



PRUKSA

**BUILD BETTER
FOR BETTER FUTURE**



ANNUAL REPORT

2011

รายงานประจำปี 2554



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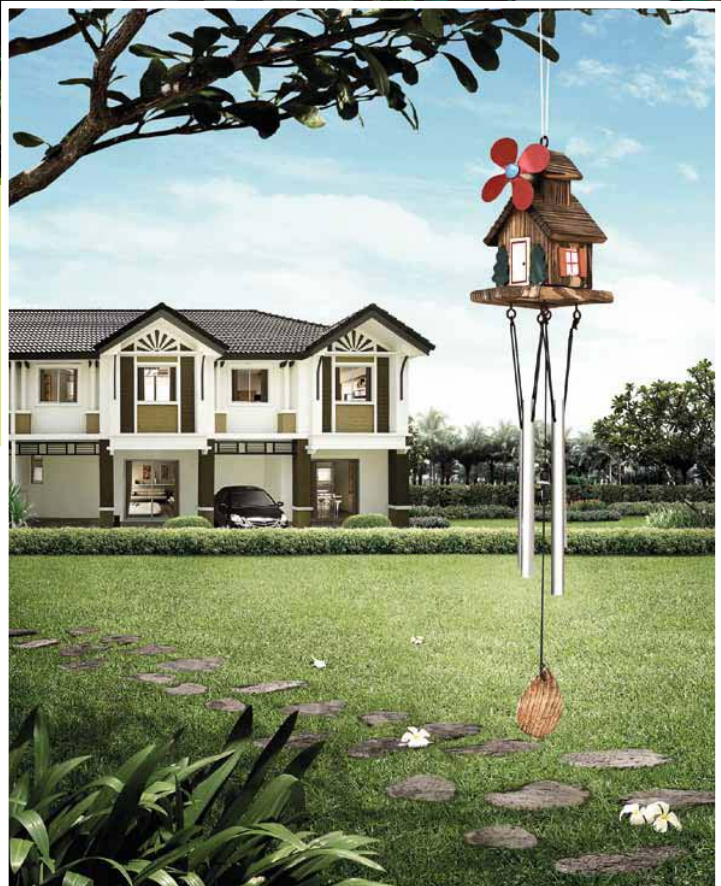
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“Pruksa is one of the top ten residential real estate companies in Asia focusing in World Class Quality Management with strong fundamental and sustainable growth. We maximize customers and employees satisfaction and returns to shareholders and uphold the social responsibilities in all the countries we do business in.”



BETTER... Technology

Innovative and comfortable
townhouse for a modern
and perfect quality of life.

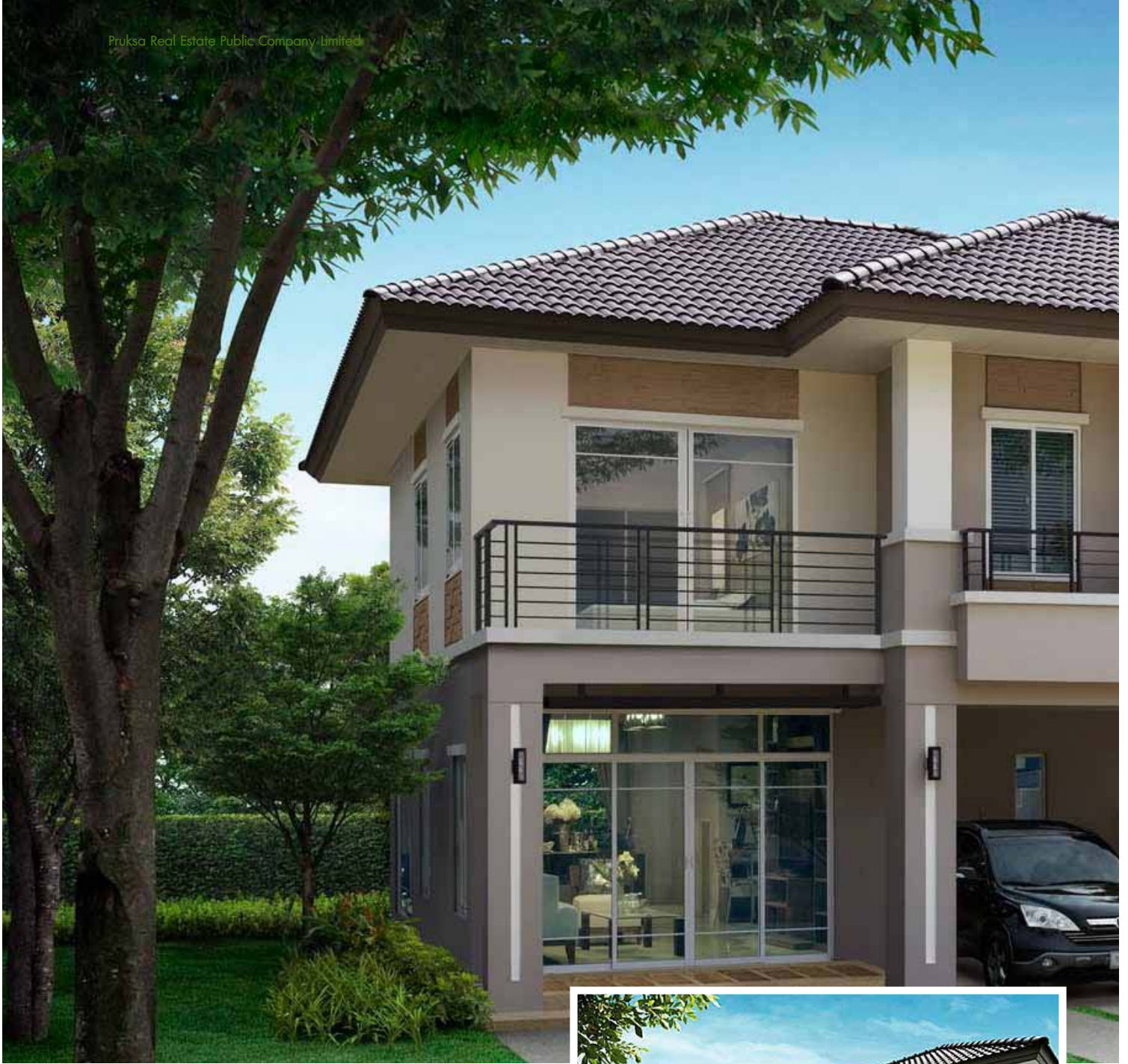




TOWNHOUSE... FOR THE FUTURE

Designs for the future leading to utmost utilization of living space, and combines urban life and natural surroundings at best locations.





SINGLE DETACHED HOUSE... EVERYDAY LIFE AT LEISURE

Its design is innovative, functional and modern, including not only fully an equipped living space but also an inner leisure area connected to a lovely garden.



BETTER... Life & Living

Dedicated to every detail and select utilizing quality materials for the safe, warm and high-quality home.





BETTER... Comfort

Happiness of living downtown and the convenience of urban life.



CONDOMINIUM... LIVING WITH YOUR OWN STYLE

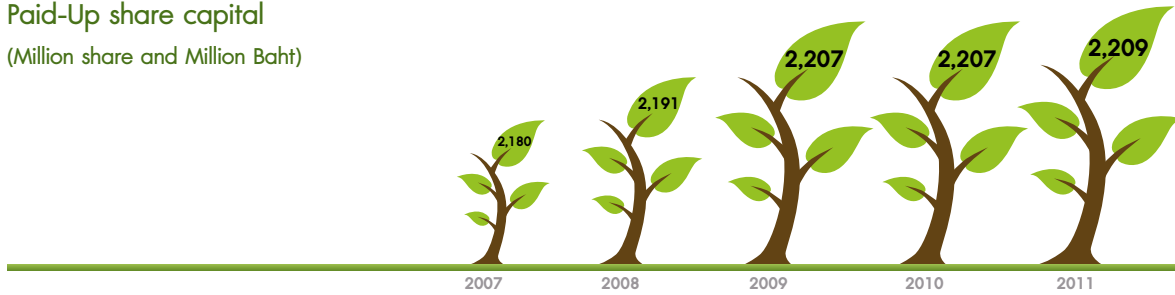
New style of habitation in urban areas where public transport are provided for your enjoyments.



1. 5 Years Financial Highlights

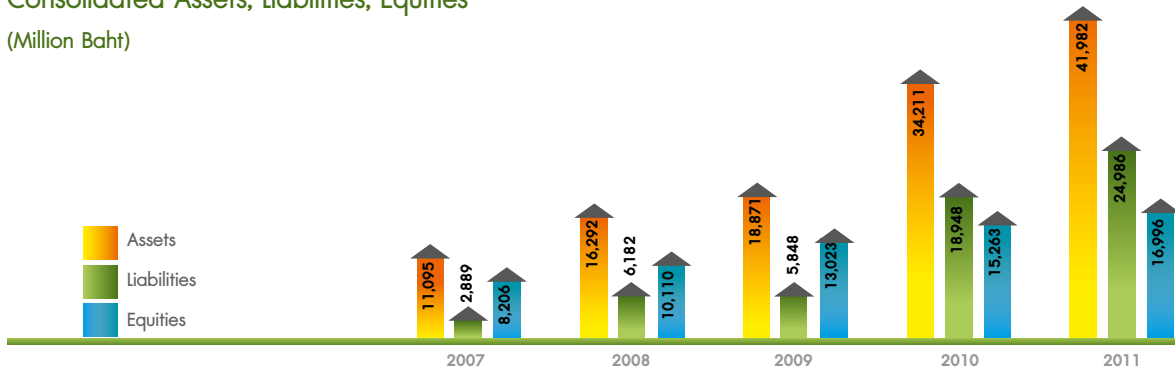
Paid-Up share capital

(Million share and Million Baht)



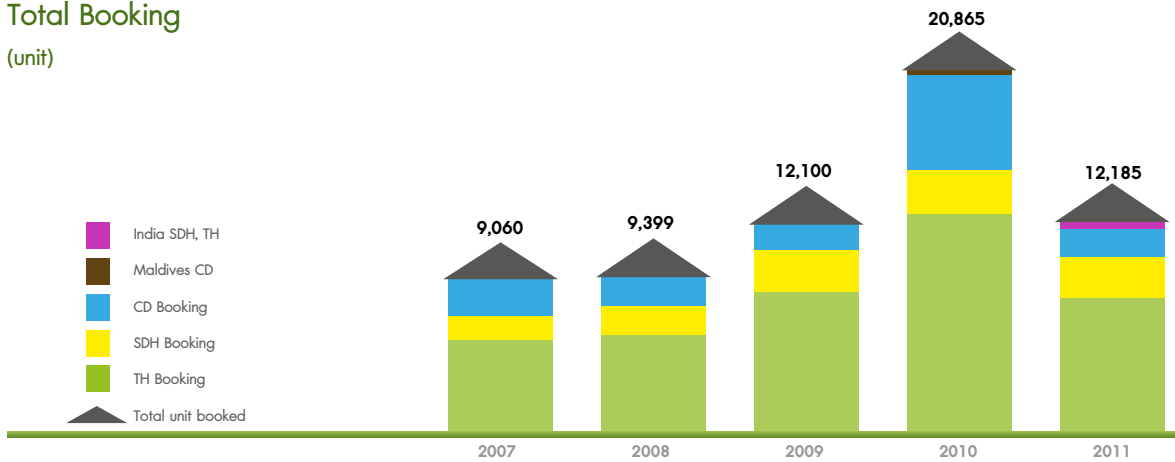
Consolidated Assets, Liabilities, Equities

(Million Baht)



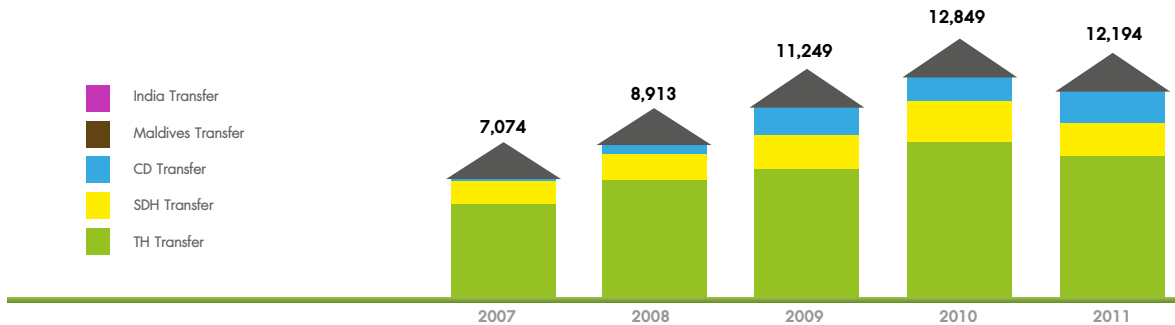
Total Booking

(unit)

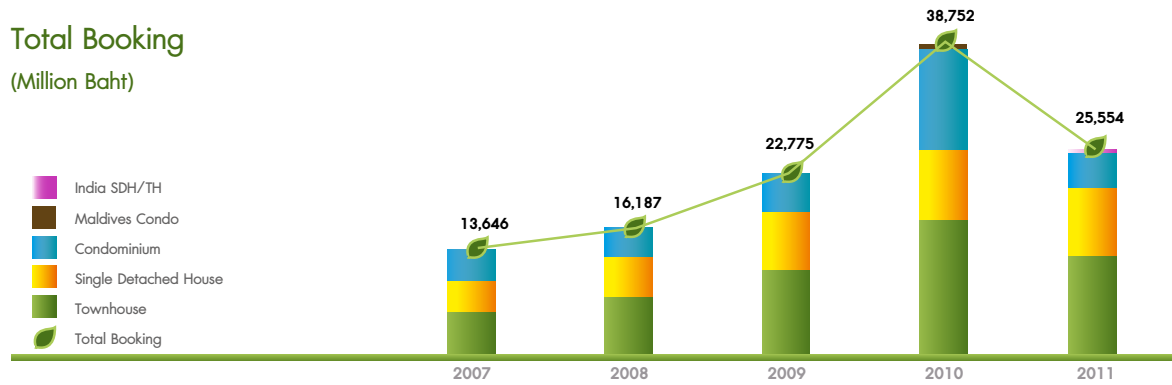


Units Transferred

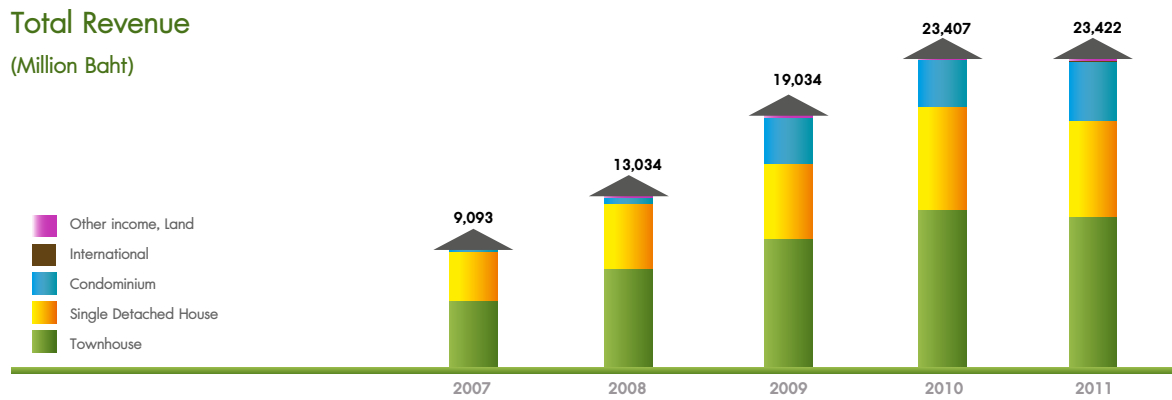
(unit)



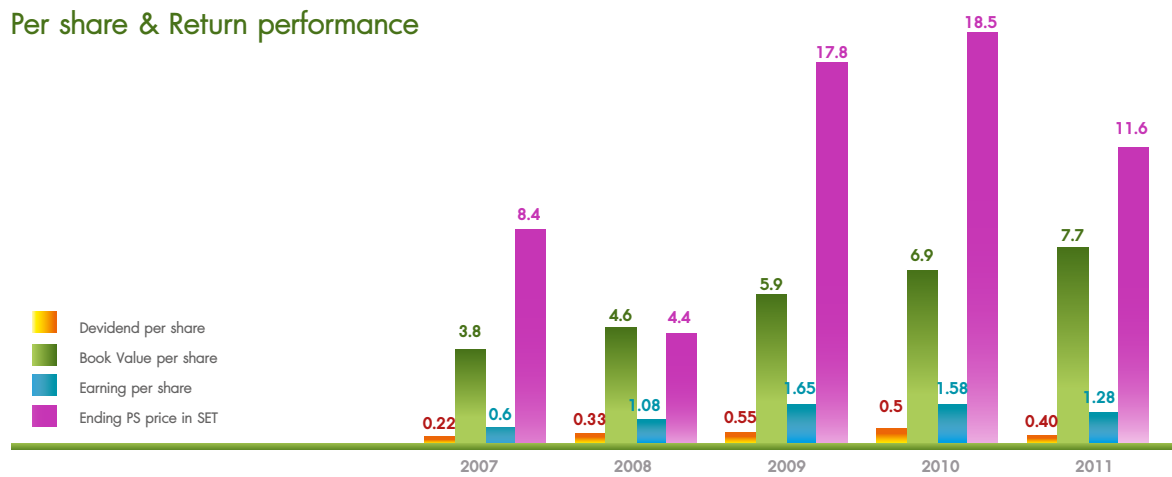
Total Booking (Million Baht)



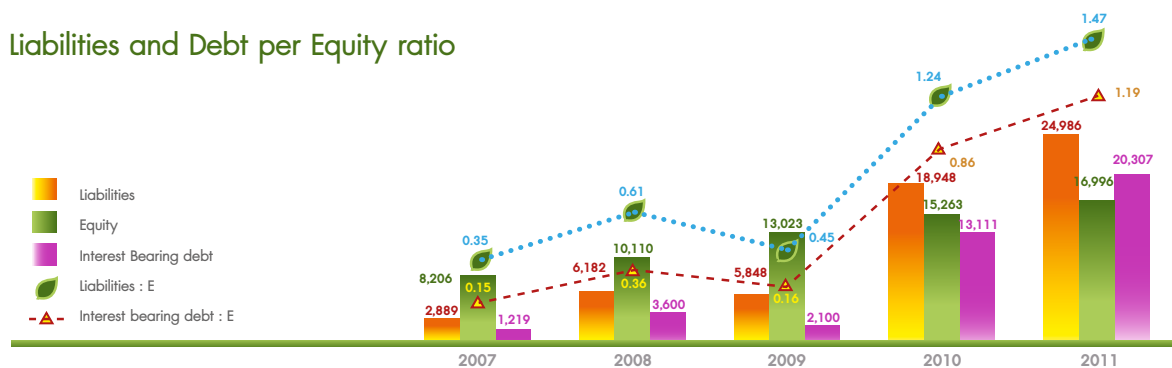
Total Revenue (Million Baht)



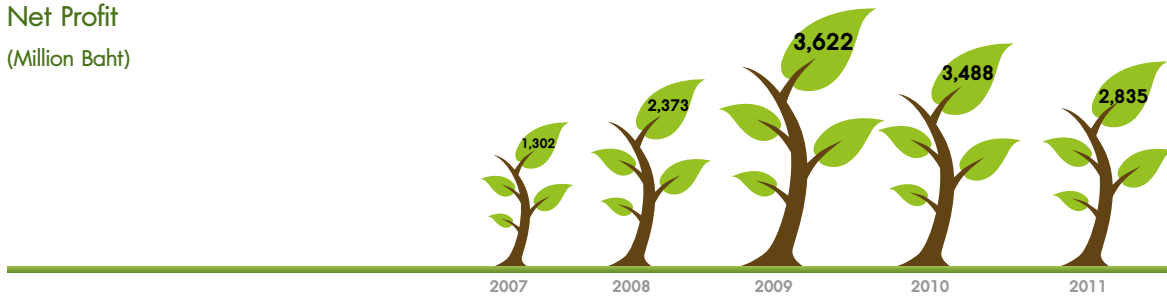
Per share & Return performance



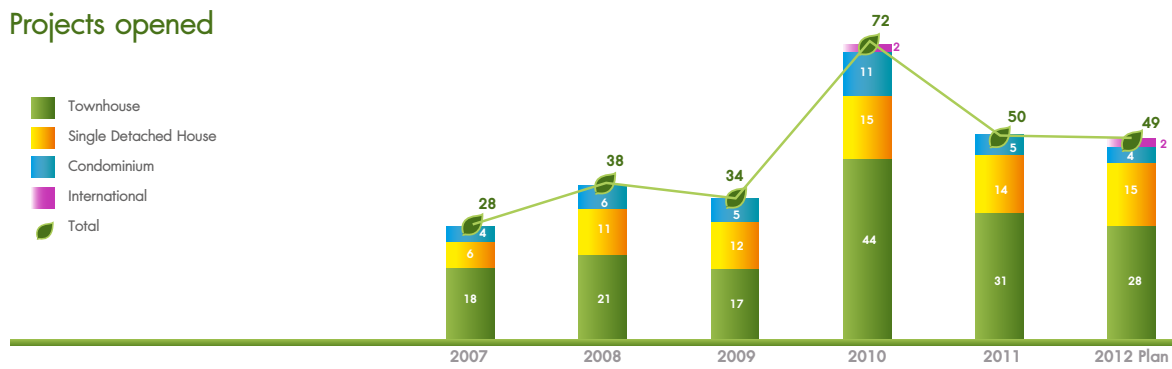
Liabilities and Debt per Equity ratio



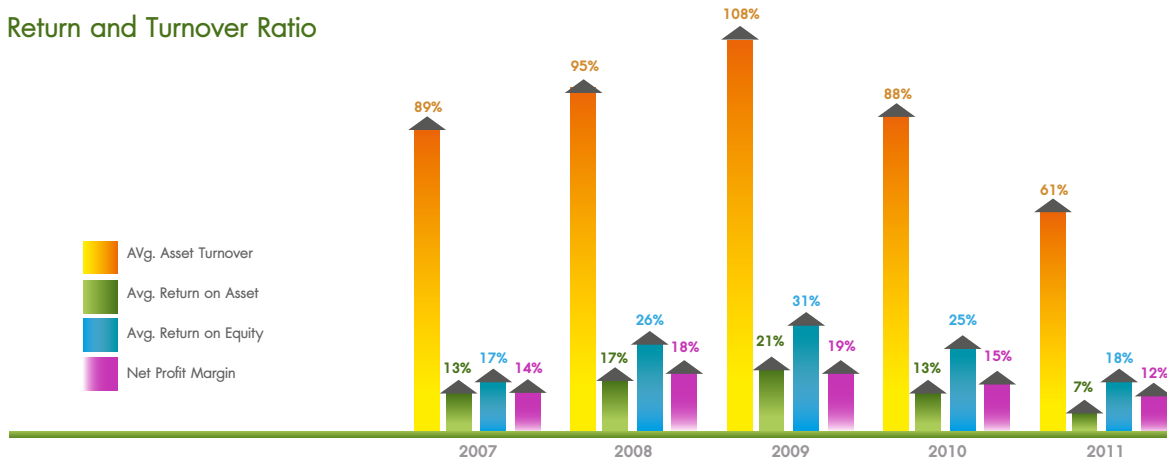
Net Profit
(Million Baht)



Projects opened



Return and Turnover Ratio



Note : Due to reclassification in 2011, the 2010 financial statement changes are

- 1) 2010 Assets restated from 34,211 to 34,091 million Baht
- 2) 2010 Liabilities restated from 18,948 to 18,828 million Baht

The numbers in charts were audited statement at each year and no retroactive adjustment

Financial Highlight



Year Financial Information	2007	2008	2009	2010	2011
Booking (million Baht)	13,646	16,187	22,775	38,752	25,554
Booking (units)	9,060	9,399	12,100	20,865	12,185
Unit transferred	7,074	8,913	11,249	12,849	12,194
No. of share (million share)	2,180	2,191	2,207	2,207	2,209
Financial Highlight (million Baht)					
Assets	11,095	16,292	18,871	34,211	41,982
Liabilities	2,889	6,182	5,848	18,948	24,986
Equities	8,206	10,110	13,023	15,263	16,996
House Sale Revenue	9,055	12,969	18,943	23,280	23,231
Total Revenue	9,093	13,034	19,033	23,407	23,422
Gross Profit (from total Revenue)	3,174	4,948	7,284	8,846	8,698
SG & A	1,530	1,887	2,438	4,243	4,654
Net Profit	1,302	2,373	3,622	3,488	2,835
Per Share basis (Baht per share)					
Book Value per share	3.8	4.6	5.9	6.9	7.7
Earning per share	0.60	1.08	1.65	1.58	1.28
Dividend per share (performance year)	0.22	0.33	0.55	0.50	0.40
Dividend yield	2.6%	7.5%	3.1%	2.7%	3.4%
Dividend Payout ratio	37%	30%	33%	32%	31%
Market Price at Year-end	8.4	4.4	17.8	18.5	11.6
Dividend as in cashflow statement (million Baht)	434.8	480.9	724.9	1,213.7	1,104
P/E (times)	14.1	4.1	10.8	11.7	9.0
Market Cap. (million Baht)	18,313.5	9,598.3	39,281.3	40,826.0	25,629.0
Financial Ratio :					
Average Asset Turnover (%)	89%	95%	108%	88%	61%
Average ROA (%)	13%	17%	21%	13%	7%
Average ROE (%)	17%	26%	31%	25%	18%
Gross Profit Margin (%) (from total Revenue)	34.91%	37.96%	38.27%	37.79%	37.13%
Net Profit Margin (%) (from total Revenue)	14.32%	18.21%	19.03%	14.90%	12.1%
Liquidity					
Cash & S-T investment (million Baht)	1,081.7	1,529.6	3,150.8	1,630.0	2,030.5
Liabilities : E ratio	0.35	0.61	0.45	1.24	1.47
Liabilities- Cash : E ratio	0.22	0.46	0.21	1.13	1.35
Interest Bearing Debt (million Baht)	1,219	3,600	2,100	13,111	20,307
Interest Bearing Debt : E	0.15	0.36	0.16	0.86	1.19
Interest Bearing Debt - Cash : E	0.02	0.20	-0.08	0.75	1.08

Note : Due to reclassification in 2011, the 2010 financial statement was restated that

1) 2010 Assets restated from 34,211 to 34,091 million Baht

2) 2010 Liabilities restated from 18,948 to 18,828 million Baht

The numbers in charts were audited statement at each year and no retroactive adjustment



3. Message from the Chairman



Dr. Pisit Leeahtam
Chairman of the Board of Directors

Mr. Thongma Vijitpongpun
Chief Executive Officer

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 coporate responsibility that will provide the highest benefits for all our stakeholders.



