in Note 20.

13. PROPERTY, PLANT AND EQUIPMENT - NET

Property, plant and equipment - net consist of

	Consolidated Financial Statement (In Baht)			
	Balance as at	Additions	Deduction	Balance as at
	December 31, 2009			December 31, 2010
<u>At cost</u>				
Land - office	1,947,858.35	-	-	1,947,858.35
- clubhouse	82,259,898.06	-	-	82,259,898.06
Building - office	11,236,190.47	-	-	11,236,190.47
- clubhouse	124,163,638.02	-	-	124,163,638.02
Sample house and sale office building	43,523,622.24	-	-	43,523,622.24
Building improvement	6,289,238.59	-	-	6,289,238.59
Machinery and equipment	1,919,517.72	184,901.26	-	2,104,418.98
Office equipment	21,517,607.57	2,220,884.50	-	23,738,492.07
Furniture and fixtures	11,227,294.82	2,187,678.16	-	13,414,972.98
Vehicles	17,708,048.82	2,013,250.93	(5,894,604.00)	13,826,695.75
Vehicle - under financial agreement	3,407,000.00	1,789,000.00	-	5,196,000.00
<b>Total</b>	<b>325,199,914.66</b>	<b>8,395,714.85</b>	<b>(5,894,604.00)</b>	<b>327,701,025.51</b>
<u>Less Accumulated depreciation</u>				
Building - office	(7,912,030.79)	(561,809.53)	-	(8,473,840.32)
- clubhouse	(45,039,680.50)	(6,067,668.21)	-	(51,107,348.71)
Sample house and sale office building	(39,785,272.97)	(1,154,488.39)	-	(40,939,761.36)
Building improvement	(2,646,114.93)	(314,546.93)	-	(2,960,661.86)
Machinery and equipment	(1,659,126.68)	(126,079.19)	-	(1,785,205.87)
Office equipment	(17,926,367.86)	(1,287,738.29)	-	(19,214,106.15)
Furniture and fixtures	(9,744,085.29)	(706,565.62)	-	(10,450,650.91)
Vehicles	(17,334,680.95)	(481,794.26)	5,894,599.00	(11,921,876.21)
Vehicle - under financial agreement	(248,890.62)	(482,655.22)	-	(731,545.84)
<b>Total</b>	<b>(142,296,250.59)</b>	<b>(11,183,345.64)</b>	<b>5,894,599.00</b>	<b>(147,584,997.23)</b>
<b>Property, plant and equipment - net</b>	<b>182,903,664.07</b>			<b>180,116,028.28</b>



	Separate Financial Statement (In Baht)			
	Balance as at	Additions	Deduction	Balance as at
	December 31, 2009			December 31, 2010
<u>At cost</u>				
Land - office	1,947,858.35	-	-	1,947,858.35
- clubhouse	82,259,898.06	-	-	82,259,898.06
Building - office	11,236,190.47	-	-	11,236,190.47
- clubhouse	124,163,638.02	-	-	124,163,638.02
Sample house and sale office building	43,523,622.24	-	-	43,523,622.24
Building improvement	6,289,238.59	-	-	6,289,238.59
Machinery and equipment	1,232,294.75	184,901.26	-	1,417,196.01
Office equipment	19,647,847.64	2,087,774.94	-	21,735,622.58
Furniture and fixtures	11,076,794.82	2,187,678.16	-	13,264,472.98
Vehicles	16,498,749.90	2,013,250.93	(5,894,604.00)	12,617,396.83
Vehicle - under financial agreement	3,407,000.00	1,789,000.00	-	5,196,000.00
<b>Total</b>	<b>321,283,132.84</b>	<b>8,262,605.29</b>	<b>(5,894,604.00)</b>	<b>323,651,134.13</b>
<u>Less Accumulated depreciation</u>				
Building - office	(7,912,030.79)	(561,809.53)	-	(8,473,840.32)
- clubhouse	(45,039,680.50)	(6,067,668.21)	-	(51,107,348.71)
Sample house and sale office building	(39,785,272.97)	(1,154,488.39)	-	(40,939,761.36)
Building improvement	(2,646,114.93)	(314,546.93)	-	(2,960,661.86)
Machinery and equipment	(972,711.24)	(125,303.66)	-	(1,098,014.90)
Office equipment	(16,174,760.58)	(1,212,124.70)	-	(17,386,885.28)
Furniture and fixtures	(9,589,756.75)	(706,565.62)	-	(10,296,322.37)
Vehicles	(16,131,380.94)	(480,759.02)	5,894,599.00	(10,717,540.96)
Vehicle - under financial agreement	(248,890.62)	(482,655.22)	-	(731,545.84)
<b>Total</b>	<b>(138,500,599.32)</b>	<b>(11,105,921.28)</b>	<b>5,894,599.00</b>	<b>(143,711,921.60)</b>
<b>Property, plant and equipment - net</b>	<b>182,782,533.52</b>			<b>179,939,212.53</b>

