

Pruksa Real Estate Pcl.



PRUKSA



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COZY LIVING HAPPINESS

Choose the happiness.....
with best value in all compact land area.





TOWNHOUSES

We offer townhouse at affordable price which provide similar features as a single detached house but in a compact space. This appeals to customers who desire to utilize maximum living space without the extra land cost of a single detached house.





PRIVATE HAPPINESS

Choose the happiness.....
with full-size private space in the peaceful atmosphere.





SINGLE DETACHED HOUSES

Choice for customers who desire to escape from the bustle of urban society, with a house in quiet territory which provides quality of life in a private and spacious living area so that your home is a place to enjoy life.



CONVENIENT HAPPINESS

Choose the happiness....
Fast and convenient in the metropolis.





CONDOMINIUMS

Convenience is the most desirable feature for those who live in the metropolis. We provide attractive living space convenient to transportation routes in order to easily enjoy all the activities in the city and an exciting life style.





EXPANDING THE BOUNDARY OF HAPPINESS

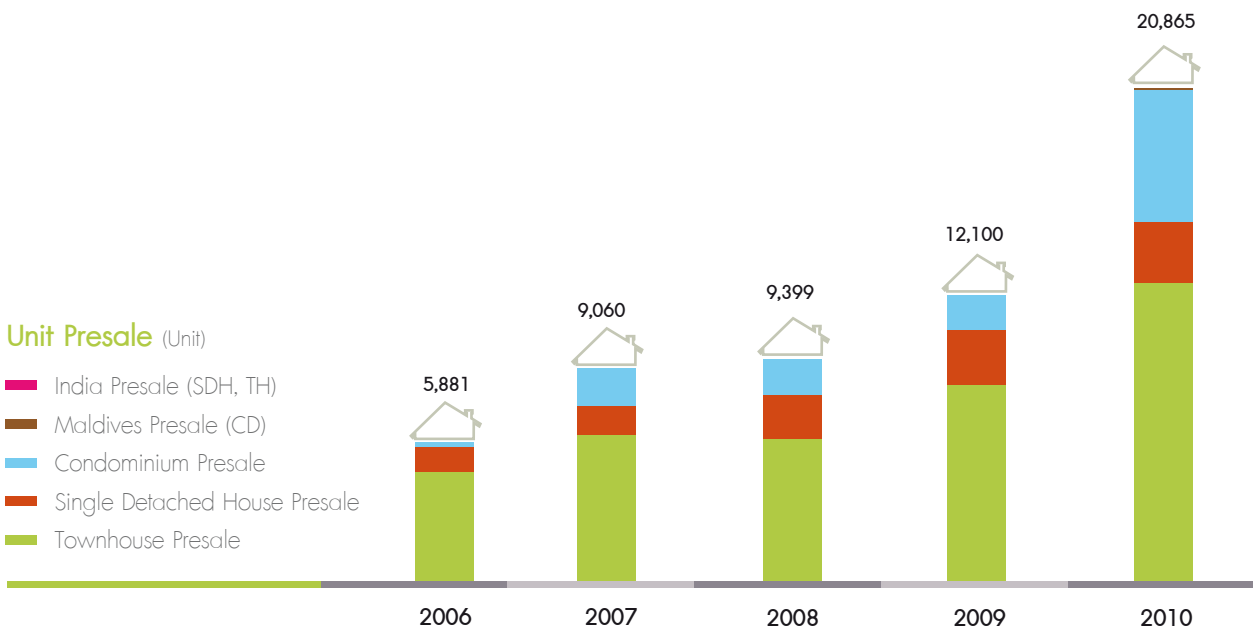
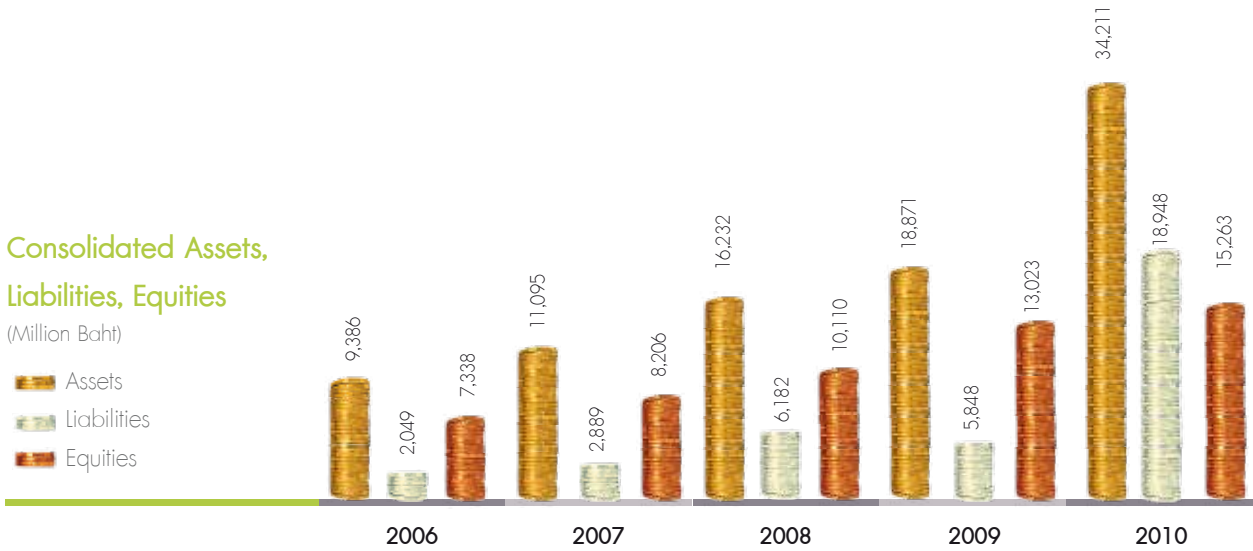
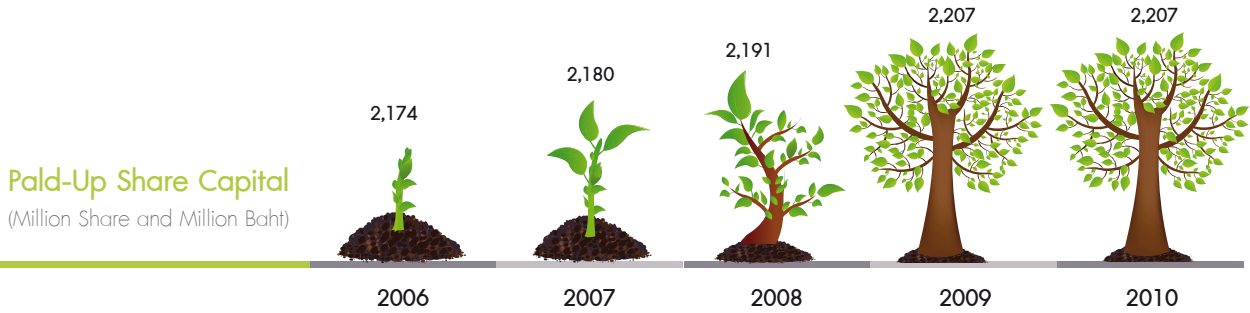


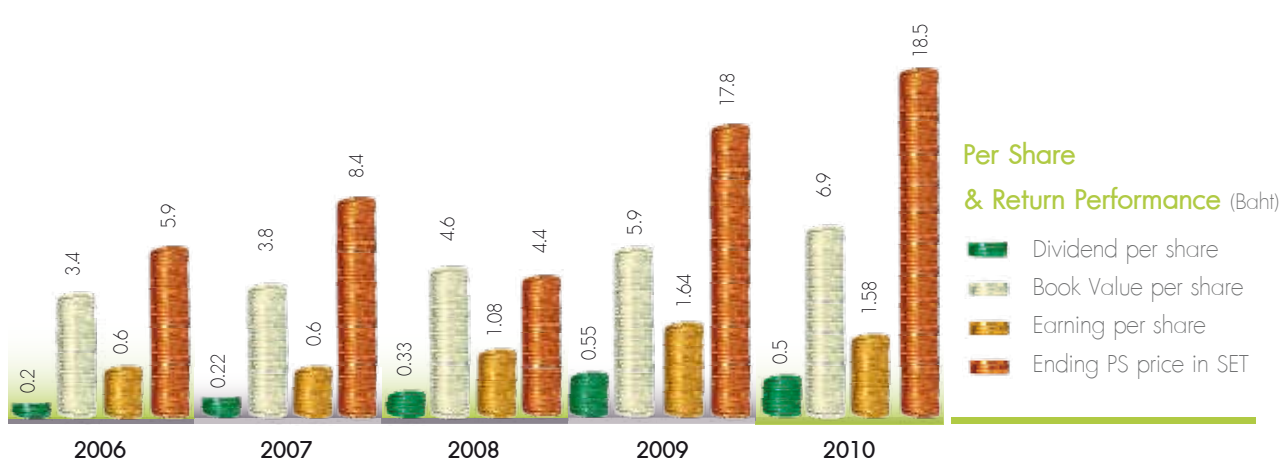
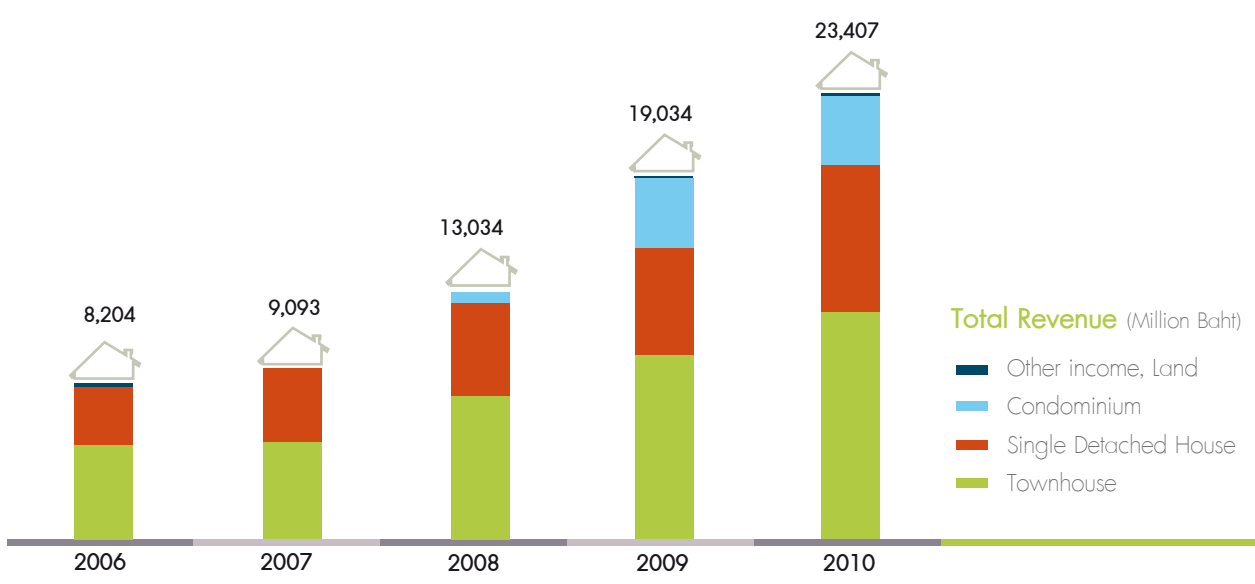
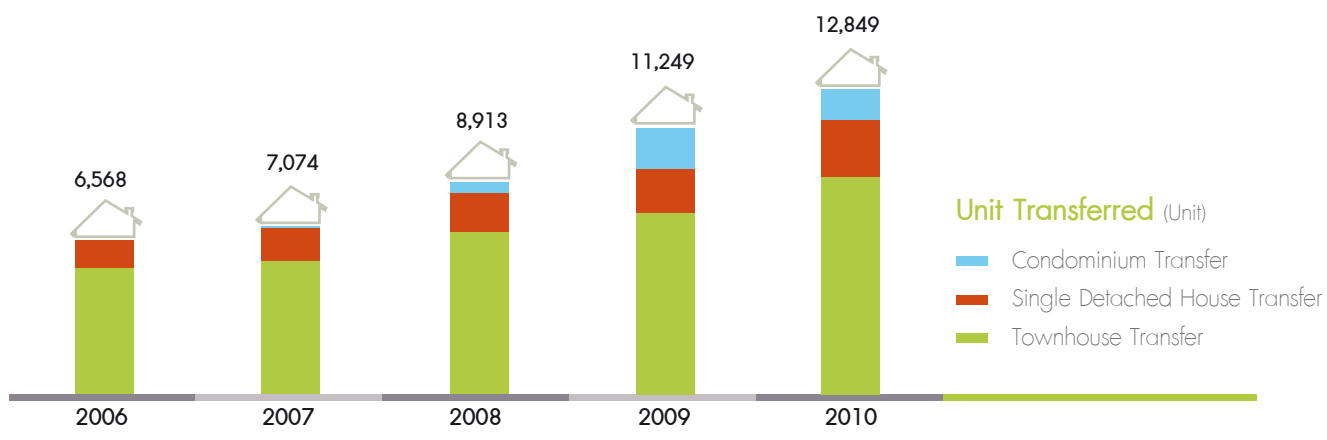


India, Vietnam and Maldives,
this is another great step of widening the area of happiness to other countries.



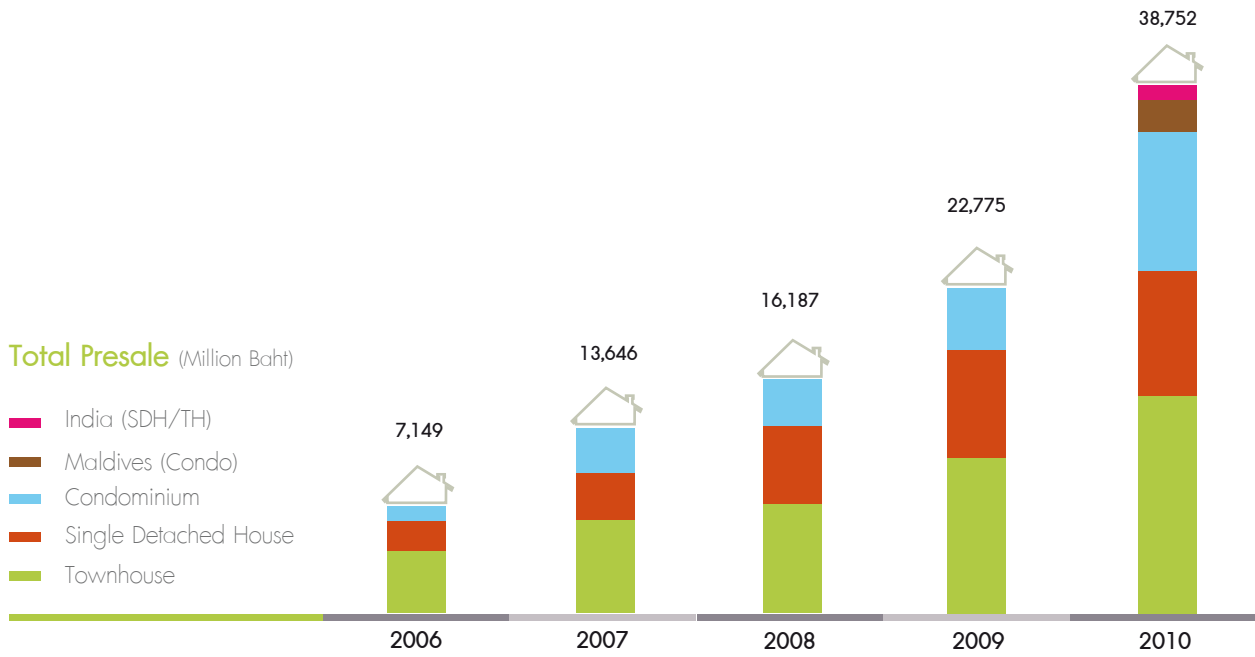
1. 5 Years Financial Highlights



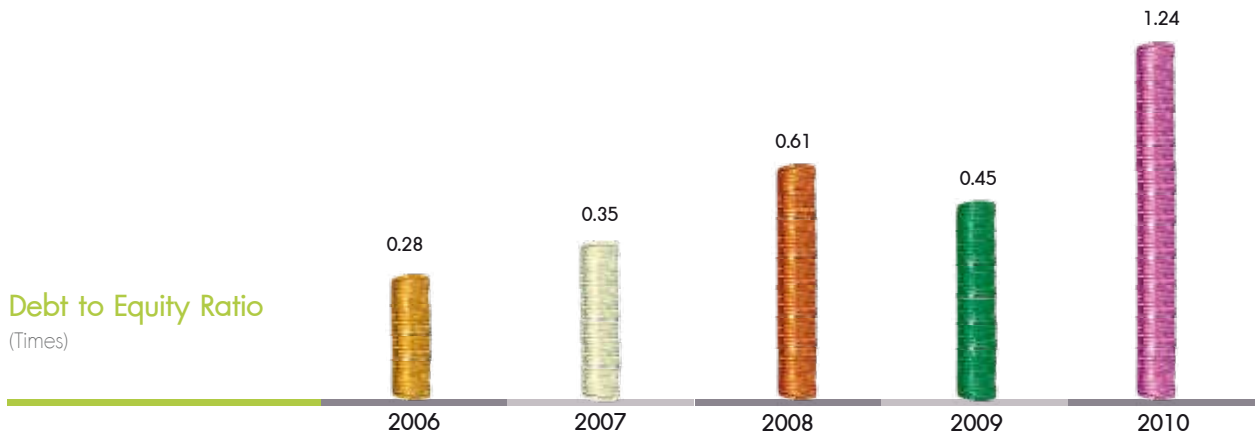


Total Presale (Million Baht)

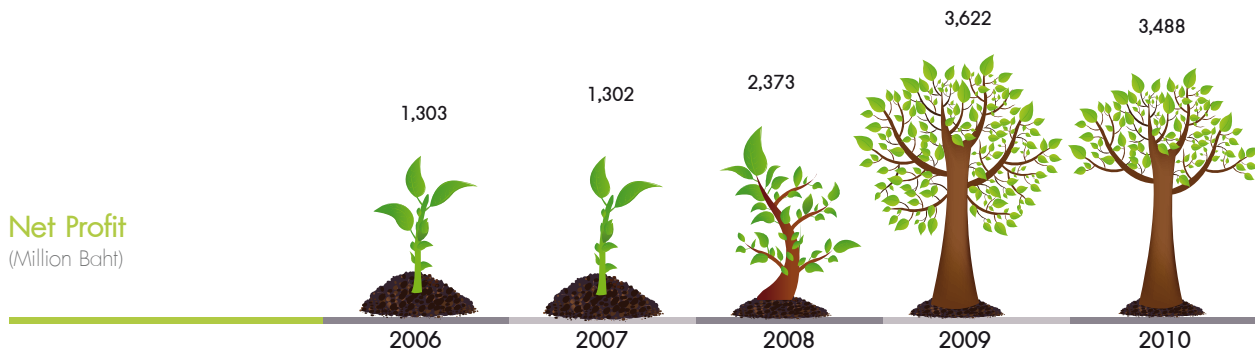
- India (SDH/TH)
- Maldives (Condo)
- Condominium
- Single Detached House
- Townhouse

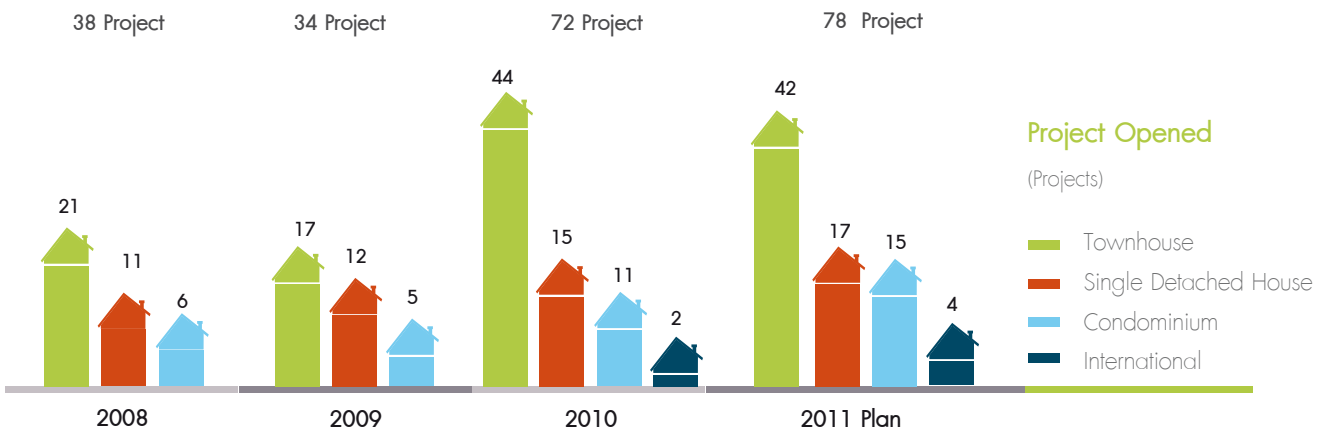
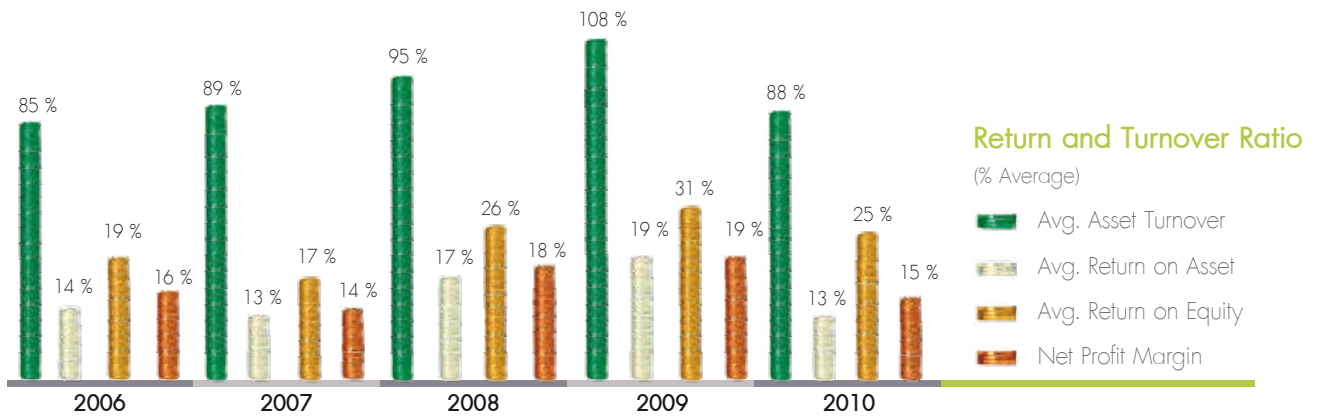


Debt to Equity Ratio (Times)



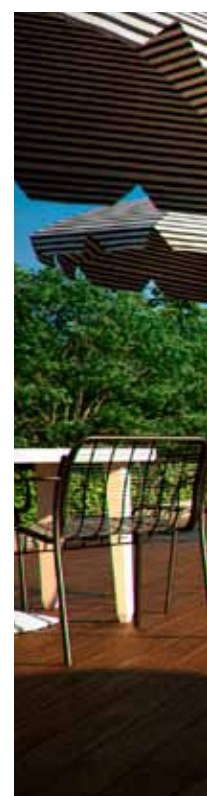
Net Profit (Million Baht)





2. Yearly Financial Information

	2010	2009	2008	2007	2006
Booking (million Baht)	38,752	22,775	16,187	13,646	7,149
Booking (units)	20,865	12,100	9,399	9,060	5,881
Unit Transferred	12,849	11,249	8,913	7,074	6,568
Paid - up capital (million Baht) before premium	2,207	2,207	2,191	2,180	2,174
Financial Statement Items (million Baht)					
Assets	34,211	18,871	16,292	11,095	9,386
Liabilities	18,948	5,848	6,182	2,889	2,049
Equities	15,263	13,023	10,110	8,206	7,338
Real estate income	23,280	18,943	12,969	9,054	8,181
Total Revenue	23,407	19,033	13,034	9,093	8,203
Gross Profit	8,846	7,284	4,947	3,174	2,633
Net Profit	3,488	3,622	2,373	1,302	1,303
Per Share basis (Baht per share) at current par					
Book Value per share	6.9	5.9	4.6	3.8	3.4
Earning per sharez	1.58	1.65	1.08	0.60	0.60
Dividend per share (Performance year)	0.50	0.55	0.33	0.22	0.20
Market Price at Year - end	18.5	17.8	4.4	8.4	5.9
Market Cap. (million Baht)	40.826	39,281	9,598	18,314	12,675
Financial Ratio :					
Average Asset Turnover	88%	108%	95%	89%	85%
Average ROA	13%	21%	17%	13%	14%
Average ROE	25%	31%	26%	17%	19%
Liabilities : E ratio (times)	1.2	0.45	0.61	0.35	0.28
D - Cash : E ratio (times)	1.1	0.21	0.46	0.22	0.22
Net Profit Margin	15%	19%	18%	14%	16%
P/E (times)	11.7	10.8	4.1	14.0	9.8
P/BV (times)	2.7	3.0	1.0	2.2	1.7
Dividend Payout ratio	32%	34%	31%	37%	33%
Cash & S - T investment (million Baht)	1,630	3,150.8	1,529.6	1,081.7	448.5





Baan Pruksa



TOWNHOUSES

Baan Pruksa

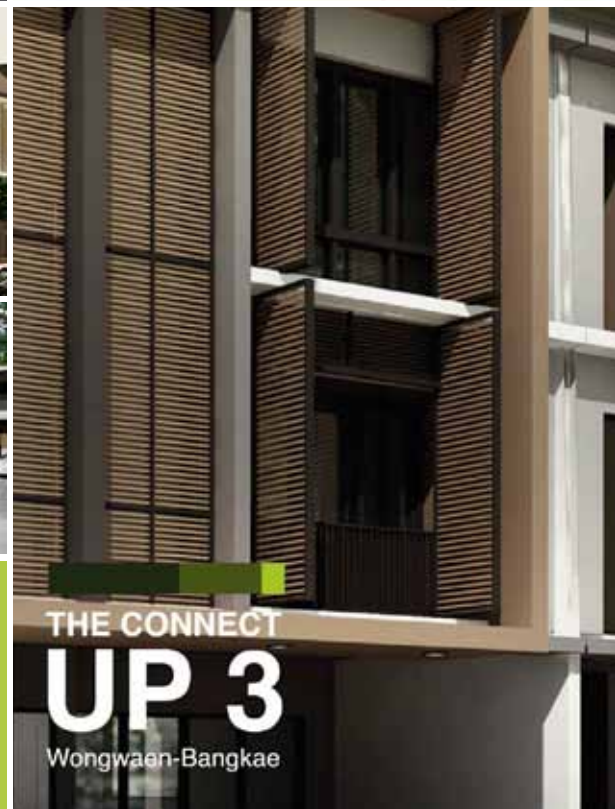


URBANO ABSOLUTE

Plern Pruksa



Urbano

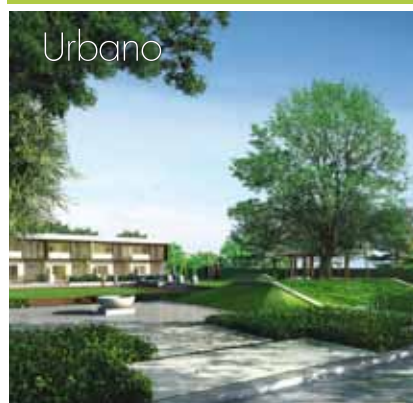


THE CONNECT
UP 3
Wongwaen-Bangkae

The Plant City



Urbano



The Connect



TOWNHOUSES



The Connect



The Connect

Pruksa Ville





Passorn

SINGLE DETACHED HOUSES



Prukso Nara



The Plant Bangna



SINGLE DETACHED HOUSES



Passorn Watcharaphon



Passorn Bangna



The Plant Bangna



Prukso Puri



The Plant Bangna



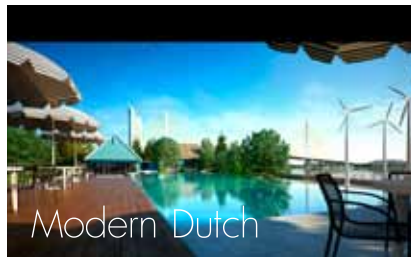
Condolette
Ize Ratchathewi



CONDOMINIUMS



Chapter one



Modern Dutch



Condolette Ladprao



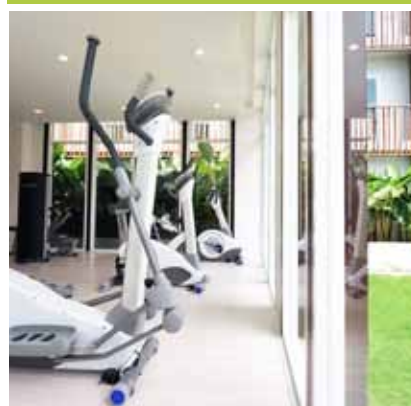
Caral-Ville



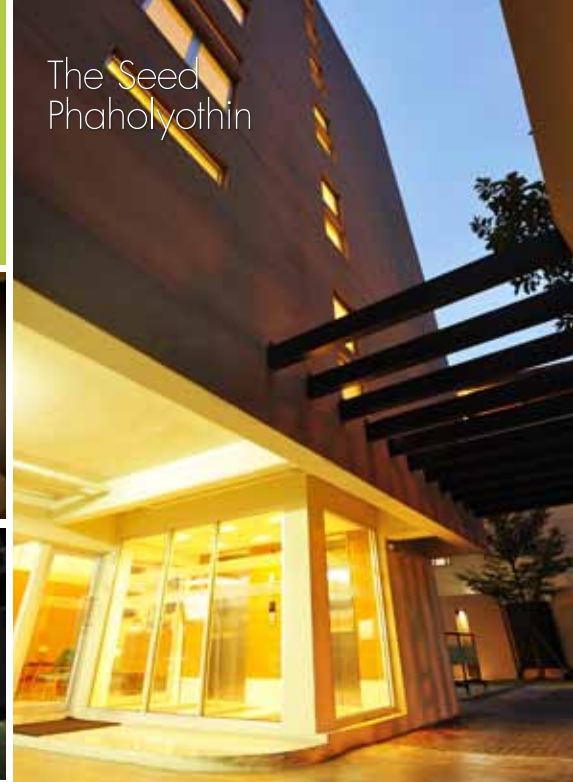
IVY River



Fuse sathorn-Taksin



CONDOMINIUMS



The Seed Phaholyothin



The Seed Mingle Sathorn-Suanplu



THE SEED Atom Area



The Seed Musee Sukhumwit26



The Seed Chaeng wattana



The Seed Terre Ratchayothin



The Seed Memories Siam



The Seed Memories Siam





Dr. Pisit Leeahtam
Chairman of the Board of Directors

3. Message from the Chairman

Early in 2010, the Thai economy slowed down due to the political unrest problems that occurred. However, by making use of flexible management, strategies were adapted to handle these external factors using our competitive advantages. By the end of 2010, Pruksa was able to achieve booking of 38,752 million Baht, higher than the target of 29,000 million Baht by 34% and higher than the previous year by 70%. In addition to being the Company's new record, this is also a new record in the Thai real estate industry.



Mr. Thongma Vijitpongpun
Chief Executive Officer

In 2011, the Thai economy is expected to continue growing from 2009 but at a slower pace. The real estate sector will continue to grow, even though some measures introduced by the Bank of Thailand in regulating mortgage loans and increased interest rates affect some consumers. Nevertheless, housing is a basic need and the demand for it will be similar to last year. The condominium market may not experience

the popularity like the past 2 - 3 years but it is still a big market. Today's consumers are seeking convenience for their lifestyle in terms of residence and commuting distance. The market for townhouses and detached houses located near the city that allows for convenient travel and available at affordable prices will become more popular.

Pruksa's business strategy for 2011 is to continue expanding in all market segments both locally and internationally with plans for a total of 78 new projects. Some international projects may be delayed as they are still in the beginning phase, however, with an effective management, competitive ability and careful risk management, Pruksa will continue its growth in the long term.

With 17 years in the business, there are presently over 100,000 families who are our customers, and many partners, contractors and stakeholders. We have made changes and progress in almost every way, including brand development and launching new products into the market. There is one thing that Pruksa has never changed: We focus on the importance of quality improvement of our products and services in every process. It is the core responsibility of the Company that is passed on to our executives and employees at every level, propelling Pruksa into becoming a successful leader in the Thai real estate sector. Therefore, in 2011, the Company selected a marketing campaign called "Yes, we care" to provide more attention to every group of stakeholders, along with corporate governance and social corporate responsibility that will provide the highest benefits for all our stakeholders.





Prized Rewards

Pruksa has been in the real estate property business for a long period, creating comprehensive types of housing, spanning townhouses, single detached houses, and condominiums. This has been conducted in conjunction with continuous quality development, leading to constant success, and raising the company's profile as the leading real estate company in Thailand.

The company's success is proven by the numerous awards bestowed on the company by various reputable institutions and organizations both in Thailand and abroad. This is proof of the company's commitment to provide the best to all of our customers.

• **"Best Executive in Thailand" - ASIAMONEY**

Thongma Vijitpongpun, Pruksa Real Estate Pcl.'s Chairman of Executive Committee and Chief Executive Officer received such award. The award is given to companies with exceptional performance and a strong financial position.

Other criteria include management strategy, vision, investors relations management, management transparency, and good corporate governance. Securities analysts, investors, and fund managers in Thailand are polled on the given criteria.

• **Good Real Estate Company "OCPB's Starred Real Estate Project" from 2009-2010 from the Office of the Consumer Protection Board**

This reward is given to real estate developers who are moral and responsible to the society. Criteria include analysis of performance in the 5 past years, design and construction standards, and consumer satisfaction. This is the second time Pruksa received this award after the first time in 2007-2008.

• **"Best Under A Billion" - Forbes Asia 2010**

Pruksa was 1 out of 200 companies awarded the "Best Under A Billion" award, which is given to companies in the Asia Pacific with excellent performance. Forbes Asia considered 12,930 companies, of which only 670 passed the





minimum criterion, which includes growth (sales from US\$500 million to US\$1 billion) incomes, net profit, and future growth trends. Subsequently, only 200 outstanding companies were selected based on performance excellence. Only 9 companies in Thailand received this award.

- **"Exemplary Person in the Real Estate Development Sector" Honorary Award under the Quality Persons of The Year 2010 – Foundation of Science and Technology Council of Thailand**

Thongma Vijitpongpan, Pruksa Real Estate Pcl.'s Chairman of Executive Committee and Chief Executive Officer, was awarded Quality Person of The Year 2010, an award held to recognize and honor individuals who have

succeeded in not only their work and personal life, but also devoted themselves to activities which benefit the society and the country.

- **Best CEO Award in the SAA Awards for Listed Companies 2010 – Securities Analyst Association**

Thongma Vijitpongpan, Pruksa real Estate Pcl.'s Chairman of Executive Committee and Chief Executive Officer, was awarded Quality "Best CEO Award" in the Real Estate and Construction Category for excellent performance. The SAA Awards Listed Companies 2010 is awarded to CEOs, CFOs and IRs of public companies listed in the Stock Exchange of Thailand with excellent performance and is selected by securities analysts and fund managers.



4. Vision, Goals, and Organization Culture

Vision

"Pruksa is one of the top ten residential real estate companies in Asia focusing in World Class Quality Management with strong fundamental and sustainable growth.

We maximize customers and employees satisfaction and returns to shareholders and uphold the social responsibilities in all the countries we do business in.

Goals

- Be one of the top ten residential developers in Asia
- Generate at least 25% per year revenue growth
- Generate at least 18% net profit margin
- Revenue hit Bt. 100,000 million in 2017

Business Strategy

1. World-class product and service management
2. Efficient supply chain management
3. Cost-efficient management
4. Strategic business units (SBUs) operation in order to be an agile organization and be ready for the Company's fast expansion
5. Innovative and up-to date construction technology
6. Offering products and services maximizing customers satisfaction and impression
7. Continuous operational process improvement

Organization Culture

1. Specific: perception and awareness of the work in hand.
2. Passion: affection, loving kindness, help, good speech and conduct.
3. Think it right: deliberate and have a thorough knowledge.
4. Customer focus: concentration to analyze the customer's requirement.
5. Getting things done : (Execute) : follow until it is sure the work is completed.
6. Deliver excellence: perform and produce a remarkable outcomes (maintain good quality of products and services)





5. Business Operation

Background

Pruksa Real Estate Plc. was founded by Mr.Thongma Vijitpongpun on April 20, 1993 with the initial registered capital of Baht 50 million. It concentrates on developing projects for townhouses, single-detached houses and condominiums. Mr.Vijitpongpun, the founder, had brought his experience and expertise in construction from government and private projects into the business of the Company. Such factor together with professional management team, outsourcing

consultants for continuous development of entire corporate operation process, appropriate business strategy resulted in The Company's positive bottom lines throughout the past 16 years of operation even during the economic downturn.

The Company focuses on residential house locating in various potential and high growth areas (including central Bangkok) of Bangkok and its vicinities. It has following projects in Thailand and overseas.

Townhouses/Duplex	Single Detached Houses	Condominiums
Baan Pruksa	Passorn	Citi Ville
The Connect	Pruksa Village	IVY
Pruksa Ville	The Plant	The Seed
The Plant Citi	Pruksa Nara	The Tree
Pruksa Town	Pruksa Puri	Be You
Urbano Townhouse	Pruksa Gallery	Urbano Condo
Pruksa Nara	Silvana (India)	Chapter One
Silvana (India)		Condolette
		Fuse
		Coral Ville (Maldives)





Unlike most other real estate developers who generally hire contactors to handle construction work for the entire project, the Company is a real estate developer that adopts modern construction technologies from foreign countries to construct housing units and manages the construction of projects itself. In operating a project, the Company will set up project specifications and detailed design. With respect to construction, the Company manages its own construction by dividing work into parts and hiring contractors to perform specific tasks such as constructing foundation, concrete work, building installation, tiling and roofing, whereas raw materials are bought in bulk by the Procurement Department. Engineers and foremen will oversee the construction work to ensure it is in compliance with the standards and specifications. With in-house construction management and adoption of such technologies, it can effectively control the quality, manage construction time and cost. As such, the Company becomes a low cost leader among real estate developers.

As approved from its Extraordinary General Meeting of Shareholders on April 22, 2005, the Company then increased its registered capital by issuing 532.5 million new shares with par value of Baht 1. On April 27, 2005, the Company converted itself into a public company. Later on December 6, 2005, it started trading on the Stock Exchange of Thailand (SET) under the ticker "PS".

As at 31 December 2008, the Company has a registered capital of Baht 2,255,753,400 (being 2,255,753,400 common shares at Baht 1 par). The paid up capital was 2,191,394,200 Baht and shares.

