

Power-P Public Company Limited

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To The Shareholders,

During the year 2010 was the time of changing, the age of digital, information technology and online social with various innovations. There were many new things occurred and circulated rapidly in the age of business competition. While the strength with attempt may be insufficient, including aggressive policy, obvious information with seeking new things in order to support the opportunity with added value to the business for catching up to the age, also the possibility in the future, analyze the problems, guideline of performance in order to solve problems with protection correctly, working by teamwork including various components should be brought to use worthily, efficiently. The board of directors of the company has realized to the above components, therefore, the strong investors with more ability who are interested to invest with the company, including seeking personnel with knowledge, more experience with wide vision. At the same time development to the personnel of the company and the organization for contemporary are also full of power of thoughts with efficiency of working, so that the company shall be advanced to the new age, the age of POWER-Performance.

For the time being, the company has accelerated to increase the registered capital of the company with expectation to be finished within 2nd quarter of 2011. For and on behalf of the board of directors of the company, please be acknowledged for our than you for all shareholders, the personnel of the company with those who have supported to the company for all, that the current board of directors of the company shall concentrate to manage with more efficiency and to maintain the shareholders' interests by adhering to the good governance in order to take the company to the secure prosperity further.

A handwritten signature in black ink, appearing to be 'J. Phayakun'.

(Mr. Jomphon Phayakun)
Chairman of the Board of Director



Dear Shareholders,

Power-P PLC ("Company") has management's and recruitment's structure made up under corporate governance in which company's directors and executives meet all qualification requirements under Section 68 of the Royal Decree for Public Company Limited 2005, and in accordance with the announcement of Securities and Exchange Commission GorJor 5/2005, the subject is 'Regulations Applying to Executive of the Hiring Company', January 17, 2005 edition.

Audit committee is one of the company management structure as of February 21, 2011 consisted of 3 independent directors as follows:

1. Mr. Sutee	Phongpaiboon	Chairman of the Audit Committee
2. Ms. Chirawadi	Kiatsiri	Audit Committee
3. Mr. Jomphon	Phayakun	Audit Committee

In 2010, the Audit Committee held total of 4 meetings. The member attendance's summaries are as follows:

<u>Audit Committee Member's Name</u>	<u>Meeting Attended/Total Meeting Held</u>	<u>Note:</u>
Mr. Sutee Phongpaiboon	4 / 4	Meeting from January - December
Mr. Prawit Srisangnarm	3 / 4	Meeting from January - December
Mr. Panupon Jitthiwong	4 / 4	Meeting from January - December
Ms. Chirawadi Kiatsiri	-	Appointment in 2011
Mr. Jomphon Phayakun	-	Appointment in 2011

Authority and responsibilities of audit committee are as follows:

- 1) Review the company financial reports so that the account statements are complete, accurate and satisfactory, and also review and monitor the effectiveness and efficiency of company's internal control over financial report.
- 2) Review and monitor company's accounting practices to assure compliance with regulations of Stock Exchange, and laws those apply to our line of business.
- 3) Determine hiring and set fee for the external auditors.
- 4) Determine whether to the disclosure of company's finance when there is a conflict of interest or as such, in order to amend the situation.
- 5) Conduct Annual Audit Committee's report.
- 6) Other responsibilities entrusted by the company with the audit committee's agreement.

In 2010, the audit committee's performance had been strictly within its scope of responsibilities. In addition, the committees had involved with board of directors in solving company's problems. We had focused our attention on the improvement of company's principal-structure and business-structure in order to increase business opportunity and have solid foundation for company in the future. With respect to financial report, audit committees gave full co-operation to company's auditors so that the report meets the accounting standard. Also, the committees provided enough disclosed-information to the company's board of directors to use in examining the internal control system. As such, the company's board of directors was able to set up the internal control system that fit our company's current line of business.

On behalf of the Audit Committee,

(Mr. Sutee Phongpaiboon)

Chairman of the Audit Committee

Report of the Nomination Remuneration Committee



Dear Shareholders,

Power-P PLC ("Company") has a nomination and remuneration committee who were appointed by the company's board of directors. Names of the nomination and remuneration committee on February 23, 2010 are as follows:

1. Ms. Chirawadi Kiatsiri Chairman of the Nomination and Remuneration Committee
2. Mr. Jomphon Phayakun Nomination and Remuneration Committee
3. Mr. Jetsada Kaewngam Nomination and Remuneration Committee

In 2010, the Nomination and Remuneration Committee held 4 meetings. The attendance's summaries are as follows:

Nomination and Remuneration Committee's Name		Total Time Attended/ Total Meeting Held	Remark
Mr. Pravit	Srisangnarm	4 / 4	Meeting during January-December
Mr. Panupon	Jitthiwong	4 / 4	Meeting during January-December
Mrs.Thansaya	Bunnak	4 / 4	Meeting during January-December
Ms. Chirawadi	Kiatsiri	-	Appointment in 2011
Mr. Jomphon	Phayakun	-	Appointment in 2011
Mr. Jetsada	Kaewngam	-	Appointment in 2011

In 2010, the nomination and remuneration committee had performed its duties strictly within its authorization such as presiding and submitting structure and qualifications of company's board of directors and other sub-directors. Furthermore, it had recruited and submitted to board of directors the qualified name (s) to fill the available position (s) so that they could present it (them) to the shareholders for approval.

Also, the committees had presided over forms and regulations for services renders payment to directors and top executives by weight of responsibilities to possible fees. Moreover, the committees compared these fees to other similar companies that had registered with Thai institute of directors.

On behalf of the audit committee,

(Ms. Chirawadi Kiatsiri)

Chairman of the Recruitment and Remuneration Director

Company's Profile

Power-P PLC ("the Company") is engaged in construction consulting and contracting business, which head office located at 900/16 20th Floor of the IT Professional Tower, Rama III Road, Bangpongpan, Yannawa Bangkok 10120. The Company's registration number is 0107536000455 (Bor Mor Chor 119), telephone number 0-2682-6366 and fax number 0-2682-6393

Background

The Company was established on February 8, 1978 as a manufacturer and seller of prestressed concrete piles while foundation work services started in 1981. Afterwards, in 1992 the Company was listed on the Stock Exchange of Thailand ("SET") and became a public company in the name of Power-P PLC in the following year. Since 1992, the Company began to diversify construction services towards other areas including the installation and building of electricity plants.

Nonetheless, the economic downturn in 1997 significantly affected the property industry which either triggered the slowdown or termination of most projects. As a result, the Company's performance had incurred subsequent losses between 1997 - 2001. The SET had posted "SP" on the Company and suspended trading on the Company's stocks and while transferring it to "REHABCO" sector. In 2001, the Company entered into the business rehabilitation process and the Central Bankruptcy Court appointed Power-P Planner Ltd. as the administrator of the rehabilitation process.

In 2004, the Company was able to successfully settle debts according to the rehabilitation plan, thus, initiated a subsequent termination of the plan by the Central Bankruptcy Court. On December 7, 2005 the Company re-entered into the SET under the Property Development Sector with a change in the trading abbreviation to "POWER".

Registered and paid-up capital as of December 31, 2010

Registered capital	Bt.	2,086,500,000	
Paid-up capital	Bt.	136,000,000	
Divided into:			
Ordinary shares		3,210,000,000	shares
Par value	Bt.	0.65	/share

Information on related companies

Subsidiary company

- J-Power Co., Ltd.**

J-Power Co., Ltd. was a subsidiary of the Company with 80.00% stake holding of Bt. 2.5 million paid-up capitals. J-Power Co., Ltd. was involved in the design and construction of factories and warehouses to accommodate new business ventures. Although, J-Power Co., Ltd. has currently ceased operations, its head office was located at 900/16 20th Floor of the IT Professional Tower, Rama III Road, Bangpongpan, Yannawa Bangkok 10120. J-Power Co., Ltd. registration number is 0105539081888 (former number was Bor Chor (2) 3188/2539), telephone number 0-2682-6366 and fax number 0-2682-6393.

Registered and paid-up capital as of December 31, 2009

Registered capital	Bt.	10,000,000	
Paid-up capital	Bt.	2,500,000	
Divided into:			
Ordinary shares		250,000	shares
Par value	Bt.	10	/share

Other related company

- Joint Venture with UBC Power**

UBC Power is a joint venture between the Company, Union Infartech Co., Ltd., Bangkok Motor Equipment Co., Ltd. and China International Water and Electric Corporation. Business objective is to bid for the construction of dam, associated buildings and other components under the Kwai-Noi Dam project in Wat Bot district, Phitsanulok, within the Irrigation Department, Agriculture and Cooperatives Ministry valued at Bt. 3.588 billion. The Company holds 10.00% stake in the joint venture. UBC Power head office is located at 184/149-150 24th FL, Forum Building, Ratchadaphisek Road, Huai Kwang, Bangkok 10320. Taxpayer ID number is 3031584631, telephone number 0-2645-2683-5 and fax number 0-2645-2574

- Joint Venture with Power-Nopawong**

Power-Nopawong is a joint venture between the Company and Nopawong Construction Co., Ltd. Business objective is to bid for the construction of Kasetsart University's 50 Years Mahavachiralongkorn building for Research and Agricultural Sciences valued at Bt. 157.17 million. The Company holds 49.00% stake in the joint venture. The head office is located 100 Moo 8, Tivanont Road, Bangpood, Pakkret, Nonthaburi 11120. Taxpayer ID number is 3031740518, telephone number 0-2964-5780-6 and fax number 0-2964-5792, 0-2583-7389

References

1) Registrar	Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand Building 62 Ratchadaphisek Road, Klongtoey, Bangkok 10110 Tel: 0-2229-2800 / Fax: 0-2359-1262-3
2) Auditor	Mr. Jadesada Hungsapruek CPA No.3759 Karin Audit Company Limited 6 th FL, Room B1, Boonmitr Buliding, 138 Silom Road, Bangrak, Bangkok 10500 Tel: 0-2634-2484-6 / Fax: 0-2634-2668
3) Legal Advisor	Bangkok Law Office & Associates Co., Ltd. 17 th FL, Ocean Tower II Bldg., 75/20 Soi Sukhumvit 19 (Wattana), Sukhumvit Road, Klongtoey Nua, Wattana, Bangkok 10110 Tel: 0-2661-6896-9 / Fax: 0-2661-6895
4) Internal Auditor	Mr. Chinaphat Supphalak (Chief of Internal Auditor) 900/16 20 th FL, IT Professional Tower, Rama III Road, Bangpongpan, Yannawa, Bangkok 10120 Tel: 0-2682-6366 / Fax: 0-2682-6393

Financial Highlights

Unit: Thousand Baht

Item	Consolidated			The Company Only		
	2008	2009	2010	2008	2009	2010
Financial Status						
Current assets	48,646	37,154	22,973	21,789	19,940	6,099
Total assets	255,610	116,094	80,353	228,732	98,871	63,474
Current liabilities	56,588	38,099	44,437	14,257	16,173	21,136
Total liabilities	123,711	104,999	111,670	96,833	100,333	107,659
Shareholder's equity	131,899	11,095	(31,317)	131,899	(1,462)	(44,185)
Operating Performance						
Revenues from construction services	70,066	8,908	-	-	-	-
Construction cost	69,867	11,331	-	-	-	-
Profit (Loss) gross	199	(2,423)	-	-	-	-
Other revenues	25,449	18,859	1,919	25,341	18,606	1,918
Management expense	29,309	129,387	35,429	29,506	145,679	35,739
Executive Compensation	9,599	8,239	6,834	9,599	8,239	6,834
Loss before financing costs	(13,260)	(121,190)	(40,344)	(13,764)	(135,312)	(40,655)
Financial costs	657	1,615	67	153	50	67
Corporate income tax	-	-	-	-	-	-
Net income	(13,917)	(122,805)	(40,411)	(13,917)	(135,362)	(40,722)
Ratio of value per share (unit: Baht)						
Book value per share	0.63	0.05	(0.15)	0.63	(0.02)	(0.21)
Earnings (loss) per share	(0.07)	(0.58)	(0.19)	(0.07)	(0.64)	(0.19)

Item	2008	2009	2010
Financial ratios			
Liquidity Ratio (times)	0.86	0.93	0.52
Gross profit margin (%)	0.28 %	(27.20 %)	N/A
Operation profit margin (%)	(18.93 %)	(1,360.48 %)	N/A
Net profit margin (%)	(19.86 %)	(1,378.61 %)	N/A
Return on equity (%)	N/A	N/A	N/A
Return on total assets (%)	(5.18 %)	(66.13 %)	(41.21)

Business Transaction Qualities of the company and subsidiaries

Business Transaction Qualities has the following types:

- Power-P PLC runs the service business of contraction construction, providing consultant service and construction project administration both for government and private sector and also real estate development business.

Service Business – Construction Contraction

The company has the policy to operate on construction contraction on turnkey projects or acceptance to employment service from providing consultation and construction administration project in order to study its feasibilities of the project, base construction service, to operate brickwork until completion. The operation is in form of sub-contraction and/or joint-venturing in the joint-ventures such as construction to office building, housings until home fore residing as well as construction dams for agriculture in order to produce power generator base and work for water management and facilities.

Target customers of the company are;

- Private sector, real estate development companies, both registered in Stock Exchange of Thailand, general company limited and business owners.
- Government sector, the customer target are Royal Irrigation Department of Ministry of Agriculture and Cooperatives, Highways Department, National Housing, State Railway of Thailand, Electricity Generating Authority of Thailand and Provincial Electricity Authority.

Real Estate Development Business

The company realize on the opportunity to enter into the **Real Estate Development Business** for residing and office buildings both vertical and horizontal levels. Since the business is still growing and expand according to the economic situations as well as the government policies to activate the economic on real estate sector with facilities apparently.

These are the summaries of company's important changes and improvements in 2010.

February 22, 2010	The Stock Exchange of Thailand notified the shareholders and investors of the company of what had transpired with the company financial account audit where the auditors were unable to comment on the year 2009 of the Company Financial Report, the company was between correcting its status as a registered company with the Stock Exchange of Thailand. As such, the selling or transferring of company's assets was still not permitted.
April 28, 2010	The Company called for Annual General Meeting of Shareholders for 2010 which was in accordance with the Royal Decree of Public Company Limited 1992, and to comply with Stock Exchange of Thailand's regulations. The special time was asked for approval the registered capital increment.
May 14, 2010	The Stock Exchange of Thailand notified the shareholders and investors of the company of what had transpired with the company financial account audit where the auditors were unable to comment on the 1 st quarter of the Company Financial Report, the company was between correcting its status as a registered company with the Stock Exchange of Thailand. As such, the selling or transferring of company's assets was still not permitted.
May 17, 2010	The Company arranged for Annual General Meeting of Shareholders for 2010 again because the previous meeting had to be cancelled for not having enough shareholders or proxies to form a required quorum. Furthermore, the meeting has resolution to approval to increase the share capital of the company due to allotment of share not over 3,000 million shares par value at 0.65 Baht per share and selling price at 0.10 Baht per share.
May 31, 2010	The Stock Exchange of Thailand has removed the name of listed security of the company and moved into NGP (Non Performance Group).
August 10, 2010	The Stock Exchange of Thailand notified the shareholders and investors of the company of what had transpired with the company financial account audit where the auditors were unable to comment on the 2 nd quarter of the Company Financial Report, the company was between correcting its status as a registered company with the Stock Exchange of Thailand. As such, the selling or transferring of company's assets was still not permitted.
November 10, 2010	The Stock Exchange of Thailand notified the shareholders and investors of the company of what had transpired with the company financial account audit where the auditors were unable to comment on the 3 rd quarter of the Company Financial Report, the company was between correcting its status as a registered company with the Stock Exchange of Thailand. As such, the selling or transferring of company's assets was still not permitted.

The Company only operates domestically in Thailand; hence, revenue structure is as follows;

(Unit: Bt. million)

The Company Only	2010		2009		2008	
	Revenue	%	Revenue	%	Revenue	%
Main source of income	-	-	-	-	-	-
Building material production	-	-	-	-	-	-
Prestressed concrete piles	-	-	-	-	-	-
Sale of prestressed concrete piles	-	-	-	-	-	-
Construction contracting service	-	-	-	-	-	-
Bored piles and cement injection	-	-	-	-	-	-
High-rise and general construction	-	-	-	-	-	-
Heavy lifting service	-	-	-	-	-	-
Consulting fees	-	-	-	-	-	-
Land and equipment rental	-	-	-	-	-	-
Total	-	-	-	-	-	-

Marketing Strategies

Construction standard and quality

The Company focuses on systematic operations with quality-check and control at all steps to ensure quality, safety, staff efficiency and on-time delivery with no impact to the community and environment.

Pricing

The Company adopts a market-based competitive pricing policy by taking into account raw material costs, labor wages and overheads. Meanwhile, profit margins are set according to company policy without concentrating on boosting sales through cutting prices as this will dampen profitability. Nonetheless, the Company focused on cost efficiency to create the best quality at a competitive price.

Target markets, from private to public sector

The Company aims to secure more government sector projects in order to reduce the risk of payment failure, in particular, infrastructure projects such as road construction, river bank protection, bridges and water drainage systems.

Management's competence

The management is highly experienced with expertise of more than 10 years, thus, ensuring client's confidence in quality and strength of the Company.

Create and maintain good relationship with designers and contractors

It is company policy to build good relationship with other designers and contractors to ensure strategic cooperation in bids.

One-stop service

The Company aims to give comprehensive services like feasibility study consulting, foundation works and project construction, thus, enabling client's convenience for monitor and budget control.

Target groups

At present, most of the clients are from the private sector but the Company intends to expand to the public sector in the future.

Product and service sourcing

● Construction contract

Construction contracts are mainly obtained through bidding or negotiations, based on bid announcements or contacts with new and old clients. Therefore, the Business Development department and strategic partners will work together in bid proposals or such negotiations.

However, bids for government projects are done through joint ventures so that the Company can benefit from the experience and reputation of these partners. For private sector projects, the Company will participate in the bids directly after which the Company will either subcontract completely or subcontract only the labor in the case that the Company is able to find building materials.

Should the Company handles the construction itself, without subcontracting, or via a joint venture, the material purchasing plan will be matched according to the type of project by buying from the manufacturer and/or domestic selling-agent. Nonetheless, the Company may choose to buy from abroad if the material is unavailable locally or should the Company receive a more attractive deal.

In addition, building material prices of some projects have been negotiated in advance, thus, enabling the supplier to adequately plan stock and deliver on time. As a result, the Company is not greatly affected by the shortage and volatile prices of raw materials.

For basic building materials such as piles, steel and concrete, the Company normally buys from a variety of manufacturers and selling-agents so to eliminate sole reliance with any specific supplier. The Company will mainly consider the conditions, quality and price.

Risk Factors

These are summaries of risk factors that may be faced directly or indirectly by the company.

1. Risk from Intense Competition

Sub-prime mortgage crisis in the U.S. had a devastated effect on the world economy and triggered global financial crisis. Employments from varieties of industries had slowdown and for some even layoff their employees. Moreover, the increasing number of new construction companies created a serious competition and price undercutting among the contractors.

