

รายงานประจำปี 2554
ANNUAL REPORT
2011



EASTERN STAR

Eastern Star Real Estate Public Company Limited
บริษัท อีสเทอร์น สตาร์ เรียล เอสเตท จำกัด (มหาชน)

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Vantage
By Eastern Star



Message from the Chairman of the Board

To Our Shareholders :

In 2011, the economic condition of the country was fluctuated from several risk factors and events occurred both inside and outside the country. In early 2011, the trend of real estate market was improved since the government policy of "First Home Buyer" project was launched for accelerating relevant businesses as the loan in an amount not exceeding 1 million Baht with interest rate charge at 0 percent for the first 3 years was given, and the loan can be used directly for tax deduction in an amount of not exceeding 100,000 for a 5-year period. However, in the last quarter of 2011, the flooding occurred in a base of real estate business in Bangkok and its vicinity. The flooding caused severe damages to a lot of houses in relevant areas and also deteriorated the real estate business, where a certain period of time must be taken for restoration. The flooding also caused psychological impact on condominium market. And housing development projects which were not affected by the flooding became more popular among customers. Fortunately, almost projects of the company were not affected from this flooding.

In May 2011, the company launched another residential condominium project in Bangkok, namely StarView Project on Rama 3 Road, comprising of 2 buildings with 44 floors and 54 floors in a total of 556 units. The project reached its target in term of sales volume. Moreover, in 2011 the sales volumes of the detached house project in Bangkok, namely The Star Estate @ Pattanakarn Project, and the detached house and town house projects in Ban Chang, Rayong namely, Vintage Home Village 2 Project, Hamlet Project and Sinthavee Garden 2 Project and Star Townhouse Project were also greater than the set target. However, the executive and management, still, put their best efforts to push forward the sale of all projects so as to make a rapid close as well as to launch new projects with competitiveness in the market for further income of the company.

The company has maintained its human resources policy, where the number of staff is proportional to the operation of the company and existing staff will be improved through the development plan. However, the recruitment is going to be undertaken to seek for new staffs and next generation executives, who come with competency, experience and creative thinking, working with the existing staff in order to strengthen the competitiveness of the company and for an extension of the business of the company.

In 2011, the company placed importance on the social responsibility through giving support to the resolution of political conflicts and useful activities, and also take part in fostering those who are disadvantaged in the society, such as giving support to charity activity of the UNICEF, giving support to the fund raising of the Special Olympic and sport competition of the youth in the Eastern region.

In 2012, it is expected that the real estate business will be better than 2011. After the severe flooding, the market will take 3 - 6 months for recovery. The positive factors are an economic growth since certain consumers have more purchasing power from increased salary and wage, as well as the financial institutions still grants mortgage loans to the customers. However, there remain risks from political conflicts, increasing rate of interest and construction costs from increasing price of construction materials, as well as the flooding about which the customers are concerned and this may result in the delayed decision. The trend of real estate market in 2012, the demand of customers has shifted to condominiums and houses in provinces, which are insulated from the flooding, for being used as residential places when experiencing the event. The company, therefore, revises the business strategy to be appropriate to the situation and focuses on the development of the project that satisfies needs of target customers and development of quality project as well as the improvement of services to gain confidence of existing customers and new customers. Moreover, the company gives priority to the cost and liquidity management which are material to the growth of the company in future.

On behalf of the Board of Directors, I would like to take this opportunity to convey our sincere gratitude to all shareholders, counterparties, customers and employees of the Company for their unflagging support and unwavering confidence.



(Mr. Anand Panyarachun)

Chairman of the Board

29 March 2012

Report From Audit Committee

Dear Shareholders of Eastern Star Real Estate Public Company Limited,

The Audit Committee was nominated at the Board of Director's assembly on March 29, 2011. In accordance with the policy stipulated by the Stock Exchange of Thailand. The Audit Committee is composed of three independent directors namely :

- | | | |
|----|------------------------|-----------------------------|
| 1. | Mr. Preecha Oonchitti | Chairman of Audit Committee |
| 2. | Mr. Somrit Srithongdee | Audit Committee |
| 3. | Mrs. Sunanta Tiasuwan | Audit Committee |

The Audit Committee has performed the duties and responsibilities according to regulations prescribed by the Stock Exchange of Thailand and as assigned by Board of Directors of the Company. In the year 2011, the Audit Committee had convened for 5 meetings with managing directors, accounting and finance director, accounting manager and certified public account (auditor). Attendance in the meeting of the Audit Committee is as follow:

Mr. Preecha Oonchitti	attended	5	meetings
Mr. Somrit Srithongdee	attended	5	meetings
Mrs. Sunanta Tiasuwan	attended	4	meetings

Report of the Audit Committee can be summarized as follow :

1. The Audit Committee reviewed financial statements of the company and its subsidiaries, including financial disclosures to the shareholders, and in their opinion the company is in compliance with Generally Accepted Accounting Principles (GAAP).

2. The Audit Committee assessed the company's policy on reporting of connected transactions in order to ensure full disclosure and circumvent problems stemming from conflicts of interest.

3. The Audit Committee reviewed the report of internal auditors on the effectiveness and adequacy of the company's internal control system, in order to ensure conformity with guidelines provided by the Securities and Exchange Commission, and the Stock Exchange of Thailand. It is the Audit Committee's opinion that there is an adequate system of internal control within the company.

The Audit Committee's opinion is that during the period up to 31 December 2011, the company effectively provided proper financial statements in accordance with generally accepted accounting standards, maintained sufficient disclosure policy, and has an adequate system of internal control.

The Audit Committee has made its recommendation to the Board of Directors to request the shareholder's approval at the next meeting to appoint Mrs. Gingkarn Atsawarangsali, Certified Public Accountant Number 4496, or Ms. Sumalee Reewarabandith, Certified Public Accountant No. 3970, or Mr.Sophon Permsirivallop, Certified Public Accountant No. 3182 from Ernst & Young Office Limited, as the company's auditor for the 2012 fiscal year with an audit fee in the amount of 890,000 Baht.