As at December 31, 2010 and 2009, land, building and sale office's building including land and clubhouse's building in the total amount of Baht 111.39 million (net book value amount of Baht 76.14 million and Baht 80.64 million, respectively) are mortgaged as collateral against the loans and overdrafts from two commercial banks in the total amount of Bath 35 million and Baht 30 million, respectively (see note 15).

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

Transaction	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2010	2009	2010	2009
Building - clubhouse (tennis court)	2,858,014.06	2,858,014.06	2,858,014.06	2,858,014.06
Sample house and sale office building	37,751,180.35	37,751,180.35	37,751,180.35	37,751,180.35
Machinery and equipment	1,504,826.04	1,174,913.63	849,908.55	553,080.25
Office equipment	16,854,636.14	14,843,626.66	15,421,334.95	13,590,560.22
Furniture and fixtures	8,897,555.55	7,804,767.08	8,747,055.55	7,654,267.08
Vehicles	11,759,607.63	15,517,633.80	10,554,648.90	14,314,721.80
Total	<u>79,625,819.77</u>	<u>79,950,135.58</u>	<u>76,182,142.36</u>	<u>76,721,823.76</u>

#### 14. INTANGIBLE ASSETS - NET

	In Baht			
	Consolidated Financial Statement/ Separate Financial Statement			
	Balance as at December 31, 2009	Additions	Deduction	Balance as at December 31, 2010
<u>At cost</u>				
Computer software	3,500,000.00	450,812.40	-	3,950,812.40
Work in progress - system development	-	825,000.00	-	825,000.00
Total	3,500,000.00	1,275,812.40		4,775,812.40
<u>Less</u> Accumulated amortization	<u>(324,684.93)</u>	<u>(364,817.46)</u>	-	<u>(689,502.39)</u>
Intangible assets - net	<u>3,175,315.07</u>			<u>4,086,310.01</u>

Intangible assets is a real estate management system development for the digitalization between construction site and head office to create quality management and delivery of digitized file from the site to the Company's FTP site.

In year 2010, the Company purchased computer software about design house and other application softwares.

#### 15. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

This account consist of :-

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2010	2009	2010	2009
Bank overdrafts from financial institutions	32,911,600.10	11,242,774.49	32,911,600.10	11,242,774.49
Short-term loans from financial institutions	35,000,000.00	57,000,000.00	35,000,000.00	57,000,000.00
Total	<u>67,911,600.10</u>	<u>68,242,774.49</u>	<u>67,911,600.10</u>	<u>68,242,774.49</u>