The company policy is to provide high quality services with in the budget and timeframe. As such, the company will emphasize on long-term development and maintenance of good relationship with our clients from both private and public sector in order to secure the future service. Hence, it will help reducing the probability of risk from competitors.

2. Risk from Material Price Volatility

Price offering in building construction bid based its calculation on materials cost. Any change in material costs will have a direct impact on company principal and profit. As shows in the fluctuation of material costs during 2010 it increasing after deficit in consecutive 13 months due to the construction in government project such as irrigation project and maintenance under Thai government policy which activate business “TKK2555” start since 2010.

However, with economic slowdown situation, the company has a definite plan to reduce risk from material price change by making fixed-price contract with suppliers and subcontractors before submitting bid. This procedure will help the company to be able to control material costs and secure the company profit at level set.

Besides, when taken on government or state enterprise projects, the company will be able to adjust prices when material costs escalated. Regarding to the private project, the company will prevent the risk of material price costs by including in the contract of the flexibility in price adjustment in the event of material price increase.

3. Risk from reliance on subcontractors

Ever since the company had changed its nature of business to be more consultant and builder, the company had to depend on our subcontractors to do the construction of the secured project. To minimize the problem that may arise from hiring subcontractor in the future, the company will systematically select subcontractor base on their previous work performance, finance, employees, work quality, and working habit. Furthermore, the company has a plan to have a performance evaluation of each subcontractor yearly. The evaluation will help the company make prudent decision in hiring the next subcontractor. Also, it will help eliminate incompetence subcontractor who could not complete the project in a timely manner.

4. Financial Risk

• Revenue

The company acquires its revenue by securing the bid and / or being select to take on the project. As such, the company revenue is quite fluctuated. The company needs to do quality work under an effective and definite plan in order to keep customers from state and private enterprise whose project availabilities are more favorable. The company must also build up trust and confidence with its customers by completing the project in specified timeline.

The company must assign its personnel to keep up with financial news that related to company line of business and news that may have an effect on construction industry; then report to the executive who may use it to make decision on submitting other bid and to aid in improving possibility of sales and services. In addition, this will help expand client's base to gain more works continuously.

• Cash flow

In construction business, the company needs cash to purchase materials / equipments, and manpower, and as collateral with commercial banks for varieties of bond, such as bid bond and contract bond. It's also being used as a reserve funds to keep project works flow smoothly. If there is a late payment, it could cause a delay or worse, missing the date of completion totally. To reduce such risk, the company estimates the budget, and negotiates term of payment carefully.

Every time before taking on a project, the company will check on the possible employer's financial stability. In addition, as a SET's listed company, the company may raise funds to use as cash flow by issuing various types of bond to the general public and specific investors.

• Failure of payment

In construction business, there is a risk of unable to collect debt or unable to collect as schedule from clients because the payment is in parallel with construction progress. The said risk may have an effect on company liquidity of cash flow. Thus, the company has a definite plan in choosing a customer. The company will look at its financial status and past performance, and history / reputation of its executives / administrators of target's customer.

For state and government enterprise, the risk of unpaid bill is low. However, the risk of being paid late is possible because this sector has to follow its own rank and file, which is more complicate than private enterprise. Therefore, to ensure successful operations, the Company will adequately balance the proportion between private and public sector projects while taking into account other influential factors.

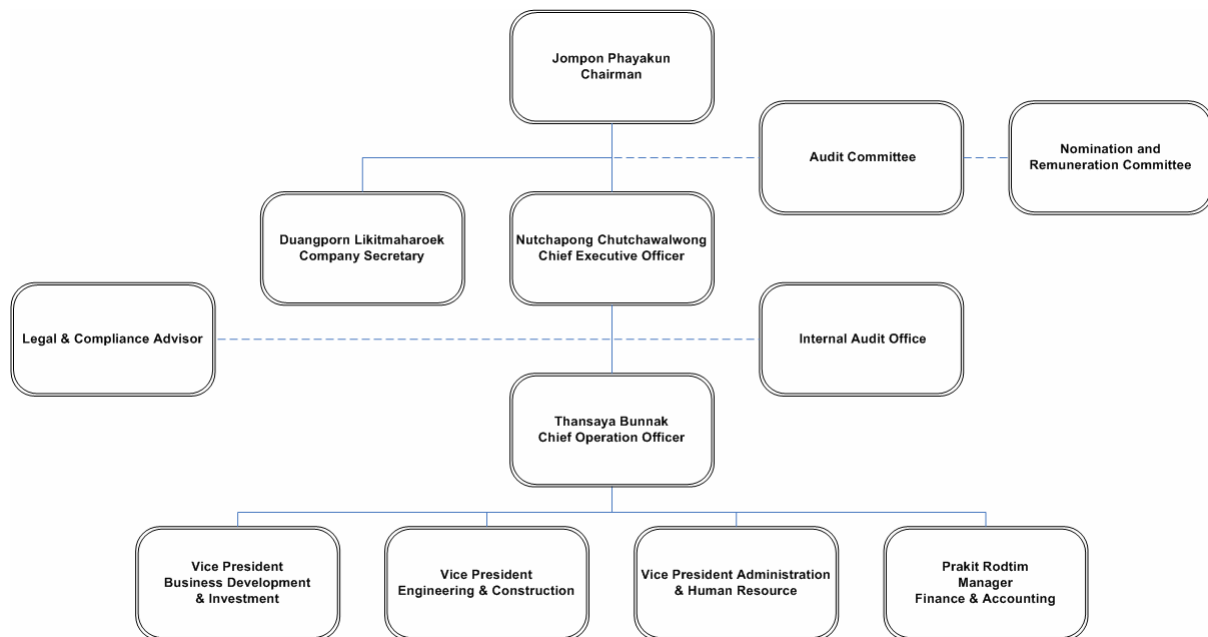
Shareholder Structure

Top 10 major shareholders as of March 19, 2010

No.	Name and Surname / Company Name		No. of shares	%
1.	Mr. Komol	Jongruengruangkij	17,600,000	8.381
2.	Mr. Khemmarath	Osathaphan	9,868,400	4.699
3.	Mr. Thaweesak	Watchararakkawong	8,250,000	3.929
4.	Mr. Kamol	Lekwattananont	6,304,400	3.002
5.	Mr. Warut	Souiwattana	4,840,000	2.305
6.	Ms. Somkoun	Vijitjinda	4,580,000	2.181
7.	Thai NVDR Co., Ltd.		4,047,282	1.927
8.	Mr. Somchai	Thamrongworaporn	3,140,000	1.495
9.	Bangkok Commercial Asset Management Co., Ltd.		3,032,564	1.444
10.	Pol.Maj.Gen. Charlie	Paekanant	<u>3,000,000</u>	<u>1.429</u>
Total			<u>63,035,946</u>	<u>30.017</u>

Organization structure

The structure of the organization as of February 24, 2011





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As of February 24, 2011, the Company's Board of Director composed 5 members;

- | | | | |
|----|-----------------|----------------|--|
| 1. | Mr. Jomphon | Payakun | Independent Director, Audit Committee
and Chairman of the Board of Directors |
| 2. | Mr. Natchaphong | Chatchavalwong | Director and Chief Executive Officer |
| 3. | Ms. Chirawadi | Kiatsiri | Director, Audit Committee
and Chairman of the Nomination and Remuneration Committee |
| 4. | Mr. Jetsada | Kaewngam | Director |
| 5. | Ms. Orranuch | Kumkaew | Director |

Ms. Duangporn Likhitmaharoek acts as Company Secretary.

The Company's directors who are authorized to jointly sign with the company seal affixed on company's document are Mr. Jetsada Kaewngam and Mr. Natchaphong Chatchavalwong.

The scope of authority and duties of the Board of Directors

1. Must perform its duties in accordance with the laws, the Company's objectives and rules / regulations, the resolutions of the shareholders, and requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand, with honesty, prudence, and preservation of the Company's benefits.
2. Manage and ensure the Company conducts its operation under code of ethics for business.
3. Map out operational policy, guidelines, plans and budget of the company. Oversee and supervise the committees and the management to perform their duties in line with the stipulated policy effectively and efficiently.
4. Make decisions on significant issues, such as business policy and plan, large-scale investment projects, management power over acquisition or disposal of assets, increase and decrease of capital, business merger, and other task required by the laws.
5. Preside and set management structure and authority, and set the remuneration for the board of director and committee members, then submitted for approval at the annual shareholder meeting, also set the remuneration for top executives of the Company as well.
6. Ensure important information, general information, and financial information of the Company are disclosed to shareholders, stakeholders, or general investors in an accurate and in a timely manner and in compliance with the law.
7. Put in place an effective and efficient accounting system, internal control system, risk management and follow-up systems, as well as review and assess the adequacy and appropriateness of those systems on a yearly basis.
8. Appoint and authorize committees or Managing Director or working groups to consider or perform any task as deemed proper by the Board of Directors.

In a circumstance when committee member (s) or personnel have a stake to gain or lose on the project he/she is involved with, that committee member or personnel will not be authorized to approve any transactions.

Three members within the Audit Committee as of February 16, 2011 are as follows;

- | | | | |
|----|---------------|--------------|---|
| 1. | Mr. Sutee | PhongPaiboon | Director and Chairman of Board of Audit Committee |
| 2. | Mr. Chirawadi | Kiatsiri | Director and Audit Committee |
| 3. | Mr. Jomphon | Phayakun | Independent Director and Audit Committee |

Ms. Duangporn Likhitmaharoek acts as secretary to the Audit Committee.

Limitation, Authority, Duty, and Responsibility of Audit Committee

1. Review and ensure the Company's financial reports are accurate and adequately disclosed.
2. Ensure that the Company has an effective and efficient internal control and audit systems.
3. Review and ensure that company's business practice is in compliance with the law of security exchange and stock market, the regulations of the Stock Exchange of Thailand or laws that govern the Company's line of business.
4. Select and nominate the company auditor and recommend the service fee for the auditor.
5. Preside over the disclosure of company information when there's a connected transaction or transaction that may involve conflict of interest, and then correct the problem.
6. Perform other tasks assigned by the Board of Directors and approved by the Audit Committee.
7. Prepare a report on the Audit Committee's Activities and disclose it in the company annual report.

Three members within the Nomination and Remuneration Committee as of February 23, 2011 are as follows;

- | | | | |
|----|---------------|----------|--|
| 1. | Ms. Chirawadi | Kiatsiri | Chairman of Board of Nomination and Remuneration Committee |
| 2. | Mr. Jomphon | Phayakun | Nomination and Remuneration Committee |
| 3. | Mr. Jetsada | Kaewngam | Nomination and Remuneration Committee |

Ms. Duangporn Likhitmaharoek acts as secretary to the Nomination and Remuneration Committee.

Limitation, Authority, Duties, and Responsibilities of the Nomination and Remuneration Committee

1. Review structure, component, and qualifications of directors, executives and subcommittee.
2. Recruit and recommend name for directorship to the company Board of Directors for nomination at the meeting of shareholders when a position becomes available.
3. Recommend names for directorship in company's subcommittee.
4. Review and recommend appropriate individual for company's top executive positions, such as Chief Executive Office, Chief Administrative Officer, Chief Operating Office, and Assistant to Chief Operating Office when a position becomes available.
5. Review and approve company's succession planning for company's top executives.
6. Preside over the appropriateness of the structure of remuneration for directors and Chief Executive Officer.
7. Review and set guideline for the assessment of Chief Executive Officer and submit to the Board of Directors for approval.
8. Perform an assessment of Chief Executive Officer, and report to the Board of Directors for review.
9. Review the director and top executive's annual remuneration such as meeting allowance, yearly bonus, welfare benefit, and etc. and submit to the company board of director.

As of February 24, 2011 the Company's management comprised 1 member;
Mr. Natchaphong Chatchavalwong

Scope of power and duties of the Chief Executive Officer

1. To map out policy, strategies, structure and power of business management and give advice on the business plans and the allocation of annual budget proposed by the management for further submission to the Board of Directors.
2. To monitor and supervise as well as carry out the businesses relating to general administration of the Company so as to achieve objectives and business plans set out by the Board of Directors.
3. To have power to perform any task and act as the Company's representative to outsiders regarding the businesses related and beneficial to the Company.
4. To have power to approve and delegate the power to approve the disbursement for procurement of assets and services in the interest of the Company. Such approval authority is for the normal transaction of the Company with a transaction limit of Bt. 100 million.
5. To consider and approve the action plans of each department and approve the requests from departments where approval authority higher than departmental authority is required.
6. To approve the appointment of advisors necessary for the Company's operations and in compliance with the requirements of the SEC and the SET.
7. To perform any other acts assigned by the Board of Directors case by case.
8. To authorize executives of the Company to perform one or several tasks as deemed expedient.

Scope of power and duties of Managing Director

1. To control and supervise the business operation and/or general administration of the Company to be in line with policy, plan, and budget approved by the Board of Directors and/or the Chief Executive Officer.
2. To be responsible for the preparation of strategic plans and annual budget to be proposed for approval by the Board of Directors and/or the Chief Executive Officer.
3. To have power to approve and delegate the power to approve the disbursement for procurement of assets and services in the interest of the Company. Such approval authority is for the normal transaction of the Company with a transaction limit of Bt. 10 million.
4. To have power to issue orders, regulations, notifications, and memorandums so as to have the operations carried out in compliance with the policy and in the interest of the Company as well as to maintain working regulations and disciplines within the organization.
5. To have power to perform any task and act as the Company's representative to outsiders regarding the businesses related and beneficial to the Company.
6. To have power, duties and responsibilities in management of the subsidiaries and all departments of the Company.
7. To be the Company's authorized person to manage the Company's business in conformity with the objectives, articles of association, policy, regulations, provisions, orders, resolutions of shareholders' meeting and/or resolutions of the Board of Directors and/or the Chief Executive Officer in all respects.

The power delegated to the Chief Executive Officer and the Chief Operating Officer or other persons as deemed fit by the Chief Executive Officer and the Chief Operating Officer shall not include the power and/or authorization to approve any transactions in which he himself or other persons may have interests or possible conflicts of interests with the Company or its subsidiaries. The approval of such transactions must be proposed to the Board of Directors and/or shareholders' meeting for consideration and approval in line with the articles of association of the Company or the relevant laws.

Selection of directors and management

During year 2009 The Company has appointment the Nomination and Remuneration Committee as approval by The Board of Directors on October 16, 2009. The nomination and Remuneration Committee is selection and nomination of persons to be appointed as the directors will be made based on knowledge, competence, and experience relating to the business. The directors must also meet the qualifications prescribed in Public Limited Companies Act B.E. 1992 and the relevant notifications of the SEC. The list of persons to be appointed as directors shall be proposed to the shareholders' meeting for consideration and approval in line with the process prescribed in the Company's articles of association, as follows;

- 1) The voting on director election shall be subject to a majority vote. Each shareholder shall have one share for one vote (1 share : 1 vote).
- 2) The shareholders shall vote on the election of directors one person at a time.
- 3) After the vote, the candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as directors in that order until all of the director positions are filled. Where the votes cast for candidates in descending order are tied, which would cause the number of directors to be exceeded, the chairman shall have a casting vote.

Audit Committee Charter

The Audit Committee Charter that approved by The Board of Directors on December 22, 2008 (Amendment issue) and effective since January 1, 2009 onward all about details as are follows;

1) Objective

An Audit Committee is an independent committee of a listed firm's Board of Directors and performs of management to the accurateness, completeness and credibility of the company's financial report together with adequacy of the firm's internal control system, compliance with regulation and other laws relevant to the company's business including do the director's report to present in the Company's annual report.

2) Composition of Board and Qualifications

- 2.1 The Audit Committee has not less than 3 members considering and appointing by the Board of Directors made up of Chairman of Audit Committee and Audit Committee members, so is an independent directors whose has qualifications are to be covered by the Securities and Exchange Commission (SEC)'s rules.
- 2.2 At least one member of the audit committee has knowledge and experience competent to verify in financial report.

- 2.3 The Audit committee who considering to appointment the appropriate person to perform in Audit Committee Secretary.

3) Terms of Responsibility

- 3.1 The Audit Committee has terms of responsibility at 3 years
 3.2 The Audit Committee who retire by rotation may be re-electing to appointment in another term
 3.3 In case a committee member resigns or is terminated before the expiration of his / her terms, the Board of Directors shall be appointing appropriate person who has fully qualification to complement of directors as terms remain
 3.4 Audit Committee's shall be terminating when ceasing to be a director

4) Audit committees' meeting

- 4.1 Audit committees' meeting shall be appropriate to hold at least once time of each quarter
 4.2 The number of audit committee whose attend to the meeting shall not less than half of all members that be made up to the quorum
 4.3 The Audit Committee might invite the directors, the management, the auditor or any relating person in each agenda to joining to the meeting to consider certain matter as view proper

5) Duties and responsibilities

- 5.1 To review sufficiency, the Company's financial reporting by correctly
 5.2 To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit or any other unit in charge of an internal audit
 5.3 To review the Company's compliance with the law on securities and exchange, the Exchange's regulation and the laws relating to the Company's business
 5.4 To considering, select and nominate an independent person to be the Company auditor, and to propose such person's remuneration to the Board of Director
 5.5 To freely discuss significant matter with the Company auditor as private meeting at least once a year without the management team
 5.6 To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the law and the Exchange's regulations, and are reasonable and for the highest benefit of the Company
 5.7 To approval received comment by the internal audit charter or internal audit's regulations before present to the Board of Director to approve
 5.8 To approve of internal audit plan, internal audit limitation and internal audit unit's allowance to ensure that the internal audit covered to the procedure of financial report as proper
 5.9 To review the internal audit report and follow up main of issue as seek by the internal audit
 5.10 To considering and review the Business morality covenant before recommend to the Board of Director to approve
 5.11 To inquire of the Risk management policies and solution of Company risk management with the company management
 5.12 To review together with management such as Management's Discussion and Analysis or MD&A as disclose in the Company's annual report
 5.13 To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of information that assign by the Exchange
 5.14 To inquire into the comment by the company auditor as found or suspected that director, manager or any person in management did infringement of the securities and exchange (issue No.4) 2008 the audit committee shall report to the Securities and Exchange and auditor within 30 days since date of received
 5.15 To perform as any other matters as assigned by the Company's Board of Directors, with the approval by audit committee

6) Report

- 6.1 The audit committee has the duty and the responsibility to report the operation of the committee to the board of directors when the board of directors' meeting
 6.2 In any duties of audit committee, if found or suspected that there is a transaction or any of the following acts which may materially affect the Company's financial condition and operating results, the audit committee shall report it to the board of directors for rectification within the period of time that the audit committee think fit;
- A) a transaction which causes a conflict of interest
 - B) any fraud, irregularity, or material defect in an internal control system
 - C) an infringement of the law on securities and exchange, the Exchange's regulations, or any law relating to the Company's business

If the Company's board of Directors or management fails to make a rectification within the period of time as the audit committee's view to proper, any of committee's members might report on the transaction or act under the first paragraph to the Office of the Securities and Exchange Commission or the Exchange

- 6.3 To prepare and disclose in the company's annual report, an audit committee's report which must signed by the audit committee's chairman and consist of at least the following information;
- A) an opinion on the accuracy, completeness and creditability control system
 - B) an opinion on the adequacy of the Company's internal control system
 - C) an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business
 - D) an opinion on the suitability of an auditor
 - E) an opinion on the transactions that may lead to conflicts of interests

- F) the number of the audit committee meetings, and the attendance of such meetings by each the committee member
- G) an opinion or overview comment received by the audit committee from its of duties in accordance with the charter
- H) other transactions which shall be know to the shareholders and general investor, subject to the scope of duties and responsibilities assigned by the Company's board of directors

7) Advisor

The Audit committee has the right to seek any information from independent professional advisors when necessary at the company's expense.