Mr. Preecha Oonchitti
Chairman of the Audit Committee
March 26, 2012

Company Profiles

Name and Address

Name Eastern Star Real Estate Public Company Limited

Head Office	5th Floor Ploenchit Tower, No.898 Ploenchit Road Kwang Lumpini, Pathumwan District, Bangkok 10330 Tel:0-2263-1010-5 Fax: 0-2263-1009
Branch Office:	65/14-15 Mu 3, Sukhumvit Road Ban Chang, Rayong Province 21130 Tel:0-3860-2500, 0-3860-2511 Fax: 0-3860-2754 Website: www.estarpcl.com E-mail: estar@estarpcl.com
Business Type	Property
Registered No	Bor Mor Jhor 0107536000307
Registered Capital	10,818,493,916 Baht (ordinary share)
Paid-in Capital	5,022,246,185 Baht (Par Value at 1.00 Baht per share)

Name, Type of Business, and Address of Juristic Companies Eastern Star holds over 10% share of. Eastern Star Resort Company Limited

Eastern Star Resort Company Limited conducts business on golf courses, clubhouses, sport club, and seminar room /banquet room resorts-namely Eastern Star Country Club and Resort, Ban Chang District, Rayong Province.

Address	241/5 Mu 3, Tambol Pala, Ban Chang District, Rayong Province 21130 Tel: 0-3863-0410-3 Fax: 0-3863-0418 Website: www.easternstargolfcourse.com E-mail: esr_marketing@hotmail.com
Paid-in Capital	Baht 500 million (ordinary share)
% of shareholding	81.30% (Par Value at 10 Baht per share)

Seastar Properties Limited

Seastar Properties Limited conducts the business of leasing executive apartments for rent and detached houses for rent/sale, while satisfying environmental views with Eastern Star Country Club and Resort, Ban Chang District, Rayong Province.

Address	241/39 Mu 3, Tambol Pala, Ban Chang district, Rayong Province 21130 Tel: 0-3860-3018 - 9 Fax: 0-3863-0418 Website : www.seastarproperty.com Email : seastar_cs@windowslive.com
Paid-in Capital	Baht 1,150 million (ordinary share)
% of shareholding	99.13% (Par Value at 10 Baht per share)

Eastern Star Lai Sun New World Company Limited

Eastern Star Lai Sun New World Company Limited conducts business on property development located in Ban Chang District.

Address	65/14-15 Mu 3, Tambol Ban Chang , Ban Chang district, Rayong Province 21130 Tel: 0-3860-2500 Fax: 0-3860-2754
Paid-in Capital	Baht 160 million (ordinary share)
% of shareholding	60% (Par Value at 10 Baht per share)

Name of Share Registrar and Auditor

Share Registrar Thailand Securities Depository Company Limited

Address	No 62 Stock Exchange of Thailand Building, Ratchadaphisek Road Klong Toey, Bangkok 10110 Tel: 0-2229-2800 Fax: 0-2654-5427 Email : TSDCallCenter@set.or.th Website : http://www.tsd.co.th
Auditor	Miss Praphasri Leelasupha Certified Public Accountant Number 4664
Address	Sam Nak-Ngan A.M.C. Co., Ltd. Unit-4, 19th Floor, Silom Complex Building, 191 Silom Road, Silom, Bangrak, Bangkok 10500 Tel: 0-2231-3980-7 Fax: 0-2231-3988

Financial Highlights

Consolidated as of 31, December

	2011	2010	2009
Total Assets	4,693.18	4,444.25	4,297.08
Total Liabilities	380.14	224.07	118.68
Shareholder's Equity	4,313.03	4,220.18	4,178.40
Total Revenues	430.95	634.98	665.01
Cost of Sales	353.15	446.83	493.25
Selling and Administrative Expenses	273.85	222.92	211.36
Total Comprehensive Income (Loss)	(153.81)	42.66	19.20
Par Value (Baht/share)	1.00	1.00	1.00
EPS (Baht/share)	(0.03)	0.01	0.00
Dividend (Baht/share)	-	-	-

Financial Ratio

Current Ratio (Times)	5.69	10.27	21.27
Quick Ratio (Times)	1.54	4.78	9.60
Cash Flow from Operation (Times)	(0.24)	2.07	2.82
Receivable Turnover Ratio (Times)	76.56	86.68	57.14
Average Collection Period (Days)	5	4	6
Gross Profit Margin (%)	18.05	29.63	25.83
Net Profit Margin (before extra items) (%)	(33.04)	6.45	2.83
Net Profit Margin (%)	(33.04)	6.45	2.83
Return on Equity (%)	(3.60)	1.02	0.46
Return of Assets (%)	(3.37)	0.98	0.45
Return on Equity (Times)	0.09	0.05	0.03
Fix Payment Coverage Ratio (Times)	(0.10)	3.68	3.06



Type of Business

Eastern Star Real Estate Public Company Limited and its subsidiaries, and associated companies operate in the business of sales and leasing of golf course property, and project development. In previous years, since the start of the business until the year 2003 the company focused its business in the Ban Chang district, Rayong province, in order to support the government's Eastern Seaboard development project and help broaden prosperity in rural areas. Ban Chang district has a strong potential for development as it is located only 10 km from Map Ta Phut Industrial Estate, and 5 km from U-Tapao Airport. In addition, since the year 2004 the company has implemented policy to expand project development in Bangkok and surrounding provinces, while continuing it's business in Ban Chang district, Rayong province. The types of development implemented by the company can be classified into such categories as follows:

1. Real estate development for sale

Project development for sale includes land plots, land plots with homes, and condominiums. For projects in Bangkok, previously operated by the Company under the name The Star Estate such as The Star Estate @ Rama III, The Star Estate @ Narathiwas, and The Star Estate @ Pattanakarn 69. Afterwards, the projects will be developed under the names that correspond to their distinctive points or their characteristics such as The Breeze Vantage and StarView. For projects in Ban Chang District, the Company develops such projects under the name Country Home Project, The Sinthavee Garden Project, The Sinthavee Garden 2 Project, The Star Townhouse Project, The Hamlet Project, The Vintage Home Village Project, The Vintage Home Village 2 Project, and The Star Town Center Project, etc. Moreover, Seastar Properties Company Limited also undertakes the business on rent and sales of premises (lands and houses) of 66 units and apartment for rent of 8 buildings, so number of accommodations is of 84 units in total.

2. Project development for rent

- 2.1 On August 23, 2007 the company made a lease agreement between Ek-Chai Distribution System Co. Ltd., the department store Tesco Lotus, and Eastern Star Plaza, which included a parking area with a contract value of 97.26 million Baht, and a duration of 25 years, 5 months.
- 2.2 Detached houses and apartments for rent operated by Seastar Properties Company Limited, a subsidiary company, such single homes and residential apartment is located in the same area as golf course of Eastern Star Country Club and Resort.