	Credit line (Million Baht)		Rate	Due Date	Guarantee
	2010	2009			
<u>Bank Overdraft</u>					
The parent company					
- Siam Commercial Bank	25	20	MOR per annum	At called	- By the mortgage of the Company's land and construction on there. - By some director
- CIMB Thai	10	10	MOR per annum	At called	- By the mortgage of the Company's land and construction on there.
- UOB	20	-	6 months fix deposit plus 1.15% per annum	At called	- By some directors and the mortgage of and the mortgage of the director's negotiable certificate of deposit.
Total Credit line	<u>55</u>	<u>30</u>			
<u>Short-term loans</u>					
The parent company					
- Bank of Ayudhya	35	35	MLR less 0.25% per annum	21 January 2011	- By the mortgage of the director's land and construction on there.
- CIMB Thai	-	22	On promissory note rate	91 - 94 days since the loan date	- By the mortgage of the director's negotiable certificate of deposit. (In fourth quarter of 2010, the Company full paid the loan and redeem the mortgage.)
	<u>35</u>	<u>57</u>			
Total Credit line	<u><u>90</u></u>	<u><u>87</u></u>			

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

In addition, the Company has to comply with the terms and conditions as specified in the loan agreement, such as (1) not to sell, dispose, transfer, give rent, pledge, or mortgage the Company's loan collaterals, (2) not to commit any obligation that would result in letting other persons have control or rights in the Company's assets, (3) not to engage into any liability or obligation over Baht 10 million per time except approved by the bank, (4) to maintain a proper financial ratio, (5) to require approval from the bank prior to dividend distribution, (6) not to decrease registered capital and to grant beneficiary of the asset protection insurance to the lender, etc.

## 16. LIABILITIES UNDER FINANCIAL LEASE AGREEMENT

Liabilities under financial lease agreements consisted of :

	Consolidated Financial Statements / Separate Financial Statements (In Baht)					
	As at December 31, 2010			As at December 31, 2009		
	Principal	Deferred interest	Payment	Principal	Deferred interest	Payment
Current portion due within one year	1,271,955.82	81,664.18	1,353,620.00	833,892.00	85,272.00	919,164.00
Current portion due after one year not over three years	1,382,810.99	47,764.00	1,430,574.99	1,313,016.77	49,321.23	1,362,338.00
Total	<u>2,654,766.81</u>	<u>129,428.18</u>	<u>2,784,194.99</u>	<u>2,146,908.77</u>	<u>134,593.23</u>	<u>2,281,502.00</u>

As at December 31, 2010 and 2009 the Company has hire-purchase agreement comprised of 3 agreements from the local leasing company to purchase vehicle in the amount of Baht 4,179,348 and Baht 2,757,492 (Included VAT), respectively with a term of payment in 36 months, and repaid in monthly of Baht 20,535-39,496 (Included VAT).

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

Liabilities under financial lease agreement is guaranteed by its director Company.

Liabilities under financial lease agreement for the portion due within one year are presented under “current liabilities” in the balance sheet.

## 17. LONG-TERM LOANS

This account consist of

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2010	2009	2010	2009
Loans from local banks				
The first credit line	346,803,322.00	190,262,364.06	346,803,322.00	190,262,364.06
The second credit line	151,172,248.90	246,400,248.00	151,172,248.90	246,400,248.00
The third credit line	-	21,287,173.66	-	21,287,173.66
The fourth credit line	-	23,351,677.90	-	23,351,677.90
The fifth credit line	55,159,321.39	-	55,159,321.39	-
Total	553,134,892.29	481,301,463.62	553,134,892.29	481,301,463.62
Less Current portion due within one year	-	(23,351,677.90)	-	(23,351,677.90)
Long-term loans - net	<u>553,134,892.29</u>	<u>457,949,785.72</u>	<u>553,134,892.29</u>	<u>457,949,785.72</u>