In 2011, the Thai economy was affected by not only external factors, an unimproved European debt crisis and gloomy economic recovery in the United State of America, but also an internal factor, the national flood disaster. Although the real estate sales are usually high in the fourth quarter, the latter caused a halt in property demand last quarter of 2011. As a result, the amount of registered housing decreased from 107,000 units in 2010 to approximately 80,000 units in 2011. The property market is projected to return to normalcy in the second quarter of 2012. However, housing prices will not be reduced as the floods have impacted on housing demand only in the short period of time. Besides, the real demand by potential homebuyers who are Pruksa's target group remains intact.

The severe floods in last quarter of 2011 has caused the Company's revenue growth not to meet the projection. However, the total revenue of 23,422 million Baht in 2011 slightly increased from that of 23,407 million baht in 2010. Competitive advantages, management of advanced technologies and systems as well as a variety of products modified to accommodate market demand and customer demand, which are Pruksa's strength, enable the Company's target and business strategy for 2012 to continue expanding. In addition, Pruksa remains focusing on the real demand by potential homebuyers of each market segment. Brand varieties of townhouses, single detached houses, and condominiums in all market segments are offered. Besides, the development of low rise projects in inner areas of Bangkok will be more focused. To create consumer confidence in new development, new housing designs and additional flood prevention system in project areas are developed. Pruksa set 29,000 million baht in presale target and 26,000 million baht in revenue target.


In 2012, each business procedure and customer service starting from acquisition of land for development, construction, ownership transfer to registration of juristic person to manage projects are going to be enhanced in order to maintain steady improvements, efficient management, and sustainable growth. As a leader of construction technologies, Pruksa has not only its own Precast Concrete factory but an advanced construction form named 'Real Estate Manufacturing (REM)' which will be introduced in 2012. When compared with previous construction method, REM, being similar to manufacturing industry of large factories, results in more efficient construction method as well as better house quality.

Given the ongoing support and coordination by our shareholders, customers, partners, business alliances, public agencies, including all concerned, Pruksa has been successful so far. On behalf of the Board of Directors, the Management, and employees, we would like to express our gratitude for all your help and look forward to your support. We will run the business in a prudent manner, pay close attention to the risk management, create the Company's business strategy for sustainable growth along with social corporate responsibility, and last but not least, maximize profits for shareholders in conjunction with corporate governance.



Dr. Pisit Leeahtam

Chairman of the Board of Directors



Mr. Thongma Vijitpongpun

Chief Executive Officer

Rewards

Pruksa won ‘Asia Responsible Entrepreneurship Awards 2011 – South East Asia’



Mr. Thongma Vijiitpongpun, Pruksa Real Estate Pcl’s Chairman of Executive Committee and Chief Executive Officer received such award. The award presentation is held consecutively every year. Companies with an outstanding CSR performance from 11 countries across the Southeast Asia were selected in 2011. Only 25 Thai companies could pass to the final round and Pruksa, the first Thai company, was selected to receive such award in the category of “Investment in People Award”. Pruksa’s selected project named “Yes, We Care”, aiming to achieving sustainable growth, focuses on providing more attention to every group of stakeholders namely customers, employees, partners, communities and shareholders.

Pruksa won ‘BCI Asia Top 10 Developers Awards 2011’



Mr. Mayta Chanchamcharat, Pruksa Real Estate Pcl’s Director and Senior Executive President, (left) received such award from Mr. Michael Wallin, General Manager of BCI Asia, at BCI Asia Awards 2011, jointly organized by BCI Asia Construction Information Co., Ltd. and FutureArc Journal.

Since 2005, the BCI Awards presentation has been held yearly in many Asia countries such as Indonesia, Singapore, the Philippines, Hong Kong, Malaysia, Vietnam, and Thailand. First held in 2011, BCI Asia Top 10 Developers Awards 2011 was received by Pruksa.

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 outcome (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.Vijitpingpun, 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 every year in a row of operation even during flooding and 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.

Townhouse / Duplex	Single Detached House	Condominium
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 (Duplex)	Silvana (India)	Chapter One
Silvana (India)	Natura (launch 2011)	Condolette
Villette (launch 2011)		Fuse
The Reno (launch 2011)		Coral Ville (Maldives)
Patio (launch 2011)		Plum Condo (launch 2011)

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

- On 7 March 2011, the Company has registered its paid-up capital resulting from 667,700 Baht and shares resulting from warrant exercised. As such, the Company's paid-up capital reached 2,207,479,700 Baht and shares.

- On 27 April 2011, , the Company's annual shareholders' meeting approve the increase in Company's registered capital from 2,228,812,000 Baht to 2,250,812,000 Baht by issuing the common stock to prepare for 22,000,000 ESOP warrants exercised from the directors and company's management (@ 1 Baht par).

- On 9 June 2011, the Company has registered its paid-up capital resulting from 947,900 Baht and shares resulting from warrant exercised. As such, the Company's paid-up capital reached 2,208,427,600 Baht and shares.

- On 8 September 2011, the Company has registered its paid-up capital resulting from 947,600 Baht and shares resulting from warrant exercised. As such, the Company's paid-up capital reached 2,209,407,200 Baht and shares.

- As at 30 December 2011, Company's registered capital totaled 2,250,812,000 Baht (2,250,812,000 Baht common stocks at 1 Baht par) with the paid up capital of 2,209,407,200 million Baht.



The Company's affiliates both domestic and overseas which is already incorporated as of 31 December 2011.

No.	Founded	Name of affiliates	Location	Registered Capital	Paid-up Capital	% share holding
1	2005	Kaysorn Construction Co., Ltd.	Bangkok	100 million Baht	100 million Baht	100%
2	2006	Putthachart Estate Co., Ltd.	Bangkok	300 million Baht	300 million Baht	100%
3	2006	Phanalee Estate Co., Ltd.	Bangkok	300 million Baht	300 million Baht	100%
4	2008	Pruksa Overseas Co., Ltd.	Bangkok	600 million Baht	450 million Baht	100%
5	2009	Pruksa International Co., Ltd.	Bangkok	1,000 million Baht	625 million Baht	100%
6	2009	Pruksa India Housing Ltd.	Bangalore, India	Equivalent to USD 10 million	Equivalent to USD 10 million	100%
7	2010	Pruksa Overseas Services Co., Ltd.	Bangkok	10 million Baht	2.5 million Baht	100%
8	2010	Pruksa India Construction Private Ltd.,	Bangalore, India	Equivalent to USD 2 million	Equivalent to USD 2,500	100%
9	2010	Pruksa Vietnam Construction Company Limited	Haiphong, Vietnam	Equivalent to USD 1.5 million	Equivalent to USD 1.5 million	100%
10	2010	Pruksa-Luxora Housing Pvt.	Mumbai, India	Equivalent to USD 10 million	Equivalent to USD 10,000	50%
11	2010	Pruksa-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 1.5 million	Equivalent to USD 1 million	100%
13	2011	Pruksa - Mohan Mutha Real Estate Pvt.	Chennai, India	Equivalent to USD 0.324 million	Equivalent to USD 0.324 million	95%

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

- 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 authorized 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 brands 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.
- The Company started developing in up-country. In June 2010, it launched the first project in Ayudhaya.
- The Company finished construction of (Precast Concrete Factory-PCF) PCF #4 and PCF #5 with the construction cost of 1,050 million Baht. The test run began in the middle of December 2010. The possible name plate capacity of PCF # 5 is 430 houses per month. When combining with PCF # 1, both of PCF # 1 and PCF # 5 can produce 690 houses per month together. The PCF # 5 is the maximum capacity precast factory in the world. It has production area of 14,200 square metre and stock area of 9,800 square metre.

Year 2011

- Precast Concrete Factory (PCF) #4 and #5 which were on test run since 2010 were developed to be ready for 100% possible nameplate capacity in the middle of 2011.
- The Company newly launched the following brands :
 - o Townhouse : Villette, The Reno and Patio to serve middle-to-high home buyers.
 - o Single Detached House : Natura, Prukta Puri to serve middle-to-high home buyers.
 - o Condominium : Plum condo to serve middle-to-low income.
- Newly projects are expanded to other provinces such as Phuket (Prukta Ville) and Khon Kaen (Single Detached House/ Duplex houses) brand "Pukta Nara"
- In Bangalore, the Company transferred its very first low-rise unit from project " Prukta Silvana" in December 2011. The total accumulated booking since 2010 hit 469 million Baht
- At Maldives, the Company started to transfer condominium units in its first 2 building from 9 buildings from "Coral Ville" project on Hulumale , Maldives.

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. Starting in year 2010, the Company launched its first upcountry projects in Ayudhaya, Nakhonpatom, Chonburi, and Phuket. In 2011, the Company launched its first North-Eastern project in Khon Khan and more projects in Phuket.

2. Overseas real estate business

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

Condominium – Coral Ville at Maldives
Coral Ville at Maldives
- 80% Joint Venture with Housing Development Corporation (HDC)
- Launched 9 condominium building@5-storey in Hulumale since July 2010.
- Total booking achieved 180 units (100%) or 489 million Baht in equivalent value.
- 38 Units (96 million Baht) in the first 2 buildings were transferred in 2011.

Condominium – Vietnam
Haiphong, Vietnam
- 85% Joint Venture with Hoang Huy Service Investment Company
- The Company is in the process of land purchasing.

Townhouse / Single Detached House / Duplex in India

Brand “Silvana” (100 % own by PS subsidiary) in Bangalore

- Total low rise 401 units in 4 phases. 192 Units (first 2 phases) are now allowed for booking.
- 2011 Booking is 469 million Baht. The accumulated booking since previous years are 597 million Baht or 151 units.
- Plan to open phase 3 and 4 after the government approval when all facilities in places.
- Revenue plan for 2012 is 600 million Baht.
- Plan to buy another piece of land focusing on single detached house to serve upper-middle income group with the brand “Silvana” to impress them.

Mumbai (50 % joint venture with Soham World Group)

- The Company is in the process of accumulating land for at least 25 acres according to the Foreign Direct Investment 's regulations. The licenses and permissions are also in the process to be ready for booking in 2012.

Chennai

- The Company is in the process of accumulating land and conducting feasibility study to suit the company strategy.

5.3 Revenue Structure

From the 1993 to 2011, the Company has launched 299 residential housing projects.

The revenue of the Company in are divided as follows:

Categories of Products by Project name	For the year ended 31 December							
	2008		2009		2010		2011	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Townhouses (Thailand)	7,636	58%	9,729	51%	11,948	51%	11,504	50%
Single-detached houses (Thailand)	4,869	34%	5,619	30%	7,723	33%	7,140	31%
Condominiums (Thailand)	564	4%	3,595	19%	3,608	16%	4,487	19%
Maldives (Condo)							96	0.4%
India (low rise project)							4	0.02%
Total revenues from Sales	12,963	100%	18,943	100%	23,280	100%	23,231	100%

Existing residential housing projects as of 31 December 2011

Active Project	Total Project Value	Total Project Value		Sold		Unsold	
		Units	MBt	Units	MBt	Units	MBt
31 December 2011	141	56,624	128,473	31,714	66,551	24,910	61,922
Bann Pruksa	27	14,142	16,129	9,417	9,752	4,725	6,378
Pruksa Ville	26	9,296	15,688	5,604	9,343	3,692	6,346
Pruksa Town	13	4,263	9,054	1,875	4,007	2,388	5,047
The Connect	8	3,482	8,311	1,365	3,116	2,117	5,195
The Reno	1	128	262	90	177	38	85
Patio	2	471	1,990	91	401	380	1,590
Villette	5	1,598	4,495	1,066	2,495	532	2,000
Passorn	8	2,737	10,561	1,481	5,762	1,256	4,799
Pruksa Nara	2	689	1,828	226	684	463	1,144
Pruksa Puri	3	616	2,486	140	528	476	1,958
Pruksa Village	16	4,497	12,874	2,256	6,154	2,241	6,720
The Plant	8	1,991	9,027	671	3,174	1,320	5,853
Natura	2	351	1,113	98	319	253	795
Urbano	2	804	3,275	660	2,504	144	771
IVY	4	942	5,587	749	4,315	193	1,272
The Tree	2	2,598	5,241	1,029	2,282	1,506	2,959
Plum Condo	1	728	627	630	541	98	87
Chapter One	1	1,875	3,863	1,057	2,226	818	1,637
The Seed	4	1,527	6,110	1,046	4,123	481	1,987
Condolette	5	1,598	4,495	1,066	2,495	532	2,000
BE YOU	1	374	375	344	344	30	31
FUSE	2	1,776	3,875	1,222	2,744	554	1,131
CORAL VILLE (Maldives)	1	1,080	3,295	178	479	902	2,815
SILVANA BANGALORE (India)	1	401	1,686	151	597	250	1,089

1. Townhouses

Townhouse market has market shares at 20% of total housing market from units registered houses in Bangkok and vicinities and ~ 50% of the company's revenue in 2011. The Company opened totally 31 new townhouse projects. For the first 11 months, the Company's townhouse market share is 62%. For 2011, new brands of "VILLETTE", "The Reno" and "Patio" were introduced.

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

The Company focus on low to upper-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.

The Company endeavors grow its share in townhouses as planned. It also conduct researches to find customers' needs and adopt such need into its design and feature. Thus, the market share of the company is successfully as high as 60-65%. As townhouses show short cash business cycle and receive government stimulations (such as transfer fee, special business tax, mortgage fee reduction) which were expired in 2010. The new package in different promotion is on the way. The Company then still focus on its townhouse project with continuous improvement to get such advantages.

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.

In 2011, The Company launched townhome style with larger areas in its 3 – 4 story such as "VILLETTE" brand targeting on middle- to- high income earners. The brands such as "The Reno", "Patio" are located closer to town with higher selling price.

Ownership Transfer	2009	2010	2011
Total Units of Townhouse Projects	7,651	9,150	8,384
Revenues from sales of townhouses (Million Baht)	9,729	11,948	11,504
Total Registered townhouses, commercial buildings, and duplex houses in Bangkok Metropolis and its suburbs from the Real Estate Information Center (built by developers)	10,771	13,827	13,470
Market share	71 %	66%	62%

Future Plan – Townhouse

The Company plans to launch 28 townhouse projects in 2012 with the booking target at 15,877 million baht.

In 2012, the Company will begin to fully utilize 2 large land plots. There are in Pattakarn Soi 32 zone, 4 kilometers from Thonglor business district. Another one is Chaeng Wattana zone. The Company estimates its new townhouse projects will be in high demand at both places as there are close to prime area, no flooding and sold at attractive price. Moreover, there are few developers selling low rise houses in the neighborhood at present as most of them rather offer condominium. The Company has competitive land cost from the auction sale by Thai Asset Management Corporation (TAMC). Therefore, the Company can sell low rise houses with attractive price starting from 2.5 million Baht.

As a result of flood, the Company may need to delay opening low rise project in flooded areas. In early 2012, the Company will focus on dry areas and plan to open more in town or prime upcountry such as Chonburi, Khon Khaen, Phuket, Chiang Mai, Samutsakorn, Ayutthaya, Nakhon Pathom. However, the revenue and booking generating from upcountry in 2012 will be approximately 4 - 5% in total. In the long run, most home buyers will continue to live in their houses which were flooded as they are close to work places and industrial estates.

After 2011 inundation, the Company has developed its townhouse design for 2012 both in overall project and house re-design to be more capable during flooding. For example, the landfill level and first floor are lifted up to avoid flooding level in the past. In addition, housing fence will be made of water proof material sanitation and the electric systems such as air compressor, electric plug will be re-arrange to avoid flood. People can live in the second floor during flood with water and electricity supplied in places.

2. Single-Detached Houses

Single detached house has market shares about 23% of units registered houses in Bangkok and vicinities and ~ 31% in income portion of the Company. In 2011, the Company launched 14 Single detached house projects. 1 new brand of “Natura” was introduced.

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 15% in 2011

Ownership Transfer	2009	2010	2011
Total Units in single-detached house Projects	1,870	2,416	2,085
Revenues from sales of single-detached house Projects (Million Baht)	5,619	7,723	7,140
Total Registered single-detached houses in Bangkok Metropolis and its suburbs from the Real Estate Information Center (built by developers)	10,863	11,461	13,687
Market share	17%	21%	15%

Future Plan - Single-Detached Houses

The Company’s business plan in 2012 targets to launch 15 projects with the booking target at 8,883 million Baht.

In 2012, the Company will begin to fully utilize 2 large land plots. There are in Pattakarn Soi 32 zone, 4 kilometers from Thonglor business district. Another one is Chaeng Wattana zone. The Company estimates its new single detached house projects will be in high demand at both places as there are close to prime area, no flooding and sold at attractive price. Moreover, there are few developers selling low rise houses in the neighborhood at present as most of them rather offer condominium. The Company has competitive land cost from the auction sale by Thai Asset Management Corporation (TAMC). Therefore, the Company can sell low rise houses with attractive price starting from 2.5 million Baht.

As a result of flood, the Company may need to delay opening low rise project in flooded areas. In early 2012, the Company will focus on dry areas and plan to open more in town or prime upcountry such as Chonburi, Khon Khaen, Phuket, Chiang Mai, Samutsakorn, Ayutthaya, Nakhon Pathom. However, the revenue and booking generating from upcountry in 2012 will be approximately 4 - 5% in total. In the long run, most home buyers will continue to live in their houses which were flooded as they are close to work places and industrial estates.

After 2011 flood, the Company begins to develop its low rise design for 2012 both in overall project and house re-design to be more capable during flooding. For example, the landfill level and first floor are lifted up to avoid flooding level in the past. In addition, housing fence will be made of water proof material sanitation and the electric systems such as air compressor, electric plug will be re-arranged to avoid flood. People can live in the second floor during flood with water and electricity supplied in places.

3. Condominium

Condominium market accounts ~56% of units house registered and 19% of the company's revenue in 2011. The Company can achieve its highest transfer ever of 4,487 million Baht in 2011. Its market share climbed up to 5%. The Company opened 5 Condominium projects in 2011. 1 new brand of "plum Condo" was introduced.

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 demand in condominiums since 2007.

In 2009 the Company developed 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.

Ownership Transfer	2009	2010	2011
Total Units in Condominium Projects	1,728	1,283	1,686
Revenues from sales in Condominium Projects (Million Baht)	3,595	3,608	4,487
Total Registered condominiums in Bangkok Metropolis and its suburbs from the Real Estate Information Center (built by developers)	46,452	57,167	34,051
Market share	3.7%	2.2%	5%

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

In late 2010, condominium market showed sign of slow down from oversupply and strengthen loan to value (LTV) criteria. This, the Company did not focus on condominium much in 2011. Only 1 new brand "PLUM" was introduced in the market serving mid-to-low income earners at selling price around 1 – 2 million Baht.

All along 2011, there were many factors discouraging condominium sellers such as oversupply and delay with rather ambiguous government incentive for home buyers. Such hesitation diminished condominium booking as foreseen by the Company. Therefore, the Company kept focusing on construction and successful for reaching new high record of condominium transfer as mentioned.

Future Project of Condominiums

In 2012 the Company plans to open its first project in Hai Phong, Vietnam. It also plans to complete construction of the rest 7 buildings in Maldives. For Thailand, it will launch 4 new projects with 3,565 million Baht booking and 4,487 million Baht revenue in 2012 plan.

After 2011 flooding, the Company begins to re-design its condominiums to be more capable during flood. For instance, it has large valves to prevent outside water coming in the building via drainage pipes. The parking space is kept away from water. Land filling is high enough to prevent flood. Water-proof materials, cement walls, sanitary & electric – water systems are utilized and re-designed to ensure that home buyers can live during flood.

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)
Projects must comprise a minimum of 150 residential units in Zone 1 and 75 residential units in Zone 2 and Zone 3	Projects must comprise a minimum of 50 residential units in every location	Projects must comprise a minimum of 50 residential units in every location
For any residential project, area per unit must not be less than 31 square meters	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	For Zone 1, a minimum area per unit must not be less than 70 square meters
Its sale price per unit must not exceed 600,000 Baht (including land cost)	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	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
Projects must obtain building permits under the Building Control Act or other related laws	Projects must obtain building permits under the Building Control Act or other related laws	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 Nakhonpathom

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 “Prukse 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 Prukse 1 and Baan Prukse 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 Prukse 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 pre cast 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 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.

In 2010 the company finished new PCF # 4 and # 5 construction. The test-run began in middle of December. The PCF # 5 possible name plate capacity of 430 houses per month enable the total capacity of the company to be 690 houses per month as the company existing PCF # 1 's is 260 houses per month. The new PCF # 2 has the maximum world scale capacity with 14,200 square metre production area and 9,800 square metre stock area.

In 2011 the PCF # 4 and PCF# 5 were made ready for its possible full capacity. However, there was a severe inundation in October attacking Bangkok and 6 vicinities. Water broke in plants although many sandbags, water pumping machines and wall has been pre-arranged at places prior to the flood. In addition, the company has prepared in advance to lift all important machines and equipment up successfully away from water level. The highest water hitting PCF # 1 and # 5 was not more than 10 cm on ground. All plant needed to shut down for 40 days. The damage was ~ 28 million Baht in which the company can claim ~ 21 million Baht from insurance. In the middle of January, all PCF can be able to resume at its possible nameplate capacities after December re-start.

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 m ³ (gross area) or 300 houses	76,000 m ³ (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 & Façade Factory)	Fixed Mould System	- Wall Condo - Townhouse Façade	20,000 sqm. or 400 unit/month 2,400 m ³ or 1,100 houses	16,000 sqm. 320 unit/month 2,000 m ³ or 900 houses

Factory	Production System	Product	Name Plate Capacity/ month	Expected Capacity/ month
PCF5 (Carrousel II)	Fully Automated Carrousel System	Wall House	146,000 sqm. (gross area)	126,000 sqm. (gross area) or 430 s 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 10-15% 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 programs, 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 is 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 2011, Pruksa Real Estate Public Company Limited had registered capital of Baht 2,250,812,000 (2,250,812,000 ordinary shares with Baht 1 par value) with issued and paid-up share capital of Baht 2,209,407,200 (2,209,407,200 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 Jun '06	2,232,500,000	6,992,400	6,992,400	5 Jun '06	2,166,745,800
31 Jan '07	2,232,500,000	7,104,600	7,104,600	Feb '07	2,173,850,400
20 Apr '07	2,224,753,400	Decrease Registered Capital		20 Apr '07	2,173,850,400
23 Jun '07	2,255,753,400	Inc. Registered Capital to serve ESOP		23 Jun '07	2,173,850,400
31 Jul '07	2,255,753,400	6,327,800	6,327,800	9 Aug '07	2,180,178,200
31 Jan '08	2,255,753,400	5,774,500	5,774,500	6 Feb '08	2,185,952,700
31 Jul '08	2,255,753,400	5,441,500	5,441,500	8 Aug '08	2,191,394,200
30 Jan '09	2,255,753,400	5,169,900	5,169,900	5 Feb '09	2,196,564,100
23 Apr '09	2,224,753,400	Dec. Registered Capital by cutting unused ESOP		23 Apr '09	2,196,564,100
31 Jul '09	2,224,753,400	5,086,500	5,086,500	7 Aug '09	2,201,650,600
30 Nov '09	2,224,753,400	5,161,400	5,161,400	4 Dec '09	2,206,812,000

Date	Capital Registered (Baht)	Warrants exercised (unit)	Shares Purchased from warrants exercised (Share, Baht)	Registration at Ministry of Commerce	Paid-Up Capital (Baht)
3 May '10	2,206,812,000	Dec Registered Capital by cutting unused ESOP		3 May '10	2,206,812,000
6 May '10	2,228,812,000	Inc. Registered Capital to serve ESOP		6 May '10	2,206,812,000
28 Feb '11	2,228,812,000	667,700	667,700	7 Mar '11	2,207,479,700
3 May '11	2,250,812,000	Inc. Registered Capital to serve ESOP		3 May '11	2,207,479,700
31 May '11	2,250,812,000	947,900	947,900	6 Jun '11	2,208,427,600
31 Aug '11	2,250,812,000	979,600	979,600	8 Sep '11	2,209,407,200

2. Warrants (PS-WC)

The Company has issued a number of warrants to the Directors, and Management 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)

Name	Warrants to purchase the ordinary shares of Pruksa Real Estate Public Company Limited (PS-WD)
Number of Warrants Issued	22,000,000 Units
Offering price per unit	-
Exercise price per unit	15.30 Baht
Term of warrants	Four 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 0.99 % (22,000,000 / 2,228,812,000)

3. Debenture

As of December 31, 2011, 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 :	No. 1 /2009	No. 1/2010	No. 2/2010
Debentures of Pruksa Real Estate Public Company Limited	Due 2012	Due 2013 and 2015	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

Name of Debentures : Debentures of Prukسا Real Estate Public Company Limited	No. 1 /2009 Due 2012	No. 1/2010 Due 2013 and 2015	No. 2/2010 Due 2013 and 2015
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 of 1,500,000,000 Bt. Series 2 : 3.75 % per annum of 1,000,000,000 Bt.	Series 1 : 3.10 % per annum 3,000,000,000 Bt. Series 2 : 3.75 % per annum 2,000,000,000 Bt.
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

5.5.1 The Overview of Thai Economy in 2011 and the Outlook for 2012

The overview of Thai economy in 2011

Thai economic growth in 2011 was lower than expected due to an economic slowdown of the euro zone and the U.S., including Thailand's most severe floods in decades which have ruined the economy of many provinces as well as Bangkok, amounting to 59 provinces or 70% of total provinces. This has led to the sharp decrease in production capacity of agriculture, construction and industry, especially 15 industrial estates affected by the recent floods. Hence, export, employment and supply chain have been affected continually. Moreover, the number of tourist arrivals in Thailand has greatly reduced perpetually because of decline in confidence.