3. Golf course business: Golf course business is operated under the name "Eastern Star Country Club and Resort" by Eastern Start Resort Company Limited, a subsidiary of the Company. It is a 18-hole golf course which is qualified for international standard and designed by Robert Trent Jones, Jr., and comprises club house and restaurant as well as sports and other activities facilities such as tennis courts, swimming pool, fitness center, artificial sea, and seminar room with other facilities.

The Company's and Subsidiary Companies Projects (as of 31st December, 2011)

1) Projects for Sale

No	Projects name	Location	Type of Project	Target Group	Project's Area (Rai)	Possession of Land/ Project's Developer	Project's Value (Million baht)	Sales Progression Sales Volume (Million baht)	% of the Total Projects
1.	Country Home	T. Pala, A. Ban Chang, Rayong	Land Selling	High Income	20-2-42.70	Owner/Estar	97.71	47.62	76.37
2.	Vintage Home Village	T. Pala, A. Ban-Chang, Rayong	Single House	High Income	27-2-82	Owner/Estar	285.54	276.40	96.80
3.	Hamlet	T. Ban-Chang, A. Ban-Chang, Rayong	Single House	High Income	12-0-30.50	Owner/Estar	140.76	140.76	100.00
4.	Sinthavee Garden II	T. Ban-Chang, A. Ban-Chang, Rayong	Single House	Middle Income	70-1-67.15	Owner/Estar	621.66	123.13	19.81
5.	Vintage Home Village II	T. Pala, A. Ban-Chang, Rayong	Single House	High Income	29-1-71	Owner/Estar	290.89	183.23	62.99
6.	Star Town House	T. Ban-Chang, A. Ban-Chang, Rayong	Commercial Building	Middle Income	5-1-76.4	Owner/Estar	133.82	133.82	100.00
7.	The Star Estate @Pattanakarn 69	Pattanakarn 69 Pravej, Bangkok	Single Home	High Income	23-3-30	Owner/Estar	1,066.75	651.54	61.08
8.	The Star Estate @Narathiwas	Narathiwas Rd., Chong Nonsri, Yannawa, Bangkok	Condominium	High Income	4-2-88.1	Owner/Estar	1,614.72	1,467.84	90.90
9.	The Breeze	ChongNonsri, Yannawa, Bangkok	Condominium	High Income	2-1-15.30	Owner/Estar	1,374.96	768.56	55.90
10.	Vantage	Latyao, Jatujak, Bangkok	Condominium	High Income	3-0-92	Owner/Estar	1,082.34	594.76	54.95
11.	StarView	Bang khlo, Bang Kho Laem, Bangkok	Condominium	High Income	7-0-25	Owner/Estar	3,365.38	988.43	29.37

2) Projects for Rent

No	Projects name	Location	Type of Project	Target Group	Amount (Unit)	Project's Area (Rai)	Possession of and/ Project's Developer	Project's Investment (Million baht)	Construction Progression (%)
1.	Seastar Project	T.Pala A.Banchang Rayong	Single home Apartment	Middle/ High Income Foreigner	66 84	57-1-38.80	Owner/Seastar	1,150	100

Market and Competition

1. Business on Real Estate Development for Sale

At the beginning of the year 2011, real estate business showed a positive trend compared to last year. In May 2011, the industry became more invigorated after the government introduced the campaign of first-time homebuyers scheme in order to assist low-income earners. Under the scheme, mortgage loans are provided through the Government Housing Bank with zero-percent interest on the first two years of mortgage for the amount not exceeding 1 Million Baht. After the new government has been set up in September 2011, the government has rolled out another initiative in which first-time homebuyers will receive zero-percent interest on the first three years of mortgage for the amount not exceeding 1 Million Baht. Moreover, first-time home buyers are also eligible to receive a tax deduction for the amount not exceeding one hundred thousand Baht per annum for five year. However, during the last quarter of 2011 mega flood crisis in major core areas of real estate sector which are Bangkok and its vicinity areas which caused severe damages to horizontal accommodation located in flooded areas. Flood crisis has caused real estate business to become sluggish for a while and it would take some time to recover as well as discouraged consumers from making buying decision.

Real estate business in the year 2012 will be driven by two forces which are Government first-time home buyers scheme providing mortgage loans and tax reduction to assist low-income earners and economic expansion resulting from the increase of salaries and wages which increase purchasing power of consumers. Nevertheless, consumers who experienced the flood crisis in 2011 still hold concerns over flooding situation and become more receptive towards condominium accommodation instead of houses. As a result, many entrepreneurs have diversified their investment by developing condominium project located in the areas not affected by floods or those slightly affected as well as developing projects in provincial areas located in prime location such as Chonburi, Rayong, Hua Hin, Nakorn Ratchasima provinces. In the year 2012 competition in condominium projects is expected to be intense for those located close to large-scale infrastructure and not affected by floods.

2. Business on Golf Course

Golf course business is operated by Eastern Star Resort Company Limited ("the Subsidiary"). The Company's marketing policy on the undertaking golf course business of Eastern Star Resort Company Limited still focuses on the strategy that makes golf course has full range of services and various facilities by maximizing the use of resources in golf course of Eastern Star Country Club and Resort such as club house and restaurant as well as sports and other activities facilities such as tennis courts, swimming pool, fitness center, artificial sea, and seminar room with other facilities.

For the management of golf course business, the Company's policy focuses on the maintenance of golf course to be in line with international standard and in good conditions through out the year, together with the provisions of club house and restaurant, and other service areas in order to attract golfers to use services in golf course. As a result, the golf course of the Subsidiary is regularly chosen to be a place to hold competitions and recreation activities of golf clubs in vicinity areas and is used for holding charity golf competitions which are continuously contained in annual plan of the Company. Such charity golf competitions are charity golf competition for Unicef and charity golf competition for Special Olympic which are continuously arranged every year. Besides, there is an arrangement of golf competition for youth in Eastern region which is supported by the Subsidiary as a part of corporate social responsibility.

3. Business on Real Estate for Rent

The business on real estate for rent is operated by Sea Star Property Company Limited ("the Subsidiary"). Types of residences are fit to tenants who need residences with useable areas of 3 - 4 bedrooms especially middle level management to expats who work in Mab Ta Put industrial estate and vicinity areas which is a clear target group. Middle level management or above will choose their residence by focusing on quality of life, facilities, and security. Also, as golf is a famous sport among management group, thus, the marketing strategy worked with Eastern Stare Resort Company Limited "the Subsidiary" is to make residents be able to use the golf course services of Eastern Start Country Club and Resort at special price. This is consider as marketing strength to help attract more foreign customers.