	Credit line (Million Baht)		Interest rate	Guarantee
	2010	2009		
<u>Long-term loans</u>				
<u>First loan</u>				
- Siam Commercial Bank	1,281.79	1,460.11	MLR, MLR less 0.50-1.00% per annum	- By the mortgage of the project's land and construction on there.
<u>Second loan</u>				
- CIMB Thai	236.99	777.00	MLR plus 0.50% per annum And since December 20, 2010 MLR less 1.25% per annum	- By the mortgage of the project's land and construction on there and related party.
<u>Third loan</u>				
- Siam City Bank	-	39.00	MLR plus 0.25% per annum	- By the mortgage of the project's land and construction on there. (In second quarter of 2010, the Company paid total loan and redeem the mortgage.)
<u>Fourth loan</u>				
- CIMB Thai	-	40.00	MLR plus 0.50% per annum	- By the mortgage of the shareholder's relative land and construction in the future. (In fourth quarter of 2010, the Company paid total loan and redeem mortgage.)
<u>Fifth loan</u>				
- Kiatnakin	182.05	-	MLR plus 0.50% per annum	- By the mortgage of the project's land and construction on there and construction in the future.
	<u>1,700.83</u>	<u>2,316.11</u>		

#### The first credit line

In 2010, the Company is approved by the bank to add up two long-term credit lines in the amount of Baht 268 million. The two credit line is used for purchase lands and developing project in the future.

The Company has to repay the loan when received payment from its customers which normally based on the dates of transferring a real estate title deed to the customers. The loan have to be fully settled within specify periods. However, the Company did not forecast the portion of the long-term loans, which is expected to be repaid within the next one year for presenting under the current liabilities in the balance sheet. Loan as per said was guaranteed by the Company's land and construction of project (see note 8 and 9).

In addition, the Company has to comply with the terms and conditions as specified in the loan agreement, such as (1) not to sell, dispose, transfer, give rent, pledge, or mortgage the Company's loan collaterals, (2) not to commit any obligation that would result in letting other persons have control or rights in the Company's assets, (3) not to engage into any liability or obligation over Baht 10 million per time except approved by the bank, (4) to maintain a proper financial ratio, (5) to require approval from the bank prior to dividend distribution, (6) not to decrease registered capital and to grant beneficiary of the asset protection insurance to the lender, etc.

#### The second credit line

The Company had to repay the full loan amount within three years from the date of the land mortgage (on December 29, 2004). On January 4, 2008, the Company submitted a request for repayment extension of the loan to December 29, 2010, later, the Company submitted a request for repayment extension of the loan to December 29, 2013. In 2010, the Company requests the bank for decrease credit line from amount of Baht 777,000,000 to Baht 236,990,000 (see note 8 and 9).

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

#### Dealing of contract

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

#### The third credit line

The Company has to repay the loan when received payment from its customers which normally based on the date of transferring a real estate title deed to the customers. The loan have to be fully settled within two years from the date of the loan agreement (on September 24, 2008) and loans due within September 23, 2010 (see note 8 and 9). In second quarter of 2010, the Company paid total loan and redeem the mortgage.

In addition, the Company has to comply with the terms and conditions as specified in the loan agreement, such as to hire an independent appraiser, approve by the bank, appraisal the land mortgage and to grant beneficiary of the asset protection insurance to the lender, etc.

#### The fourth credit line

The Company has to repay the loan when received payment from its customers which normally based on the dates of transferring a real estate title deed to the customers. The loan have to be full settled within December 29, 2010.

In addition, the Company has to comply with the terms and conditions as specified in the loan agreement, such as:

The Company has to minimum repay the principle not less than amount Baht 8,000,000 per quarter due to the revised credit line notice dated on the fourth quarter 2009, as shown under "Current portion of long-term loans from financial institutions" as the current liabilities (see note 8 and 9).

The Company did not to sell, transfer, give borrow, give rent or dispose of the Company or asset or fixed asset in usually case in the Company.

The fifth credit line (In year 2010, new credit line)

The Company has to repay the loan when received payment from its customers which normally based on the date of transferring a real estate title deed to the customers. The loan have to be full settled within six years from the date of the loan agreement (on August 5, 2010) and loans due within August 5, 2016. However, the Company does not calculate the amount of portion for this long-term loans, which is expected to be repaid within the next one year for presenting under the current liabilities in the balance sheet (see note 8 and 9).