Nomination and Remuneration Charter

1) Objective

- 1.1 The Nomination and Remuneration Committee is composing with 3 directors at least and 2 of them are independent directors.
- 1.2 The Nomination and Remuneration Committee who considering to appointment the appropriate person to perform in Chairman of Nomination and Remuneration Committee.

2) Term of responsibilities

- 2.1 The Nomination and Remuneration Committee has terms of responsibility at 3 years.
- 2.2 The Nomination and Remuneration who retire by rotation may be re-electing to appointment in another term for continuity for they work.

3) Duties and responsibilities

- 3.1 Review structure, component, and qualifications of directors, executives and subcommittee.
- 3.2 Recruits and propose their names to the Board of Directors for nomination as directors in Shareholders' meeting if vacant, or any case.
- 3.3 To propose name of directors to take a position in subcommittee of the Company.
- 3.4 To consideration the person who appropriate to take a position of executives of the Company such as Chief Executive Officer.
- 3.5 Review and approve succession plans for senior executives of the company.
- 3.6 Review and propose structure of remuneration for directors and Chief Executive Officer.
- 3.7 To consider basis asses to Chief Executive Officer and propose to the Board of Directors considered opinion.
- 3.8 To assessment the Chief Executive Officer then propose to the Board of Directors considered.
- 3.9 Review the annual remuneration for directors and executives, e.g. salary, severance pay, bonus, welfare, meeting allowance, or other kinds of remuneration of monetary or non- monetary nature and propose to the Board of Directors.

4) Nomination and Remuneration's Meeting

- 4.1 Nomination and Remuneration committees' meeting would be hold as appropriate case.
- 4.2 The number of Nomination and Remuneration committee whose attend to the meeting shall not less than half of all members that be made up to the quorum
- 4.3 Nomination and Remuneration Committees' regulation shall be holding in majority of director who attending to the meeting therefore the director who has conflict of interest shall be not allow to consider on that agenda.

5) Report

- 5.1 The Nomination and Remuneration Committee has the duty and the responsibility to report the operation of the committee to the board of directors as often.
- 5.2 To prepare and disclose in the company's annual report, a Nomination and Remuneration committee's report and consist of at least the following information;
 - A) name of the Nomination and Remuneration Committee.
 - B) the number of Nomination and Remuneration Committees' meeting.
 - C) the attendance of such meetings by each the Nomination and Remuneration Committee member.
 - D) the summery content of Nomination and Remuneration Committees' charter and basis of compensation.

6) Adviser

The Nomination and Remuneration committee has the right to seek any information from independent professional advisors when necessary at the company's expense.

At each annual general meeting of shareholders, one-third of directors are due to retire by rotation. If the number of directors cannot be divided into three, the number closest to the one-third of directors due to retire by rotation in the first year shall apply. The number of directors due to retire in the second year after registration of the Company shall be made by drawing lots. In the following years, the directors who hold office the longest shall retire first and those who retire by rotation may be re-elected.

Remuneration

- 1. Monetary remuneration to the directors
In 2009, the Company paid remuneration to the Board of Directors total 2,460,000 Baht
- 2. Monetary remuneration to the management
In 2009, the Company paid remuneration to the management total 3,590,000 Baht
- 3. Other remuneration
- None -

The Board of Directors has been appointed Ms. Duangporn Likhitmaharoek to Company Secretary as responsible to counseling in Law and any Resolution that relevant to Company's business or the management and director needs to be informed, administer to the directors' activities and cooperation that to compliance with the resolution of directors and shareholders as permit in the Corporate Governance.

Limitation, Authority, Duty, and Responsibility of the Company Secretary

1. To elementary advisor to directors and follow up that to made in straight proper as compliance with the articles of association of the Company or the relevant laws.
2. To arrange the Board of Directors' meeting and shareholders' meeting be in line with the articles of association of the Company or the relevant laws.
3. To record and report the Board of Directors' meeting and shareholders' meeting together with follow up that to made in resolution of meeting.
4. To attend the company to disclose information to the Institute that relevant to Company also to ensure that disclosing is compliance with them requirement.
5. To communicate and inform to General shareholders about their authority and Company's news.
6. To administer the Board of Directors' activities.

1. Connected transactions with the persons who may have conflict of interest

Based on the consolidated financial statements for the period ending December 31, 2010, the Company's connected transactions with related companies and/or parties with conflict of interest are as follows;

Related Company/Party	Relationship	Connected Transaction	Value of Transaction (Million Baht)	Necessity / Reason of Transaction
Joint Venture with Power-Nopawong	Joint Partner with the Company with some common directors	Service revenue	0.18	In the end of year 2010, the Company has debtor of provided accounting services, engineering support and project management as approved by the directors of Power-Nopawong, with a fee of Bt. 0.03 million starting from January 2009 till June 2009.
		Cash advance to Power-Nopawong	39.42	In the end of year 2010, the Company has debtor of cash advance to Power-Nopawong to construct Kasetsart University's 50 Years Mahavachiralongkorn building in amount of Bt. 39.42 million.
Joint Venture with UBC Power	Joint Partner with the Company	Management of Project Service	6.57	In the end of year 2010 the Company has debtor of service to management of Project as approve by the Board of directors of join venture UBC Power, with fee at 730,086.92 Bt / month for Feb – Aug 2008 and 365,043.46 Bt / month for Sep – Dec 2008
		Cash advance to UBC Power	151.74	In the end of year 2010 the Company has debtor of cash advance to UBC Power to construct the Kwai-Noi embankment, Phitsanuloke at total amount Bt 151.74 million

2. Approval measure or process for the connected transactions

The Company has laid down approval measure and process for the connected transactions such that they shall be proposed for consideration and approval by the Board of Directors' meeting, which must also be attended by the Audit Committee members to join in such consideration and approval. Besides, such connected transactions shall comply with the law governing securities and securities exchange and the provisions, notifications, orders or requirements of the SET. The persons who may have conflict of interest in the connected transactions shall have no right to vote on such transactions.

3. Policy or trends of future connected transactions

For the connected transactions with related companies as shown in the table, most transactions concerned provision of services for assistance, support or convenience, with no great significance.

Nonetheless, if in the future it is necessary to perform any connected transaction with parties which may have conflict of interest, the Company has a policy to set out all conditions in line with the normal business practices and based on a market value comparable to prices of third parties. Besides, the connected transactions will be disclosed pursuant to the laws and regulations of the SEC and the SET. The connected transactions will be presented in notes to the financial statements duly reviewed and/or audited by the Company's auditor in accordance with the generally accepted accounting standards.

Overview of past performance

The Company was previously a manufacturer of construction materials and prestressed concrete piles, and a provider of foundation construction and jet grouting service. However, in 2004 the Company succeeded in decreasing and increasing its capital as well as making loan repayment to its lenders as imposed in the business rehabilitation plan. As a result, the Central Bankruptcy Court had given an order to revoke the business rehabilitation in November 2004 which enabled the Company to acquire a new business partner. The Company's corporate structure and nature of business operation have been changed under the management of the new Board of Directors and management team which have a policy to focus on a contractor business by serving as a project consultant and provider of a one stop construction service (turnkey), ranging from the project feasibility study to the completion of project construction and hand-over to the clients.

Past performance

- **Revenues**

Total revenue of the Company in 2010 amounted to Bt. 1.92 million, decreased from Bt. 27.77 million in 2009 to 93.09%. Core income came from interest of Bill of Exchange Bt. 1.92 million or 100% of total revenue.

- **Operating costs**

The Company's total cost in 2010 amounted to Bt. 42.26 million or 2,202.67% of total revenue compared to Bt. 148.95 million in 2009, a decrease of 71.63%. There is no Service cost in 2010 compared to Bt. 11.33 million decreasing from 2009, selling and administrative expenses were in 2010 Bt. 35.43 million, a decrease from Bt. 129.38 million due to settle provision of bad debts amount to Bt. 19.06 million, a decrease from previous year as adjustments from provision of bad debts were Bt. 125.57 million in 2009,

- **Net loss**

In 2010, the Company experienced net loss of Bt. 40.41 million or net loss 19 stang per share compared to the net loss decreasing from 2009 of Bt. 122.80 million or 58 stang per share. In order that the Company has settle provision of bad debts for doubtful account Management project of joint venture in 2010, a decrease compared to year 2009.

Financial Status

- **Assets**

In 2010, total assets were Bt. 80.35 million; decrease 30.60% compared to Bt. 115.78 million in 2009, Current assets total Bt.22.97 million or 28.59% of total assets and non-current assets were Bt. 57.38 million or 71.41% of total assets. The significant reduction is assets came from bank deposit obligation amount Bt.18.52 million or 23.05% of total assets.

- **Liabilities**

In 2010, total liabilities were Bt. 111.67 million, decrease 4.67% from Bt. 106.69 million in the previous year. Current liabilities were Bt. 44.44 million or 55.31% of total assets while non-current liabilities total Bt. 67.23 million or 83.67% of total assets. Liabilities were higher due to the Company has adjustment to settle provision of bad debts for doubtful account a Management project of joint venture which prosecuted amount to Bt 4.57 million or 5.69% of total assets and the provision of bad debts in lawsuits case of remainder Land payment.

Shareholders' equity

The Company has complied with the rehabilitation plan in respect to capital decrease and increase as follows;

- Capital decrease

According to the order of the Central Bankruptcy Court dated December 22, 2003, the Company was allowed to decrease its registered capital to offset the accumulated loss as prescribed in the business rehabilitation plan. As a result, the number of its common stocks was reduced from 21,000,000 shares to 10,500,000 shares, and the paid-up share capital from 21,000,000 shares to 10,500,000 shares with a par value of Bt. 10 each. The Company registered the capital decrease with the Ministry of Commerce on April 21, 2004.

- Capital Increase

According to the order of the Central Bankruptcy Court dated December 22, 2003, the Company was permitted to increase its registered capital as required in the business rehabilitation plan from 10,500,000 shares to 210,000,000 shares by issuing solely common stocks in the amount of 199,500,000 shares with par value of Bt. 10 each. The stocks were offered for sale in two groups as follows;

- The first group of 42 million shares with a par value of Bt. 10 each allocated to the existing creditors by means of a debt to equity swap at the price of Bt. 5 per share.
- The second group of 157.5 million shares with a par value of Bt. 10 each offered for sale to a new group of shareholder at the price of Bt. 3.8 per share.

The Company registered the capital increase with the Ministry of Commerce on July 21, 2004.

Regarding to the resolution of the Extraordinary General Meeting 1/2008 held on October 24, 2008 as the Meeting has approved to clear discount on shares at total amount 761,800,000 Baht and accumulated loss which remain of transferring by law total amount 1,192,382,965 Baht therefore the new authorized capital of company is 136,500,000 or 210,000,000 shares Ordinary shares at Bath 0.65 each and approved to amend the Paragraph 4 of the Memorandum of Association of the Company in order to congruent with the capital reduction of the Company as the registration of Capital Reduction at Revenue Department on April 27, 2009.

Regarding to the resolution of Annual General of Shareholders' meeting 1/2010 held on May 17, 2010 to increase the capital of the company from Bt. 136,500,000 million to new capital of the company is Bt 2,086,500,000 million or 3,210,000,000 shares in value 0.65 Bt per share, in order to congruent with the capital increase of the Company as the registration of Capital Increase at Revenue Department on August 18, 2010.

In this respect, as of December 31, 2010 the Company had a total deficit accumulate at Bt. 167.82 million cause the shareholders' equity at Bt. 31.32 million as deficit accumulate increase from 2009 at Bt. 40.41 million cause the shareholders' equity in the same rate.

Factors that may impact performance or financial status in the future

In the business of construction, the ability to secure new projects and the amount of work-on-hand will ensure a systematic and consistent source of revenue for the Company, thus, enabling operational strength.

In 2010, the Company was faced with the cancellation of projects due to the project owner did not extend the time to operation. Therefore, operating performance has greatly deteriorated towards of 2010.

The management is not at-ease about the problem, thus, have made changes to policy and strategies. Rather than the main focus on private bids, the Company now looks to join investment as the joint venture style with small contractors that already have work-on-hand or those that have licenses/guarantees to operate as a first tier or second tier contractor. This will ensure that the ongoing projects will not be terminated or the incident of deferred payment as in the past. Nonetheless, these companies will support expansions in the construction industry in future.

REPORT OF CERTIFIED PUBLIC ACCOUNTANT

To the Shareholders and Board of Directors of Power-P Public Company Limited

1. I were engaged to audit the accompanying consolidated and separate balance sheets as of December 31, 2010 and 2009, and the related consolidated and separate statements of income, the consolidated and separate statements of changes in shareholders' equity and cash flows for the year then ended of Power-P Public Company Limited and its subsidiary and Joint Ventures and the separate financial statements of Power-P Public Company Limited. These financial statements are the responsibility of the Company's management as to their correctness and completeness of information presented in these financial statements.
2. As disclosed in Note 25 to financial statements, In 2009 the Company is in the process of verifying the fact about the payment of share amounting to Baht 95 million according to share purchase agreement dated October 27, 2005 and memorandum of returned documents dated November 11, 2008. On September 8, 2009, the Company's directors concluded that they were unable to express the opinion on such transactions because the former directors and management who involved in such transaction is presently not related to the Company. Therefore, the Company was unable to inquire and obtain useful information from them. Moreover, all supporting documents which the Company obtained from the lawyer were copy that the Company was unable to verify the correctness and existence of documents. Consequently on March 15, 2010 and May 7, 2010, the subcommittee has reported the result of the examination of the fact about the payment of share to the Company's committee. On December 30, 2010, the Securities and Exchange Commission (S.E.C.) filed a complaint with the Department of Special Investigation (DSI) against former directors involved in the manipulation of revenue and the fraudulent actions, embezzled in cash from the advance payment to subcontractor and were alleged to have created falsified documents for share purchases that were much higher than the actual price for Baht 45 million (Note 27). Because of this issue is in the process of additional investigation, so I was unable to satisfy myself to audit such transactions.
3. As discussed in the Note 27 to the financial statements, I am unable to satisfy for the revenues recognized in the financial statements of 2004 and the first quarter of 2005 financial statements. The revenue transactions were recognized which may be not complied with the generally accepted accounting principles. The Company has adjusted to rectify such revenue recognized as suspense received amount of Baht 66.58 million presented under non-current liability in the balance sheet.
4. The consolidated financial statements included the proportionate financial statements of a Joint Venture with the proportion of investment participation of 10%. However, the Company has offered the financial support to such Joint Venture by pledging its fixed deposit as collateral to the performance bond guarantee to government agency and guarantee credit line with bank to such Joint Venture which is complied with the announcement of the Securities and Exchange Commission No. S.E.C. CHOR.(WOR) 29/2008 re: the guidance in the preparation of consolidated financial statement. However, the Company has not received the financial statements for the three-month and nine-month period ended September 30, 2010 because the Company is suing a participant of the Joint Venture who managed such Joint Venture as disclosed in the Notes 5.4.1 and 17. Therefore, the consolidated balance sheet as of December 31, 2010 included the financial statements of such Joint Venture for the as of December 31, 2009 which is the latest financial statements that the Company received from the Joint Venture. The financial statements of such Joint Venture for the as of December 31, 2009 included in the consolidated financial statement for the years ended December 31, 2010 and 2009, were reviewed by another auditor whose report expressed qualified opinion to the financial statements since the Joint Venture prepared insufficient evidences to the auditor during restricted period. In addition, another auditor cannot apply any review procedures to obtain sufficient evidence in respect of correctness and completeness respect of correctness and completeness to review advance payment to subcontractor and retention payable as of December 31, 2009 amounting to Baht 4.76 million and Baht 9.49 million, respectively, and the commitment to pay the remaining cost to subcontractors as at December 31, 2009 since the Joint Venture pays installment of construction cost in the amount net of advance payment and retentions which certain items were not identified in the contract, and (b) the Joint Venture recorded construction cost over the amount in the contract. The construction cost and account payable, which were higher than contract, included in the financial statements for the year ended December 31, 2009 of Baht 19.02 million and Baht 20.09 million, respectively.
5. In my opinion, because of the significance of effects of the matter as described in the preceding paragraphs, I do not express an opinion on the consolidated and separate financial statements of Power-P Public Company Limited and its subsidiary and Joint Ventures for the year ended December 31, 2010 and 2009.
6. Without modifying my report, I draw attention to Note 1 to financial statements, the Company's common shares were removed from the trading board and transferred to the Non-Performing Group from June 10, 2010 onwards and the Company has no clear direction of business activity. This condition indicated that the existence of uncertainty on the Company's operation. However, the Company is in the process to increase its share capital for investing in the new projects and to use as working capital.
7. As disclosed in the Note 4 to the financial statements, during preparing the consolidated financial statements for the year ended December 31, 2009, the Company had not received the financial statements for the year ended December 31, 2009, of the Joint Venture, therefore, the consolidated financial statements included the proportionate financial statements for the nine-month ended September 30, 2009. Subsequently, in 2010 the Company has already received the financial statements for the year ended December 31, 2009 of such Joint Venture. Therefore, the Company had restated the consolidated financial statements for the year ended December 31, 2009. I also audited the adjustments which were applied to restate the prior year's financial statements. Such adjustments are appropriate and have been properly applied.
8. I have formerly issued my report dated February 19, 2010 with disclaimed opinion on the financial statements for the year ended December 31, 2009 regarding to (1) unable to satisfy myself to audit the payment of share purchase amounting to Baht 95 million because the Company was in the process of verifying the fact. As disclosed in Note 25 to financial statements, the subcommittee already reported the result of the examination of the fact about the payment of share to the Company's committee on March 15, 2010 and May 7, 2010 and (2) the consolidated financial statements for the year ended December 31, 2009 which the Company did not received the financial statements for the year ended December 31, 2009, of the Joint Venture, therefore, the consolidated financial statements included the proportionate financial statements for the nine-month ended September 30, 2009. Subsequently, in 2010 the Company has already received the financial statements for the year ended December 31, 2009 of such Joint Venture. Therefore, the Company had restated the consolidated financial statements for the year ended December 31, 2009 as discussed in paragraph 7, my opinion for the year 2009 on these matters therefore, currently changed.