Overall Revenue Structure of Company and Subsidiary companies (2009 - 2011)

				2011		2010		2009	
Project	Manage by	Share holding		Revenues	%	Revenues	%	Revenues	%
Revenue from the sale of real estates	ESTAR			356.24	76.52	554.01	83.79	590.33	85.76
Golf course	ESR	81.30		42.31	9.09	45.54	6.89	43.85	6.37
Project for Rent	SEASTAR	99.13		32.40	6.96	35.43	5.36	30.83	4.48
Other revenues	ESTAR,ESR, SEASTAR			34.61	7.43	26.17	3.96	23.35	3.39
Grand Total				465.56	100.00	661.15	100.00	688.36	100.00

Note:

ESTAR = Eastern Star Real Estate Public Company Limited
 ESR = Eastern Star Resort Company Limited
 SEASTAR = Seastar Properties Company Limited



Risk Factors

Risk from the company's business policy

The Company previously had risk factor on the Company's business operation because of the dependence on customers around East coast area especially in the area of Baan Chang District, Rayong Province and the areas nearby. Thus, the projects of the Company had to depend only on the growth of the development projects in such area. In the year 2004, the Company had expanded the investment in real estate development projects into Bangkok as it was an area that had business potential. This would help reducing risk from business operation of the Company which previously focused only on customers in East coast area and increasing channel for income generating of the Company while part of business in Baan Chang District, Rayong Province was still continue.

During the year 2011 real estate business was rather volatile. At the beginning of the year, real estate business showed a positive trend in line with growing economy. Such growing trend was driven by Government first-time homebuyers scheme providing three-year interest free mortgage loans and tax reduction to assist low-income earners. Nevertheless, flood crisis during the end of 2011 in many areas including Bangkok and its vicinity areas caused severe damages to real estate industry especially those located in flood affected areas where the business was interrupted and it will need some time to recover.

In the year 2012 real estate industry will be driven by Government first-time home buyer scheme providing mortgage loans and tax reduction to assist low-income earners as well as the force from economic expansion due to the increase of salaries and wages which increase purchasing power of consumers. However, real estate industry has encountered risk factors that would slow down expansion in terms of political instability, increasing prices of crude oil, increasing prices of construction materials and wages. In addition, consumers who experienced the flood crisis in year 2011 still hold concerns over flooding situation and become more receptive towards condominium accommodation located in the areas not affected by floods. Many entrepreneurs have diversified their risk by investing in the condominium development project located in the areas not affected by floods as well as developing projects in provincial areas that are not affected by floods. As a result, the Company has to become more cautious in undertaking business operation and be able to adapt itself under any circumstances.

Risk from ready-built house construction

The Company still has policy on building houses before sale in order to serve needs of the markets both for houses in Bangkok area and in Baan Chang District, Rayong Province, the company began building ready-built homes prior to sales reservations. As a result, the company required advance working capital for construction higher than usual, as there is no cash flow from the customers during the construction period. Moreover, this new marketing strategy now poses the company with the risk of the homes not being sold as expected. The company is forced to carry the cost, If such inventories were in stock too long, it would affect profitability of the Company. In addition, ready-built house construction policy can create customer confidence since customers could see finished houses or almost finished houses.

The Company has studied consumer behaviors, demand for house, preferences for house designs and facilities by conducting surveys from on the customers visiting the Company's housing projects and studying overall market conditions. This survey has enabled the Company to build houses that meet customers' needs as well as sell and transfer ownership on time. In addition, the Company is able to managed house construction lot by lot in the number consistent with market demands, finishing the houses in a timely manner without losing selling opportunities. This strategy is ideal, as it helps the Company avoid excessive inventories.

Risk related to the increase in costs of construction

Increasing oil prices have pushed up the prices of construction materials and construction costs. However, for many projects, Company made agreements to hire contractors at the prices including costs of construction materials and labors. Since the contract value has been fixed, the Company was able to control costs at a certain level.

Shareholders and Management

Shareholders Structure

1. The Company's Securities

Ordinary Share

As of December 31, 2011, the company has a registered capital of 10,818,493,916.00 Baht, divided into 10,818,493,916 ordinary shares with par value of 1.00 Baht each. The registered paid capital is 5,022,246,185.00 Baht divided into 5,022,246,185 ordinary shares.

Warrant ESTAR-W1

Warrant ESTAR-W1 was expired on exercise on December 29, 2011. In summary, total number of warrant ESTAR-W1 exercised from the issuing date until the expiry date on December 29, 2011 is 593,035,591 units.

Warrant ESTAR-W2

Warrant ESTAR-W2 was expired on exercise on December 30, 2011. In summary, total number of warrant ESTAR-W2 exercised from the issuing date until the expiry date on December 30, 2011 is 12,845 units.

2. Major Shareholders

Following is the list of the top ten shareholders as of April 18, 2011. The total registered paid capital is 4,429,197,749.00 Baht divided into 4,429,197,749 ordinary shares at par value of 1.00 Baht.

No.	Name of Shareholders	No. of Shares	% of Total Share
1.	Bangkok Broadcasting & Television Co., Ltd.*	2,192,260,984	49.50
2.	BBTV Equity Co., Ltd.*	513,000,000	11.58
3.	Sunrise Equity Co., Ltd.*	349,608,114	7.89
4.	Mr.Krit Ratanarak	124,258,500	2.81
5.	Mr. Sirat Thamrongrat	55,500,632	1.25
6.	Mr.Thavee Harnkraivilai	45,500,000	1.03
7.	Mr.Somkiet Chatsakulvilai	45,145,600	1.02
8.	Thai NVDR Co., Ltd.	42,036,292	0.95
9.	Star Block Group Plc.	42,000,000	0.95
10.	Miss Ajjima Pakanam	31,000,000	0.70
	Total	3,440,310,122	77.68

Note:

* Shareholders Sunrise Group consists of

- Bangkok Broadcasting & Television Co. Ltd.	holds	2,192,260,984	shares or	49.50	percent
- BBTV Equity Company Limited. (For Rent Property)	holds	513,000,000	shares or	11.58	percent
- Sunrise Equity Co., Ltd. (Holding Company)	holds	349,608,114	shares or	7.89	percent
- GL Assets Co.,Ltd.	holds	5,746,876	shares or	0.13	percent
	Total	3,060,615,974	shares or	69.10	percent

3. Company and subsidiary company policy on Dividend Payment

Due to consolidated financial statements and financial statements of company and subsidiary companies, motionless deficits or dividend payments caused retained earnings to become deficits. Company and subsidiary companies will be unpaid on their dividends. However, company and subsidiary company preparations for dividend payments are as follows:

Company	Dividend payment policy
Eastern Star Real Estate Public Co., Ltd.	At the rate of 50% of annual net profit.
Eastern Star Resort Co., Ltd.	Depending on General Shareholders Meeting approval.
Seastar Properties Co., Ltd.	Depending on General Shareholders Meeting approval.
Eastern Star Lai Sun New World Co., Ltd.	Profit margin after reserve of the company's operation capital. According to the approval of the Board of Directors or in accordance with the law. The remaining amount will be distributed as dividend.