- On 5 February 2009, the Company has registered its paid-up capital resulting from 5,169,900 Baht and shares resulting from warrant exercised. As such, the Company's paid-up capital reached 2,196,564,100 Baht and shares.

- On 7 August 2009, the Company has registered its paid-up capital resulting from 5,086,500 Baht and shares resulting from warrant exercised. As such, the Company's paid-up capital reached 2,201,650,600 Baht and shares.

- On 4 December 2009, the Company has registered its paid-up capital resulting from 5,161,400 Baht and shares resulting from warrant exercised. As such, the Company's paid-up capital reached 2,206,812,000 Baht and shares.

- On 27 April 2010, the Company's annual shareholders' meeting approved the decrease in the Company's registered capital from 2,224,753,400 to 2,206,812,000 million Baht (@ 1 Baht par) by decreasing the common stocks of 17,941,000 shares previously issued for serving ESOP warrants exercised

- On the same day, the Company's annual shareholders' meeting also approve the increase in the Company's registered capital from 2,206,812,000 Baht to 2,228,812,000 million Baht (@ 1 Baht par) to serve the 22,000,000 ESOP warrants exercised from the directors and company's management.

- As at 30 December 2010, the Company has the registered capital of 2,228,812,000 million Baht (2,228,812,000 common stocks at 1 Baht par) with the paid up capital of 2,206,812,000 million Baht

The Company's affiliates both domestic and overseas which is already incorporated

No.	Founded	Name of affiliates	location	Registered capital	Paid-up capital	% shareholding
1	2005	Kaysorn Construction Co., Ltd.	Bangkok	100 million baht	100 million baht	100%
2	2006	Putthachart Estate Co., Ltd.	Bangkok	100 million baht	100 million baht	100%
3	2006	Phanalee Estate Co., Ltd.	Bangkok	200 million baht	200 million baht	100%
4	2008	Prukha Overseas Co., Ltd.	Bangkok	400 million baht	250 million baht	100%
5	2009	Prukha International Co., Ltd.	Bangkok	1,000 million baht	625 million baht	100%
6	2009	Prukha India Housing Ltd.	Bangalore India	Equivalent to USD 10 million	Equivalent to USD 10 million	100%
7	2010	Prukha Overseas Services Co., Ltd.	Bangkok	10 million Baht	2.5 million Baht	100%
8	2010	Prukha India Construction Private Ltd.,	Bangalore, India	Equivalent to USD 2 million	Equivalent to USD 2,500	100%
9	2010	Prukha Vietnam Construction Company Limited	Hai Phong, Vietnam	Equivalent to USD 1.5 million	Equivalent to USD 1.5 million	100%
10	2010	Prukha-Luxora Housing Pvt.	Mumbai, India	Equivalent to USD 10 million	Equivalent to USD 10,000	50%
11	2010	Prukha-HDC Housing Private Ltd.	Maldives	Equivalent to USD 10 million	Equivalent to USD 5 million	80%
12	2010	Kaysorn Construction Ltd., Maldives Branch	Maldives	Equivalent to USD 1 million	Equivalent to USD 1 million	100%



5.1 Major Developments during the past 7 years

Year 2004

- The Company's paid up capital increased from Baht 1,388 million to Baht 1,700 million.
- The Company started building its Precast Concrete Factory with a semi-automated pallet circulating system in production, the most modern technology in Thailand. The project cost was approximately Baht 650 million (excluding the cost of land)
- The Company has enhanced its operating work system by employing Enterprise Resource Planning or ERP framework. SAP computer software was installed to support such Company's system and to upgrade its information technology system. The investment cost was Baht 30 million.

Year 2005

- The Precast Concrete Factory was completed and has started producing housing parts.
- The Precast Fence and Pillar Factory, with approximately Baht 150 million project cost (excluding the value of the land at location), was completed and has commenced production
- The Company set up Kaysorn Construction Company Limited to be a contractor for housing decoration.
- The Company set up the Business Processes Improvement and Workforce Management Systems, a solution offered by IBM (Thailand) Co., Ltd. The value of the project is Baht 12.7 million. The systems are designed to improve the business processes (including construction, sales, marketing and services) of the Company and personnel management. The purpose of this improvement is to support the business expansion, to increase the competitive edge in the future and to reduce the operating cost.
- The Company converted itself into a public company and increased its registered capital from Baht 1,700 million to Baht 2,232.5 million and reduced the par value from Baht 100 to Baht 1

- The Stock Exchange of Thailand has granted a listing of common shares of Pruksa Real Estate Public Company Limited under the ticker "PS" of which trading began on December 6, 2005.

Year 2006

- The Company increased its paid-up capital from Baht 2,125.0 million to Baht 2,159.7 million on January 9, 2006.
- The Company increased its paid-up capital to Baht 2,166.7 million on July 5, 2006, to accommodate the first exercises of warrants from ESOP scheme.
- The Company has adopted Business Process Improvement (BPI), Business Intelligence (BI) and Balance Score card Software to enhance the Company's operations and management Precast Concrete Factory was modified for more efficiency in production process.
- The Company has set up two new subsidiaries named Putthachart Estate Company Limited and Phanalee Estate Company Limited, with an initial registered share capital of Baht 1 million each and later registered to increase the authorized share capital to Baht 50 million on November 22, 2006
- The Company was granted approval of issuance of short-term Bill of Exchange (BE) (within 270 days) to investors at a total amount of Baht 1,000 million.

Year 2007

- The Company increased its paid-up capital from Baht 2,166.7 million to Baht 2,173.8 million on January 10, 2007, to accommodate the second exercise of warrants from ESOP scheme.
- As per the 2007 Annual General shareholders' Meeting's approval, the Company registered the decrease in authorized share capital through eliminating non-traded shares of the

Company in the amount of 7,746,600 shares at a par value of Baht 1, and also registered the Amendment of Memorandum of Association Article no.4 to be in line with the decrease of the Company's registered capital, from Baht 2,232.5 million to Baht 2,224.75 million, with the Ministry of Commerce, on April 20, 2007.

- As per the 2007 Annual General shareholders' Meeting's approval, the Company registered the increase in authorized share capital and also registered the Amendment of Memorandum of Association Article no.4 to be in line with the increase of the Company's registered capital, from Baht 2,224.75 million to Baht 2,255.75, with the Ministry of Commerce, on April 23, 2007.

- As per the 2007 Annual General shareholders' Meeting's approval, the Company registered the Amendment of Memorandum of Association Article no.3 in respect of the Company's Objectives, from 36 to 42 clauses, with the Ministry of Commerce, on April 23, 2007.

- At the 2007 Annual General shareholders' Meeting held on April 9, 2007, the shareholders approved the issuance and offer for sale of Debt Securities under the project (Shelf Filing) to decrease the financial cost of the Company and to provide an alternative of sources of funds for project development. The maximum amount of Debt Securities must not exceed Baht 2,000 million within three years. The Company issued 2 Tranche of unsubordinated and unsecured debentures in an aggregate amount of Baht 1,000 million (however the outstanding balance as at 31 December 2009 is Baht 600 million) as follow:

Tranche 1: Debenture of Baht 600 million (600,000 units at Baht 1,000), issued on August 8, 2007, bears interest at 4.91% per annum, semi-annually payable and matures on August 9, 2010.

Tranche 2: Debenture of Baht 400 million (400,000 units at Baht 1,000), issued on August 15, 2007, bears interest at 4.68% per annum, semi-annually payable and already matured on August 17, 2009.

- The Company has adopted a SBU (Strategic Business Unit) structure to accommodate its long-term growth. The Company increased its paid-up capital from Baht 2,173.8 million to Baht 2,180.2 million on August 9, 2007, to accommodate the third exercise of warrants from ESOP scheme.

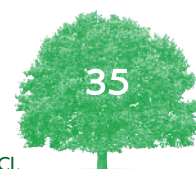
Year 2008

- A subsidiary named Phanalee Estate Company Limited had registered to increase authorised share capital on September 22, 2007, from Baht 50 million to Baht 200 million (2,000,000 shares at Baht 100 par value) with the Ministry of Commerce without additional cash received.

- The Company increased its paid up capital from Baht 2,180.2 million to Baht 2,185.95 million on 6 February 2008 to accommodate the fourth exercise of warrants from ESOP scheme.

- The Company built a plant manufacturing precast steel-reinforced concrete panel with special element. The project value is Baht 90 million excluding land cost and is on stream in June 2008 with 400-cubic-metre-per-month capacity. This locates in the same area of the first and second plant.

- The Company increased its paid up capital from Baht 2,185.95 million to Baht 2,191.39 million on 8 August 2008 to accommodate the fifth exercise of warrants by the Company's directors, employees and advisors and/or the subsidiaries (PS-WA), in a total amount of 5,441,500 units on July 31, 2008.



Year 2009

- The Company officially launched its 3 new brands: The Tree, the Plant Citi, and Be You.

- From the 2008 Annual General shareholders' Meeting held on April 11, 2008, the shareholders approved the issuance and offer for sale of Debt Securities under the project (Shelf Filing). The amount was set not exceed Baht 2,000 million within three years. The Company then issued Baht 1,500 million debentures afterward with 3 years tenor (29 January 2009 to the redemption date of 29 January 2012).

- The Company increased its paid up capital from Baht 2,191.39 million to Baht 2,196.6 million on 5 February 2009, 7 August 2009, 4 December 2009 to accommodate the 6th – 8th exercise of warrants from ESOP scheme.

Year 2010

- The Company's English name changed from "Preuksa Real Estate Pcl." to "Pruksa Real Estate Pcl.". The Company's brand also change to reflect new name & re-branding.

- After announcing 2009 audited financial statement, the Company became the largest residential developer in Thailand in term of revenue.

- The Company officially launched several local condo brands : Chapter One, Condolette, Fuse, Urbano (Townhouse and Condo) and its first international brand "Coral Ville" in Maldives

- In Hulhumale, Maldives, after signing the JV agreement with Housing Development Corporation (HDC), the Company started launching low rise condominiums "Coral Ville" and achieved 93% sales.

- In Bangalore, India, the Company acquired its first land plot successfully - 65 Rai (26 Acres) , got all licenses approval and started doing pre launch the first phase of row houses and Villas project at Budigere

- In Mumbai, India, the Company signed Joint Venture Agreement with SOHAM Group of Companies to start developing the 1st project of row houses, twin homes and villas at Pimplas Thane. .

- In Hai phong, Vietnam, the Company signed 85% Joint Venture Agreement with Hoang Huy Service Investment Co.

5.2 Business Structure

The Company has two parts of business structures.

1. Domestic real estate business
2. Overseas real estate business

For both domestic and overseas real estate business the Company focuses on its expertise in residential housing project development which the Company has become an advantageously competent player in real estate business over many years.

1. Domestic real estate business

The Company has been developing residential housing projects primarily in metropolitan Bangkok and suburban areas. The Company focuses on high growth potential areas with high population growth rate. In year 2010, the Company started its upcountry projects in Nakorn Pathom, Chonburi, and Phuket. After that, it plans to launch projects in Khonkan and other provinces that have potentials.

2. Overseas real estate business

In 2010, the Company started its international projects firstly in Maldives, followed by Bangalore, India.

Townhouse/Duplex/Single Detached house	Condominium
<ul style="list-style-type: none"> - Brand "Silvana" at Bangalore India - 438 units - Project Value: equivalent to Baht 1,600 million - 1st phase Soft launched in November 2010 equivalent to Baht Bt. 500 million. - As of 31 December 2010, the booking is Bt. 128.7 m or equivalent. - Grand opening is planned to be in June 2011. 	<ul style="list-style-type: none"> Brand "Coral Ville" at Hulhumale, Maldives - 80% JV with Housing Development - 5 storey CD Corporation (HDC) in Hulhumale totaling Baht 3,500 million equivalent. - The first phase : Baht 595 million of which Baht 570 million pre-sales - The second phase will be launched in Q2'11

After the year of 2010, the Company plans to open another phase in Maldives, new project in Vietnam, more projects in India, or other cities that have potential.

The Company has developed residential housing brands in 3 categories

Townhouses/ Duplex	Single Detached Houses	Condominiums
Baan Prukca	Passorn	City ville
The Connect	Prukca Village	IVY
Prukca Ville	The Plant	The Seed
The Plant Citi	Prukca Nara	The Tree
Prukca Town	Prukca Puri	Be you
Urbano Townhouse	Prukca Gallery	Urbano condo
Prukca Nara		Chapter One
		Condolette
		Fuse



5.3 Revenue Structure

From the 1993 to 2010, the Company has launched 249 residential housing projects. The revenue of the Company in 2008, 2009, and 2010 were Baht 12,963 , 18,943 , 23,280 million Baht, respectively. As such, there was 39% of 4-year average growth rate (Year 2007 – Year 2010). The revenues are divided as follows:

For the year ended 31 December

Categories of Products by Project name	2007		2008		2009		2010	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Townhouses	5,150	57 %	7,636	58 %	9,729	51 %	11,948	51 %
Single Detached Houses	3,863	43 %	4,869	34 %	5,619	30 %	7,723	33 %
Condominiums	43	0.4 %	564	4 %	3,595	19 %	3,608	16 %
Revenues	9,056	100 %	12,963	100 %	18,943	100 %	23,280	100 %

Existing residential housing projects at of 31 December 2010 in total of 132, sold, unsold as follows

Active Project as at 31 Dec. 2010	No. of Projects	Total Units	Total Value (Baht)	Units sold	Value sold (Baht)	Units unsold	Value unsold (Baht)
Total	132	56,196	113,752,475,634	33,123	64,657,447,680	23,073	49,095,027,954
Passorn	7	2,615	10,667,322,653	1,515	6,449,872,356	1,100	4,217,450,297
The Plant	6	1,227	5,112,830,626	969	4,058,994,586	258	1,053,836,040
Pruksa Village	19	5,453	14,323,169,311	2,584	6,592,178,312	2,869	7,730,990,999
Pruksa Gallery	1	230	685,204,259	5	17,482,000	225	667,722,259
Pruksa Town	10	2,446	5,171,257,063	912	1,850,051,450	1,534	3,321,205,613
The Connect	10	3,978	8,429,129,364	1,728	3,346,165,760	2,250	5,082,963,604
Pruksa Ville	26	8,072	12,666,837,970	4,824	7,463,195,783	3,248	5,203,642,187
Baan Pruksa	28	18,196	19,548,897,938	11,604	11,580,566,226	6,592	7,968,331,712
IVY	4	1,919	7,071,885,918	1,760	5,985,766,496	159	1,086,119,422
The Tree	3	2,094	3,282,457,775	1,870	2,841,994,625	224	440,463,150
The Seed	7	2,162	7,386,086,606	1,898	6,410,735,606	264	975,351,000
Chapter One	1	2,404	4,213,560,570	820	1,500,568,000	1,584	2,712,992,570
Condolette	3	888	2,563,544,500	696	1,724,438,500	192	839,106,000
BE YOU	1	374	373,356,034	373	372,356,134	1	999,900
FUSE	2	1,776	3,844,970,847	917	2,173,816,077	859	1,671,154,770
Urbano	2	804	3,241,966,532	466	1,666,124,072	338	1,575,842,460
SILVANA (BANGALORE)	1	438	1,667,584,493	20	80,681,070	418	1,586,903,423
Coral Ville (Maldives)	1	1,120	3,502,413,176	162	542,460,629	958	2,959,952,547

1. Townhouses

At present, the Company has the following project for townhouses

Townhouses/Duplex Project
• Baan Pruksa
• The Connect
• Pruksa Ville
• The Plant Citi
• Pruksa Town
• Urbano Townhouse
• Silvana (India)

The Company develops many brands of townhouses with various models. It set prices ranging from Baht 0.6 million to Baht 4 million. The latest brands launched in 2010 were Urbano and Silvana (India). In 2009 and 2010, the Company launched 17 and 44 townhouse projects respectively. Moreover, the first project in India called "Silvana" comprising of townhouses and single detached houses has been launched in the fourth quarter of 2010. The increase in local projects open has proved the Company's ability in market penetration, finding right location, and understanding customers' needs. The Company's market share in townhouse units transfer has been always be No. 1 among Thailand residential developers. In 2010, the Company' share is 66%

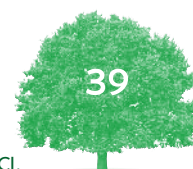
The Company aims to focus on low-to-middle income earners who desire to have their own houses and are not buying for speculation. The Company has constructed townhouses under the concept "A House for Everyone" in order to respond to basic needs of customers for housing of comparable quality but lower prices when compared to other developers' housing of similar designs, sizes, and locations. Generally, the Company's sale prices for townhouses are 15-20% lower than those offered by other developers. This is because the Company manages the construction itself and, as a result, it can efficiently control the costs of construction and in shorten the construction period.

Future Plan – Townhouse

In 2010, townhouse, 51% of all products, were the Company's main product owing to the expansion of products and new brands covering more various customers segments. Besides, New projects were launched to respond to customer's needs of housing at the inner areas of Bangkok Metropolis and its perimeter. This results in an increase in the Company's market shares.

Ownership Transfer	2008	2009	2010
Total Units of Townhouse Project	6,824	7,651	9,150
Revenues from sales of townhouses (Million Baht)	7,536	9,729	11,948
Total registered townhouses, commercial buildings, and duplex houses in Bangkok Metropolis and its suburbs from the Real Estate Information Center (built by developers)	13,149	10,771	13,827
Market shares	52%	71 %	66%

From 2006 to 2009, the Company was successful in the townhouse market in the Bangkok Metropolis and its outskirts due to the expansion of existing businesses by launching new brands such as 'The Connect' and 'Pruksa Ville'. In 2009, the Company further enhanced the growth of townhouse market by conducting a customers' needs survey which has led to service and product improvement. As a result, the Company's townhouse market share rose to 55% - 60%. The real estate business stimulus measures through waivers of transfer fees, mortgage loan fee, property tax incentives, being effective till the second quarter of 2010, stimulated demand for housing. The Company



focused on developing the projects to meet customer demand in order to obtain such benefits. The Company has even entered into the new segments by launching 3-storey and 2-storey city townhouse projects, which are priced Baht 1.8-3.5 million, in the inner areas under the brand 'The Connect'.

In 2010, the Company further expanded on townhouse development under the existing brands to new market areas covering both Bangkok areas and its suburbs, including the continuity of service and product improvement. The new brand of "Urbano" townhouse has been introduced in in-town area. In addition, townhouse projects under the brand 'Pruksa Nara' have been developed in Ayutthaya, Chon Buri and Khon Kaen while 'The Connect' has been expanded into new city areas of Bangkok, which have no Pruksa's projects yet. Besides, 'Pruksa Ville' has been expanded into provinces such as Phuket.

2. Single-Detached Houses

Single-detached Houses Project

- Passorn
- Pruksa Village
- The Plant
- Pruksa Nara
- Pruksa Gallery
- Pruksa Puri
- Silvana (India)

The Company develops single-detached houses under the "Pruksa Village" and "Passorn" and "The Plant"

In 2010, the Company develops new brand called "Pruksa Nara", aimed to open in up-country. The first province is Ayutthaya. In the same year, the new brand called "Pruksa Gallery" is being developed to be the single detached houses for middle income earners in Bangkok."

In 2009 and 2010, the Company launched its 12 and 15 projects of single detached houses respectively. From the Company's penetration and marketing strategy in single detached house market in many years, its market share has risen dramatically from 4% in 2005 to 21 – 25% within 5 – 6 years later.

Ownership Transfer	2008	2009	2010
Total Units in single-detached house Project	1,668	1,870	2,416
Revenues from sales of single-detached house Project	4,869	5,619	7,723
Total Registered Additional registered single-detached houses in Bangkok Metropolis and its suburbs from the Real Estate Information Center. (built by developers)	13,478	10,863	11,461
Market shares	12 %	17%	21%

Future Plan - Single-Detached Houses

From the huge success in single detached houses in the past few years that the Company's 2010 market share hit 21%. In 2010, the Company is ready to develop more houses in upper market to increase its market share. In the near future, home buyers will see the new brands coming.

3. Condominium

Condominium Project
• Citi Ville
• IVY
• The Seed
• The Tree
• Be You
• Urbano Condo
• Chapter One
• Condolette
• Fuse
• Coral Ville (Maldives)

In 2007, the Company has adjusted its marketing strategy and plan for new income structure from seeing dramatic change in housing demand in Bangkok and its vicinities. In addition, developing in public mass transit (sky train, subway) has caused high 2007 demand in condominiums. Thus, the Company modified its business structure and organization to serve such needs. As a result, it successfully penetrates the condominium market in a short time. The company has developed 2007 new brands ; Ivy and the Seed.

In 2008 the Company developed new segments in condominium to serve new lifestyles by new type of condominiums. Moreover, it continually expanded and get more shares from the previous year business foundation.

In 2009 and 2010, the Company launched 5 and 11 domestic condominiums respectively. In the second quarter, it opened the first project in Maldives.

In 2009 the Company's condominium project has been developed into new market by initially being constructed under the brand "The Seed Theme" in terms of Boutique condominiums which are "The Seed Musee Sukhumvit 26" and "The Seed Memory Siam". These condominium projects were accepted by the market and were rapidly sold out.

The Company has been developing further condominium projects to serve the promotion privileges of the Board of Investment (BOI) by realizing the demand of the low income earners in the price range lower than Baht 1.0 million with the utility area not less than 28 square meters. In 2009 the Company launched a new brand of condominium project named "The Tree" initially located in Ladprao area "The Tree Ladprao" had a high responses e and were sold out quickly. The following brand issued was "Be You"

Ownership Transfer	2008	2009	2010
Total Units in Condominium Projects	421	1,728	1,283
Revenues from sales in Condominium Projects (Million Baht)	564	3,595	3,608
Total Registered Additional registered condominiums in Bangkok Metropolis and its suburbs from the Real Estate Information Center (built by developers)	29,681	46,452	57,167
Market shares	1.7 %	3.7 %	2.2 %

In 2010, the Company has dramatically expanded in condominium markets from existing market and new business model in condominium in various segments from middle to low or BOI units.

The new brands launched in 2010 are Condolette, Chapter One, Fuse, Urbano, and Coral Ville (Maldives)

From the 4 – year consecutive success, the 2010 company's market share in condominium booking becomes highest (Baht 12,910 million) in the industry.



Future Project of Condominiums

The Company will launched more new domestic brands projects in Vietnam, India or other area which have potential in 2011. For oversea, it plans to launch new condominium in and business feasibility. Maldives under "Coral Reef" brand. It also plan to open more

Investment Promotion Policy announced by BOI-Townhouse and Condominium

Previous Investment Promotion Policy	Amendment of Investment Promotion Policy for BOI Baht 1.0 million (Condominium)	Amendment of Investment Promotion Policy for BOI Baht 1.2 million (Townhouse or Single house)
<ul style="list-style-type: none"> Projects must comprise a minimum of 150 residential units in Zone 1 and 75 residential units in Zone 2 and Zone 3 	<ul style="list-style-type: none"> Projects must comprise a minimum of 50 residential units in every location 	<ul style="list-style-type: none"> Projects must comprise a minimum of 50 residential units in every location
<ul style="list-style-type: none"> For any residential project, area per unit must not be less than 31 square meters 	<ul style="list-style-type: none"> For Zone 1, a minimum area per unit must not be less than 28 square meters and for Zone 2 and Zone 3, a minimum area per unit must not be less than 31 square meters 	<ul style="list-style-type: none"> For Zone 1, a minimum area per unit must not be less than 70 square meters
<ul style="list-style-type: none"> Its sale price per unit must not exceed 600,000 Baht (including land cost) 	<ul style="list-style-type: none"> Its sale price per unit must not exceed Baht 1.0 million (including land cost) for Zone 1 and not exceed 600,000 Baht for Zone 2 and Zone 3 	<ul style="list-style-type: none"> Its sale price per unit must not exceed Baht 1.2 million (including land cost) for Zone 1 and not exceed 600,000 Baht for Zone 2 and Zone 3
<ul style="list-style-type: none"> Projects must obtain building permits under the Building Control Act or other related laws 	<ul style="list-style-type: none"> Projects must obtain building permits under the Building Control Act or other related laws 	<ul style="list-style-type: none"> Projects must obtain building permits under the Building Control Act or other related laws

- Notes :**
- Zone 1 comprise 6 provinces such as Bangkok, Samutprakan, Samutsakhon, Pathumthani, Nonthaburi and Nakhon pathom
 - Zone 2 comprise 10 provinces such as Chonburi, Chachoengsao, Samutsongkhram, Nakhonnayok, Saraburi, Ayutthaya, Ratchaburi, Angthong, Suphanburi and Kanchanaburi
 - Zone 3 encompasses the remaining 60 provinces and Laemchabang Industrial Park

5.3.1 Production and Marketing Management

Construction Management - townhouses:

The Company organizes construction management into two departments as follows:

1) Construction Management Department: This department supervises and implements the construction of all projects under the agreed plans and models. It manages the construction costs within the budget and coordinates with the Company's Budget Department.

2) Quality Assurance Department: This department inspects the quality of each individual housing unit to ensure that it is up to the standards required.

- The Company has central departments to support construction management. For both townhouse and single-detached house projects. The support departments are as follows:

- Contractor Recruiting Department: This department recruits specialized contractors and laborers for each project as required.

- Research and Development Department: This department utilizes appropriate technologies for application in design and construction work.

- Engineering Department: This department is responsible for designs and solving technical problems.

- Project Development Department: This department serves as the coordinator and participates in the development of housing designs.

- Purchasing Department: This department purchases materials for use in construction.

- House Design: In designing housing units for each project, the Marketing and Sales Department will coordinate

with the Project Development Department to determine conceptual design guidelines, including the construction budgets and techniques. After that the Project Development Department will assign outside architects to design the project under the guidelines on the agreed conceptual design. If the Project Development Department agrees with the project design proposed by the architect, the architect will continue with the detailed design to ensure completeness of the design before the launch of each project.

In a townhouse construction project, the Company divides the work into production lines, each of which is able to build about 40 townhouse units per month. In each project, there may be more than one production line, depending on the project size. The Company assigns about 10 staff members to supervise the construction work at each production line, with the project manager being the project supervisor, and project engineers, field engineers, and foremen supervising construction work at each stage and specialized contractors hired to carry out detailed work, such as foundation work, masonry, parts installation, floor tiling, and roofing. The Company hires specialized contractors and laborers at appropriate numbers for each production line. During the construction period, the Company's quality assurance department inspects the house quality periodically and the overall quality after completion of the house construction, prior to sale or delivery to the customer.

The Company is able to build this type of house with comparable quality and more useable area and with similar designs, sizes and locations, at a cost lower than those of other operators. In addition to the ability to manage construction work



by itself, the Company has another advantage, i.e., it employs production technologies to reduce the construction period. This can save costs and labor expenses, while maintaining work quality. The Company uses the Cast-Institu Load Bearing Wall Structure system in the construction of Baan Pruksa projects and the RC Load Bearing Wall Prefabrication system in the construction of single-detached houses in the "Pruksa Ville" and "The Connect" projects.

For the Cast-Institu Load Bearing Wall Structure system, the Company purchased this technology from France. This system uses walls to bear the weight in place of pillars and beams, skipping the step of cement pouring for pillars and beams. The walls are assembled and installed at the construction site. Then the walls are tied with a steel structure into which cement is poured. The steel frame is subsequently removed and a bearing wall is created. By this method, the work is done more quickly. The Company was among the first few developers which employed this system in the construction of one-story townhouses which required about 30 days from the commencing date to complete the construction of a house, which is more efficient than the conventional method of construction which require about 180 days. The Company had used the conventional method in the construction of early townhouse projects such as Baan Pruksa 1 and Baan Pruksa 2.

Later, the Company has developed new construction technologies to boost house construction efficiency. It has employed the Tunnel Technology in the construction of two-story townhouses. The construction starts with the fitting of steel-framed walls and the upper floor at the same time, followed by structure steel bar wire tying and concrete pouring for the lower walls and the upper floor, also in one step. Then the upper walls and roof frames are fitted in. By this

method, the outside working period is much shorter than the conventional method and a solid, strong and beautiful house is obtained. By using Tunnel Technology in construction, a house is completed in about 60-80 days. This method is much quicker, compared with the conventional method, which requires about 180 days. The Company has used this technology in the construction of Baan Pruksa 3 project and the subsequent projects. In addition to the construction of townhouses, this technology can be used in the construction of 8-story condominiums.

The advantages of this technology are as follows:

- 1) The house structure is solid and strong because the precast steel-reinforced concrete walls are longer lasting than conventional brick walls.
- 2) Easier quality control as the system has a firmly established procedure.
- 3) The construction period can be easily controlled as unnecessary construction steps are skipped, thus requiring shorter time for construction than the conventional method.
- 4) It is appropriate for major products which have the same models.
- 5) It depends less on skilled labor, which is an important part of the construction cost.
- 6) Bricklaying and masonry on walls is omitted in addition to concrete pouring for beams and pillars.
- 7) The problem on wastes from work - which is a major problem in construction - is reduced, resulting in cost saving and an orderly working condition in the construction site.

The Company has a factory which uses a battery mold system to produce precast fences and pillars for single-detached houses and townhouses ("Pruksa Ville" and "The Connect" projects).



Therefore, the Company is able to build townhouses in mass to meet market demands and in effect to manage construction costs efficiently, thus achieving the economies of scale.

Construction Management - Single-Detached House

Managing a single-detached house project is similar to managing a townhouse construction project. However, for the construction of each project, the Company assigns staff by project rather than by product line, as the number of housing units in each single-detached house project is smaller than that of a townhouse project. About 30-40 staff members are assigned to supervise the construction of each project and specialized contractors and daily-wage workers are hired for each project as appropriate.

RC Load Bearing Wall Prefabrication: At the beginning, the Company cooperated with the Asian Institute of Technology (AIT) in developing the RC Load Bearing Wall Prefabrication technology (or "precast wall technology" as it is often referred to) for its construction work at each site. Later, in 2004, the Company built its own Precast Concrete Factory by purchasing the technology from Germany, which uses the Semi-Automated Pallet Circulating System, the most advanced system in Thailand. The Company has used this construction technology with two-story single-detached house projects as single-detached houses have diverse wall designs. Each house has 30-60 parts, which under this technology are precast in the factory and delivered to the construction site for assembly.

This technology not only has the similar advantages to those of Cast-Institu Load Bearing Wall Structure but it also has other major advantages including more useable area rather than a space for beams and pillars. Moreover, the walls are better fire-proof, heat insulating, sound-opaque, and water-proof than those built by light weight bricks. In addition,

houses built under this technology require low maintenance as it has a precast structure and the insurance premium is low as a precast structure house is better fire resistant, more solid and more durable. Pruksa and the Asian Institute of Technology (AIT) jointly studied and developed this construction technology and have been able to construct houses which can withstand an earthquake measuring up to 6 on the Richter scale.

Under this technology, the construction period is about 75-90 days for a house, compared with approximately 180 days required for constructing a house by a conventional method. However, in the early stage of using this technology, each part was cast on the construction site and not all of the parts were able to be cast. Therefore, the early housing projects had to use parts produced under this technology and those produced under conventional methods (except for single-detached houses under Passorn 11 projects, which were entirely built under conventional methods).

The Company built the Precast Concrete Factory by using this technology in producing the parts. The factory, built in 2004 and completed in January 2005, has a capacity to build parts for up to 3, 600 single-detached houses per year. It has started production of parts and the production increased from 60 % to 80 % of the total capacity in June 2006.

The Company also has a factory to produce finished fences and pillars by using the Battery Mold system. In the production process, steel molds are placed and removed by a hydraulic control system to ensure the exact distance required between the molds before cement pouring. The factory has a total capacity to produce fences and pillars for 12 houses per day. At present, production of pillars fences for single-detached house projects and townhouse projects, and decoration pillars and townhouse parapets has been successfully increased.



When the Company entered into the condominium market in 2007, PCF3 (Precast Concrete Factory No. 3) was built to produce external walls. The existing construction method was applied for internal walls and the main structure. In 2010, the Company applied the fully Precast construction method for condominium. In order to support this plan, PCF3 was modified to produce Pre-stress slabs.

Apart from the modification of PCF3, the construction of the fourth and the fifth Precast Concrete Factories (PCF4 and PCF5) in April and May 2010, respectively was completed in

December of the same year. Condominium elements and townhouse facade are produced at PCF4 while Precast wall elements are produced at PCF5, which is also the second Carousel plant. The trial run for new machines at PCF5 started on 15 December 2010 and it took, as scheduled, 2 months to adjust the machines. The expected actual capacity of PCF5 is 126,000 sqm. (gross area) or 430 single-detached houses.

Summary of Existing plants and new plants

Factory	Production System	Product	Name Plate Capacity/ month	Expected Capacity/ month
PCF1 (Carrousel I)	Semi Automated Carrousel System	Wall House	88,000 sqm. (gross area) or 300 houses	76,000 sqm. (gross area) or 260 houses
PCF2 (Fence Factory)	Fixed Mould System	Fence House & Townhouse	3,000 m ³ or 1,400 houses	2,600 m ³ or 1,200 houses
PCF3 (Slab & Special Element Factory)	Fixed Mould System	Slab & Special Element House	5,600 m ³ or 800 houses	4,800 m ³ or 690 houses
PCF4 (Condo & Facade Factory)	Fixed Mould System	Wall Condo Townhouse Facade	20,000 sqm. or 400 unit/month 2,400 m ³ or 1,100 houses	16,000 sqm. or 320 unit/month 2,000 m ³ or 900 houses
PCF5 (Carrousel II)	Fully Automated Carrousel System	Wall House	146,000 sqm. (gross area) or 500 houses)	126,000 sqm. (gross area or 430 houses

Distribution and Channels of Distribution of All Products

The Company has strategies to promote its products as follows:

Product strategies: In 2007, the Company developed a number of new products and expanded coverage areas with the objective of being the leader in middle-to-low income market in all products covering of the whole Bangkok Metropolis, its suburbs and also commercial centre areas. The Company has consistently sought more efficient construction technologies in order to fulfill homebuyers' requirements. This partly explains its ability to complete the construction quickly, to achieve good quality and to deliver houses to customers as scheduled. The Company also has inventory management methods to maintain the inventory level appropriate to the sales of housing units.

Pricing strategies: The Company has focused on a niche in the real estate market for low-to-middle income earners. The Company's construction costs are also lower than those of other developers as it manages construction work itself and uses advanced and efficient construction technologies. It is therefore able to maintain low production costs and shorten the construction time. Therefore, it is able to offer prices lower than those of other developers by 15-20% for townhouses and single-detached houses. And since its main objective is to build housing units for low income earners, in order to help society, it is one of the very few real estate developers granted BOI promotional privileges, with corporate income tax exemption for income from sales of housing units with a price not exceeding Baht 1,200,000 each.

Advertising and public relations strategies: To support sales, the Company has launched advertising and public relations campaigns through

- 1) Medias such as radio, television, newspaper
- 2) Mass transportation such as BTS, MRT
- 3) show booths
- 4) Billboards that advertise the Company's projects in the localities

5) **Brand Building** Aiming to boost public awareness, the Company has been sponsoring various TV programs, such as "Faen Phan Thae" and applying the concept of Customer Relations Management, through various activities, such as offering scholarships to children of dwellers in the Company's housing projects, providing mobile medical services to the Company's housing project dwellers for free health check-ups and organizing various activities in the housing projects.

- 6) Mobile telephone systems
- 7) The Internet (e.g., the Company's website www.pruksa.com or through www.facebook.com).

Distribution Strategies: The Company has a direct channel of distribution, mainly through its sales offices, in addition to sales offered at housing fairs. It offers the sales of new housing projects to expand the customer base by various means, such as the "Members Get Members" project, where the customer who introduces new customers to the Company are entitled to referral fees. Currently, the Company has a customer base of over 80,000 households.

Procurement of New Products and Services

1. Land Purchase

The Company has no policy to hold a land bank. If it is interested in developing a real estate in a certain area, it will conduct a project feasibility study, and market condition and competition surveys, including the customer demand in the target location. Then it will negotiate the land purchase directly with the land owner or broker, comparing the proposed price with the official appraisal price or market price, to ensure that the land prices are not unreasonably high.



2. Construction Materials

Since the Company manages construction work itself, it is the direct buyer of construction materials. After the Purchasing Department is informed of the material requirements in detail, it will contact each material producer directly to compare prices. Generally, the Company is given a considerable discount as its purchases are of high volumes. After the Company has agreed with the producer on the material quantities and prices, it will order the materials through the producer's agent for delivery to the project sites. The Company has a credit term of 15–90 days. Since 2006, it made change to the procurement of major construction materials, such as cement, steel, and tiles, by inviting tenders and entering into long-term price agreements; e.g., one year or 3–6 months. These methods have reduced the risks of price fluctuations. Having good relationship with many suppliers, the Company is able to obtain construction materials at a desired quantity and has never suffered a shortage of construction materials. However, it does not rely on any one supplier of construction materials.

3. Construction Contractors

The Company is one of the very few real estate developers who manage construction work themselves. In running a project, it determines the project concept and details of the design. For project construction, it manages the construction work by dividing it into parts such as foundation work, masonry, parts installation, floor tiling, and roofing. It hires specialized contractors to implement the work and supervises the implementation by assigning its engineers and foremen to work at the project site to ensure that construction specifications and standards are met. The Company is also able to manage construction costs efficiently as it procures construction materials itself.

Nevertheless, in order to better manage the construction capacity, the Company has begun to hire outside contractors for construction of condominiums, starting with the Ivy Thonglor project.

4. Production Technologies

The Company utilizes several technologies in building townhouses, single detached houses and condominiums. For 2-storey townhouses, the Tunnel Technology is implemented. Single detached houses are built with RC Load Bearing Wall which are constructed by precast concrete sheets. The precast sheets are also used for condominium walls and ornaments.

5. Environmental Impact

The project's housing and utilities constructions are subject to the Ministry of Natural Resources and Environment's Notification on the Criteria, Methods, Procedures, and Guidelines on the Preparation of the Report on Environmental Impact Analysis issued by virtue of the Environment Quality Promotion and Maintenance Act B.E.2535. The notification requires companies engaged in land development for housing or commercial purpose in a plot divided into 500 or more sub-plots or in a plot of over 100 rai to submit a report on the environment impact analysis (EIA) together with the application for land development under the land development law. Prior to the project construction, the companies must also submit the EIA report to the Office of Natural Resources and Environment Plans and Policy. On this matter, the Company has the required EIA report prepared by outside experts and has never had any problem on environment impact.

In housing construction, especially in a single-detached house project, there may be environment impact from waste water. The Company therefore has provided waste water treatment system for each individual house and set up a central waste water treatment system for each project, so as to avoid any impact on public water sources.