(Mr. Jadesada Hungsapruerk)
 Certified Public Accountant
 Registration No. 3759
 Karin Audit Company Limited
 Bangkok, Thailand
 February 10, 2011

POWER-P PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY AND JOINT VENTURES
BALANCE SHEETS
AS AT DECEMBER 31, 2010 AND 2009

		(Unit : Baht)			
		Consolidated		Separate	
		2010	2009	2010	2009
			(Restated)		(Restated)
Note					
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	5,284,977.52	18,966,609.74	5,083,416.90	18,736,482.03
Short-term investment	7	-	-	-	-
Trade accounts receivable - net		-	-	-	-
Other companies	8	-	-	-	-
Related companies	5.2, 9	-	-	-	-
Unbilled completed works - net	10, 20	-	-	-	-
Short-term loan, accrued interest receivable and advance to subsidiary and related companies - net	5.2, 5.3	-	-	-	-
Inventories - net	11	-	-	-	-
Advance payment to sub-contractors - net	12, 20	475,974.57	475,974.57	-	-
Loans and interest receivables to participants of joint ventures	5.4.1	-	-	-	-
Advance payment to participants of joint venture	5.4.2	9,048,023.61	9,048,023.61	-	-
Advance payment to joint ventures	5.4.5	-	-	-	-
Other current assets	5.4.3, 5.4.4, 13	8,163,903.56	8,352,581.23	1,015,504.08	1,204,184.51
Total current assets		22,972,879.26	36,843,189.15	6,098,920.98	19,940,666.54
NON - CURRENT ASSETS					
Investment in subsidiary and joint ventures	14	-	-	-	-
Refundable advance for investment - net	25	-	-	-	-
Leasehold improvements and equipment - net	15	1,739,076.52	1,371,948.36	1,733,918.40	1,365,242.72
Land and equipment not used for operation - net	16	18,292,561.99	18,292,561.99	18,292,561.99	18,292,561.99
Restricted deposits	17	36,026,895.50	54,547,077.99	36,026,895.50	54,547,077.99
Other non - current assets		1,322,036.03	4,725,493.35	1,322,036.03	4,725,493.34
Total non - current assets		57,380,570.04	78,937,081.69	57,375,411.92	78,930,376.04
TOTAL ASSETS		80,353,449.30	115,780,270.84	63,474,332.90	98,871,042.58
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade accounts payable		-	-	-	-
Other companies	20	2,106,526.85	2,417,274.11	-	-
Related companies	5.2	3,669,227.27	3,669,227.27	-	-
Current portion of hire - purchase payable		438,535.25	224,638.27	438,535.25	224,638.27
Advance received from participants of joint venture		3,437.26	3,437.26	-	-
Advance received from customers	20	-	-	-	-
Retention payable	20	948,972.90	948,972.90	-	-
Other current liabilities	18, 20.1, 28.3, 28.4	37,270,664.38	32,521,466.97	20,697,193.05	15,947,995.63
Total current liabilities		44,437,363.91	39,785,016.78	21,135,728.30	16,172,633.90
NON - CURRENT LIABILITIES					
Hire-purchase payable		652,807.49	320,660.30	652,807.49	320,660.30
Excess loss from investment in subsidiary and joint ventures	14	-	-	19,290,431.13	19,260,319.27
Suspense received	27	66,580,000.00	66,580,000.00	66,580,000.00	66,580,000.00
Total non - current liabilities		67,232,807.49	66,900,660.30	86,523,238.62	86,160,979.57
TOTAL LIABILITIES		111,670,171.40	106,685,677.08	107,658,966.92	102,333,613.47
SHAREHOLDERS' EQUITY					
Share Capital - Common Shares	19	-	-	-	-
Authorized Shares - Common Shares		-	-	-	-
210,000,000 shares of Baht 0.65 par value		136,500,000.00	136,500,000.00	136,500,000.00	136,500,000.00
Issued and fully paid-up		-	-	-	-
210,000,000 shares of Baht 0.65 par value		136,500,000.00	136,500,000.00	136,500,000.00	136,500,000.00
Deficit		(167,816,722.10)	(127,405,406.24)	(180,684,634.02)	(139,962,570.89)
TOTAL SHAREHOLDERS' EQUITY (Capital deficiency)		(31,316,722.10)	9,094,593.76	(44,184,634.02)	(3,462,570.89)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		80,353,449.30	115,780,270.84	63,474,332.90	98,871,042.58

POWER-P PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY AND JOINT VENTURES
STATEMENT OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	Note	(Unit : Baht)		(Unit : Baht)	
		Consolidated		Separate	
		2010	2009 (Restated)	2010	2009 (Restated)
Revenues from construction service	20	-	8,907,852.86	-	-
Cost of construction	20	-	(11,330,886.96)	-	-
GROSS MARGIN			(2,423,034.10)		
Other incomes	21	1,918,727.16	18,858,800.15	1,918,379.29	18,606,494.62
PROFIT BEFORE EXPENSES		1,918,727.16	16,435,766.05	1,918,379.29	18,606,494.62
Administration expenses		(35,428,979.11)	(129,387,078.06)	(35,739,378.51)	(145,679,074.39)
Management benefit expenses		(6,834,200.00)	(8,238,616.67)	(6,834,200.00)	(8,238,616.67)
LOSS BEFORE FINANCE COSTS		(40,344,451.95)	(121,189,928.68)	(40,655,199.22)	(135,311,196.44)
Finance costs		(66,863.91)	(1,615,064.12)	(66,863.91)	(50,961.01)
NET LOSS		(40,411,315.86)	(122,804,992.80)	(40,722,063.13)	(135,362,157.45)
BASIS LOSS PER SHARE (UNIT : BAHT)		(0.19)	(0.58)	(0.19)	(0.64)
WEIGHTED AVERAGE NUMBER OF COMMON SHARE (UNIT : THOUSAND SHARES)		210,000,000	210,000,000	210,000,000	210,000,000

POWER-P PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY AND JOINT VENTURES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	Note	(Unit : Baht)				
		Consolidated				
		Issued and fully paid-up share capital	Discount on Share Capital	Appropriated for legal reserve	Unappropriated	Total
Balance as at December 31, 2008		2,100,000,000.00	(761,800,000.00)	13,044,389.47	(1,219,344,802.91)	131,899,586.56
Capital reduction	19	(1,963,500,000.00)	761,800,000.00	(13,044,389.47)	1,214,744,389.47	-
Net loss for the year		-	-	-	(122,804,992.80)	(122,804,992.80)
Balance as at December 31, 2009		136,500,000.00	-	-	(127,405,406.24)	9,094,593.76
Balance as at December 31, 2009 (Previous reported)		136,500,000.00	-	-	(125,404,965.28)	11,095,034.72
Adjustment	4	-	-	-	(2,000,440.96)	(2,000,440.96)
After adjustment		136,500,000.00	-	-	(127,405,406.24)	9,094,593.76
Loss for the period		-	-	-	(40,411,315.86)	(40,411,315.86)
Balance as at December 31, 2010		136,500,000.00	-	-	(167,816,722.10)	(31,316,722.10)

	Note	(Unit : Baht)				
		Separate				
		Issued and fully paid-up share capital	Discount on Share Capital	Appropriated for legal reserve	Unappropriated	Total
Balance as at December 31, 2008		2,100,000,000.00	(761,800,000.00)	13,044,389.47	(1,219,344,802.91)	131,899,586.56
Capital reduction	19	(1,963,500,000.00)	761,800,000.00	(13,044,389.47)	1,214,744,389.47	-
Net loss for the year		-	-	-	(135,362,157.45)	(135,362,157.45)
Balance as at December 31, 2009		136,500,000.00	-	-	(139,962,570.89)	(3,462,570.89)
Balance as at December 31, 2009 (Previous reported)		136,500,000.00	-	-	(137,962,129.93)	(1,462,129.93)
Adjustment	4	-	-	-	(2,000,440.96)	(2,000,440.96)
After adjustment		136,500,000.00	-	-	(139,962,570.89)	(3,462,570.89)
Loss for the period		-	-	-	(40,722,063.13)	(40,722,063.13)
Balance as at December 31, 2010		136,500,000.00	-	-	(180,684,634.02)	(44,184,634.02)

POWER-P PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY AND JOINT VENTURES
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Note	(Unit : Baht)			
	Consolidated		Separate	
	2010	2009 (Restated)	2010	2009 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the period	(40,411,315.86)	(122,804,992.80)	(40,722,063.13)	(135,362,157.45)
Adjustment to reconcile net loss for net cash provided by (use in) operating activities				
Depreciation	731,307.80	2,524,350.34	729,760.28	2,513,309.98
Provision for doubtful account	20,486,892.07	113,161,820.73	22,392,892.07	125,860,546.37
Reversal of allowance for doubtful account	-	(16,011,214.96)	-	(16,011,214.96)
Loss from written-off assets	-	359,388.07	-	359,388.07
Loss from sale assets	200,926.94	-	200,926.94	-
Provision of investment in subsidiary and joint ventures	-	-	30,111.86	3,806,828.33
Provision loss from suing	929,790.64	2,126,665.53	1,240,537.64	2,126,665.53
Interest income	(496,813.06)	(2,827,196.65)	(496,505.40)	(2,595,279.66)
Interest expense	56,275.46	399,688.13	56,275.45	38,682.55
Operating loss before change in operating assets and liabilities	(18,502,936.01)	(23,071,491.61)	(16,568,064.29)	(19,263,231.24)
(Increase) decrease in operating assets :				
Trade accounts receivable - other companies	-	11,214.96	-	11,214.96
Unbilled completed works	-	4,189,395.36	-	-
Short-term loan to other companies	-	-	-	-
Inventories	-	2,265,592.34	-	-
Advance payments to sub-contractors	-	835,052.89	-	-
Advance payment to participants of joint venture	-	(2,555,564.47)	-	-
Advance payment to joint ventures	-	(604,481.73)	-	(671,646.37)
Other accounts receivable	-	5,662,187.74	-	-
Other current assets	(114,466.22)	174,450.85	(114,463.46)	97,586.00
Other non-current assets	2,397,135.95	340,913.62	2,397,135.95	340,913.62
Increase (decrease) in operating liabilities :				
Trade accounts payable	-	(1,909,371.10)	-	-
Accrued construction costs	-	-	-	-
Advance received from customers	-	(3,748,271.86)	-	-
Retention payable	-	(1,041,749.49)	-	-
Accrued expenses	1,524,855.20	(611,714.60)	87,571.00	(56,426.17)
Other current liabilities	556,912.57	876,226.76	88,196.71	(164,654.98)
Cash received from withholding tax	1,160,834.65	-	1,160,834.65	-
Cash payment for withholding tax	(6,581.67)	(120,510.08)	(6,581.67)	(27,012.86)
Net cash used in operating activities	(12,984,245.53)	(19,308,120.42)	(12,955,371.11)	(19,733,257.04)
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash received from refundable for investment	-	16,000,000.00	-	16,000,000.00
Restricted deposit	(539,817.51)	(27.68)	(539,817.51)	(27.68)
Cash received from interest income	652,025.00	2,702,087.33	651,717.67	2,701,382.02
Purchase of fixed assets	(5,690.00)	(97,499.25)	(5,690.00)	(100,652.70)
Cash received from sale assets	495,327.10	-	495,327.10	-
Net cash provided from investing activities	601,844.59	18,604,560.40	601,537.26	18,600,701.64
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest expense paid	-	(376,306.92)	-	-
Payment of hire - purchase payable	(1,299,231.28)	(250,584.00)	(1,299,231.28)	(250,584.00)
Net cash used in financing activities	(1,299,231.28)	(626,890.92)	(1,299,231.28)	(250,584.00)
Net increase in cash and cash equivalents	(13,681,632.22)	(1,330,450.94)	(13,653,065.13)	(1,383,139.40)
Cash and cash equivalents, beginning of period	18,966,609.74	20,297,060.68	18,736,482	20,119,621.43
Cash and cash equivalents, Ending of period	5,284,977.52	18,966,609.74	5,083,416.90	18,736,482.03

Supplemental Disclosures of Cash Flows Information

- As disclosed in Note 17, for the year ended December 31, 2010, the Company's fixed deposit, which was pledged as collateral for a Joint venture's promissory note, was deducted by a bank amounting to Baht 19.06 million. Therefore, the Company recorded advance to Joint Venture at the same amount.
- For the year ended December 31, 2010, the Company have entered into hire purchase agreements to purchase of vehicles totalling of Baht 1.79 million
- As disclosed in Note 28.3, for the year ended December 31, 2010, the Company and Participants of Joint Venture, the civil Court judged both defendants to pay Baht 3.22 million to Joint venture. The company already recorded Provision loss from suing and other receivable - participants of Joint Ventures of Baht 3.33 million of the Joint Venture in the proportionate amount.

POWER - P PUBLIC COMPANY LIMITED, SUBSIDIARY AND JOINT VENTURE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

1. General Information

Power-P Public Company Limited was incorporated has registered in accordance with provision of the Civil and Commercial Code on February 8, 1978 and converted to be Public Company Limited on June 11, 1993. The office is located at 900/16, 20th floor, IT Professional Tower, Rama III Road, Bangpongpan, Yanawa, Bangkok.

The Company was providing project consultation, construction services and renting assets.

On May 31, 2010, the Stock Exchange of Thailand (SET) informed that because the Company's security has been classified by the SET for delisting since April 22, 2008 and the Company has been unable to rectify the grounds for delisting and the Company's shareholder equity were less than zero and it showed a net loss from core business, the SET will remove the Company's security from the trading board and transfer it into the Non-Performing Group from June 10, 2010 onwards. As a result the name of the Company's security will no longer appear on the trading board. However, currently the Company status is listed company and must comply with all SET requirements.

According to the construction of Kwae Noi Dam Project, this is only one operation that the Company invested in the Joint Venture in 2004, was completed since May 3, 2009. Currently, the Company has no clear direction of business activity. However, the Company is in the process to increase its share capital for investing in the new project and to use as working capital (See Note 19). On January 24, 2011, The Board of directors meeting has resolution to do MOU (Memo of understanding) with a company which interesting to invest the share of the Company.

2. Basis of Financial Statement Preparation and Significant Accounting Policies**2.1 Basis of financial statements preparation**

The Consolidated and the Company only financial statements were prepared in accordance with the generally accepted accounting principles under the Accounting Act B.E. 2543 which implied the accounting standard set by the Federation of Accounting Professions established in accordance with the Accounting Professions Act B.E. 2547 which is presently in effect. The Company prepared its statutory financial statements in the Thai language in accordance with the generally accepted accounting principles as applied in Thailand which the accounting principles used may be different, in certain aspects, from generally accepted accounting principles applied in other countries. For the convenience of the readers, the financial statements were translated into English from the statutory financial statements in Thai which are issued for the domestic reporting purpose.

2.2 Adoption of new accounting standards

The Federation of Accounting Professions has issued Notifications regarding new accounting standards and financial reporting standards. These are not effective for the current year, except Framework for the Preparation and Presentation of Financial Statements, which is immediately effective.

		<u>Effective date</u>
Framework for the Preparation and Presentation of Financial Statements (revised 2009)		Immediate
TAS 1 (revised 2009)	Presentation of Financial Statements	1 January 2011
TAS 2 (revised 2009)	Inventories	1 January 2011
TAS 7 (revised 2009)	Statement of Cash Flows	1 January 2011
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2011
TAS 10 (revised 2009)	Events after the Reporting Period	1 January 2011
TAS 11 (revised 2009)	Construction Contracts	1 January 2011
TAS 12	Income Taxes	1 January 2013
TAS 16 (revised 2009)	Property, Plant and Equipment	1 January 2011
TAS 17 (revised 2009)	Leases	1 January 2011
TAS 18 (revised 2009)	Revenue	1 January 2011
TAS 19	Employee Benefits	1 January 2011
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2013
TAS 21 (revised 2009)	The effects of Changes in Foreign Exchanges Rate	1 January 2013
TAS 23 (revised 2009)	Borrowing Costs	1 January 2011
TAS 24 (revised 2009)	Related Party Disclosures	1 January 2011
TAS 26	Accounting and Reporting by Retirement Benefit Plans	1 January 2011
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements	1 January 2011
TAS 28 (revised 2009)	Investments in Associates	1 January 2011
TAS 29	Financial Reporting in Hyperinflationary Economies	1 January 2011
TAS 31 (revised 2009)	Interests in Joint Ventures	1 January 2011
TAS 33 (revised 2009)	Earnings per Share	1 January 2011
TAS 34 (revised 2009)	Interim Financial Reporting	1 January 2011
TAS 36 (revised 2009)	Impairment of Assets	1 January 2011
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets	1 January 2011
TAS 38 (revised 2009)	Intangible Assets	1 January 2011
TAS 40 (revised 2009)	Investment Property	1 January 2011
TFRS 2	Share-Based Payments	1 January 2011
TFRS 3 (revised 2009)	Business Combinations	1 January 2011
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2011
TFRS 6	Exploration for and Evaluation of Mineral Resources	1 January 2011

The management of the Company has assessed the effect of the accounting standards and financial reporting standards and believes that these standards will not have any significant impact on the financial statements for the year in which they are initially applied.

2.3 Significant accounting policies*Recognition of Revenues*

- Revenue from construction services is recognized according to proportion of completed task. Revenue already recognized but not yet due to call for repayment according to the contract is reflected as "Unbilled Completed Work" in balance sheet.
- Revenue on the project consultation is recognized based on contract.
- Revenue from interest receivable is recognized in accordance with the period of time and computed from the accrued principle balance.

Recognition of Expenses

Construction cost according to construction contract is recorded according to percentage of completion task of estimated cost.

- Construction cost appropriated into cost but not yet due for repayment according to contract is reflected as "Cost not yet due for repayment" in balance sheet.
- Construction cost actually incurred but not yet appropriated into cost in the service rendered in the statement of income is reflected as "work in progress" in balance sheet.

Expenses are recognized on an accrual basis.

Cash and Cash Equivalent Items

Cash and cash equivalent include saving accounts, current accounts and fixed accounts not exceeding 3 months, with not obligations.

Investment

Investment in trading securities is determined at fair value, which is based on the latest bid price on the Stock Exchange of Thailand of the last working day of the year as quoted. Changes in the carrying amount of securities are recorded as gain or loss on revaluation of investment in marketable securities in the income statements. The weighted average method is used for computation of the cost of investments.

Accounts Receivable, Other Accounts Receivable and Allowance for Doubtful Debt

Accounts receivable and other accounts receivable are valued at net realizable value. For the allowance for doubtful debt considers from those accounts receivable which are likely to be uncollectible.

Inventories

Inventories are valued at cost under FIFO method or net realizable value whichever is lower.

Investment in Subsidiary Company

Investment in subsidiary company is recorded by cost method and also adjusted the allowance for impairment.