Real estate sector has also got the impact of the historical inundation. More than 90% of real estate projects, especially horizontal projects affected by the deluge, of listed developers located in Bangkok and its vicinity substantially affected the supply and demand of real property in the fourth quarter of 2011. Since customers were affected by the floods and banks, developers' offices and the land department were located in flooding areas, ownership transfers could not be done as planned. In addition, some projects damaged in the floods caused the delay of property delivery, ownership transfer and construction in the last quarter of 2011. Overall, the supply of property market will result in not only changes in design features, flood prevention measures to protect projects and buildings but also location choices for projects. Due to the fact that special flood prevention measures are applied to the central business districts (CBD), Bangkok such as Lumpini, Ploenchit, Silom, Sathorn and Sukhumvit, land in these areas has become increasingly popular, hence land prices are rising. Besides, there is likely to be an increase in vertical low-rise and high-rise projects or condominiums in accordance with consumers' demand in buying condominiums located in downtown areas as the second home. Also, home-buyers considering buying residential property will pay more attention to design features of which flood prevention is taken into account as well as flood prevention measures of individual developments. Meanwhile, developers also need to ensure flood prevention measures and features are incorporated when launching new developments.

All of the above factors have impacted on Thailand's economic growth. Thailand's GDP (Gross Domestic Product) reduced from the early 2011 forecast of 3.5% to 0.1%, which decreased by 3.4%. The inflation rate was expected to be 3.8% while the policy interest rate, of which previous forecast was likely to be stable or to decrease in the fourth quarter in order to help boost the post-flood economy, was about 3.25%.

The Economic Outlook of 2012

Thai economic outlook of 2012 is expected to expand by 5.5%-6.5% due to the improvement in domestic and foreign demand. With regard to domestic demand, the public spending and investment plays a major role to drive the economy, especially the investment in repair of damaged infrastructure in the late 2011. The government's post-flood rehabilitation measures including credit support of public and private banks and tax reduction have helped restore agricultural, industrial and service sectors which are factors supporting an increase in jobs. In addition, the government policy focusing on increasing in people's income, including the private investment in new machinery and repair of damaged one will cause money to flow more into the economy leading to the continual expansion of domestic demand. Meanwhile, the improvement of foreign demand is mainly owing to the economic growth in Asia

because the US economic slowdown and concerns over debt crisis in Europe may take time to recover through both monetary policy and fiscal policy. The inflation in 2012 is forecasted to be 3.5%-4.0%.

The direction of domestic interest rate is in line with the overall economy during this time. In the wake of the national flood disaster, the Bank of Thailand's Monetary Policy Committee (MPC) has to cut the policy interest rate to help boost a domestic economy in the short term. Regarding the inflation, the sign of stability is shown in business sector. If the business' post-flood repair and investment increase, not only will the Thai economy be likely to grow but the interest rate will also rise. However, economic situation in both Europe and the U.S. must be remained vigilant in monitoring how economic volatility and risks will impact on the trend towards interest rates, currency rates as well as foreign direct investment (FDI). The Bank of Thailand has to strike a balance between the balance of trade and the domestic and foreign investment so that the direction of the policy interest, the inflation target and the baht movement can be set in accordance with the economic growth.

Factors supporting Thai economic growth in 2012

1. A growing trend towards household income - this is particularly due to the government's policies of raising the daily minimum wage to 300 Baht, the starting monthly salary of 15,000 Baht for new graduates holding bachelor's degrees, the agricultural produce mortgage schemes and the rise in consumer confidence. Therefore, it is expected that an increase in private operators' employment and production will result in the rapid recovery in consumer and operator confidence when the production situation returns to normal in 2012. Regarding the real estate sector, a strong demand for buying residential property, especially condominium, has continued since last year.

2. Economic rehabilitation measures by the government and the private sector – the restoration measures, which include credit support schemes, reduction in corporate income tax rates from 30% to 23 % within 2012 and 20% by 2013, have help accelerate the confidence and reduce operators' cost. In addition, the government's various remedy measures such as infrastructure development have resulted in a great expansion of domestic demand, especially consumption and investment in new construction, post-flood repair as well as new machinery to replace damaged ones caused by the floods.

3. Competition for lending among commercial banks - the announcement of commercial banks' loan growth rate at the average growth rate of 10% in 2012 together with mergers to strengthen the competitiveness is likely to help many business sectors to grow and impact on consumers positively.

4. Economic expansion in Asia – IMF expects the economy of Asia in 2012 to expand by 6.6%, improved from 6.2% in 2011, because the economy of Japan, South Korea, Indonesia, Vietnam, Taiwan, the Philippines and Thailand is likely to grow over the year 2011, including domestic demands and a high economic growth of the BRICs which comprise of Brazil, Russia, India and China. As such, Thai exports are likely to grow continually in spite of low economic growth in Europe and the U.S.

Risk factors and restrictions of Thai economic growth in 2012

1. Fragile global economic recovery – both the U.S. and Europe are experiencing a weak economy, low economic growth and high public debt levels which lead to concern over a continual increase in the public debt crisis. Such a crisis may spread to other larger economic countries, namely Portugal, Italy, Spain and Greece (PIGs).

In case of defaults, the recapitalization of banks and the lower credit ratings, the global economy can be inevitably affected: the global money and capital markets, including Thailand can experience volatility.

2. The volatility of money and capital markets and exchange rate – the global economic uncertainty being in the long-range remedy by means of monetary policy and fiscal policy results in the economic volatility. For Thailand, the interest rate volatility is expected to be in the range of 0.5%-1.0% (2011 year-end of policy interest rate at 3.25%) with a result that the commercial banks' loan growth rate in 2012 is forecast at the average growth rate of 10%, which is not as high as last-year rate at 17%-18%. After the flood damage, a rising loan is due to a demand for capital, restoration of affected businesses and repair of affected households. Therefore, the lending by state-owned and commercial banks is a major factor that fuels the economy. Regarding currency market in 2012, exchange rate volatility depends on the global market mechanism, including capital flows into Europe, the U.S. and Asia.

3. Extremely high levels of oil prices – an oil supply and a price speculation are risk factors of not only an upward trend in oil prices but also price volatility. If Asian countries and emerging markets increase the demand for energy while OPEC reduces oil production, there is a rise in production cost.

4. A rise in construction materials prices – the construction materials prices are likely to increase at the average growth rate of 6.5% in 2012 because of the rise in prices of steel, wood and cement, which will cause a rising trend in operating cost later. Hence, the operating cost needs to be managed efficiently in order to avoid a burden to consumers.

Seen in the fourth quarter of 2011, Thai economy in 2012 is likely to expand by 5.5%-6.5%, improved from last year, as result of rehabilitation of business and production sectors. Meanwhile, the growth of real estate sector in 2012 is likely higher from previous year due to adjustments to investment portfolios, purchases of property and the government's clear stimulus measures for the real estate sectors in the current year. However, prices of single detached houses, townhouses, condominiums and land, especially in the central business districts (CBD), are on an upward trend based on the forecast inflation rate of 3.5%-4.0%. As for loan interest rates, the average minimum loan rate (MLR) quoted by 4 domestic commercial banks (namely, the Bangkok Bank Pcl., the Krung Thai Bank Pcl., the KasikornBank Pcl. and the Siam Commercial Bank Pcl.) is expected to be at 6.75%-7.0%.

Summary of economic data

Key information of Thai economy	2006	2007	2008	2009	2010	2011	2012F
Nominal GDP at current prices ('000 MB)	7,844.9	8,525.1	9,080.4	9,041.5	10,104.8	10,539.4	11,572.3
Real GDP at 1998 prices ('000 MB)	4,054.5	4,259.0	4,364.8	4,263.1	4,596.1	4,598.4	N/A
% Growth of GDP	5.1	5.0	2.5	-2.3	7.8	0.1	5.5 – 6.5
1-year bank deposit interest rate (%)	4.0	2.3	1.7	0.7	1.4	2.7	2.0 – 2.5
Minimum Loan Rate, MLR (%)	7.68	6.86	6.75	5.85	6.12	7.25	6.75 -7.0
Inflation rate (Change in CPI, %)	4.6	2.2	5.4	-0.9	3.3	3.8	3.5 – 4.0

Source: Bank of Thailand, Special Development Planning and Strategy Office; Office of the National Economic and Social Development Board, Bloomberg Forecast: Consensus Estimate

The 2012 economic outlook of the world's leading economic countries and countries for the Company's investment

The U.S. economic outlook is expected to grow at 1.8% in 2012, improved from 2011 forecast of 1.7%. Domestic demands are likely to slowdown due to the continual contraction of the government's spending. In addition, the private consumption remains weak under pressure from high unemployment rate, which is expected to be in the range of 8.5%-9.0% in 2012. No sign of recovery has been shown in the fragile real estate sector while the inflationary pressure is forecast to decline from 3% in 2011 to 1.35% this year.

The European Union economy in 2012 is expected to expand by 2.07%, accelerated from 0.7% in 2011 and the inflationary pressure is likely to decrease. Monetary policy will be more relaxed and European Central Bank may further cut the policy interest rate. Nevertheless, high unemployment rate has still created pressures on private consumption and the government's expenditures have been reduced as well as slowing down demands from abroad. According to the European summit, three-part measures of solving European sovereign debt crisis were issued: reduction in Greece's debt, raise capital requirements for banks in the European Union and strengthening EU economy via the rescue fund to 1 trillion euros.

India economy in 2012 is forecast to expand by 7.0%, reduced from 7.4% in 2011. The inflation rate is on a downward trend from 6.4% to 5.88%. The government has announced stringent financial measures to control the inflation rate by increasing the policy rate to 8.5%. The stringent monetary policy has resulted in relatively low rates of investment in the country and a decline in industrial output.

The economic trend of Maldives is expected to grow by 5.5% in 2012, stepped down from 7.5% in 2011. The inflation rate has downward movement from 11.27% to 8.4%. Indicative policy rate of 7.0% has been announced by the government.

The economy of Vietnam is forecast to step up to 6.3% in 2012, improved from 5.9% in 2011. Despite a downward trend in the inflation rate, from 18.13% to 12.1%, the high level of inflation at 19.83% has still remained a major problem of the country. As a result, the interest rate went up to 15.0% in October 2011, the first time in four months.

Information summary

	2010	2011	2012F
The Global economy			
The growth rate of the gross domestic product (%)	3.31%	2.19%	3.69%
Inflation (% change in CPI)	4.10%	4.22%	3.12%
USA			
The growth rate of the gross domestic product (%)	3.00%	1.70%	1.80%
Inflation (% change in CPI)	1.50%	3.00%	1.35%
European Union			
The growth rate of the gross domestic product (%)	2.00%	0.70%	2.07%
Inflation (% change in CPI)	2.20%	2.70%	1.87%
Thailand			
The growth rate of the gross domestic product (%)	7.80%	0.10%	5.50%
Inflation (% change in CPI)	3.30%	3.80%	3.50%
India			
The growth rate of the gross domestic product (%)	8.30%	7.40%	7.00%
Inflation (% change in CPI)	9.47%	6.49%	5.88%
Maldives			
The growth rate of the gross domestic product (%)	5.70%	7.50%	5.50%
Inflation (% change in CPI)	6.15%	11.27%	8.40%
Vietnam			
The growth rate of the gross domestic product (%)	6.80%	5.90%	6.30%
Inflation (% change in CPI)	11.75%	18.13%	12.10%

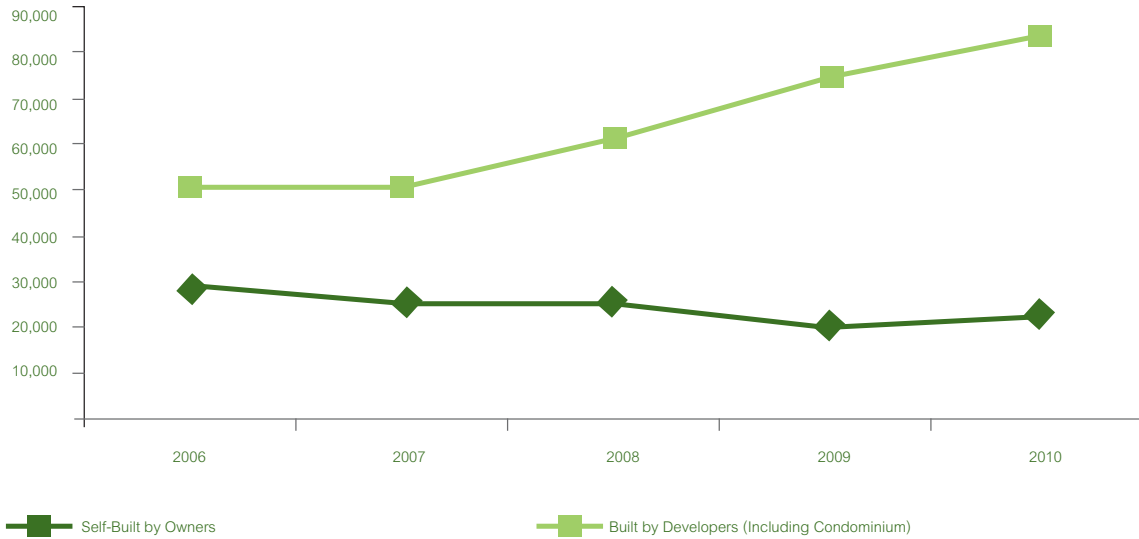
Source: IMF, Bloomberg



5.5.2 Housing Market Overview

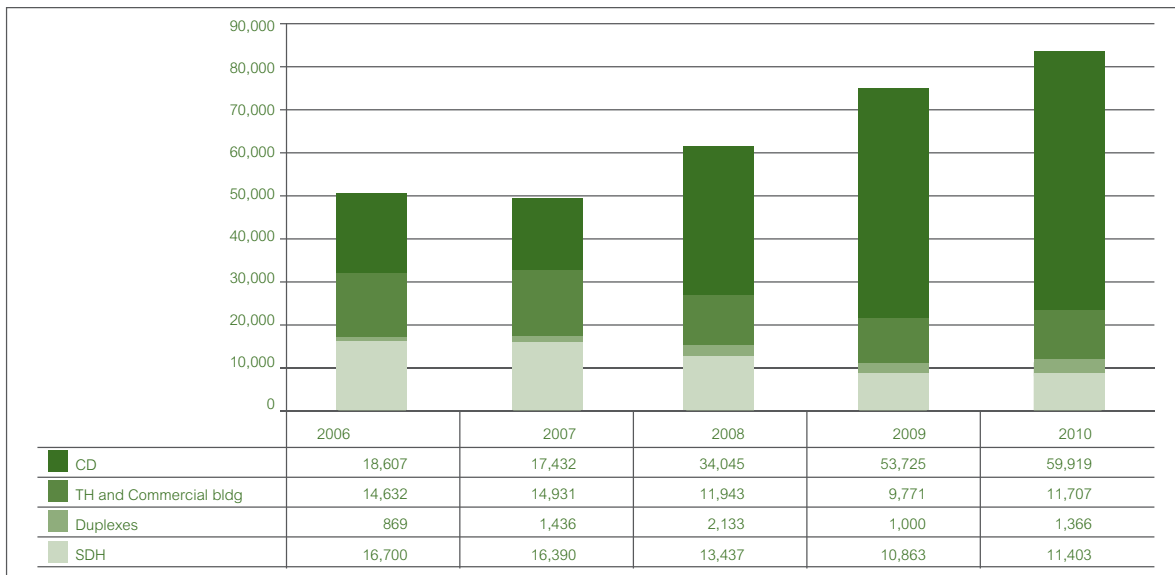
The number of registered housing in Bangkok and its vicinity has shown that such houses built by developers are increasing steadily from 2007 to 2010 as shown in the following chart.

Figure 1: Number of registered housing in Bangkok and its vicinity for 2006 -2010



Source: Agency for Real Estate Affairs

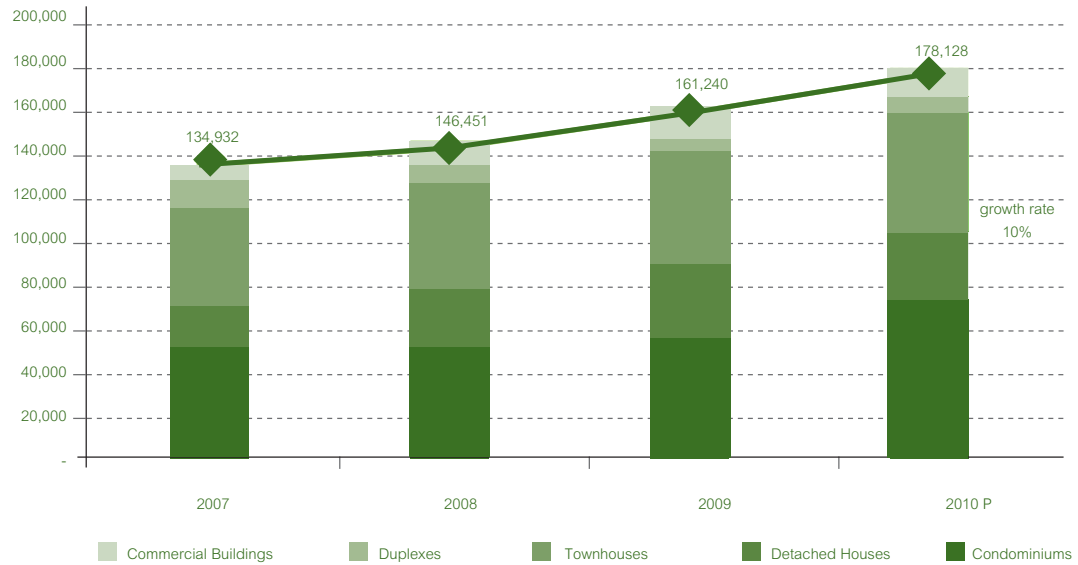
Figures 2: Number of registered housing in Bangkok and its vicinity separated by product categories



Source: Agency for Real Estate Affairs

Regarding the registration of housing projects (by developers) separated by product categories, the registration of townhouses slightly decreased while that of single detached houses and duplex slightly increased. Condominium registration rose dramatically in 2009 and slightly increased in 2010.

Figures 3: The transfer of ownership in Bangkok and its Vicinity separated by product categories for 2007 - 2010

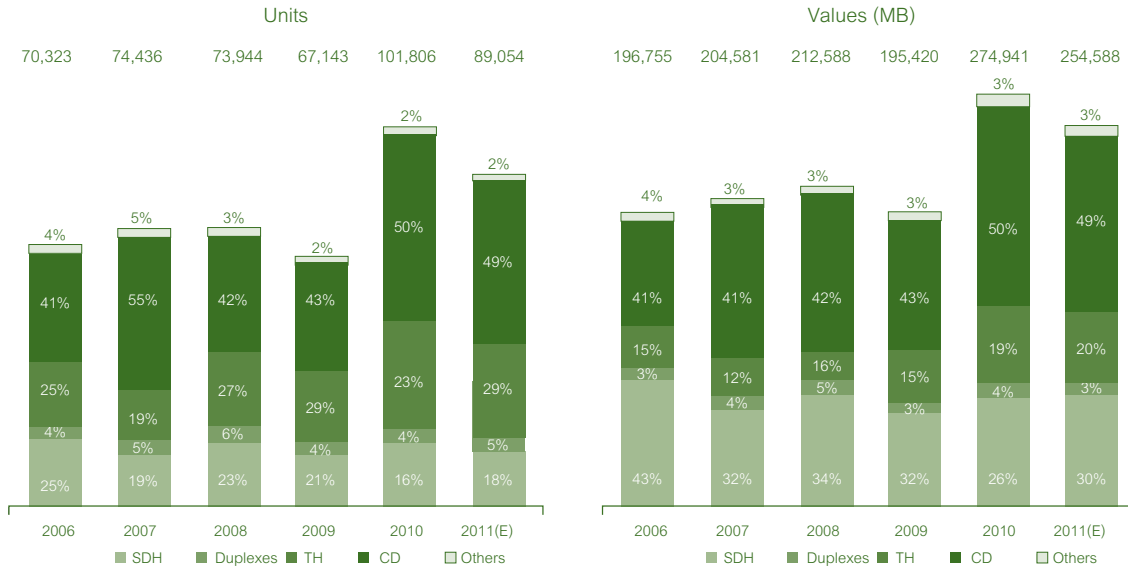


Source : Real Estate information center
Assess by : Business Research, Pruksa Real Estate Pcl.,

The transfer of ownership in 2007-2010 showed the average growth rate of ~10% per annum. Such transfer was both new and old house transfer. From 2010 to 2011, new house transfer rate was at 53-55% of the total units transferred. In 2010, there were approximately 94,000 units of new housing transferred while that of January – September 2011 was at 65,000 units. Taken the flooding impact, amounting to 64% of Bangkok and its vicinities areas, into account, new housing transferred in 2011 was about 72,000 units or 77% of total units transferred in 2010.

Housing markets overview in Bangkok and its Vicinity for 2006 - 2011

Figures 4: Markets value in Bangkok and its Vicinity separated by product categories for 2006 – 2011



Overall, the average market value of housing markets in Bangkok and its vicinity is about 230,000 million Baht per year. In 2010, the markets value stepped to 274,941 million baht while that in 2011 slightly dropped because of the floods and over two-month periods of remedy. These two months (October – November), usually the peak sale months, became paralyzed from the inundation. The 2011 market value then decreased by 7% or 20,353 million baht drop. A condominium still acquires the highest market share, followed by a single detached house and townhouse.

Townhouse market overview in Bangkok and Vicinity for 2006 - 2011

Townhouse market shares have risen for the past three years due to an increase in its average selling prices, resulting from higher cost. Moreover, more townhouse projects are built in the city as alternatives for customers living in the city, having purchasing power and preferring townhouses to condominiums. In 2010, its market value rose to 47% or 51,587 million baht when compared with that of 2009. However, the market value of 2011, 47,838 million baht, slowed down by 7% from 2010 but higher by 37% in 2009. Such reduction caused by the floods in October has delayed the purchase. The townhouse market is expected to step up in the second and the third quarter of 2012.

Figures 5: Townhouse market value in Bangkok and Vicinity for 2006 - 2011

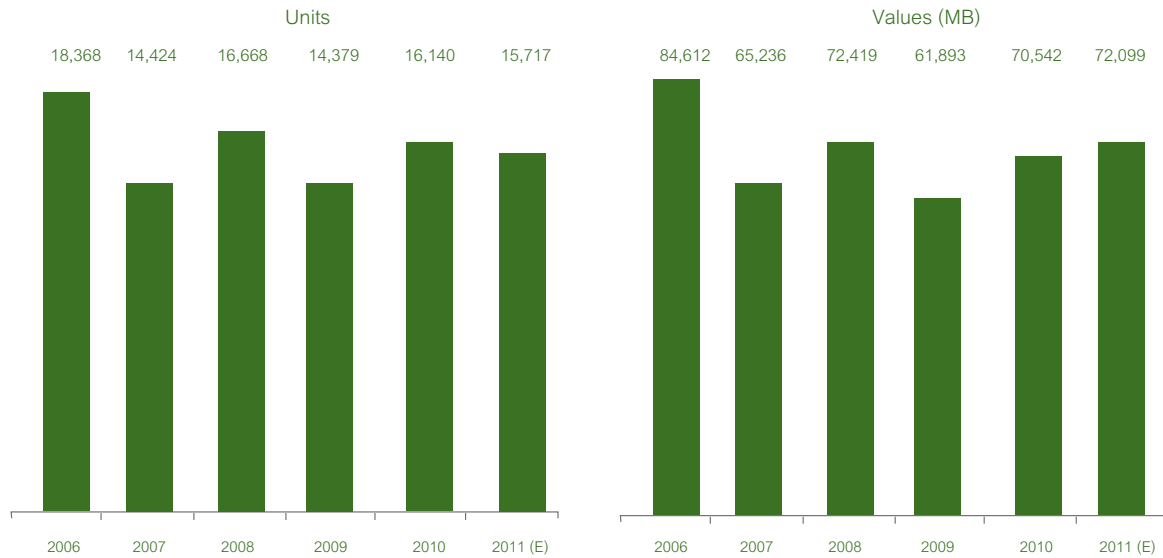


Assess by : Business Research, Pruksa Real Estate Pcl.,

Single detached house market overview in Bangkok and Vicinity for 2006 - 2011

The single detached house market value is likely stable at 65,000 - 70,000 million baht per year. The selling price, in the range of 3-5 million baht, acquires around 30% market share. In 2010, its market value increased by 14%, 70,542 million baht, from 2009. In 2011, the market value also increased by 2%, 72,099 million baht, of previous year value. However, the growth of market value in the fourth quarter of 2011 was the lowest, compared with other quarters in the same year, due to the deluge. This resulted in the delay of purchase. The single detached house market is forecast to take a start rising trend in the third quarter of 2012.