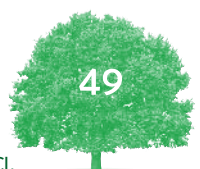
As for the Company's Precast Concrete Factory, which is subject to the provisions of the Factory Act B.E. 2535, the Company has established standards and methods to control the release of pollutants or any substances that may impact the environment as a result of the factory's operations. To ensure that the Company operates with responsibility for environmental impact, its three pollution control measures are:

(a) Water pollution control measure—waste water from concrete production process is controlled to flow to water sediment ponds. Sorted stones and sand are brought back to production as well as water. None of waste of water is released to community areas or public streams.

(b) Air pollution control measure—to prevent dust in the adjacent community and the factory, water spray nozzles are arranged at the concrete mixing plant during piling up sand and

stones and hauling them into the concrete mixing process. In addition, dust collectors are installed in the production process as well as floor scrubbers are used to reduce dust left in the building. Before roads in the factory areas are cleaned, water sprays are applied to prevent the spread of dust.

(c) Noise pollution control measure—since noise resulting from the production process is mainly caused by concrete compression machines, noise barrier was installed in 2008. Later, new concrete compression machines with shaking system were bought to replace the original ones with vibrating system. This can reduce sound intensity very much. Moreover, decibel level at the factory areas and adjacent community is inspected yearly.



5.4 Capital structure

1. Common Shares

As at 30 December 2010 Pruksa Real Estate Public Company Limited had registered capital of Baht 2,228,812,000 (2,228,812,000 ordinary shares with Baht 1 par value) with issued and paid-up share capital of Baht 2,206,812,000 (2,206,812,000 ordinary shares with Baht 1 par value).

After the ordinary shares started trading in Securities Exchange of Thailand, there have been chronological change as follows :

Date	Capital Registered (Baht)	Warrants exercised (unit)	Shares Purchased from warrants exercised (Share, Baht)	Registration at Ministry of Commerce	Paid-Up Capital (Baht)
30/06/2006	2,232,500,000	6,992,400	6,992,400	05/07/2006	2,166,745,800
31/01/2007	2,232,500,000	7,104,600	7,104,600	05/02/2007	2,173,850,400
20/04/2007 ⁽¹⁾	2,224,753,400			20/04/2007 ⁽¹⁾	2,173,850,400
23/04/2007 ⁽²⁾	2,255,753,400			23/04/2007 ⁽²⁾	2,173,850,400
31/07/2007	2,255,753,400	6,327,800	6,327,800	09/08/2007	2,180,178,200
31/01/2008	2,255,753,400	5,774,500	5,774,500	06/02/2008	2,185,952,700
31/07/2008	2,255,753,400	5,441,500	5,441,500	08/08/2008	2,191,394,200
01/30/2009	2,255,753,400	5,169,900	5,169,900	05/02/2009	2,196,564,100
23/04/2009 ⁽³⁾	2,224,753,400			23/04/2009	2,196,564,100
31/07/2009	2,224,753,400	5,086,500	5,086,500	07/08/2009	2,201,650,600
30/11/2009	2,224,753,400	5,161,400	5,161,400	04/12/2009	2,206,812,000
03/05/2010 ⁽⁴⁾	2,206,812,000	Decrease Cap. Regis. By cutting ESOP		03/05/2010 ⁽⁴⁾	2,206,812,000
06/05/2010 ⁽⁵⁾	2,228,812,000	increase Cap. Regis. By ESOP issuance		06/05/2010 ⁽⁵⁾	2,206,812,000

20/04/2007 (1)

Decrease Capital Registered from 2,232,500,000 Baht (Common share 2,232,500,000 shares @ 1 Bt. par) to 2,224,753,400 Baht (Common share 2,224,753,400 shares @ 1 Bt. Par)

23/04/2007 (2)

Increase Capital Registered to 2,255,753,400 Baht (Common share 2,255,753,400 @ 1 Bt. par) on 23 April 2007 by issuing new 31,000,000 shares to prepare for the exercise of warrants

23/04/2009 (3)

Decrease Capital Registered from 2,255,753,400 Bt. (2,255,753,400 Common share @ 1 Bt. Par) to 2,224,753,400 Bt. (2,255,753,400 common share @ 1 Bt. Par) by cancelling 31,000,000 shares previously prepared for exercising the Company's share warrant

03/5/2010 (4)

Decrease of registered capital of the Company from Baht 2,224,753,400 to Baht 2,206,812,000 by cutting the issued ordinary shares for warrant of 17, 941,400 shares at the par value of Baht 1 (one Baht) per share)

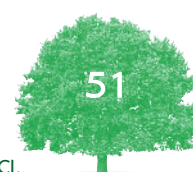
06/5/2010 (5)

Increase of registered capital by Baht 22,000,000 from Baht 2,206,812,000 to Baht 2,228,812,000 by issuing the capital increase ordinary shares of 22,000,000 shares at the par value of Baht 1 (one Baht) per share.

2. Warrants (PS-WC)

The Company has issued a number of warrants to the Directors, Management and advisors of the Company and/or the subsidiaries (PS-WC) as per the following details :

Name	Warrants to purchase the ordinary shares of Pruksa Real Estate Public Company Limited (PS-WC)
Number of Warrants Issued	22,000,000 Units
Offering price per unit	0
Exercise price per unit	14.35 Baht
Term of warrants	Three years from the date of issuance
Exercise Ratio	1 : 1 (One Warrant per one ordinary share)
Offering period	Within a year from the date the shareholder meeting has approved
Exercise period	4 times per year (February, May, August and November of each year)
Control Dilution	The effect to the profit sharing or voting right of existing shareholders (control dilution) is decreased by 0.99% (22,000,000/2,228,812,000 shares)



3. Debenture

As of December 31, 2010, there were Baht 9,000 Million outstanding (9 million units with Baht 1,000 par value). Such debentures can be divided into 3 tranches as follows :

Name of Debentures : Debentures of Pruksa Real Estate Public Company Limited	No. 1 /2009 Due 2012	No. 1/2010 Due 2013 and 2015	No. 2/2010 Due 2013 and 2015
Type of Debentures	Name Registered Debenture,		
Status	Unsubordinated and unsecured		
Lead Underwriter, Registrar and Paying Agent	Kasikorn Bank Plc.	Bangkok Bank Plc., Kasikorn Bank Plc. CIMB Thai Bank Plc.	Bangkok Bank Plc., Kasikorn Bank Plc. CIMB Thai Bank Plc.,
Par Value	1,000 Baht		
Issue Price	1,000 Baht		
Issue Size	1,500,000,000 Baht	2,500,000,000 Baht	5,000,000,000 Baht
No. of Debenture	1,500,000 Units	2,500,000 Units	5,000,000 Units
Duration	3 years from issuing date	3 years and 5 years from issuing date	3 years and 5 years from issuing date
Issuing Date	29 January 2009	24 June 2010	10 November 2010
Maturity Date	29 January 2012	Series 1 : 24 June 2013 Series 2 : 24 June 2015	Series 1 : 10 November 2013 Series 2 : 10 November 2015
Coupon Rate:	5.25 % per annum for the period of 1 year and 6 months after the issuing date and : 5.75% per annum for the remaining period until the maturity date	Series 1 : 3.00 % per annum Series 2 : 3.75 % per annum	Series 1 : 3.10 % per annum Series 2 : 3.75 % per annum
Coupon Payment Date	January 29, April 29, July 29, and October 29	March 24, June 24, September 24, and December 24	February 10, May 10, August 10 and November 10
Redemption	The Issuer shall redeem the Debentures on the Maturity Date by repayment of principal amounts of the denomination of the Debentures and unpaid interest of the final interest payment (if any).		
Repurchase of Debenture	The Issuer at any time is entitled to repurchase the Debentures from the secondary market or otherwise.		
Credit Rating by TRIS	A as issued on 13 January, 2009	A as issued on 7 May, 2010	A as issued on 7 May, 2010

5.5 Business Outlook and Impact factors

In 2010 and 2011, the world economy will likely grow by 4.3% and 3.8% respectively. The major factors that cause global continuing recovery economy 1) Policy made for economic stimulation in many countries 2) the surplus fiscal policy in Europe to solve the public debt problem and 3) the trade balance self – adjustment from currency value transformation. This is also attributed with local demand and stocks accumulation for world economy recovery.

Global economy will slow down in 2011. It was expected that the economies of the US, the Euro zone, Japan and China will expand by 2.2%, 1.4%, 1.3% and 9.0% respectively, while the Newly Industrializing Economies such as Singapore, South Korea, Taiwan and Hong Kong will grow at 4.8%, 4.0%, 4.2% and 4.5% respectively. Nonetheless, the economic growth in robust domestic consumption countries such as India continues to expand by 8.3% and other Asian areas, including Malaysia, Indonesia and Vietnam expand by 4.9%, 6.1% and 6.4% respectively. The downward growth rate of the euro area economy is due to economic contraction as a result of the liquidity and intensified public debt problems. Asian countries

play an important role to accelerate the economic expansion such as China and India. With a low interest rate situation in the US and euro areas the foreign investors, in particular, the Financial Institution investors distributed their investment to other regions instead, especially in developing countries to get higher returns.

Therefore, the capital inflow monitoring measure and domestic demand stimulus in order to expedite more equity for investment instead of savings deposit in such developing countries still are necessary to mitigate short term inflation problem which started to exist since 2010 and likely to continue in 2011.

The global economy can be divided into 2 parts, the emerging market economies especially in Asia that have high growth rate, for example, China, India, Indonesia and Vietnam result from foreign investment. The other group is composed of the US and Euro areas that are still recovering from the financial crisis, particular the liquidity problem from financial institutions' insolvency, bankruptcies, and fiscal problem.

The Growth rate of the Gross Domestic Product (%)

Country	2004	2005	2006	2007	2008	2009	2510F	2011F
China	10.1	10.4	11.6	13.0	9.5	8.7	10.0	9.0
USA	3.5	3.0	2.6	2.1	0.4	-2.4	3.1	2.2
India	7.8	9.2	9.8	9.3	7.3	5.6	8.7	8.3
Vietnam	7.7	8.4	8.2	8.4	6.1	5.3	6.8	6.4
Maldives	9.5	-4.6	17.9	7.2	6.2	-3.0	3.4	3.6

Source: IMF, Bloomberg



Inflation (% Change in CPI)

Country	2004	2005	2006	2007	2008	2009	2510F	2011F
China	3.9	1.8	1.4	4.7	5.9	-0.6	3.1	2.3
USA	2.6	3.3	3.2	2.8	3.8	-0.3	2.1	1.7
India	3.7	4.2	6.1	6.3	8.3	10.8	13.1	5.5
Vietnam	7.8	8.3	7.5	8.3	23.1	6.7	11.7	10.2
Maldives	6.3	2.4	3.5	7.4	12.3	4.0	4.2	5.2

Table: Major foreign economies the Company likely tends to invest in.

Although the US economic growth in 2011 was predicted to expand gradually resulting from increase in domestic consumption, inventory accumulation, fiscal expenditure and exports, it has still faced current account and budget deficits. The stimulus measures issued by the Government and Federal Reserve Bank continued, however, the unemployment remains at a high level and negatively affects private demand. Consequently, the US economy remains sluggish.

Chinese and India economy projections continue to be stagnant from 2010, even Chinese government has tried to show signs of reducing heating economy by lessening economic stimulus measure, including intensifying the control of the property sector stimulus measures on account of higher inflation risk factor. Meanwhile the consumption and inflation at the accelerated rate in India pressure Reserve Bank of India (RBI) send a sign to frequently modify upside interest rate throughout the year 2010.

The South East Asia economy projection in 2011 was deemed that the heated export expansion will be a bit cool down, but still maintain in high level. Moreover, there exist domestic consumption and investment growth caused from inflation pressure and appreciation of local currency compared to foreign currencies in particular from the US and euro zone, including détente in the Korean peninsula as an upside risk factor.

The pace of Thai economy expansion continuously grow at 6.7% in 2010 Q3, accordingly, owing to the positive supporting from the world economy recovery and confidence of the investors, together with an increasing of farmer income and slight unemployment. Thai economy expansion in the first three quarters in 2010 gradually continued up to 9.3% followed by the global economy resilience and domestic demand changes, even though there existed flood problem all over in the rest of the year, but not worse than expected. Besides, the world economy and the world trade volume have expanded faster than projected in the previous forecast acting as a supporting factor to expand export sector to achieve the growth rate at 7.5% - 7.9%.

Information Summary

Key information of Thai economy	2004	2005	2006	2007	2008	2009	2010(F)	2011(F)
Nominal GDP at current prices ('000 MB)	6,485.6	7,054.8	7,798.7	8,563.1	8,997.7	9,081.2	9,500.0	9,700.0
Real GDP at 1988 prices ('000 MB)	3,668.0	3,831.6	4,033.1	4,234.1	4,334.7	4,228.6	4,400.0	4,500.0
% Growth of GDP	6.3	4.6	5.1	4.9	2.5	-2.3	7.5-7.9	3.5-4.5
1-year bank deposit interest rate (%)	0.75	2.25-4.0	3.5-5.13	2.0-3.5	2.5-3.5	0.75	1.4-1.65	2.0-2.5
Minimum Loan Rate, MLR (%)	5.69	6.81	7.99	6.88	6.75	5.85	6.12	7.0-7.5
Inflation rate (Change in CPI, %)	2.7	4.5	4.6	2.2	5.4	-0.8	3.2	1.8-3.0

Source: Thai Banking

Thai economic trend in 2011

Pace of Thai economic expansion will be slow down from reduced net exports owing to the delayed recovery of core trading partners' economies, especially the US and Euro zones. This is caused by slow private spending in the US and European countries. However, the Asian market has stronger purchasing power and more open trade markets in foreign countries. The pressure of both inflation and interest rates were expected to grow continuously, including Baht appreciation due to capital inflows.

Interest rate will likely increase and it was predicted the policy interest rate should be could be adjusted from 0.5% to 0.75% and reach its peak at the end of 2011. Therefore, the policy interest rate will gradually reach 3.0% to 3.5% per annum.

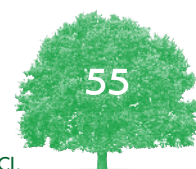
Increasing interest rate can enhance long-term economic stability. However, possible effects include Bah appreciation which can affect industrial business sector vulnerable to currency/interest/appreciation. For example, real estate business, leasing /Hire-purchase, and general business bearing interest as their cost of production.

Risk factors and constraints

1. The world economic recovery remains fragile, particularly, in the Euro areas and Japan. The economy is normally driven by foreign demand for their efforts. However, foreign demand from both zones can be affected from the volatile exchange rates. Thus, the economy in those countries will be slowdown in 2011 compared to 2010. As well the tools of the monetary and fiscal policy still are constrained causing European and Japanese economy to expand slowly. Thus, this will affect to the export of the US, Chinese and some Asian countries such as Thailand because the European countries and Japan act as the trading partners, accordingly.

2. Thai political tensions have recently eased in second half of 2010 compared to the first half of the year but it still affect economic policy of the government as a result of the sluggish private investment in Thailand driven by the confidence of the foreign investors and domestic businesses.

3. International capital inflows have the potential to create domestic macroeconomic imbalance due to the uneven regional economic performance. Capital inflows into developing countries, especially in Asia caused domestic currency



appreciation, including the Thai Baht. This will reduce price advantage for exports. There is also the possibility of speculation in the capital market and real estate market leading to price appreciation.

4. The rising cost of labors and construction materials such as cement and steel and others materials ,There are in higher demand in Asia market such China, India and Vietnam also lack of labours for construction during the year.

Real estate business and construction outlook

In 2010, despite negative factors from the political unrest in Thailand, the real Estate sector in the first half of the year continued its expansion. Private construction has been supported by property sector stimulus measures, including low interest rates. The property sector started to slow down in the second half of year 2010 affected from severe flood in several provinces in Thailand.

In forming fiscal property projections, it was expected to continually grow faster compared to the growth from the last year. This will be the positive factor supporting to the overall Real Estate businesses because many megaprojects of Government are ongoing and still continue such as MRTA extension projects (MRTA: Mass Rapid Transport Authority of Thailand), and of State Railway of Thailand investment projects.

Compared to the last year growth, private housing projection in 2011 will be likely to grow higher, but at a lower rate caused from the higher base in 2010. Moreover, recent housing sales have not been as strong as those of the last year and the property sector stimulus measures had been terminated at the second quarter last year. There is still excess supply in some

property such as condominium. Moreover, the interest rate was expected to rise during the year. Bank of Thailand has still be watching and monitoring the real estate bubble situation by means of Loan to Value (LTV) control for housing loan from Financial institutions.

BOT announced the LTV ratio measure for both low rise and condominium credit facilities. This will effect low-income households heavily relying on debt financing to buy the property. Therefore, this will bring down such houses, condominium sale volumes and also overall speculation as more down payment is required.

However, after quarter 3 of 2010, there were many low-rise house projects submitted for development. Thus, it can be predicted that more low-rise houses will influx with tougher competition in 2011. Major real estate developers in the SET have emphasized on speedup Construction and reasonable prices, including appropriate location strategies, while condominium market will grow in convenience and CBD areas, but the growth rate will be lessen compared to that of the last year which the property mostly sold out in a few hours more or less even those constructions needed more time about 1-2 years for revenues recognition.

Key factor that can alleviate the hot condominium markets, in particular, at the selling price per unit of 3 million baht or less stems from BOT's measure of the Loan to Value ratio for the property of 10 million baht or less to cause the reluctant of the buyers' decisions. In addition, the real estate developers are hard to use the campaign of low-down payments with 100% debt financing to accelerate purchasing power as the previous year.



Thus, the low rise house project in townhouse will take the role instead of condominium in 2011 because, it is a middle point between condominium and single detached house for buyer. Its sale price is wide and getting to Baht 1 million until Baht 3-5 million. However, the major market should be in Baht 1-3 million and project is launched in urban areas. Which is convenient for traveling. This is suitable for increasing trends from customer's taste.

Expected risk factors to influence the property business sector in 2011 consist of as the followings

1. Continuous inflow of overseas equity in terms of capital markets and money market, including investment in Condominium.

2. Interest rate adjusted was expected to grow higher in the future due to inflation problem to effect financial cost of the developers

3. Operating cost, including construction materials and land costs are likely to increase, especially, lands located along the MRT lines or BTS skylines and iron, cement and other material prices to grow at high levels. Moreover, higher minimum wages and income of public officials will pressure to mark up of private's hires. However this will create higher purchasing power in the market and be lack of construction labors owing to demanding in intensive labors for the government's construction projects. For example, Infrastructure of the MRTA extension projects.

4. It was forecasted that the price war competitions of the developers have been exercised, because the anxiety on construction materials costs and wages at higher rate. The developers trend to use an innovation strategy, speed, and construction technology. Including concept designs and after sales service instead. Then the small property developer to compete harder particularly for moderate equity developer to keep up with innovation and technology, creativity presentations, the faster of the finishing projects and high technology, including concept designs and after sales services, instead. Then, the small property developers cannot easily to make a competition, particularly, for moderate equity developers.

In conclusion, Thai economy projection in 2011 was expected to increase at 3.5% - 4.5% which is lower than 7.5% to 7.9% in 2010. Moreover, developers should monitor Thai baht appreciation, higher commodity prices, wages, construction costs and rising interest rates throughout the year 2011. Higher oil prices also affect to manufacturing costs and revenues from Thai exports, including lack of intensive labors in some businesses that will obstruct the developer expansions. However, Thai political factor is still awareness occasionally, because it will affect to the government construction, including the confidences of consumers and private sector. Besides, there still exist risk factors from world economic directions to fluctuate Thai economy from time to time.



5.6 Risk Factor

5.6.1 Business Risk Factors - local

Summary table of News release # 55 / 2010 from Bank of Thailand imposed to Commercial Banks

Existing regulation	Risk weighted assets required
	Loan \geq 10 million Baht
Loan \leq 80% of house price	At least 35%
Loan $>$ 80% of house price	At least 75%

New regulation (additional to Existing regulation)	Risk weighted assets required	Effective from date of contract
	Loan $<$ 10 million Baht	
Condominium : loan \leq 90% of unit price	At least 35%	1 January 2011
Condominium : loan $>$ 90% of unit price	At least 75%	1 January 2011
Low-rise house : loan \leq 95% of unit price	At least 35%	1 January 2012
Low-rise house : loan $>$ 95% of unit price	At least 75%	1 January 2012

5.6.1.1 Inconsistency of policy on mortgage loans

For low - rised houses, the Company set at least 5% down payment for buyers, while at least 10 % for condominium buyers in the condo sold. At present, the Company's condominium requires 12 – 15% down payment.

Moreover, the Company has only 1 project, the IVY China Town Townhome, having average unit price more than 10 million Baht. The Company's 2010 transfer have an average unit price of 1.9 million Baht.

As more than 85 percent of the Company's home buyers borrow by mortgage, current and future changes in policy from commercial banks or the Government Housing Bank on mortgage loans, loan controlling procedures and available funds would directly effect customers' purchasing power, and Company's revenue as a consequence.

To mitigate the risk to both home buyers and the Company, the salesperson and the home buyers fill in the loan application and submit to the banks for pre-approval. As such, home buyers are able to know within 7 days whether the loan will be granted. Moreover, the Company has a wide range of homes and prices for middle to low income. The buyers can choose the lower price house to facilitate their own borrowing and repayment that may be affected from more stringent regulations by Bank of Thailand.

From the aforementioned risk, the Company has appointed a working committee to regularly monitor and track the banks' loan policies and the economic status in order to adapt the appropriate strategy. Additionally, the Company has collaborated with the commercial banks and the Government Housing Bank to offer the best services and shorten the loan approval period to the Company's customers.

5.6.1.2 Increases in cost of construction and shortage of the materials

The Company adopts presale strategy in most cases, land and houses are sold before construction and later transferred to its customers. If material costs or wages increase after selling agreement contract are executed, they can lead to higher cost of sales which results in lower gross profit margin.

Cost of construction materials is crucial. Prices of main construction materials have significantly increased as a result of a growth in demand both from the real estate sector and the new mega-projects. Certain rising prices of materials and oil prices have driven up the Company's production and the transportation cost. The Company may not be able to raise its sales prices to match the cost increases. If it can raise the price, the sale volume may be lower than expected due to price sensitivity. All such consequence can have negative effect on the Company's business, financial condition and operating results.

In addition, more construction projects and megaprojects especially for public transportations can enhance construction material shortage. If those events occur and the Company may face higher cost of construction materials within the prescribed period or in a sufficient amount to respond to its need. As a result, it would have a material affect on the Company's business, and financial result.

Nevertheless, adoption of construction technologies enables the Company to construct townhouses and a single-detached house within only 45 days and 70 days, respectively. This can reduce the risk in some extent in that the Company can fix the construction material price in the next 2 – 3 months in advance. Thus, it can set the selling price which is cost-plus basis.

For condominium, such risk still exist as the construction period is tremendously longer. However, to mitigate such price risk, the Company has employed bidding from major construction material vendors since 2006. As such the construction material

price is constant throughout each year.

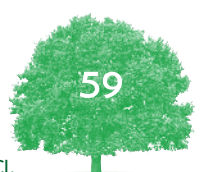
Moreover, the Company arranges monthly meeting to report and discuss the change in construction material price. The group will calculate the extent of how the Company's cost may be affected. The solution may result in changing the selling price or find some other materials for substitution.

5.6.1.3. Shortage of Specialized Contractors and Skilled Labor in low-rise houses.

According to the Company's construction technology, Precast Concrete Panels are the main parts of housing construction which require assembly at construction sites. The Company manages construction itself and require no contractors for major construction in low-rise houses. It only hires contractors to work on specific housing tasks, such as laying foundation, installing building parts, tiling and roofing. The Company's engineers and foremen supervise and oversee the work conducted by those contractors.

Currently, there are many construction projects as well as large infrastructure projects about to start in Thailand. In addition, the oversea megaprojects also import Thai labors for construction. The skilled labor shortage can be foreseen in the industry. If the Company cannot seek some contractors to do some specific work, it may not be able to transfer units to the buyers as scheduled.

Fortunately, there are a large number of skilled contractors and skilled labors in the industry. As parts of outsourcing contract, the Company will hire certain workforce at reasonable market rate on a continual basis, whereas payments to contractors are on a fair and regular manner and within acceptable periods, which could help the contractors with their financial burdens. Therefore, the contractors are pleased to work for the Company. Currently, there are approximately 2,500 construction contractors in the Company's work system. To reduce risks resulting from the shortage of contractors with specific skills,



the Company has regularly set up training courses for contractors to enhance their efficiency together with follow up hiring such well-trained workforce. As for high value projects or urgent tasks (for example, a bridge crossing a canal to the project site, a gate arch, or a swimming pool), the Company would outsource through tender and contracting in much the same way a procurement of major materials. This method enables the Company to find competent contractors who can deliver works that meet the Company's set standards, conditions and budget.

For condominium, the Company started hiring outside contractor to construct the whole building in 2009. This is to reduce the risks occurring from the Company's extra and rapid expansion in condominium market.

5.6.1.4 Dependence on highly skilled personnel

The Company adopts modern technologies in housing construction process, specifically, Cast-Institu Load Bearing Wall Structure system or Tunnel Technology and RC Load Bearing Wall Fabrication technology. Thus, it relies on the experience, knowledge and skills of its employees in its business operations, especially engineers and foremen. If the Company is unable to retain its key personnel, its business may be interrupted, and would significantly affect its financial condition.

The Company then sets up policies to retain qualified people, and continue to seek qualified work force with long term employment by providing competitive compensation and benefits. At the same time, it has consistently organized training programs, especially to develop quality work. In addition, the Company may conduct internship programs with educational institutes for future business expansions.

5.6.1.5 Acquisition of land for development

The Company does not accumulate land for future projects because it views that purchase of land without clear development plans will add financial burden effecting Company's liquidity, especially during an economic downturn.

The Company will purchase land only when it needs to develop a specified project.

As such, when the Company actually purchase land for a new project, the purchase price could be higher than earlier anticipated. Moreover, it may not be able to get all the area as planned. The Company, therefore, may not be able to fulfill its expansion plans as well as its business performance and financial result.

For land procurement, the Company purchases land from owners and agents. At present, there are over 50 agents willingly offering land plots to the Company as it offers punctual payment with relatively more purchasing power than medium /small developers. As the Company has construction cost advantage over other developers causing overall low development cost, this causes the Company's more land purchasing power than competitors. Moreover, the Company has wider range of product and price that allows it to diversify land purchasing to suit each project by not relying on few specific pieces of land.

5.6.1.6 Stringent laws and regulations

The business of the Company is regulated under stringent laws and regulations such as obtaining land appropriation permission, land trading permission and construction permission from the relevant government authorities. In case of sizeable projects or condominium projects, the Company must submit the EIA report to the Office of Natural Resources and Environment Plans and Policy. Such consent is needed prior to the project construction. If such government authorities do not issue the permits in timely manner or disapprove, it may result in interruption or implementation delays, or the Company may not be able to pursue the projects, which will significantly affect the Company's business.

Any establishment or change of laws, regulations or policies, such as the requirement for implementing the law governing escrow account (the draft of which is being reviewed

by the Juridical Council Office before being proposed to the Parliament for consideration) which requires real estate developers to maintain down payments or installment payments they receive from buyers in a separate escrow account. This may put the Company to be insufficient in working capital or to incur funding cost. This effects the Company' business and financial position.

In this regards, the Company set up working team to study related laws and the amendment, especially the Escrow Account law. The working team meets regularly on a monthly basis to update and improve working process as well as to ensure the Company's compliance on such regulations. Nevertheless, the Company would not be much affected by the Escrow Account law, due to the fact that the down payment terms are rather short, at 3 - 4 months in low-rise house and in just small

amounts. For condominium projects, down payment terms are quite longer. The Company, however, can finish the projects through self-funding, meanwhile, it also seek alternative sources of funds with lower cost, to compare with direct borrowing from financial institutions. update and improve working process as well as to ensure the Company's compliance on such regulations. Nevertheless, the Company would not be much affected by the Escrow Account law, due to the fact that the down payment terms are rather short, at 3 - 4 months in low-rise house and in just small amounts. For condominium projects, down payment terms are quite longer. The Company, however, can finish the projects through self-funding, meanwhile, it also seek alternative sources of funds with lower cost, to compare with direct borrowing from financial institutions.



5.6.2 Business Risk Factors - Overseas

To manage an international property development business, developers need to understand, for each country and city within a country, the economic situation, local people's dwelling needs, lifestyle, taste, and income. In addition, the laws and regulations, such as tax, labor, land acquisition, environment, and construction must be understood and complied with. Therefore, the Company has carefully studied and expanded its business in foreign countries.

In 2010, the Company has started developing projects in 3 countries: (1) Bangalore, India, (2) Hulhumale, the Republic of Maldives, and (3) Haiphong, Vietnam. The house projects in Bangalore and Hulhumale are now under the construction and open for booking. In addition, the Company signed the joint venture agreement with business partners in Mumbai and Chennai, India.

The Company's investment in foreign assets was less than Baht 1,000 million, less than 3% of 2010 total assets. The Company also plans to expand its long-term foreign investment so that foreign revenue proportion represents 40% of total revenues.

Risk factors for running business abroad are as follows:

5.6.2.1 Competitiveness in cities where the operations are undertaken

The Company has studied and conducted market surveys by its own teams, as well as consulting firms, being expert in the property business, are hired to conduct market surveys to ensure that each city is a potential market where the Company's competitive advantages are evaluated against local competitors. The business plan considers long term opportunities in the local market.

5.6.2.2 Land allocation in prime areas with reasonable prices

As a foreign investor, the Company realizes the weakness of lacking understanding and experience in negotiating the purchase of land. As a result, the Company has urgently built a network with local real estate agents, real estate consulting companies, and financial institutions for giving advice and coordinating with interested land sellers, and acquiring desired size of land required by the Company. Besides, local joint-venture partners also assist in seeking for land and presenting it to the Company.

5.6.2.3 Shortage of construction craftsmen and workers

Since the Company's construction policy is to use Precast Concrete construction method, helping speed up construction with good qualities, as used and been successful in Thailand, local construction workers in India, the Republic of Maldives, and Vietnam may not be familiar with the method. Consequently, at an early stage, the Company plans to send some Thai foremen and construction craftsmen to supervise the construction so that local workers can have opportunities to learn the Company's construction process and standard.

5.6.2.4 Capital control policy of countries in where the Company operates

The issue, which may impact on the transfers of the Company's dividends from international operations, or that of loans or capital to Thailand, is out of control of the Company. However, a study conducted by our consultants has shown that there are no capital control restrictions and conditions in countries where the Company operates.

In India, foreign companies investing in property development business must retain their capital investment at least 3 years, after which it can be repatriated.

There are no restrictions of capital control in the Republic of Maldives.

In Vietnam, foreign capital investment must be specified in the investment conditions of the project. There are no restrictions of capital repatriation when projects are completed. According to this analysis, capital control restrictions are not an obstacle to the investment in the Company's international business. Therefore, it is estimated that the risk of the issue is low.

5.6.2.5 Applicable business laws, regulations and licenses

The Company's policy is to operate its business in compliance with each country's business regulations. For wholly owned subsidiaries, consulting firms are hired to advise on compliance with applicable laws and regulations. The company's joint venture partners will provide the support regarding local business regulations and permits and will coordinate with government agencies.

5.6.2.6 Currency exchange fluctuation

The management of currency exchange fluctuation of the Company is divided into 2 parts:

a) In case of the long term investment, the Company monitors currency exchange fluctuation and applies hedging strategies to manage this risk.

b) In the case of transaction foreign exchange exposure, such as for imports or loans from the parent company to a subsidiary, the risk is managed by using foreign exchange futures contracts.

In the Republic of Maldives, there can be a shortage of US currency in the local exchange market. As a result, the Company may bear higher costs due to charges for local currency exchange to US currency which is paid for material and construction costs.

However, the estimated incremental costs have been added to selling prices. Meanwhile, the Company has been collaborating with government agencies and other parties to manage this risk.



5.6.3 Other Risk Factors

5.6.3.1 Control of Major Shareholders

As at 30 December 2010, the largest group of shareholders is Mr.Thongma Vjijtpongpun's Group, who hold 1,630,727,700 shares, or 73.90 % of the total paid-up capital.

Therefore, the Group is able to control shareholders' resolutions in relation to major matters, which are required by the laws or Articles of Association of the Company to be passed

by a majority vote of shareholders with voting rights attending the meetings. Moreover, Mr.Thongma, a major shareholder, will continue to be the Chairman of the Executive Committee, Chief Executive Officer and Authorized Director of the Company. Therefore, other shareholders may not be able to obtain sufficient votes to achieve proper balance.

5.6.3.2 Risk from possible price and control dilution from exercising warrants

Name of Securities	Warrants to purchase the ordinary shares of Pruksa Real Estate Public Company Limited (PS-WC)
Total number of warrants offered	22,000,000 units
Warrant offered/paid up shares	1% (22,000,000/2,206,812,000)
Offering price	0 Baht
Exercised price	14.35 Baht per share
Term of warrants	3 years from the date of warrant issuance
Exercise Ratio	1 warrant per 1 common share
Offering period	Within 1 year from the date on which the Shareholders' Meeting approved (27 April 2010)
Warrant exercise period	February, May, August and November of each year, and the last time within maturity date (if any)
Possible Price Dilution	Fall by 0.098 percent, based on assumed Market Price of Baht 15.94 per share $(15.94 - 14.35) \times 22,000,000 / (15.94 \times 2,228,812,000)$
Possible Control Dilution	The profit sharing or voting right of existing shareholders (control dilution) will fall by 0.99 percent, $(22,000,000 / 2,228,812,000)$.

6. Shareholding Structures

6.1 Major shareholders

As reported in the latest Ministry of Commerce's certification dated 8 October, 2010 Pruksa Real Estate Public Company Limited had registered capital of Baht 2,228,812,000 comprising 2,228,812,000 ordinary shares at Baht 1 par value with issued and paid-up share capital of Baht 2,206,812,000 comprising 2,206,812,000 ordinary shares at Baht 1 par value.

The top ten shareholders of the Company as of the latest share register book closing, on December 30, 2010, are as follows:

	Shareholders ^(a)	Shares held	%
1	Vijitpongpun group ^(b)	1,630,727,700	73.90%
2	Thai Equity Fund	31,666,500	1.43%
3	THAI NVDR Co., Ltd.	31,478,019	1.43%
4	THE BANK OF NEW YORK (NOMINEES) LIMITED	29,540,481	1.34%
5	Social Securities Office	19,329,300	0.88%
6	AMERICAN INTERNATIONAL ASSURANCE COMPANY, LIMITED-APEX	19,000,000	0.86%
7	CHASE NOMINEES LIMITED 15	18,446,500	0.84%
8	Phattra Capital Co.	13,417,100	0.61%
9	HSBC (SINGAPORE) NOMINEES PTE LTD	13,253,600	0.60%
10	Mr. Suthipong Wetwaroot	11,100,000	0.50%
	Total Top 10 Shareholders	1,817,959,200	82.38%
	Total paid-up share capital	2,206,812,000	100.00%

Notes:

(a) There is none of nominee of Mr.Thongma Vijitpongpun or his group except the first ranking.

(b) Vijitpongpun Group consists of 1) Mr.Thongma Vijitpongpun 2) Mrs.Tipsuda Vijitpongpun 3) Chanya Vijitpongpun 4) Mrs.Rattana Promsawad 5) Mr.Chamlong Promsawad 6) Miss Malinee Vijitpongpun 7) Mr.Thavorn Vijitpongpun 8) Ms. Anchalee Vijitpongpun 9) Mrs. Patcha Vijitpongpun



6.2 Restriction on Foreigners' Shareholding

The foreign shareholders are able to hold in an aggregate portion of no more than 40% of the Company's total issued and paid-up shares. As of December 31, 2010,

foreign shareholders held approximately 6.26 % of the Company's issued and paid-up capital.

6.3 Dividend Payment Policy & Information

The Company's Board of Directors may consider paying annual dividends, subject to approval by a shareholders meeting. However, due to the fact that Federation of Accounting Professions (FAP) announced that the Thai Accounting Standard No. 44 "Consolidated Financial Statements and Accounting for Investments in Subsidiaries" under which FAP announcement No. 26/2006 requires a parent company has to record investments in a subsidiaries and associates with the cost method instead of the equity method. By this respect, the Company has adopted the accounting change according to foregoing announcement since January 1, 2007, which resulted that the net profit amount shown in the Company's Consolidated Financial Statements are not equivalent to the Company's Separate Financial Statements. In order to ensure the same understanding between the Company and its shareholders and investors, the Board of Directors at the meeting No.5/2007 on August 7, 2007 has approved the Company's dividend payment

policy of making annual dividend payment to its shareholders at a rate of not less than 30.0% of the Company's net profit after deduction of all legal reserves, however, are subject to change depending on the Company's investment plans, necessities as well as other justifications and considerations that the Board of Directors deems appropriate.

In respect of dividend payment policy by the subsidiaries, such subsidiaries will pay dividends to the Company from their net profits. The dividend payment is, however, subject to many factors such as their financial condition and results of operations, liquidity, business expansion and factors related to the operation of their business.

Moreover, dividends from net profits from the businesses with BOI privileges are exempted from income tax and the Company is not obligated to deduct withholding tax from such dividend payments.