Participating profit (loss) in joint venture

The Company's interests in jointly controlled entities are accounted for by cost method in the separate financial statements and by proportionate consolidation in the consolidated financial statements. The Company combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements. The Company recognizes the portion of gains or losses on the sale of assets by the Company to the joint venture that it is attributable to the other ventures.

The Company does not recognizes its share of profits or losses from the joint venture that result from the purchase of assets by the Company from the joint venture until it resells the assets to an independent party. However, if a loss on the transaction provides evidence of a reduction in the net realizable value of current assets or an impairment loss, the loss is recognised immediately.

A list of the Company's principal joint ventures is set out in Note 7.5.

Leasehold Improvement and Equipment

Leasehold improvement and equipment are recorded at cost on the transaction date after deduction of accumulated depreciation and depreciation calculated on a straight-line method over their approximate useful life as follows:

	Years
Leasehold Improvement	5
Machinery	10
Equipment and Tool	5
Furniture, Fixture and Office Equipment	5
Vehicles	5

No depreciation is provided for land.

Depreciation of asset is aggregately reflected in the computation of result of operation.

Expenditure in respect of improvement, life renewal or asset improvement which causes the present replacement price of asset increased materially will be included as cost of asset. For repair and maintenance is recognized as expense in the incurred accounting period.

Gain or loss from disposal of property and equipment is computed from discrepancy between net cash received and book value and recognized as other revenue or other expense in the statement of income.

Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Impairment with cost, if assets exceed its recoverable amount, the Company will recognize an impairment loss in the statement of income.

Calculation of recoverable amount

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

Reversals of impairment

- An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.
- An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. All reversals of impairment losses are recognized in the statement of income.

Leased Contract

The contract of leased asset carried the risk and owner remuneration is mainly transferred to lesser will be classified as financial leased contract. The contract of financial lease is recorded as capital expenditure by fair value of leased asset or present value of minimum amount which has to repay in accordance with the leased contract whichever amount is lower. The amount which has to repay in each time is divided as liability portion and financial expenditure so that fixed interest rate over outstanding overdue liability of obligation burden in accordance with the financial leased contract will be recorded as long term liability. Interest payable will be recorded in the statement of income throughout the leased contract life. Asset which acquired by financial leased contract will be depreciated in accordance with the estimated useful life of those assets. Leases not transferring a significant portion of the risks and rewards of ownership to the lease are classified as operating leases. Payments made under operating leases are charged to the statement of income on a straight-line basis over the period of the lease.

Account Payable and Others Payable

Accounts payable and others payable were shown in cost method.

Financial Instruments

Financial assets carried on the balance sheet include cash and cash at bank, investment, accounts receivable, financial liabilities carried on the balance sheet include account payable and loans. Related accounting policies of financial assets and liabilities were disclosed in each related section.

Provisions

The Company recognized in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation where the company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

Employees Benefit

The company is recognized salary, wage, bonus, social security fund and staff provident fund are expense on date the transaction occur.

Basic Loss per Share

Basic losses per share of the company are calculated by dividing the net loss for the period by the weighted average number of issued and paid up ordinary shares. The Company do not calculate the diluted loss per share because there are no common share equivalents.

The appropriation of retained earnings

The appropriation of retained earnings is attributable to the Public Company Act B.E. 2535 (1992). The Company will appropriate retained earnings when it is approved at the shareholders' meeting.

2.4 Significant accounting judgments and estimates

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

Construction revenue

The stage of completion of any construction contract is assessed by management by taking into consideration all information available at the reporting date. In this process, management carries out significant judgements about milestones, actual work performed and the estimated costs to complete the work. Significant assumptions are required to estimate the total contract costs and the recoverable variation works that will affect the stage of completion. Actual outcome in terms of actual costs or revenue may be higher or lower than estimated at the balance sheet date, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

Allowance for project losses

The Company, subsidiaries, and joint venture review its construction work-in-progress to determine whether there is any indication of foreseeable losses. Identified foreseeable losses are recognised immediately in the statement of income when it is probable that total contract costs will exceed total contract revenue as determined by the Company management.

Finance leases/ Operating leases

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

Allowance for doubtful accounts

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

Impairment of investments

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

Depreciation

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

3. Basis of the Consolidated Financial Statements Preparation

The consolidated financial statements included the financial statements of subsidiary under control of Power-P Public Company Limited after eliminating intercompany balances and transactions. Power-P Public Company Limited held the shares in subsid

Subsidiary	Type of business	Country of incorporation	Portion of interest		Relationship
			December 31, 2010	December 31, 2009	
J – Power Company Limited (Discontinued operation)	Design and subcontractor	Thailand	80%	80%	Joint director

The consolidated financial statements included accounting transactions of joint ventures that the Company is joint venturer in such entity. The Company signed in the contract of joint venture as follows:

Joint Venture	Type of business	Type of joint venture	Percentage of Holding		Ending of account period	Country Of incorporation
			December 31, 2010	December 31, 2009		
The Joint Venture UBC Power	Dam construction	Jointly controlled entity	10%	10%	December 3	Thailand
The Joint Venture Power-Noppawong	Building construction	Jointly controlled entity	49%	49%	December 3	Thailand

As of December 31, 2010 and 2009, the Joint Venture Power-Noppawong has deficit by amount of Baht 58.62 million and Baht 58.60 million, respectively, and its current liability exceeded current assets of Baht 58.62 million and Baht 58.60 million, respectively, liability from contract termination by amount of Baht 20.60 million, advance received from joint venturer by amount of Baht 39.53 million. In addition, the hirer of the joint venture cancelled the project contract since the joint venture incompletely operates the construction according to the time schedule in the contract. Such situation is material uncertainty as ceased that results in substantial doubt in respect of whether the joint venture may not be able to continue its operation. Moreover, it may incur loss from the event that the joint venture cannot comply with sub-contractor contract. As of December 31, 2010 and 2009, the joint venture constitutes obligation commitment which has to pay to sub-contractor in the estimate amount of Baht 62.38 million. As a result, there is uncertainty in respect of loss which may incurred that the joint venture has to repay to sub-contractor from the event that the project ceased its operation. However, loss that sub-contractor may claim cannot estimated.

The consolidated financial statements included financial statements of both joint ventures as proportionate consolidation as follows:

		(Unit : Thousand Baht)	
		Proportionate Consolidated Financial Statements	
		December 31, 2010	December 31, 2009
Assets			
Current assets		16,820	16,833
Non-current Assets		5	6
Total Assets		16,825	16,839
Liabilities			
Current Liabilities		53,184	53,184
Total Liabilities		53,184	53,184
Portion of Joint Venturer		(36,359)	(36,345)

		(Unit : Thousand Baht)	
		Proportionate Consolidated Financial Statements	
		For the years ended December 31,	
		2010	2009
Revenues from construction service		-	8,908
Cost of construction		-	(11,331)
Gross loss		-	(2,423)
Other income		-	252
Service and administrative expenses		(14)	(187)
Finance cost		-	(1,563)
Loss for the period		(14)	(3,921)

The accounting period ended of the subsidiary company and joint venture are the same as the Company. However, the Company has not received the financial statements for the years ended December 31, 2010 because the Company is suing a participant of the Joint Venture UBC Power who managed such Joint Venture (Notes 5.4.1 and 17). Therefore, the consolidated financial statements included the financial statements of such Joint Venture for the as of December 31, 2009 which is the latest financial statements that the Company received from the Joint Venture. The financial statements of such Joint Venture for the as of December 31, 2009 were reviewed by another auditor whose report expressed qualified opinion to the financial statements since the Joint Venture prepares insufficient evidences to the auditor during restricted period. In addition, another auditor cannot apply any review procedures to obtain sufficient evidence in respect of correctness and completeness to reviewed advance payment to subcontractor and retention payable as of December 31, 2009 amounting to Baht 4.76 million and Baht 9.49 million, respectively, and the commitment to pay the remaining cost to subcontractors as at December 31, 2009 since the Joint Venture pays installment of construction cost in the amount net of advance payment and retentions which certain items were not identified in the contract and the Joint Venture recorded construction cost over the amount in the contract. The construction cost and account payable, which were higher than contract, included in the financial statements for the year ended December 31, 2009 of Baht 19.02 million and Baht 20.09 million, respectively.

Subsidiary and Joint Ventures use same accounting policies for same transaction as the Company applied.

Outstanding balances between the Company and the subsidiary and significant intercompany transactions are eliminated from the consolidated financial statements.

Outstanding balances between the Company and the joint ventures and significant intercompany transactions are eliminated from the consolidated financial statements.

4. Prior year's adjustment

Previously, the consolidated financial statements for the year ended December 31, 2009 included the financial statements for nine-month period ended September 30, 2009 of a Joint Venture, the latest financial statements which the Company received from such Joint Venture. Because the Company is suing participant of the Joint Venture who managed such Joint Venture, so the Company had not received the financial statements for the year ended December 31, 2009 from the Joint Venture. Subsequently, in 2010 the Company has already received the financial statements for the year ended December 31, 2009 of such Joint Venture. Therefore, the Company had restated the consolidated financial statements for the year ended December 31, 2009. The financial statements of such Joint Venture for the as of December 31, 2009 were reviewed by another auditor whose report expressed qualified opinion to the financial statements since the Joint Venture prepared insufficient evidences to the auditor during restricted period. In addition, another auditor cannot apply any audit procedures to obtain sufficient evidence in respect of correctness and completeness respect of correctness and completeness to review advance payment to subcontractor and retention payable as of December 31, 2009 amounting to Baht 4.76 million and Baht 9.49 million, respectively, and the commitment to pay the remaining cost to subcontractors as at December 31, 2009 since the Joint Venture pays installment of construction cost in the amount net of advance payment and retentions which certain items were not identified in the contract and the Joint Venture recorded construction cost over the amount in the contract. The construction cost and account payable, which were higher than contract, included in the financial statements for the year ended December 31, 2009 of Baht 19.02 million and Baht 20.09 million, respectively. The effect to the consolidated and separate financial statements is as follows:

		(Thousand Baht)	
		Consolidated	
		Increase(Decrease)	
Cash and cash equivalents		0.26	
Advance payment to sub-contractors – net		(98.54)	
Advance payment to participants of joint venture		3,400.26	
Other current assets		(3,613.35)	
Leasehold improvement and equipment – net		3.15	
Trade accounts payable - Other companies		2,012.61	
Retention payable		(1,578.71)	
Other current liabilities		1,252.02	
Deficit beginning of period		2,000.44	
		(Thousand Baht)	
		Separate	
		Increase(Decrease)	
Deficit beginning of period		2,000.44	
Excess loss from investment in subsidiary and joint ventures		2,000.44	

5. Intercompany-Transaction

The Company has significant business transactions with subsidiary and joint ventures and related parties. Such transactions are under normal course of business and are summarized as follows:

5.1 Revenues and Expenses

		(Unit : Thousand Baht)			
		For the years ended December 31,			
		Consolidated		Separate	
		2010	2009	2010	2009
Transaction business with joint venture					
(Eliminated in the Consolidated Financial Statements in proportion of the Company)					
Other Incomes		-	-	-	-
Contract price		-	-	-	-

5.2 Outstanding Balances with Former Related Companies

Outstanding balances with former related companies (before capital restructuring) as of December 31, 2010 and 2009, as follows:

	Consolidated		Separate	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
Trade Accounts Receivable - Related Companies				
Mongkol Home & Land Co., Ltd.	27,532	27,532	27,532	27,532
Power Wood Co., Ltd.	117	117	117	117
P-Group Holding Co., Ltd.	162	162	162	162
Power Telecom Co., Ltd.	350	350	350	350
P.T. Engineering Service(1988) Co., Ltd.	456	456	456	456
Amornphan-Bonithai Co., Ltd.	116,526	116,526	116,526	116,526
Total	145,143	145,143	145,143	145,143
Less Allowance for Doubtful Accounts				
Mongkol Home & Land Co., Ltd.	(27,532)	(27,532)	(27,532)	(27,532)
Power Wood Co., Ltd.	(117)	(117)	(117)	(117)
P-Group Holding Co., Ltd.	(162)	(162)	(162)	(162)
Power Telecom Co., Ltd.	(350)	(350)	(350)	(350)
P.T. Engineering Service(1988) Co., Ltd.	(456)	(456)	(456)	(456)
Amornphan-Bonithai Co., Ltd.	(116,526)	(116,526)	(116,526)	(116,526)
Total	(145,143)	(145,143)	(145,143)	(145,143)
Net	-	-	-	-

Short-Term Loans, Accrued Interest Receivable and Advance Payment

Power Wood Co., Ltd.	16,367	16,367	16,367	16,367
Less Allowance for doubtful accounts	(16,367)	(16,367)	(16,367)	(16,367)
Net	-	-	-	-
P-Group Holding Co., Ltd.	238,250	238,250	238,250	238,250
Less Allowance for doubtful accounts	(238,250)	(238,250)	(238,250)	(238,250)
Net	-	-	-	-
Power Telecom Co., Ltd.	3,805	3,805	3,805	3,805
Less Allowance for doubtful accounts	(3,805)	(3,805)	(3,805)	(3,805)
Net	-	-	-	-

The Company did not charge interest for short-term loans and advance payment.

	Consolidated		Separate	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
Trade Accounts Payable – Former Related Company				
O.U.B. Construction Co., Ltd.	3,669	3,669	-	-

5.3 Outstanding Balances with Subsidiary

Outstanding balances as of December 31, 2010 and 2009, as follows:

	Consolidated		Separate	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
Advance payment to subsidiary company				
J - Power Company	-	-	900	900
Less Allowance for doubtful accounts	-	-	(900)	(900)
Net	-	-	-	-

The Company did not charge interest for advance payment.

5.4 Outstanding Balances with Participants of Joint Venture and the Joint Venture

Outstanding balances with participants of joint venture and the joint venture as of December 31, 2010 and 2009, as follows:

5.4.1 Loans and Interest Receivables to Participants of Joint Ventures

	Consolidated		Separate	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
Union Infratech Co., Ltd.	60,812	60,812	60,812	60,812
Less Allowance for doubtful accounts	(60,812)	(60,812)	(60,812)	(60,812)
Net	-	-	-	-

For year ended December 31, 2010, there was no movement of loans and interest receivables to participants of joint ventures.

As of December 31, 2010 and 2009, loan to Union Infratech Co., Ltd. was is loan for the bidding of the construction work of the Joint Venture UBC Power with the Royal Irrigation Department.

On January 21, 2010, the Company has filed for a legal case requesting for Union Infratech Co., Ltd. a manager of the Joint Venture, to repay advance and other compensate totaling Baht 185.47 million.

5.4.2 Advance Payment to Participants of Joint Venture

	Consolidated		Separate	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
Union Infratech Co., Ltd.	9,048	9,048	-	-

5.4.3 Other Accounts Receivable - Joint Ventures

	Consolidated		Separate	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
Joint Venture UBC Power	4,218	4,218	4,687	4,687
Joint Venture Power-Noppawong	147	147	289	289
Total	4,365	4,365	4,976	4,976
Less Allowance for doubtful accounts	(4,365)	(4,365)	(4,976)	(4,976)
Net	-	-	-	-

5.4.4 Other Accounts Receivable – Participants of Joint Ventures

	Consolidated		Separate	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
Union Infratech Co., Ltd.	3,333	-	3,333	-
Less Allowance for doubtful accounts	(3,333)	-	(3,333)	-
Net	-	-	-	-

As disclosed in Note 28.3 to financial statements, the civil court judged the Company as the first defendant and Union Infratech Co., Ltd. as the second defendant pay to plaintiff. Therefore, the Company recorded other receivable – participants of Joint Ventures of Baht 3.33 million to collect from such company as participant in the proportionate amount according to the percentage of investment in the Joint Venture. In addition, the Company also fully provided allowance for doubtful account because the Company considered that such participant has insufficient liquidity to pay to the Company.

5.4.5 Advance Payment to Joint Ventures

	Consolidated		Separate	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
Joint Venture UBC Power	136,565	119,411	151,739	132,679
Joint Venture Power-Noppawong	20,160	20,160	39,529	39,529
Total	156,725	139,571	191,268	172,208
Less Allowance for doubtful accounts	(156,725)	(139,571)	(191,268)	(172,208)
Net	-	-	-	-

5.5 Relationship

Subsidiary	Relationship
J-Power Co., Ltd.	Subsidiary by direct shareholding
Former Related Companies	
Mongkol Home & Land Co., Ltd.	Former shareholding
Amornphan-Bonithai Co., Ltd.	Former shareholding and former common director
Power Wood Co., Ltd.	Former shareholding and former common director
P-Group Holding Co., Ltd.	Former shareholding and former common director
Power Telecom Co., Ltd.	Former shareholding and former common director
P.T.Engineering Service(1988)Co., Ltd.	Former shareholding and former common director
O.U.B. Construction Co., Ltd.	Former shareholding and former common director
Joint Venture	
The Joint Venture UBC Power	Participants of Joint Venture
The Joint Venture Power-Noppawong	Participants of Joint Venture
Union Infratech Co., Ltd.	Participants of Joint Venture in the Joint Venture UBC Power

6. Cash and Cash Equivalents

Consisted of:

	Consolidated		(Unit : Thousand Baht) Separate	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
Cash	21	159	20	157
Bank Deposit – Current Accounts	136	17	6	6
Bank Deposit – Saving Accounts	5,128	5,791	5,057	5,573
Fixed Deposits 3 months	-	13,000	-	13,000
Total	5,285	18,967	5,083	18,736

7. Short-term Investment

Consisted of:

	Consolidated		(Unit : Thousand Baht) Separate	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
Trading Securities in the Marketable Security				
Cost	7,844	7,844	7,844	7,844
Less Unrealized loss on temporary investments valuation	(7,074)	(7,074)	(7,074)	(7,074)
Fair Value	770	770	770	770
Less Loss on impairment	(770)	(770)	(770)	(770)
Net	-	-	-	-

8. Trade Accounts Receivable - Other Companies - Net

Consisted of:

	Consolidated		(Unit : Thousand Baht) Separate	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
Trade accounts receivable classified by age :				
Over Due				
1-3 Months	-	-	-	-
Over 12 Months	126,553	126,553	126,553	126,553
Total	126,553	126,553	126,553	126,553
Cheque Returned	46,037	46,037	46,037	46,037
Retention Receivable	12,878	12,878	12,878	12,878
Total	185,468	185,468	185,468	185,468
Less Allowance for doubtful accounts	(185,468)	(185,468)	(185,468)	(185,468)
Net	-	-	-	-

9. Trade Accounts Receivable - Related Companies - Net

Consisted of:

	Consolidated		(Unit : Thousand Baht) Separate	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
Trade accounts receivable classified by age are as follows :				
Over Due				
Over 12 Months	145,143	145,143	145,143	145,143
Less Allowance for doubtful accounts	(145,143)	(145,143)	(145,143)	(145,143)
Net	-	-	-	-

10. Unbilled Completed Works - Net

Consisted of:

	(Unit : Thousand Baht) Consolidated	
	December 31, 2010	December 31, 2009
Joint Ventures (The Company's portion)		
Contract value	407,390	407,390
Recognized revenue		
- Recognized revenue to date – beginning of periods	331,537	331,537
- Recognized revenue during the periods	6,670	6,670
Recognized revenue to date – end of periods	338,207	338,207
Less Installment due to date	(331,182)	(331,182)
Less Allowance for doubtful accounts	(7,025)	(7,025)
Unbilled completed works - Net	-	-

As of December 31, 2010 and 2009, unbilled completed works is incurred from estimation of revenue from construction services rendered and cost of construction determined by project manager.