Management Structure

The company's management structure consists of 3 committees: the Board of Directors, Executive Committee, and Audit Committee. The details are as follows:

A) Board of Directors

- Board of Directors as of December 31, 2011 consists of nine persons as follows:
 1. Mr. Anand Panyarachun Chairman and Independent Director
 2. Mr. Veraphan Teepsuwan Vice Chairman
 3. Mr. Preecha Oonchitti Independent Director and Chairman of Audit Committee
 4. Mr. Somrit Srithongdee Independent Director and the Audit Committee
 5. Mrs. Sunanta Tiasuwan Independent Director and the Audit Committee
 6. Mr. Thaveepol Kongseri¹ Chairman of the Executive Committee
 7. Mr. Chatchawin Charoen-Rajapark¹ Executive Director
 8. Mr. Paiboon Wongjongjaiharn¹ Executive Director
 9. Mr. Ratanachai Phatinavin¹ Executive Director
 10. Mr. Titiwut Soukpornchaikul¹ Executive Director

Note: ¹Authorized directors who can sign to bind the company

- Scope of Duties of Board of Directors:
 1. To manage the company in compliance with the law, the company's objectives, the Articles of the Association, and the resolutions of the shareholders.
 2. To set the company's direction and policies, and monitor the company performance through the appointed Management Committee.
 3. To inform the company immediately of a conflict of interest in making any agreements with the company, or acquiring more or less shares or debentures of the company and its affiliate companies.
 4. To set up the Board of Directors Meeting at least once every three months and call the meeting by the Chairman. If the Chairman cannot take this role the Vice Chairman will be the caller. If necessary two or more directors may request that the Chairman or authorized person nominated by the Chairman set up a meeting within 14 days from the date of request.
 5. To hold the right to collect remuneration from the company in the form of gratuity, attendance fee, pension bonus, or other benefits as stipulated in the Articles of the Association; or the right for consideration by the shareholders who fix the amount and set the criterion periodically as to be effective until changed. Moreover, allowance and welfare as per the company regulations are allowed as well.
The above statement is not to alter the rights of the company staff or employee who is appointed as a director to receive the remuneration and benefit when performing the role of company staff or employee.
 6. The Board of Directors holds the authority to organize the Executive Committee and to delegate the authority of the Executive Committee and the Managing Director, in order to manage in compliance with the company's policies and objectives.

Management and Authorities Control as of December 31, 2011

Item	Name-Last name Position	Age (year)	Education	Estar Shareholding (%) ¹	Family Relationship among management	Related experiences for the past 5 years		
						Period	Position	Company
1	Mr.Anand Panyarachun Chairman and Independent Director	79	Trinity College, (Legal) University of Cambridge B.A. (Honors)	-	none	1992 - present	Chairman	Eastern Star Real Estate PCL.
2	Mr.Veraphan Teepsuwan Vice Chairman Passed training course of Role of the Chairman Program (RCP)	70	M.B.A., Northeastern University, U.S.A. Bachelor of Economics, Boston University, U.S.A.	0.02	none	2003 - present 1999 - present November 2006 - present January 2007 - present 1983 - present	Vice Chairman Chairman Chairman Chairman Director	Eastern Star Real Estate PCL. Ayudhya Insurance PCL. Siam City Cement PCL. Bank of Ayudhya PCL. Bangkok Broadcasting & T.V. Co., Ltd
3	Mr.Preecha Oonchitti Independent Director and Chairman of the Audit Committee Passed training course of Director Certification Program (DCP) and Director Accreditation Program (DAP)	66	Bachelor of Economics Thammasat University	-	none	2003 - present 2003 - present	Independent Director and Chairman of the Audit Committee Chairman	Eastern Star Real Estate PCL. Eastern Star Resort Company Limited

Item	Name-Last name Position	Age (year)	Education	Estar Shareholding (%) ¹	Family Relationship among management	Related experiences for the past 5 years		
						Period	Position	Company
4	Mr.Somrit Srithongdee Independent Director and Audit Committee	62	Master Degree in Public Administration, Chulalongkorn University Bachelor Degree in Sociology and Anthropology, Chiangmai University Mini MBA, Thammasat University	-	none	January - June 2010	Senior Consultant Labour Relations Chairman	Bank of Ayudhya PCL.
	Passed training course of Director Certification Program (DCP) Financial Statements for Director (FSD) Role of the Compensation Committee (RCC) Executive Development Program Finance Executive Program - Finex					2010 - present 2010 - present 2010 - present	Chairman Chairman Consultant on Human Resource	Matching Maximize Solution PCL. ITBC Business Consultant Group Company Limited Bangkok Broadcasting & Television Company Limited (The Royal Thai Army Television Channel 7) HR Professional Consulting and Services Co.,Ltd. Eastern Star Real Estate PCL.
						2010 - present 2009 - present 2008 - 2009 2007 - 2008	Chief Executive Officer and Managing Director Independent Director and Audit Committee Senior Assistant Managing Director/ Head of Special Project - Human Resource Head of Human Resource Secretariat to Nomination and Remuneration Committee Assistant Managing Director in Human Resource	Bank of Ayudhya PCL.
						2000 - 2006	Board of Committee	Siam Realty and Services Company Limited
						2002 - 2010	Member	