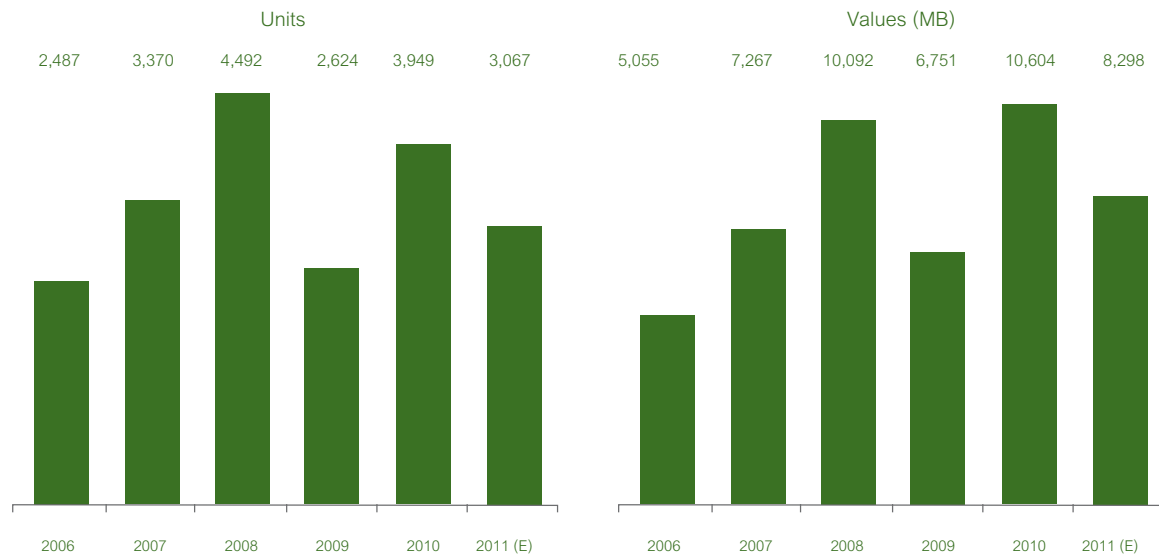
Figures 6: Single detached house market value in Bangkok and Vicinity for 2006 - 2011



Duplex market overview in Bangkok and Vicinity for 2006 - 2011

A duplex house is a substitute product for a single detached house and a three-storey townhouse. Due to higher cost and customers' limited purchasing power, the duplex house has been developed and sold at selling prices that can satisfy customer demands. Its market value in 2008 and 2010 was up to 10,000 million baht. However, the severe flood in October 2011 caused the 2011 market value to lower than 2010 to 8,298 million baht.

Figures 7: Duplex market value in Bangkok and Vicinity for 2006 - 2011



Assess by : Business Research, Pruksa Real Estate Pcl.,

Condominium market overview in Bangkok and Vicinity for 2006 - 2011

Condominiums achieve the highest market share at 40% - 50% per annum of the total residential market. The condominium market value slightly shrank in 2009 while it rebounded in 2010 to 134,888 million baht or 56% over 2009 owing to the government's stimulus package for the real estate sector and aggressive competition over interest rate among commercial banks. In 2011, the market value slightly decreased from 2010 to 119,471 million baht but it was still higher than 100,000 million baht. Not only the existing customers but also customers affected by the flood disaster increase their interest in buying condominiums. As a result, condominiums have continued on an upward trend in demand.

Figures 8: Condominium market value in Bangkok and Vicinity for 2006 - 2011

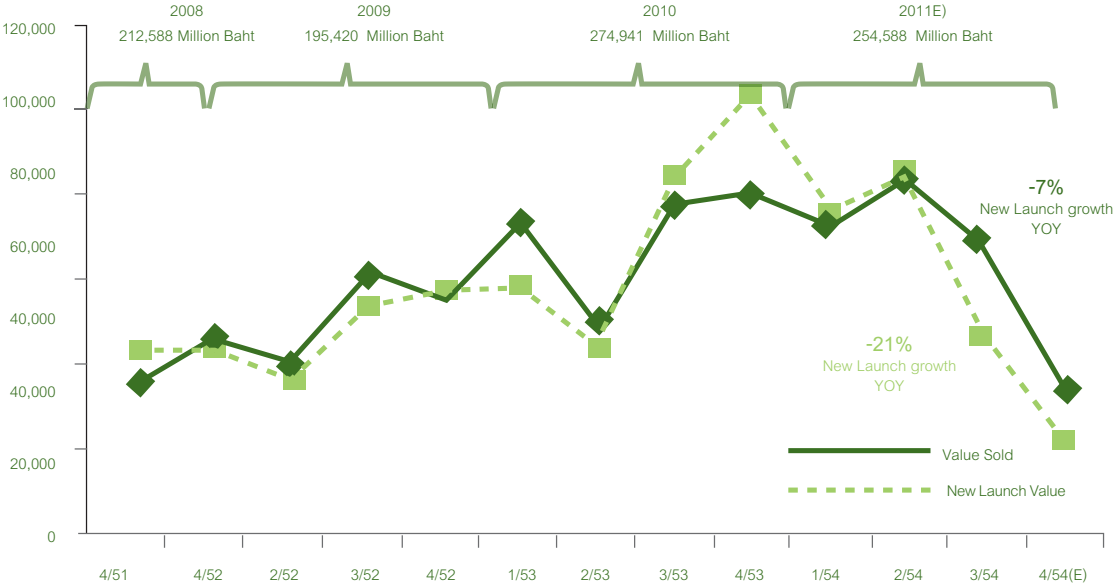


Assess by : Business Research, Pruksa Real Estate Pcl.,

Outlook for housing market overview in Bangkok and its Vicinity for 2008 - 2011

For the past four years, the average market value of housing market, only new houses, has been about 234,000 million baht per year. In 2011 the market value slightly dropped due to the floods occurred in Bangkok and its vicinity in October. This led to a small decline in housing market movement in the second half of 2011. Most customers affected directly or indirectly by the inundation delayed their purchase. In addition, the market value in the first two quarters of 2011 was less than the same period in 2010. Overall, the housing market will gradually return to normal situation in the second half of 2012 since a demand for housing in Bangkok and its vicinity has been increasing steadily. Then the market value is forecast to be at least 200,000 million baht, which is higher than the figure during Hamburger crisis in 2006.

Figures 9: market value in Bangkok and its Vicinity by quarter for 2008 - 2011



Assess by : Business Research, Pruksa Real Estate Pcl.,
 Unit Sold: New Launch:

5.6 Risk Factor

5.6.1 Business Risk Factors – local

5.6.1.1 Risk from flooding that brings down customers' demand

From quarter 4, 2011 inundation, the housing demand structure may be effected that flooded area is as much as 64% of total Bangkok and vicinities. Such change is closely monitored by the company in order to adjust its investment and project development polices to suit such change.

Impact to Plants

PS Precast factories (PCF) are located at Lum Look Ka Rd. between klong 4 and 5, Lum Look Ka District, Patumthani. In late October 2011, high water flooded at the road leading to plants and later ran into plants. The Company has lifted all the important and high-value machines up away from water. Sandbags, water walls and water pumping machine are used to protect plants. Finally the highest water running in PCF # 1 and # 5 was 10 cm. The Company had to shutdown the plants for 40 days. Damages were estimated at 28 million Baht in which 21 million Baht can be claimed from insurance.

Direct impact on housing projects

The Company has developed the total of 284 projects, of which 143 were closed and 141 are still on sale and operating (active projects)

From those 141 active projects, 63 (45% of active project) has been flooded of which 48 (34% of active project) has been severely flooded at more than 20 cm level. The remaining projects have water around the project and leak in at less than 20 cm high

For the closed projects that houses are mostly transferred, there are 143 projects, of which 81 projects (56% of the closed projects) are under flooding. The more than 20 cm water level accounted for 76 projects or 53% of the closed projects.

For house-on-sale damage, the Company has obligations to repair as follows

Finished house	Ownership transferred to buyers	Company has no obligations to repair as its house guarantees are only main structures of the house such as wall, slab, pillar which are not damaged from flood.
	Ownership not yet transferred	The Company to repair houses before transfer
Unfinished house	No booking or cancel	The Company delay the construction
	Booked but not yet transferred	The Company to repair and finish the house
Common facilities such as playground, roads in projects, garden ,guard houses, etc	Facilities are transferred to Juristic village person	Company has no obligations to repair
	Facilities are not yet transferred to Juristic village person	The Company to restore facilities

As of 31 December 2011, the company has estimated Bt. 210 million from floods

The damage of revenue loss and indirect impact are as follows

1. Booking cancellation during flooding (November – December 2011) totaled 4,369 million Baht or 12% of backlog as at October 2011. In the short run, home buyers income and purchasing will recede as some will lose income during flooding. Moreover, many of them need to pay for house water protection, fixing, transportation, and apartment rental resulting from inundation impeding travelling and traffics. Thus, new demand for house is delayed and bring up cancellations.

2. Customers' behavior in choosing houses will change from the past. More factors to consider from not only convenient transportation, but also location whether it is safe from flood. For example, it must be away from river, canal, water gate, floodway and should be within designated dry areas. Other factors include

- Geography , soil and slope of land
- Landfill (compare to main road and maximum height of water)
- Drainage
- Project's flood protection

3. Customer' confidence in short term will drop but will recover after the situation is back. The Company expects that such confidence will revive back since late March 2012.

Company's procedure to mitigate company's damage and risks in term of product management and modifications

From the above flood reported, PS's cash inflow will be weakened as the transfer can't be done as planned. PS needs to strategically perform to lessen the cash outflow and enhance the cash inflow as follows

1) Expedite the transfers in those houses about to finish and ready to be transferred. For example, condominium requiring small works to be done before transfer, house stocks in non-flood areas.

1.1) PS to set up a working team to solve problems of home buyers.

1.2) Reduce or postpone non-urgent expenses such as training, consulting fee, marketing / advertising / public relation expenses.

1.3) Reduce or postpone new land purchase, expensive fixed asset, and delay international investment.

2) The company set up a working group to follow up and facilitate home buyers who suffer from flood impact. For instance, the company allows shifting paid down payment to other dried project.

3) Company's on-hand asset management has been enhanced especially on land bank and house stocks.

4) Negotiation and co-operation among government agencies, private and government banks, and the company have been conducted regarding how to stimulate housing market and facilitate people to own a house.

5) House and project modification to prevent future flooding, i.e. higher landfill to avoid latest flood level, house fence to be solid and water-proof. All sanitary, electric, water, drainage systems to set high away from water and are workable during flooding. Thus, home buyer can still stay at second floor during next inundation.

6) Follow up customers' behavior to be able to adjust company's product to suit their needs.

5.6.1.2 Risk from housing loan policies from banks

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 2013
Low-rise house : loan $>$ 95% of unit price	At least 75%	1 January 2013

For low - rise 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 2 project, Urbano condominium and the IVY China Town Townhome having some unit price more than 10 million Baht. The Company's 2010 transfer have an average unit price of 1.91 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.

5.6.1.3 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 are 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 affected 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 risks 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.

5.6.1.4 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 requires 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.

5.6.1.5 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.

5.6.1.6 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 650 agents and brokers offering land plots. The company has relatively more purchasing power than medium /small developers because of its 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.

5.6.1.7 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.

From the 2011 severe inundation, the company forecasts major changes in housing law and regulations such as land allocation and licenses for constructions. These can become business risks in the future.

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 transferred in their first phases. In addition, the Company signed the joint venture agreement with business partners in Mumbai and Chennai, India.

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' 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

As of 30 December 2011, Pruksa International and Pruksa Overseas have investments in foreign currencies approximately 528.26 million Baht or 1.26% of total assets in Pruksa Real Estate PLC.'s consolidated financial statement. In addition, the transferred house revenue in foreign currency is only 0.4% of total transfer.

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.

Weakening Maldivian currency required company's Accounting Dept. reduce booking value of 9 condominiums at Maldives by 91 million Baht to be 480 million Baht.

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 Vjijitpongpun's Group, who hold 1,634,465,300 PS shares, or 74 % 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 as Mr. Thongma himself owns 1,294,865,000 shares or 59% of total paid-up capital.

5.6.3.2 Risk from possible price and control dilution from exercising warrants

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

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
Offering price	- Baht
Exercise price	14.35 Baht
Term	3 years form date of warrant issuance
Exercise Ratio	1 : 1
Offering period	Within 1 year from the date on which the Shareholders' Meeting approved
Warrant exercise period	4 times / year (February, May, August, November)
Price and Control Dilution	Decrease by 0.99% (22,000,000 / 2,228,812,000 shares)

Name of Securities	Warrants to purchase the ordinary shares of Pruksa Real Estate Public Company Limited (PS-WD)
Total number of warrants offered	22,000,000 units
Offering price	- Baht
Exercised price	15.30 Baht
Term of warrants	4 years form date of warrant issuance
Exercise Ratio	1 : 1
Offering period	Within 1 year from the date on which the Shareholders' Meeting approved
Warrant exercise period	4 times / year (February, May, August, November)
Price and Control Dilution	Decrease by 0.99% (22,000,000 / 2,228,812,000 shares)

6. Shareholding Structures

6.1 Major shareholders

As reported in the latest Ministry of Commerce's certification dated 1 December, 2011 Prukisa Real Estate Public Company Limited had registered capital of Baht 2,250,812,000 comprising 2,250,812,000 ordinary shares at Baht 1 par value with issued and paid-up share capital of Baht 2,209,407,200 comprising 2,209,407,200 ordinary shares at Baht 1 par value.

The top ten shareholders of the Company as of the latest share register book closing, on December 31, 2011, are as follows:

Shareholders ^(a)		Shares held	%
1	Vijitpongpun group ^(b)	1,634,465,300	74.0%
2	Thai NVDR Co.,Ltd	46,528,427	2.1%
3	CHASE NOMINEES LIMITED 15	33,815,900	1.5%
4	Thai Equity Fund	31,666,500	1.4%
5	Social Securities Office (2 cases)	20,329,300	0.9%
6	NORTRUST NOMINEES LTD.	16,825,201	0.8%
7	THE BANK OF NEW YORK (NOMINEES) LIMITED	15,067,881	0.7%
8	THE BANK OF NEW YORK MELLON	10,554,300	0.5%
9	TFB FOR MFC-THAI FUND INVESTMENT PLAN	9,902,900	0.4%
10	STATE STREET BANK AND TRUST COMPANY FOR CANADA	9,017,900	0.4%
	Total Top 10 Shareholders	1,828,173,609	82.7%
	Total paid-up share capital	2,209,407,200	100.0%

Notes:

- (a) There is none of nominee of Mr.Thongma Vijitpongpun Group in the top ten shareholders list
 (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, 2011, foreign shareholders held approximately 8 % 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:

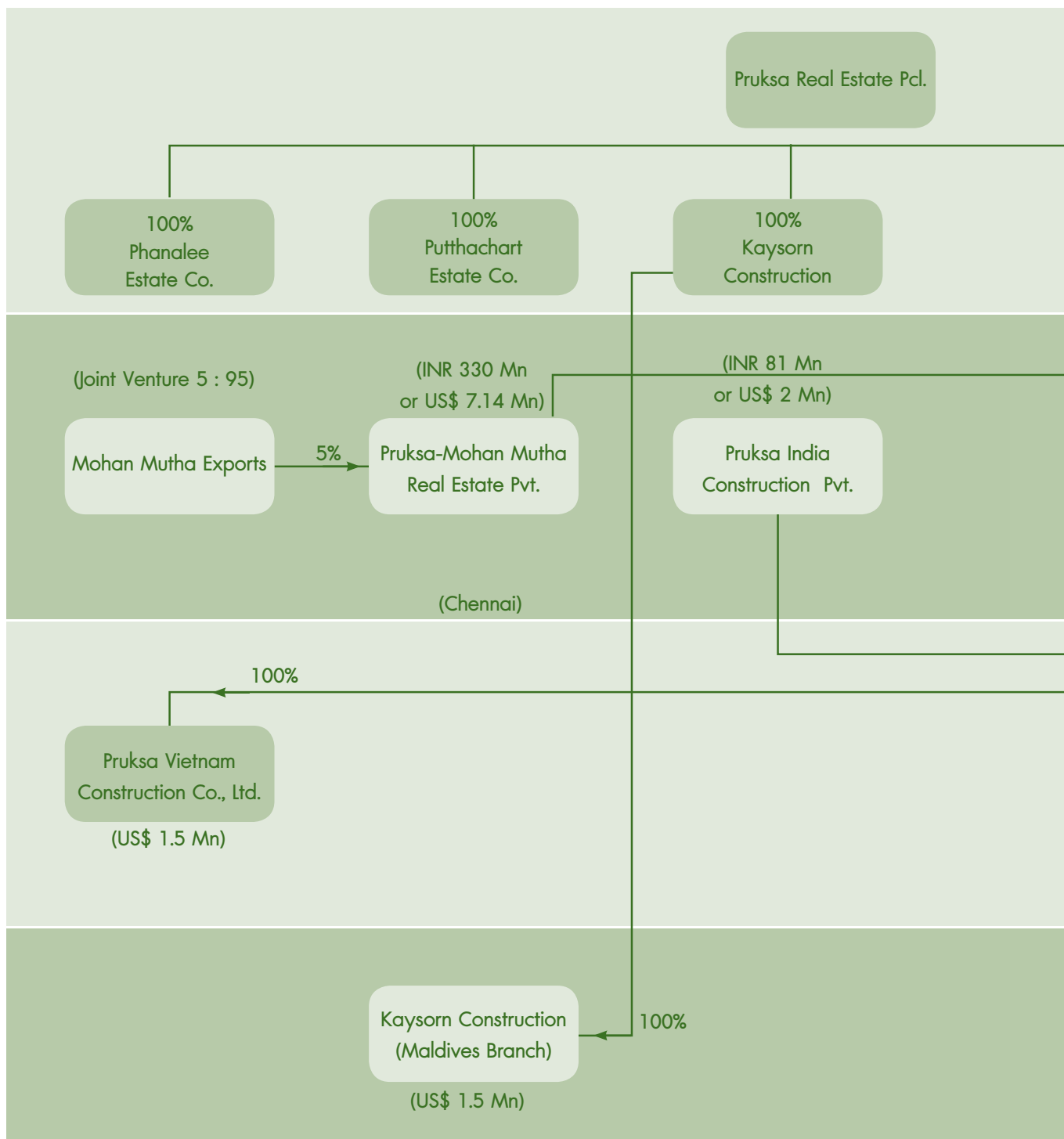
Performance of the year	Net Profit (million Baht)	Legal reserves (million Baht)	% of dividend payment	Dividend per share (Baht)	Payment Date
2011	2,834.82	-	31.0	0.40	May 17, 2012
2010	3,488.14	-	31.6	0.50	May 13, 2011
2009	3,621.83	-	33.33*	0.55	May 13, 2010
2008	2,373.37	-	30.54	0.33	April 23, 2009
2007	1,269.88	2.33	37.87*	0.22	May 8, 2008
2006	1,303.28	-	33.36*	0.20	May 4, 2007

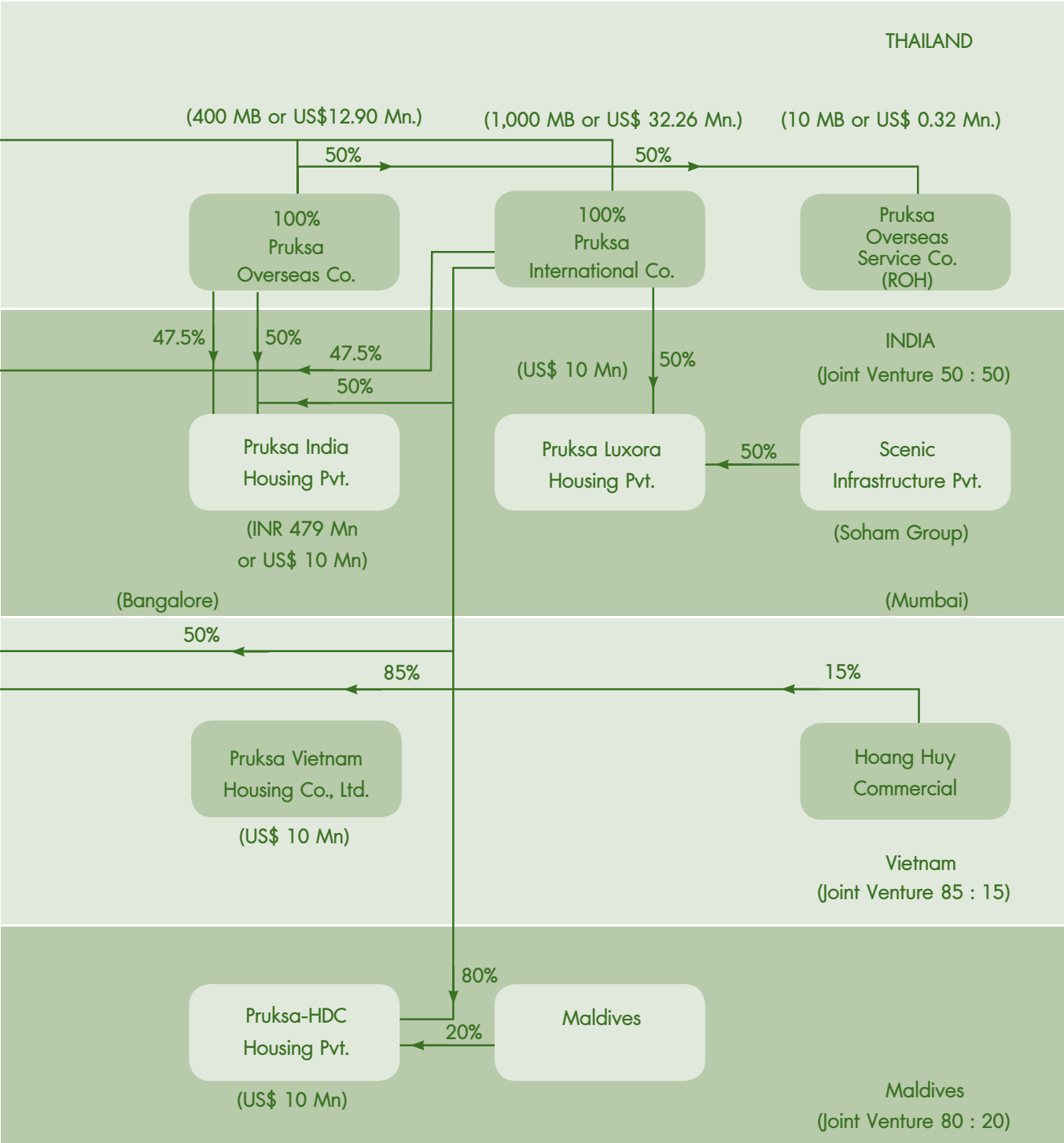
Notes: * In comparison of amounts of dividend paid to the Company's net profits, dividend payment for 2011, 2010, 2009, 2008, 2007 performance are 32%, 31%, 36.2%, 36.6% and 40.7% respectively.