11. Inventories - Net

Consisted of:

	Consolidated		(Unit : Thousand Baht) Separate	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
Work in process	17,283	17,283	12,913	12,913
Raw materials and supplies	1,126	1,126	1,126	1,126
Total	18,409	18,409	14,039	14,039
Less Allowance for declining in v	(18,409)	(18,409)	(14,039)	(14,039)
Net	-	-	-	-

12. Advance Payment to Subcontractors - Net

Consisted of:

	Consolidated		(Unit : Thousand Baht)	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
P.Prize Supplies & Construction Co., Ltd.	100,000	100,000	100,000	100,000
Partial payment	(36,392)	(36,392)	(36,392)	(36,392)
Debt settlement	(33,881)	(33,881)	(33,881)	(33,881)
Total	29,727	29,727	29,727	29,727
Less Allowance for doubtful account	(29,727)	(29,727)	(29,727)	(29,727)
Net	-	-	-	-
Modern group Co.,Ltd.	550	550	550	550
Less Allowance for doubtful account	(550)	(550)	(550)	(550)
Net	-	-	-	-
Merge Engineering Co., Ltd.	10,619	10,619	10,619	10,619
Less Allowance for doubtful account	(10,619)	(10,619)	(10,619)	(10,619)
Net	-	-	-	-
Noppawong Construction Co.,Ltd.	195	195	195	195
Less Allowance for doubtful account	(195)	(195)	(195)	(195)
Net	-	-	-	-
Subcontractors of joint venture UBC Power	476	476	-	-
Subcontractors of joint venture	-	-	-	-
Power - Noppawong	2,045	2,045	-	-
Less Allowance for doubtful account	(2,045)	(2,045)	-	-
Net	476	476	-	-
Total	476	476	-	-

12.1 Advance Payment to Subcontractor - P.Prize Supplies and Construction Co., Ltd.

On March 15, 2005, the Company has entered into the subcontract agreement with P.Prize Supplies and Construction Co., Ltd., (Mongkol Harbour Gas Store Project) while such project has cancelled the contract since June 13, 2005. The Company management, therefore, fully provided the allowance doubtful account for advance payment in the financial statements.

On January 30, 2008, the Company filed this receivable claim for the return of advance payment to subcontractor of P.Prize and Construction Co., Ltd. amount of Baht 29.73 million and later on May 12, 2008, the South Bangkok Civil Court has adjudicated such case that P.Prize and Construction Co., Ltd. repay amount of Baht 29.73 million with interest at the rate of 7.50% since November 12, 2005 until settlement to the Company until the prosecuted date i.e. January 30, 2008 that must not exceed the amount of Baht 4.95 million. At the same date, the Company requests the Court to issue compulsory so that P.Prize Supplies and Construction Co., Ltd. are acknowledged about the adjudication. Moreover, on May 29, 2008, the Court has adjudicated to close the case enforcement bill.

On July 14, 2008, the Court has adjudicated that the defendant repays debt according to the adjudication within 30 days commenced from the date the case enforcement bill is closed. However, the P.Prize Supplies and Construction Co., Ltd. still have not repaid debt to the Company. Subsequently, November 17, 2008, the Company has filed the petition requesting the Court to order the appointment of custodian officer in order to proceed with the confiscation of the asset of such company to sell at auction in order to repay debt to the Company.

12.2 Advance Payment to Subcontractor - Merge Engineering Co., Ltd.

On December 9, 2005, the Company has entered into the subcontract agreement with Merge Engineering Company Limited (Merge) (Friendship village and garden project). The Company has to pay advance for 15% of the Contract value in amount of Baht 12.38 million to Merge and this advance is secured by the Marge's parcel of land (appraised value at Baht 1 million) and register form. However, the mortgage of this land has not been registered with Land Department as of October 27, 2006. Such project has delayed construction due to the Company purpose so as to review construction plan to comply with marketing direction and wait to see direction of Thailand. Presently, such project has been cancelled. In addition, the Company acknowledged cancellation of subcontractor contract to Merge Engineering Co., Ltd. on May 30, 2007. However, the Company management therefore, fully provided the allowance for advance payment in the financial statements.

On December 21, 2007, the Company filed this receivable claim for the return of advance payment to subcontractor of Merge Engineering Company Limited amount of 10.62 million and later on August 21, 2008, Merge Engineering Company Limited requests to perform compromised contract to the Court with the consent that will repay money to the Company by amount of Baht 10.62 million. It is repayable into 3 installments by Baht 3.54 million per installment. The first installment is repayable on October 21, 2008. If it defaults of debt repayment in any installment, it is regarded that it defaults for debt repayment in the whole outstanding amount. Moreover, it consents that the Company charges interest in the rate of 15% per annum of outstanding principle balance that overdue to the Company commenced from the defaulted date forwards. However, when it arrives at the schedule of debt repayment according to the compromised contract for the first installment, the Merge Engineering Co., Ltd. did not comply with the compromised contract. Subsequently, November 17, 2008, the Company filed the petition to request the Court to order the appointment of custodian officer in order to proceed with the confiscation of asset of such company to sell at auction in order to repay debt to the Company.

12.3 Advance Payment to Subcontractor - Modern Group Co., Ltd.

On March 16, 2005, the Company has entered into the subcontract agreement with Modern Group Co., Ltd. (TAI BAAN Project). Later on August 19, 2005, the Company sent the letter to such subcontractor so as to suspend construction. Later on July 26, 2006, the Company sent the letter to such company so as to request to repay advance payable of construction equivalent to amount received from the Company in amount of Baht 0.57 million to the Company. It is consented that damage which may have from cancellation of contract is deducted. It is allowed that such Company including Ornuma and Chai Prakarn Karn Kor Sang Co., Ltd., another subcontractor of such project acknowledge damage which may have to the Company within 15 days. However, as of presently, the Company still has not received acknowledgement of damage from both companies.

On January 24, 2007, the Company's lawyer submitted the notice to such receivable requesting receivable to repay Baht 0.57 million together with interest at the rate of 7.50% since July 26, 2006 until settlement date within 7 days from the receiving date, otherwise the Company will perform the legal process.

13. Other Current Assets

Consisted of:

	Consolidated		(Unit : Thousand Baht)	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
Withholding tax	1,733	1,881	-	148
Other accounts receivable – joint venture (Note 5.4.3)	-	-	-	-
Other accounts receivable - Participants of Joint Ventures (Note 5.4.4)	-	-	-	-
Other accounts receivable	2,550	2,550	-	-
Account receivable - revenue department	850	-	-	-
Input vat not yet due	11	-	2	2
Accrued interest	37	-	37	192
Prepaid expenses	108	-	108	104
Others	2,874	3,922	869	758
Total	8,163	8,353	1,016	1,204

14. Investments in Subsidiary and Joint Ventures - Net

As of December 31, 2010 and 2009, the Company had investment in its subsidiary company as follows:

Company Name	Issued and Paid-up Share		Percentage of Shareholding		(Unit : Thousand Baht)	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
Subsidiary company						
J-Power Co., Ltd.	2,500	2,500	80	80	2,000	2,000
Less Allowance for impairment of investment	-	-	-	-	(2,000)	(2,000)
Net	-	-	-	-	-	-
Joint Ventures						
Joint Venture UBC Power	-	-	10	10	-	-
Joint Venture Power-Noppawong	-	-	49	49	-	-
Provision Liabilities Investment in Subsidiary and Joint Ventures						
J-Power Co., Ltd.	-	-	-	-	3,622	3,605
Joint Venture UBC Power	-	-	-	-	6,454	6,454
Joint Venture Power-Noppawong	-	-	-	-	9,214	9,201
Total	-	-	-	-	19,290	19,260

In accordance with the separate financial statements, the Company estimates liability from investment in J-Power Co., Ltd., UBC Power Joint Venture and Power-Noppawong Joint Venture since the subsidiary company and such joint ventures constitute negative shareholders equity. Moreover, the Company still provides financial support to such subsidiary and joint ventures.

The financial statements of J-Power Co., Ltd., a subsidiary were shown the total asset of the subsidiary company constitutes of Baht 53,609.16 (equivalent to 0.08 of consolidated asset) and constitutes net loss by amount of Baht 16,296.34 (equivalent to 0.04 of net consolidated profit).

The financial statements of UBC Power Joint Venture as at December 31, 2009 shown the total assets of the joint venture to the Company's portion constitutes of Baht 15,842,210.61 (equivalent to 24.96 of consolidated assets).

The financial statements of Power-Nopawong Joint Venture were shown the total assets of the joint venture to the Company's portion constitutes of Baht 983,296.63 (equivalent to 1.55 of consolidated asset) and constitutes net loss to the Company's portion by amount of Baht 13,815.52 (equivalent to 0.03 of net consolidated profit).

15. Leasehold Improvements and Equipment - Net

Consisted of:

	Leasehold Improvement	Tools and Equipment	Consolidated Furniture and Office Equipment	Vehicles	Total
(Unit : Thousand Baht)					
Cost					
Balance as of December 31, 2009	2,298	17	11,081	4,918	18,314
Purchase / Transfer in	-	-	6	1,789	1,795
Sale / Transfer out	-	-	-	(1,189)	(1,189)
Balance as of December 31, 2010	2,298	17	11,087	5,518	18,920
Accumulated Depreciation					
Balance as of December 31, 2009	(2,176)	(13)	(10,868)	(3,885)	(16,942)
Depreciation during the year	(96)	-	(99)	(537)	(729)
Amortization during the year	-	-	-	492	492
Balance as of December 31, 2010	(2,272)	(13)	(10,967)	(3,930)	(17,182)
Book Value					
As of December 31, 2009	122	4	213	1,033	1,372
As of December 31, 2010	26	4	121	1,588	1,739
Cost					
Balance as of December 31, 2008	4,709	17	11,562	4,918	21,206
Purchase / Transfer in	35	-	65	-	100
Sale / Transfer out	(2,446)	-	(546)	-	(2,992)
Balance as of December 31, 2009	2,298	17	11,081	4,918	18,314
Accumulated Depreciation					
Balance as of December 31, 2008	(3,716)	(10)	(10,421)	(2,904)	(17,051)
Depreciation during the year	(672)	(3)	(868)	(981)	(2,524)
Amortization during the year	2,212	-	421	-	2,633
Balance as of December 31, 2009	(2,176)	(13)	(10,868)	(3,885)	(16,942)
Book Value					
As of December 31, 2008	993	7	1,141	2,014	4,155
As of December 31, 2009	122	4	213	1,033	1,372

	Leasehold Improvement	Separate Furniture and Office Equipmen	Vehicles	Total
(Unit : Thousand Baht)				
Cost				
Balance as of December 31, 2009	2,234	10,427	4,919	17,580
Purchase / Transfer in	-	5	1,789	1,794
Sale / Transfer out	-	-	(1,189)	(1,189)
Balance as of December 31, 2010	2,234	10,432	5,519	18,185
Accumulated Depreciation				
Balance as of December 31, 2009	(2,113)	(10,217)	(3,885)	(16,215)
Depreciation during the year	(96)	(96)	(537)	(729)
Sale / Transfer out	-	-	492	492
Balance as of December 31, 2010	(2,209)	(10,313)	(3,930)	(16,452)
Book Value				
As of December 31, 2009	121	210	1,034	1,365
As of December 31, 2010	25	119	1,589	1,733
Cost				
Balance as of December 31, 2008	4,646	10,907	4,919	20,472
Purchase / Transfer in	35	66	-	101
Sale / Transfer out	(2,447)	(546)	-	(2,993)
Balance as of December 31, 2009	2,234	10,427	4,919	17,580
Accumulated Depreciation				
Balance as of December 31, 2008	(3,653)	(9,778)	(2,904)	(16,335)
Depreciation during the year	(672)	(861)	(981)	(2,514)
Sale / Transfer out	2,212	422	-	2,634
Balance as of December 31, 2009	(2,113)	(10,217)	(3,885)	(16,215)
Book Value				
As of December 31, 2008	993	1,129	2,015	4,137
As of December 31, 2009	121	210	1,034	1,365

As of December 31, 2010 and 2009, the Company, subsidiary company and joint ventures had assets which fully depreciated with the cost value of Baht 16.07 million and Baht 8.54 million.

As of December 31, 2010, the Company has a portion of vehicles totaling Baht 1.79 million and under hire purchase agreements.

16. Land and Equipment not Used for Operation - Net

Consisted of:

	Consolidated	Separate
	December 31, 2010	December 31, 2009
Cost - Net	23,453	23,453
Allowance of impairment on asset	(5,160)	(5,160)
Net	18,293	18,293

17. Restricted Deposits

On February 18, 2008, the Company, Joint Venture UBC Power and Union Infratech Co., Ltd. (a joint venture participant) made memorandum with a commercial bank. The Company agreed to support finance and to co-operate the remaining task of Kwae Noi Project since February 2008 until completion (approximately 20% of total project) (Note 20.2). In this regard, the Company pledged its deposits of Baht 179.45 million as collateral for the repayment of loan of the Joint Venture and letter of guarantee which bank issued to the government agency as detailed belows:

- Bank issued performance bond guarantee of Baht 179.45 million for the Joint Venture to government agency with using the Company's deposit amounting to Baht 59.45 million as collateral.
- The Joint Venture UBC-Power is granted credit facility (promissory note) of Baht 120 million bearing interest at interest of bill of exchange 1 year plus 1% per annum. This credit line was guaranteed by the Company's deposit of Baht 120 million.
- The Company is able to withdraw above deposit amounting to Baht 90 million which the Company pledged as collateral after bank received original letter of guarantee which bank issued to Joint Venture for guarantee task performed in the project. The remaining deposit will be withdrawable after bank received original letter of guarantee for advance received and performance bond and the Joint Venture already settled loan.

The Joint Venture defaulted the settlement of promissory notes in amount of Baht 124.90 million in 2009 and Baht 19.06 million in years 2010. As a result, such bank deducted the Company's deposit which was guaranteed the promissory notes in the same amount. The Company therefore sent letter to request the payment to the Joint Venture. Due to the Joint Venture has significant loss, therefore, the Company's management has fully provided an allowance for above advance at the full amount. On January 21, 2010, the Company has filed for a legal case requesting Union Infratech Co., Ltd., a manager of the Joint Venture, to repay advance and other compensate totaling Baht 185.47 million.

18. Other Liabilities

Consisted of:

	Consolidated	Separate
	As at December 31, 2010	As at December 31, 2009
Accrued expenses	7,159	1,750
Payable for Assets (Note 28.4)	11,603	11,603
Provision loss from suing (Note. 28.3 and 28.4)	6,700	2,126
Liability from contract termination	10,093	-
Others liabilities	1,716	511
Total	37,271	32,521

19. Share Capital and Legal Reserve

In accordance with the extra-ordinary shareholders meeting No.1/2008 held On October 24, 2008, it is unanimously resolved to approve that legal reserve is transferred in amount of Baht 13.04 million so as to compensate accumulated loss. Moreover, registered capital is reduced from Baht 2,100.00 million to Baht 136.50 million by reducing par value of ordinary shares from Baht 10.00 per share to Baht 0.65 per share. Such capital reduction does not have the capital return to the shareholders but it is capital reduction so as to reduce discount of ordinary shares value in amount of Baht 761.80 million and delete the whole amount of

accumulated losses. Presently, the Company is under the procedure of such capital reduction. The Company registered the capital reduction with the Ministry of Commerce on April 27, 2009.

On May 17, 2010, the shareholders' meeting approved to increase its share capital from Baht 136.5 million to Baht 546 million by means of the issuance of 630 million ordinary shares with a par value of Baht 0.65 each, totaling Baht 409.5 million in order to invest in new projects and to use as working capital and approved the allotment new ordinary increment share capital in amount not over than 3,000,000,000 shares par value of 0.65 Baht to allotment to offering to the person and/or to the institutional investors on a private placement basis in amount not less than 0.10 Baht. Therefore the offering selling price is not less than 90 percent of market price as assessment by an independent financial advisory. The selling need to complete within 12 months count from the Annual General of Shareholders' meeting has resolution to approving an increment share selling which can sell in one time or any time.

20. Revenue and Cost of the Construction Contract and Transactions with Major Customers and Suppliers

Revenue and cost of the construction contracts and the outstanding balance for the financial statements for years ended December 31, 2010 and 2009, as follows: Relationship and pricing policy

Company	Relationships	Pricing Policy
Monkhol Harbour Co., Ltd.	No common shareholder, no common directorship and no control or significant influence	Cost plus profit
The Best Condominium Co., Ltd.	No common shareholder, no common directorship and no control or significant influence.	Cost plus profit
P.Prize Supplies & Construction Co., Ltd.	No common shareholder, no common directorship and no control or significant influence.	At agreed price
Onuma & Chaipakarn Constructio Co.,Ltd.	No common shareholder, no common directorship and no control or significant influence.	At agreed price
Noppawong Construction Co., Ltd.	No common shareholder, no common directorship and no control or significant influence.	At agreed price

Total active projects for for years ended December 31, 2010 and 2009, are as follows:

Project	(Unit : Million Baht)			
	Revenue from Construction Services		Cost of Construction	
	Note	December 31, 2010	December 31, 2009	December 31, 2010
Joint Venture (The Company's portion)				
Kwae Noi Dam project				
(Joint Venture UBC Power)	19.2	-	8.91	-
Total		-	8.91	11.33

Balance as of December 31, 2010

	Note	(Unit : Million Baht)				
		Unbilled Completed Work	Advance Payment to Subcontractors	Accounts Payable	Advance from Subcontractors	Retention Payable
Joint Venture (The Company's portion)						
Research and Development Building project						
(Joint Venture Power-Noppawong)	20.1	7.02	2.05	0.09	-	-
Less Allowance for doubtful account		(7.02)	(2.05)	-	-	-
Net		-	-	0.09	-	-
Kwae Noi Dam project UBC Power						
(Joint Venture UBC Power)	20.2	-	0.47	2.02	-	0.95
Total		-	0.47	2.02	-	0.95
Grand total		-	0.47	2.11	-	0.95

Balance as of December 31, 2009

	Note	(Unit : Million Baht)				
		Unbilled Completed Work	Advance Payment to Subcontractors	Accounts Payable	Advance from Subcontractors	Retention Payable
Joint Venture (The Company's portion)						
Research and Development Building project						
(Joint Venture Power-Noppawong)	20.1	7.02	2.05	0.09	-	-
Less Allowance for doubtful account		(7.02)	(2.05)	-	-	-
Net		-	-	0.09	-	-
Kwae Noi Dam project UBC Power						
(Joint Venture UBC Power)	20.2	-	0.47	2.33	-	0.95
Total		-	0.47	2.33	-	0.95
Grand total		-	0.47	2.42	-	0.95

20.1 Research and Development Building Project (Joint Venture Power-Noppawong)

On March 31, 2005, the Joint Venture has entered into the construction agreement with Kasetsart University, with totaling amount of Baht 157.17 million and complete within September 1, 2006.