The following are dividends that the Company paid to its shareholders from 2005 onwards:

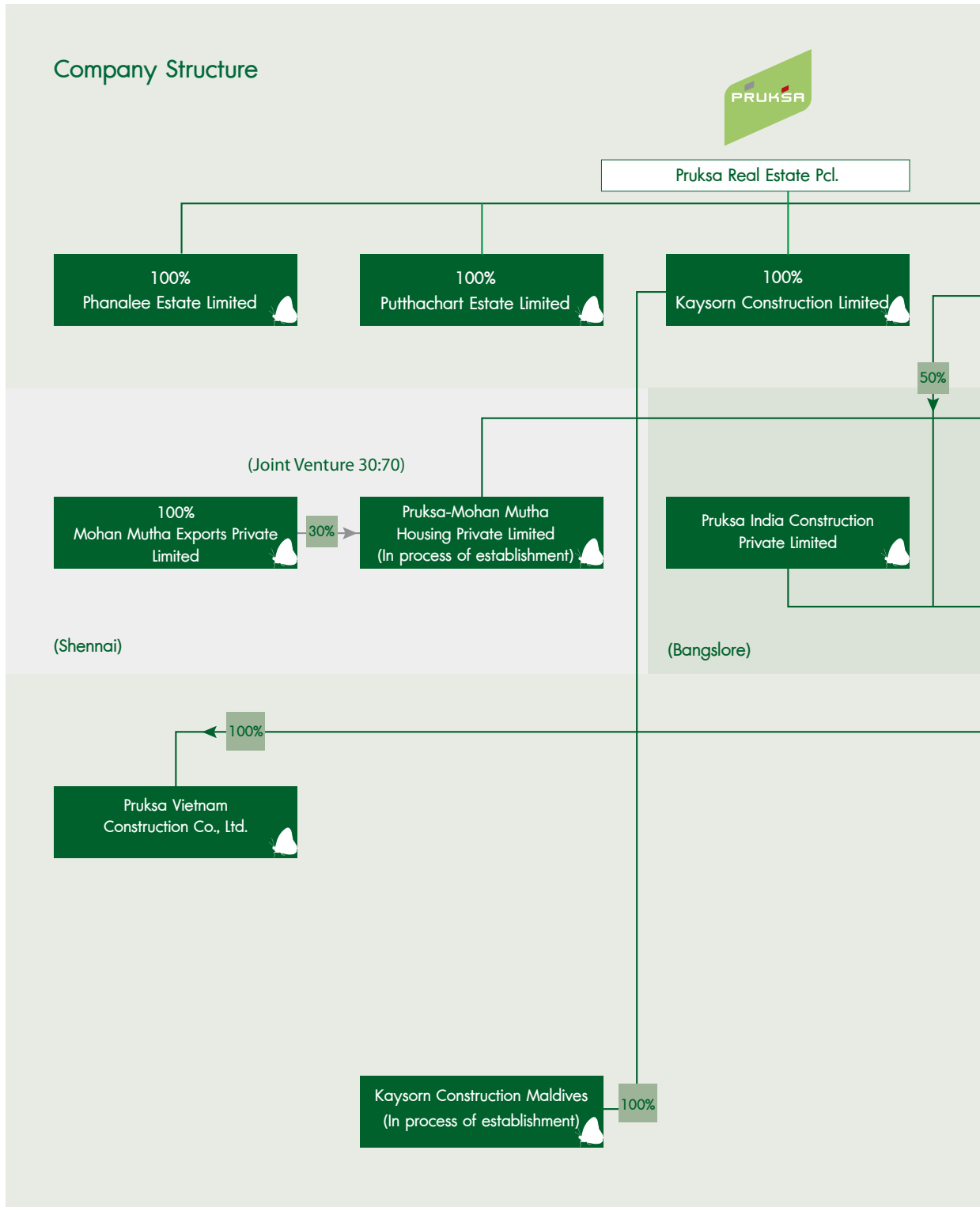
Performance of the year	Net Profit (million Baht)	Legal reserves (million Baht)	% of dividend payment	Dividend per share (Baht)	Payment Date
2010	3,488.14	-	31.6*	0.50	13 May 2011
2009	3,621.83	-	33.33*	0.55	May 13, 2010
2008	2,373.37	-	30.54*	0.33	April 23 2009
2007	1,269.88	2.33	37.87*	0.22	May 8, 2008
2006	1,303.28	-	33.36*	0.20	May 4, 2007

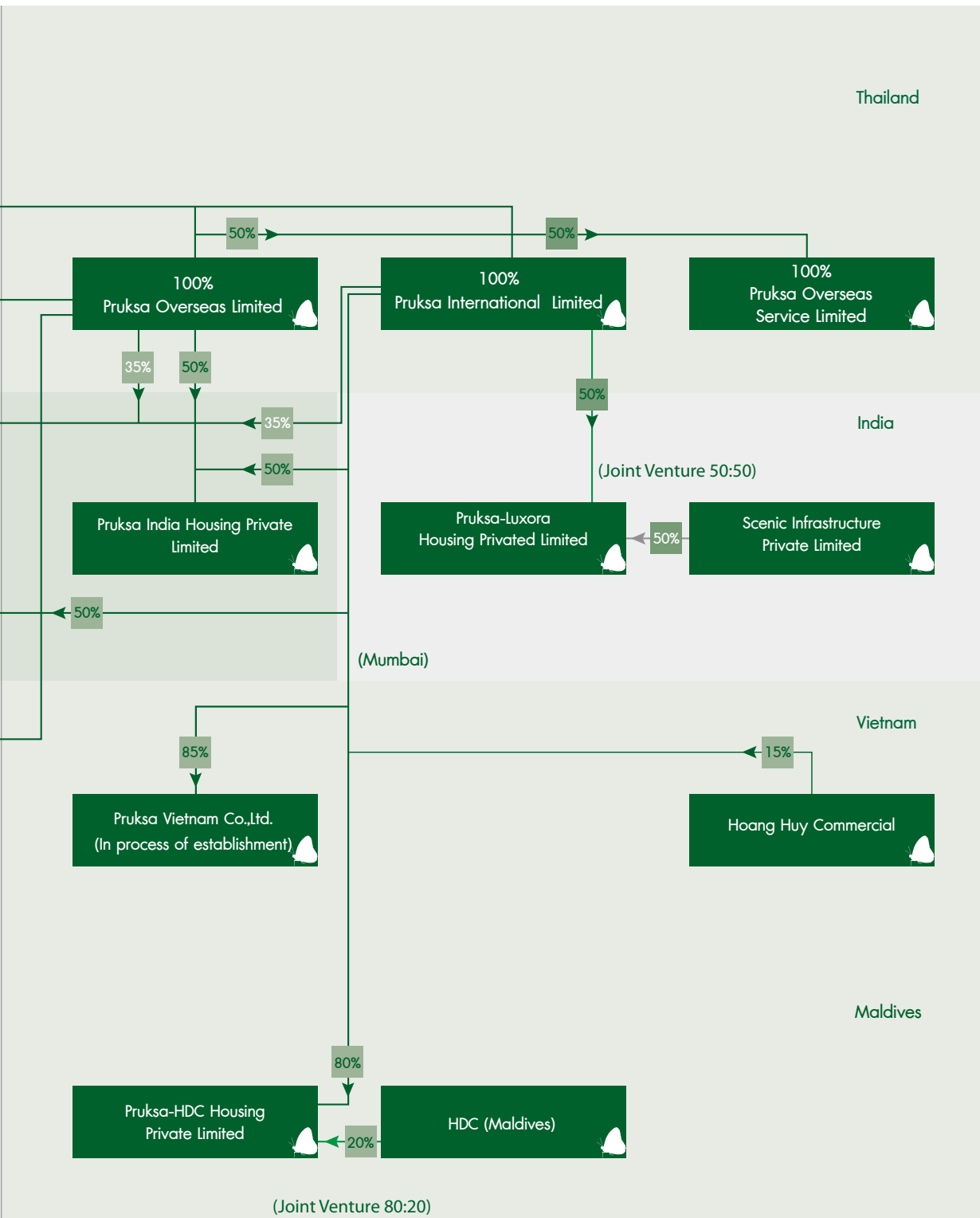
Notes: * In comparison of amounts of dividend paid to the Company's net profits, dividend payment for 2010, 2009, 2008, 2007 and for 2006 performance are 31.06%, 36.2%, 36.6%, 40.7% and 34.3% respectively.



6.4 Subsidiaries' Shareholding Structure

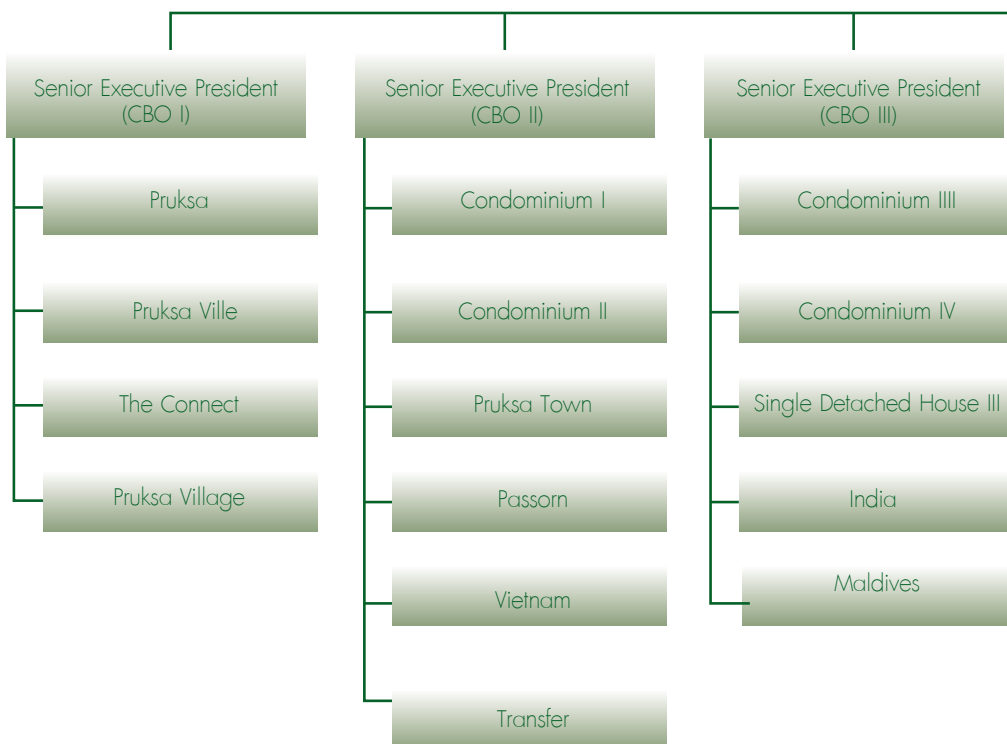
PS - COMPANY STRUCTURE as of Jan 2011

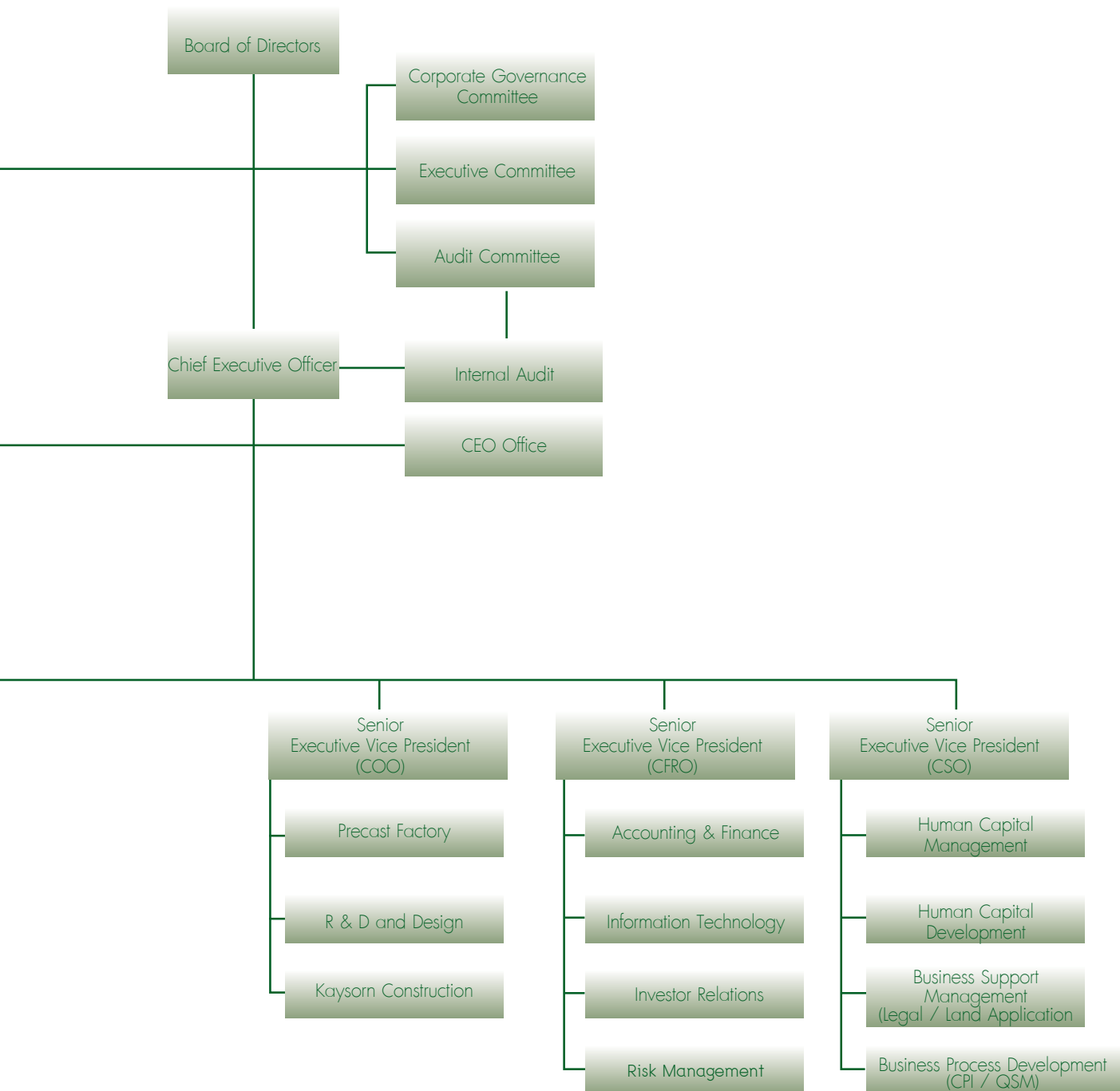




7. Subsidiaries' Management Structure

7.1 Management Structure





7.2 The Board of Directors

According to the Articles of Association of the Company, the Board of Directors shall consist of not less than five Directors. Not less than one half of the total number of Directors shall have domicile in the Kingdom. The directors are integral part of corporate governance. They must provide unbiased views and opinions to the Board of Directors and protect the mutual interest of all shareholders. The Directors must foster accountability and integrity.

As reported in the latest Ministry of Commerce's certification dated December 7th, 2010, the Board of Directors of Pruksa Real Estate Public Company Limited, who possessed qualifications in accordance with Section 68 the Public Company Act B.E.2535 and the regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), consists of 12 members as follows:

Name	Position
1. Dr. Pisit Leeahtam	Chairman and Independent Director
2. Mr. Thongma Vijitpongpan	Executive Vice Chairman
3. Professor Emeritus Dr.Trungjai Buranasomphop	Independent Director
4. Mr. Weerachai Ngamdeevilaisak	Independent Director
5. Mr. Adul Chandanachulaka	Independent Director
6. Mr. Wisudhi Srisuphan ⁽¹⁾	Independent Director
7. Mr. Prasert Taedullayasatit	Director
8. Mrs. Ratana Promsawad	Director
9. Mr. Piya Prayong	Director
10. Mr. Mayta Chanchamcharat	Director
11. Mr. Kanchit Bunajinda	Director
12. Mr. Edward Joseph Cooper. Jr. ⁽²⁾	Director

Remarks: . (1) Mr.Wisut Srisupan was appointed Independent Director on September 29th, 2010
(replaced Mr.Narong Manavapat who resigned on February 1st, 2010)

(2) Mr.Edward Joseph Cooper. Jr. was appointed as Director on September 29th, 2010

Authorized Directors who can sign on behalf of the Company

Authorized Directors who can jointly sign and bind the Company are either Mr. Thongma Vijitpongpan or Mrs. Rattana Promsawad jointly signing with Mr. Mayta Chanchamcharat, Mr. Piya Prayong or Mr. Prasert Taedullayasatit, totaling two directors with the Company's seal affixed.

Separation of Function Roles

The Chairman is not a Executive Director, and has no relations with the management team. The roles of making Director policies and management of the Company are clearly defined. The Chairman has the role of the leader and presides over the Board of Directors' Meeting to ensure effectiveness and efficiency by encouraging all the directors to participate in the meeting, helping, advising and supporting to ensure smooth

operation of the management. The Chairman also has the freedom to propose agendas for the meetings, provide opinions on the Company's operation in various ways, conducts himself with integrity and avoids conflict of interests.

Scope of powers and duties of the Board of Directors

1. The Board of Directors shall perform with responsibility, caution, and faithfulness and conduct the Company's business according to the laws, Company's objectives, Articles of Association, and resolutions of the shareholders' meeting, except for matters required by law to be approved at shareholders' meetings, entering into connected transactions, and any purchase or sale of material assets pursuant to the regulations of the SET or those prescribed by other government authorities.

2. To consider approval of the business policies, targets, operation plans, business strategies and annual budgets of the Company.

3. To consider appointment of a person who possesses qualifications and does not possess any characteristics prohibited under the Public Company Act B.E. 2535 and the laws governing securities and exchange and any relevant rules, regulations and/or notifications, to be Director in case there is a vacancy due to a cause other than retirement by rotation.

4. To consider appointment of Independent Directors by taking into consideration qualifications and prohibited characteristics under the laws governing securities and exchanges, notifications of the Capital Market Supervisory Board, including relevant rules, regulations and /or notifications of the Capital Market Supervisory Board SET or propose to a shareholders' meeting for such appointment.

5. To consider appointment of Audit Committee members who have qualifications under the laws governing securities and exchange notifications of the Capital Market Supervisory Board, including rules, regulations and /or notifications of the SET.

6. To consider appointment of Executive Directors from among the directors or the management of the Company and prescribe their roles, powers, duties and responsibilities.

7. To consider appointment of sub-committee to assist in the operation according to the Board of Director's responsibilities.

8. To appoint and change the names of Directors who can have the power to sign to bind the Company.

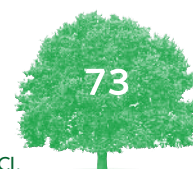
9. The Board of Directors may nominate other person to manage the operations of the Company under the control of the Board or authorize the person to have power for the time period, as the Board deems appropriate. The Board may remove or change the power of the person.

10. To consider approval of transactions relating to acquisition or disposition of assets, except where such transactions require approval by a shareholders' meeting. Such approval must be in compliance with the notifications of the Capital Market Supervisory Board, and /or SET's relevant rules, regulations and /or notifications.

11. To consider approval of connected transactions, except where such transactions require approval from a shareholders' meeting. Such approval must be in compliance with the Capital Market Supervisory Board and / or SET's relevant rules, regulations and/or notifications.

12. To consider approval for interim dividend payment when it considers that the Company has sufficient profits to do so and to report such payment to the following shareholders' meeting.

The Board of Directors shall elect a Director to be the Chairman. If it is deemed appropriate, the Board of Directors may consider electing a Vice Chairman or Vice Chairmen, who shall be assigned by the Chairman to perform duties to conduct the Company's business according to the Articles of Association. The Board of Directors shall meet at least once every three months.



However, in granting of powers, duties and responsibilities, the Board of Directors shall not be granted power, or sub-grant powers to a grantee to approve transactions in which the Board of Directors, or any person who may have any conflict of interest (as defined in the notification of the SEC), have a vested interest, or may have any other conflict of interest with the Company or its subsidiaries, except where the approval of such transaction is consistent with the policy and criteria approved by the meeting of shareholders or of the Board of Directors.

Structure and Appointment of the Board of Directors

The structure of the Board of Directors and appointment, removal or release of Directors as stipulated in the Company's Articles of Association can be summarized as follows:

1. The Company shall consist of not less than five Directors. Not less than one half of the total number of Directors shall have domicile in the Kingdom.

2. The election of Directors by the shareholders' meeting shall be in accordance with the following rules and procedures:

(1) Each shareholder shall have one vote per share.

(2) Each shareholder shall use all his or her votes under (1) to elect one or several persons as a Director. However, he or she may not divide his or her votes among the candidates.

(3) The persons who received the highest number of votes in their respective order of the votes in a number not exceeding the number of directors to be elected at that meeting, shall be appointed as directors. In the event of equal votes for the last person, the Chairman of the meeting shall exercise a casting vote.

3. At the Annual General Meeting, the Directors shall retire by one-third. If the number of Directors is not divisible by three, it has to be the nearest one-third. Directors to be retired from their office in the first and second year after the registration of the Company, they shall be retired by drawing.

After that, the Directors who have stayed in the office longest shall be retired. Directors who retired may be re-elected.

4. A Director may resign from office by submitting a resignation letter to the Company. The resignation shall become effective from the day the resignation letter arrives at the Company.

5. A resolution for any Director to leave office prior to the expiration of his term requires the votes of at least three-fourths of the number of the shareholders attending the meeting and having voting rights and holding in aggregate shares amounting to not less than half of the number of shares held by shareholders who attend the meeting and have voting rights.

Independent Directors

The current Board of Directors consists of five Independent Directors, which is in accordance with the regulation issued by Capital Market Supervisory Board, SEC and SET. The regulation states that not less than one-third of all of the directors of the Company must be independent directors, and it shall not be less than three. The Board of Directors determined the qualifications of the independent directors, as regulated by the SEC, as follows:

1) Holding not more than one percent of the total shares with voting right of the Company, a subsidiary or associated company thereof, or a juristic person with a potential conflict of interest. The amount of shares includes those held by the Independent Director's related persons.

2) Has not been involved in management, inclusive of not being an employee, staff or advisor receiving regular salary or a person with controlling interest in the Company, a subsidiary, associated company or affiliate thereof, or a juristic person with a potential conflict of interest, except that such characteristics have lapsed for at least two years.

3) Has no relation by blood or lawful registration as father, mother, spouse, sibling, offspring, including spouse of the offspring of an executive, a major shareholder, a person with controlling interest or a person being nominated as an executive or a person with controlling interest of the Company and a subsidiary thereof.

4) Does not have or has never had a business relationship with the Company, a subsidiary or associated company thereof, or a juristic person with a potential conflict of interest in a manner that may impede the exercise of his/her independent judgment, including a person being or having been a major shareholder, a Non-Independent Director, or an Executive with a business relationship with the Company, a subsidiary or associated company thereof, or a juristic person with a potential conflict of interest, except that such characteristics have lapsed for at least two years prior to the appointment.

The business relationship in the first paragraph includes normal transactions of business, rent or lease of real property, transactions related to assets or services, or a provision or receipt of financial assistance by receiving or granting a loan, guarantee, allowing the use of an asset as collateral for a debt, including other similar acts that result in the Company or its party being liable to the other party from three percent of a tangible asset or twenty million Baht, whichever is smaller. The calculation of such obligation shall comply with the method used in the calculation of connected transactions under the Office of the Securities and Exchange Commission's Notification Re: Information Disclosure and Practices of Listed Companies on Connected Transactions. The amount of the obligation shall include the amount incurred one year prior to the date of business relationship with the same person.

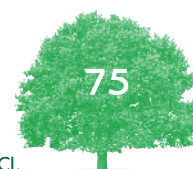
5) Is not or has never been an auditor of the Company, a subsidiary or associated company thereof, or a juristic person with a potential conflict of interest and not being a major shareholder, Non-Independent Director or managing partner of an audit firm which has its auditor as an auditor of the Company, a subsidiary or associated company thereof, or a juristic person with a potential conflict of interest, except that such characteristics have lapsed for at least two years.

6) Is not or has never been a provider of any professional service including legal service or financial advisor service with a service fee amounting to over two million Baht per year from the Company, a subsidiary or associated company thereof, or a juristic person with a potential conflict of interest. In case the professional service provider is a juristic person, a major shareholder, Non-Independent Director, Executive, or Managing partner of the professional service provider is included, except that such characteristics have lapsed for at least two years prior to the appointment.

7) Is not appointed to represent a Director, major shareholder or related person of a major shareholder of the Company.

8) Not having any other characteristics in a manner that may not be able to offer an independent opinion on the Company's operations.

After being appointed as an Independent Director with qualifications in the items 1-8 above, the Independent Director may be assigned by the Board of Directors to decide on an operation of the Company, a subsidiary, associated company or affiliate thereof, or a juristic person with a potential conflict of interest, in a collective decision.



7.3 Sub-committee

7.3.1 Audit Committee

The Company's Audit Committee consists of Independent Directors with qualifications in accordance with Section 68 the Public Company Act B.E.2535, the Announcements of the Capital Market Supervisory Board and the regulations of the Office of the Securities and Exchange Commission and the Stock

Exchange of Thailand. The Committee must consist of at least 3 members, with at least one who is qualified in accounting or finance and has adequate experience to ascertain the integrity of the financial statements of the Company. The current Audit Committee comprises three Independent Directors as follows:

NAME	POSITION
1. Professor Emeritus Dr.Trungjai Buranasomphop	Chairman of the Audit Committee
2. Mr.Adul Chandanachulaka	Member
3. Mr.Weerachai Ngamdeevilaisak	Member

Scope of Powers, Duties and Responsibilities of the Audit Committee

1. To review the Charter of the Audit Committee at least once a year and make adjustments as deemed necessary and appropriate.

2. To conduct reviews of financial reports and disclosure of financial statements in accordance with accounting standards stipulated by laws in a transparent, accurate and sufficient manner.

3. To consider and approve any changes in significant accounting principles or procedures as proposed by management of the Company.

4. To conduct reviews to ensure that the Company has appropriate and effective internal control and an internal audit system in accordance with generally accepted procedures and standards.

5. To review the independency of the Internal Audit Unit and to give consent to the appointment, transfer and termination of the Vice President, Internal Audit.

6. To review Internal Audit reports submitted to management and to review management's action plan to correct the Internal audit finding.

7. To have unrestricted access to management and employees and relevant information.

8. To conduct reviews with relevant units (such as Legal) to ensure that the Company complies with laws related to securities and the Stock Exchange and any other laws related to the Company's business.

9. To select and nominate independent persons to act as External Auditors of the Company and propose their remuneration.

10. To have at least one meeting a year with External Auditors without management's presence.

11. To review any connected transactions or any transactions with potential conflict of interest for compliance with the laws and requirements of the Stock Exchange in

order to ensure that the transactions are reasonable and most beneficial to the Company.

12. To prepare a report of the Audit Committee for disclosure in the Company's annual report. The report, which is to be signed by the Chairman of the Audit Committee, shall include at least the following information;

12.1 An opinion regarding accuracy, completeness and integrity of the Company's financial reports.

12.2 An opinion regarding adequacy of the internal control system of the Company.

12.3 An opinion regarding compliance with the laws relevant to securities and the stock market, the requirements of the Stock Exchange of Thailand or the laws related to the business of the Company.

12.4 An opinion regarding the suitability of the auditors.

12.5 An opinion regarding transactions which may have conflict of interest.

12.6 The number of Audit Committee's meetings and the attendance of each member of the Audit Committee.

12.7 An opinion or an observation of the Audit Committee drawn from the performance of their duties according to the Charter.

12.8 Any other matters within the scope of duties and responsibilities specified by the Company's Board of Directors which the shareholders and general investors should know.

13. To perform other tasks within the scope of its duties and responsibilities stipulated in its Charter, including any tasks as may be assigned by the Board of Directors upon which the Audit Committee agrees.

14. In performing the duties, if the Audit Committee finds or suspects that there is a transactions with conflict of interest, a fraud case, an irregularity, or deficiency of a significant magnitude in the internal audit system or any violation of laws and regulations related to securities or the Stock Exchange or any laws related to the business of the Company which may significantly affect the financial position and the performance of the Company, the Audit Committee is required to submit a report to the Board of Directors for improvement or correction within a timeframe considered appropriate by the Audit Committee.

Selection of the Audit Committee

The Board of Directors shall appoint at least 3 Audit Committee members from the Independent Directors of the Company who have qualifications as stipulated by the laws governing securities and exchange and the announcements of the Capital Market Supervisory Board, including the notifications rules, and/or regulations of the Stock Exchange of Thailand governing qualifications and the scope of power and duties of the Audit Committee. At least one member of the Audit Committee must be qualified in accounting or finance and has adequate experience to ascertain the integrity of the financial statements of the Company. The term of each member of the Audit Committee shall be 3 years and shall terminate upon the directors' retirement by rotation.



7.3.2 Risk Management Committee

The Board of Directors appointed the Risk Management Committee which is tasked with ensuring that the Company's risks are managed appropriately and efficiently. The current Risk Management Committee consists of five members as follows:

NAME	POSITION
1. Mr. Weerachai Ngamdeevilaisak	Chairman of the Risk Management Committee
2. Mr. Thongma Vijitpongpan	Member
3. Mr. Prasert Taedullayasatit	Member
4. Mr. Somboon Wasinchutchawal	Member
5. Mr. Edward Joseph Cooper Junior ⁽¹⁾	Member

Note - (1) Nominated and effective since 19 February 2010

Scope of Powers, Duties and Responsibilities of the Risk Management Committee

The Risk Management Committee has a duty to set Company's external and internal risks to ensure they are within the policy guidelines and provide recommendations to the appropriate and acceptable levels. Board of Directors with respect to the management of the

7.3.3 Corporate Governance Committee

The Board of Directors appointed the Corporate Governance Committee on February 22, 2006. The Corporate Governance Committee consists of six members as follows:

NAME	POSITION
1. Mr. Adul Chandanachulaka	Chairman of the Corporate Governance Committee
2. Mr. Thongma Vijitpongpan	Member
3. Mr. Prasert Taedullayasatit	Member
4. Mr. Kanchit Bunajinda	Member
5. Mr. Wirasak Kaewnoo	Member
6. Mr. Somboon Wasinchutchawal	Member

Scope of Powers, Duties and Responsibilities of the Corporate Governance Committee

The Corporate Governance Committee is responsible for overseeing and reviewing the Company's code of conduct to ensure its compliance with good governance; making recommendations on business ethical requirements and best practices for the Directors, management and employees, ensuring that such requirements are continually met,

reporting to the Board of Directors about the Company's corporate governance; giving opinions and making recommendations on best practices adopted in order to improve or adjust them as needed reviewing and proposing publicizing of the Company's announcements with respect to good corporate governance.

7.3.4 Nomination and Remuneration Committee

To comply with the principles of corporate governance and the code of conduct of directors of listed companies, the Board of Directors appointed a Nomination and Remuneration

Committee on December 28, 2005. The committee consists of four members as follows:

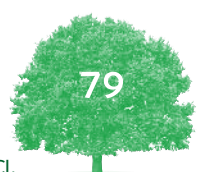
NAME	POSITION
1. Mr. Weerachai Ngamdeevilaisak	Chairman of the Nomination and Remuneration Committee
2. Dr. Pisit Leeahtam	Member
3. Mr. Thongma Vijitpongpan	Member
4. Mr. Wirasak Kaewnoo	Member

Scope of Powers, Duties and Responsibilities of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for nominating persons to be appointed as new Directors, Chairman of the Executive Committee and the Chief Executive Officer or as replacements at the end of the term of office or when vacancies occur due to other reasons.

The Nomination and Remuneration Committee also has the responsibility to propose policies, guidelines and methods for payment of remuneration and other benefits to the Directors,

Committee Members, the Chairman of the Executive Committee, and/or the Chief Executive Officer. The Committee also set criteria for appraisal and performance of the Board members. Executive Chairman and / or Managing Director. The Committee also reviews the Company's remuneration structure to make it commensurate with respective duties and responsibilities and in line with the overall business performance of the Company and the general market condition.



7.4 Executive Committee

For the best management serving the Company's policies, objectives to achieve long term goal, Executive Committee, with qualifications in accordance with the Public Company Act

B.E.2535 and the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand, currently consists of five members as follows:

NAME	POSITION
1. Mr. Thongma Vijitpongpun	Chairman of Executive Committee
2. Mr. Prasert Taedullayasatit	Executive Committee
3. Mr. Mayta Chanchamcharat	Executive Committee
4. Mr. Piya Prayong	Executive Committee
5. Mr. Wirasak Kaewnoo	Executive Committee

Scope of Powers and Duties of Executive Committee

1. To prepare and propose business policies, strategies, targets, operation plans, strategy, and the annual budget to the Board of Directors for approval.

2. To set up business plan, budget and administrative powers and to propose to the Board of Directors.

3. To oversee business performance operation according to the policies of the Company, targets, business strategy, and budget as approved by the Board of Directors in an efficient manner and corresponding to the condition of the business.

4. To consider and approve capital expenditure or operating expenses, borrowing or seeking credit facilities from financial institutions, including acting as a guarantor in the normal course of business in an amount not exceeding Baht 500 million or equivalent.

5. To establish an organization structure and efficient management and administration, covering recruitment, training, hiring and termination of employees, who are

executives or members of senior management The Executive Committee may authorise Chief Executive Officer of the Company to act on the Company's behalf in signing employment agreements.

6. To supervise, control and approve matters relating to the operations of the Company. The Executive Committee may appoint or authorise one or more persons to take any action on behalf of the Executive Committee as it may deem appropriate and may terminate, change or amend such authority.

7. To carry out other duties as assigned by the Board of Directors.

However, in the granting of powers, duties and responsibilities, the Executive Committee shall not be granted or sub-grant power to a grantee that causes the Executive Committee or the grantee to approve transactions in which the Executive Committee or the grantee, or any person who may have any conflict of interest (as defined in the notification of

the SEC), may have a vested interest, or any other conflict of interest with the Company or its subsidiaries. Approval of such transaction is required to be presented to the Board of Directors Meeting and/or the Shareholders. Meeting as the case may be, for approval, as required by the Articles of Association of the Company or the subsidiaries or the relevant laws, except

where the approval of such transactions is consistent with normal business practice and has a clearly defined scope.

Selection of Executive Committee

Board of Director will appoint the Executive Committee by selecting from directors and managements who has knowledge and capability of managerial practice.

7.5 Management

Executive (who has qualifications in accordance with the Public Company Limited Act B.E. 2535 (1992) and the related notifications of the Office of the Securities and Exchange

Commission). As of December 31, 2010, The Company's executives consists of eight persons as follows :

NAME	POSITION
1. Mr. Thongma Vijitpongpun	Chief Executive Officer
2. Mr. Piya Prayong	Chief Business Officer 1
3. Mr. Prasert Taedullayasatit	Chief Business Officer 2
4. Mr. Mayta Chanchamcharat	Chief Business Officer 3
5. Mr. Wirasak Kaewnoo	Chief Corporate Services
6. Mr. Chutha Promchinavongs ⁽¹⁾	Chief Operation Officer
7. Mr. Edward Joseph Cooper, Junior	Chief Finance & Risk Officer
8. Mr. Somboon Wasinchutchawal	Chief Financial Officer

Notes : Management (as defined by SEC) mean Chief Executive Officer or person (s) in the next four executive levels immediately under Chief Executive Officer including every person (s) who is equivalent to that fourth level and also include the Financial Officer in the case that the Financial Officer is not in the same level as the fourth-executive level
 (1) Mr. Chutha Promchinavongs is appointed as Chief Operation Officer on 1 December 2010.

Scope of Powers and Duties of Chief Executive Officer

1. To be responsible for overall and day-to-day operations of the business.

2. To coordinate with Internal Audit Department in relation to accounts and payment procedures of the Company should he find or suspect that it is not in accordance with the Company's policy.

3. To establish an organization structure and efficient management in accordance with the guidelines which may be set up by the Executive Committee. This shall include recruitment, training, hiring and termination of employees who are not Management or members of senior management. The Chief Executive Officer is authorised to sign employment agreements on behalf of the Company.

4. To consider and approve any capital expenditure or operating expenses for the Company's business operation or any borrowing or credit facilities from financial institutions, including acting as a guarantor in the normal course of business, in an amount not exceeding Baht 20 million, or equivalent.

5. To conduct any other affairs necessary for operation of the Company as assigned by the Board of Directors or Executive Committee.

6. To participate in the budget review with the Executive Committee and later with the Board of Directors.

7. To negotiate and review agreements or documents in relation to the normal business operations of the Company, advise and propose such matters to the Board of Directors and/or Executive Committee and/or persons in charge of such matters for consideration, review and finding solutions.

8. To have the power to authorise and/or appoint

a person or persons to undertake specific business on his behalf, provided that such authorization and/or appointment is subject to the scope of authority given under the power of attorney and/or in accordance with the rules, regulations or orders empowered by the Board of Directors and/or Executive Committee and/or the Company or Chief Executive Officer to cancel, change or amend such powers.

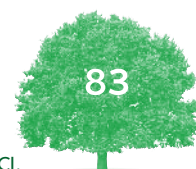
However, the granting of powers, duties and responsibilities to Chief Executive Officer shall not empower Chief Executive Officer to approve transactions in which he or any person who may have a conflict of interest may have a vested interest or any other conflict of interest with the Company or subsidiaries (as defined in the notification of the SEC). Approval of such transactions is required to be reported to the Board of Directors Meeting or Shareholders' Meeting, as the case may be, for approval as prescribed by the Articles of Association of the Company or the subsidiaries or the relevant laws, except where the approval of such transaction is consistent with normal business practice and has a clearly defined scope.

Company Secretary

The Board of Directors appoints a person as Company Secretary to be responsible for organizing the Board of Directors and Shareholders' meetings and other activities of the Board of Directors to ensure that the Board of Directors and the Company properly comply with the related laws and regulations, including the promotion of good governance practices. At present, the Board of Directors has appointed Mr Paisarl Rumphon as the Company Secretary, effective May 9, 2008.

Duties and Responsibilities

1. Organize the meetings of Shareholders, the Board of Directors and Specific Committees in accordance with laws, the Company's Articles of Association, each Committee's Charter and best practices
2. Inform the related management of the resolutions and policies of the Board of Directors and Shareholders and follow up on the implementation of the resolutions and policies
3. Give initial advice and recommendations to the Board of Directors and Specific Committees on issues in regard to laws, regulations, the Company's Articles of Association and best practices on good governance, follow up on the implementation to ensure correctness and continuity, including report on significant changes to the Board of Directors
4. Take the minutes of the meeting of the Shareholders and the Board of Directors and follow up on the implementation of the resolutions of the Shareholders and the Board of Directors' meetings
5. Supervise the disclosure and report of information under responsibility to the regulatory agencies to ensure compliance with laws and regulations and the Company's information disclosure policy
6. Communicate with the Shareholders to ensure they are informed of their rights and have access to the Company's information
7. Keep reports on stake holding submitted by directors or management and other important documents such as the Register of the Company's Directors, notices and minutes of the meetings of Board of Directors and the Company's annual reports, including the notices and minutes of the Shareholders' meetings
8. Supervise the Company's Secretariat to serve as the center of corporate records such the Company's Certificate of Juristic Person Registration, Memorandum of Association, Articles of Association, Shareholders' Register, etc.
9. Give suggestions and advice to newly appointed-directors on their directorship
10. Supervise the activities of the Board of Directors and carry out other matters as provided by law or assigned by the Board of Directors or as announced by SEC.



7.6 The Board & Management Profile



Dr. Pisit Leeahtam

**Chairman of the Board of Directors |
Member of Nomination
and Remuneration Committee |
Independent Director**

Age 60 Years

Shareholding

None (as of 30 December 2010)

Family Relationship Among the Executives

-

Positions

Chairman of the Board of Directors /

Member of Nomination and Remuneration Committee /

Independent Director

Education

- Doctorate Degree (Economics), Erasmus University, Rotterdam, The Netherlands
- Master Degree (Economics), Erasmus University, Rotterdam, The Netherlands
- Bachelor Degree (Economics), Erasmus University, Rotterdam, The Netherlands

Other Position(s)

- Dean - Faculty of Economics, Chiang Mai University
- Chairman - Netherlands-Thai Chamber of Commerce
- Chairman - Thai Tank Terminal Limited
- Country Chairman (Thailand) - Jardines Matheson (Thailand) Ltd.
- Vice Chairman of the Board of Directors / Chairman of the Audit Committee - KGI Securities (Thailand) Plc.
- President - Provident Fund Association
- Council Member - Rajamangala University of Technology Krungthep
- Council Member - King Mongkut's University of Technology, Thonburi
- Director / Chairman of the Audit Committee - Synchrotron Light Research Institute (Public Organization)
- Council Member - Faculty of Commerce and Accountancy, Thammasart University etc.