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

18. FINANCIAL INSTRUMENTS

a. Accounting Policies

Details of significant accounting policies are disclosed in Note 3.14.

b. Financial Risk Management

The Company and subsidiaries manage their financial risk exposure on financial assets and financial liabilities in normal business by its internal management and control system and the Company and subsidiaries do not hold or issue any derivative instruments. The significant financial assets and financial liabilities of the Company and its subsidiary comprise cash and cash equivalents, bank overdrafts and short-term loans from financial institutions, trade account receivable and payable including cheque, unbilled receivable, accrued income, loans, accrued expenses and retentions.

c. Interest Rate Risk

The Company and its subsidiary expose significant interest rate risks which arise from deposit at financial institutions, current investment in fixed deposit at bank, bank overdrafts and short-term loans from financial institutions, long-term loans from financial institutions, loan from director and short-term loan from related company. Interest rate risk arises from the potential for a change in interest rate to have an adverse effect on the Company and the subsidiary in the current reporting period and in future years.

d. Fair Value

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

## 19. LEGAL RESERVE

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

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

In 2010, the Company had appropriated its legal reserve at the amount of Baht 4.45 million of net income. According to the resolution on the Board of Directors Meeting No. 1/2011 held on February 22, 2011.

In 2009, the Company had appropriated its legal reserve at the amount of Baht 3.79 million of net income. According to the resolution on the Board of Directors Meeting No. 1/2010 held on February 26, 2010.

## 20. DIVIDEND

At the extraordinary shareholders' meeting No. 1/2010 held on April 23, 2010, the shareholders approved a dividend payment for net income period of 2009 to all shareholders at Baht 0.02 per share amounting to Baht 23.72 million. The company paid the dividend on May 21, 2010.

At the extraordinary shareholders' meeting of a subsidiary No. 1/2009 held on March 24, 2009, the subsidiary's shareholders approved a dividend payment for the operating period of 2004 to all shareholders at Baht 160 per share amounting to Baht 16 million. The subsidiary paid the dividend on March 25, 2009.

## 21. CAPITAL MANAGEMENT

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

According to the balance sheet as at December 31, 2010, the Group's debt-to-equity ratio was 0.49 : 1 (As at December 31, 2009 : 0.47 : 1) and the Company's was 0.51 : 1 (As at December 31, 2009 : 0.48 : 1)

## 22. EARNINGS PER SHARE

Basic earning per share is calculated by dividing the net income for the period by the weighted average number of ordinary shares held by outside parties in issued and paid-up during the year.

		Consolidated Financial Statements		Separate Financial Statements	
		2010	2009	2010	2009
Net income for the year	(Baht)	91,819,375.56	56,089,179.77	88,802,549.82	75,402,472.04
Weighted average number of ordinary shares	(Shares)	1,185,985,052	1,185,985,052.00	1,185,985,052	1,185,985,052.00
Basic earning per share	(Baht per share)	0.08	0.05	0.07	0.06



#### 23. PROVIDENT FUND

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

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

The Company and its subsidiaries's contribution for the years ended December 31, 2010 and 2009 amounted to Baht 2,346,029.78 and Baht 2,193,931.34, respectively.

The Company's contributions for the years ended December 31, 2010 and 2009 amounted to Baht 2,239,117.88 and Baht 2,097,597.64, respectively.

#### 24. MANAGEMENT BENEFIT EXPENSES

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

#### 25. CORPORATE INCOME TAX AND ITS CALCULATION

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

Since the year 2007, the Company computed corporate income tax, for projects launched in or after 2007, based on the principle of revenue and expense recognition in accordance with the Revenue Code and Instruction of the Revenue Department No. Tor.Por. 155/2549 regarding the calculation of revenue and expense of a company or partnership based on the accrual basis, in which revenues are recognized under the percentage of completion method, which is the same basis as the accounting principle as follows ;