Item	Name-Last name Position	Age (year)	Education	Estar Shareholding (%) ¹	Family Relationship among management	Related experiences for the past 5 years		
						Period	Position	Company
5	Mrs.Sunanta Tiasuwan Independent Director and Audit Committee Passed training course of Director Certification Program (DCP) and Training from Capital Market Academy Class 11	61	Ordinary National Diploma in Business Studies and Administration University of Westminster (U.K.)	0.03	none	2005 - present	Independent Director and Audit Committee	Eastern Star Real Estate PCL.
6	Mr.Thaveepol Kongseri ² Chairman of the Executive Committee Passed training course of Director Certification Program (DCP)	70	Bachelor degree in Mechanical Engineering Shizuoka University, Japan	-	none	2007 - present 2005 - present 2003 - present 2003 - 2005/present 1999 - present 1999 - 2006/present 1998 - 2007/present	Director Chairman of the Executive Committee Executive Director Director/ Chairman Director Director/ Chairman Director /Chairman of the Executive Committee	Siam City Cement PCL. Eastern Star Real Estate PCL. Eastern Star Resort Co., Ltd. Seastar Properties Co., Ltd. Super Assets Co., Ltd. Siam Purimongkol Co., Ltd. Khao Kaew Country Club Co., Ltd.
7	Mr.Chatchawin Charoen-Rajapark ² Executive Director Passed training course of Director Accreditation Program (DAP) Director Certification Program (DCP) Audit Committee Program (ACP) Role of the Compensation Committee (RCC)	51	Ph.D in Management Massachusetts Institute of Technology	-	none	2007 - present 2005 - present 2005 - present 1998 - present 1996 - present 1992 - present	Director,Committee member in Policy and strategy committee, and Nomination and remuneration committee, Chairman of Audit committee Executive Director Director, Audit Committee and Chairman of Nomination and Remuneration Committee Managing Director Vice Chairman of The Board of Directors Executive Director	Thai Insurance PCL. Eastern Star Real Estate PCL. Ocean Glass Public Company Limited. President Hotel and Tower Co., Ltd. Rajapark Development Co., Ltd. Pendulum Co., Ltd.

Name-Last name Position		Age (year)	Education	Estar Shareholding (%) ¹	Family Relationship among management	Related experiences for the past 5 years		
						Period	Position	Company
8	Mr.Titiwut Soukpornchaikul ² , Executive Director Passed training course of Director Accreditation Program (DAP) Company Secretary Program (CSP) Executive Development Program (EDP) Class 6	49	B.A.-Economics, Thammasat University B.A.-Accounting, Sukhothai Thammathirat University M.B.A. Chulalongkorn University	-	none	April 2007 - present 2006 - present 2006 - present 2006 - present 2005 - present 2003 - present 2003 - present 2005 - present	Director Executive Director Director Director Executive Director Account - Financial Director Executive Director	Eastern Star Lai Sun New World Co., Ltd. Eastern Star Real Estate Public Co., Ltd. Eastern Star Resort Co., Ltd. Super Assets Co., Ltd. Khao Kaew Country Club Co., Ltd. BBTV Equity Co., Ltd. Seastar Properties Co., Ltd. Siam Purimongkol Co., Ltd.
9	Mr.Paiboon Wongjongjaiham ² , Executive Director Passed training course of Director Accreditation Program (DAP)	48	Bachelor of Electrical Engineer King Mongkut's University of Technol- ogy North Bangkok	-	none	2010 - present 2010 - present 2007 - present October 2007 - present 2006 - present 2003 - present 1994 - present	Director Director Executive Director Director Director Engineering Manager Building Manager	Khao Kaew Country Club Co., Ltd. Siam Purimongkol Co., Ltd. Eastern Star Real Estate Public Co., Ltd. Eastern Star Lai Sun New World Co., Ltd. Seastar Properties Co., Ltd. Eastern Star Resort Co., Ltd. BBTV Equity Co., Ltd.
10	Mr.Ratanachai Phatinavin ² Chief Executive office Passed training course of Director Certification Program (DCP)	49	Master of science com- puter and engineering management (MS-CEM) ABAC	0.03	none	2008 - present 2004 - 2008 2005 - 2007 2003 - 2005	Chief Executive office Chief Executive office Director Chairman of the Audit Committee	Eastern Star Real Estate PCL. Metrostar Property PCL. Industrial Estate Authority of Thailand Raimon Land PCL.
11	Mr.Vigrom Tungpanitansook Senior Vice President - Rayong Project Department	62	Bachelor of Civil Engineer (Honors) Chulalongkorn University Asian Institute of Technology (AIT) Master of Civil Engineer (Structure)	-	none	2004 - present 1996 - present 1996 - 2007 1996 - April 2007	Senior Vice President - Rayong Project Department Director Director Director	Eastern Star Real Estate PCL. Seastar Properties Co., Ltd. Eastern Star Housing Eastern Star Lai Sun New World Co., Ltd.