6.4 Subsidiaries' Shareholding Structure

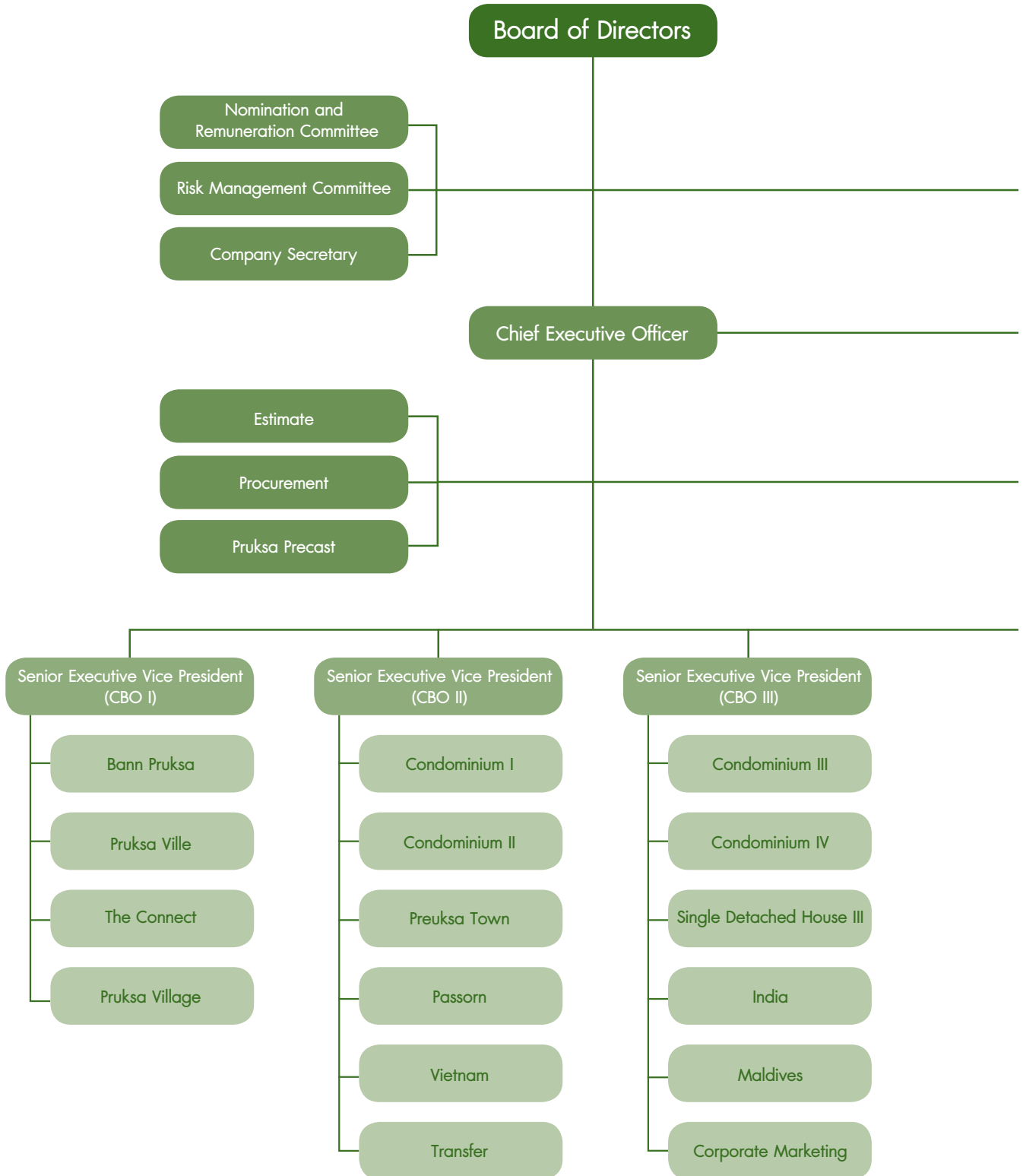
PS Group - COMPANY STRUCTURE as of Dec 2011

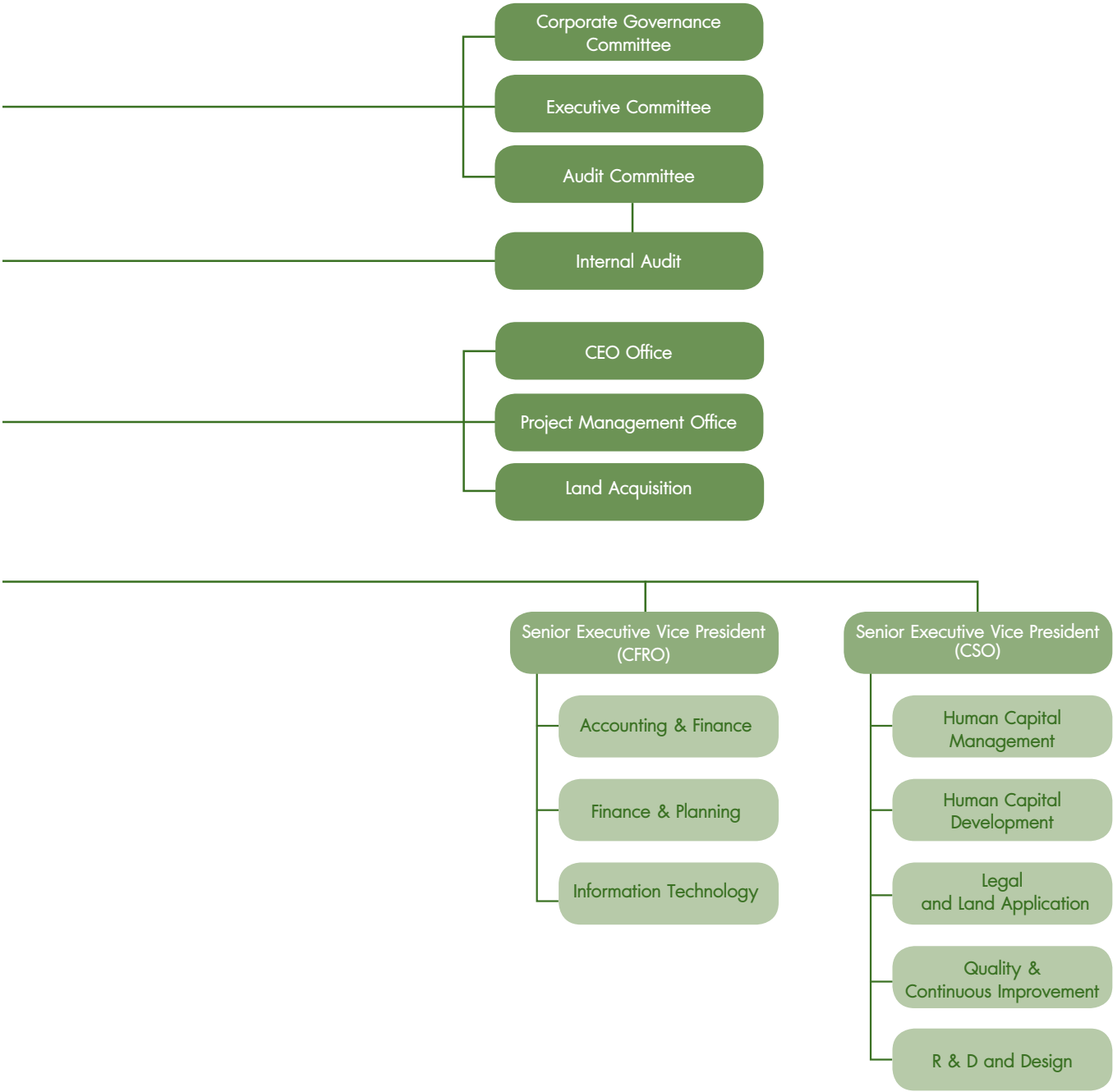




7. Management Structure

7.1 Organizational 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 1 December 2011, 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 Vijitpongpun	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	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.	Director

Authorized Directors who can sign on behalf of the Company

Authorized Directors who can jointly sign and bind the Company are either Mr.Thongma Vijitpongpun or Mrs. Rattana Promsawad or Mr. Prasert Taedullayasatit, signing with Mr. Piya Prayong, Mr. Mayta Chanchamcharat, or Mr. Edward Joseph Cooper. Jr.. Total is two directors with the Company's seal affixed jointly.

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. 1992 , 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 Vijiitpongpun	Member
3. Mr.Prasert Taedullayasatit	Member
4. Mr.Somboon Wasinchutchawal	Member
5. Mr. Edward Joseph Cooper Junior	Member

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

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

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 Vjittpongpun	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. Mr.Thongma Vjittpongpun	Member
3. Dr. Pisit Leeahtam	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 7 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
6. Mr. Edward Joseph Cooper , Junior ⁽¹⁾	Executive Committee
7. Mr. Chutha Promchinavongs ⁽²⁾	Executive Committee

Remarks ⁽¹⁾ Appointed on 25 March 2011

⁽²⁾ Appointed on 25 March 2011 but resigned on 1 December 2011

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, 2011, The Company's executive consists of 9 persons as follows:

NAME	POSITION
1. Mr.Thongma Vijtpongpun	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 Promchinavong ⁽¹⁾	Chief Operation Officer
7. Mr.Edward Joseph Cooper, Junior	Chief Finance & Risk Officer
8. Mr.Somboon Wasinchutchawal	Executive Vice President – Financial Planning
9. Ms. Suporn Treewichayapong ⁽²⁾	Executive Vice President – Accounting & Finance

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) Appointed on 1 December 2010 but resigned on 1 December 2011

(2) Appointed on 1 July 2011

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 61 Years

Shareholding none (as of 30 December 2011)

Family Relationship Among the Executives -

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 54 Years

Shareholding 58.6% (1,294,865,000 shares as of 30 December 2011)

Family Relationship Among the Executives Elder brother of Mrs. Rattana Promsawad

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 44 Years

Shareholding none (as of 30 December 2011)

Family Relationship Among the Executives -

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 - Prukse Overseas Service Co.,Ltd.
Director - Prukse Vietnam Construction Co.,Ltd.
Director - Thai Condominium Association
Director - Housing Business Association
Advisor - Thammasat Property Management Board of Directors

Work Experience

2010 - 2011 Director - Thai Investor Relations Club
2008 - 2009 Director / Senior Executive Vice President /
Chief Operating Officer (COO)
Prukse Real Estate Public Company Limited
2007 - 2008 Director / Senior Executive Vice President /
Chief Business Officer (CBO)
Prukse Real Estate Public Company Limited
2005 - 2007 Director / Executive Vice President
(Marketing / Sales & Business Development)
Prukse 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 -

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 51 Years

Shareholding 3.67% (81,020,800 shares as of 30 December 2011)

Family Relationship Among the Executives Younger sister of Mr. Thongma Vijiitpongpan

Education

Bachelor Degree (Law), Ramkhamhaeng University

Other Position(s)

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

Work Experience

2003 - 2005 Finance Advisor - Prukse Real Estate Co., Ltd.
1998 - 2004 Director - Kaysorn Restaurant Co., Ltd.
(stopped operating the business on January 28, 2005)
1993 - 2003 Finance Manager - Prukse 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 42 Years

Shareholding 0.024 % (540,300 shares as of 30 December 2011)

Family Relationship Among the Executives -

Education

Bachelor Degree (Engineering), Kasetsart University

Other Position(s)

Director - Kaysorn Construction Co.,Ltd.

Director - Prukso 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 63 Years

Shareholding none (as of 30 December 2011)

Family Relationship Among the Executives -

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, Real Estate Information Center

Director, Office of the Council of State

Work Experience

2010 - 2011 Chairman of the Board, CAT Telecom Public Company Limited

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 44 Years

Shareholding none (as of 30 December 2011)

Family Relationship Among the Executives -

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 - Robinson Department Store Public Company Limited
 Director - Private Equity (Thailand) Company Limited
 (An Affiliate of Lombard Investments, 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 Securities Public 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.Trungrjai Buranasomphop
 Independent Director /
 Chairman of the Audit Committee

Age 69 Years

Shareholding 0.116% (1,500,000 shares as of 30 December 2011)

Family Relationship Among the Executives -

Education

Diplome de 3 eme Cycle d' Architecture, Ecole Des Beaux Arts, Paris, France
 Doctorate Degree (City Planning Mention Tres Bien), 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
 Advanced Certificate, Public Administration and Law (King Prajadhipok's Institute)

Other Position(s)

President - NT Estate International Co., Ltd.
 Senator, Chairman of Advisory Board of the Standing Committee on Religions,
 Moral, Ethics, Arts and Culture,Senate.
 Chairman of The Committee on Settlement and City Planning,Senate

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 Building Control - Civil and City Planning 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 The Association of Simese Architects
 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 - DCP 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 Ngamdeevilai sak

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

Age 49 Years

Shareholding 0.006% (123,400 shares as of 30 December 2011)

Family Relationship Among the Executives -

Education

Bachelor Degree (Commerce and Accountancy),
Thammasat University

Other Position(s)

Director - Professional Outsourcing Solutions Co., Ltd
Director - Accounting & Business Advisory Co., Ltd.
Director - Audit One Co., Ltd.
Director - Associated 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 the
Audit Committee /
Chairman of Corporate
Governance Committee /
Independent Director

Age 66 Years

Shareholding 0.007% (150,000 shares as of 30 December 2011)

Family Relationship Among the Executives -

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 47 Years

Shareholding 0.008% (186,400 shares as of 30 December 2011)

Family Relationship Among the Executives -

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 Real Estate 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.**

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

Age 63 Years

Shareholding none (as of 30 December 2011)

Family Relationship Among the Executives -

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
1979 – 1983 Country Manager, Bangkok
1974 – 1979 Deputy General Manager, Singapore
1970 – 1974 Trainee and Officer, New York

Training

Directors Accreditation Program - DAP 88/2011, Thai Institute of Director (IOD)
Directors Certificate Program - DCP153/2011, Thai Institute of Director (IOD)



Mr. Wirasak Kaewnoo

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

Age 53 Years

Shareholding none (as of 30 December 2011)

Family Relationship Among the Executives -

Education

Bachelor Degree (BA), Srinakharinwirot University

Bachelor Degree (BA), Ramkhamheng University

Master Degree (MBA), 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, Training & Development, AT&T Microelectronics (Thailand) Co.,Ltd.

Manager, Quality Improvement Program, AT&T Microelectronics (Thailand) Co.,Ltd.

Production Head, Production, Philips Semiconductors (Thailand) Co., Ltd.

Training

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

Executive Development Program by Sasin

Mini MRE (Master Real Estate) by Thammasat University

Quality College, Signetics Corporated

Quality Control Circle, Toshiba Semiconductor (Japan)

Building the Aggregate System, Microchip Technology (USA)



Mr. Somboon Wasinchutchawal

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

Age 49 Years

Shareholding 0.008% (178,500 shares as of 30 December 2011)

Family Relationship Among the Executives -

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)



**Mr.Chutha
Promchinavongs**

**Member of Executive Committee /
Chief Operations Officer**

Age 53 Years

Shareholding 0.005% (120,000 shares as of 30 December 2011)

Family Relationship Among the Executives -

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 Plublic 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

Directors Certification Program - DCP 144/2011, Thai Institute of Director (IOD)

Remark: Resignation from the Company effective on Dec 1, 2010 onwards

7.7 Controlling Persons of the Company and its Subsidiaries

(As at 31 December 2011)

Name	The Company	Kaysorn Construction Co.,Ltd	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 Vijtpongpun	/, //	-	-	-	X	X	X
3.. Professor Emeritus Trungjai Buranasomphop	/	-	-	-	-	-	-
4. Mr. Adul Chandanachulaka	/	-	-	-	-	-	-
5. Mr. Weerachai Ngamdeevilaiisak	/	-	-	-	-	-	-
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	//	/	/	/	-	-	-
16. Miss. Suporn Treewichayapong	-	-	/	/	-	-	-

Remarks : 1) X = Chairman, / = Director // = Executive Director

2) Mr. Chutha Promchinavongs has resigned from the director post in Kaysorn Construction Co.,Ltd., Phanalee Estate Co.,Ltd. and Putthachart Estate Co.,Ltd. from December 1, 2011.

3) Miss Suporn Treewichayapong has been appointed as director of Phanalee Estate Co.,Ltd. and Putthachart Estate Co.,Ltd. since December 1, 2011 onward.

7.8 Meeting attendance of the Directors in 2011 and 2010

Name	Board of Director		Audit Committee		Risk Management Committee		Corporate Governance Committee		Nomination Remuneration Committee	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
1. Dr.Pisit Leeahtam	6 /7	9/10	-	-	-	-	-	-	- /1	1/4
2. Mr.Thongma Vijitpongpun	7/7	9/10	-	-	9/2	11/12	4/4	4/4	1/1	4/4
3. Professor Emeritus Dr.Trungjai Buranasomphop	7/7	10/10	12/12	12/12	-	-	-	-	-	-
4. Mr.Weerachai Ngamdeevilaisak	7/7	10/10	12/12	11/12	12/12	12/12	-	-	1/1	4/4
5. Mr. Adul Chandanachulaka	7/7	10/10	12/12	12/12	-	-	4/4	4/4	-	-
6. Mr. Wisudhi Srisuphan (1)	7/7	3/3	-	-	-	-	-	-	-	-
7. Mr. Prasert Taedullaysatit	7/7	9/10	-	-	10/12	12/12	4/4	4/4	-	-
8. Mr.Piya Prayong	6/7	10/10	-	-	-	-	-	-	-	-
9. Mrs.Rattana Promsawad	7/7	10/10	-	-	-	-	-	-	-	-
10. Mr.Kanchit Bunajinda	7/7	10/10	-	-	-	-	4/4	3/4	-	-
11. Mr.Mayta Chanchamcharat	7/7	9/10	-	-	-	-	-	-	-	-
12. Mr.Edward Joseph Cooper, Jr. (2)	7/7	3/3	-	-	12/12	10/10	-	-	-	-
13. Mr.Somboon Wasinchutchawal	-	-	-	-	12/12	11/12	2/4	4/4	-	-
14. Mr.Wirasak Kaewnoo	-	-	-	-	-	-	4/4	4/4	1/1	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 2011 Annual General Shareholders' Meeting, held on 22 April 2011, has approved 2011 remuneration of Directors. Such amount is not exceed Baht 18 million (in 2010 the amount was set at Baht 21 million maximum and 2009 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 2011 compared to that of 2010, 2009 are as follows:

Unit = Baht

Name & Position	2011		2010		2009	
	Remuneration	Bonus ⁽¹⁾	Remuneration	Bonus ⁽¹⁾	Remuneration	Bonus ⁽¹⁾
1. Dr.Pisit Leeahtam Chairman of the Board of Directors and Nomination and Remuneration Committee	3,120,000	523,772	3,140,000	1,200,725	3,159,000	1,443,664
Total	3,643,772		4,340,725		4,602,664	
2. Professor Emeritus Dr.Trungjai Buranasomphop Director and Chairman of Audit Committee	1,747,200	293,312	1,742,400	672,406	1,372,800	635,212
Total	2,040,512		2,414,806		2,008,012	
3. Mr. Adul Chandanachulaka Director, audit committee, and Chairman of Corporate Governance Committee	1,540,000	251,410	1,485,000	576,348	1,100,000	519,719

Name & Position	2011		2010		2009	
	Remuneration	Bonus ⁽¹⁾	Remuneration	Bonus ⁽¹⁾	Remuneration	Bonus ⁽¹⁾
Total	1,791,410		2,061,348		1,619,719	
4. Mr.Weerachai Ngamdeevilaisak Director, audit committee, and Chairman of Risk Management and Chairman of Nomination and Remuneration Committee	1,831,600	251,410	1,851,150	576,348	1,402,800	635,212
Total	2,083,010		2,427,498		2,038,012	
5. Mr.Wisudhi Srisuphan Independent Directors	1,500,000	251,410	360,000	88,618	n/a	n/a
Total	1,751,410		448,618		n/a	
Total	9,738,800	1,571,314	8,578,550	3,114,444	7,034,600	3,233,807
Grand total	11,310,114		11,692,994		10,268,407	

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 details of which are as follows:

Nature of Compensation	2011		2010		2009	
	No. of Management	Amount in Baht	No. of Management	Amount in Baht	No. of Management	Amount in Baht
Salary / Wage	9	52,044,900	8	40,070,882	8	40,070,882
Bonus ⁽¹⁾	9	9,294,369	8	13,624,168	8	13,624,168
Contribution to Provident Fund	9	1,817,393	8	1,410,421	8	1,287,426
Others	9	9,688,768	8	5,799,666	8	2,510,350
Total	9	72,845,430	8	60,905,137	8	52,135,813

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.

8.2 Other Remuneration

Other remuneration was in the form of share warrants offered to the directors, employees of the Company and/or the subsidiaries. In 2010 Annual General Meeting of shareholders has approved the exercise of warrants represents the right to purchase shares warrants of the Company to directors employees and advisors of the Company and/or the subsidiaries (PS-WC # 3) of 22,000,000 units in total with a conversion ratio of 1 warrant to 1 ordinary share. They are exercisable between 8.30 am to 15.30 pm, from the last business day of February, May, August and November of each year. The last time exercise can be done within the due date of the warrants. The allocated warrants (PS-WC) are issued to 7 Directors¹ 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 including the Finance and Accounting). There are 4,181,400 units of PS-WC exercised as follows

The warrants allocated (PS-WC) and warrants exercised in 2011.

Name	No. of Warrant Allocated (unit)	No. of Warrant Exercised (Unit) 2011
1. Mr. Prasert Taedullayasatit	830,100	-
2. Mr. Piya Prayong	830,100	276,700
3. Mr. Mayta Chanchamcharat	559,200	186,400
4. Mr. Edward Joseph Cooper, Jr.	626,700	-
5. Mr. Wirasak Kaewnoo	463,800	-
6. Mr. Chutha Promchinavongs	546,000	120,000
7. Mr. Soomboon Wasinchutchawal	325,500	108,500
Total	4,181,400	691,600

The allocated warrants offered to the directors. However, they are in the position as the executive director of the company. Therefore, they will be considered as the warrants to directors in accordance with the Capital Market Commission, Re. Tor Jor 32/2008 regarding to the offering of newly issued warrants to the directors and employees, dated December 15, 2008

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 Ngamdeevilai Sakand 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 incompliance 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 appraises 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 be 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 no vote in that agenda.

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.

In addition, from the total of 12 company's directors, 11 Company's directors have attended the Director Certification Program (DCP), in which 5 attended the Director Accreditation Program (DAP), 1 attended Role of the Chairman Program (RCP), 3 attended Audit Committee Program (ACP), and 2 attended the Role of Compensation Committee. All of such programs are arranged or advised by 12 Directors of the Thai Institute of Directors (IOD).

1.9 Appraisal of the Board of Directors' Performance

Board of Directors has a self – appraisal by The Board members. This is enhance the overall Board's works. Moreover, it shows that the Board can do more benefit 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 2011, there is 1 such meeting held on 16 December 2011

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 anyone 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.pruksa.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 2012 Annual General Meeting of shareholders, the Company has invited shareholders to nominate a person deemed qualified, knowledgeable and competent as their representatives to be a director since 1 October 2011 until 31 December 2011. The Company 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 2012 Annual General Shareholders' in advance since 26 October 2011 until 31 December 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 aims to pay back to its community. Thus, the company's policy is to assume its social responsibility and continue such activities as on-going basis to be part of society's growth through many aspects of education, youth development, social and environment, religious and art culture, emergency assistance, and help the vulnerable groups. (Details of the content is available in CSR).

In 2011, the Company focuses more on Social and environmental by providing a training class of CSR Day "Anyone Anytime". The guest speaker was from Thaipat Institute to educate company's staffs about CSR. The company also do Green Ocean Strategy project since 2010 to present the Green Governance strategy and encouraging our human resources to have a Green Habits that were clear to the public as the first pioneer organization to assume responsibility. Moreover, the Company has joining the CSR networking with other organization such as The Thai Red Cross Society, King Mongkut's University of Technology Thonburi, Thai Health Promotion Foundation (Thai Health), CSR club (Thai Listed Company) and etc. to cooperate and reinforce company's social responsibility on every aspect.

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)

In 2011, 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 2011, the Company had 108 company visit and 11 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 2011, there were 6 local roadshows and 3 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, was 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)

Beside in 2011, the Company has made a video (VDO) to promote and encourage business ethics through various medias for the employees's awareness. The event is also arranged for new employee's orientation.

10. Internal Control

Control of Internal Information

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 the Audit Committee mutually agree that the current system of internal control is satisfactory.

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. In 2010, the Code of Conduct was improved to be apt for not only economic climate but also domestic and oversea business expansions in accordance with the Corporate Governance Policy.

2. Risk Assessment

The Company's Risk Management Committee has the duty to give advice to the management on setting a framework and guidelines for systematic risk management. Risk management has been emphasized by the Board of Directors and the management. 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 arrive at suggestion / solution afterward. The Risk Management Committee meeting was held 12 times each in 2010 and 2011. In order to enhance knowledge and share risk management experience, including the existing and future principles of risk management, Enterprise Risk management (ERM) course for the executives and the middle management were held on 9 February 2011 and 2 June 2011, 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 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 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.

Control of information exploitation

The Company has a policy and methods of governing utilization 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)		
			As of 31 Dec 2010	As of 31 Dec 2011	Price and Detail
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.	1.98	3.2	Lease and Service Agreement of 425.68 square Metre area, effective from October 1, 2010 to September 30, 2013 is charged at Baht 268,148 per month. 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.

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 2011, the company and its subsidiaries earned Bt. 23,422.3 million, slightly changed from year 2010. The main of revenue was the revenue from sale of real estate consists of townhouse's sale decreased Bt. 450.8 million or 3.5%, the single detached houses decreased by Bt. 576.8 million or 8.4% and condominium increased Bt. 950.0 million or 26.3%. According to flood occurred in Q4 of 2011, the customers delayed the booking and ownership transferred.

Cost of sales

In 2011, Cost of real estate sales was 63.29 % of the revenue from sale of real estate that compared to 62.47% of last year, increased by 0.82% because the cost of construction material was rose.

Selling & administration expenses and financial cost

In 2011, selling & administration expense, and finance cost rose by Bt. 481.7 million or 11.2% from last year. The main reason was selling expenses increased by Bt. 144.2 million or 7.1% that consists of special business tax and transfer fee increased by Bt. 274.0 million due to the ended of the tax's privileges whereas the advertising and promotion expenses decreased by Bt. 148.0 million.

In addition, the administrative expense rose by Bt. 267.1 million or 12.1% that the devaluation of assets increased by Bt. 76.0 million, the provision of litigations increased by Bt. 94.0 million and the others increased by Bt. 97.1 million. The finance cost rose by Bt. 70.3 million or 104.8% due to the dramatically increased in the interest bearing debt for supporting the business expansion.

Income tax

In 2011, income tax was Bt. 1,071.4 million or 4.6% of total revenue was higher than last year which shown the amount Bt. 1,048.1 million or 4.5% of total revenue due to the ended of a reduction in the corporate income tax rate from 30% to 25% for the newly listed company.

Net Profit

In 2011, the consolidated net profit was Bt. 2,834.8 million, decreased by Bt 653.3 million or 18.7% from last year.

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, 2011.



Dr. Pisit Leeahtam
Chairman of the Board of Directors



Mr. Thongma Vijitpongpun
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 Ngamdeevilaiasak 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 2011, 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 2011 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 2011 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. Reviews of compliance with laws – The Company's operational review and monitoring of compliance with securities laws, the Stock Exchange of Thailand's regulations and other major laws related to the Company's core business was set by the Audit Committee. The Internal Audit Committee was instructed to include compliance audit as one of its key tasks. The meetings with the Company's Legal Department regarding its performance are held quarterly. According to the review, the Audit Committee found no indications leading to a belief that the Company intended to be in non-compliance and/or practices conflicting with or violating provisions of laws significantly, except lawsuits were filed against the Company by customers. In order to avoid disputes over misunderstanding between the Company and customers, the Audit Committee suggested that the Company should be more careful to present information of projects.

4. Reviews of the internal control system to assess the adequacy and effectiveness which will help the Company achieve its targets. The 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 2011 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 2012; nominating the Auditors and proposing their fee to the Board of Directors for submission to the 2012 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 2012.

In 2011, 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 16, 2012.



Professor Emeritus Dr.Trungjai Buranasomphop
Chairman, Audit Committee
Pruksa Real Estate Public Company Limited
16 February 2012

15. Audit fee

Pruksa Real Estate Public Company Limited and its subsidiaries paid its auditors for 2011, 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 as follows

Unit : Baht	2011	2010	2009	2008
Audit Fees (Domestic)	3,900,000	3,850,000	3,750,000	3,960,000
Audit Fees (oversea affiliates)	1,342,345	840,078	-	-
Other Expense	131,760	105,205	202,356	116,000
Total	5,374,105	4,795,283	3,952,356	4,076,000

In addition, there are other services as follows:

1. KPMG Phoomchai Audit Limited

Unit : Baht	2011	2010	2009	2008
BOI review	721,220	1,504,563	595,802	430,920

2. KPMG Phoomchai Business Advisory Limited.

Unit : Baht	2011	2010	2009	2008
Business Intelligent Report	-	-	2,996,000	-
IFRS financial report Advice	-	-	1,819,000	-
Receipt / Payment audit process	107,877	-	1,551,500	-
Tax Consulting fee for India Investment	-	-	2,876,000	-
Total	-	-	9,242,500	-

3. KPMG Phoomchai Tax Limited.

Unit : Baht	2011	2010	2009	2008
BOI review	-	3,969,700	-	-
India legal report	32,100			

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

16. Information on Corporate Social 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 2011 through the Company's four CRS policies, i.e. education and the youth development, society and the environment, religion and arts and culture, and emergency assistance and helping the underprivileged. As a model organization creating corporate social and environmental responsibility, continued from 2010, Prukسا has participated 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.