Work Experience

- 2001 - 2003 President & CEO, TT&T pcl.
- 1997 - 2001 Deputy Minister of Finance, Ministry of Finance
- 1995 - 1997 Executive Vice President, Head of Investment Banking Group, Bangkok Bank pcl.
- 1991 - 1994 Director, Office of the Governor, Bank of Thailand
- 1987 - 1990 Economist, Exchange and Trade Relations Department, The International Monetary Fund, Washington D.C., USA

Training

- Directors Certification Program - DCP 18/2002, Thai Institute of Director (IOD)



Mr. Thongma Vijitpongpun

**Authorised Director | Executive Vice Chairman
of the Board of Directors | Chairman of Executive Committee |
Member of Risk Management Committee |
Member of Corporate Governance Committee |
Member of Nomination and Remuneration Committee |
Chief Executive Officer**

Age 53 Years

Shareholding

58.6% (as of 30 December 2010)

Family Relationship Among the Executives

Elder brother of Mrs.Rattana Promsawad

Positions

Authorised Director /

Executive Vice Chairman of the Board of Directors /

Chairman of Executive Committee /

Member of Risk Management Committee /

Member of Corporate Governance Committee /

Member of Nomination and Remuneration Committee /

Chief Executive Officer

Education

- Bachelor Degree (Engineering), Chulalongkorn University

Other Position(s)

- Director - Pruksa Overseas Co., Ltd.
- Director - Pruksa International Co., Ltd.
- Director - Pruksa Overseas Service Co., Ltd.

Work Experience

- 1998 - 2004 Managing Director - Kaysorn Restaurant Co., Ltd. (stopped operating the business on January 28, 2005)
- 1985 - 1991 Manager - Siam Engineering Limited Partnership

Training

- Directors Certification Program - DCP 51/2004, Thai Institute of Director (IOD)
- Finance for Non-Finance Directors, Thai Institute of Director (IOD)



Mr. Prasert Taedullayasatit

Authorised Director | Member of Executive Committee |
Member of Risk Management Committee |
Member of Corporate Governance Committee |
Chief Business Officer

Age 43 Years

Shareholding

None (as of 30 December 2010)

Family Relationship Among the Executives

-

Positions

Authorised Director / Member of Executive Committee /
Member of Risk Management Committee /
Member of Corporate Governance Committee / Chief Business Officer

Education

- Master Degree (Business Administration (Marketing & Finance)), Chulalongkorn University
- Bachelor Degree (Accountancy: 2nd class Honor), Thammasat University

Other Position(s)

- Director - Kaysorn Construction Co., Ltd.
- Director - Pruksa Overseas Service Co., Ltd.
- Director - Pruksa Vietnam Construction Co., Ltd.
- Director - Thai Condominium Association
- Director - Housing Business Association
- Director - Thai Investor Relations Club
- Advisor - Thammasat Property Management Board of Directors

Work Experience

- 2008 - 2009 Director / Senior Executive Vice President / Chief Operating Officer (COO) Pruksa Real Estate Public Company Limited
- 2007 - 2008 Director / Senior Executive Vice President / Chief Business Officer (CBO) Pruksa Real Estate Public Company Limited
- 2005 - 2007 Director / Executive Vice President (Marketing / Sales & Business Development) Pruksa Real Estate Public Company Limited
- 2002 - 2005 Director / Executive Director / Executive Vice President (Business Development) Lalin Property Public Company Limited
- 1999 - 2002 Senior Marketing and Business Development Manager Lalin Property Co., Ltd
- 1993 - 1999 Marketing and Business Development Manager - Lalin Property Co., Ltd

Training

- Directors Certification Program - DCP 56/2005, Thai Institute of Director (IOD)
- Director Accreditation Program - DAP 1/2003, Thai Institute of Director (IOD)
- Public Economic Management for Executives Program - 5/2007, King Prajadhipok's Institute
- Property Management for Executives Program - RECU10, Faculty of Architecture, Chulalongkorn University

Mrs. Rattana Promsawad

Authorised Director |
Director of CEO Office

Age 50 Years

Shareholding

3.65 % (as of 30 December 2010)

Family Relationship Among the Executives

Younger sister of Mr.Thongma Vijitponggun

Positions

Authorised Director / Director of CEO Office

Education

- Bachelor Degree (Law), Ramkhamhaeng University

Other Position(s)

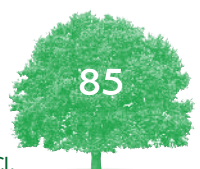
- Director - Pruksa Overseas Co., Ltd.
- Director - Pruksa International Co., Ltd.
- Director - Kaysorn Construction Co., Ltd.
- Director - Pruksa India Housing Private Limited

Work Experience

- 2003 - 2005 Finance Advisor - Pruksa Real Estate Co., Ltd.
- 1998 - 2004 Director - Kaysorn Restaurant Co., Ltd. (stopped operating the business on January 28, 2005)
- 1993 - 2003 Finance Manager - Pruksa Real Estate Co., Ltd.
- 1986 - 2001 Finance Manager - Siam Engineering Limited Partnership

Training

- Directors Certification Program - DCP 52/2004, Thai Institute of Director (IOD)





Mr. Piya Prayong

Authorised Director |
Member of Executive Committee |
Chief Business Officer

Age 41 Years

Shareholding

0.012% (as of 30 December 2010)

Family Relationship Among the Executives

-

Positions

Authorised Director / Member of Executive Committee /
Chief Business Officer

Education

- Bachelor Degree (Engineering), Kasetsart University

Other Position(s)

- Director - Kaysorn Construction Co., Ltd.
- Director - Pruksa Overseas Service Co., Ltd.

Work Experience

- 2003 Production Manager - Siam Engineering Limited Partnership
- 2002 Assistant Director - Siam Engineering Limited Partnership

Training

- Directors Certification Program - DCP 59/2005,
Thai Institute of Director (IOD)



Mr. Wisudhi Srisuphan

Independent Director

Age 61 Years

Shareholding

None (as of 30 December 2010)

Family Relationship Among the Executives

-

Position(s)

Independent Director

Education

- M.A.A.Business Economics, Thammasat University
- Master of Engineering (Civil Engineering), Lamar University, U.S.A
- Bachelor of Engineering (Civil Engineering), Chulalongkorn University
- LL.B. (Second Class Honour), Ramkhamhaeng University
- Diploma (Class 38), National Defence College of Thailand
- Certificate in Politics and Governance in Democratic Systems for Executives Course (Class 6), King Prajadhipok's Institute
- Capital Market Academy Leadership Program (Class 6), Capital Market Academy, The Stock Exchange of Thailand

Other Position(s)

- Chairman of the Board, CAT Telecom Public Company Limited
- Chairman of the Board, Real Estate Information Center
- Director, Office of the Council of State
- Director, The Electricity Generating Public Company Limited

Work Experience

- 2009 - 2010 Chairman of the Board, Siam City Bank Public Company Limited
- 2009 Director-General, The Customs Department, Ministry of Finance
- 2008 - 2010 Deputy Chairman, Dhipaya Insurance Public Company limited
- 2009 - 2010 Director, The Electricity Generating Authority of Thailand
- 2008 - 2009 Deputy Permanent Secretary, Ministry of Finance
- 2007 - 2008 Director-General, The Customs Department, Ministry of Finance
- 2007 Director-General, The Excise Department, Ministry of Finance
- 2006 - 2009 Chairman of the Board, The Government Saving Bank
- 2006 - 2009 Director, Thai Airways International Public Company Limited
- 2006 - 2008 Chairman of the Board of Director, Thailand Tobacco Monopoly, Ministry of Finance
- 2005 - 2006 Chairman of the Board, CAT Telecom Public Company Limited
- 2003 - 2007 Director-General, The Treasury Department, Ministry of Finance
- 2002 - 2006 Director, PTT Exploration And Production Public Company Limited
- 2002 - 2003 Director General, Fiscal Policy Office, Ministry of Finance
- 2000 - 2006 Chairman of the Board, The Government Housing Bank
- 2000 - 2006 Director, PTT Public Company Limited
- 1999 - 2002 Comptroller-General, The Comptroller's Department, Ministry of Finance

Training

- Directors Certification Program - DCP 3/2000, Thai Institute of Director (IOD)
- Role of the Chairman Program - RCP 12/2005, Thai Institute of Director (IOD)



Mr. Kanchit Bunajinda

**Director |
Member of Corporate Governance Committee**

Age 43 Years

Shareholding

None (as of 30 December 2010)

Family Relationship Among the Executives

-

Positions

Director / Member of Corporate Governance Committee

Education

- Master Degree (Finance & International Business), Sasin Graduate Institute of Business Administration, Chulalongkorn University
- Bachelor Degree (Engineering), Chulalongkorn University

Other Position(s)

- Director - Central Plaza Hotel Public Company Limited
- Director - True Visions Public Company Limited
- Director - Central Pattana Public Company Limited
- Director - Private Equity (Thailand) Company Limited (An Affiliate of Lombard Investment, Inc.)
- Alternate Director - Asian Corporate Governance Association, Hong Kong

Work Experience

- 1991 - 2002 Senior Vice President and Head of the Financial Institutions Groups / Mergers and Acquisition, Merrill Lynch Phatra Securities Company Limited (Present: Phatra Capital Company Limited)

Training

- Directors Certification Program - DCP 30/2003, Fellow Member, Thai Institute of Director (IOD)
- Directors Accreditation Program - DAP 35/2005, Thai Institute of Director (IOD)
- Audit Committee Program - ACP 14/2006, Thai Institute of Director (IOD)
- Monitoring the System of Internal Control and Risk Management - MIR 4/2008, Thai Institute of Director (IOD)
- Monitoring the Quality of Financial Reporting - MFR 8/2009, Thai Institute of Director (IOD)



Professor Emeritus Dr. Trungjai Buranasomphop

**Independent Director |
Chairman of the Audit Committee**

Age 68 Years

Shareholding

0.068% (as of 30 December 2010)

Family Relationship Among the Executives

-

Positions

Independent Director / Chairman of the Audit Committee

Education

- Diplome de 3 eme Cycle d' Architecture, Ecole Des Beaux Arts, Paris, France
- Doctorate Degree (Town Planning), Pantheon-Sorbonne, Paris, France
- Post Grad Certificate (Energy Conscious Building Design) Sogesta, Italy
- Post Grad Diploma (Housing Planning and Building), Bouwcentrum, The Netherlands
- Master Degree (Tropical Architecture) Pratt Institute, New York, USA
- Bachelor Degree (Architecture) Chulalongkorn University

Other Position(s)

- President - NT Estate International Co., Ltd.
- Senator, Chairman of the Standing Committee on Religions, Moral, Ethics, Arts and Culture.

Work Experience

- 1968 - 2008 Professor Emeritus Level 11 - Faculty of Architecture, Silpakorn University
- 2002 - 2008 Chairman of the International Programs of Master and Doctorate Degrees in "Architectural Heritage Management and Tourism" - Silpakorn University
- 2006 - 2007 Advisor of the Governor of Bangkok
- 2002 - 2007 Vice President - Council of Thai Architects
- 2004 - 2006 President - Zonta International Association Bangkok 7
- 1996 - 2000 President - Silpakorn University
- 1988 - 1992 Dean, Faculty of Architecture - Silpakorn University
- 1989 - 2000 Committee Member of Energy Building Control - Civil Department
- 1989 - 2000 Committee Member of Energy Conservation Fund - Office of Energy Plan and Policy
- 1989 - 2000 President of Land Readjustment Association - Civil and City Planning Department
- 1975 - 1981 Committee Member of Siam Architects Association
- 1966 - 1967 Architect - Alfred Easton Poor, New York, USA
- 1965 - 1966 Architect - Louis Berger Inc. / Architect - Ammann & Whitney Inc. / Architect - Intaren Co.,Ltd.

Training

- Directors Certification Program - Dep 67/2005, Thai Institute of Director (IOD)
- Directors Accreditation Program - Thai Institute of Director (IOD)
- Audit Committee Program - Thai Institute of Director (IOD)





Mr. Weerachai Ngamdeevilaisak

Member of the Audit Committee |
Chairman of Risk Management Committee |
Chairman of Nomination
and Remuneration Committee |
Independent Director

Age 48 Years

Shareholding

0.0023% (as of 30 December 2010)

Family Relationship Among the Executives

-

Position

Member of the Audit Committee /
Chairman of Risk Management Committee /
Chairman of Nomination and Remuneration Committee /
Independent Director

Education

- Bachelor Degree (Commerce and Accountancy),
Thammasat University

Other Position(s)

- Director - Professional Outsourcing Solutions Co., Ltd
- Director - Audit One Co., Ltd.

Work Experience

- 1999 - 2003 Executive Director -
Arthur Andersen Thailand's Group of companies
- 1996 - 1999 Assistant Director - SGV-Na-Thalang Co., Ltd
- 1992 - 1996 Audit Manager - SGV - Na - Thalang Co., Ltd
- 1985 - 1992 Assistant Auditor - SGV - Na - Thalang Co., Ltd

Training

- Directors Certification Program - DCP -
Train the Trainer, Thai Institute of Director (IOD)
- Role of the Compensation Committee 3/2007,
Thai Institute of Director (IOD)
- Successful Formulation & Execution of Strategy 4/2009,
Thai Institute of Director (IOD)



Mr. Adul Chandanachulaka

Member of the Audit Committee |
Chairman of Corporate Governance Committee |
Independent Director

Age 65 Years

Shareholding

0.007% (as of 30 December 2010)

Family Relationship Among the Executives

-

Positions

Member of the Audit Committee /
Chairman of Corporate Governance Committee / Independent Director

Education

- Bachelor Degree (Commerce and Accountancy), Chulalongkorn University

Other Position(s)

- Independent Director and Audit Committee of Jutha Maritime Public Company Limited

Work Experience

- 2003 - 2004 Director - Siam Press Management Co., Ltd.
- 2001 - 2002 Chairman of the Board of Directors -
Siam Integrated Service Co., Ltd.
- Director - Dusit Sinthorn Co., Ltd.
- 2000 - 2002 Director - Jalapraphan Cement Plc
- 1968 - 2002 Last Position: Executive Vice President - Siam
Commercial Bank Plc

Training

- Directors Accreditation Program - DAP 5/2003,
Thai Institute of Director (IOD)
- Audit Committee Program - ACP 7/2005,
Thai Institute of Director (IOD)
- Role of the Compensation Committee - 3/2007,
Thai Institute of Director (IOD)



Mr. Mayta Chanchamcharat

**Authorised Director |
Member of Executive Committee |
Chief Business Officer**

Age 46 Years

Shareholding

None (as of 30 December 2010)

Family Relationship Among the Executives

-

Positions

Authorised Director / Member of Executive Committee /
Chief Business Officer

Education

- Master Degree (Business Administration), Indiana University, USA
- Bachelor Degree (Finance and Banking), Faculty of Commerce and Accountancy, Chulalongkorn University

Other Position(s)

- Director - Pruksa Overseas Co., Ltd.
- Director - Pruksa Overseas Service Co., Ltd.
- Director - Pruksa-Mohan Mutha Housing Private Limited
- Director - Pruksa-HDC Housing Private Limited
- Director - Pruksa-Luxora Housing Private Limited

Work Experience

- 2005 - April 2009 Chief Executive Officer - Plus Property Co., Ltd.
- 2004 - 2005 Managing Director - Plus Property Co., Ltd.
- 2002 - 2004 Vice President; Corporate Finance and Investor Relations Department - Sansiri Public Company Limited
- 1997 - 2002 Senior Manager; Head of Corporate Department - Fortis Bank - BIBF, Bangkok

Training

- Directors Certification Program - DCP 124/2009, Thai Institute of Director (IOD)



Mr. Edward Joseph Cooper, Jr.

**Director |
Member of Risk Management Committee |
Chief Finance & Risk Officer**

Age 62 Years

Shareholding

None (as of 30 December 2010)

Family Relationship Among the Executives

-

Position(s)

Director / Member of Risk Management Committee /
Chief Finance & Risk Officer

Education

- Master in Business Administration (International Finance), New York University, Stern Graduate School of Business
- Bachelor of Arts, (Economics, Minor Asian History), Princeton University

Other Position(s)

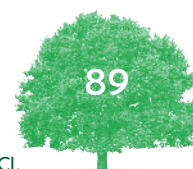
- N/A

Work Experience

- 2001 - 2009 AIG Consumer Finance Group, Inc.
 - 2003 - 2009 President, New York
 - 2001 - 2002 Asia Region Executive Consumer Finance, Hong Kong
- 1970 - 2000 Chase Manhattan Bank
 - 1997 - 2000 Senior Vice President, Asia Region Retail Banking Executive, Hong Kong
 - 1988 - 1996 Senior Executive, New York
 - 1985 - 1988 Deputy General Manager, Tokyo
 - 1983 - 1985 Asia Banking Division Executive, New York
 - 1979 - 1983 Country Manager, Bangkok
 - 1974 - 1979 Deputy General Manager, Singapore
 - 1970 - 1974 Trainee and Officer, New York

Training

- Director Accreditation Program DAP 88/2011





Mr. Wirasak Kaewnoo

Member of Executive Committee |
Member of Corporate Governance Committee |
Member of Nomination and Remuneration
Committee | Chief Corporate Services

Mr. Chutha Promchinavongs

Chief Operations Officer

Age 52 Years

Shareholding

None (as of 30 December 2010)

Family Relationship Among the Executives

-

Positions

Member of Executive Committee /
Member of Corporate Governance Committee /
Member of Nomination and Remuneration Committee /
Chief Corporate Services

Education

- Bachelor Degree (Education), Srinakharinwirot University
- Master Degree (Public Administration),
National Institute of Development Administration (NIDA)

Other Position(s)

- Director - Pruksa Overseas Co., Ltd.
- Director - Pruksa Overseas Service Co., Ltd.
- Director - Pruksa India Construction Private Limited

Work Experience

- Director (Human Resources),
Microchips Technology (Thailand) Co., Ltd.
- Director (Human Resources),
Toshiba Semiconductors (Thailand) Co., Ltd.
- Senior Manager (Human Resources),
Chromalloy Corporation (Thailand) Co., Ltd.
- Manager (Human Resources),
AT&T Microelectronics (Thailand) Co., Ltd.
- Manager (Quality Improvement Program),
AT&T Microelectronics (Thailand) Co., Ltd.
- Production Head (Production),
Philips Semi Conductors (Thailand) Co., Ltd.

Training

- Role of the Compensation Committee,
Thai Institute of Director (IOD)

Age 52 Years

Shareholding

None (as of 30 December 2010)

Family Relationship Among the Executives

-

Positions

Chief Operations Officer

Education

- Master Degree (Engineering), National University of Ireland
- Postgraduate (Engineering),
The University of New South Wales, Australia
- Bachelor Degree (Engineering), Kasetsart University

Other Position(s)

- Director - Phanalee Estate Co., Ltd.
- Director - Putthachart Estate Co., Ltd.
- Director - Kaysorn Construction Co., Ltd.

Work Experience

- 1999 - 2006 Executive Vice Chairman (Operation) -
K-Tech Construction Public Co., Ltd
- 1992 - 1996 Project Manager - Philip Holzman (Thailand) Co., Ltd
- 1988 - 1991 Project Engineer - Atthakehaphat Co., Ltd
- 1983 - 1988 Engineering level4 - Electricity Generating Authority
of Thailand
- 1981 - 1982 Engineering - Resources Engineering Consultants Co., Ltd

Training

- N/A



Mr. Somboon Wasinchutchawal

Member of Risk Management Committee |
Member of Corporate Governance Committee |
Chief Financial Officer

Age 48 Years

Shareholding

0.00045% (as of 30 December 2010)

Family Relationship Among the Executives

-

Positions

Member of Risk Management Committee /

Member of Corporate Governance Committee / Chief Financial Officer

Education

- Master Degree (Business Administration), Thammasat University
- Graduate Diploma (Auditing), Thammasat University
- Bachelor Degree (Accountancy), Thammasat University

Other Position(s)

- Director - Pruksa Overseas Co., Ltd.
- Director - Pruksa International Co., Ltd.
- Director - Pruksa India Housing Private Limited

Work Experience

- 2003 - 2007 Executive Vice President /
Corporate Secretary - Areeya Property Pcl.
- 1993 - 2003 Senior Vice President, Property Perfect Pcl.

Training

- Modern Real Estate Management #14
Faculty of Architecture Chulalongkorn University
- Directors Certification Program — DCP 102/2008,
Thai Institute of Director (IOD)



7.7 Controlling Persons of the Company and its Subsidiaries

As at 31 December 2010

Name	The Company	The Kaysorn Co.,Ltd Construction	Phanalee Estate Co., Ltd.	Putthachart Estate Co., Ltd	Pruksa International Co., Ltd	Pruksa Overseas Co., Ltd.	Pruksa Overseas Services Co., Ltd.
1. Dr. Pisit Leeahtam	X	-	-	-	-	-	-
2. Mr. Thongma Vijitpongpun	//	-	-	-	X	X	X
3. Professor Emeritus Trungjai Buranasomphop	/	-	-	-	-	-	-
4. Mr. Adul Chandanachulaka	/	-	-	-	-	-	-
5. Mr. Weerachai Ngamdeevilaiak	/	-	-	-	-	-	-
6. Mr. Wisudhi Srisuphan	/	-	-	-	-	-	-
7. Mr. Prasert Taedullayasatit	//	/	-	-	-	-	/
8. Mr. Mayta Chanchamcharas	//	-	-	-	-	/	/
9. Mrs. Rattana Promsawad	/	/	-	-	/	/	-
10. Mr. Piya Prayong	//	/	-	-	-	-	/
11. Mr. Kanchit Bunajinda	/	-	-	-	-	-	-
12. Mr. Edward Joseph Cooper, Jr.	/	-	-	-	-	-	-
13. Mr. Wirasak Kaewnoo	//	-	-	-	-	/	/
14. Mr. Somboon Wasinchutchawal	-	-	-	-	/	/	-
15. Mr. Chutha Promchinavongs	-	/	/	/	-	-	-

Remarks : X = Chairman, / = Director // = Executive Director

7.8 Meeting attendance of the Directors in 2010 and 2009

Name	Board of Director		Audit Committee		Risk Management Committee		Corporate Governance Committee		Nomination Remuneration Committee	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
1. Dr. Pisit Leeahtam	9/10	7/7	-	-	-	-	-	-	1/4	4/4
2. Mr. Thongma Vijitpongpun	9/10	7/7	-	-	11/12	8/9	4/4	3/4	4/4	3/4
3. Professor Emeritus Dr. Trungjai Buranasomphop	10/10	6/7	12/12	12/12	-	-	-	-	-	-
4. Mr. Weerachai Ngamdeevilasak	10/10	6/7	12/12	11/12	12/12	9/9	-	-	4/4	4/4
5. Mr. Adul Chandanachulaka	10/10	7/7	12/12	12/12	-	-	4/4	4/4	-	-
6. Mr. Wisudhi Srisuphan ⁽¹⁾	3/3	-	-	-	-	-	-	-	-	-
7. Mr. Prasert Taedullaysatit	9/10	7/7	-	-	12/12	9/9	4/4	4/4	-	-
8. Mr. Piya Prayong	10/10	7/7	-	-	-	-	-	-	-	-
9. Mrs. Rattana Promsawad	10/10	7/7	-	-	-	-	-	-	-	-
10. Mr. Kanchit Bunajinda	10/10	7/7	-	-	-	-	3/4	2/4	-	-
11. Mr. Mayta Chanchamcharat	9/10	3/3	-	-	-	-	-	-	-	-
12. Mr. Edward Joseph Cooper, Jr. ⁽²⁾	3/3	-	-	-	10/10	-	-	-	-	-
13. Mr. Somboon Wasinchutchawal	-	-	-	-	11/12	9/9	4/4	4/4	-	-
14. Mr. Wirasak Kaewnoo	-	-	-	-	-	-	4/4	4/4	4/4	4/4

Remark: (1) Mr. Wisudhi Srisuphan, was appointed as an Independent Committee on 29 September, 2010

(2). Mr. Edward Joseph Cooper, Jr., was appointed as member of Board of Director on 29 September, 2010 and Member of Risk Management Committee on 19 February, 2010.



8. Remuneration of Directors and Management

8.1 Monetary Remuneration of Independent Directors

a) Remuneration of Independent Director

The 2010 Annual General Shareholders' Meeting, held on 27 April 2010, approved 2010 remuneration of Directors. Such amount must not exceeding Baht 21 million (in 2009 and 2008 the amount was set not to exceed Baht 12 million each year). Such remuneration is to pay only to Independent Directors and Non - executive Directors who are Board members, Audit Committee, Risk Management Committee, Nomination and

Remuneration Committee, and Corporate Governance Committee. For Non - executive Directors who are entitled to receive such remuneration must not be any shareholder's representative. The directors other than the mentioned qualification will not receive any. The details of remuneration paid in 2010 compared to that of 2009, 2008 are as follows:

(Unit : Baht)

Name & Position	2010		2009		2008	
	Remuneration Bonus ⁽¹⁾		Remuneration Bonus ⁽¹⁾		Remuneration Bonus ⁽¹⁾	
1. Dr. Pisit Leeahtam Chairman of the Board of Directors and Nomination and Remuneration Committee	3,140,000	1,200,725	3,159,000	1,443,664	3,170,000	1,168,695
	4,340,725		4,602,664		4,338,695	
2. Professor Emeritus Dr. Trungjai Buranasomphop Director and Chairman of Audit Committee	1,742,400	672,406	1,372,800	635,212	1,372,800	514,226
	2,414,806		2,008,012		1,887,026	
3. Mr. Adul Chandanachulaka Director, Audit committee, and Chairman of Corporate Governance Committee	1,485,000.00	576,348	1,100,000	519,719	1,110,000	420,730
	2,061,348		1,619,719		1,530,730	
4. Mr. Weerachai Ngamdeevilaisak Director, audit committee, and Chairman of Risk Management and Chairman of Nomination and Remuneration Committee	1,851,150.00	576,348	1,402,800	635,212	1,422,800	514,226
	2,427,498		2,038,012		1,937,026	
5. Mr. Wisudhi Srisuphan Independent Directors	360,000	88,618	n/a	n/a	n/a	n/a
	448,618		n/a		n/a	
Total	8,578,550	3,114,444	7,034,600	3,233,807	7,075,600	2,617,876
Grand total	11,692,994		10,268,407		9,693,476	

Note: ⁽¹⁾ Bonus of the year is paid in 2 tranches: first and second half of the year. The second half-year bonus is paid in January in the next year and is included in the amount.

b) Remuneration of Executive Directors and Management

Total remuneration of Executive Directors and Management was Baht 60,905,137 and 52,135,813 Baht in 2010 and 2009 respectively. The details of which are as follows:

Nature of Compensation	2010		2009		2008	
	No. of Management	Amount in Baht	No. of Management	Amount in Baht	No. of Management	Amount in Baht
Salary/Wage	8	40,070,882	8	34,181,139	9	34,286,362
Bonus ⁽¹⁾	8	13,624,168	8	14,156,898	9	11,739,120
Contribution oo Provident Fund	8	1,410,421	8	1,287,426	9	1,274,073
Others	8	5,799,666	8	2,510,350	9	3,575,950
Total	8	60,905,137	8	52,135,813	9	50,875,504

Note : (1) Bonus of the year is paid in 2 tranches : first and second half of the year. The second half - year is paid in January in the next year and is included in the amount.

8.2 Other Remuneration

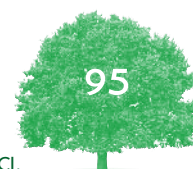
Other remuneration was in the form of share warrants offered to the directors, employees and advisors of the Company and/or the subsidiaries, with a conversion ratio of 1 warrant to 1 ordinary share and semi-annual exercisable (For more details, see table "Warrants (PS-WA)").

The Exercise Period of warrants represents the right to purchase the newly issued shares of the Company from the last business day of June and December of each year to the last business day of 31 July and 31 January of each year, whereas other conditions remain the same. Therefore the warrants were exercised twice in 2006, on June 30 and December 29, once in 31 July 2007.

Except for 2009, there are three time exercise of warrants, last business day of January, July, and November.

As per the 2009 Organizational Structure, cumulative of 9,152,300 units of warrants were allocated to 8 Directors and Management. All Directors and Management exercised their rights to purchase the Company's common shares.

In 2010 the share warrants are not exercised because it's ended of year 2009. Details are shown for directors and management positions as at 31 December 2009 therefore, there have no right on share warrants.



(PS-WA) since 2006 / name	No. of Warrant Allocated (Units)	No. of Warrant Exercised (units)		
		2010	2009	2008
1. Dr. Pisit Leehtam	1,500,000	n/a	562,500	375,000
2. Professor Emeritus Dr.Trungjai Buranasomphop	700,000	n/a	262,500	175,000
3. Mr. Adul Chandanachulaka	700,000	n/a	262,500	175,000
4. Mr. Weerachai Ngamdeevilasak	700,000	n/a	262,500	175,000
5. Mr. Narong Manavapat	2,252,300	n/a	844,700	563,100
6. Mr. Prasert Taedullayasatit	1,440,000	n/a	540,000	360,000
7. Mrs. Rattana Promsawad	300,000	n/a	112,500	75,000
8. Mr. Piya Prayong	1,560,000	n/a	585,000	390,000
total	9,152,300	n/a	3,432,200	2,288,100

The allocated warrants (PS-WC) for 2011 are issued to 7 Directors and Management (Management means person(s) in the next four executive levels immediately under Chief Executive Officer including every person(s) who is equivalent to that fourth level and also include the Finance and Accounting). There are 4,181,400 units of PS-WC as follows.

PS-WC	
1. Mr. Prasert Taedullayasatit	830,100 Units
2. Mr. Piya Prayong	830,100 Units
3. Mr. Mayta Chanchamcharat	559,200 Units
4. Mr. Edward Joseph Cooper, Jr.	626,700 Units
5. Mr. Wirasak Kaewnoo	463,800 Units
6. Mr. Chutha Promchinavongs	546,000 Units
7. Mr. Soomboon Wasinchutchawal	325,500 Units

9. Good Corporate Governance

The Company adheres to corporate governance principles which are consistent with international principles and the Stock Exchange of Thailand's policy. The Company has established "The Principles of Good Corporate Governance" in order to ensure the ethical conduct of its business. The Company strongly believes that its good corporate governance procedures are beneficial to the Company's performance, being one of the keys to achieving its objectives. The Company's Corporate Governance Policy is divided into seven categories, as follows:

- 1.) The Board of Directors
- 2.) Rights of shareholders
- 3.) Equitable Treatment of Shareholders
- 4.) Role of Stakeholders
- 5.) Disclosure and Transparency
- 6.) Internal Controls and Risk Management
- 7.) Philosophy and Code of Conduct

The Company communicated "The Principles of Good Corporate Governance" on the Company's website, www.pruksa.com, and has encouraged the Directors, Management and employees to acknowledge and observe.

1) The Board of Directors

The Board of Directors is accountable to the shareholders for ensuring that the business of the Company is managed properly in the best interests of the shareholders and other stakeholders, as well as the general public. The Board of Directors has a key role in making sure that management commit themselves to performance excellence, with due consideration to the risk exposure of the Company.

1.1 Structure of the Board of Directors

The Board of Directors of Pruksa Real Estate Public Company Limited Consists of 12 members, It is comprises 6

non-management Directors (5 Independent Directors: Dr.Pisit Leeahtam, Professor Emeritus, Dr.Trungjai Buranasomphop, Mr.Wisudh Srisuphan, Mr.Weerachai Ngamdeevilaiakand and Mr.Adul Chandanachulaka, which exceeds one - third of the entire Board) and 6 management Directors. Besides, Chairman of the Board of Directors (Dr.Pisit Leeahtam) and Chairman of the Executive Committee (Mr.Thongma Vijitpongpun) are not the same person.

1.2 Director Qualifications

Directors on the Board of Directors shall possess all the qualifications stated in the public company law and other related laws. They shall not possess any characteristic unsuitable to manage business which the general public is the shareholders pursuant to the notifications of the Office of the Securities and Exchange Commission.

Directors must also have sufficient knowledge and expertise, and a high standard of integrity and business ethics. In addition, they must be able to commit enough time to contribute their knowledge and expertise to perform their duties for the Company.

Independent Directors must additionally meet the independence criteria adopted by the Company and in compliance with the same qualifications in accordance with the Notification of the Stock Exchange of Thailand on Qualifications and Scope of Work of the Audit Committee.

By making unconditional opinions, independent directors are expected to be capable of safeguarding the interests of all the shareholders without the conflict of interest.

1.3 Term of Service

Number of term of being a Director

A Board of Director's term of service is fixed for three years. A period of one year is hereby defined as the period between



the Annual General Meeting of Shareholders of the year of appointment and the Annual General Meeting of Shareholders of the following year. Upon the expiration of the term, a director may be re-elected by the shareholders.

Sub-Committees' term of service is in line with the term of the Boards'. Upon the expiration of the term, a committee may be re-elected by the Boards.

Number of consecutive term of a Director.

The Company understands that all of their directors are qualified, knowledgeable, capable, ethical, and moral with good practices all through their services. If the Company's shareholders are still trust them so that they re-elect such directors to resume their services, the Company must comply to shareholders' desire. Thus, the Company doesn't strictly fix the number of consecutive term of being a Director.

1.4 Sub-Committees

The Company has established the Audit Committee pursuant to the regulations of the SET and has also established the following sub-committees to carry out duties as assigned by the Board of Directors: the Risk Management Committee, the Corporate Governance Committee, and the Nomination and Remuneration Committee.

1.4.1 Audit Committee

The Audit Committee is responsible for reviewing the Company's financial statements and financial reports to ensure the accuracy and completeness of the financial statements and the reports with adequate and effective internal control and internal audit system ; reviewing the independence of internal audit and also approve the appointment, removal and termination of the Chief Internal Auditor or any other function responsible for internal auditing; Considering the disclosures of information, connected transaction(s) and transactions with a potential conflict of interest pursuant to

laws and the regulations of the Stock Exchange of Thailand to ensure the reasonableness of the transaction and to the benefit of the Company; Preparing the Audit Committee Report for disclosure in the Company's Annual Report; Reviewing to ensure compliance with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand or laws and regulations relevant to the business of the Company; Making recommendations on the appointment of external auditors of the Company and propose their remuneration for consideration of the Board of Directors; Performing any other tasks within the scope assigned by the Board; Reviewing and giving opinions in an independent and objective manner on any internal auditing tasks performed by Internal Audit Department; and Consulting regularly with the external auditors.

1.4.2 Risk Management Committee

The Risk Management Committee is responsible for prescribing policy and guidelines and providing recommendations to the Board with respect to the management of external and internal risks to Company operations to ensure they are within the appropriate and acceptable level.

1.4.3 Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for nominating persons to be appointed as new Directors, Chairman of Executive Committee and Managing Director or as replacements at the end of the term of office or when vacancies occur for other reasons.

The Nomination and Remuneration Committee has the responsibility to propose guidelines and methods for payment of remuneration and other benefits to the Directors, Committee Members, Chairman of Executive Committee and Managing Director. The Committee also set an evaluation method and appraise the work performance of the Board member,

Chairman of Executive Committee and Managing Director. This includes setting criteria for review and evaluation of benefit to make it commensurate with their duties and responsibilities, overall business performance of the Company and the general business circumstances.

1.4.4 Corporate Governance Committee

The Corporate Governance Committee is responsible for overseeing and reviewing major best practices of the Company to ensure its compliance with good governance. This includes reviewing corporate governance policy, principles and practices; making recommendations on business ethical requirements and best practices for directors, executives, employees; ensuring that such requirements are met effectively; making reports to the Board of Directors about the Company's corporate governance, giving opinions on best practices adopted in order to improve or adjust them as needed, reviewing and proposing publicizing the Company's efforts with respect to good corporate governance.

1.5 Charter of the Board of Directors

The Company has established a charter for the Board of Directors and for the sub-committees in order for each to have a clearly-defined operating procedure.

1.6 Conflict of Interest

The Company attaches great importance to proper management of conflicts of interests of parties concerned in both corporate level and employee level, handling them in a careful, fair and transparent manner and determine best practice in handling the conflict of interest. Full disclosure of information thereof is required in all cases. Where a member of the Board of Directors or an executive has an interest in a matter under consideration, he or she shall leave the meeting room or abstain.

1.7 Remuneration for Directors and Management

The Company remunerates the directors for their service

at an appropriate and motivating level in order to retain quality directors. The remuneration is offered both in monetary and non-monetary forms. The Nomination and Remuneration Committee is responsible for reviewing and proposing appropriate remuneration for directors, for approval by shareholders annually.

Management directors shall only be remunerated only for their service in the capacity of Management. Such remuneration shall be based on the Company's operation performance and their individual performance.

1.8 Knowledge Development and Training for Board of Directors

A newly appointed director shall be firstly served their first orientation so he or she is adequately informed of the rules and regulations and business of the Company on a continual basis. In addition, the Board of Directors shall participate in training courses regularly as their increased knowledge and expertise have contributed to the efficient oversight of Company business.

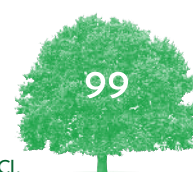
So far, 10 Directors have attended the Director Certification Program (DCP), and 4 attended the Director Accreditation Program (DAP) 1 attended Role of the Chairman Program (RCP), 3 attended Audit Committee Program (ACP). All of such programs are arranged or advised by the Thai Institute of Directors (IOD).

1.9 Appraisal of the Board of Directors' Performance

The # 1/2010 Board meeting on 19 February 2010 included a self — appraisal by The Board members. This is to bring benefit to the overall Board's task. Moreover, it will show the point that the Board believes that they can benefit more to the Company. The objective of such appraisal is to enhance the Board's efficiency and improvement on their operation.

1.10 Appraisal of Chief Executive Officer's Performance

The Nomination and Remuneration Committee



appraises the work performance of Chief Executive Officer from the Company's performance, the practice according to the policy assigned from Board of Directors. The Company can get the result to set the Chief Executive officer's compensation.

1.11 The Non-Executive Board Meeting

The Board of Directors has assigned the Non-Executive Board members to hold meetings as appropriated without any management (both Board and non-Board). The purpose is to open review any issues (business/non business) that are of interest. In 2010, there is 1 such meeting held on 15 December.

2) Rights of shareholders

Recognizing the importance of the rights of shareholders, the Company refrains from any act that may violate or curtail the rights of the shareholders, for instance, rights to attend shareholders' meeting and vote, rights to grant proxy to any one to attend the meeting and vote on behalf, rights to ask make comments and ask questions in the shareholders' meeting, rights to appoint directors and rights to appoint external auditors and determine auditors' fees, etc.