Accounting Policy	Revenue Department Principle	Accounting Principle
Revenue from sales and cost of sales	Projects launched before 2007 - Recognizing revenue based on the installment due  Projects launched after 2007 - Recognizing revenue based on percentage of completion method	Recognizing revenue based on percentage of completion method
Interest expenses	Capturing interest to cost of project until the project completing for sale only	Capturing interest to cost of project based on each unit of construction (house) until completing of such unit or ceases to capture interest when finishing of building of each unit (house)
Depreciation - property development system of the project	To be depreciated as period cost, based on straight line, 5 years	Recognizing based on percentage of completion method

Separate Financial Statements  
(In Baht)

	2010	2009
Net profit (loss) before per book	115,782,055.68	88,073,924.47
Difference in income and expenses between A/C and tax		
<u>Add</u> : Cost of sale not recognized as expenses by tax	18,578,196.26	2,499,928.36
: Add back expenses	3,188,590.20	2,364,129.44
Revenue base on tax	11,690,812.00	-
<u>Less</u> : Undue installment	(19,606,582.00)	20,731,122.49
Expenses - tax deductible re : Por. 61/2539 (depreciation of property development)	(1,065,300.82)	(387,623.36)
Interest expenses recognized as expenses re : Por. 61/2539	(19,635,510.57)	(14,827,817.27)
: Incomes - tax deductible	(1,014,237.33)	(16,356,530.63)
Deficit brought forward, not more than 5 years	-	(31,411,323.77)
Net profit before income tax per tax	107,918,023.42	50,685,809.73
<u>Less</u> : Corporate income tax 25%	(26,979,505.86)	(12,671,452.43)
Net profit (loss) after income tax per tax	<u>80,938,517.56</u>	<u>38,014,357.30</u>

26. BUSINESS SEGMENT INFORMATION

Business segment information of the Company and its subsidiaries is presented as follows:-

	For the year ended December 31, 2010 (In Baht)							
	Real	Contractor	Project	Property	Total	Elimination		Consolidated
	Estate		management	manager services		DR.	CR.	
<b>Revenues</b>								
Sales	1,241,254,358.80	-	-	-	1,241,254,358.80	-	-	1,241,254,358.80
Construction income	-	10,893,873.82	-	-	10,893,873.82	-	-	10,893,873.82
Service income	-	-	-	7,043,144.37	7,043,144.37	(2,247,000.00)	-	4,796,144.37
Other income	13,478,254.97	214,878.28	-	31,486.16	13,724,619.41	(162,014.49)	-	13,562,604.92
Total revenues	<u>1,254,732,613.77</u>	<u>11,108,752.10</u>	<u>-</u>	<u>7,074,630.53</u>	<u>1,272,915,996.40</u>			<u>1,270,506,981.91</u>
<b>Expenses</b>								
Cost of sales	858,780,840.30	-	-	-	858,780,840.30	-	(100,628.04)	858,680,212.26
Cost of construction	-	6,487,318.03	-	-	6,487,318.03	-	-	6,487,318.03
Cost of service	-	-	-	3,653,863.14	3,653,863.14	-	-	3,653,863.14
Selling expenses	136,076,287.31	-	-	-	136,076,287.31	-	-	136,076,287.31
Administrative expenses	94,593,236.94	767,554.50	-	2,994,338.18	98,355,129.62	-	(2,327,962.44)	96,027,167.18
Management benefit expenses	29,786,346.67	-	-	132,300.00	29,918,646.67	-	-	29,918,646.67
Total expenses	<u>1,119,236,711.22</u>	<u>7,254,872.53</u>	<u>-</u>	<u>6,780,501.32</u>	<u>1,133,272,085.07</u>			<u>1,130,843,494.59</u>
Income (loss) before finance cost and income tax	135,495,902.55	3,853,879.57	-	294,129.21	139,643,911.33			139,663,487.32
Finance cost	19,713,846.87	-	-	-	19,713,846.87	-	(81,052.05)	19,632,794.82
Income (loss) before income tax	115,782,055.68	3,853,879.57	-	294,129.21	119,930,064.46			120,030,692.50
Income tax	26,979,505.86	1,198,273.67	-	33,537.41	28,211,316.94	-	-	28,211,316.94
Net income (loss)	<u>88,802,549.82</u>	<u>2,655,605.90</u>	<u>-</u>	<u>260,591.80</u>	<u>91,718,747.52</u>			<u>91,819,375.56</u>
<b>As at December 31, 2010</b>								
Property, Plant and equipment-net	<u>179,939,212.53</u>	<u>160.76</u>	<u>-</u>	<u>176,654.99</u>	<u>180,116,028.28</u>			<u>180,116,028.28</u>