Education and the youth development

10th 'Prukسا Scholarship' Project – 2011

Education for underprivileged students is so important that the Company has carried on 'Prukسا Scholarship' project for 10 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 2011, 433 scholarships, which were worth Baht 1,930,000.-, were given to students from all over educational places.

Prukسا Precast Factory Learning Center' Project

Its purpose is to be a learning center where college students or interested people can learn and access to knowledge from such the best innovative construction method in Thailand, even equivalent to that of Europe. From the production processes to the construction of Prukسا's projects are also demonstrated so that learners' skills can be developed by experiencing real situation. In 2011, there were 405 visitors in the Prukسا Precast.

'Junior Engineering Camp' Project

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

In addition to the above-mentioned educational support and the youth development projects, the Company has supported many more projects aiming to develop education and the youth under sustainable basis, including, for example:

- Supports on academic meetings, seminars/special discussions on many important educational-related topics such as 2011 Concrete Conference organized by Thailand Concrete Association Discussion on "Inflation rate...impact on Thai and industrial economic growth" organized by The Engineering Institute of Thailand under

H.M. The King's Patronage

Seminar on "Half-year Thai economy, Second-half-year real estate" organized by Department of Lands.

Seminar on "Suggestion on thinking method by modern businessman" organized by Sripatum University Academic.

Seminar on "Skill and luck...SMEs sustainably rich" organized by Kasetsart Business School, Kasetsart University.

Special discussion on "Look at second-half-year Thai economy through Governor of BOT" organized by Chulalongkorn Business School, Chulalongkorn University

- Supports on scholarships, instructional media development and various researches such as

- Mater Dei School
- Chulalongkorn University Demonstration School
- Samsen Wittayalai School
- Bangkeaw Prachasan School, Samut Prakarn Province
- Chaengron Wittaya School, Bangkok
- Department of Civil Engineering, Faculty of Engineering, Kasetsart University
- Faculty of Engineering Foundation, Mahidol University
- The Parent-Teacher Association of Kasetsart University-School
- Parents & Teachers Association of Chulalongkorn University Demonstration School
- Kasetsart University Engineering Alumni Association
- Graduate Studies of Mahidol University Alumni Association
- Prof. Prapon Boonnak (developer of software instructional media for convenient and accessible purpose and for distribution to poor students)

Society and the environment

'Pruksa Living Healthy' Project - Mobile Medical Checkup Service in 2011

What Pruksa is concerned is customers and people living nearby the Company's projects to live happily and have a good health. Therefore, 'Pruksa Living Healthy' Project which is a mobile medical checkup service has been carried on for more than 9 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 Living Healthy'. The total of 2,040 people received the medical services in 2011.

‘Improvement of Southern Part by Thais’ Volunteer Project

Jointly with Nation Broadcasting Corporation and Department of Civil Engineering, Faculty of Engineering of King Mongkut’s University of Technology Thonburi, as well as general public, Prukسا helped to repair and improve Wat Intarawas School, Kiri-ratnikom District, Suratthani Province, which was damaged from the flood crisis to enable it to start its normal academic semester. The repair and improvement includes restoring damaged school buildings, repairing electric systems, cleaning and painting school buildings, as well as providing school supplies, desks and chairs to the school for educational purpose.

‘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.

‘Social and Environmental Development’ Project

Prukسا has always realized on social and environmental development. It therefore supported various camping projects as follows:

- Science camp and energy and environmental conservation camp at Baan Nong Ngao-pray, Nonthaburi Province, the purpose of which is to enhance a leaning on energy and environment and a practicing on science procedures.
- Volunteer for rural development camp of Faculty of Engineering, Chulalongkorn University to build concrete bridge at Baan Tappo, Surin Province to help solving traffic problem in the community on a sustainable basis.
- Civil camp for community of Faculty of Engineering, Kasetsart University at Kampeang-saen to improve a play ground for children, build bicycle park and repair damaged areas at Baan Tung Rueaklon School, Kanchana Buri Province and Muang Kao Kampeang-saen School, Nakhon Pathom Province.
- 9th volunteer project of Faculty of Architecture, Kasetsart University at Bang Khen to improve and build multi-purpose building at Baan Klang School, Nakhon Ratchasima Province. The above-mentioned projects are in accordance with the Company’s policy on CSR with respect to society and environment.

Care on Environment of the Community

Prukسا accords due important on the development of the communities nearby the Company’s projects both in and outside the country. In addition to the strict monitoring and supervision on the cleanness of the communities during construction process, the continuous maintenance of cleanness has also been emphasized, such as the supports on public pipeline installation for Baan Ped Sub-district Municipality, Kon Kean Province, garbage trucks for Muang Lum Sam Keaw Municipality, Pathum Thani Province, waste bins for Ramkhamhaeng 3/1 Community, canal development, weed clean up and landscape adjustment for Tung Kru District, as well as waste bins for the communities for the cleanness of the areas around the projects. Motorbikes were also provided to police officers for their performing of duties at Hulhumale in Maldives.

Religion and Cultural Arts

Improvement of Religion and Inheritance of Tradition

Improvement of religion is very important for this globalization era. The religion plays a role in putting people mind at rest. Pruksa realizes on the importance of such; therefore, continues to improve religion and inherit good traditions by promoting activities/ charities on religious days and inheriting good traditions for customers and communities nearby the Company's projects, for example, taking the Company's customers to pay respect to the Buddha, do meditation and donate money to the temples in Nonthaburi and Phra Nakhon Sri Ayudhya Provinces. The Company also supports on making merits on Songkran day, Vassa, Buddhist Sermons of celebration in Honor of H.M. The King, ceremony of offering robes to Buddhist priests at monastery and ceremony of presenting yellow to the Buddhist priests at the end of the Buddhist Lent etc.

Furthermore, the Company supports the construction of the temple hall for sermons at Tum Suea Temple, Kanchana Buri Province and provides funding to support Thai priests' Buddhist education in India.

Emergency assistance and helping the underprivileged

'Blood Donation to Honor H.M. the King's 84th Birthday Anniversary' Project

As Pruksa has realized on emergency assistance, one of CSR's policies, it invited employees and the general public to donate blood for honoring H.M. the King's 84th Birthday Anniversary. 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 and Relieving Difficulties for Flood Victims

In 2011, many provinces in Thailand experienced severe flooding which has caused hardship, shortages of food, clothing and medicine for a large number of people. Pruksa expressed its concern by taking care closely and continuously of all stakeholders, including customers, staff, community and society through various assisting means as follows:

1. Staff Pruksa arranged volunteer staff to participate in handing aid bags and arranging for accommodation, bedding and other facilities to the staff in flooding areas. Work from home was arranged and salary payment was made in advance to relieve difficulties of the staff. Additionally, many assistance programs were organized, i.e. 'Pruksa sharing: Give and Take' Project to share consumer products and necessary stuff to the staff in flooding areas and 'Fitting for Cleaning' Project to help cleaning the houses of the staff in flooding areas. Discount privilege for construction supplies, electronic supplies and furniture was also given for purpose of home improvement after the flood ended.

2. Customers Pruksa helped to build dikes to prevent water from flowing into the projects, pump water out of the projects' area, donate boats for communication, provide vehicles for evacuation purpose, aid bags and rice to customers and general public, effective microorganisms (EM) for waste water management and shuttle bus services on various main routes; and clean the projects so that customers could quickly return to their places. Reports on

flooding situation were also prepared daily to allow the customers to be informed of the information through Contact Center at 1739. Big Cleaning Day activity was also launched for various projects after the flood. In addition, electric and water supply system check and home maintenance checkup (structure work) services were provided. The 'Care Day' activity was organized to provide opportunity for the customers to purchase home-repair materials at a price lower than the market price.

3. Community and Society Pruksa participated in relieving Thai people's difficulties by donating a total of Baht 1,198,200 through foundations, governmental and private entities, namely, Relief and Community Health Bureau of the Thai Red Cross Society, Senate, Prawet District Office, and Real Estate Development Office; purchasing consumer products for flood victims in Pathum Thani and Nonthaburi Provinces and funding for food arrangement for the flood victims in various areas, including donating drinking water at the amount of 20,000 bottles to alleviate flood victims' sufferings at the flood relief center at Thammasat University at Ransit. The Company, in addition, cooperated with various entities to provide assistance to all over areas such as, cooperating with Nation Broadcasting Corporation to provide aid bags to the customers and the people living in the hardly accessible areas at Bang Yai District, Nonthaburi Province and sending staff to participate with the Stock Exchange of Thailand to pack aid bags and with PTT Public Company Limited to produce EM balls.

'Vehicle for Disabled' Project

Pruksa has supported 'Vehicle for Disabled' Project by providing wheel-chair/3-wheel for disability to disabled students and desperate disabled children for their travelling within their studying places and other places for convenience. This project also helps disabled who are underprivileged which is in accordance with the Company's policy on CSR with respect to emergency assistance and helping the underprivileged.

Computer Donation for Underprivileged's Education

Due to Pruksa's well realization on education which is in accordance with the Company's policy on CSR with respect to assistance and helping the underprivileged, Pruksa has continued to support the underprivileged by donating full sets of computers to Suankaew Foundation to be used as educational and knowledge sources by the underprivileged students who lack of school supplies.

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, 979/100, 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, 979/98, 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, 979/84, 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. 28, 1st Floor, Daddanekundi Village, 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. 28, 1st Floor, Daddanekundi Village , 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 Real Estate 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 Limite (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 (Branch of 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 Vipavan Pattavanvivek Certified Public Accountant Registration No. 4795 and/or
2. Miss Somboon Supasiripinyo, Certified Public Accountant Registration No. 3731 and/or
3. Mr. Supot Singhasaneh, Certified Public Accountant Registration No. 2826 and/or
4. Miss Wanaporn Jongpeeradechanon, Certified Public Accountant Registration No. 4098 and/or
5. Mr. Charoen Phosamritlert Certified Public Accountant Registration No. 4068

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, Sathorn, Bangkok 10120
 Telephone : 0-2286-9999, 0-2344-1000

18 Annual financial statements and Audit report of Certified Public Accountant

Audit report of Certified Public Accountant

Pruksa Real Estate Public Company Limited and its Subsidiaries
For the years ended 31 December 2011 and 2010

To the shareholders of Pruksa Real Estate Public Company Limited

I have audited the accompanying consolidated and separate statements of financial position as at 31 December 2011, and the related statements of comprehensive income, changes in equity and cash flows for the year 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 audit. The consolidated and separate financial statements of Pruksa Real Estate Public Company Limited and its subsidiaries, and of Pruksa Real Estate Public Company Limited, respectively, for the year ended 31 December 2010 were audited by another auditor whose report dated 16 February 2011 expressed an unqualified opinion on those statements. As explained in note 4 to the accompanying financial statements, with effect from 1 January 2011 the Company has adopted certain new and revised financial reporting standards. The consolidated and separate financial statements for the year ended 31 December 2010 have been restated accordingly. I have audited the adjustments that were applied to the restatement of those financial statements and in my opinion those adjustments are appropriate and have been properly applied.

I conducted my audit 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 audit provides 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 2011 and the results of operations and cash flows for the year then ended of Pruksa Real Estate Public Company Limited and its subsidiaries, and of Pruksa Real Estate Public Company Limited, respectively, in accordance with Financial Reporting Standards.



(Vipavan Pattavanvivek)

Certified Public Accountant

Registration No. 4795

KPMG Phoomchai Audit Ltd.

Bangkok

17 February 2012



Pruksa Real Estate Public Company Limited and its Subsidiaries

Statements of financial position

As at 31 December 2011 and 2010

(in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
			(Restated)		(Restated)
Assets					
<i>Current assets</i>					
Cash and cash equivalents	8	837,374,701	1,439,382,122	713,505,960	1,132,936,545
Current investments	9	1,193,141,594	190,638,604	901,067,906	4,903,177
Receivable from subsidiaries	7	-	-	261,350,055	111,098,459
Short-term loans to subsidiaries	7	-	-	2,069,845,773	1,409,056,157
Real estate projects under development	10	36,159,787,065	27,922,718,639	31,711,424,838	25,357,191,779
Deposits for purchase of land		184,980,349	1,132,014,856	120,834,667	1,073,591,609
Advance payment for goods		383,899,927	425,204,889	363,042,314	425,204,889
Other current assets		156,928,932	248,150,736	64,635,904	119,099,416
Total current assets		38,916,112,568	31,358,109,846	36,205,707,417	29,633,082,031
<i>Non-current assets</i>					
Investment in subsidiaries	11	-	-	1,774,998,800	1,274,998,800
Investment property	13	127,829,591	127,829,591	127,829,591	127,829,591
Property, plant and equipment	14	2,468,581,709	2,159,380,554	2,301,795,656	1,983,234,592
Intangible assets	15	172,694,594	123,230,388	163,393,791	113,794,635
Deferred tax assets	16	156,352,448	204,627,574	92,031,627	141,314,871
Other non-current assets		140,728,952	118,004,029	91,486,067	83,313,751
Total non-current assets		3,066,187,294	2,733,072,136	4,551,535,532	3,724,486,240
Total assets		41,982,299,862	34,091,181,982	40,757,242,949	33,357,568,271

Pruksa Real Estate Public Company Limited and its Subsidiaries

Statements of financial position

As at 31 December 2011 and 2010

(in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
			(Restated)		(Restated)
Liabilities and equity					
<i>Current liabilities</i>					
Short-term loans from financial institutions	17	5,988,091,826	3,500,850,746	5,333,091,826	3,500,850,746
Trade accounts payable					
- Subsidiaries	7, 18	-	-	327,848,909	267,302,006
- Others	18	1,083,327,364	1,424,939,548	959,855,264	1,241,547,134
Payables for purchase of land		395,897,036	1,571,958,063	395,897,036	1,571,958,063
Short-term loan from subsidiaries	7, 17	-	-	477,224,697	260,275,598
Current portion of long-term loans	17	1,838,410,000	500,010,000	1,838,400,000	500,010,000
Current portion of long-term debentures	17	1,500,000,000	-	1,500,000,000	-
Current portion of finance lease liabilities	17	6,962,501	3,084,617	6,962,501	3,084,617
Customers' deposits		1,603,956,865	1,228,075,683	1,304,308,439	1,083,838,757
Income tax payable		363,869,119	330,305,969	271,924,702	304,898,792
Other current liabilities	19	1,046,060,766	1,111,590,560	875,574,692	939,926,153
Total current liabilities		13,826,575,477	9,670,815,186	13,291,088,066	9,673,691,866
<i>Non-current liabilities</i>					
Long-term loans	17	3,461,620,000	100,030,000	3,461,620,000	100,020,000
Long-term debentures	17	7,500,000,000	9,000,000,000	7,500,000,000	9,000,000,000
Finance lease liabilities	17	11,675,774	6,787,076	11,372,271	6,592,185
Employee benefit obligations	20	75,694,514	50,337,835	74,759,274	47,156,956
Provision for litigation and claims	36	110,388,917	-	109,588,917	-
Total non-current liabilities		11,159,379,205	9,157,154,911	11,157,340,462	9,153,769,141
Total liabilities		24,985,954,682	18,827,970,097	24,448,428,528	18,827,461,007

Pruksa Real Estate Public Company Limited and its Subsidiaries

Statements of financial position

As at 31 December 2011 and 2010

(in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
Liabilities and equity					
<i>Equity</i>					
Share capital	21				
Authorised share capital		2,250,812,000	2,228,812,000	2,250,812,000	2,228,812,000
Issued and paid-up share capital		2,209,407,200	2,206,812,000	2,209,407,200	2,206,812,000
Premium on ordinary shares	21	1,396,241,273	1,361,595,353	1,396,241,273	1,361,595,353
Retained earnings					
Appropriated					
Legal reserve	23	225,575,340	225,575,340	225,575,340	225,575,340
Unappropriated		13,233,801,687	11,502,725,341	12,476,666,344	10,736,107,812
Other components of equity	23	(69,184,269)	(33,496,149)	924,264	16,759
Equity attributable to owners of the Company		16,995,841,231	15,263,211,885	16,308,814,421	14,530,107,264
Non-controlling interests		503,949	-	-	-
Total equity		16,996,345,180	15,263,211,885	16,308,814,421	14,530,107,264
Total liabilities and equity		41,982,299,862	34,091,181,982	40,757,242,949	33,357,568,271

Pruksa Real Estate Public Company Limited and its Subsidiaries

Statements of comprehensive income

For the years ended 31 December 2011 and 2010

(in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
			(Restated)		(Restated)
Continuing Operations					
<i>Income</i>					
Revenue from sale of real estate	24	23,262,984,548	23,307,115,013	20,639,547,504	21,381,089,921
Revenue from sale of raw materials	7	-	-	155,680,911	-
Dividend income	7, 11	-	-	119,999,880	99,999,900
Other income		159,330,208	99,848,970	273,829,982	128,905,612
Total income		23,422,314,756	23,406,963,983	21,189,058,277	21,609,995,433
<i>Expenses</i>					
Cost of real estate sales		14,724,493,757	14,560,829,237	13,121,975,536	13,291,189,077
Cost of raw material sales		-	-	136,221,036	-
Selling expenses	25	2,178,243,481	2,034,033,141	1,946,212,698	1,870,630,641
Administrative expenses	26	2,475,900,603	2,208,766,656	2,106,525,459	1,852,251,108
Finance costs	29	137,437,564	67,087,878	133,410,037	68,082,351
Total expenses		19,516,075,405	18,870,716,912	17,444,344,766	17,082,153,177
Profit before income tax expense		3,906,239,351	4,536,247,071	3,744,713,511	4,527,842,256
Income tax expense	30	(1,071,423,754)	(1,048,100,172)	(900,415,129)	(982,015,645)
Profit for the year		2,834,815,597	3,488,146,899	2,844,298,382	3,545,826,611

Pruksa Real Estate Public Company Limited and its Subsidiaries

Statements of comprehensive income

For the years ended 31 December 2011 and 2010

(in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
Other comprehensive income					
Foreign currency translation differences for foreign operations		(36,352,503)	(33,885,651)	-	-
Net change in fair value of available-for-sale investments		664,383	(181,282)	907,505	(259,034)
Other comprehensive income for the year, net of income tax		(35,688,120)	(34,066,933)	907,505	(259,034)
Total comprehensive income for the year		2,799,127,477	3,454,079,966	2,845,205,887	3,545,567,577
Profit attributable to:					
Owners of the Company		2,834,816,196	3,488,146,899	2,844,298,382	3,545,826,611
Non-controlling interests		(599)	-	-	-
Profit for the year		2,834,815,597	3,488,146,899	2,844,298,382	3,545,826,611
Total comprehensive income attributable to:					
Owners of the Company		2,799,128,076	3,454,079,966	2,845,205,887	3,545,567,577
Non-controlling interests		(599)	-	-	-
Total comprehensive income for the year		2,799,127,477	3,454,079,966	2,845,205,887	3,545,567,577
Earnings per share					
Basic earnings per share	32	1.28	1.58	1.29	1.61
Diluted earnings per share	32	1.28	1.58	1.29	1.61

Pruksa Real Estate Public Company Limited and its Subsidiaries

Statements of cash flows

For the years ended 31 December 2011 and 2010

(in Baht)

	Consolidated financial statements		Separate financial statements		
	Note	2011	2010	2011	2010
				(Restated)	
Cash flows from operating activities					
Profit for the year		2,834,815,597	3,488,146,899	2,844,298,382	3,545,826,611
<i>Adjustments for</i>					
Allowance for decline in value of real estate projects under development (reversal)		171,836,415	133,931,244	34,229,438	(21,004,586)
Allowance for impairment loss on property, plant and equipment (reversal)		9,985,469	(5,148,218)	9,985,469	(5,148,218)
Allowance for impairment loss on deposits for purchase of land		12,200,000	-	12,200,000	-
Depreciation and amortisation		339,267,149	246,249,842	285,823,895	209,719,733
Gain on disposal of equipment		(1,696,749)	(3,915,332)	(1,669,314)	(3,062,306)
Dividend income from subsidiary		-	-	(119,999,880)	(99,999,900)
Currency translation differences		(57,321,983)	(33,885,652)	-	-
Employees benefits		25,356,678	9,338,249	27,602,318	8,361,104
Provision for litigation and claims		96,293,917	-	95,493,917	-
Finance costs		137,437,564	67,087,878	133,410,037	68,082,351
Income tax expense		1,071,423,754	1,048,100,172	900,415,129	982,015,645
		4,639,597,811	4,949,905,082	4,221,789,391	4,684,790,434
<i>Changes in operating assets and liabilities</i>					
Receivable from subsidiaries		-	-	(150,251,596)	27,797,383
Real estate projects under development		(7,677,572,379)	(14,637,976,048)	(5,805,165,856)	(13,125,463,838)
Deposits for purchase of land		934,834,507	(645,634,571)	940,556,942	(587,211,324)
Advance payment for goods		41,304,961	(318,079,427)	62,162,574	(318,079,427)
Other current assets		91,221,821	(144,892,896)	54,463,512	(38,620,100)
Other non-current assets		(22,724,923)	(41,479,455)	(8,172,315)	(24,524,234)
Trade accounts payable - subsidiaries		-	-	60,546,903	185,951,873
Trade accounts payable - others		(335,210,173)	626,072,279	(275,289,859)	534,357,458
Payables for purchase of land		(1,176,061,027)	1,221,730,426	(1,176,061,027)	1,325,448,015
Customers' deposits		375,881,182	335,846,720	220,469,681	213,244,131
Other current liabilities		(53,180,705)	172,126,241	(51,698,924)	139,276,183
Cash used in operating activities		(3,181,908,925)	(8,482,381,649)	(1,906,650,574)	(6,983,033,446)
Income tax paid		(968,616,013)	(1,432,775,503)	(884,105,975)	(1,277,838,605)
Net cash used in operating activities		(4,150,524,938)	(9,915,157,152)	(2,790,756,549)	(8,260,872,051)

Pruksa Real Estate Public Company Limited and its Subsidiaries

Statements of cash flows

For the years ended 31 December 2011 and 2010

(in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
Cash flows from investing activities					
Decrease in short-term deposits at financial institutions		-	1,122,450	-	1,122,450
Increase in property, plant and equipment		(640,210,890)	(1,083,839,216)	(597,372,870)	(967,009,124)
Proceed from disposal of equipment		5,173,638	11,291,209	3,828,047	7,472,220
Increase in intangible assets		(71,324,674)	(51,469,759)	(69,004,754)	(51,291,409)
Increase in investment in subsidiaries		-	-	(500,000,000)	(475,000,500)
Dividend received from subsidiary		-	-	119,999,880	99,999,900
Purchase of current investments		(15,454,792,396)	(16,133,754,677)	(12,325,980,582)	(12,619,299,075)
Sale of current investments		14,453,257,839	18,246,334,042	11,430,723,358	14,341,060,625
Increase in short-term loans to subsidiaries		-	-	(2,881,945,564)	(2,047,552,817)
Cash received from short-term loans to subsidiaries		-	-	2,221,155,949	765,007,894
Net cash from (used in) investing activities		(1,707,896,483)	989,684,049	(2,598,596,536)	(945,489,836)
Cash flows from financing activities					
Finance costs paid		(864,822,299)	(268,511,288)	(712,758,950)	(269,505,444)
Dividends paid		(1,103,739,850)	(1,213,747,200)	(1,103,739,850)	(1,213,746,600)
Increase in short-term loans from subsidiaries		-	-	245,829,407	1,184,220,973
Repayment of short-term loan from subsidiaries		-	-	(28,880,307)	(923,945,372)
Increase in short-term loans from financial institutions		2,487,241,080	3,500,850,746	1,832,241,080	3,500,850,746
Proceeds from issue of ordinary shares		37,745,069	-	37,241,120	-
Proceeds from long-term loans		5,536,633,053	600,010,000	5,536,633,053	600,010,000
Repayment of long-term loans		(836,643,053)	-	(836,643,053)	-
Proceeds from long-term debentures		-	7,500,000,000	-	7,500,000,000
Repayment of long-term debentures		-	(600,000,000)	-	(600,000,000)
Net cash from financing activities		5,256,414,000	9,518,602,258	4,969,922,500	9,777,884,303
Net increase (decrease) in cash and cash equivalents		(602,007,421)	593,129,155	(419,430,585)	571,522,416
Cash and cash equivalents at beginning of year		1,439,382,122	846,252,967	1,132,936,545	561,414,129
Cash and cash equivalents at end of year	8	837,374,701	1,439,382,122	713,505,960	1,132,936,545
Non-cash transaction:					
Equipment payable which have not yet been paid		(2,479,775)	-	(2,479,775)	-

Pruksa Real Estate Public Company Limited and its Subsidiaries
Statements of changes in equity

For the years ended 31 December 2011 and 2010

(in Baht)

	Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings				Fair value changes in available-for-sale investments				Other components of equity				Equity attributable to owners of the Company	Non-controlling interests	Total equity
				Legal reserve	Unappropriated	Currency translation differences	Total other components of equity	Unappropriated	Unappropriated	Unappropriated	Unappropriated	Unappropriated	Unappropriated	Unappropriated	Unappropriated			
Balance at 1 January 2010		2,206,812,000	1,361,595,353	225,575,340	9,228,194,402	534,804	35,980	570,784	13,022,747,879	131,240	13,022,879,119							
Transactions with owners, recorded directly in equity																		
<i>Contributions by and distributions to owners of the Company</i>																		
Non-controlling interests		-	-	-	131,240	-	-	-	131,240	(131,240)	-	-	-	131,240	(131,240)	-	-	
Dividends to owners of the Company	33	-	-	-	(1,213,747,200)	-	-	-	(1,213,747,200)	-	-	-	-	(1,213,747,200)	-	-	(1,213,747,200)	
Total transactions with owners, recorded directly in equity		-	-	-	(1,213,615,960)	-	-	-	(1,213,615,960)	(131,240)	(1,213,747,200)			(1,213,747,200)				
Comprehensive income for the year																		
Profit for the year		-	-	-	3,488,146,899	-	-	-	3,488,146,899	-	-	-	-	3,488,146,899	-	-	3,488,146,899	
Other comprehensive income		-	-	-	-	(181,282)	(33,885,651)	(34,066,933)	(34,066,933)	-	-	-	-	(34,066,933)	-	-	(34,066,933)	
Total comprehensive income for the year		-	-	-	3,488,146,899	(181,282)	(33,885,651)	(34,066,933)	3,454,079,966	-	-	-	-	3,454,079,966	-	-	3,454,079,966	
Balance at 31 December 2010		2,206,812,000	1,361,595,353	225,575,340	11,502,725,341	353,522	(33,849,671)	(33,496,149)	15,263,211,885	-	-	-	-	15,263,211,885	-	-	15,263,211,885	