On October 1, 2005, the Joint Venture has entered into the subcontract agreement with M.K.K. Construction Co., Ltd. amounting to Baht 71.47 million and complete within August 31, 2006.

On June 15, 2007, the hirer issued the letter to the Joint Venture to terminate the agreement and hold the guarantee by claiming the guarantor bank. The hirer also plans to hire new supplier to complete the project and the Joint Venture was claimed for the budget incremental.

On June 26, 2007, the guarantor bank issued the letter to the Joint Venture informed that the bank had paid the hirer the guaranteed of Baht 7.86 million.

On January 28, 2008, the hirer filed the lawsuit to the Central Administration Court to claim the Company and Noppawong Construction Co., Ltd. totaling Baht 20.60 million together with interest rate 7.50% per annum from the lawsuit filing date until the settlement date.

The Joint Venture recorded the loss from such case amounting to Baht 20.60 million (The Company only : 10.09 million baht), and also provided fully allowance for unbilled receivable from this project of Baht 14.33 million (the Company only : 7.02 million baht). Moreover, the Company fully provided allowance for advance to Joint Venture Power-Noppawong of Baht 39.53 million, since the Company considered that the Joint Venture might be unable to repay this amount. Note 5.4.5

20.2 Kwae Noi Dam Project (Joint Venture UBC Power)

On November 26, 2004, the Joint Venture has entered into the dam construction agreement with Royal Irrigation Department. The total project amount is Baht 3,354 million (excluded VAT) and the parties plan to complete within 1,110 days. Since the starting date to date, the Company has entered into nine subcontract agreements with the entire amount of Baht 3,310 million (excluded VAT). The major subcontractor is Union Infratech Co., Ltd. with total amount of subcontract of Baht 2,083.39 million.

On May 15, 2007, the Cabinet is resolved to consent with the help support to the construction entrepreneur according to the Ministry of Finance offered. It is allowed to extend the contract life by another 180 days for the construction that there is signature in the contract and still obtain obligation which is the engagement contract still under the operation and has not yet final examined acceptance in the period of flood only in the province zone there is announcement of emergency flood zone. Moreover, the Joint Venture has filed petition to receive help to the counter party sector and the Joint Venture received approval to extend the contract life to terminate the contract on August 6, 2008. Later on June 17, 2008, the Cabinet is resolved to consent with the help support to the construction entrepreneur according to the Ministry of Finance offered. It is allowed to extend the contract life by another 180 days for the construction that there is signature in the contract and still obtain obligation which is the engagement contract still under the operation. Moreover, the Joint Venture has filed petition to receive help to the counter party sector and the Joint Venture received approval to extend the contract life to terminate the contract on February 2, 2009. Later on January 12, 2009, the joint venture has entered the rectification contract in addition to the contract of Royal Irrigation Department by the Royal Irrigation Department approves to extend the contract life by another 90 days to terminate on May 3, 2009.

For the completion of project on schedule, on February 18, 2008, the Company, Joint Venture UBC-Power and Union Infratech Co., Ltd. (a joint venture's participant) made memorandum with a commercial bank for obtaining credit facility of Baht 120 million and letter of guarantee of Baht 179.45 million replacing old letter of guarantee. (Note 17)

As at March 31, 2009, the percentage of completion of this project was 100% and the aggregate recognized income amounted to Baht 3,354 million. On May 25, 2009 the Joint Venture received the last installment of remaining advance received from Royal Irrigation Department. The Committee already accepted the completion of this project according to the acceptance letter dated June 5, 2009, which reduced the project value to Baht 3,212.85 million. Until September 30, 2009, the construction of this project is completed and the proceeding of sanction document for the compensation of construction (K) last installment from Royal Irrigation Department has not been finalized and the remaining construction cost with subcontractors have not been concluded.

21. Other Incomes

Consisted of:

	(Unit : Thousand Baht)			
	For years ended December 31, Consolidated		Separate	
	2010	2009	2010	2009
Reversal of allowance for doubtful account	-	16,011	-	16,011
Other incomes	1,919	2,848	1,918	2,595
Total	1,919	18,859	1,918	18,606

22. Expenses by Nature

Consisted of:

	(Unit : Thousand Baht)			
	For years ended December 31,		Separate	
	Consolidated		2010	2009
	2010	2009	2010	2009
Employee benefit expenses	2,013	2,892	2,013	2,892
Depreciation	731	2,524	729	2,514
Doubtful accounts	20,487	113,162	22,393	125,861
Rent	1,320	2,013	1,320	2,013
Management benefit expenses	6,834	8,239	6,834	8,239
Legal and solicitors fees	404	1,025	404	1,028

23. Segment Information

The Company's operations involve a single industry segment in construction service, and carried on a single geographic area in Thailand. As a result, all of the revenues, operating profits and assets are reflected in these financial statements pertain to the aforementioned industry segment and geographic area.

24. Financial Instruments**24.1 Risk Management Policies**

The Company does not constitute any policy related to financial instruments so as for trading or speculating.

24.2 Risks from Interest Rates

Interest rate risk arises from the fluctuation of interest rates in the future which will affect operations and cash flow of The Company, which The Company had assets and liabilities instruments to hedge against this risk.

24.3 Credit risk

The Company is exposed to credit risks mainly relating to their trade accounts receivable, loan to and advancement for the Joint Venture and a participated entity of the Joint Venture and the transaction with major customers and suppliers. However, the management has policies to provide adequate allowances for any possible losses that might be incurred in connection with their receivables.

24.4 Fair Value

As most of the financial assets and liabilities are of short term nature and long term loans which have an interest at market rate, thus management of the Company and subsidiaries believe that the book value of such financial assets and liabilities does not differ significantly from the fair value.

25. Share Purchase Agreement and Agreement Termination

On October 27, 2005, the Company entered into share purchase agreement to purchase common share of L.V.C Development Co., Ltd. at 100%, the Company agreed to pay for the shares as follows:

In Thousand Baht Baht	
Within October 31, 2005	60,000
Within January 31, 2006	35,000
Within October 31, 2006	24,994
Total	119,994

As of March 31, 2006 and December 31, 2005, the Company paid advance for investment of Baht 95 million and Baht 60 million respectively, which is in accordance with such agreement 60,000 shares of L.V.C Development Co., Ltd. have been transferred to the Company but have not yet changed or added the authorized directors.

On May 11, 2006, the Company and former shareholders (share sellers) have entered into the memorandum for cancellation of share purchase agreement. Both parties agree to terminate share purchase agreement dated October 27, 2005, and share sellers agree to repay the advance payment amount of Baht 95 million with interest at MLR rate (Siam City Bank) plus 0.25% per annum, or MLR plus 2% per annum for default period (if any). The repayment schedules in amount of Baht 95 million are as follows:

Date	Amount (Baht)	Cash received
June 30, 2006	7,000,000	June 30, 2006
July 30, 2006	7,000,000	Default
August 30, 2006	7,000,000	Default
September 30, 2006	7,000,000	Default
October 30, 2006	7,000,000	Default
November 30, 2006	7,000,000	Default
December 11, 2006	8,000,000	Default
January 11, 2007	9,000,000	Default
February 11, 2007	9,000,000	Default
March 11, 2007	9,000,000	Default
April 11, 2007	9,000,000	Default
May 11, 2007	9,000,000	Default
Total	95,000,000	

The due installments have been defaulted. The Company, therefore, does not record interest income in statement of income for the quarter ended on March 31, 2006, and also provides allowance for doubtful of Baht 35 million. Calculated from remaining amounted to Baht 88 million deducted with the valuation of collateral of Baht 53 million. The valuation of Baht 53 million is average from 5 following methods and the methods are according to the report of an independent valuer, DS Prudential Management Co., Ltd, dated April 20, 2006, which is Baht 888.05 per share have calculate are as follows:

1) Book Value Method	443.58	Baht / Share
2) Adjusted Book Value Method	686.46	Baht / Share
3) Price per Earning Method	1,087.18	Baht / Share
4) Price per Book Value Method	780.70	Baht / Share
5) Discounted Cash Flow Method	1,442.34	Baht / Share

According to the said report, the necessary information have been gathered and considered as one of criteria to the result of share valuation such as and nature of business, expected future benefit, risk factors, financial position, company profile, company structure. An independent valuer also expresses the opinion for the reasonable price of this share should be between Baht 443.58 to Baht 1,442.34 per share. The Company, therefore, using the average of the above 5 methods, which is Baht 888.05 per share to calculate the collateral valuation.

On March 21, 2007, the Company lawyer's Company sent notice to former shareholders to request collection of outstanding loans amount of Baht 88 million and accrued interest within 15 days from the receiving date, otherwise the Company will perform the legal process.

On April 5, 2007, the lawyer of the mentioned receivables has sent the argument letter to the Company's lawyer to declare that share purchasing agreement dated October 27, 2005 is not correspondence to the fact, but all former shareholders of the said company and the Company agree that such agreement is made from the requirement of the Company for the public disclose purpose only, and do not have intention to make any obligation to both parties. The agreement that both parties agree to is the share purchasing dated February 17, 2006, which the former shareholders received from the Company only Baht 50 million. Later, both parties unwilling to continue such share purchasing and agree to enter into the termination agreement with repayment schedules on May 11, 2006. The receivable, as one of the former shareholder and grantee of the other 6 former shareholders, has signed on the mentioned termination agreement with mislead in the significant facts. The said former shareholders have requested the Company to correct such errors, but they have not been performed. The termination letter is to terminate the share purchasing agreement dated February 17, 2006, not the share purchasing agreement dated October 27, 2005. In addition, the receivables agree to repay loan amount of only Baht 50 million, which is equal to the amount received by receivables, not Baht 88 million, and Baht 7 million has been repaid remaining amount of Baht 43 million. The Company has disclosed to the Office of the Securities and Exchange Commission (SEC) and also to press that such former shareholders own the Company of Baht 95 million, which is not true. This cause damaged to the reputation of such company, and has been monitored including been denied for additional credit line by financial institutes. Such former shareholder has informed the Company to correct such disclosure, but it has not been performed according to the letter dated November 6, 2006. The Company infringes and caused receivables to order the bank to suspend the 11 cheques from 12 cheques. The total of 12 cheques issued by such receivable to the Company, only 1st to 7th cheques are for returning the Company as the share purchasing is terminated, but 8th to 12th cheques and also cheques that the Company issued to such receivable is for swap purpose only. Such receivables agree to repay such loan to the Company after the Company correct such information submitted to SEC and press, and agree to swap 5 cheques issued by each party.

On April 9, 2007 and June 6, 2007, the Company files to the Court in the allegation of or default of according to The Act of Default from Cheque cheques of capital Baht 63 million and Baht 18 million, respectively. Given both cases, the Court accepted the prosecution under the consideration by appointment and called defendant for investigating verdict on February 19, 2008.

On April 18, 2007, the Company has filed this case to the Civil Court regarding the infringement and claim for damage of Baht 197.60 million.

Since the information above is not up to date, the Company provided additional allowance for doubtful accounts of Baht 53 million to be equal of the principal amount in the second quarter of the year 2006.

Later on October 29, 2008, the Company and such case of account receivable performs compromised contract to the Civil Court by consenting the repayment to the Company by amount of Baht 34 million. Repayment is divided into 6 installments. The first installment is Baht 8 million. The 2nd to the 5th installments are Baht 5 million per installment. Moreover, the 6th installment is Baht 6 million per installment. The first installment is repayable on the date the compromised contract is

performed. If any debt installment is defaulted, it is regarded that every installment repayment is defaulted and consented that the Company charges interest in the rate of 7.5% per annum of the outstanding principle balance that accrued to the Company commenced from the defaulted date forwards and also consented that the plaintiff is immediately enforceable which comply with the resolution of the extra-ordinary shareholders meeting no.1/2008 held on October 24, 2008. Moreover, on the date of the compromised contract performance, the Company received post dated cheques by number of 6 versions in amount of Baht 34 million from such account receivable. However, the Company has received the first installment repayment on October 29, 2008. Therefore, in quarter 4 of 2008, the Company recorded to recognize the refund of doubtful debt in amount of Baht 18 million in the statement of income and on the same date, the Company filed the discharge of prosecution in the Criminal Case with such account receivable. As a result, such case is terminated.

In quarter period ended March 31, 2009, the Company constitutes 3 post dated cheques receivable from such account receivable of Baht 16 million, and record reversal of doubtful debt in statement of income of Baht 16 million.

On November 11, 2008 the lawyers of both parties made memorandum of returned documents and the Company's lawyer informed that 11 cheques of such debtor and share certificate of LVC Development Co.,Ltd. were returned to the lawyer of such debtor and received 5 cheques of Siam Commercial Bank Plc. – Srivara intersection Branch totaling Baht 45 million from the lawyer of such debtor. It raised doubt about the payment of share to such debtor. Therefore, the Company's current management requested the document supporting money transfer from bank. Presently, it is in the process of requesting documents. On September 18, 2009 and October 2, 2009, the Company had received documents from banks and found that the copy pay-in slips indicated that such two cheques totaling Baht 95 million were deposited in the debtor's account.

On September 8, 2009, the Company's director and audit committee reported the result of examination to the Securities and Exchange Commission that the directors were unable to express an opinion on such transactions because the former directors and management who involved in such transaction is presently not related to the Company. Therefore, the Company was unable to inquire and obtain useful information from them. Moreover, all supporting documents which the Company obtained from the lawyer were copy that the Company was unable to verify the correctness and existence of documents.

On March 15, 2010 and May 7, 2010, the subcommittee reported to the Company's committee the result of examination of the fact about the purchase of share of L.V.C.Development Co.,Ltd. and summarized that the memorandum made on September 22, 2005 between L.V.C.Development Co.,Ltd. (seller) and the Company (buyer) is not effective because L.V.C.Development Co.,Ltd. did the memorandum without authorization and the acceptance of shareholders. Moreover, this memorandum also indicated that it was effective until October 31, 2005 and it will be expired if it is later than that day.

The memorandum made on February 17, 2006 between L.V.C.Development Co.,Ltd. (seller) was reference to the memorandum made on September 22, 2005 which was not effective because the seller was not authorized and it was expired since October 31, 2005. It made that the memorandum dated February 17, 2006 was also ineffective and L.V.C.Development Co.,Ltd. had no authorization to sell share on behalf of the existing shareholders.

The memorandum for repayment of advance payment dated May 11, 2006 was made by reference to the memorandum made on February 17, 2006. When L.V.C.Development Co.,Ltd. had no authorization to sell the share and the memorandum made on February 17, 2006 was not effective, the memorandum for repayment was also ineffective.

The share purchase agreement dated October 27, 2005 made between such debtor on behalf of shareholder and all shareholders, so it is effective and both parties already followed some portion of agreement. Consequently, both parties were willing to terminate the agreement and made the memorandum dated on May 11, 2006. Therefore, the share purchase agreement dated October 27, 2005 was effective.

The evidence of the payment of share purchase, 2 cheques paid to such debtor and his signature for receiving those cheques, made it was believed that the Company already paid such amount to such debtor for share purchase in accordance with the agreement dated October 27, 2005. For the document which had quoting that there was receiving of cash amounting to Baht 45 million as identified in the lawsuit, it was only the testimony of the defendant and there was no return to the Company. Moreover, while making the memorandum to terminate the share purchase agreement, such debtor accepted that he owed the Company of Baht 95 million. If he actually made repayment the Company, he should argued when he made such agreement.

The Company compromised with such debtor in accordance with the resolution of the shareholders' meeting and the directors who give the testimony decided that the shareholders should consider this case and they believed that this matter would be done for the most benefit to the Company.

For the 5 cheques of Siam Commercial Bank Plc. – Srivara intersection Branch sent to such debtor, there was testify of copies of cheque and indicated that they were not related to the Company because such cheques were issued by a person who was not related to the Company and the debtor also give testimony that those cheques were such person who was outsider and was not related to the Company. This matter was only the testimony of such debtor and it was not raised when they made compromising in the court.

On December 30, 2010 the Securities and Exchange Commission (S.E.C.) filed a complaint with the Department of Special Investigation (DSI) against former directors (see Note 27).

26. Obligation Commitment and Contingent Liabilities

As at December 31, 2010, the Company and subsidiary and joint ventures had obligation commitment and contingent liabilities (in Proportionate) as follows:

26.1 Obligation commitment with financial institutions

	Consolidated	(Unit : Million Baht) Separate
Letter of Guarantee (Kwae Noi Dam Project)		
Task performed per contract	17.95	-
Performance bond	4.98	-

26.1.1 Letter of guarantee for task performed per contract was guaranteed by the Company's deposit (Note 17).

26.1.2 Letter of guarantee for performance bond and advance received were guaranteed by director of and Union Infratach Co., Ltd. In full amount and all participants of Joint Venture in their proportion and assigned right to receive money from the project and payment for project to such bank.

26.2 The Company comprises obligation commitment which will have to repay leased fee in the future under the contract of office building lease and contract of central service fee. Such contracts hold the contract life of 1 year equally for 2 years. There are the leased fee value and service which have to repay until the contracts are matured by amount of Baht 1 million equally for 2 years.

26.3 The Company had an obligation resulted from the project run by Joint Venture Power-Noppawong was terminated and the hirer filed the lawsuit to the Court in the amount of Baht 20.60 million, and the Company fully provided on its proportion of Baht 10.09 million. However, the Company has an obligation if the participant of Joint Venture is unable to pay its proportion.

27. Special Audit

On November 8, 2006, the Securities Exchange Committee (S.E.C.) orders that the Company rectify the financial statements in the agenda in respect of revenue recognition in the financial statements for the year 2004 in amount of Baht 10.50 million. The auditing of the S.E.C. is reflected by the reliable evidence as to whether the Company did not provide such service which revenue cannot be recognized in the financial statements for the year 2004 according to generally accepted accounting principle. In addition, S.E.C. orders that the Company arrange auditors to precede with special examination for the some transactions of revenue recognition which are not obvious that may be incorrect revenue recognition according to generally accepted accounting principle. In accordance with the minute of the board of directors meeting no. 18/2007 dated on November 21, 2007 and minute of the extra-ordinary shareholders meeting no. 1/2007 held on December 11, 2007, the meetings are resolved that the Company rectify the revenue recognition which ordered to rectify. Moreover, some obscure revenue transactions are recognized which may be incorrect revenue recognition according to generally accepted accounting principle of revenue recognized in the financial statements of 2004. In addition, the financial statements of quarter 1 of 2005 are suspended receivable amount reflected as non-current liability in the balance sheet in amount of Baht 66.58 million as shown below. Any procedure in respect of such suspended receivable amount will have to be received by approval only from the shareholders meeting to proceed.