For the year ended December 31, 2009 (In Baht)

	Real	Contractor	Project	Property	Total	Elimination		Consolidated
	Estate		management	manager services		DR.	CR.	
<b>Revenues</b>								
Sales	822,265,398.28	-	-	-	822,265,398.28	-	-	822,265,398.28
Service income	-	-	-	5,338,532.72	5,338,532.72	(2,172,000.00)	-	3,166,532.72
Dividends income		-	-	-		(15,999,040.00	-	-
	15,999,040.00				15,999,040.00	)		
Other income	42,374,358.63	1,340,886.73	-	67,411.59	43,782,656.95	(4,102,393.84)	-	39,680,263.11
<b>Total revenues</b>	<b>880,638,796.91</b>	<b>1,340,886.73</b>	<b>-</b>	<b>5,405,944.31</b>	<b>887,385,627.95</b>			<b>865,112,194.11</b>
<b>Expenses</b>								
Cost of sales	558,522,616.23	-	-	-	558,522,616.23	-	(88,737.15)	558,433,879.08
Cost of service	-	-	-	2,884,671.03	2,884,671.03	-	-	2,884,671.03
Selling expenses	83,511,534.04	-	-	-	83,511,534.04	-	-	83,511,534.04
Administrative expenses	94,550,374.40	464,553.61	-	2,541,622.79	97,556,550.80	-	(2,256,182.44)	95,300,368.36
Management benefit expenses	26,221,968.21	-	-	126,000.00	26,347,968.21	-	-	26,347,968.21
<b>Total expenses</b>	<b>762,806,492.88</b>	<b>464,553.61</b>	<b>-</b>	<b>5,552,293.82</b>	<b>768,823,340.31</b>			<b>766,478,420.72</b>
Income (loss) before finance cost and income tax	117,832,304.03	876,333.12	-	(146,349.51)	118,562,287.64			98,633,773.39
Finance cost	29,805,675.45	-	-	-	29,805,675.45	-	(197,543.63)	29,608,131.82
Income (loss) before income tax	88,026,628.58	876,333.12	-	(146,349.51)	88,756,612.19			69,025,641.57
Income tax	12,671,452.43	265,009.37	-	-	12,936,461.80	-	-	12,936,461.80
<b>Net income (loss)</b>	<b>75,355,176.15</b>	<b>611,323.75</b>	<b>-</b>	<b>(146,349.51)</b>	<b>75,820,150.39</b>			<b>56,089,179.77</b>
<b>As at December 31, 2009</b>								
Property, Plant and equipment - net	182,782,533.52	7,869.88	-	113,260.67	182,903,664.07			182,903,664.07

27. COMMITMENT AND CONTINGENT LIABILITIES

27.1 The Company have entered into several agreements in respect of leases of building , sales office building , land and the provision of related services.

Future minimum rentals and service charges payables under these agreements as at December 31, 2010, are as follows:

<u>Payable within:</u>	<u>Million Baht</u>
1 year	4.07
2 to 3 years	3.46

27.2 As at December 31, 2010, the Company and subsidiaries have contingent liabilities from letters of guarantees issued by three banks to government agency and third parties amounting to Baht 158.70 million (Baht 158.30 million for the Company only).