2.1 Shareholders' Meeting

2.1.1 Date, time, and venue of the meeting

The Company shall hold an annual general shareholders' meeting within four months of the annual account closing date, and will fix the date, time, and venue of the meeting that are convenient for the shareholders to attend.

The Company may call an extraordinary meeting of the shareholders if the Board of Directors deems this necessary.

2.1.2 Invitation of the meeting

According to the Company's article of Association, the Company shall send an invitation to shareholders to attend the meeting at least 7 days in advance. However, in practice the Company shall send an invitation to the shareholders to attend the meeting at least 14 days in advance

to allow sufficient time for shareholders to consider the agenda and prepare details of the matters they wish to propose for consideration at the meeting. Each agenda item shall clearly indicate whether it is a matter for acknowledgement, deliberation or approval, and shall be accompanied by opinions of the Board of Directors.

In addition, the Company shall publish the invitation in a Thai daily newspaper for at least three consecutive days as well as in the Company's website, www.pruk-sa.com (Investor Relations / Shareholders' Meeting), complete with details of the date, time, venue and agenda of the meeting, downloadable proxy form B and proxy form C and sufficient information pertaining to the matters to be considered at the meeting.

2.1.3 Shareholders' attendance and Registration Process.

In attending a meeting, shareholders should carry a document showing their identity, for example, an ID card or passport. In case of attendance by a proxy of a natural person, the documents of the appointer must also be produced, i.e. a filled-out proxy, a copy of ID card or passport. In case of proxy of a juristic person, the documents of the appointer must be produced, i.e. a filled-out proxy form and a certified copy of the juristic person registration. The Company will arrange for the shareholders to register for the meeting in advance of the meeting time.

2.1.4 Board of Directors' attendance in shareholders' meeting

Shareholders' Meeting is considered very important and the directors will normally attend such a meeting, which is usually chaired by the Chairman of the Board of Directors.

In addition, the Chairman of Executive Committee, Managing Director, Chairman of each sub-committee, and the Company's auditors or representative and legal advisor will also attend the meeting to listen to comments and answer queries of the shareholders.

2.1.5 Queries and comments from the shareholders, voting, and minutes of the meeting

At a shareholders' meeting, the Company shall explain to shareholders voting and vote-count procedures prior to the meeting. During the meeting every shareholder is offered an opportunity to make comments and ask questions on a fair basis. In voting, one share is represented by one vote and the resolution is passed by majority of votes. In the event of a tie, the chair shall have a second and casting vote. The Company shall record the resolutions passed at each meeting, clearly indicating the "yes," "no," and "abstain" votes in the minutes of the meeting, together with the details of questions, answers and comments raised during the meeting.

A shareholder who has an interest in a matter being considered shall refrain from voting, except in the vote to appoint or remove a Director.

2.2 Dividend Payment

The annual dividend payment must be approved at a shareholders meeting. Dividends can be paid to shareholders only when the Company has earned profit from its operation and registered no accumulated losses. The dividend amount is divided equally by the number of Company shares.

In case the Company has earned profit from its operation enough to pay dividend, from time to time the Board may consider interim dividend payment and inform shareholders in the next shareholders' meeting. The residual amount of annual dividend payment or interim payment shall be allocated to reserves and is subject to justification and consideration that the Board of Directors deems appropriate.

The payment of dividends shall be made within one month of the date of the shareholders' resolution, or one month of the date of the Board of Directors' resolution in case of interim dividend payment. The shareholders will be informed in writing of the dividend payment, which will also be announced in a newspaper.

2.3 Appointment of the Company's Auditors and fix the audit fee

The Shareholders' Meeting will appoint the Company's external auditors and also fix the audit fee, proposed by the Board of Directors. The Company's auditors shall not be a director, officer or employee of the Company.

3) Equitable Treatment of Shareholders

The Company is responsible for the fair and equitable treatment of all the shareholders in order to uphold their basic rights.

3.1 Nomination of Candidates for Directorship

A process for a shareholder to nominate a candidate for directorship has been established, according to which a shareholder can nominate a qualified person to be elected as director by submitting background information as well as the consent of the nominee to the Chairman of the Board of Directors in advance of the shareholders' meeting

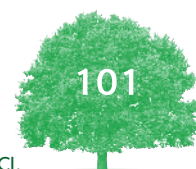
For the 2011 Annual General Meeting of shareholders, the Company invited shareholders to nominate a person who he or she deem qualified, knowledgeable and competent as their representatives to act as directors 3-4 months in advance since 26 November 2010 until 31 January 2011. The Company also announced such notice to Securities Exchange of Thailand and on its website www.pruksa.com click "Investor Relations".

3.2 Shareholders' Meeting

3.2.1 Agenda

Prior to each Shareholders' Meeting, the Company will invite the shareholders to propose agenda items in advance through the Company's website so that the Board of Directors can consider the appropriateness of the proposed agenda items for inclusion in the meeting agenda.

The Company invited shareholders to propose the agenda of the 2011 Annual General Shareholders' Meeting 3-4 months in advance of the shareholders' meeting (during 26 November



2010 — 31 January 2011) The Company also announced such notice to Securities Exchange of Thailand and on its website www.pruksa.com click "Investor Relations".

3.2.2 Appointment of proxy to attend and vote at Shareholders' Meeting

If a shareholder is not able to attend a meeting, he or she can appoint a proxy to attend and vote on his or her behalf by completing a proxy form provided with explanation in the invitation to a meeting. In the invitation, the Company will propose at least one Independent Director as a choice for the shareholders to appoint as their proxy. (Proxy form B and Proxy form C can be downloaded from the Company's website: www.pruksa.com (Investor Relations/Shareholders' Meeting)

3.3 Prevention of the Use of Inside Information

The Company has set out and communicated guidelines for safeguarding inside information and the use thereof to the employees for their observance. The Company also requires that the directors and executives who are required by law to hold securities report on their holdings to the Board regularly.

4) Role of Stakeholders

The Company recognizes and respects the rights of all stakeholders and has established a code of conduct outlining the guidelines in this respect. The purpose is to ensure that the lawful rights of stakeholders, whether it be shareholders, employees, executives, customers, partners, creditors, or the general public, are properly protected and cooperation among these groups is promoted and benefits generated to all concerned in a fair manner. It is believed that these factors will ensure the sustainable growth of Company's business.

Shareholders:

The Company intends to be good representative of shareholders operates business in such a way that satisfy shareholders the most; to ensure long-term growth of the Company's value with sustainable growth of return on equity

as well as disclosure and transparency

Employees:

The Company recognized value of human resources and genuinely wants its employees to feel proud of the organization by maintaining an atmosphere in which employee participation is promoted. In addition, the Company offers equal opportunities in respect of career advancement to its employees and consistently supports their endeavors to learn and gain new skills so that the Company can add value and uphold business excellence.

The Company promotes equal treatments in terms of gender, race, ethnicity, religion and belief.

The Company is committed to enhancing the wellbeing of its employees and surrounding community, and maintaining a decent working condition. The Company set up work safety procedures in accordance with the laws and relevant regulations.

Customers:

The Company aims to build customer engagement and gain their confidence from its quality services and products at affordable prices, and to maintain good relationship with the customers. Guidance is as follows:

Products & Services

The Company has paid attention to and has been responsible for customers. It has produced product with quality and up to standards

Customers' confidential information

Directors, Management, and employees at all levels are committed to keep the customers' information confidential, despite permission granted, or it is required by the law and regulations to disclose information to concerned parties

Competitors:

The Company supports an ethical way of business competition. It seeks to outperform its competitors within the good competition framework, on the basis of fairness

and honesty, and will refrain from acting in bad faith to the detriment of competitors.

Business Partners and Creditors:

The Company and its business partner carry out business with justifiability and impartiality in accordance with the ethical framework and for the mutual interest and for value chain delivery. The Company will refrain from acting in bad faith to the detriment of its reputation.

The Company has complied with the conditions as agreed in the borrowing arguments to repay principal and interest. Moreover, it will look after collateral (if any).

Society:

The Company is responsible for the community's environment. It set up a policy of Corporate Social Responsibility with continual operational plans. (Details in CSR booklet)

In 2011, the Company paid more attention to the environment by starting "Green Ocean Strategy" focusing on environment, such as Green Governance and Green Habits.

5) Disclosure and Transparency

It is a policy of the Company to fully and sufficiently disclose useful information, both financial and non-financial, in a timely, manner in accordance with the rules and regulations of the SEC and the SET, as well as relevant laws

The Company has established an Investor Relations Department, tasked with coordinating with shareholders, securities analysts, investors, government agencies and other parties concerned, on an equitable basis. Company information is reported via the ELCID platform of the SET for displaying on its website, www.set.or.th. Relevant information is also reported to the SEC and displayed in both Thai and English on the Company's own website, www.pruksa.com (Investor Relations)

Throughout the year 2010, the Investor Relations Department arranged investor relations activities on a regular basis as follows:

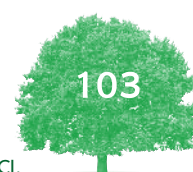
- Dissemination of news and information annually and quarterly; for instance, the Financial Statements, the Annual Report, the Annual Registration Statement (Form 56-1), Notice of the Annual General Meeting of Shareholders as well as letters inviting shareholders to propose agenda items and/or to nominate persons deemed capable and suitable to represent them as members of the Board of Directors 3-4 months in advance of the shareholders' meeting, notification to the SET, documents such as those for analyst & investor meetings, Company visits and presentations for road shows which are displayed on the Company's website, www.pruksa.com

- Organizing Analyst & Investor Meetings to convey quarterly operating result (4 times/year) and the Company's annual business plan announcement (once a year), after submission of the Financial Statements and the Analytical Report of Operating Results to the SEC and the SET

- Producing and publicizing information and documents pertaining to the Annual Business Plan and the Company's operating results to securities analysts, investors and interested parties on a quarterly basis

- Creating opportunities for securities analysts and investors to pay a Company visit or have a conference call with the executives to discuss policies, strategies and business plans, as well as financial information (audited by the Certified public Auditor) external auditor, following notification to the SET and the SEC), non-financial issues and progress of the implementation of various projects of the Company, including exchange of business views on a regular basis. In 2010, the Company had 76 company visit and 12 Conference Calls.

- Organizing visits for securities analysts and investors to the precast concrete factory which uses the Semi-Automated Pallet Circulating System, the most advanced system in Thailand, as well as visits to various single-detached house, townhouse projects and condominium.



- Conducting road shows domestically and internationally at the invitation of the SET and/or securities companies to provide information and attend to queries of shareholders, securities analysts and corporate investors. In 2010, there were 4 local roadshows and 6 international roadshows.

- Arrangement of executive interviews on television participating in activities of the Thai IR Club to exchange knowledge and share experiences with a view to further developing the Company's Investor Relations function. The Company's Director and Chief Business Officer, Mr. Prasert Taedullayasatit, is a director of the club.

For enquiries, shareholders, securities analysts, investors, Government agencies and parties concerned should contact the Investor Relations Department at (66) 02298 0101 Extension 1863 or Email: ir@pruksa.com

6) Internal Control and Risk Management

The Company has comprehensive internal control and internal audit systems, covering matters concerning finance, operations, compliance, and risk management.

6.1 Internal Control and Internal Audit systems

The Company requires that its internal control system be reviewed and reported by responsible executives regularly while the Internal Audit Department, which is an independent unit, is responsible for internal auditing on a regular basis, to ensure that management and employees strictly comply with the rules and regulations, as well as the Management Authorities. These functions are under the supervision of the Audit Committee.

6.2 Risk management

The Company's risk management policy requires that internal and external risk factors be reviewed regularly in order to contain risk within appropriate and acceptable levels. Such a review shall cover strategic risks, financial risks, construction management risks, and other operational risks. The review also includes an assessment of risk exposure and possible impacts, prevention and impact mitigation measures, the assignment of responsible persons, and the setting up of reporting and follow-up procedures. The Risk Management Committee provides recommendations on guidelines and/or policies on the handling of critical risks.

7) Philosophy and Code of Conduct

The Company has a firm intention to encourage all the executives and employees to adopt the same standard of conduct. Toward this purpose, in 2006, we have announced "Code of Conduct" and established a department to be responsible specifically for promoting the established Code of Conduct so that employees at all levels understand it and observe it with genuine willingness since 2006.

In 2010, the # 8/2010 Board Meeting held on 1 November, approved the development on "Code of Conduct" Manual to cover all up-to-date practice and to serve the SET's corporate governance. Moreover, it will bring up the standard of Board, management, employee practice comprising ethics and moral to be socially accepted. The release of such manual is on intranet and www.pruksa.com (the Company's website)

10. Internal Control

The Board of Directors, emphasizes the necessity of internal control system that is commensurate with the level of risk exposure and working environment.

At every Board of Directors' meeting the Audit Committee is invited to present their views on the adequacy and appropriateness of the company's internal controls, and suggest charges and/or improvement to the internal control system to management.

The Board of Directors and Audit Committee mutually agree that the current system of internal controls is appropriately managed, as describe below.

1.) Internal Control Environment

The Company maintains the environment and organization structure which facilitate the internal control function. The business objectives and targets, as approved by the Board of Directors, which are guidelines for employees to follow in the conduct of their business, are clearly-defined and measurable. The organizational structure is also arranged so that management can perform their duties with efficiency while adhering to the principle of integrity and high ethical standards. The Corporate Governance Policy and the Code of Conduct were established since 2006 as best practices for members of the Board of Directors, Management, and employees to observe.

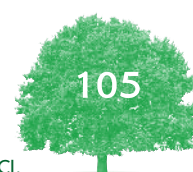
2.) Risk Assessment

Management Committee has been created in recognition of the importance of this particular area of internal controls. The committee has the duty to give advice to management on appropriate risk management procedure. As a result, risk factors have been assessed and specific precautionary measures initiated, so as to minimize possible adverse effects

on the Company's operations. At meetings of the Risk Management Committee, representatives of line functions are invited to report on what they have done in accordance with the established risk management guidelines so that the committee members can perceive their problems and constraints. Then they will arrived at suggestion / solution afterward. In 2010, 12 meetings were held respectively.

3.) Control Activities

The Balanced Scorecard System (Balanced Scorecard) and the Key Performance Indicators (KPI) have been introduced as planning and control tools, whereby lines of responsibility and accountability between departments have been clearly defined to achieve proper checks and balances. The Operational Procedures have been issued to provide guidelines for systematic and effective operations to prevent or mitigate risks caused by the various departments in the course of performing their duties. Management Authorities have been established, where the scope, authority and financial approval limit at each level has been defined for the purpose of flexibility and clarity. In regard to compliance, the Company has devised methods to ensure compliance with related laws and regulations. For example, stringent measures have been implemented in cases where the Company transacts business with major shareholders, directors etc, including the requirement that such a transaction be subject to approval by persons having no vested interest. Moreover, the Company has strictly complied with the regulations on information disclosure of the Securities Exchange Commission (SEC), Securities Exchange of Thailand (SET), and Thai Generally Accepted Accounting Standard regarding connected/related persons or businesses.



4.) Information and Communication

The Company has continually improved the information system by maintaining effective and efficient information and communication channels, internal and external, ensuring that the information, financial and otherwise, is complete, accurate, timely and sufficient for sound decision making. For internal communication, information necessary for conducting Company business is readily available for all employees on the Company's Intranet. For external communication, there is a communication system that enables the Company's to provide information and operational reports to various authorities required by the relevant laws and regulations in a timely manner.

Entry and dissemination of information is subject to effective control, whereby tasks are clearly defined, responsible persons designated and access restricted to only individuals requiring such information to perform their duties

5.) Follow-Up and Evaluation

The Company has the system and procedure to follow-up its operations. The executives in each division always compare actual results with the target periodically. The purpose is to be able to change strategy in time. The Board of director attending quarterly board meeting will get such comparative results of the operations are in the line with plan.

10.1 Control of information exploitation

The Company has a policy and methods of governing utilisation of the Company's inside information by Directors and Management as follows:

1. The Company has informed its Directors and Management of their duties to disclose their holding of securities of the Company and provisions on penalties stipulated in the Securities and Exchange Act B.E 2535 and the regulations of the SET.

2. The Company requires its Management to report any change in their holding of Company securities to the Office of the Securities and Exchange Commission (SEC) in accordance with Section 59 of Securities and Exchange Act B.E. 2535, and to submit one copy of the securities disclosure report to Company on the same day.

3. The Company has instructed its Management who have access to inside information which may affect changes in the Company share price to exercise caution in selling or buying securities of the Company 15 days before and one day after the disclosure of financial statements or such inside information to the public. The Company will instruct persons involved with any inside information not to disclose it to other persons until it is reported to the SET.

Sanctions by the Company for breach of the above rules include appropriate disciplinary sanctions, i.e., verbal warning, written warning, salary cut, work suspension, employment termination and legal actions.

11. Connected Transactions

The Company enters into connected transactions as it may consider appropriate by complying with the laws governing securities and exchange, regulations, notifications, orders or rules of the SET as well as accounting standards regarding information disclosure of related persons or business as prescribed by the Certified Public Accountant Association of Thailand.

In case of transactions that occur regularly and continuously in the future, the Company prescribed a policy and practice guidelines to be in accordance with the general business conditions, in reliance upon prices and conditions that are suitable, fair and appropriate and can be inspected and can prevent siphoning. Such guidelines shall be proposed to the Audit Committee for consideration and approval after which execution can be made.

Should the Company enter into a connected transaction, it will arrange for the Audit Committee to give an opinion as to the appropriateness of such transaction. In case the Audit Committee has unprofessional on practice in occur connected transactions. The Company will arrange the specialists such CPAs or evaluator who can give an independent opinion. Such appraisal will be considered by the Board or shareholders so that they are confident that it will not cause siphoning of benefits between the Company and its shareholders, and that the transaction is conducted in the best interests of all shareholders.

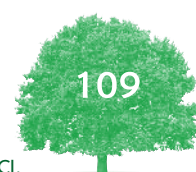
The Company entered into connected transaction as follows:



11.1 Disclosure of Connected Transactions

Related person	Relationship with the Company	Type of transaction and business requirement	Connected transaction value (Million Baht)		Price and Detail
			31/12/2009	31/12/2010	
Item 1 Mr.Thongma Vijitpongpun	Director and Shareholder of the Company	The Company leased space in Laksi Plaza, 10th Floor, from Mr.Thongma Vijitpongpun to use as a training center.	1.5	1.98	<p>1) Lease and Service Agreement dated October 1, 2008 of 425.58 square Metre area, monthly rental service will be charged and paid at Baht 127,674, effective from October 1, 2008, to October 1, 2010. From 1 October 2010 to 30 September 2013 is charged at Baht 138,750</p> <p>2) Lease and Service Agreement of 425.68 square Metre area, dated October 1, 2010, effective from October 1, 2010 to September 30, 2013 is charged at Baht 138,782 per month.</p> <p>In summary - Such rental and service fees are at the rates comparable to the market rates and conditions that are not different from the cases the Company enters into agreements.</p>

Related person	Relationship with the Company	Type of transaction and business requirement	Connected transaction value (Million Baht)		Price and Detail
			2009	2010	
Item 2 Mr.Thongma Vijitpongpan	Director and Shareholder of the Company	The Company purchased land from Mr.Thongma Vijitpongpan to build townhouses	11.9	-	The Company entered into an agreement with Mr. Thongma Vijitpongpan, President, Chief Executive Officer, and a major shareholder, to purchase land with a total of four title deeds (numbers 39809, 39810, 51443 and 79020), located in Tambon Lamphakkood (Klong Rangsit Fang Tai), Amphur Thanyaburi (Klang Muang Thanyaburi) Pathumthani Province, and a total area of 5 -1-16 rai (2,116 square wah) at a price equal to the official appraisal price, 11,896,000. Baht. The seller shall pay for the ownership transfer fees, duty stamps and all relevant taxes. The transaction is well in line with the business plan. The price agreed is not different from that of transactions with independent outside persons.



11.2 Necessity and Appropriateness of Connected Transactions

The Audit Committee has issued the opinion regarding the connected transaction as mentioned was under normal business practice and no benefit to a related person or a person who might have a conflict of interest.

11.3 Measures or Procedures for Approving Connected Transactions

For any connected transaction of the Company, or the Company together with a person who may have a vested interest or may potentially have a conflict of interest, the Audit Committee will provide an opinion on the necessity of entering into the transaction and appropriateness of the pricing aspect of the transaction by considering various conditions to determine whether it is in accordance with the normal course of business in the industry. Further, there shall be a price comparison with a third party or the market price. In the event that the Audit Committee does not have appropriate expertise to consider the connected transaction, the Company will arrange for an independent expert or the Company's Auditor to provide an opinion as input for the Audit committee's decision. The opinion of the Audit Committee or the expert will be used by the Board of Directors or the Shareholders, as the case may be, to make a decision. The Director who has a vested interest shall have no voting right in the consideration of the transaction, which will be disclosed in the Notes to the Financial Statements, audited or reviewed by the auditors.

12. Management Discussion and Analysis

Total Revenue

In 2010, the Company and its subsidiaries earned Bt. 23,407 million, increased by Bt. 4,373.5 million or by 23.0 % from 2009. All type of houses contributed such rise. Townhouses' sale grew by 2,868.9 million Baht or 28.9%. Single detached houses' sale grew by 1,436.7 million Baht or 26.3%. Condominium rose by 31.4 million Baht or 0.9%. These are shows the success in implementing the Company's strategies. We have launched many projects consistently. We continually develop houses to best satisfy our home buyers with right pricing. As such, we are successful in housing sale.

Cost of sales

In 2010, Cost of real estate sales were 62.5 % of the revenue, compared to 61.9 % in last year, or 0.6% increase. This is caused by rising construction material price.

Selling & Administration expense

The 2010 Selling & Administration expenses, and director /management's remuneration rose by 1,804.5 million Baht or 74% from last year. The main reason is 1,224.7 million Baht or 151.3% increase in selling expense. In addition, the admin. Expense rose 570.9 million Baht or 36.2%. The director /management's remuneration also grew by 8.8 million Baht or 16.8%.

All above expense accounted for 18.1% of total revenue, compared to 12.8% in 2009. This was caused by domestic business expansion when many new projects launched continuously while the Company can't realize the accounting revenue from such expansions carrying expenses. Moreover, there was the revival of normal special business tax levied to the Company.

Income tax

The 2010 Income tax was 1,048.1 million Baht or 4.5% of total revenue. The 2010's is lower than 1,177.2 million Baht or 6.2% of 2009. This was brought by 262.8 million Baht (or 5.5%) decrease in profit before tax down to 4,536.2 million Baht. Moreover, the effective tax rate drop from 24.5% in 2009 to 23.1% in 2010 due to more revenue from BOI (Board of Investment) which is tax exempt. The authority issued new criteria of tax exempt and the Company started to realize revenue falling into such new criteria.

Net Profit

The 2010 consolidated net profit was 3,488.1 million Baht, decreased by 133.7 million Baht or 3.7% resulting from above mentioned selling & administrative expense.



13. The Responsibility for the Financial Reporting of the Board of Directors

The Board of Directors of Pruksa Real Estate Public Company Limited takes responsibilities of the consolidated Financial Statements including financial data presenting in this Annual Report. In preparing the Financial Statements, the Company and its subsidiaries have used appropriate accounting standards policies and consistently applied. The Financial Statements are adequately disclosed of significant data in notes to Financial Statements, also audited with unqualified opinion from independent auditors, thus, reflects a true and fair view of Balance Sheet, Income Statement and Cash Flow Statement of the Company and subsidiaries.

The Board of Directors set up and maintained effective risk management and internal audit system to ensure that the Company and its subsidiaries keep accounting records which disclose with reasonable accuracy, completeness and adequacy

of financial positions, to safeguard assets of the Company and its subsidiaries, to be aware of weakness, and to prevent any risk from material irregularities.

In so doing, the Board of Directors appointed the Audit Committee taking responsibilities of the quality of Financial Statements and effective internal audit system. This is to ensure the correct, adequate, timely accounting booking and also to prevent fraud or irregularity. The opinion of the Audit Committee has shown in Audit Committee Report attributed in this Annual Report.

The Board of Directors is of the opinion that the Company's internal audit system is generally satisfactory and should assure the creditability of the consolidated Financial Statements of the Company and its subsidiaries as of December 31, 2010.



Dr. Pisit Leeahtam

Chairman of the Board of Directors



Mr. Thongma Vijitpongpun

President and Chief Executive Officer

14. Audit Committee Report

Pruksa Real Estate Public Company Limited's Audit Committee comprises Professor Emeritus Dr.Trungjai Buranasomphop as Chairman, and Mr. Adul Chandanachulaka and Mr.Weerachai Ngamdeevilaisak as Members.

The Audit Committee performed the duties in accordance with the scope of the responsibilities assigned by the Company's Board of Directors, in supervising the operations of the Company to ensure that the Company is clearly managed by the Executive Committee or Management with appropriate levels of integrity and accountability to the shareholders, and that the Executive Committee and Management followed the Company's policies properly, completely, and up to professional standards. In 2010, 12 meetings were held, with the attendance of executives, internal auditors, and the Auditor, during which presentations, discussions and exchanges of views on relevant subjects were included. Below is a summary of the main points:

1. Approval of the audited Quarterly Financial Statements and the 2010 Financial Statements prior to submission to the Board of Directors for approval. Inquiries were made to the Auditors on the accuracy and completeness of the Financial Statements and the sufficiency of information disclosure. The Auditors' Management Letter which made recommendations on the internal control system and the 2010 Audit Schedule were also reviewed. The Audit Committee is of the opinion that the Company's process of accounting and financial reporting procedures are under sufficient control for ensuring that the financial reports on its financial positions and operations are accurate and up to the legally required accounting standards, and that the Financial Statements disclose sufficient information.

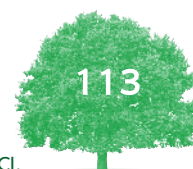
2. Review and approval of the practice guidelines for entering into connected transactions or transactions with potential conflicts of interest, including reviews of transactions which could be categorized as connected, or ones with potential conflicts of interest, which took place during the year, as well as reviews of the disclosure of pertinent information to ensure that it was

accurate, complete and in compliance with the Stock Exchange of Thailand's relevant notifications, regulations and guidelines. The Audit Committee is of the opinion that Management entered into such transactions for the Company's best interests, on an arm's length basis, at reasonable prices, and with sufficient disclosure of information.

3. Review of compliance with relevant provisions, regulations and laws. The Internal Audit Division was instructed to include compliance audit of every operation system as one of its key tasks. From the results of the internal audit in 2010 and the meetings with the Company's Legal Department, the Audit Committee found no indications leading to a belief that there had been significant deficiencies regarding non-compliance and/or practices conflicting with or violating relevant provisions, regulations or laws.

4. Reviews of the internal control system to assess the adequacy and effectiveness which will help the Company achieve its targets. The reviews were done by considering the 2010 internal audit report against the approved work plan and the audit report of the external consultant firm, covering major systems; e.g., the procurement and material administration systems, the construction system, the project management system, sales, quality control and service, and the system for preparation and analysis of financial reports and executive reports. No significant weaknesses or deficiencies were found. In addition, assessment was carried out in accordance with the guidelines of the Office of the Securities and Exchange Commission in management, finance and compliance control. The Audit Committee is of the opinion that the Company has an appropriate, sufficient and effective internal control system.

5. Supervision of the internal control function. The Audit Committee considered the mission, the scope of operations, duties and responsibilities, auditor independence, organization and manpower of the internal control function, as well as considered and approved the Internal Audit Manual and



reviewed the Internal Audit Charter to ensure that it is appropriate and up to professional standards. The Committee also reviewed the Audit Report on a monthly basis, as well as the overall performance of the internal audit function, including the survey of satisfaction of executives and the audited departments at all levels. The supervision also included approval of the 2010 Audit Schedule, prepared in accordance with the Company's risks, the Audit Quality Improvement Plan and development of the knowledge skills and expertise of the internal audit personnel. The Audit Committee is of the opinion that the Company's internal audit system is satisfactorily independent, sufficient and effective and is in line with the set objectives.

6. Quarterly reports on the operation of the Audit Committee to the Board of Directors. Opinions and recommendations for managerial purposes were presented to Management, who has made appropriate improvements and adjustments as recommended.

7. Review of the Audit Committee Charter and recommendations for revision made to the Board of Directors for approval. The recommended revisions covered the qualifications of the Audit Committee Members, the Committee's scope of responsibilities, duties and authority, and meetings, in order to suit the Company's domestic and oversea businesses and comply with the policy of good corporate governance outlined in the Notification of the Capital Market Supervisory Board and as required by the Stock Exchange of Thailand. The revision has been approved by the Board of Directors.

8. Selection of the Auditors for 2010; nominating the Auditors and proposing their fee to the Board of Directors for submission to the 2010 Shareholders' Meeting for approval. The Audit Committee considered the independence, performance and service of the Auditors, as well as the appropriateness of the fee and was of the opinion that the Auditors had

expressed opinions and made recommendations beneficial for the preparations of financial reports and internal control. It was therefore deemed appropriate to propose that the Board of Directors request approval from the Shareholders' Meeting to re-appoint the auditors from KPMG Phoomchai Audit Ltd, as the Company's Auditors, for 2010.

In 2010, the Audit Committee performed its assigned duties and responsibilities, using the members' knowledge and competence with carefulness and sufficient independence, without limitation to access to information from the executives, staff members or the relevant people. The Committee also expressed opinions and made recommendations for equitable benefits to all relevant stakeholders.

As a summary of the overall perspective, the Audit Committee is of the opinion that the Company's Board of Directors and its executives are ethical and committed to performing their duties to achieve its objectives, and have placed utmost importance to managing the operation under an effective internal control environment, appropriate and watertight risk management, sufficient good corporate governance with transparency and trustworthiness, as well as continual improvement of the operations systems.

This Audit Committee Report was reviewed and approved by the Audit Committee on February 15, 2011.

On behalf of the Audit Committee



Professor Emeritus Dr. Trungjai Buranasomphop
Chairman, Audit Committee
Pruksa Real Estate Public Company Limited
15, February, 2011

15. Audit fee

Pruksa Real Estate Public Company Limited and its subsidiaries paid its auditors, to KPMG Phoomchai Audit Limited, for review and audit of the Company and its subsidiaries' in Thailand. For Maldives and India affiliated Company, such audit charges are from KPMG affiliates, while Vietnam affiliated company used and paid audit charge to other audit firm.

Unit : Baht	2010	2009	2008	2007
Audit Fees (Domestic)	3,850,000	3,750,000	3,960,000	3,820,000
Audit Fees (oversea affiliates)	951,310	-	-	-
Other Expense	105,205	202,356	116,000	70,653
Total	4,906,515	3,952,356	4,076,000	3,890,653

Remark : . Audit Fee in Vietnam affiliated company in 2010 paid 110, 296 Bath to other audit firm.

In addition, There are other services as follows :

1. KPMG Phoomchai Audit Limited

Unit : Baht	2010	2009	2008	2007
BOI review	1,504,563	595,802	430,920	408,605

2. KPMG Phoomchai Business Advisory Ltd.

Unit : Baht	2010	2009	2008	2007
Business Intelligent Report	-	2,996,000	-	-
IFRS financial report Advice	-	1,819,000	-	-
Receipt / Payment audit process	-	1,551,500	-	-
Tax Consulting fee for India Investment	-	2,876,000	-	-
Total	-	9,242,500	-	-

3. KPMG Phoomchai Legal Advisory Ltd.

Unit : Baht	2010	2009	2008	2007
BOI review	1,960,989	-	-	-

Remark : KPMG Phoomchai Business Advisory Ltd and KPMG Phoomchai Legal Advisory Ltd are different entities than KPMG Phoomchai Audit Limited. The scope of work and advice are not the same as the audit work.



16. Corporate Social and Environmental Responsibility

Not only have quality houses been built for consumers to have a good quality of life but Corporate Social Responsibility (CSR) projects, aiming at creating sustainable growth to the society, have also been organized continuously in 2010 through the Company's four CRS policies:

1. Education and the youth development,
2. Society and the environment,
3. Religion and arts and culture,
4. Emergency assistance and helping the underprivileged

1. Educational and the youth development **9th 'Pruksa Scholarship' Project – 2010**

Education for underprivileged students is so important that the Company has carried on 'Pruksa Scholarship' project for 9 years and is committed to continuing such a beneficial project. The main intention of giving the scholarship is to support students who have the caliber and they are unable to complete their education just because they lack the necessary funding. Scholarship does not have any bond requirements for recipients to work for the Company.

In 2010, 426 scholarships, which were worth Baht 1,880,000.-, were given to students.

'Pruksa Precast Factory Learning Center' Project

Its purpose is to be a learning center where college students or interested people can learn, obtain information, and access to knowledge such as innovative construction method. From the production processes to the construction of Pruksa's projects are also demonstrated so that learners' skills can be developed by experiencing real situations.

As a model organization of adopting Green Ocean Strategy, in 2011, the Company is going to participate in Green Ocean Strategy project launched by Thaipat Institute and Thai Rural Reconstruction Movement Foundation under His Majesty King Bhumibol Adulyadej Patronage to present the details of the Company's Green Ocean Strategy comprising Green Governance and Green Habits to the public.

'Junior Engineering Camp' Project

The Company has supported '2B-KMUTT Civil Camp' organized by Department of Civil Engineering, King Mongkut's University of Technology Thonburi. The purpose of the program is to give high school students, desiring to be an engineer, an opportunity to learn and gain experience in how engineers work and the career advancement, including yearly visiting Pruksa Precast factory, which is the most modern factory in Thailand.

'Engineering Network Camp' Project

The 4th Engineering Network project arranged by the Engineering Institute of Thailand under H.M. the king's patronage was co-sponsored by Pruksa. Undergraduate students studying at the faculty of Engineering from universities jointly renovated the canteen of Ban Map Hlao Chaoon School in Rayong. They also visited and offered necessary items to the elderly at Banglamung almshouse, Chonburi. Therefore, what they learned to work as teamwork and what they applied their knowledge to benefit the society are the project's objectives.

2. Society and the environment 'The 8th Pruksa Mobile Medical Service' Project

What the Company is concerned is customers and people living nearby Pruksa's projects live happily and have a good health. Therefore, 'Pruksa Mobile Medical Service' has been carried on for more than 8 years.

Physical examination, screening for diabetes, total cholesterol and triglyceride, uric acid, liver function and Creatinine, blood group, eye screening and health advice for Pruksa's customers, including the public are provided by 'Pruksa Mobile Medical Service'. The total of 2,170 people received the medical services in 2010.

'Pruksa Park for Learning Sufficiency

Economy' – Volunteer Project

'Pruksa Park for Learning Sufficiency Economy' has been built by Pruksa in cooperation with Department of Civil Engineering, King Mongkut's University of Technology Thonburi and the general public. The park is at Samyabangkulad School (Junphet Wittayakarn), which is located near Pruksa's project, in Bangyai district, Nonthaburi. The Company will continue developing the project yearly in other communities situated nearby Pruksa's projects in order to increase in green areas, reduce pollution and be a learning place of sustainable sufficiency economy for the youth.

'Mangrove Reforestation' Project

The Executives, staff and customers participated in 'Mangrove Reforestation' project held at Tambol Klong Kon, Amphawa district, Samutsongkram. The mangrove reforestation serves as a nursery for marine animals and maintains the balance of the ecosystem, including preserving environmental sustainability.

'CSR Day – Anyone Anytime' Project

Not only does the project help employees develop an awareness of correct CSR but it also allows them to create CSR activities, which are suitable for both organization and themselves, in various aspects such as environment, customer relation, involvement in community, emergency assistance, etc. Employees are so interested in the project that they can work happily while contributing to the society. As a result, the Company fully intends to continue the project.

The donations of playground equipment and portable toilets to nearby community

Developments in social well-being and quality of life of communities nearby Pruksa's projects are one of the Company's key CSR policies. Therefore, the Company donated playground equipment and portable toilets, which were worth Baht 100,000.-, to A C House 2 village located near Pruksa Precast factory.



3. Religion and Cultural Arts Temples Renovation Project

Since religion, especially the national religion, Buddhism, plays a major role in providing people mindfulness and putting their mind at rest in the globalization world, the Company provided financial support for renovating Wat Sai Noi in Bangbal district, Ayutthaya, which was destroyed by floods. The amount of Baht 125,500.- donated by the Executives, staff and customers living at Pruksa's projects, including equipment such as door leaves, cans of paint and light bulbs was given to Wat Sai Noi for the renovation.

4. Emergency assistance and helping the underprivileged 'Blood Donation to Honor His Majesty the King' Project

The Company invited employees and the general public to donate blood for honoring H.M. the King's 84th Birthday Anniversary at Central Plaza, Chaengwattana. The activity was well attended by both Pruksa's employees and the general public. Not only does the project provide emergency assistance to save lives but it also makes the staff be proud and gratified, including creating employee engagement. Consequently, the Company determines to hold blood donation activities on a quarterly basis.

Providing Support for Flood Victims

In 2010, many provinces in Thailand experienced severe flooding which has caused hardship, shortages of food,

clothing and medicine for a large number of people. Pruksa took part in alleviating the suffering of the people by presenting the amount of Baht 300,000.- to three organizations: Rajaprajanugroh Foundation under the Royal Patronage, Relief and Community Health Bureau, The Thai Red Cross Society and Prime Minister's Office; therefore, all the proceeds could be distributed to flood victims widely. In addition, 27,600 bottles of drinking water were donated for the initial relief.

Providing Support for 'The Camp of Rehabilitation for Flood Victims in Nakornratchasima'

Pruksa supported the 'The Camp of Rehabilitation for Flood Victims in Nakornratchasima' operated by King Mongkut's University of Technology Thonburi. Volunteers pooled all their effort to restore the deluged school building at Ban Lum Choeng Krai School in Tanbol Khoksoong, Muang district in Nakornratchasima by cleaning the school building, painting, repairing the road entrance, fences, foundation and electrical work. Apart from the building rehabilitation, psychological rehabilitation of students was addressed so that they became lively again.

Providing Support for Earthquake Victims

The Company presented the amount of Baht 292,600.-, which was donated by Pruksa's employees, to Mr. Suthep Thaugsuban, a representative of Thai government, in order that the money was delivered to help earthquake victims in the Republic of Haiti.