Prukso Real Estate Public Company Limited and its Subsidiaries

Statements of changes in equity

For the years ended 31 December 2011 and 2010

(in Baht)

	Consolidated financial statements (Restated)									
	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated	Fair value changes in available-for-sale investments	Other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity	
Balance at 1 January 2011	2,206,812,000	1,361,595,353	225,575,340	11,502,725,341	353,522	(33,849,671)	(33,496,149)	15,263,211,885	-	15,263,211,885
Transactions with owners, recorded directly in equity										
<i>Contributions by and distributions to owners of the Company</i>										
Dividends to owners of the Company	-	-	-	(1,103,739,850)	-	-	-	(1,103,739,850)	-	(1,103,739,850)
Shares options exercised	2,595,200	34,645,920	-	-	-	-	-	37,241,120	-	37,241,120
<i>Total contributions by and distributions to owners of the Company</i>	2,595,200	34,645,920	-	(1,103,739,850)	-	-	-	(1,066,498,730)	-	(1,066,498,730)
<i>Changes in ownership interests in subsidiary</i>										
Acquisition of non-controlling interests with a change in control	-	-	-	-	-	-	-	-	504,548	504,548
Total transactions with owners, recorded directly in equity	2,595,200	34,645,920	-	(1,103,739,850)	-	-	-	(1,066,498,730)	504,548	(1,065,994,182)
Comprehensive income for the year										
Profit for the year	-	-	-	2,834,816,196	-	-	-	2,834,816,196	(599)	2,834,815,597
Other comprehensive income	-	-	-	-	664,383	(36,352,503)	(35,688,120)	(35,688,120)	-	(35,688,120)
Total comprehensive income for the year	-	-	-	2,834,816,196	664,383	(36,352,503)	(35,688,120)	2,799,128,076	(599)	2,799,127,477
Balance at 31 December 2011	2,209,407,200	1,396,241,273	225,575,340	13,233,801,687	1,017,905	(70,202,174)	(69,184,269)	16,995,841,231	503,949	16,996,345,180

Pruksa Real Estate Public Company Limited and its Subsidiaries

Statements of changes in equity

For the years ended 31 December 2011 and 2010

	Note	Separate financial statements (Restated)						Total equity
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings	Unappropriated investments	Other components of equity	Fair value changes in available-for-sale investments	
Balance at 1 January 2010		2,206,812,000	1,361,595,353	225,575,340	8,404,027,801	275,793	12,198,286,287	
Transactions with owners, recorded directly in equity								
<i>Contributions by and distributions to owners of the Company</i>								
Dividends to owners of the Company	33	-	-	-	(1,213,746,600)	-	(1,213,746,600)	
Total transactions with owners, recorded directly in equity		-	-	-	(1,213,746,600)	-	(1,213,746,600)	
Comprehensive income for the year								
Profit for the year		-	-	-	3,545,826,611	-	3,545,826,611	
Other comprehensive income		-	-	-	-	(259,034)	(259,034)	
Total comprehensive income for the year		-	-	-	3,545,826,611	(259,034)	3,545,567,577	
Balance at 31 December 2010		2,206,812,000	1,361,595,353	225,575,340	10,736,107,812	16,759	14,530,107,264	

(in Baht)

Pruksa Real Estate Public Company Limited and its Subsidiaries

Statements of changes in equity

For the years ended 31 December 2011 and 2010

	Note	Separate financial statements (Restated)						Total equity
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings	Other components of equity	Fair value changes in available-for-sale investments		
Balance at 1 January 2011		2,206,812,000	1,361,595,353	225,575,340	10,736,107,812	16,759	14,530,107,264	
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners of the Company								
Dividends to owners of the Company	33	-	-	-	(1,103,739,850)	-	(1,103,739,850)	
Shares options exercised	21	2,595,200	34,645,920	-	-	-	37,241,120	
Total transactions with owners, recorded directly in equity		2,595,200	34,645,920	-	(1,103,739,850)	-	(1,066,498,730)	
Comprehensive income for the year								
Profit for the year		-	-	-	2,844,298,382	-	2,844,298,382	
Other comprehensive income		-	-	-	-	907,505	907,505	
Total comprehensive income for the year		-	-	-	2,844,298,382	907,505	2,845,205,887	
Balance at 31 December 2011		2,209,407,200	1,396,241,273	225,575,340	12,476,666,344	924,264	16,308,814,421	

(in Baht)

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Pruksa Real Estate Public Company Limited and its Subsidiaries

Notes to the financial statements

For the years ended 31 December 2011 and 2010

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 17 February 2012.

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 Company’s major shareholder during the financial year was Vijitpongpun family (73.82% shareholding).

The principal activity of the Company is sale of real estate in Thailand. Details of the Company’s subsidiaries and jointly-controlled entities as at 31 December 2011 and 2010 are as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2011	2010
Direct subsidiaries				
Kaysorn Construction Company Limited	Service, management, home decoration and construction	Thailand	100.00	100.00
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	100.00
Pruksa Oversea Service Company Limited	Service and management	Thailand	100.00	100.00
Pruksa Mohan Mutha Real Estate Private Limited	Property development and construction	India	95.00	-
Jointly-controlled entities				
Pruksa HDC Housing Private Limited	Property development and construction	Maldives	80.00	80.00
Pruksa - Luxora Housing Private Limited	Property development and construction	India	50.00	50.00

According to joint venture agreement mentioned that joint ventures have to joint control and management even though the voting right is less than 50%.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS) and guidelines promulgated by the Federation of Accounting Professions (“FAP”), applicable rules and regulations of the Thai Securities and Exchange Commission.

During 2010 and 2011, the FAP issued the following new and revised TFRS relevant to the Group’s operations and effective for accounting periods beginning on or after 1 January 2011:

TFRS	Topic
TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 2	Share-based Payment
TFRIC 15	Agreements for the Construction of Real Estate

The adoption of these new and revised TFRS has resulted in changes in the Group’s accounting policies. The effects of these changes are disclosed in note 4.

In addition to the above new and revised TFRS, the FAP has issued during 2010 a number of other new and revised TFRS which are expected to be effective for financial statements beginning on or after 1 January 2013 and have not been adopted in the preparation of these financial statements. These new and revised TFRS are disclosed in note 37.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statements of financial position:

- Available-for-sale financial assets are measured at fair value;
- The present value of the defined benefit obligation.

(c) Presentation currency

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 million unless otherwise stated.

(d) Use of estimates and judgements

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.

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

Note 3	Impact of severe flooding in Thailand
Note 5(s)	Current and deferred taxation
Note 16	Utilisation of tax losses
Note 20	Measurement of defined benefit obligations
Note 34	Valuation of financial instruments
Note 36	Contingent liabilities

3 Impact of severe flooding in Thailand

The Group's operations have been affected by the unusually severe flooding in parts of Thailand. Various projects of real estate under development were inundated by flood waters. Management has assessed the damage suffered and has plans to develop those projects to be ready for sale within 2012. In addition, on 29 October 2011, the surrounding areas of the Company's plants were inundated by flood waters and production at these plants ceased. However, the impact of the flooding was not material and the plants restarted in December 2011. Management, the insurers and loss adjusters have had full access to the affected areas since January 2012 but have thus far not finalized their assessment of the actual damage suffered. Management believes that any losses arising as a consequence of the flooding will be recovered from insurance. These financial statements do not include any adjustments that might have been required had the assessment of the damage, and the extent of the insurance coverage, been finalized.



4 Changes in accounting policies

(a) Overview

From 1 January 2011, consequent to the adoption of new and revised TFRS as set out in note 2, the Group has changed its accounting policies in the following areas:

- Presentation of financial statements
- Accounting for property, plant and equipment
- Accounting for investment properties
- Accounting for borrowing costs
- Accounting for share-based payment

Details of the new accounting policies adopted by the Group and the impact of the changes on the financial statements are included in notes 4(b) to 4(f) below. Other new and revised TFRS did not have any impact on the accounting policies, financial position or performance of the Group.

(b) Presentation of financial statements

From 1 January 2011, the Group has adopted TAS 1 Presentation of Financial Statements (Revised 2009). Under the revised standard, a set of financial statements comprises:

- Statement of financial position;
- Statement of comprehensive income;
- Statement of changes in equity;
- Statement of cash flows; and
- Notes to the financial statements.

As a result, the Group presents all owner changes in equity in the statement of changes in equity and all non-owner changes in equity in the statement of comprehensive income. Previously, all such changes were included in the statement of changes in equity.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on reported profit or earnings per share.

(c) Accounting for property, plant and equipment

The Group has adopted TAS 16 (revised 2009) Property, Plant and Equipment in determining and accounting for the cost and depreciable amount of property, plant and equipment.

The principal changes introduced by the revised TAS 16 and affecting the Group are that:

- costs of asset dismantlement, removal and restoration have to be included as asset costs and subject to annual depreciation
- the depreciation charge has to be determined separately for each significant part of an asset
- in determining the depreciable amount, the residual value of an item of property, plant and equipment has to be measured at the amount estimated receivable currently for the asset if the asset were already of the age and in the condition expected at the end of its useful life. Furthermore, the residual value and useful life of an asset have to be reviewed at least at each financial year-end.

The changes have been applied prospectively in accordance with the transitional provisions of the revised standard, except that consideration of the costs of asset dismantlement, removal and restoration, have been applied retrospectively. The changes have had no material impact on the profit and earnings per share for the years ended 31 December 2011 and 2010.

(d) Accounting for investment properties

The Group has adopted TAS 40 (revised 2009) Investment Property.

Under the revised standard, investment property, defined as property owned to earn rentals; capital appreciation; or both, is disclosed in the financial statements separately from other property, plant and equipment and measured using either the cost model or the fair value model, with changes in fair value being recognised in profit or loss.

Previously, investment properties were included in property, plant and equipment and measured using the cost model.

The Group has selected the cost model for accounting for its investment properties under the revised standard. The change in accounting policy has been applied retrospectively and the financial statements for the year ended 31 December 2010, which are included in the Group's 2011 financial statements for comparative purposes, have been adjusted to reclassify investment properties from land not used in operations to a separate account, 'Investment property'. The changes have had no impact on profit and earnings per share for the years ended 31 December 2011 and 2010.

(e) Accounting for borrowing costs

The Group has adopted TAS 23 (revised 2009) Borrowing costs.

Under the revised standard, borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Under the former standard, there was also an option to expense borrowing costs on qualifying assets when incurred.

It was the Group's policy under the former TAS 23 to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Consequently the adoption of the revised standard has had no impact on reported profit or earnings per share for the years ended 31 December 2011 and 2010.

(f) Accounting for share-based payments

The Group has adopted TFRS 2 Share-based Payment.

Under TFRS 2, share-based payment awards granted to employees are recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The Group has not applied the above accounting policy for share-based payment awards granted before 1 January 2011 in accordance with transitional provisions of TFRS 2. The adoption of TFSR 2 has had no material impact on the profit and earnings per share for the year ended 31 December 2011.

5 Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries and proportionately-consolidated jointly-controlled entities (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.

Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Jointly-controlled entities

Jointly-controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. The consolidated financial statements include the Group’s proportionate share of the entities’ assets, liabilities, revenue and expenses combined with items of a similar nature on a line by line basis, from the date that joint control commences until the date that joint control ceases.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

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 profit or loss.

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 other comprehensive income and presented in the foreign currency translation reserve in equity until disposal of the investment.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

(c) Derivative financial instruments

Derivative financial instruments are used to manage exposure to interest rate arising from financing activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Hedge of interest rates

Derivatives are recognised on an accrual basis in the same aspect as interest expense of the hedged loans. Interest differentials under swap arrangements are accrued and recorded as adjustments to the interest expense relating to the hedged loans.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments.

(e) 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.

(f) 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 and estimated net realisable value.

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.

The cost of construction materials is calculated using the moving-weighted average cost principle.

The cost of sample houses and real estate projects under development is calculated using standard cost adjusted to approximate average cost which includes an appropriate share of production overheads based on normal operating capacity.

The cost of land is calculated using specifically identified costs.

(g) Investments

Investments in subsidiaries and jointly-controlled entities

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method. Investments in jointly-controlled entities in the consolidated financial statements are accounted for using the proportionate consolidation method.

Investments in mutual fund

Mutual funds are marketable equity securities, 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 profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the profit or loss.

The fair value of investments in mutual fund is determined as the net asset value 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 profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(h) Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are comprised with land which stated at cost less impairment losses.

(i) Property, plant and equipment

Recognition and measurement

Owned assets

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within profit or loss.

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 profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component 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
Public utilities	20	years
Transportation equipment	5	years

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

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

*(j) Intangible assets**Software licenses*

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

Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives are 10 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.



(k) 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 amounts 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 profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

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 in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. 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.

(l) 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 profit or loss over the period of the borrowings on an effective interest basis.

(m) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(n) Employee benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity (provident fund) and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plan is calculated separately for each plan by estimating 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 calculation is performed by a qualified actuary using the projected unit credit method.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Share-based payments

The grant-date fair value of share-based payment warrants granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the warrants. The amount recognised as an expense is adjusted to reflect the actual number of qualified warrants for which the related service and non-market vesting conditions are expected to be met.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expenses in profit or loss.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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 the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(p) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Sale of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the

goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

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 profit or loss 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 profit or loss.

Real estate development projects

When the contract meets the criteria for a sale of goods, or if control and significant risks and rewards of ownership of the work in progress are transferred to the buyer at a single time, for example at completion or after delivery, revenue is recognised when the criteria described above for sales of goods and services are met.

Dividend income

Dividend income is recognised in the profit or loss on the date the Group's right to receive payments is established.

Interest and other income

Interest and other income are recognised in the profit or loss as they accrue.

(q) Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available-for-sale financial assets, fair value losses on financial assets at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables), and losses on hedging instruments that are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(r) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the

basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(s) *Income tax*

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

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

Deferred tax is 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 assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

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

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

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

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.

(t) *Earnings per share*

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.



6 Acquisition of subsidiary

In 2011, a subsidiary registered a new subsidiary named Pruksa Mohan Mutha Real Estate Private Company Limited with a registered and paid up share capital of India Rupee 90 million. This subsidiary operates in property development and construction and the Group has a 95% voting right in this new subsidiary. The financial statements of subsidiary are included in the consolidated financial statements for the year ended 31 December 2011. There was no significant impact on the consolidated financial statements.

7 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related parties which 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 Oversea Service Company Limited	Thailand	Indirect subsidiary, 100.00% shareholding
Pruksa India Housing Private Limited	India	Indirect subsidiary, 100.00% shareholding
Pruksa India Construction Private Limited	India	Indirect subsidiary, 100.00% shareholding
Pruksa Vietnam Construction Company Limited	Vietnam	Indirect subsidiary, 100.00% shareholding
Pruksa Mohan Mutha Real Estate Private Limited	India	Indirect subsidiary, 95.00% shareholding
Pruksa HDC Housing Private Limited	Maldives	Jointly-controlled entity, 80.00% shareholding by a subsidiary
Pruksa - Luxora Housing Private Limited	India	Jointly-controlled entity, 50.00% shareholding by a subsidiary
Kaysorn Construction Company Limited	Maldives	Branch of Kaysorn Construction Company Limited
Thongma Vijitpongpun	Thai	Major shareholders, 10% or more shareholding, and a director

Significant transactions and pricing policies for the years ended 31 December 2011 and 2010 with the related parties were as follows:

Transactions	Policy of pricing	Separate financial statements	
		2011	2010
		(in million Baht)	
Subsidiaries			
Dividend income	The declared amount	120.00	100.00
Sales of raw materials	Cost plus 5% to 10%	155.68	35.32
Management fee	Cost plus 5%	163.12	159.45
Interest income	MLR and MLR+1%	133.58	35.92
Management income	Contractual prices	1.00	-
Other income	Cost plus 5%	6.33	5.61
Interest expense	MMR	12.95	4.24

Key management personnel compensation

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(in million Baht)				
Short-term employee benefits	79.67	61.15	79.67	61.15



Balances as at 31 December 2011 and 2010 with related parties were as follows:

	Separate financial statements	
	2011	2010
	(in million Baht)	
Receivable from subsidiaries		
Phanalee Estate Co., Ltd.	202.87	83.06
Putthachart Estate Co., Ltd.	51.84	26.26
Kaysorn Construction Co., Ltd.	6.41	1.78
Prukisa India Housing Private Limited	0.23	-
	<u>261.35</u>	<u>111.10</u>
Short-term loans to subsidiaries		
Putthachart Estate Co., Ltd.	1,093.24	698.59
Phanalee Estate Co., Ltd.	776.58	557.27
Kaysorn Construction Co., Ltd.	198.80	153.20
Prukisa India Housing Private Limited	1.06	-
Prukisa Vietnam Construction Company Limited	0.10	-
Prukisa HDC Housing Private Limited	0.07	-
	<u>2,069.85</u>	<u>1,409.06</u>
Trade accounts payable-subsidiaries		
Kaysorn Construction Co., Ltd.	238.70	181.47
Phanalee Estate Co., Ltd.	78.41	55.12
Putthachart Estate Co., Ltd.	10.74	30.71
	<u>327.85</u>	<u>267.30</u>
Short-term loans from subsidiaries		
Prukisa International Co., Ltd.	244.89	240.11
Prukisa Oversea Co., Ltd.	224.06	20.16
Phanalee Estate Co., Ltd.	1.66	-
Kaysorn Construction Co., Ltd.	6.61	-
	<u>477.22</u>	<u>260.27</u>

Movements during the years ended 31 December 2011 and 2010 of short-term loans to subsidiaries were as follows:

	Separate financial statements	
	2011	2010
	(in million Baht)	
At 1 January	1,409.06	126.51
Increase	2,881.95	2,047.55
Decrease	(2,221.16)	(765.00)
At 31 December	<u>2,069.85</u>	<u>1,409.06</u>

Movements during the years ended 31 December 2011 and 2010 of short-term loans from subsidiaries were as follows:

	Separate financial statements	
	2011	2010
	(in million Baht)	
At 1 January	260.27	-
Increase	245.83	1,184.22
Decrease	(28.88)	(923.95)
At 31 December	477.22	260.27

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, from October 2010 up to October 2013. The rental and service charges for the year ended 31 December 2011 amounted to approximately Baht 3.2 million (2010: Baht 1.98 million).

The subsidiaries have registered land with accumulative value at 31 December 2011 of Baht 333 million (2010: Baht 191 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 subsidiaries has received compensation of Baht 336 million (2010: Baht 193 million).

In 2011, the Company and subsidiaries had entered into loan agreements in loan lines totaling Baht 4,100 million. In addition, the subsidiaries had entered into advance agreement with the Company. Such agreements had been charge interest rates with reference to interest rates quoted by financial institutions. The condition of repayment is at call.

8 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in million Baht)			
Cash on hand	17	8	15	6
Cash at banks - current accounts	(58)	462	(70)	404
Cash at banks - savings accounts	300	584	261	406
Highly liquid short-term investments	282	39	250	1
Cheques on hand	295	345	257	315
Others	1	1	1	1
Total	837	1,439	714	1,133

The currency denomination of cash and cash equivalents as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in million Baht)			
Thai Baht	768	1,344	714	1,133
India Rupee	22	20	-	-
Rufiyaa	27	30	-	-
US Dollars	20	4	-	-
Vietnam Dong	-	41	-	-
Total	837	1,439	714	1,133

9 Current investments

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in million Baht)			
Current investments				
Mutual fund - available for sale investment	1,192	190	900	4
Other	1	1	1	1
Total	1,193	191	901	5

Movements during the years ended 31 December 2011 and 2010 of mutual fund - available for sale investment were as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in million Baht)			
At 1 January	190	2,303	4	1,726
Purchases during the year	15,455	16,133	12,326	12,619
Sales during the year	(14,453)	(18,246)	(11,430)	(14,341)
At 31 December	1,192	190	900	4

Current investments of the Group and the Company as at 31 December 2011 and 2010 were denominated entirely in Thai Baht.

10 Real estate projects under development

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in million Baht)			
Construction materials	421	536	368	489
Sample houses	592	450	521	419
Projects under development				
- land	15,923	12,256	13,881	11,118
- land improvements	884	483	741	426
- construction cost	3,099	1,687	3,142	1,617
- public utilities	1,326	695	1,164	616
- overhead costs	966	630	861	569
- interest costs	608	153	521	154
	22,806	15,904	20,310	14,500
Land, and land and houses for sale	5,371	2,045	4,651	1,837
Land held for development	7,302	9,148	6,040	8,257
Total	36,492	28,083	31,890	25,502
<u>Less</u> allowance for decline in value of property development projects	(332)	(160)	(179)	(145)
Net	36,160	27,923	31,711	25,357
Finance costs capitalised during the year	29	217	579	217

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(projects)			
<i>Number of projects under development</i>				
Townhouse	105	84	78	65
Single house	39	36	38	35
Twin house	4	4	4	4
Condominium	15	9	15	9
Foreign	4	3	-	-
Total projects	167	136	135	113

Real estate projects under development (land and structure thereon) are used as collateral for credit facilities from banks (see note 17 to the financial statements).

11 Investment in subsidiaries

	Separate financial statements	
	2011	2010
	(in million Baht)	
At 1 January	1,275	800
Acquisitions	500	475
At 31 December	1,775	1,275

During the year 2011, Putthachart Estate Co., Ltd., a subsidiary of the Company, increased its authorised share capital from Baht 100 million (1 million shares at Baht 100 par value) to Baht 300 million (3 million shares at Baht 100 par value) and issued the new shares at par to the existing shareholders. The subsidiary registered the increase in share capital with the Ministry of Commerce in March 2011.

During the year 2011, Phanalee Estate Co., Ltd., a subsidiary of the Company, increased its authorised share capital from Baht 200 million (2 million shares at Baht 100 par value) to Baht 300 million (3 million shares at Baht 100 par value) and issued the new shares at par to the existing shareholders. The subsidiary registered the increase in share capital with the Ministry of Commerce in March 2011.

During the year 2010, Pruksa Overseas Co., Ltd., a subsidiary of the Company, increased its authorised share capital from Baht 200 million (2 million shares at Baht 100 par value) to Baht 400 million (4 million shares at Baht 100 par value) and called up the additional shares amounting to Baht 50 million (2 million shares at Baht 25 per share) and registered with the Ministry of Commerce in April 2010. During the year 2011, the subsidiary called up its share capital to be fully paid up amounting to Baht 150 million (2 million shares at Baht 75 per share) and registered with the Ministry of Commerce in July 2011. Moreover, such subsidiary increased its authorised share capital from Baht 400 million (4 million shares at Baht 100 par value) to Baht 600 million (6 million shares at Baht 100 par value) and called up the additional shares amounting to Baht 50 million (2 million shares at Baht 25 per share) and registered with the Ministry of Commerce in September 2011.

During the year 2010, Pruksa International Company Limited called up its share capital to be fully paid up amounting to Baht 300 million (4 million shares at Baht 75 per share). Moreover, such subsidiary increased its authorised share capital from Baht 500 million (5 million shares at Baht 100 par value) to Baht 1,000 million (10 million shares at Baht 100 par value) and called up the additional shares amounting to Baht 125 million (5 million shares at Baht 25 per share) and registered with the Ministry of Commerce in April 2010.

Investment in subsidiaries as at 31 December 2011 and 2010, and dividend income from those investments for the years then ended were as follows:

	Separate financial statements							
	Ownership interest		Paid-up capital		Cost method		Dividend income	
	2011	2010	2011	2010	2011	2010	2011	2010
	(%)		(in million Baht)					
<i>Subsidiaries</i>								
Kaysorn Construction Co., Ltd.	100.00	100.00	100	100	100	100	-	-
Putthachart Estate Co., Ltd.	100.00	100.00	300	100	300	100	-	-
Phanalee Estate Co., Ltd.	100.00	100.00	300	200	300	200	120	100
Pruksa Oversea Co., Ltd.	100.00	100.00	450	250	450	250	-	-
Pruksa International Co., Ltd.	100.00	100.00	625	625	625	625	-	-
Total			1,775	1,275	1,775	1,275	120	100

12 Investment in jointly-controlled entities

The following summarised financial information on interests in jointly-controlled entities which have been proportionately consolidated in the consolidated financial statements represents the Group's share:

Name of jointly-controlled entity	Ownership interest	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Total revenues	Total expenses	Net profit/(loss)
	(%)	(in million Baht)								
2011										
Pruksa HDC Housing Private Limited	80	219	2	221	113	-	113	82	60	22
Pruksa - Luxora Housing Private Limited	50	-	-	-	-	-	-	-	-	-
Total		219	2	221	113	-	113	82	60	22
2010										
Pruksa HDC Housing Private Limited	80	247	1	248	129	-	129	1	-	1
Pruksa - Luxora Housing Private	50	-	-	-	-	-	-	-	-	-
Total		247	1	248	129	-	129	1	-	1

13 Investment property

Investment property comprises land held by the Company for which there is no specific intention to use in the future. Cost of investment property as at 31 December 2011 amounted to Baht 127.8 million (2010: Baht 127.8 million). The fair value of such land appraised by a firm of independent professional valuers in the report dated 18 January 2012, at market values was Baht 165.8 million.

Collateral

Investment property at book value of Baht 127.8 million as at 31 December 2011 and 2010 of the Company and the Group are used as collateral for credit facilities from banks (see note 17 to the financial statements).