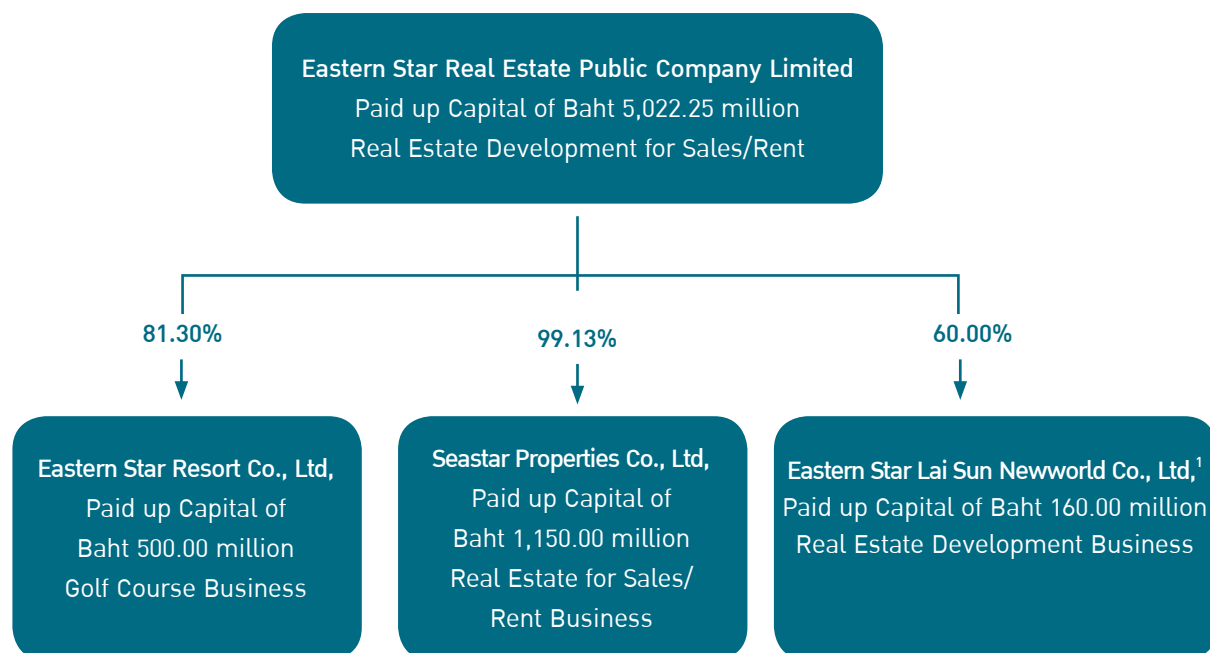
Item	Name-Last name Position	Age (year)	Education	Estar Shareholding (%) ¹	Family Relationship among management	Related experiences for the past 5 years		
						Period	Position	Company
12	Mrs.Allawan Smansodtiwong Senior Vice President - Project Development and Design Department	55	Bachelor Architecture Silpakorn University Mini MBA 29 Thammasat University	-	none	2004 - present	Senior Vice President- Project Development and Design Department	Eastern Star Real Estate PCL.
13	Mr.Piniij Dharakasem Senior Vice President -Project Development and Construction Department	49	Bachelor of Civil Engineer Kasetsart University	-	none	September 2007- present	Senior Vice President -Project Development and Construction Department	Eastern Star Real Estate PCL.
						September 2006 - August 2007	senior project manager	C.M.&D. (Thailand) Co., Ltd.,
14	Mr.Pongsak Maison Vice President - Legal and Corporate Secretary Passed training course of Company Secretary Program (CSP)	53	Bachelor of Laws Thammasat University	-	none	2006 - present 2003-2006	Vice President - Legal and Corporate Secretary Manager - Legal Division	Eastern Star Real Estate PCL. Eastern Star Real Estate PCL.
15	Mr.Supphaphong Amrarnong Vice President - Accounting., Finance and Information Technology Department	43	MBA Kasetsart University	-	none	2006 - present 2003 - 2006	Vice President - Accounting.,Finance and Information Technology Department Manager - Accounting Division	Eastern Star Real Estate PCL. Eastern Star Real Estate PCL.
16	Mr.Phisith Tangkhanich Vice President - Personnel and Corporate Affairs Department Passed training course of Director Accreditation Program (DAP) and FN	50	Master Degree in Laws, Ramkhamhaeng University Bachelor of Laws Thammasat University	-	none	2009 - present 2004 - 2008	Vice President-Personnel and Corporate Affairs Department Director of Operations and Legal Department	Eastern Star Real Estate PCL. Metrostar Property PCL.

Item	Name-Last name Position	Age (year)	Education	Estar Shareholding (%) ¹	Family Relationship among management	Related experiences for the past 5 years		
						Period	Position	Company
17	Mrs.Pichapas Phowattanakul Assistant Vice President -Accounting, Finance and Information Technology Department	48	Bachelor of Financial and Banking Ramkhamheng University	-	none	April 1997 - November 2006/present	Manager-Finance Division /Assistant Vice President -Accounting, Finance and Information Technology Department	Eastern Star Real Estate PCL.
18	Mr.Thanatdet Chuenrabiab Assistant Vice President Project Development and Construction Department 2	38	Master of science in management (MS-CEM) ABAC	-	none	August 2011 - present 2010 - 2011 2005 - 2009	Assistant Vice President Project Development and Construction Department 2 Division Manager Senior project manager	Eastern Star Real Estate PCL. Magnolia quality development corporation Co., Ltd. Capital land Ltd.

Note: ¹ Including shareholding of spouse and juvenile children-issued shares as of December 31, 2011 was 5,022,246,185 shares

² Mr. Thaveepol Kongseri, Mr. Chatchawin Charoen-Rajapark, Mr.Titiwut Soukpornchaikul, Mr.Paiboon Wongjongjaiharn and Mr.Ratanachai Phatinavin - two out of five signatures of this aforementioned persons and the Company stamp authorize and indicate the company Business Certificate, effective as of 21 August 2008.

Structure Groups of Eastern Star Real Estate Public Company Limited As at 31 December 2011



Remark : Eastern Star Lai Sun Newworld Co., Ltd,¹ Non-commercial operation

B) Executive Committee:

- The Executive Committee as of December 31, 2011 consists of:
 1. Mr. Thaveepol Kongseri Chairman of the Executive committee
 2. Mr. Chatchawin Charoen-Rajapark Executive committee
 3. Mr. Ratanachai Phatinavin Executive committee
 4. Mr. Paiboon Wongjongjaiharn Executive committee
 5. Mr. Titiwut Soukpornchaikul Executive committee
- Scope of Duties of the Executive Committee:
 1. To screen the issues to be proposed to the Board of Directors and review the Committee Meeting Report prior to presenting it for approval.
 2. To manage the company in accordance with the plan, budget, and policies that the Board of Directors has approved; as well as following up on issues that have been approved by the Board.
 3. To consider the approval of various issues within their scope of responsibilities.

Scope of Authorities of the Executive Committee:

1. To set up the company's principles, conditions, rules and regulations in various aspects as well as to assign work and authorities to the employee.
2. To give approval or make a decision on the issues which require no approval from the Board of Directors.
3. To give approval or make a decision on urgent issues which cannot be postponed for the Board of Directors meeting approval. In this case, the discussion with the Chairman of the Board, or the Chairman of the Audit Committee is required for screening. After the action has been carried out, it is necessary that it be proposed to the Board of Directors for ratification.
4. The Executive Committee has the authority to appoint any executive manager, although not more than two persons, who is not in the position of a member of the Executive Committee to be an associated Executive Committee member.

Scope of issues that need the approval of the Board of Directors:

1. The company's direction and policies on planning as well as the creation of the annual budget. The annual budget must consist of profit and loss projections, cash flow projections, investment budgets, documentation of the number of employees, and the employment plan.
2. The company's property development projects.
3. Management policy, organizational structure, employee welfare, bonus, and annual salary increase plans.
4. The purchasing of land or buildings not included in the approved property development project as mentioned in clause 2.
5. The selling of land or buildings not included in the general business transaction of the company or the company's asset development project.
6. The rental or leasing of land or buildings which exceeds a time period of over three years, or a value of 10 million Baht.
7. The establishment of a loan with any financial institutions, shareholders, or related parties.
8. The increase and decrease of the capital of the subsidiaries or associated companies, as well as the cancellation or merger with these companies. The selling of capital investment of the subsidiaries and associated companies including entering into a joint venture with any company.
9. To bring any case to the court that has a value exceeding 5 million Baht.
10. The matter as defined by the law must be approved by the Board of Directors.
11. The Board of Directors must approve any matters defined by the Board of Directors.