On March 20, 2008, the Securities Exchange Committee (S.E.C.) acknowledged the relaxed letter that the Company does not have to proceed with special audit from the event that the Company preceded with rectified adjustment of the financial statements in respect of revenue recognition as suspended account receivable in the 2004 financial statements and quarter 1 of 2005 financial statements.

	In Million Baht
1. Adjust feasibility study and fund searching income to suspended cash received	9.88
2. Adjust doubtful income to suspended cash received	
2.1 Project consulting service income	16.62
2.2 Land rental income	14.20
2.3 Crane rental income	3.48
2.4 Revenue from construction service	22.40

In addition, on December 30, 2010, the Securities and Exchange Commission (S.E.C.) filed a complaint with the Department of Special Investigation (DSI) against former directors in a violation of the Sections 307, 311 and 312 of the Securities and Exchange Act BE.2535 that former directors were charged that involved in the manipulation of revenue of Baht 34 million in the financial statements using for purpose of taking the Company's security back to trade in the Stock Exchange of Thailand in 2005 and the fraudulent actions. The former directors were embezzled Baht 265 million in cash from 4 transactions of the advance payment to subcontractor and were alleged to have created falsified documents for share purchases that were much higher than the actual price for Baht 45 million. However, the Company already recognized provision for loss from advance payment and advance for share purchase in the financial statements.

28. Lawsuits

28.1 On November 30, 2005 the Company has been named as a defendant in the civil court case No. 5404/2005 between The Best Condominium Co., Ltd. (the plaintiff) and the Company (the first defendant) regarding the breach of the contract, concealed act and been claimed for a damage of Baht 192,246,704. The Company has appointed the attorney and submitted the statement to defend the case that the Company did not perform any concealed act and the plaintiff is not clear.

On August 15, 2008, the Court of the first instance adjudicated to dismiss the case. Later on November 13, 2008, the plaintiff has submitted the letter to the Appeal Court for request the expansion of the period to lodge an appeal which the appeal court has consented expand on December 13, 2008. When it arrives at the termination date to extend the appeal period, the plaintiff did not file appeal to the Appeal Court according to the period that received permission. Therefore, such case is terminated. Later on January 19, 2009, the Company filed petition to request to issue the important note reflecting that the case is finalized to the Civil Court since it does not appear that the plaintiff has no longer filed the appeal of adjudication.

- 28.2 On October 15, 2008, the Company is defendant in the black case no. 4005/2008 of the Criminal Court between The Best Condominium Co., Ltd., plaintiff and Power-P Public Co., Ltd., the second defendant in charge of the fault of document forgery and application of forged document to examine witness that is false and provision of false evidence. The Company appointed the lawyer to file the plea and fight the case in the point that the Company did not forge document nor used the forged document nor examined the false evidence nor testified the false witnesses. Later on January 20, 2009, the Company received the compromised letter of the disputation from the Criminal Court while it appoints for the disputation compromise on February 13, 2009.
- 28.3 On December 4, 2008, the Company becomes as defendant in the black number case no. 8596/2008 of the Civil Court between C W E (Thailand) Co., Ltd., the plaintiff with Power-P Public Co., Ltd., first defendant in the charge of breach of engagement trading contract, claiming for damage of Baht 3,273,001.75. On August 27, 2010, the Civil Court judged both defendants to pay Baht 3,219,852.43 together with interest at the rate of 7.5% p.a. on the principal of Baht 3,107,472.60 for the period from the date of filing the lawsuit until the date of settlement. Subsequently, the Company has filed to the Appeal Court on October 26, 2010. However, the Company had already realized loss in full amount of Baht 3.22 million with accrued interest upto December 31, 2010 amounting to Baht 0.48 million presented under "Other current liabilities" in the balance sheet and also recorded other receivable – participants of Joint Ventures of Baht 3.33 million to collect from such company as participant of the Joint Venture in the proportionate amount.
- 28.4 On June 23, 2009, the Company is defendant in the black case no.860/2009 of the Civil Court between Mitrphap Village and Garden Co., Ltd. In charge of breach of land purchase agreement, claiming for remaining land cost of Baht 11.60 million. On September 17, 2010, the Civil Court judged the Company to pay Baht 13.27 million together with interest at the rate of 7.5% p.a. on the principal of Baht 11.60 million for the period from the date of filing the lawsuit until the date of settlement. Subsequently, the Company has filed to the Appeal Court on October 28, 2010. The Company already recorded payable for purchase of such land amounting to Baht 11.60 million together with the accrued interest up to December 31, 2010, amounting to Baht 3.00 million which was presented under "Other current liabilities" in the balance sheet.

29. Capital Management

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

As at December 31, 2010 and 2009, debt to equity ratio in the consolidated financial statements is (3.57):1 and 11.73: 1, respectively (the separate financial statements: debt to equity ratio is (2.44):1 and (29.55):1, respectively).

30. Reclassifying for presentation of financial statement

Certain amounts in the financial statements for the years ended December 31, 2009 have been reclassified to conform to the current years classification but with no effect to previously reported net income or shareholders' equity.

31. Approval of the Financial Statements

The financial statements have been approved to issue by the Company's board of directors on February 10, 2011.

Good Corporate Governance

Under the management of the current team of directors, it is company policy to conform to the 15 codes of practice of good governance as laid out by the SET as follows;

1) Policy on corporate governance

The Board of Directors is strongly determined to adhere to the principles of good corporate governance in order to enable investors and the general public to acknowledge and examine the Company's operation, with emphasis placed on internal control and internal audit systems, business operation transparency, adequate disclosure of information to all parties concerned both internal and external. Moreover, the Board of Directors will run the Company prudently by taking into account the business risk at all times.

In addition, it is company policy that directors should take the Director Accreditation Program – DAP, arranged by the Institute of Directors, in order to establish the responsibilities and roles of directors also the company always sending the officer to training as SET issue.

2) Right of shareholders

The Company has policy to give importance to the right of all shareholders on an equitable basis such as disclosure of key information and progress on operational performance to shareholders on a regular basis through the SET. In case where the resolution from the shareholder meeting is required, the Company will send an invitation letter, details of meeting agenda and meeting documents to its shareholders in advance. Minutes of the shareholders' meeting will be prepared for shareholders' inspection.

3) Right of stakeholders

The Company pays attention to all stakeholder groups including customers, creditors, competitors, shareholders, the Company's employees, and the community so as to ensure their basic rights are protected and taken care of in accordance with the provisions of the laws and other relevant rules and regulations.

4) Shareholders' meeting

The Company arranged shareholders' meeting in a proper manner pursuant to the Public Limited Companies Act B.E. 1992 and the rules and regulations of the SET. The Company provided adequate information and appropriate time for consideration and gave equal opportunities for the shareholders to express their opinions and raise any question at the meeting, according to the agenda and the issues presented to the meeting. Shareholders will be provided with a proxy form to authorize the Audit Committee members as their proxy in case the shareholders are not able to attend the meeting.

5) Leadership and vision

The Board of Directors is responsible for determining strategies, targets, business plans, and budgets of the Company. The Board also supervises and ensures that the management operates business effectively and efficiently in line with the Company's plans and budget set out to bring in optimal benefits to the Company as well as the shareholders.

6) Conflict of interest

The Company has laid down policy on the making of the transactions that may involve conflict of interest, which are required to obtain approval in writing from the Board of Directors and/or the shareholders' meeting in strict conformity to the criteria and procedure prescribed by the SET. Furthermore, the Company established the policy and rules to prevent the directors, executives and related persons from using internal information for their own benefit and to ensure complete disclosure of information in the notes to financial statement, annual report, and annual registration form (Form 56-1) for the benefits of the Company and the shareholders.

7) Business ethics

The Company has realized the importance of business ethics. Therefore, it has set out policy on code of business ethics and instructed its directors, executives, and employees to adhere to and apply the said policy as a guideline for performing duties with integrity, honesty, and responsibility to the stakeholders, the shareholders, and all concerned parties at all times. This is to build up organizational cultures of social-responsibility awareness.

8) Balance of non-executive directors

At present, the Board of Directors consists of 5 members, as follows;

• Directors holding executive positions	1	Mr. Natchaphong Chatchavalwong
• Directors not holding executive positions	2	Mr. Jetsada Kaewngam and Ms. Orranuch Kamkaew
• Independent directors	2	Ms. Chirawadi Kiatsiri and Mr. Jomphon Phayakun

Therefore, the Company has the number of directors not holding executive positions and independent directors, equaling 80% of the total members of the Board of Directors, hence being able to check and balance the administrative power.

9) Consolidation and segregation of position

The Board Chairman has no relationship with and is not the same person as the President so as to segregate the policy-making and overseeing duties from the day-to-day operations. Moreover, the scope of power and duties of each committee is clearly set out to prevent any of the directors or the executives from having unlimited power and to enhance the review on the business operation.

10) Remuneration for directors and executives

The Company has policy to determine the remuneration to be compatible with that of similar businesses and commensurate with the duties and responsibilities assigned. Moreover, the remuneration is high enough to attract and retain the directors and the executives with required qualifications and has been consistent with the shareholders' resolution.

11) Board of Directors' meeting

The Company arranged and proceeds with the Board of Directors' meeting in line with the Company's articles of association, the law governing public limited companies, and rules and regulations of the SET. Minutes of the meeting is also taken in writing to report the results of the meeting and those having been certified by the Board shall be kept and made available for the Board's and the concerned parties' inspection.

In 2010, the Company held the Board of directors' meeting at 19 times with attendance of directors as follows;

	<u>Name of Director</u>	<u>Attendance</u>	<u>Absence</u>	<u>Note</u>	
1.	Mr. Thitibhand Nakornthap	14	5	Meetings from Jan – Dec	= 19
2.	Ms. Supavinee Srivirojwong	17	2	Meetings from Jan – Dec	= 19
3.	Mrs. Thansaya Bunnak	19	-	Meetings from Jan – Dec	= 19
4.	Mr. Sutee Phongpaiboon	18	1	Meetings from Jan – Dec	= 19
5.	Mr. Prawit Srisangnarm	18	1	Meetings from Jan – Dec	= 19
6.	Mr. Panupon Jitthiwong	19	-	Meetings from Jan – Dec	= 19

In 2010, the Company held the Audit Committees' meeting at 4 times with attendance of directors as follows;

	<u>Name of Director</u>	<u>Attendance</u>	<u>Absence</u>	<u>Note</u>	
1.	Mr. Sutee Phongpaiboon	4	-	Meetings from Jan – Dec	= 4
2.	Mr. Prawit Srisangnarm	3	1	Meetings from Jan – Dec	= 4
3.	Mr. Panupon Jitthiwong	4	-	Meetings from Jan – Dec	= 4

The Company held the Nomination and Remuneration Committees' meeting at 4 times with attendance of directors as follows;

	<u>Name of Director</u>	<u>Attendance</u>	<u>Absence</u>	<u>Note</u>	
1.	Mr. Prawit Srisangnarm	4	-	Meetings from Jan - Dec	= 4
2.	Mr. Panupon Jitthiwong	4	-	Meetings from Jan - Dec	= 4
3.	Mrs. Thansaya Bunnak	4	-	Meetings from Jan - Dec	= 4

12) Subcommittees

In 2010 the Company has no appointment Subcommittee, only for transparency in the review of investment in L.V.C. Development's shares the Board of Directors has appointed subcommittees on October 16, 2009 therefore the Audit Committees' meeting no.3/2009 held on August 11, 2009 has regulation to do the report of preliminary check to whom that concern of this Act. By the way the Company has sent that report on September 8, 2009 this action was in accordance with the Royal Decree and Securities and Exchange, Section 89/25 1992 "On condition that the Auditors were suspicious the directors, managers, or responsible personnel of wrong doing and violating civil law Section 281/2 Paragraph 2, Section 305, Section 306, Section 308, Section 309, Section 310, Section 311, Section 312, and Section 313, the Auditor must submit a detailed explanation of findings in the preliminary report to the Securities and Exchange Commission and the Auditors within 30 days from the date receiving the notifications from Auditors."

13) Internal control and audit system

The Company has given importance to the efficient internal control system at both executive and operational levels. Therefore, it has clearly determined in writing the scope of duties and responsibilities of the Board of Directors, the Audit Committee, and the President and recruited internal audit officers to work for and report directly to the Audit Committee to be the main mechanism in strengthening the internal control and audit system.

14) Report of the Board of Directors

The Company appointed the Audit Committee to be responsible for financial report on the Company's operational performance from 2004 onwards so as to ensure such report is accurate, complete, and released within the time specified in the articles of association, relevant rules and regulations.

15) Investor relations

The Company has policy to disclose essential information of the Company and its subsidiaries through various media stipulated by the SET in an accurate, complete, honest, reliable, regular, and timely manner. At present, the Company's Business and Investment Promotion Department has been assigned to be responsible for communications with shareholders, analysts, investors, and the interested persons. In this regard, they can request information of the Company and its subsidiaries at telephone no. 0-2682-6366 or fax no. 0-2682-6393 contact person is Ms. Duangporn Likhithmaharook

Policy and measures to prevent executives from the leaking internal information

The Company has set out policy and measures to prevent executives from the use of internal information of the Company and its subsidiaries for personal or others' benefits as follows;

- The Company has policy to have its directors take training course arranged by the IOD to enable them to realize the roles, duties and responsibilities of the directors of listed companies. As of December 31, 2005, there were seven directors having passed the training. Moreover, executives of various departments are notified of their duty to report their securities holding and of the penalties imposed on failure to do so according to the SEC Act B.E. 1992 and the rules, regulations and provisions of the SET.
- The Company will notify its directors, executives, and auditors of their roles and responsibilities in reporting the securities holding and any change in securities holding in the Company of themselves and their spouse and minor child to the SEC pursuant to Section 59 of the SEC Act B.E. 1992 and the penalties under Section 275 of the SEC Act B.E. 1992.
- The Company has policy to prevent its directors and executives from the use of material inside information of the Company and its subsidiaries which have not yet been disclosed to the general public for their own or other's benefits.

Moreover, the directors, executives, and employees working in the departments that have access to inside information are not allowed to trade the Company's securities for a period of one month prior to the disclosure of financial statements to the public. Any violations shall be regarded as performing duties against the Company's policy and thus being subject to serious disciplinary penalties and to the penalties under Sections 241 and 242 of the SEC Act B.E. 1992. Specifically, the violator shall be imprisoned for not over two years or imposed a fine of not over two times of the benefits received or to be received by the persons violating the regulations, but not lower than Bt. 500,000 or both imprisoned and fined, and the benefits from such violation shall be delivered to the SEC.

Industrial situation and competition

In 1st quarter of year 2010 Thai economics has sign, coming from the continuous expansion of the purchasing power of the government especially the construction projects which is rushed to be completed and to be paid up all the budget within the end of the year. The construction projects of condominium around sky train in Bangkok and perimeter have an extremely expansion and to be sold out because of interest rate and the construction material going down. Moreover the first period of economic intensive measure by Thai government and the reduction of unemployment ratio which increased the purchasing power of the people. That is the effect from the business expansion in 2nd quarter of the year 2009. As of the unstable of the peace inside the country, the business expansion was decreased in 2nd quarter comparing with the 1st quarter of 2010.

For the above mentioned Power-P Public Company Limited was realized to the trouble in doing the business and beware to select the every kinds of job to do by considering and analyzing to the successful possibility of the projects and not intend to use the cut down pricing strategy to get that projects or not intend to accept the high risk projects which many cause the damages to the company. At the same time the company would like to improve and develop the potential in doing the business especially in the human resource dept. Moreover the management has to find out the strategic partners to reinforce the company potential in order to be competitive in the business and ready to go back to resume trade in the near future.

Board of Directors' Report on Adequacy and Appropriateness of the Company's Internal Control

Board of Directors' Report on Adequacy and Appropriateness of the Company's Internal Control

The Audit Committee has performed the assigned tasks in such matter which the management also follow by the Audit Committee charter in strictly to conform to the regulation of The Stock Exchange of Thailand such as to review the Company's financial report and ensure that the Company has suitable and efficient internal control and internal audit systems to processing the business, has success in qualities of procedure of internal audit. The Audit Committees and Auditor have compliance opinion as the company has suitable and sufficiently of internal control system also not found the weakness point in subject matter as risk factor to effect to process of business.



(Mr. Sutee Phongpaiboon)
Chairman of the Audit Committee

Profile of Management and Authorized Persons of the Company (as of February 28, 2011)

Name / Position	Age	Education / Institute	Shareholding In Power-P	Family relationship with executives	Work experience over the past five years				Type of business
					Period	Position	Company / Organization		
Mr. Jomphon Phayakun Independent Director, Audit Committee and Chairman of the Board Of Director	46	Bachelor of Business Administration Bangkok University	-	-	2006 - 2010 2011	Manager Independent Director, Audit Committee and Chairman of the Board of Director	Goody Equipment and Services Co., Ltd. Power-P PLC	Sell-service Cooler equipment Construction Contractor	
Mr. Natchaphong Chatchavalwong Director and Chief Executive Officer Having authority to sign on behalf of the Company	46	Master of Comparative Jurisprudence Howard University Bachelor of Law Thammasart University	-	-	1994 - 2009 2009 - 2010 2011	Senior Lawyer and Partner Vice President of HR., Admin and Purchasing Managing Director Advisor Director and Chief Executive Officer	Sahachat International Law Office River Kwai Int'l Food Industry Co., Ltd. Sweet Corn Product Co., Ltd. Agrifresh Co., Ltd. Power-P PLC	Law services Corn Food Corn Food Corn Food Construction Contractor	
Mr. Jetsada Kaewngam Director Having authority to sign on behalf of the Company	30	Bachelor of Art Rachabhat Jombung University	-	-	2007 - Present 2011	Deputy Managing Director Director	PP Global Management Co., Ltd. Power-P PLC	Construction Contractor	
Ms. Chirawadi Kiatsiri Director, Audit Committee and Chairman of the Nomination and Remuneration Committee	41	Bachelor of Art Bangkok University	-	-	2002 - Present 2011	Secretary of Managing Director Director, Audit Committee and Chairman of the Nomination and Remuneration Committee	Shipping Alliance Co., Ltd. Power-P PLC	Shipping Construction Contractor	
Ms. Orranuch Kamkaew Director	44	Bachelor of Business Administration & Accountancy Ramkhamhang University	-	-	2008 - Present 2011	Managing Director Director	Kritanun Co., Ltd. Power-P PLC	Interior design Construction Contractor	
Mr. Prakrit Rodtim Manager – Finance & Accounting	45	Bachelor of Business Administration & Accountancy Ramkumhaeng University	-	-	1999 - 2007 2007 - Present	Manager - Accounting & HR Manager - Finance & Accounting	TPC Prestressed Concrete Co., Ltd. Power-P PLC	Manufacture and distribute ready concrete Construction Contractor	



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