14 Property, plant and equipment

		Consolidated financial statements							
		Land and land improvement	Building	Machinery and equipment	Furniture, fixtures and office equipment	Public utility	Transportation equipment	Assets under construction and installation	Total
		(in million Baht)							
Cost									
At 1 January 2010	302	442	961	189	17	84	38	2,033	
Additions	-	16	224	90	-	7	756	1,093	
Transfers, net	8	-	2	34	-	-	(44)	-	
Disposals	-	-	(16)	(13)	-	(10)	-	(39)	
Reversal of impairment losses	-	5	-	-	-	-	-	5	
At 31 December 2010 and 1 January 2011	310	463	1,171	300	17	81	750	3,092	
Additions	-	13	246	59	-	6	318	642	
Transfers, net	(8)	418	530	5	-	-	(945)	-	
Disposals	-	-	(13)	(7)	-	(10)	-	(30)	
Impairment losses	-	-	(10)	(1)	-	-	(1)	(12)	
At 31 December 2011	302	894	1,924	356	17	77	122	3,692	
Accumulated depreciation and impairment losses									
At 1 January 2010	1	105	428	116	17	67	-	734	
Depreciation charge for the year	-	29	150	43	-	9	-	231	
Disposals	-	-	(11)	(11)	-	(10)	-	(32)	
At 31 December 2010 and 1 January 2011	1	134	567	148	17	66	-	933	
Depreciation charge for the year	1	48	198	63	-	8	-	317	
Disposals	-	(1)	(9)	(5)	-	(12)	-	(27)	
At 31 December 2011	2	181	756	206	17	62	-	1,223	

Consolidated financial statements								
	Land and land improvement	Building	Machinery and equipment	Furniture, fixtures and office equipment	Public utility	Transportation equipment	Assets under construction and installation	Total
	(in million Baht)							
Net book value								
At 1 January 2010								
Owned assets	301	337	533	73	-	17	38	1,229
Assets under finance leases	-	-	-	-	-	-	-	-
	301	337	533	73	-	17	38	1,299
At 31 December 2010 and 1 January 2011								
Owned assets	309	329	604	143	-	15	750	2,150
Assets under finance leases	-	-	-	9	-	-	-	9
	309	329	604	152	-	15	750	2,159
At 31 December 2011								
Owned assets	300	713	1,168	133	-	15	122	2,451
Assets under finance leases	-	-	-	18	-	-	-	18
	300	713	1,168	151	-	15	122	2,469

Separate financial statements								
	Land and land improvement	Building	Machinery and equipment	Furniture, fixtures and office equipment	Public utility	Transportation equipment	Assets under construction and installation	Total
	(in million Baht)							
Cost								
At 1 January 2010	302	442	848	176	17	77	35	1,897
Additions	-	16	141	68	-	4	747	976
Transfers, net	8	-	3	31	-	-	(42)	-
Disposals	-	-	(12)	(12)	-	(10)	-	(34)
Reversal of impairment losses	-	5	-	-	-	-	-	5
At 31 December 2010 and								
1 January 2011	310	463	980	263	17	71	740	2,844
Additions	-	20	211	54	-	3	310	598
Transfers, net	(8)	417	527	5	-	-	(941)	-
Disposals	-	-	(11)	(6)	-	(10)	-	(27)
Impairment losses	-	(10)	-	-	-	-	-	(10)
At 31 December 2011	302	890	1,707	316	17	64	109	3,405
Accumulated depreciation								
At 1 January 2010	1	105	395	112	17	65	-	695
Depreciation charge for the year	-	29	122	38	-	7	-	196
Disposals	-	-	(9)	(11)	-	(10)	-	(30)
At 31 December 2010 and								
1 January 2011	1	134	508	139	17	62	-	861
Depreciation charge for the year	1	49	158	54	-	5	-	267
Disposals	-	-	(8)	(5)	-	(12)	-	(25)
At 31 December 2011	2	183	658	188	17	55	-	1,103

		Separate financial statements						
		Land and land improvement	Building	Machinery and equipment	Furniture, fixtures and office equipment	Public utility	Transportation equipment	Assets under construction and installation
Net book value		(in million Baht)						
At 1 January 2010								
Owned assets	301	337	453	64	-	12	35	1,202
Assets under finance leases	-	-	-	-	-	-	-	-
	301	337	453	64	-	12	35	1,202
At 31 December 2010 and 1 January 2011								
Owned assets	309	329	472	115	-	9	740	1,974
Assets under finance leases	-	-	-	9	-	-	-	9
	309	329	472	124	-	9	740	1,983
At 31 December 2011								
Owned assets	300	707	1,049	110	-	9	109	2,284
Assets under finance leases	-	-	-	18	-	-	-	18
	300	707	1,049	128	-	9	109	2,302

At 31 December 2011 the Company's and the Group's property, plant and equipment with a net book value of Baht 721 million (2010: Baht 772 million) are used as collateral for credit facilities with banks (See note 17 to the financial statements).

15 Intangible assets

	Consolidated financial statements	Separate financial statements
	Software licenses	Software licenses
(in million Baht)		
Cost		
At 1 January 2010	124	109
Additions	51	51
At 31 December 2010 and 1 January 2011	175	160
Additions	72	68
At 31 December 2011	247	228
Accumulated amortisation		
At 1 January 2010	37	33
Amortisation charge for the year	15	13
At 31 December 2010 and 1 January 2011	52	46
Amortisation charge for the year	22	19
At 31 December 2011	74	65
Net book value		
At 1 January 2010	87	76
At 31 December 2010 and 1 January 2011	123	114
At 31 December 2011	173	163

16 Deferred tax

Movements in total deferred tax assets during the years were as follows:

	Consolidated financial statements			
	(Charged) / credited to			
	As at 1 January 2011	Profit or loss (Note 30)	Other comprehensive income	As at 31 December 2011
	(in million Baht)			
Deferred tax assets				
Real estate projects under development	90	10	-	100
Property, plant and equipment	29	(3)	-	26
Employee benefit obligations	11	1	-	12
Customers' deposits	71	(101)	-	(30)
Provision for litigation and claims	4	21	-	25
Foreign currency translation for foreign operation	-	-	21	21
Others	-	2	-	2
Total	205	(70)	21	156

	Consolidated financial statements		
	As at 1 January 2010	(Charged) / credited to profit or loss (Note 30)	As at 31 December 2010
		(in million Baht)	
Deferred tax assets			
Real estate projects under development	71	19	90
Property, plant and equipment	31	(2)	29
Employee benefit obligations	10	1	11
Customers' deposits	62	9	71
Provision for litigation and claims	3	1	4
Total	177	28	205

	Separate financial statements		
	As at 1 January 2011	(Charged) / credited to profit or loss (Note 30)	As at 31 December 2011
		(in million Baht)	
Deferred tax assets			
Real estate projects under development	33	2	35
Property, plant and equipment	29	(3)	26
Employee benefit obligations	10	2	12
Customers' deposits	65	(73)	(8)
Provision for litigation and claims	4	21	25
Others	-	2	2
Total	141	(49)	92

	Separate financial statements		
	As at 1 January 2010	(Charged) / credited to profit or loss (Note 30)	As at 31 December 2010
	(in million Baht)		
Deferred tax assets			
Real estate projects under development	40	(7)	33
Property, plant and equipment	31	(2)	29
Employee benefit obligations	9	1	10
Customers' deposits	61	4	65
Provision for litigation and claims	3	1	4
Total	144	(3)	141

As of 31 December 2011, deferred tax assets which were resulted from the temporary differences of impairment loss of assets and loss carry forward, were not recognized in the consolidated financial statements totalling Baht 41.3 million. As the Group has a significant loss and would not be applicable to utilise the benefits from this amount of deferred tax.

17 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in million Baht)			
Current				
Short-term loans from financial institutions				
Secured	955	320	300	320
Unsecured	5,033	3,181	5,033	3,181
Current portion of long-term loans				
Secured	1,638	500	1,638	500
Unsecured	200	-	200	-
Current portion of long-term debentures				
Unsecured	1,500	-	1,500	-
Short-term loans from subsidiaries				
Unsecured	-	-	477	260
Current portion of finance lease liabilities	7	3	7	3
Total current interest-bearing liabilities	9,333	4,004	9,155	4,264

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in million Baht)			
<i>Non-current</i>				
Long-term loans from financial institutions				
Secured	2,662	100	2,662	100
Unsecured	800	-	800	-
Long-term debentures				
Unsecured	7,500	9,000	7,500	9,000
Finance lease liabilities	12	7	11	7
Total non-current interest-bearing liabilities	10,974	9,107	10,973	9,107
Total	20,307	13,111	20,128	13,371

The periods to maturity of interest-bearing liabilities as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in million Baht)			
Within one year	9,333	4,004	9,155	4,264
After one year but within five years	10,974	9,107	10,973	9,107
Total	20,307	13,111	20,128	13,371

As at 31 December 2011 the Group and the Company had unutilised credit facilities totalling Baht 9,548 million and 9,166 million, respectively (2010: Baht 7,050 million and Baht 6,858 million, respectively).

Credit facilities of the Company and subsidiaries that used assets as collateral as at 31 December 2011 were as follows:

- (a) Loan lines from banks of Baht 12,686 million (2010: Baht 8,970 million) for the Company, and Baht 1,388 million (2010: Baht 198 million) for its subsidiaries.
- (b) Overdraft lines of Baht 131 million (2010: Baht 80 million) for the Company, and Baht 80 million (2010: Baht 65 million) for its subsidiaries.
- (c) Letter of guarantee lines of Baht 4,870 million (2010: Baht 4,539 million) for the Company, and Baht 2,903 million (2010: Baht 1,207 million) for its subsidiaries.
- (d) Promissory note lines of Baht 8,982 million (2010: Baht 770 million) for the Company, and Baht 2,500 million (2010: nil) for its subsidiaries.

Credit facilities were secured on the following assets at carrying value:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in million Baht)			
Property, plant and equipment	721	772	721	772
Investment properties	128	128	128	128
Real estate projects under development (Land and properties)	9,439	5,300	9,200	5,169
Total	10,288	6,200	10,049	6,069

Loans from financial institutions

Loans from financial institutions bear interest at market rates.

Certain loans contain restrictions on financial ratios, debt to equity ratio and payment of dividends.

Debenture

At the annual general meetings 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 24 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 funds for 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).

Interest-bearing liabilities of the Group and the Company as at 31 December 2011 and 2010 were denominated entirely in Thai Baht.

18 Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
(in million Baht)					
Related parties	7	-	-	328	267
Other parties		1,083	1,425	960	1,242
Total		1,083	1,425	1,288	1,509

The currency denomination of trade accounts payable as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(in million Baht)				
Thai Baht	1,054	1,380	1,285	1,507
US dollars	14	32	-	-
India Rupee	10	9	-	-
Singapore dollar	3	1	3	2
Rufiyaa	1	3	-	-
Others	1	-	-	-
Total	1,083	1,425	1,288	1,509

19 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(in million Baht)				
Accrued for real estate projects under development	164	258	117	215
Accrued for public utility	290	272	255	245
Accrued bonus	-	74	-	67
Retention	140	94	126	83
Accrued interest expense	48	41	48	41
Accrued withholding tax	17	40	16	36
Others	387	333	314	253
Total	1,046	1,112	876	940

20 Employee benefit obligations

The Group and the Company operate a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The statement of financial position obligation was determined as follows:

	Consolidated financial statements			
	2011	2010	2009	2008
	(in million Baht)			
Present value of unfunded obligations	76	50	41	31

	Separate financial statements			
	2011	2010	2009	2008
	(in million Baht)			
Present value of unfunded obligations	75	47	39	29

Movement in the present value of the defined benefit obligations:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in million Baht)			
Defined benefit obligations at 1 January	50	41	47	39
Current service costs	10	9	8	8
Interest cost	2	1	2	1
Benefits paid by the plan	-	(1)	-	(1)
Others	14	-	18	-
Defined benefit obligations at 31 December	76	50	75	47
<i>Expense recognised in profit or loss</i>				
Current service cost	10	9	8	8
Interest on obligation	2	1	2	1
Others	14	-	18	-
Total	26	10	28	9

Principal actuarial assumptions at the reporting date:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Discount rate (%)	3.6	3.5	3.6	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

Assumptions regarding future mortality are based on published statistics and mortality tables.

21 Share capital

	Par value per share (in Baht)	2011		2010	
		Number	Baht	Number	Baht
		(million shares / million Baht)			
<i>Authorised</i>					
At 1 January					
ordinary shares	1	2,229	2,229	2,225	2,225
Reduction of shares	1	-	-	(18)	(18)
Increase of new shares	1	22	22	22	22
At 31 December					
ordinary shares	1	2,251	2,251	2,229	2,229
<i>Issued and paid up</i>					
At 1 January					
ordinary shares	1	2,207	2,207	2,207	2,207
Exercise of warrants	1	2	2	-	-
At 31 December					
ordinary shares	1	2,209	2,209	2,207	2,207

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Issue of ordinary shares

At the annual general meeting of the shareholders of the Company held on 22 April 2011, the shareholders approved the increase in the Company's authorised share capital from Baht 2,228.81 million (2,228.81 million ordinary shares with a par value of Baht 1 per share) to Baht 2,250.81 million (2,250.81 million ordinary shares with a par value of Baht 1 per share). The Company registered the increase in the authorised share capital with the Ministry of Commerce on 3 May 2011.

During 2011, the holders of 2.60 million warrants exercised their options to purchase 2.60 million ordinary shares of the Company at Baht 14.35 per share.

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 2,206.81 million (2,206.81 million ordinary shares with a par value of Baht 1 per share) to Baht 2,228.81million (2,228.81 million ordinary shares with a par value of Baht 1 per share).The Company registered the increase in authorized share capital with the Ministry of Commerce on 3 May 2010.

Reduction of shares

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 2,224.75 million (2,224.75 million ordinary shares with a par value of Baht 1 per share) to Baht 2,206.81million (2,206.81 million ordinary 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.

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.

22 Warrants

At the annual general shareholders’ meeting held on 27 April 2010, the shareholders passed resolutions to approve the issuance of 22 million 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
Issued and allotted as at 31 December 2011	14,796,000 units (actual units 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 to exceed 1/3 of total rights in each year for the period of 3 years. In case of partial exercise, the holders can roll over to the next period.

During 2011, the holders of 2.60 million warrants exercised their options to purchase 2.60 million ordinary shares of the Company at Baht 14.35 per share.

As at 31 December 2011, there were 12.2 million outstanding warrants in issue but not yet to be exercised (2010: 14.8 million units).

23 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a public 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.

Other components of equity

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 in available-for-sale investments

The fair value changes in available-for-sale investments account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

24 Segment reporting

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

	Consolidated financial statements	
	2011	2010
	(in million Baht)	
<i>Segment revenue</i>		
Thailand	23,141	23,293
India	4	-
Vietnam	-	-
Maldives	118	14
Total	23,263	23,307
<i>Investment property, property, plant and equipment and intangible assets</i>		
Thailand	2,684	2,316
India	25	31
Vietnam	13	7
Maldives	47	56
Total	2,769	2,410

25 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in million Baht)			
Advertising expenses	804	706	725	646
Special business tax	762	567	679	518
Sales promotion	413	659	361	615
Transfer fee	162	83	144	73
Others	37	19	37	19
Total	2,178	2,034	1,946	1,871

26 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in million Baht)			
Personnel expenses	1,144	1,169	1,052	1,063
Allowance for impairment loss on assets (reversal)	194	118	56	(27)
Professional fee	103	128	90	121
Rental fee	130	104	108	88
Depreciation	123	86	105	70
Provision for litigation and claims	96	2	96	2
Utilities expense	86	73	69	63
Repair fee	35	43	31	39
Others	565	486	500	433
Total	2,476	2,209	2,107	1,852

27 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in million Baht)			
Management				
Wages and salaries	69	40	69	40
Contribute to provident fund	2	1	2	1
Other-bonus and welfare	9	20	9	20
	80	61	80	61
Other employees				
Wages and salaries	993	714	852	621
Contribute to provident fund	27	18	24	16
Other-bonus and welfare	497	447	410	399
	1,517	1,179	1,286	1,036
Total	1,597	1,240	1,366	1,097

Defined benefit plan

Details of the defined benefit plan are given in note 20.

Defined contribution plan

The defined contribution plan comprises provident fund established by companies in the Group for their employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rate 4% of their basic salaries and by the Group at rate 4% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

28 Expenses by nature

The financial statements include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirement of various TFRS were as follow:

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
	(in million Baht)			
Changes in land, and land and houses for sale and real estate projects under development	(10,228)	(7,405)	(8,625)	(6,583)
Raw materials and consumables used	15,290	15,019	13,175	13,672
Employee benefit expenses	1,597	1,240	1,366	1,097
Depreciation and amortisation	339	246	285	210

29 Finance costs

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
	(in million Baht)			
Finance costs				
Subsidiaries (note 7)	-	-	13	4
Financial institutions	711	284	699	281
Total	711	284	712	285
Less: amounts included in the cost of qualifying assets:				
- Real estate projects under development	(574)	(217)	(579)	(217)
Net	137	67	133	68

30 Income tax expense

Income tax recognised in profit or loss

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
		(in million Baht)			
Current tax expense					
Current year		1,000	1,083	850	979
Under (over) adjustment for prior year		1	(7)	1	-
		1,001	1,076	851	979
Deferred tax expense					
	16				
Movements in temporary different		40	(28)	42	3
Income tax reduction – deferred		30	-	7	-
		70	(28)	49	3
Total		1,071	1,048	900	982

Reconciliation of effective tax rate	Consolidated financial statements			
	2011		2010	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit for the year		2,835		3,488
Total income tax expense		1,071		1,048
Profit before tax		3,906		4,536
Income tax using the Thai corporation tax rate	30	1,172	30	1,360
Income tax reduction - current		-		(226)
Income tax reduction - deferred		30		-
Income not subject to tax		(270)		(163)
Expenses not deductible for tax purposes		30		9
Eliminated income		106		78
Under provided in prior years		1		(7)
Other		2		(3)
Total	27	1,071	23	1,048

	Separate financial statements			
	2011		2010	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit for the year		2,844		3,546
Total income tax expense		900		982
Profit before tax		3,744		4,528
Income tax using the Thai corporation tax rate	30	1,123	30	1,358
Income tax reduction - current		-		(226)
Income tax reduction - deferred		7		-
Income not subject to tax		(254)		(156)
Expenses not deductible for tax purposes		26		8
Under provided in prior years		1		-
Other		(3)		(2)
Total	24	900	22	982

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	2011			2010		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	(in million Baht)					
Foreign currency translation differences for foreign operations	(57)	21	(36)	-	-	-

Income tax reduction - current

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 not exceeding Baht 300 million for the five consecutive accounting periods beginning on or after enactment. Listed companies that received income tax reduction under this Royal Decree are also eligible to continue the period of tax reduction under Royal Decree No. 475 but not beyond the 2010 accounting period ending on or after 31 December 2010. Royal Decree No. 475 B.E. 2551 dated 6 August 2008 grants companies listed on the Stock Exchange of Thailand a reduction in the corporate income tax rate from 30% to 25% for taxable profit not exceeding Baht 300 million for the three consecutive accounting periods beginning on or after 1 January 2008.

Income tax reduction - deferred

On 11 October 2011, the Cabinet passed a resolution regarding tax measures to increase Thailand's competitiveness and approved the reduction of the corporate income tax rate from 30% to 23% of net taxable profit for the accounting period 2012 which ends on or after 31 December 2012 and to 20% of net taxable profit for the accounting period which begins on or after 1 January 2013 and onwards.

In order to give effect to the above Cabinet resolution, the Government has issued a Royal Decree under the Revenue Code regarding the Reduction and Exemption in Income Taxes (No. 530) B.E. 2554 to reduce the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively. It is understood that the Government will proceed to amend the law in order to maintain the corporate income tax rate at not higher than 20% for the accounting period 2015 which begins on or after 1 January 2015 and onwards in order to give full effect to the Cabinet resolution.

Such announcement on the reduction of income tax rate has an impact on the measurement of deferred tax assets and deferred tax liabilities since Thai Accounting Standard No. 12 Income Taxes paragraph 47 states that deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

The Federation of Accounting Professions has considered this matter and has resolved that the substantively enacted tax rates which should be applied in measuring deferred tax assets and liabilities shall be the reduced rates as approved by the Cabinet; i.e. 23% shall be applied for the accounting period 2012 and 20% shall be applied for accounting periods 2013 onwards.

31 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.

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

32 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2011 and 2010 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:



	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
	(million shares / in million Baht)			
Profit attributable to equity holders of the Company (basic)	2,834.82	3,488.15	2,844.30	3,545.83
Number of ordinary shares at 1 January	2,206.81	2,206.81	2,206.81	2,206.81
Effect of shares issued 7 March 2011	0.55	-	0.55	-
Effect of shares issued 9 June 2011	0.53	-	0.53	-
Effect of shares issued 8 September 2011	0.31	-	0.31	-
Weighted average number of ordinary shares outstanding (basic)	2,208.20	2,206.81	2,208.20	2,206.81
Earnings per share (basic) (in Baht)	1.28	1.58	1.29	1.61

Diluted earnings per share

The calculations of diluted earnings per share for the years ended 31 December 2011 and 2010 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:

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
	(million shares / in million Baht)			
Profit attributable to equity holders of the Company (diluted)	2,834.82	3,488.15	2,844.30	3,545.83
Weighted average number of ordinary shares outstanding (basic)	2,208.20	2,206.81	2,208.20	2,206.81
Effect of dilutive equivalent ordinary shares-warrants	1.79	1.23	1.79	1.23
Weighted average number of ordinary shares outstanding (diluted)	2,209.99	2,208.04	2,209.99	2,208.04
Earnings per share (diluted) (in Baht)	1.28	1.58	1.29	1.61

33 Dividends

The Company

At the annual general meeting of the shareholders of the Company held on 22 April 2011, the shareholders approved the appropriation of dividend of Baht 0.5 per share, amounting to Baht 1,103.74 million. The dividend was paid to shareholders on 11 May 2011.

At the annual general meeting of the shareholders of the Company held on 27 April 2010, the shareholders approved the appropriation of dividend of Baht 0.55 per share, amounting to Baht 1,213.75 million. The dividend was paid to shareholders on 13 May 2010.

34 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

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 2011, interest-bearing liabilities to equity ratio in the consolidated financial statements is 1.19:1 (2010: 0.86:1) and the separate financial statements: debt to equity ratio is 1.23: 1 (2010: 0.92:1) as conditions stipulated in loan facility agreements.

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. The Group is primarily exposed to interest rate risk from its borrowings (note 17). The Group mitigates this risk by initiate to use derivative financial instrument, interest rate swaps, to manage exposure to fluctuations in interest rates on specific borrowings.

Foreign currency risk

The Group has risk from foreign currency as stated in related notes to financial statements. Management believes that the Group has minimal in interest rate risk. 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 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 and long-term loans approximate their fair values because these financial instruments bear interest at market rates.

As at 31 December 2011, the carrying and fair value of debentures amounted to Baht 9,000 million and Baht 8,874 million, respectively (2010: Baht 9,000 million and Baht 8,970 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.

35 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(in million Baht)				
<i>Office operating lease commitments</i>				
Within one year	40	41	32	33
After one year but within five years	28	65	22	51
Total	68	106	54	84
<i>Other commitments</i>				
Within one year	57	51	51	45
After one year but within five years	70	96	61	88
Total	127	147	112	133
<i>Other commitments</i>				
Land purchasing agreements	1,730	5,728	1,394	5,387
Real estate project under development and construction agreements	401	1,275	114	1,146
Services and professional consulting agreements	33	1	32	1
Total	2,164	7,004	1,540	6,534

Letter of guarantee from banks

As at 31 December 2011;

- (a) the Company and its subsidiaries were contingently liable for letters of guarantee issued by certain local banks totalling Baht 5,429 million to certain government agencies (2010: Baht 3,411 million).

- (b) the Company was contingently liable as a guarantor of overdraft lines of Baht 80 million, loan lines from banks of Baht 1,388 million and letters of guarantee lines of Baht 2,903 million of the subsidiaries (2010: Baht 65 million, Baht 198 million and Baht 1,207 million, respectively).

Interest rate swap contract

As at 31 December 2011, the Company has interest rate swap contract of loan payable amounting to Baht 2,000 million with a bank, starting from 1 October 2011 to 30 September 2013. The Company has entered into fix swap rate to hedge anticipated future interest rate of loan payable on a monthly basis at the fix rate approximately 4.43 percent per annum.

36 Contingent liability

At 31 December 2011, the Company and its subsidiaries have been sued by other companies and persons in cases of alleged violation of agreements, prosecution claims and other cases totaling Baht 205 million. Presently, the cases are being considered by the court. However, the Company and its subsidiaries have set aside provision of Baht 110 million for liabilities that may arise as a result of these cases, based on the opinion of their legal department.

37 Thai Financial Reporting Standards (TFRS) not yet adopted

The Group has not adopted the following revised TFRS that have been issued as of the reporting date but are not yet effective. The revised TFRS are expected 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 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates	2013

Management has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of that new standard. Management is of the opinion that the adoption of TAS 21 from 1 January 2013 will not have a significant impact on the Group's financial statements.

38 Reclassification of accounts

Certain accounts in the statement of financial position as at 31 December 2010 and the statement of comprehensive income for year then ended, which are included in the 2011 financial statements for comparative purposes, have been reclassified to conform to the presentation in the 2011 financial statements. These reclassifications have principally been made following changes in accounting policies consequent to the adoption of new and revised TFRS as disclosed in note 4. Other significant reclassifications were as follows:

	2010					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
	(in million Baht)					
<i>Statement of financial position</i>						
Installment receivables	120	(120)	-	108	(108)	-
Real estate projects under development	27,801	122	27,923	25,357	-	25,357
Land not used in operations	250	(250)	-	128	(128)	-
Investment property	-	128	128	-	128	128
Customers' deposits	(1,348)	120	(1,228)	(1,192)	108	(1,084)
		-			-	
<i>Statement of comprehensive income</i>						
Administrative expenses	2,148	61	2,209	1,791	61	1,852
Management benefit expenses	61	(61)	-	61	(61)	-
		-			-	



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