27.3 As at December 31, 2010, the Company had contingent liability from letters of guarantee issued by a bank on behalf of the subsidiary for electricity usage amounting to Baht 0.40 million.

27.4 As at December 31, 2010, the Company has contingent liabilities to a bank from the guarantee on the customer's loan and gasoline amounting to Baht 0.86 million (see note 11).

27.5 As at December 31, 2010, the Company have contingent liabilities from purchase of land as part of property development amounting to approximately Baht 54.79 million.

27.6 As at December 31, 2010, the Company has contingent liabilities arising from lawsuits as follows:

- a) A financial institution had filed one civil lawsuits demanding the Company as the loan guarantor to repay the loan with the principal borrowers who were the clients of the Company in the total amount of Baht 0.60 million along with interest at 15% per annum to be calculated from the date of the filing of lawsuit until the date of full settlement (Baht 0.31 million calculated up to December 31, 2010). The financial institution above alleged the borrowers for default on payments of the principal and interest under the terms of the loan agreement. Therefore, the Company as on behalf of the loan guarantor was then charged as the 2<sup>nd</sup> defendant co-borrower.

As at December 31, 2010, the ultimate outcome of the case is still in definitive. The management has assessed the damage of the lawsuit up to December 31, 2010 and provides a provision in the amount of Baht 0.18 million which is recorded under caption of current liabilities and recognized as an expense in the statement of income for the year 2007 in the amount of Baht 0.18 million.

- b) Two house buyers of the Company's project had filed a civil lawsuit demanding the Company to indemnify the losses resulting from the expropriated land of Baht 7.81 million together with other expenses and interest at 7.5% per annum to be calculated from the date of the filing of lawsuit until the date of full settlement (Baht 0.63 million calculated up to December 31, 2010). The buyers demanded the Company to return purchase the buyer's home and indemnify the losses. The details are as follow :-

The first case - the amount of litigation of Baht 5.59 million

In year 2009, the Court of First Instance ordered the Company to pay indemnify the losses and the Company was under process field on appeal.

Later, on September 20, 2010, the Company negotiated a compromise with the plaintiff. The Company will purchase the house in the amount of Baht 4.76 million and other expenses. The Company recorded liabilities increase in the amount of Baht 2.52 million under other current liabilities. The Company has fully compensated to this amount in October 2010.

The second case - the amount of litigation of Baht 2.22 Million

In year 2009, the Company was under process field on civil court.

Later, on August 19, 2010, the Court of First Instance ordered the case dismissed. The plaintiff is under process field on appeal.

As at December 31, 2010, the ultimate outcome of the case is still indefinite. The management has assessed the damage of the lawsuit up to December 31, 2010, and provides a provision in the amount of Baht 0.44 million which is recorded under caption of current liabilities and recognized as an expense in the statement of income for the year 2009.

## 28. RECLASSIFICATION

Certain amounts in the financial statements for the year ended December 31, 2009 have been reclassified to conform to the current year's classification but with no effect to previously reported net income or shareholders' equity. The reclassifications are as follow:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
<u>Balance sheet as at December 31, 2009</u>				
Property development	1,101,411,414.27	1,105,312,581.16	-	-
Land held for development	1,241,669,298.00	1,237,768,131.11	-	-

29. OTHER INFORMATION

Since the first quarter 2009, the Company confiscated a land deposit money in the amount of Baht 30 million from an other person because it was failure to comply with the conditions in contract by another side. This matter is approved by the Company's management. The entry is recorded as other income in full amount.

30. AFTER EVENT OF FINANCIAL REPORT'S PERIOD

At the Board of Directors Meeting No. 1/2011 held on February 22, 2011, the Board of Directors approved a dividend payment for net income period of 2010 to all shareholders at Baht 0.03 per share amounting to Baht 35.58 million. The Company has a plan to pay the dividend on May 20, 2011.

31. AUTHORIZATION FOR ISSUE OF FINANCIAL STATEMENTS

These interim financial statements are authorized to issue by Company's directors on February 22, 2011.