17. General Information

1) Pruksa Real Estate Public Company Limited

Head Office Address-27th Floor, SM Tower, 979/83,
Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400
Business Type-Real estate development for residential
purposes, including townhouses, single-detached houses,
and condominiums

Company Registration-No. Bor. Mor. Jor. 0107574800307
Telephone : 0-2298-0101 FAX 0-2298-0102
Homepage <http://www.pruksa.com>

2) PS Precast Factory

Address- 54/1 Moo 4, Tambon Ladsawai,
Amphur Lamlookka, Pathumthani
Business Type-Precast concrete factory and Precast fence
and pillar factory
Telephone : 0-2532-8124-32 FAX 0-2532-8123

3) Kaysorn Construction Co., Ltd. (Subsidiary)

Address- 29th Floor, SM Tower, 979/95,
Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400
Business Type-Contractor for housing decoration
Telephone : 0-2298-0101 Extension 172

4) Putthachart Estate Co., Ltd. (Subsidiary)

Address- 30th Floor, SM Tower, 979/99,
Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400
Business Type-Real estate development
Telephone : 0-2298-0820

5) Phanalee Estate Co., Ltd. (Subsidiary)

Address- 30th Floor, SM Tower, 979/97,
Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400
Business Type- Real estate development
Telephone : 0-2298-0010

6) Pruksa Overseas Co., Ltd. (Subsidiary)

Address-30th Floor, SM Tower, 979/83,
Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400
Business Type-Real estate development in other countries
Telephone : 0-2298-0101 FAX 02-298-1000

7) Pruksa International Co., Ltd. (Subsidiary)

Address- 28th Floor, SM Tower, 979/83,
Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400
Business Type-Real estate development in other countries
Telephone : 0-2298-0101 FAX 02-298-1000

8) Pruksa Overseas Services Co., Ltd. (Subsidiary)

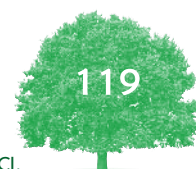
Address- 27th Floor, SM Tower, 979/83,
Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400
Business Type-Regional Operating supports & services
Telephone : 0-2298-0101

9) Pruksa India Housing Private Limited (Subsidiary)

Address- Ferns Icon, Unit No. 7, 1st Floor, Next to Akme
Ballet, Marathahalli Outer Ring Road,
Bangalore-560 037 Karnataka, India
Business Type-Real estate development in India
Telephone : +91 9632707654

10) Pruksa India Construction Private Limited (Subsidiary)

Address-Ferns Icon, Unit No. 7, 1st Floor,
Next to Akme Ballet, Marathahalli Outer Ring Road,
Bangalore-560 037 Karnataka, India
Telephone : +91 9632707654
Business Type-Construction contractor in India



11) Pruksa-Mohan Mutha Housing Private Limited

(Joint Venture Company) (in process)

Address-Brooklyn Business Centre, 6th Floor West Wing,
103-105, Poonamallee High Road, Chennai-600085

Tamil Nadu, India

Business Type-Real estate development in India

12) Pruksa-Luxora Housing Private Limited

(Joint Venture Company)

Address-Soham House, Hari Om Nagar, Off.

Eastern Express Highway,

Mulund (East), Mumbai-400081 Maharashtra, India

Business Type-Real estate development in India

13) Pruksa Vietnam Company Co., Ltd (In process)

Address-Unit A, 8th Floor, No. 116 Nguyen Duc Canh,
Cat Dai Ward, Le Chan District, Hai Phong, Vietnam

Business Type- Real estate development in Vietnam

14) Pruksa Vietnam Construction Co., Ltd (Subsidiary)

Address-Unit B, 8th Floor, No. 116 Nguyen Duc Canh,
Cat Dai Ward, Le Chan District, Hai Phong, Vietnam

Business Type-Construction contractor in Vietnam

15) Pruksa-HDC Housing Private Limited

(Joint Venture Company)

Address-Second Floor, HDC Building, Hulhumale,
Republic of Maldives

Business Type-Real estate development in Maldives

16) Kaysorn Construction Limited, Maldives Branch

(Subsidiary)

Address-Second Floor, HDC Building, Hulhumale,
Republic of Maldives

Business Type-

Contractor for housing decoration in Maldives

Security Registrar

Thailand Securities Depository Co.,Ltd.

Head Office 62 The Stock Exchange of Thailand,
Ratchadapisek Road, Klong Toey, Bangkok 10110

Telephone : 0-2229-2800

Debenture No. 1 / 2009 Registrar

Kasikornbank Public Company Limited

Head Office 1 Soi Kasikornthai Rajburana Rodd,
Rajburana, Rajburana, Bangkok

Telephone : 0-2222-0000, 0-2888-8888

Debenture No. 1-2 / 2010 Registrar

CIMB Thai Bank Public Company Limited

Head Office 44 Langsuan Road, Lumpini, Patumwan,
Bangkok 10330

Telephone : 0-2626-7000

Auditor

1. Miss.Somboon Supasiripinyo,

Certified Public Accountant Registration No. 3731 and/or

2. Mr. Supot Singhasaneh,

Certified Public Accountant Registration No. 2826 and/or

3. Miss Wanaporn Jongpeeradechanon,

Certified Public Accountant Registration No. 4098

KPMG Poomchai Audit Ltd.

Head Office 195 Empire Tower, 22nd Floor,
South Sathon Road, Yannawa, Sathon, Bangkok 10120
Telephone : 0-2677-2000

Legal Advisor

1. Baker & Mckenzie Ltd.

Head Office—25 Fl., Abdulrahim Place,
999 Rama 4 Road, Bangkok 10500
Telephone 02-636-2000

2. Price Waterhouse Coopers Co., Ltd.

Head Office—179 / 74-80, South Sathorn Rd.,
Toongmahamek, Sathon, Bangkok 10120
Telephone : 0-2286-9999, 0-2344-1000



18. Annual Financial Statement and Audit Report of Certified Public Accountant

Pruksa Real Estate Public Company Limited and its Subsidiaries

Annual financial statements and Audit report of Certified Public Accountant
For the years ended 31 December 2010 and 2009

Audit report of Certified Public Accountant

To the shareholders of Pruksa Real Estate Public Company Limited

I have audited the accompanying consolidated and separate balance sheets as at 31 December 2010 and 2009, and the related statements of income, changes in equity and cash flows for the years then ended of Pruksa Real Estate Public Company Limited and its subsidiaries, and of Pruksa Real Estate Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. 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 consolidated and separate financial statements referred to above present fairly, in all material respects, the financial positions as at 31 December 2010 and 2009 and the results of operations and cash flows for the years then ended of Pruksa Real Estate Public Company Limited and its subsidiaries, and of Pruksa Real Estate Public Company Limited, respectively, in accordance with generally accepted accounting principles.



(Somboon Supasiripinyo)
Certified Public Accountant
Registration No. 3731

KPMG Phoomchai Audit Ltd.
Bangkok
16 February 2011

Pruksa Real Estate Public Company Limited and its Subsidiaries

Balance sheets

As at 31 December 2010 and 2009

(Baht)

Assets	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Current assets					
Cash and cash equivalents	5, 6	1,439,382,122	846,252,967	1,132,936,545	561,414,129
Current investments	6, 7	190,638,604	2,304,521,701	4,903,177	1,728,046,212
Installment receivables	8	120,059,415	59,779,582	107,986,464	56,241,098
Receivable from subsidiaries	4	-	-	111,098,459	138,895,842
Short-term loans to subsidiaries	4	-	-	1,409,056,157	126,511,235
Real estate projects under development	6, 9	27,800,933,274	13,201,936,684	25,357,191,779	11,994,026,728
Deposits for purchase of land		1,132,014,856	486,380,284	1,073,591,609	486,380,284
Advance payment for goods		425,204,889	107,125,462	425,204,889	107,125,462
Other current assets		248,150,736	97,808,205	119,099,416	80,479,316
Total current assets		31,356,383,896	17,103,804,885	29,741,068,495	15,279,120,306
Non-current assets					
Investment in subsidiaries	10	-	-	1,274,998,800	799,998,300
Property, plant and equipment	6, 11	2,159,380,554	1,299,179,820	1,983,234,592	1,202,114,667
Land not used in operations	6, 12	249,614,956	127,869,798	127,829,591	127,829,591
Intangible assets	13	123,230,388	86,727,956	113,794,635	75,918,654
Deferred tax assets	14	204,627,574	176,965,607	141,314,871	143,992,662
Other non-current assets		118,004,029	76,524,574	83,313,751	58,789,519
Total non-current assets		2,854,857,501	1,767,267,755	3,724,486,240	2,408,643,393
Total assets		34,211,241,397	18,871,072,640	33,465,554,735	17,687,763,699



Pruksa Real Estate Public Company Limited and its Subsidiaries

Balance sheets

As at 31 December 2010 and 2009

(Baht)

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Current liabilities					
Short-term loans from financial institutions	6, 15	3,500,850,746	-	3,500,850,746	-
Trade accounts payable					
- Subsidiaries	4	-	-	267,302,006	81,350,134
- Others		1,424,939,548	798,867,269	1,241,547,134	707,189,676
Payables for purchase of land		1,571,958,063	350,227,637	1,571,958,063	246,510,049
Short-term loan from subsidiaries	4, 15	-	-	260,275,598	-
Current portion of long-term loans	15	500,010,000	-	500,010,000	-
Current portion of long-term debentures	15	-	600,000,000	-	600,000,000
Current portion of finance lease liabilities		3,084,617	-	3,084,617	-
Customers' deposits		1,348,135,098	946,558,910	1,191,825,221	926,835,724
Income tax payable		330,305,969	687,319,333	304,898,792	603,399,543
Other current liabilities	16	1,111,590,560	924,190,785	939,926,153	785,376,435
Total current liabilities		9,790,874,601	4,307,163,934	9,781,678,330	3,950,661,561
Non-current liabilities					
Long-term loans	6, 15	100,030,000	30,000	100,020,000	20,000
Long-term debentures	15	9,000,000,000	1,500,000,000	9,000,000,000	1,500,000,000
Finance lease liabilities		6,787,076	-	6,592,185	-
Employee benefits	17	50,337,835	40,999,587	47,156,956	38,795,851
Total non-current liabilities		9,157,154,911	1,541,029,587	9,153,769,141	1,538,815,851
Total liabilities		18,948,029,512	5,848,193,521	18,935,447,471	5,489,477,412

Pruksa Real Estate Public Company Limited and its Subsidiaries

Balance sheets

As at 31 December 2010 and 2009

(Baht)

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Equity					
Share capital					
Authorised share capital	8	<u>2,228,812,000</u>	<u>2,224,753,400</u>	<u>2,228,812,000</u>	<u>2,224,753,400</u>
Issued and paid-up share capital	18	2,206,812,000	2,206,812,000	2,206,812,000	2,206,812,000
Share premium	18	1,361,595,353	1,361,595,353	1,361,595,353	1,361,595,353
Fair value changes on investments	7, 18	353,522	534,804	16,759	275,793
Currency translation differences		(33,849,671)	35,980	-	-
Retained earnings					
Legal reserve	18	225,575,340	225,575,340	225,575,340	225,575,340
Unappropriated		<u>11,502,725,341</u>	<u>9,228,194,402</u>	<u>10,736,107,812</u>	<u>8,404,027,801</u>
Total equity attributable to equity holders of the Company		<u>15,263,211,885</u>	<u>13,022,747,879</u>	<u>14,530,107,264</u>	<u>12,198,286,287</u>
Minority interests		-	131,240	-	-
Total equity		<u>15,263,211,885</u>	<u>13,022,879,119</u>	<u>14,530,107,264</u>	<u>12,198,286,287</u>
Total liabilities and equity		<u>34,211,241,397</u>	<u>18,871,072,640</u>	<u>33,465,554,735</u>	<u>17,687,763,699</u>



Pruksa Real Estate Public Company Limited and its Subsidiaries

Statements of income

For the years ended 31 December 2010 and 2009

(Baht)

financial statements	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Revenues					
Revenue from sale of real estate	19	23,307,115,013	18,966,048,930	21,381,089,921	17,033,514,333
Dividend income	4, 10	-	-	99,999,900	99,930,000
Other income		99,848,970	67,399,703	128,905,612	84,176,062
Total revenues		23,406,963,983	19,033,448,633	21,609,995,433	17,217,620,395
Expenses					
Cost of real estate sales		14,560,829,237	11,749,037,439	13,291,189,077	10,585,074,538
Selling expenses	20	2,034,033,141	809,271,694	1,870,630,641	754,131,453
Administrative expenses	21	2,147,861,519	1,576,911,182	1,791,345,971	1,430,237,109
Management benefit expenses	22	60,905,137	52,135,813	60,905,137	52,135,813
Total expenses		18,803,629,034	14,187,356,128	17,014,070,826	12,821,578,913
Profit before finance costs and income tax expense		4,603,334,949	4,846,092,505	4,595,924,607	4,396,041,482
Finance costs	24	(67,087,878)	(47,053,343)	(68,082,351)	(44,382,280)
Profit before income tax expense		4,536,247,071	4,799,039,162	4,527,842,256	4,351,659,202
Income tax expense	25	(1,048,100,172)	(1,177,206,394)	(982,015,645)	(1,010,494,421)
Profit for the year		3,488,146,899	3,621,832,768	3,545,826,611	3,341,164,781
Profit attributable to:					
Equity holders of the Company		3,488,146,899	3,621,815,864	3,545,826,611	3,341,164,781
Minority interest		-	16,904	-	-
Profit for the year		3,488,146,899	3,621,832,768	3,545,826,611	3,341,164,781
Earnings per share					
Basic	26	1.58	1.65	1.61	1.52
Diluted	26	1.58	1.65	1.61	1.52

Pruksa Real Estate Public Company Limited and its Subsidiaries

Statements of cash flows

For the years ended 31 December 2010 and 2009

(Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
<i>Cash flows from operating activities</i>				
Profit for the year	3,488,146,899	3,621,832,768	3,545,826,611	3,341,164,781
Adjustments for				
Allowance for decline in value of property development projects (reversal)	(11,480,840)	4,245,452	(21,004,586)	2,044,420
Allowance for impairment loss on plant and equipment (reversal)	(5,148,218)	121,921,797	(5,148,218)	121,921,797
Allowance for impairment loss on land not used in operations	145,412,084	45,895,372	-	-
Depreciation and amortisation	246,249,842	215,628,356	209,719,733	189,267,265
Gain on disposal of equipment	(3,915,332)	(6,696,493)	(3,062,306)	(6,712,882)
Dividend income from subsidiary	-	-	(99,999,900)	(99,930,000)
Currency translation differences	(33,885,652)	35,980	-	-
Employees benefits	9,338,249	10,158,354	8,361,104	9,320,935
Finance costs	67,087,878	47,053,343	68,082,351	44,382,280
Income tax expense	<u>1,048,100,172</u>	<u>1,177,206,394</u>	<u>982,015,645</u>	<u>1,010,494,421</u>
	4,949,905,082	5,237,281,323	4,684,790,434	4,611,953,017
<i>Changes in operating assets and liabilities</i>				
Installment receivables	(65,729,468)	(21,462,877)	(51,745,366)	(20,780,791)
Receivable from subsidiaries	-	-	27,797,383	60,610,345
Real estate projects under development	(14,370,818,807)	(439,015,474)	(13,125,463,838)	(461,383,500)
Deposits for purchase of land	(645,634,571)	(387,325,171)	(587,211,324)	(387,325,171)
Advance payment for goods	(318,079,427)	(58,565,741)	(318,079,427)	(58,565,741)
Other current assets	(144,892,896)	(8,210,999)	(38,620,100)	(20,052,412)
Other non-current assets	(41,479,455)	(59,743,644)	(24,524,234)	(44,543,471)
Trade accounts payable - subsidiaries	-	-	185,951,873	9,990,936
Trade accounts payable - others	626,072,279	263,362,108	534,357,458	285,670,483
Payables for purchase of land	1,221,730,426	49,541,989	1,325,448,015	6,011,527
Customers' deposits	401,576,188	127,402,313	264,989,497	144,740,637
Other current liabilities	172,126,241	427,126,761	139,276,183	347,570,660
Income tax paid	<u>(1,432,775,503)</u>	<u>(955,833,135)</u>	<u>(1,277,838,605)</u>	<u>(781,243,479)</u>
<i>Net cash provided by (used in) operating activities</i>	<u>(9,647,999,911)</u>	<u>4,174,557,453</u>	<u>(8,260,872,051)</u>	<u>3,692,653,040</u>



Pruksa Real Estate Public Company Limited and its Subsidiaries

Statements of cash flows

For the years ended December 2010 and 2009

(Baht)

	Consolidated		Separate	
	2010	2009	2010	2009
Cash flows from investing activities				
Decrease in short-term deposits at financial institutions	1,122,450	1,772,312	1,122,450	1,772,312
Purchase of debt securities	(16,133,754,677)	(17,569,681,784)	(12,619,299,075)	(14,419,176,370)
Sale of debt securities	18,246,334,042	15,267,346,682	14,341,060,625	12,693,057,746
Increase in short-term loans to subsidiaries	-	-	(2,047,552,817)	(351,877,089)
Decrease in short-term loans to subsidiaries	-	-	765,007,894	554,036,426
Increase in property, plant and equipment	(1,083,839,216)	(139,153,296)	(967,009,124)	(120,205,364)
Increase in intangible assets	(51,469,759)	-	(51,291,409)	-
Increase in land not used in operations	(267,157,241)	(37,825,734)	-	-
Increase in investment in subsidiaries	-	-	(475,000,500)	(524,000,475)
Dividend received from subsidiary	-	-	99,999,900	99,930,000
Proceed from disposal of equipment	11,291,209	19,243,049	7,472,220	18,850,358
Net cash provided (used in) investing activities	722,526,808	(2,458,298,771)	(945,489,836)	(2,047,612,456)
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	3,500,850,746	(1,993,108,263)	3,500,850,746	(1,845,108,263)
Proceeds from long-term loans	600,010,000	426,730,252	600,010,000	426,730,252
Proceeds from long-term debentures	7,500,000,000	1,500,000,000	7,500,000,000	1,500,000,000
Proceeds from short-term loan from subsidiaries	-	-	1,184,220,973	372,080,837
Repayment of short-term loan from subsidiaries	-	-	(923,945,372)	(411,298,062)
Proceeds from issue of ordinary shares	-	15,417,800	-	15,417,800
Repayment of long-term loans	-	(1,033,356,962)	-	(1,009,765,962)
Repayment of long-term debentures	(600,000,000)	(400,000,000)	(600,000,000)	(400,000,000)
Finance costs paid	(268,511,288)	(186,928,785)	(269,505,444)	(182,023,347)
Dividends paid	(1,213,747,200)	(724,865,988)	(1,213,746,600)	(724,865,988)
Investment of minority interests	-	(975)	-	-
Dividends paid to minority interest in subsidiary	-	(61,000)	-	-
Net cash provided by (used in) financing activities	9,518,602,258	(2,396,173,921)	9,777,884,303	(2,258,832,733)
Net increase (decrease) in cash and cash equivalents	593,129,155	(679,915,239)	571,522,416	(613,792,149)
Cash and cash equivalents at beginning of year	846,252,967	1,526,168,206	561,414,129	1,175,206,278
Cash and cash equivalents at end of year	1,439,382,122	846,252,967	1,132,936,545	561,414,129

Pruksa Real Estate Public Company Limited and its Subsidiaries

Statements of changes in equity

As at 31 December 2010 and 2009

(Bakit)

Note	Issued and paid-up share capital	Share premium	Fair value changes on investments	Currency translation differences	Consolidated financial statements			Total equity attributable to equity holders of the Company	Minority interests	Total equity
					Legal reserve	Retained earnings	Unappropriated earnings			
Balance at 1 January 2009	2,191,394,200	1,361,595,353	-	-	225,575,340	6,331,244,526	10,109,809,419	176,311	10,109,985,730	
Changes in equity for 2009										
Net change in fair value recognised in equity	-	-	534,804	-	-	-	534,804	-	534,804	
Translation of financial statement differences	-	-	-	35,980	-	-	35,980	-	35,980	
Net income recognised directly in equity	-	-	534,804	35,980	-	-	570,784	-	570,784	
Profit for the year	-	-	-	-	-	3,621,815,864	3,621,815,864	16,904	3,621,832,768	
Total recognised income	-	-	534,804	35,980	-	3,621,815,864	3,622,386,648	16,904	3,622,403,552	
Dividends	-	-	-	-	-	(724,865,988)	(724,865,988)	(61,000)	(724,926,988)	
Share capital issued	15,417,800	-	-	-	-	-	15,417,800	-	15,417,800	
Purchase investment from minority interest	-	-	-	-	-	-	-	(975)	(975)	
Balance at 31 December 2009	2,206,812,000	1,361,595,353	534,804	35,980	225,575,340	9,228,194,402	13,022,747,879	131,240	13,022,879,119	



Pruksa Real Estate Public Company Limited and its Subsidiaries

Statements of changes in equity

As at 31 December 2010 and 2009

(Baht)

	Note	Consolidated financial statements							Total equity	
		Issued and paid-up share capital	Share premium	Fair value changes on investments	Currency translation differences	Legal reserve	Retained earnings	Unappropriated earnings		Total equity attributable to equity holders of the Company
Balance at 1 January 2010		2,206,812,000	1,361,595,353	534,804	35,980	225,575,340	9,228,194,402	13,022,747,879	131,240	13,022,879,119
Changes in equity for 2010										
Net change in fair value		-	-	(181,282)	-	-	-	(181,282)	-	(181,282)
recognised in equity		-	-	-	-	-	-	-	-	-
Translation of financial statement differences		-	-	-	(33,885,651)	-	-	(33,885,651)	-	(33,885,651)
Net income recognised directly in equity		-	-	181,282	(33,885,651)	-	-	(34,066,933)	-	(34,066,933)
(34,066,933)		-	-	-	-	-	-	-	-	-
Profit for the year		-	-	-	-	-	3,488,146,899	3,488,146,899	-	3,488,146,899
Total recognised income		-	-	(181,282)	(33,885,651)	-	3,488,146,899	3,454,079,966	-	3,454,079,966
Minority interest		-	-	-	-	-	131,240	131,240	(131,240)	-
Dividends	28	-	-	-	-	-	(1,213,747,200)	(1,213,747,200)	-	(1,213,747,200)
Balance at 31 December 2010		2,206,812,000	1,361,595,353	353,522	(33,849,671)	225,575,340	11,502,725,341	15,263,211,885	-	15,263,211,885

Pruksa Real Estate Public Company Limited and its Subsidiaries

Statements of changes in equity

For the years ended 31 December 2010 and 2009

(Bath)

	Note	Issued and paid-up share capital	Separate financial statements				Total equity attributable to equity holders of the Company
			Share premium	Fair value changes on investments	Retained earnings	Unappropriated	
Balance at 1 January 2009		2,191,394,200	1,361,595,353	-	225,575,340	5,787,729,008	9,566,293,901
Changes in equity for 2009							
Net change in fair value recognised in equity		-	-	275,793	-	-	275,793
Net income recognised directly in equity		-	-	275,793	-	-	275,793
Profit for the year		-	-	-	-	3,341,164,781	3,341,164,781
Total recognised income		-	-	275,793	-	3,341,164,781	3,341,440,574
Dividends	28	-	-	-	-	(724,865,988)	(724,865,988)
Share capital issued	18	15,417,800	-	-	-	-	15,417,800
Balance at 31 December 2009		2,206,812,000	1,361,595,353	275,793	225,575,340	8,404,027,801	12,198,286,287

Pruksa Real Estate Public Company Limited and its Subsidiaries

Statements of changes in equity

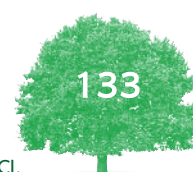
For the years ended 31 December 2010 and 2009

(Baht)

	Note	Separate financial statements				Total equity attributable to equity holders of the Company
		Issued and paid-up share capital	Share premium	Fair value changes on investments	Retained earnings	
Balance at 1 January 2010		2,206,812,000	1,361,595,353	275,793	225,575,340	12,198,286,287
Changes in equity for 2010						
Net change in fair value recognised in equity		-	-	(259,034)	-	(259,034)
Net income recognised directly in equity		-	-	(259,034)	-	(259,034)
Profit for the year		-	-	-	-	3,545,826,611
Total recognised income		-	-	(259,034)	3,545,826,611	3,545,567,577
Dividends	28	-	-	-	-	(1,213,746,600)
Balance at 31 December 2010		2,206,812,000	1,361,595,353	16,759	225,575,340	14,530,107,264

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Pruksa Real Estate Public Company Limited and its Subsidiaries

Notes to financial statements

For the years ended 31 December 2010 and 2009

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by The Directors on 16 February 2011.

1. General information

Pruksa Real Estate Public Company Limited, the "Company", is incorporated in Thailand and has its registered office at 979/83, SM Tower 27th floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok.

The Company was listed on the Stock Exchange of Thailand in December 2005.

The principal activity of the Company is sale of real estate in Thailand. Details of the Company's subsidiaries are as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2010	2009
Direct subsidiaries				
Kaysorn Construction Company Limited	Home decoration/ Construction	Thailand	100.00	99.99
Putthachart Estate Company Limited	Sale of real estate	Thailand	100.00	100.00
Phanalee Estate Company Limited	Sale of real estate	Thailand	100.00	100.00
Pruksa Oversea Company Limited	Investment	Thailand	100.00	100.00
Pruksa International Company Limited	Investment	Thailand	100.00	100.00
Indirect subsidiaries				
Pruksa India Housing Private Limited	Property development and construction	India	100.00	100.00
Pruksa India Construction Private Limited	Construction	India	100.00	100.00
Pruksa Vietnam Construction Company Limited	Construction	Vietnam	100.00	-

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2010	20
Pruksa Oversea Service Company Limited	Service and management	Thailand	100.00	-
Jointly-controlled entity				
Pruksa HDC Housing Private Limited	Property development and construction	Maldives	80.00	-
Pruksa - Luxora Housing Private Limited (formerly names Soham Housing Private Limited)	Property development and construction	India	50.00	-

2. Basis of preparation of the financial statements

The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated, e.g. nearest million. They are prepared on the historical cost basis except as stated in the accounting policies.

The financial statements are prepared in accordance with Thai Financial Reporting Standards ("TFRS"); guidelines promulgated by the Federation of Accounting Professions ("FAP"); applicable rules and regulations of the Thai Securities and Exchange Commission; and with generally accepted accounting principles in Thailand.

During 2010, the FAP announced the re-numbering of the following TFRS

Former no.	Revised no.	Topic
TAS 11	TAS 101	Doubtful Account and Bad Debts
TAS 26	TAS 102	Income Recognition For Real Estate Business
TAS 40	TAS 105	Accounting for Investment in Debt and Equity Securities
TAS 48	TAS 107	Financial Instruments Disclosure and Presentation



The Group has adopted the revised Framework for the Preparation and Presentation of Financial Statements (revised 2009), which was issued by the FAP during 2010 and effective on 26 May 2010. The adoption of the revised framework does not have any material impact on the consolidated or separate financial statements.

The FAP has issued during 2010 a number of new and revised TFRS which are not currently effective and have not been adopted in the preparation of these financial statements. These new and revised standards and interpretations are disclosed in note 33.

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

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

3. Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group").

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of income.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

Foreign entities

The assets and liabilities of foreign entities are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

The revenues and expenses of foreign entities are translated to Thai Baht at rates approximating the foreign exchange rates ruling at the dates of the transactions.

Foreign exchange differences arising on translation are recognised in a separate component of equity until disposal of the investments.

Where monetary items, in substance, form part of the Group's net investment in a foreign entity, foreign exchange differences arising on such monetary items and related hedges are recognised directly in a separate component of equity until disposal of the investment.

(c) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(d) Other accounts receivable

Other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(e) Real estate projects under development

Real estate projects under development are those properties which are held with the intention of development and sale in the ordinary course of business. They are stated at the lower of cost plus, where appropriate, a portion of attributable profit and estimated net realisable value, net of progress billings. Net realisable value represents the estimated selling price less costs to be incurred in selling the properties.

The cost of real estate projects under development comprises specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding a development property are capitalised, on a specific identification basis, as part of the cost of the development property until the completion of development.

(f) Investments

Investments in subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method.

Investments in debt securities

Debt securities that the Group intends and is able to hold to maturity are stated at amortised cost less impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised by using the effective interest rate method over the period to maturity.

Debt securities other than those securities intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in the statement of income. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the statement of income. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in the statement of income.

The fair value of financial instruments classified as available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in the statement of income.

(g) Property, plant and equipment

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases.



Equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statement of income.

Depreciation

Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvement	10 years
Building	20 years
Machinery and equipment	5,10 years
Furniture, fixtures and office equipment	3,5 years
Transportation	5 years

No depreciation is provided on freehold land or assets under construction.

(h) Intangible assets

Software licenses

Software licenses that are acquired by the Group are stated at cost less accumulated amortization and impairment losses.

Software licenses are amortised in the statement of income on a straight-line basis for 10 years.

(i) Impairment

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

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

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

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

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

(j) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of income over the period of the borrowings on an effective interest basis.

(k) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(l) Employee benefits

Provident fund

The Group has a provident fund for its employees. The Group's contributions are made to match with the contributions from employees and are recorded as expenses on an accrual basis.

Short-term employee benefits

The Group recognized the commitments of short-term employee benefits as expenses when employee rendered services.

Provision for retirement benefits

The Group's net obligation in respect of long-term employee benefits (Legal Severance Payment) is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on government bonds. The calculation is performed using the projected unit credit method.

(m) Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past 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. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(n) Revenue

Revenue from sale of real estate is recognised in the statement of income when the ownership of the real estate has been transferred.

Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in the statement of income in proportion to the stage of completion of the contract.

The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in the statement of income.

Interest and dividend income

Interest income is recognised in the statement of income as it accrues. Dividend income is recognised in the statement of income on the date the Group's right to receive payments is established.

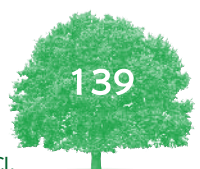
Other income

Other income is recognised in the statement of income as it accrues.

(o) Expenses

Operating leases

Payments made under operating leases are recognised in the statement of income on a straight line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease payments made. Contingent rentals are charged to the statement of income for the accounting period in which they are incurred.



Financial costs

Interest expenses and similar costs are charged to the statement of income for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

(p) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax

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

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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

4. Related party transactions and balances

Related parties are those parties linked to the Group and the Company by as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

Relationships with related parties that control or jointly control the Company or are being controlled or jointly controlled by the Company or have transactions with the Group were as follow:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Kaysorn Construction Company Limited	Thailand	Subsidiary, 100.00% shareholding
Putthachart Estate Company Limited	Thailand	Subsidiary, 100.00% shareholding
Phanalee Estate Company Limited	Thailand	Subsidiary, 100.00% shareholding
Pruksa Oversea Company Limited	Thailand	Subsidiary, 100.00% shareholding
Pruksa International Company Limited	Thailand	Subsidiary, 100.00% shareholding
Pruksa India Housing Private Limited	India	Subsidiary, 100.00% shareholding by subsidiaries
Pruksa India Construction Private Limited	India	Subsidiary, 100.00% shareholding by subsidiaries
Pruksa Vietnam Construction Company Limited	Vietnam	Subsidiary, 100.00% shareholding by subsidiaries
Pruksa HDC Housing Private Limited	Maldives	Jointly-controlled entity, 80.00% shareholding by a subsidiary
Kaysorn Construction Company Limited	Maldives	Branch of Kaysorn Construction Company Limited
Pruksa Oversea Service Company Limited	Thailand	Subsidiary, 100.00% shareholding by a subsidiary
Pruksa - Luxora Housing Private Limited (formerly names Soham Housing Private Limited)	India	Jointly-controlled entity, 50.00% shareholding by a subsidiary
Thongma Vijiitpongpun	Thailand	Major shareholders, 10% or more shareholding, and a director

Transactions for the years ended 31 December 2010 and 2009 with the subsidiaries were as follows:

(thousand Baht)

	Policy of pricing	Separate financial statements	
		2010	2009
Dividend income	Upon declaration	100,000	99,930
Sales of raw materials	Cost plus 5-10%	35,315	52,484
Receiving of services	Cost plus 5%	159,447	863,102
Interest income	MLR + 1%	35,916	22,495
Other income	Cost plus 5%	5,612	2,759
Interest expense	MMR	4,241	1,212



Balances as at 31 December 2010 and 2009 with the subsidiaries were as follows:

(thousand Baht)

	Separate financial statements	
	2010	2009
<i>Receivable from subsidiaries</i>		
Phanalee Estate Co., Ltd.	83,061	115,368
Putthachart Estate Co., Ltd.	26,256	22,838
Kaysorn Construction Co., Ltd.	1,781	690
	<u>111,098</u>	<u>138,896</u>
<i>Short-term loans to subsidiaries</i>		
Putthachart Estate Co., Ltd.	698,588	124,370
Phanalee Estate Co., Ltd.	557,268	1,447
Prukha India Housing Private Limited	-	512
Kaysorn Construction Co., Ltd.	153,200	182
	<u>1,409,056</u>	<u>126,511</u>
<i>Trade accounts payable</i>		
Kaysorn Construction Co., Ltd.	181,471	61,950
Putthachart Estate Co., Ltd.	30,711	11,379
Phanalee Estate Co., Ltd.	55,120	8,021
	<u>267,302</u>	<u>81,350</u>
<i>Short-term loans from subsidiaries</i>		
Prukha Oversea Co., Ltd.	20,163	-
Prukha International Co., Ltd.	240,113	-
	<u>260,276</u>	<u>-</u>

Movements during the years ended 31 December 2010 and 2009 of short-term loans to subsidiaries were as follows:

(thousand Baht)		
	Separate financial statements	
	2010	2009
At 1 January	126,511	328,671
Increase	2,047,553	351,877
Decrease	<u>(765,008)</u>	<u>(554,037)</u>
At 31 December	<u>1,409,056</u>	<u>126,511</u>

Movements during the years ended 31 December 2010 and 2009 of short-term loans from subsidiaries were as follows:

(thousand Baht)		
	Separate financial statements	
	2010	2009
At 1 January	-	39,217
Increase	1,184,221	372,081
Decrease	<u>(923,945)</u>	<u>(411,298)</u>
At 31 December	<u>260,276</u>	<u>-</u>

Significant agreements with related parties

The Company entered into lease agreements covering office space (including related service charges) with a major shareholder and also a director of the Company, commencing October 2008 up to October 2010 and from October 2010 up to October 2013. The rental and service charges for the year ended 31 December 2010 amounted to approximately Baht 1.95 million (2009: Baht 1.5 million).

During 2010 and 2009, the subsidiaries have registered land not used in operations with a cumulative value at 31 December 2010 and 2009 of Baht 145.4 million and Baht 45.8 million, which is subject to servitudes and restrictions to the projects of the Company for construction of the utilities of the projects with no time limit and for which the Company has received compensation of Baht 146.9 million and Baht 46.4 million, respectively.



5. Cash and cash equivalents

(thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Cash on hand	7,907	8,157	6,112	6,103
Cash at banks - current accounts	462,363	42,964	404,483	36,542
Cash at banks - savings accounts	584,073	327,331	405,628	251,806
Highly liquid short-term investments	38,528	182,223	439	658
Cheques on hand	345,121	282,253	315,118	264,236
Others	1,390	3,325	1,157	2,069
Total	<u>1,439,382</u>	<u>846,253</u>	<u>1,132,937</u>	<u>561,414</u>

Cash and cash equivalents of the Group and the Company as at 31 December 2010 and 2009 were denominated entirely in Thai Baht and foreign currencies.

Foreign currencies were as follows:

(thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
India Rupee	20,259,745	227,117,633	-	-
Rufiyaa	30,158,613	-	-	-
US Dollars	4,511,852	-	-	-
Vietnam Dong	40,578,707	-	-	-

6. Assets used as collateral

Savings account and fixed deposits (totalling Baht 0.5 million as at 31 December 2010), property, plant and equipment (with net book value of Baht 772 million as at 31 December 2010), land not used in operations (with net book value of Baht 128 million as at 31 December 2010) and property

development projects (land and structure thereon) (totaling of Baht 5,169 million as at 31 December 2010) are used as collateral for overdraft lines of Baht 80 million, loan lines from banks of Baht 8,970 million and letters of guarantee lines of Baht 4,539 million.

Savings account and fixed deposits (totalling Baht 1.7 million as at 31 December 2009), property, plant and equipment (with net book value of Baht 802 million as at 31 December 2009), land not used in operations (with net book value of Baht 128 million as at 31 December 2009) and property development projects (land and structure thereon) (totalling of Baht 3,741 million as at 31 December 2009) are used as collateral for overdraft lines of Baht 158 million, loan lines from banks of Baht 7,829 million and letters of guarantee lines of Baht 3,513 million.

Property development projects (land and structure thereon) (totalling of Baht 131 million as at 31 December 2010) of the subsidiaries are used as collateral for loan lines from banks of Baht 198 million and letters of guarantee lines of Baht 1,207 million.

Property development projects (land and structure thereon) (totalling of Baht 379 million as at 31 December 2009) of the subsidiaries are used as collateral for loan lines from banks of Baht 598 million and letters of guarantee lines of Baht 779 million.

7. Current investments

(thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Current investments				
Short-term deposits at financial institutions	529	1,652	529	1,652
Debt securities available for sale	<u>190,110</u>	<u>2,302,870</u>	<u>4,374</u>	<u>1,726,394</u>
Total	<u>190,639</u>	<u>2,304,522</u>	<u>4,903</u>	<u>1,728,046</u>



Movements during the years ended 31 December 2010 and 2009 of marketable debt securities were as follows:

(thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Current investments				
Available for sale securities				
At 1 January	2,302,870	-	1,726,394	-
Purchases during the year	16,133,755	17,569,682	12,619,299	14,419,176
Sales during the year	(18,246,334)	(15,267,347)	(14,341,060)	(12,693,058)
Valuation adjustment	(181)	535	(259)	276
At 31 December	190,110	2,302,870	4,374	1,726,394

8. Installment receivables

Ageing analyses for installment receivables were as follows:

(thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Overdue :				
Less than 3 months	94,540	42,037	84,702	39,068
3-6 months	19,493	11,282	18,077	10,887
6 - 12 months	4,853	6,025	4,184	6,000
Over 12 months	1,173	436	1,023	286
Total	120,059	59,780	107,986	56,241

9. Real estate projects under development

(thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Construction materials	536,408	173,943	488,993	155,722
Sample houses	449,710	407,759	419,018	378,026
Projects under development				
land	12,255,810	5,904,317	11,117,948	5,571,384
land improvements	482,769	297,989	426,148	243,386
construction cost	1,686,637	1,388,731	1,616,589	1,258,660
public utilities	695,205	507,023	615,659	416,467
overhead costs	630,157	499,914	568,966	437,096
interest costs	153,332	81,440	153,976	78,900
	15,903,910	8,679,414	14,499,286	8,005,893
Land, and land and houses for sale	2,045,205	1,864,344	1,836,997	1,747,452
Land held for development	9,025,625	2,247,883	8,257,437	1,872,477
Total	27,960,858	13,373,343	25,501,731	12,159,570
Less allowance for decline in value of property development projects	(159,925)	(171,406)	(144,539)	(165,543)
Net	27,800,933	13,201,937	25,357,192	11,994,027
Number of projects under development:				
Townhouse	84	59	65	45
Single house	36	27	35	27
Twin house	4	-	4	-
Condominium	9	8	9	8
Foreign	3	1	-	-
Total Projects	136	95	113	80



10. Investment in subsidiaries

(thousand Baht)

	Separate financial statements	
	2010	2009
At 1 January	799,998	275,997
Acquisitions	<u>475,001</u>	<u>524,001</u>
At 31 December	<u>1,274,999</u>	<u>799,998</u>

During year 2010, the Company invested in Pruksa Oversea Company Limited (authorised share capital 4,000,000 shares at Baht 100 par value) amounting to Baht 50 million.

During year 2010, the Company invested in Pruksa International Company Limited (authorised share capital 10,000,000 shares at Baht 100 par value) amounting to Baht 425 million.

During year 2008, the Company invested in Pruksa Oversea Co., Ltd. (authorised share capital 1,000,000 shares at Baht 100 par value) amounting to Baht 25 million. On 16 June 2009, Pruksa Oversea Co., Ltd. registered to increase its authorised share capital from Baht 100 million (1,000,000 shares at Baht 100 par value) to Baht 200 million (2,000,000 shares at Baht 100 par value) with the Ministry of Commerce. As at 31 December 2009, these additional authorised shares had been paid-up and the remainder of the initially authorised shares had been paid up.

During year 2009, the Company invested in Pruksa International Co., Ltd. (authorised share capital 1,000,000 shares at Baht 100 par value) amounting to Baht 25 million. On 3 September 2009, Pruksa International Co., Ltd. registered to increase its authorised share capital from Baht 100 million (1,000,000 shares at Baht 100 par value) to Baht 500 million (5,000,000 shares at Baht 100 par value) with the Ministry of Commerce. As at 31 December 2009, there is additional paid-up shares amounting to Baht 175 million.

On 12 October 2009, the subsidiary named Putthachart Estate Co., Ltd. registered to increase its authorised share capital from Baht 50 million (500,000 shares at Baht 100 par value) to Baht 100 million (1,000,000 shares at Baht 100 par value) with the Ministry of Commerce. As at 31 December 2009, these additional authorised shares had been paid up.

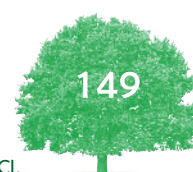
Investment in subsidiaries as at 31 December 2010 and 2009, and dividend income from those investments for the years then ended were as follows:

(thousand Baht)

	Separate financial statements							
	Ownership interest		Paid-up capital		Cost method		Dividend income	
	2010	2009	2010	2009	2010	2009	2010	2009
	%							
<i>Subsidiaries</i>								
Kaysorn Construction Co., Ltd.	100.00	99.99	100,000	100,000	99,999	99,999	-	99,930
Putthachart Estate Co., Ltd.	100.00	100.00	100,000	100,000	100,000	100,000	-	-
Phanalee Estate Co., Ltd.	100.00	100.00	200,000	200,000	200,000	199,999	100,000	-
Pruksa Oversea Co., Ltd.	100.00	100.00	250,000	200,000	250,000	200,000	-	-
Pruksa International Co., Ltd.	100.00	100.00	<u>625,000</u>	<u>200,000</u>	<u>625,000</u>	<u>200,000</u>	<u>-</u>	<u>-</u>
Total			<u>1,275,000</u>	<u>800,000</u>	<u>1,274,999</u>	<u>799,998</u>	<u>100,000</u>	<u>99,930</u>

On 29 March 2010, the subsidiary, Pruksa Oversea Company Limited, call for additional paid-up share capital from Baht 200 million to Baht 250 million (*registered capital 4,000,000 shares at Baht 100 par value*) with the Ministry of Commerce. As at 31 December 2010, these additional authorised shares had been paid up.

On 30 March 2010, the subsidiary, Pruksa International Company Limited, call for additional paid-up share capital from Baht 200 million to Baht 625 million (*registered capital 10,000,000 shares at Baht 100 par value*) with the Ministry of Commerce. As at 31 December 2010, these additional authorised shares had been paid up.



11. Property, plant and equipment

(thousand Baht)

Cost	Consolidated financial statements						Total
	Land and land improvement	Building	Machinery and equipment	Furniture fixtures and office equipment	Public utility	Transportation equipment	
At 1 January 2009	332,207	526,262	917,901	159,053	16,741	109,200	2,086,317
Additions	-	-	43,819	32,576	-	2,327	60,431
Transfers, net	708	4,137	30,798	4,583	-	-	(47,009)
Disposals	-	-	(29,412)	(6,934)	-	(27,201)	(63,547)
Allowance for impairment	(31,006)	(88,437)	(2,479)	-	-	-	(121,922)
At 31 December 2009 and							
1 January 2010	301,909	441,962	960,627	189,278	16,741	84,326	2,033,218
Additions	-	16,415	224,178	90,505	-	6,585	756,028
Transfers, net	8,289	-	2,530	33,958	-	-	(44,777)
Disposals	-	-	(16,341)	(13,126)	-	(10,232)	(39,699)
Allowance for impairment	-	5,148	-	-	-	-	5,148
At 31 December 2010	310,198	463,525	1,170,994	300,615	16,741	80,679	3,092,378

(thousand Baht)

	Separate financial statements							Total
	Land and land improvement	Building	Machinery and equipment	Furniture fixtures and office equipment	Public utility	Transportation equipment	Construction in progress and machinery and equipment under installation	
Accumulated depreciation								
At 1 January 2009	388	78,170	314,548	89,773	16,741	80,783	-	580,403
Depreciation charge for the year	393	26,382	135,084	31,881	-	10,896	-	204,636
Disposals	-	-	(21,314)	(5,194)	-	(24,493)	-	(51,001)
At 31 December 2009 and 1 January 2010	781	104,552	428,318	116,460	16,741	67,186	-	734,038
Depreciation charge for the year	458	29,749	149,772	43,253	-	8,051	-	231,283
Disposals	-	-	(10,811)	(11,795)	-	(9,717)	-	(32,323)
At 31 December 2010	1,239	134,301	567,279	147,918	16,741	65,520	-	932,998
Net book value								
At 1 January 2009	331,819	448,092	603,353	69,280	-	28,417	24,953	1,505,914
At 31 December 2009	301,128	337,410	532,309	72,818	-	17,140	38,375	1,299,180
At 31 December 2010	308,959	329,224	603,715	152,697	-	15,159	749,626	2,159,380



(thousand Baht)

Cost	Separate financial statements					Construction in progress and machinery and equipment			Total
	Land and land improvement	Building	Machinery and equipment	Furniture fixtures and office equipment	Public utility	Transportation equipment	Construction in progress and machinery and equipment	underinstallation	
At 1 January 2009	332,207	526,262	815,833	150,242	16,741	101,815	24,890		1,967,990
Additions	-	-	32,419	28,512	-	1,917	57,357		120,205
Transfers, net	708	4,137	31,345	4,037	-	-	(46,945)		(6,718)
Disposals	-	-	(29,189)	(6,537)	-	(27,201)	-		(62,927)
Allowance for impairment	(31,006)	(88,437)	(2,479)	-	-	-	-		(121,922)
At 31 December 2009 and 1 January 2010	301,909	441,962	847,929	176,254	16,741	76,531	35,302		1,896,628
Additions	-	16,415	141,387	68,230	-	4,100	746,554		976,686
Transfers, net	8,289	-	2,530	30,884	-	-	(41,703)		-
Disposals	-	-	(11,575)	(12,551)	-	(10,155)	-		(34,281)
Allowance for impairment	-	5,148	-	-	-	-	-		5,148
At 31 December 2010	310,198	463,525	980,271	262,817	16,741	70,476	740,153		2,844,181

(thousand Baht)

	Separate financial statements					Construction in progress			Total
	Land and land improvement	Building	Machinery and equipment	Furniture fixtures and office equipment	Public utility	Transportation equipment	and machinery	underinstallation	
Accumulated depreciation									
At 1 January 2009	388	78,170	302,225	88,335	16,741	79,709	-	-	565,568
Depreciation charge for the year	393	26,382	114,387	29,176	-	9,396	-	-	179,734
Disposals	-	-	(21,256)	(5,040)	-	(24,493)	-	-	(50,789)
At 31 December 2009 and 1 January 2010	781	104,552	395,356	112,471	16,741	64,612	-	-	694,513
Depreciation charge for the year	458	29,003	122,262	38,172	-	6,410	-	-	196,305
Disposals	-	-	(8,596)	(11,579)	-	(9,696)	-	-	(29,871)
At 31 December 2010	1,239	133,555	509,022	139,064	16,741	61,326	-	-	860,947
Net book value									
At 1 January 2009	331,819	448,092	513,608	61,907	-	22,106	24,890	-	1,402,422
At 31 December 2009	301,128	337,410	452,573	63,783	-	11,919	35,302	-	1,202,115
At 31 December 2010	308,959	329,970	471,249	123,753	-	9,150	740,153	-	1,983,234



The gross carrying amount of fully depreciated plant and equipment of the Company that was still in use as at 31 December 2010 amounted to Baht 184 million (2009: Baht 135 million).

12. Land not used in operations

(thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Land not used in operations	440,922	173,765	127,829	127,829
Less allowance for impairment	(191,307)	(45,895)	-	-
Net	<u>249,615</u>	<u>127,870</u>	<u>127,829</u>	<u>127,829</u>

13. Intangible assets

(thousand Baht)

	Consolidated financial statements Software licenses
Cost	
At 1 January 2009	105,163
Additions	<u>18,890</u>
At 31 December 2009 and 1 January 2010	124,053
Additions	<u>51,470</u>
At 31 December 2010	<u>175,523</u>
Accumulated amortisation	
At 1 January 2009	26,333
Amortisation charge for the year	<u>10,992</u>
At 31 December 2009 and 1 January 2010	37,325
Amortisation charge for the year	<u>14,968</u>
At 31 December 2010	<u>52,293</u>
Net book value	
At 1 January 2009	78,830
At 31 December 2009	86,728
At 31 December 2010	123,230

(thousand Baht)

	Separate financial statements Software licenses
Cost	
At 1 January 2009	91,838
Additions	<u>16,739</u>
At 31 December 2009 and 1 January 2010	108,577
Additions	<u>51,291</u>
At 31 December 2010	<u>159,868</u>
Accumulated amortisation	
At 1 January 2009	23,126
Amortisation charge for the year	<u>9,532</u>
At 31 December 2009 and 1 January 2010	32,658
Amortisation charge for the year	<u>13,415</u>
At 31 December 2010	<u>46,073</u>
Net book value	
At 1 January 2009	68,712
At 31 December 2009	75,919
At 31 December 2010	113,795



14. Deferred tax assets

Movements in deferred tax assets during the year were as follows:

(thousand Baht)

	Consolidated financial statement		
	Charged / (credited) to		
	As at 1 January 2010	Statement of income (Note 25)	As at 31 December 2010
Deferred tax assets			
Real estate projects under development	57,988	8,668	49,320
Property, plant and equipment	30,752	1,761	28,991
Land not used in operations	13,219	(27,531)	40,750
Employee benefits	9,508	(1,336)	10,844
Customers' deposits	62,384	(8,790)	71,174
Others	3,114	(435)	3,549
Total	<u>176,965</u>	<u>(27,663)</u>	<u>204,628</u>

(thousand Baht)

	Consolidated financial statement		
	Charged / (credited) to		
	As at 1 January 2009	Statement of income (Note 25)	As at 31 December 2009
Deferred tax asset			
Real estate projects under development	56,118	(1,870)	57,988
Property, plant and equipment	419	(30,333)	30,752
Land not used in operations	-	(13,219)	13,219
Employee benefits	5,555	(3,953)	9,508
Customers' deposits	51,042	(11,342)	62,384
Others	2,642	(472)	3,114
Loss carry forward	1,187	1,187	-
Total	<u>116,963</u>	<u>(60,002)</u>	<u>176,965</u>

(thousand Baht)

	Separate financial statement		
	Charged / (credited) to		
	As at 1 January 2010	Statement of income (Note 25)	As at 31 December 2010
<i>Deferred tax assets</i>			
Real estate projects under development	40,277	7,255	33,022
Property, plant and equipment	30,752	1,761	28,991
Employee benefits	8,888	(1,119)	10,007
Customers' deposits	60,962	(4,784)	65,746
Others	<u>3,114</u>	<u>(435)</u>	<u>3,549</u>
Total	<u>143,993</u>	<u>2,678</u>	<u>141,315</u>

(thousand Baht)

	Separate financial statement		
	Charged / (credited) to		
	As at 1 January 2009	Statement of income (Note 25)	As at 31 December 2009
<i>Deferred tax asset</i>			
Real estate projects under development	34,991	(5,286)	40,277
Property, plant and equipment	419	(30,333)	30,752
Employee benefits	5,183	(3,705)	8,888
Customers' deposits	48,297	(12,665)	60,962
Others	<u>1,655</u>	<u>(1,459)</u>	<u>3,114</u>
Total	<u>90,545</u>	<u>(53,448)</u>	<u>143,993</u>



15. Interest-bearing liabilities

(thousand Baht)

	Consolidated financial statements		Separate financial financial statements	
	2010	2009	2010	2009
Current				
Short-term loans from financial institutions				
Unsecured	3,500,851	-	3,500,851	-
Current portion of long-term loan				
Secured	500,010	-	500,010	-
Current portion of long-term debentures				
Unsecured	-	600,000	-	600,000
Short-term loans from subsidiary				
Unsecured	-	-	260,275	-
	<u>4,000,861</u>	<u>600,000</u>	<u>4,261,136</u>	<u>600,000</u>
Non-current				
Long-term loans from financial institutions				
Secured	100,030	30	100,020	20
Long-term debentures				
Unsecured	9,000,000	1,500,000	9,000,000	1,500,000
	<u>9,100,030</u>	<u>1,500,030</u>	<u>9,100,020</u>	<u>1,500,020</u>
Total	<u>13,100,891</u>	<u>2,100,030</u>	<u>13,361,156</u>	<u>2,100,020</u>

Loans from financial institutions bear interest at market rates.

Certain loans contain restrictions on financial ratios, debt to equity ratio and payment of dividends.

At the annual general meeting of the shareholders of the Company held on 9 April 2007, 11 April 2008 and 9 April 2009, the shareholders approved the Issuance and Offer for Sale of Debt Securities to decrease the financial cost of the Company and to provide an alternative source of funds for project development. The maximum amount of Debt Securities must not exceed Baht 6,500 million.

In August 2007, the Company issued unsubordinated and unsecured debentures of Baht 600 million (600,000 units at Baht 1,000) and Baht 400 million (400,000 units at Baht 1,000).

The debentures bear interest at 4.91% and 4.68% per annum, respectively, payable semi-annually. The debentures mature in August 2010.

On 29 January 2009, the Company issued unsubordinated and unsecured debentures of Baht 1,500 million (1,500,000 units at Baht 1,000). The debentures bear interest at 5.25% per annum for the period of 1 year and 6 months after the issuance date and 5.75% per annum for the remaining period until the maturity date, payable quarterly. The debentures mature in 2012.

On 21 June 2010, the Company issued unsubordinated and unsecured debentures of Baht 2,500 million (2,500,000 units at Baht 1,000) which were divided to 2 sets, the first set was valued Baht 1,500 million bear interest at 3.00% per annum

for 3-years period, interest payable quarterly from the issuance date until the maturity date (mature in 2013). The second set was valued Baht 1,000 million bear interest at 3.75% per annum for 5-years period, interest payable quarterly from the issuance date until the maturity date (mature in 2015)

At the extraordinary general meeting of the shareholders of the Company held on 29 September 2010, the shareholders approved the Issuance and Offer for Sale of Debt Securities to decrease the financial cost of the Company and to provide an expansion of business in the future. The additional maximum

amount of Debt Securities must not exceed Baht 7,500 million

On 10 November 2010, the Company issued unsubordinated and unsecured debentures of Baht 5,000 million (5,000,000 units at Baht 1,000) which were divided to 2 sets, the first set was valued Baht 3,000 million bear interest at 3.10% per annum for 3-years period, interest payable quarterly from the issuance date until the maturity date (mature in 2013). The second set was valued Baht 2,000 million bear interest at 3.75% per annum for 5-years period, interest payable quarterly from the issuance date until the maturity date (mature in 2015).

16. Other current liabilities

(thousand Baht)

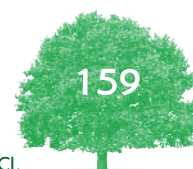
	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Accrued for real estate projects				
under development	258,305	184,477	215,401	139,449
Accrued for public utility	272,286	160,300	245,269	146,747
Accrued bonus	74,499	160,656	66,821	138,053
Retention	94,386	81,373	82,963	48,909
Accrued interest expense	40,866	25,592	40,866	25,592
Withholding tax deducted at source	39,758	27,689	35,614	26,411
Others	331,491	284,103	252,992	260,215
Total	<u>1,111,591</u>	<u>924,190</u>	<u>939,926</u>	<u>785,376</u>

17. Employee benefits

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

(thousand Baht)

	Consolidated			Separate financial		
	financial statements			financial statements		
	2010	2009	2008	2010	2009	2008
Present value of unfunded obligation	<u>50,338</u>	<u>40,999</u>	<u>30,841</u>	<u>47,157</u>	<u>38,796</u>	<u>29,475</u>



Movement in the present value of the defined benefit obligations

(thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Defined benefit obligations at 1 January	40,999	30,841	38,796	29,475
Current service costs	9,322	9,111	8,420	8,321
Interest cost	1,350	1,047	1,274	1,000
Benefits paid by the plan	(1,156)	(1,845)	(1,156)	(1,822)
Different between benefits paid and actuarial report	<u>(177)</u>	<u>1,845</u>	<u>(177)</u>	<u>1,822</u>
Defined benefit obligations at 31 December	<u>50,338</u>	<u>40,999</u>	<u>47,157</u>	<u>38,796</u>
Expense recognised in profit or loss for the year ended 31 December				
Current service cost	9,322	9,111	8,420	8,321
Interest on obligation	<u>1,350</u>	<u>1,047</u>	<u>1,274</u>	<u>1,000</u>
Total	<u>10,672</u>	<u>10,158</u>	<u>9,694</u>	<u>9,321</u>
<i>Principal actuarial assumptions</i>				
Discount rate (%)	3.5	3.5	3.5	3.5
Future salary increase (%)				
Employees	5 and 8	5 and 8	5 and 8	5 and 8
Daily wage staffs	3.5 and 5	3.5 and 5	3.5 and 5	3.5 and 5
Retirement age (year old)	60	60	60	60

18. Share capital, warrants, share premium and legal reserve

Share capital, ordinary shares

(thousand shares / thousand Baht)

	Par value per share (in Baht)	2010		2009	
		Number	Baht	Number	Baht
Authorised					
At 1 January					
ordinary shares	1	2,224,753	2,224,753	2,255,753	2,255,753
Increase of new shares	1	22,000	22,000	-	-
Reduction of shares	1	(17,941)	(17,941)	(31,000)	(31,000)
At 31 December					
ordinary shares	1	<u>2,228,812</u>	<u>2,228,812</u>	<u>2,224,753</u>	<u>2,224,753</u>
Issued and paid up					
At 1 January					
ordinary shares	1	2,206,812	2,206,812	2,191,394	2,191,394
Exercise of warrants	1	-	-	15,418	15,418
At 31 December					
ordinary shares	1	<u>2,206,812</u>	<u>2,206,812</u>	<u>2,206,812</u>	<u>2,206,812</u>

Authorised share capital

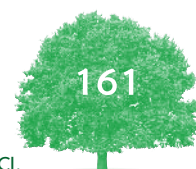
At the annual general shareholders' meeting held on 9 April 2009, the shareholders approved a decrease of the Company's authorised share capital from Baht 2,255,753,400 (2,255,753,400 ordinary shares with Baht 1 par value) to Baht 2,224,753,400 (2,224,753,400 ordinary shares with Baht 1 par value). The Company registered the decrease in authorised share capital with the Ministry of Commerce on 23 April 2009.

At the annual general meeting of the shareholders of the Company held on 27 April 2010, the shareholders approved the decrease in the Company's authorised share capital from Baht 2,224,753,400 to Baht 2,206,812,000 by cancelling the ordinary shares issued to accommodate the exercise of warrants in the amount of 17,941,400 shares with a par value of Baht 1 per share. The Company registered the decrease in authorised share capital with the Ministry of Commerce on 3 May 2010.

At the annual general meeting of the shareholders of the Company held on 27 April 2010, the shareholders approved the increase in the Company's authorised share capital from Baht 2,206,812,000 to Baht 2,228,812,000 with a par value of Baht 1 per share and allot the issuance and offering for sale of warrants to the Company's directors and managements of 22,000,000 units. The Company registered the increase in authorized share capital with the Ministry of Commerce on 3 May 2010.

Paid up share capital

On 30 January 2009, the holders of 5,169,900 warrants exercised options to purchase 5,169,900 ordinary shares at an exercise price of Baht 1 each, resulting in an increase in the issued and paid-up share capital from Baht 2,191,394,200 to Baht 2,196,564,100. The Company registered the increase



On 31 July 2009, the holders of 5,086,500 warrants exercised options to purchase 5,086,500 ordinary shares at an exercise price of Baht 1 each, resulting in an increase in the issued and paid-up share capital from Baht 2,196,564,100 to Baht 2,201,650,600. The Company registered the increase in the issued and paid-up share capital with the Ministry of Commerce on 7 August 2009.

On 30 November 2009, the holders of 5,161,400 warrants exercised options to purchase 5,161,400 ordinary shares at an exercise price of Baht 1 each, resulting in an increase in the issued and paid-up share capital from Baht 2,201,650,600 to Baht 2,206,812,000. The Company registered the increase in the issued and paid-up share capital with the Ministry of Commerce on 4 December 2009.

Warrants (Year 2005)

On 28 November 2005, the Company issued 64,401,500 units of free and non-transferable warrants exercisable to purchase the newly-issued ordinary shares of the Company, to its directors, employees, and advisors of the Company and its subsidiary. The warrants have a 4 year-term from 1 December 2005 and mature on 30 November 2009. The first exercise date was 30 June 2006 and the last exercise date is 30 November 2009. The exercise ratio is one warrant to one ordinary share at an exercise cost of Baht 1 per share.

From the Resolution of Board of Directors' Meeting No. 1/2007 dated 22 February 2007, the Meeting acknowledged the alteration of the exercise date of warrants, representing the right to purchase the newly issued shares of the Company from the last business day of June and December of each year to the last business day of July and January of each year, whereas other conditions remain the same. The first exercise date following this change was 31 July 2007 and the final exercise date is 30 November 2009.

During the exercise period, the holders of warrants are entitled to exercise their right to purchase shares on a semi-annual basis, except the last exercise when the right can be exercised within the maturity date of the warrants. The warrant holders have the right to purchase shares in an

amount not exceeding one-eighth (12.5%) of the total number of the warrants allotted by the Company. However, if the warrant holder fails to purchase the full 12.5% of the shares on an exercise date, he may purchase the remaining shares on any subsequent exercise date.

During the years 2009, the holders of 15,417,800 warrants exercised their options to purchase 15,417,800 ordinary shares of Baht 1 per share.

During the years 2009, there were cancellations of 471,600 warrants from employees who had resigned from the Company.

As at 31 December 2009, there were no outstanding warrants that can be exercised for purchase of ordinary shares in the Company.

Warrants (Year 2010)

At the annual general shareholders' meeting held on 27 April 2010, the shareholders passed resolutions to approve the issuance 22,000,000 units of warrants under the Employee Stock Option Program (ESOP) to sell to the Company's management, senior manager level up. The details are as follows:

Description	Details
Type of warrants	No value
Terms of warrants	3 years from the issuance date of warrant
Propose to sell to	The Company's management, senior manager level up
Allot	14,796,000 units (actual units which granted to the management)
Exercise ratio	1 warrant to 1 ordinary share
Exercise price	Baht 14.35 per share
Exercise period and proportion	Four times a year in February, May, August and November of each year (first year is 2011), the exercise rights are not exceed 1/3 of each year for the period of 3 years.

As at 31 December 2010, outstanding warrants that can be exercised for purchase of ordinary shares in the Company are 14,796,000 units and warrants to be allotted are 7,204,000 units.

As at report date, there was no exercised rights on the above warrants.

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Fair value changes

The fair value changes account within equity comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

19. Segment information

Business segments

Management considers that the Group operates in a single line of business, namely real-estate business, and has, therefore, only one major business segment.

Geographic segments

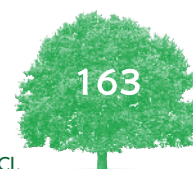
In presenting information on the basis of geographical segments, segment revenue is based on the geographic location of customers. Segment assets are based on the geographical location of the assets.

The followings are the main geographical locations:

Segment 1	Thailand
Segment 2	India
Segment 3	Vietnam
Segment 4	Maldives

(million Baht)

Consolidated financial statements		
	2010	2009
Segment revenue		
Thailand	23,293	18,966
India	-	-
Vietnam	-	-
Maldives	14	-
Total	23,307	18,966
Property, plant and equipment and intangible asset		
Thailand	2,438	1,382
India	31	4
Vietnam	7	-
Maldives	56	-
Total	2,532	1,386



20. Selling expenses

(million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Sales promotion	659	443	615	414
Advertising expenses	706	322	646	299
Special business tax	567	21	518	19
Transfer fee	83	5	73	5
Other	19	18	19	17
Total	<u>2,034</u>	<u>809</u>	<u>1,871</u>	<u>754</u>

21. Administrative expenses

(million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Personnel expenses	1,108	684	1,002	643
Allowance for impairment loss on assets	118	170	(27)	123
Professional Fee	128	142	121	134
Rent	104	66	88	55
Repair	43	65	39	62
Depreciation and amortisation	86	55	70	51
Utilities	73	73	63	70
Other	488	322	435	292
Total	<u>2,148</u>	<u>1,577</u>	<u>1,791</u>	<u>1,430</u>

22. Employee benefit expenses

(million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Management				
Wages and salaries	40	34	40	34
Contribution to defined contribution plans	1	1	1	1
Other-bonus and welfare	20	17	20	17
Total	61	52	61	52
Other employees				
Wages and salaries	714	646	621	530
Contribution to defined contribution plans	18	16	16	13
Other-bonus and welfare	447	471	399	370
Total	1,179	1,133	1,036	913

The defined contribution plans comprise provident funds established by companies in the Group for their employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at 4% of their basic salaries and by the Group at rates ranging from 4% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Managers.

23. Expenses by nature

(million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Changes in land, and land and houses for sale and real estate projects under development	(7,405)	423	(6,583)	31
Raw materials and consumables used	15,019	6,591	13,672	6,089
Employee benefit expenses	1,240	1,185	1,097	965
Depreciation and amortisation expense	246	216	210	189



24. Finance costs

(thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Interest paid and payable to				
Subsidiaries (Notes 4)	-	-	4,241	1,212
Financial institutions	283,784	193,608	280,538	187,490
<i>Less</i> capitalised as				
part of construction				
costs	<u>(216,697)</u>	<u>(146,555)</u>	<u>(216,697)</u>	<u>(144,320)</u>
Net	<u>67,087</u>	<u>47,053</u>	<u>68,082</u>	<u>44,382</u>

25. Income tax expense

(thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2010	2009	2010	2009
<i>Current tax expense</i>					
Current year		1,083,047	1,228,535	979,107	1,056,085
Under provided in prior years		<u>(7,285)</u>	<u>8,673</u>	<u>231</u>	<u>7,857</u>
		<u>1,075,762</u>	<u>1,237,208</u>	<u>979,338</u>	<u>1,063,942</u>
<i>Deferred tax expense</i>	14				
Movements in temporary different		(27,662)	(61,189)	2,678	(53,448)
Benefit of tax losses recognised		<u>-</u>	<u>1,187</u>	<u>-</u>	<u>-</u>
		<u>(27,662)</u>	<u>(60,002)</u>	<u>2,678</u>	<u>(53,448)</u>
Total		<u>1,048,100</u>	<u>1,177,206</u>	<u>982,016</u>	<u>1,010,494</u>

Reconciliation of effective tax rate	Consolidated financial statements			
	2010		2009	
	Rate (%)	(in thousand) (Baht)	Rate (%)	(in thousand) (Baht)
Profit before tax		<u>4,536,247</u>		<u>4,799,039</u>
Income tax using the Thai corporation tax rate	30	1,360,874	30	1,439,712
Income tax reduction		(226,392)		(217,583)
Income not subject to tax		(163,186)		(99,432)
Expenses not deductible for tax purposes		8,879		18,904
Eliminated income		77,953		31,923
Under provided in prior years		290		8,673
Other		<u>(10,318)</u>		<u>(4,991)</u>
Total	<u>23</u>	<u>1,048,100</u>	<u>25</u>	<u>1,177,206</u>

Reconciliation of effective tax rate	Separate financial statements			
	2010		2009	
	Rate (%)	(in thousand) (Baht)	Rate (%)	(in thousand) (Baht)
Profit before tax		<u>4,527,842</u>		<u>4,351,659</u>
Income tax using the Thai corporation tax rate	30	1,358,353	30	1,305,498
Income tax reduction		(226,392)		(217,583)
Income not subject to tax		(155,838)		(99,214)
Expenses not deductible for tax purposes		8,324		17,437
Under provided in prior years		231		7,857
Other		<u>(2,662)</u>		<u>(3,501)</u>
Total	<u>22</u>	<u>982,016</u>	<u>23</u>	<u>1,010,494</u>

Income tax reduction

Royal Decree No. 387 B.E. 2544 dated 5 September 2001 grants companies listed on the Stock Exchange of Thailand a reduction in the corporate income tax rate from 30% to 25% for taxable profit for the five consecutive accounting periods beginning on or after enactment.



26. Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2010 and 2009 were based on the profit for the years attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

(thousand share / thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Profit attributable to equity holders of the Company (basic)	<u>3,488,147</u>	<u>3,621,816</u>	<u>3,545,827</u>	<u>3,341,165</u>
Number of ordinary shares at 1 January	2,206,812	2,191,394	2,206,812	2,191,394
Effect of shares issued during year	—	7,358	—	7,358
Weighted average number of ordinary shares outstanding (basic)	<u>2,206,812</u>	<u>2,198,752</u>	<u>2,206,812</u>	<u>2,198,752</u>
Earnings per share (basic) (in Baht)	<u>1.58</u>	<u>1.65</u>	<u>1.61</u>	<u>1.52</u>

Diluted earnings per share

The calculations of diluted earnings per share for the years ended 31 December 2010 and 2009 were based on the profit for the years attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the years after adjusting for the effects of all dilutive potential ordinary shares as follows:

(thousand share / thousand Baht)

	Consolidated		Separate financial	
	financial statements		financial statements	
	2010	2009	2010	2009
Profit attributable to equity holders of the Company (diluted)	<u>3,488,147</u>	<u>3,621,816</u>	<u>3,545,827</u>	<u>3,341,165</u>
Weighted average number of ordinary shares outstanding (basic)	2,206,812	2,198,752	2,206,812	2,198,752
Effect of diluted equivalent ordinary shares-warrants	1,229	—	1,229	—
Weighted average number of ordinary shares outstanding (diluted)	<u>2,208,041</u>	<u>2,198,752</u>	<u>2,208,041</u>	<u>2,198,752</u>
Earnings per share (diluted) (in Baht)	<u>1.58</u>	<u>1.65</u>	<u>1.61</u>	<u>1.52</u>

27. Promotional privileges

By virtue of the provisions of the Investment Promotion Act of B.E. 2520, the Group has been granted privileges by the Board of Investment relating to developing a housing project for persons who have low or middle income (where the usable area in each unit shall not be less than 31 square meters and the contracted sale amount is less than Baht 600,000).

On 10 June 2009, the Board of Investment adds a new condition in respect to pricing for projects located in zone 1 requiring that any apartment building must have area per unit of at least 28 square meters and with a maximum selling price of Baht 1 million (including land cost) and any town house or detached house, area per unit must not be less than 70-square meters with a maximum selling price of Baht 1.2 million (including land cost).

The principal privilege is the exemption from corporate income tax for a period of 5 years from the start of business operations related to these privileges. The promotional privileges will expire in various periods up to 10 December 2014.

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

28. Dividends

At the annual general meeting of the shareholders of the Company held on 23 April 2010, the shareholders approved the appropriation of dividends of Baht 0.20 per share from net profit relating solely to business operations benefiting from the privileges under the Investment Promotion Act of year 2009 and Baht 0.35 per share from net profit without the privileges under the Investment Promotion Act of year 2009, totaling amounting to Baht 1,213.7 million. The dividend was paid to shareholders during 2010.

At the annual general meeting of the shareholders of the Company held on 9 April 2009, the shareholders approved the appropriation of dividends of Baht 0.33 per share, amounting to Baht 724.9 million from net profit relating

solely to business operations benefiting from the privileges under the Investment Promotion Act of year 2008. The dividend was paid to shareholders during 2009.

29. Financial instruments

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. Management believes that the interest rate risk is minimal. Hence, the Group does not hedge such risk.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

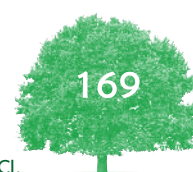
Determination of Fair values

The Group uses the following method and assumptions in estimating the fair values of financial instruments

Cash and cash equivalents, and current investments in savings account, fixed deposits and promissory note, and receivables and payables approximate their fair values due to the relative short-term maturity of these financial instruments.

Bank overdrafts and short-term loans from financial institutions, and long-term loans approximate their fair values because these financial instruments bear interest at market rates.

As at 31 December 2010, the carrying and fair value of the long-term debentures amounted to Baht 9,000 million and Baht 8,970 million, respectively (2009: Baht 2,100 million and Baht 2,146 million, respectively). The fair value is calculated based on the present value of future principal and interest cash flows discounted at the market rate of interest for similar liabilities at the reporting date.



Capital Management

The primary objectives of the Company and its subsidiaries' capital management are to maintain their ability to continue as a going concern and to maintain an appropriate capital structure. In addition, the Company has to maintain interest bearing debt to shareholder equity ratio as stipulated in loan facility agreements.

As at 31 December 2010, interest-bearing liabilities to equity ratio in the consolidated financial statements is 0.86:1 (the separate financial statements: debt to equity ratio is 0.92:1) as conditions stipulated in loan facility agreements.

30. Lease agreements

(a) The Company entered into lease agreements covering office space (including related service charges) for 3 years. These agreements will expire in various periods up to November 2012. The rental and service charges for the year ended 31 December 2010 amounted to approximately Baht 14.5 million (2009: Baht 12.8 million).

(b) The Company entered into vehicles lease agreements for its operations (including related services charges) with various lease period of more than one year. In 2010, lease expenses were Baht 29.8 million (2009: Baht 22.3 million).

(c) The subsidiaries have entered into lease agreements covering office space (including related service charges) for 3 years. These agreements will expire in various periods up to November 2010. The rental and service charges for the year ended 31 December 2010 amounted to Baht 6.4 million (2009: Baht 7.0 million).

31. Commitments and contingent liabilities

As at 31 December 2010 and 2009, the Company and its subsidiaries had the following outstanding commitments and contingent liabilities:

(a) The Company had outstanding commitments to purchase land of Baht 5,728 million (2009: Baht 3,303 million).

(b) The Company and its subsidiaries had outstanding commitments for the development and construction of the Company's projects of Baht 1,275 million (2009: Baht 118 million).

(c) The Company and its subsidiaries had outstanding commitments for the service agreement and professional fee of the Company of Baht 0.7 million (2009: Baht 22 million).

(d) The Company and its subsidiaries were contingently liable for letters of guarantee issued by certain local banks totaling Baht 3,411 million to certain government agencies (2009: Baht 1,869 million).

(e) The Company was contingently liable as a guarantor of overdraft lines of Baht 65 million, loan lines from banks of Baht 198 million and letters of guarantee lines of Baht 728 million of the subsidiaries (2009: Baht 40 million, Baht 598 and Baht 829 million, respectively).

32. Others

Sales with signed contracts and total project sales as at 31 December 2010 and 2009 were as follows:

(million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Sales with signed contracts	<u>128,199</u>	<u>90,146</u>	<u>120,380</u>	<u>85,094</u>
Total project sales	<u>152,410</u>	<u>97,895</u>	<u>141,487</u>	<u>92,108</u>
The ratio of sales with signed contracts against total project sales (%)	<u>84.11</u>	<u>92.08</u>	<u>85.08</u>	<u>92.39</u>

33. Thai Financial Reporting Standards (TFRS) not yet adopted

The Group has not adopted the following new and revised TFRS that have been issued as of the reporting date but are not yet effective. The new and revised TFRS are anticipated to become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table.

TFRS	Topic	Year effective
TAS 1 (revised 2009)	Presentation of Financial Statements	2011
TAS 2 (revised 2009)	Inventories	2011
TAS 7 (revised 2009)	Statement of Cash Flows	2011
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors	2011
TAS 10 (revised 2009)	Events after the Reporting Period	2011
TAS 11 (revised 2009)	Construction Contracts	2011
TAS 16 (revised 2009)	Property, Plant and Equipment	2011
TAS 17 (revised 2009)	Leases	2011
TAS 18 (revised 2009)	Revenue	2011
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates	2013
TAS 23 (revised 2009)	Borrowing Costs	2011
TAS 24 (revised 2009)	Related Party Disclosures	2011
TAS 26	Accounting and Reporting by Retirement Benefit Plans	2011
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements	2011
TAS 28 (revised 2009)	Investments in Associates	2011
TAS 31 (revised 2009)	Interests in Joint Ventures	2011
TAS 33 (revised 2009)	Earnings per Share	2011
TAS 34 (revised 2009)	Interim Financial Reporting	2011
TAS 36 (revised 2009)	Impairment of Assets	2011
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets	2011
TAS 38 (revised 2009)	Intangible Assets	2011
TAS 40 (revised 2009)	Investment Property	2011
TFRS 2	Share-based Payment	2011
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations	2011
TFRIC 15	Agreements for the Construction of Real Estate	2011



Management had considered the effects to adopt and apply these new TFRS in accordance with the FAP's announcement and believe that this would not be significantly impact on the consolidated and separate financial statements.

34. Reclassification of accounts

Certain accounts in the 2009 financial statements have reclassified to conform to the presentation in the 2010 financial statements as follows:

	2009					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
Balance sheet						
Other current asset	205	(107)	98	188	(107)	81
Advance payment for goods	-	107	107	-	107	107
		<u>-</u>			<u>-</u>	

The reclassifications have been made because the new classification is more appropriate to the Group's business.





WE ARE PRUKSA



We "PRUKSA Real Estate Public Co., Ltd." are number one residential developer in Thailand to create maximum satisfaction for customers, employees, shareholders, and all other stakeholders.





PRUKSA'S GOVERNANCE

Management of PRUKSA focus on fundamental policy of transparency by raising awareness for all staff through the Pruksa's culture and building the confidence among all stakeholder.

PRUKSA'S POWER



We are confident and ready for growth in the future.





PRUKSA'S STRENGTH

Financial strength in conjunction with the performance of business's growth.