C) Audit Committee

- The Audit Committee as of December 31, 2011 consists of:
 1. Mr. Preecha Oonchitti Chairman of the Audit Committee
 2. Mr. Somrit Srithongdee Audit Committee
 3. Mrs. Sununta Tiasuwan Audit Committee

- Scope of authorities of the Audit Committee:
 1. To review the Company's financial reporting process to ensure that it is accurate and adequate and also to review the unusual items, the important accounting policy and the auditor's adjustment transactions.
 2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient.
 3. To review the Company's compliance with laws on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business.
 4. To consider, select, and nominate the Company's auditor, and to propose the auditing fee by considering the auditors' independence e.g. reviewing the other services provided to the Company by the audit firm, the rotation of the auditors, etc.
 5. To review with the auditor the material matters which may affect the reliability of the financial statement e.g. issues or conflicts the auditor may face in performing his duty, differences of opinion between the auditor and the management, the efficiency of internal control systems, and some weak point which occurred during this period and may continue in the next period, etc.
 6. To attend a non-management meeting with an auditor at least once a year and to attend a non-management meeting with the head of compliance and internal audit department at least once a year.
 7. To review the risk level and risk assessment method of the internal auditor and to assess the awareness of the Board of Directors and the management with regard to significant risk and operational risk.
 8. To consider and ensure the accuracy and completeness of the disclosure of information of the Company in the case of the Connected Transactions, or the transactions that may lead to conflicts of interests and to provide an opinion to the Board of Directors regarding the connected transaction or the transaction that may entail a potential conflict of interest before entering into such a transaction, according to the rules and regulations of the SET and SEC.
 9. To review and acknowledge the Company's compliance with the business code of conduct, ethics and corporate governance.
 10. To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information:
 - 10.1 an opinion on the accuracy, completeness and creditability of the Company's financial report,
 - 10.2 an opinion on the adequacy of the Company's internal control system,
 - 10.3 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,
 - 10.4 an opinion on the suitability of an auditor,
 - 10.5 an opinion on the transactions that may lead to conflicts of interests,
 - 10.6 the number of the audit committee meetings, and the attendance of such meetings by each committee member,
 - 10.7 an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and
 - 10.8 other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors.

11. To approve the Charter of the internal audit function and review it at least once a year.
12. To consider and approve the annual internal audit plan and prioritize it according to risk level. To review the internal audit report and consider with the management the Company's weak points or failings and get responses from management.
13. To approve the appointment, transfer and dismissal of the head of compliance and internal audit department, as well as to determine the independence of such function.
14. The Audit Committee has the right to seek any information from independent professional advisors at the company's expenses when necessary.
15. If the Board of Directors or the management unreasonably ignores the recommendations made in the Audit Committee's report or the committee is suspicious of a transaction that might have a material impact on the financial condition or operational results of the company, the Audit Committee will report such finding to the Office of Securities and Exchange Commission or the SET.
16. To perform any other act as assigned by the Company's board of directors, with the approval of the audit committee.

D) The Company's independent director as at 31 December 2011 consists of:

- | | | |
|----|---------------------------|---------------------------------|
| 1. | Mr. Anand Panyarachun | Chairman |
| 2. | Mr. Preecha Oonchitti | Chairman of the Audit Committee |
| 3. | 3. Mr. Somrit Srithongdee | Audit Committee |
| 4. | Mrs. Sununta Tiasuwan | Audit Committee |

Regulation on the Qualification of "Independent Director" according to Notification of Capital Market Supervisory Board No. TorJor. 4/2552 dated 20 February 2009 means a director who has the following qualifications:

1. Holds shares not excess 1 percent of issued shares with voting rights of the applicant, parent company, subsidiary company, associated company, major shareholder, or person with control power over the applicant. For this purpose, shares held by related person of such independent director shall also be included.
2. Is not or does not use to be a director who takes part in management, an employee, an officer, an advisor who receives regular monthly salary, or a person who has control power over the applicant, parent company, subsidiary company, associated company, subsidiary company on the same level, major shareholder, or person with control power over the applicant; except for the case that such director has already passed from the aforementioned position at not less than 2 years before the date of petition submission to the board. However, such prohibited characters shall not include in case that an independent director used to be a government officer or an advisor of government agency who is a major shareholder or has control power over the applicant.
3. Is not a person who has relationship by cognate or by legally registration in form of parents, spouse, relatives, and child including child's spouse of director, major shareholder, person who has control power, or person who would be nominated as management or person with control power over the applicant or subsidiary company.
4. Does not have or use to have business relationship with the applicant, parent company, subsidiary company, associated company, major shareholder, or person with control power over the applicant in the manner that would obstruct the exercise of his independent consideration; and is not or

does not use to be shareholder with significant shareholding, person with control power over person who has business relationship with the applicant, parent company, subsidiary company, associated company, major shareholder, or person with control power over the applicant; except for the case that such director has already passed from the aforementioned position at not less than 2 years before the date of petition submission to the board.

The relationship mentioned in the aforementioned paragraph shall include regular business transactions for day to day operation, hiring or renting out real estates, any transactions related to assets or services, or provision or receipt of financial supports in form of taking or granting loan, guarantee, pledging of assets as liability collaterals, including other similar forms or actions that make the applicant or counterparty have liability obligation to make settlement to the other party at the amount of 3 percent of net tangible assets of the applicant or 20 Million Baht or over, whichever amount is lower. For this purpose, the calculation of the aforementioned liability obligation shall be in accordance with the method used for the calculation of related transactions according to the Notification of Capital Market Supervisory Board Re: Regulations on the Undertaking or Related Transactions by adaptation. However, in considering such liability obligation, liability obligation incurred during the past one year before the date that business relationship with the same person arises shall also be included.

5. Is not or does not use to be an external auditor of the applicant, parent company, subsidiary company, associated company, major shareholder, or person with control power over the applicant; and is not or a shareholder with significant shareholding, a person with control power, or a partner of audit firm of external auditor of the applicant and of parent company, subsidiary company, associated company, major shareholder, or person with control power where the applicant is a member; except for the case that such director has already passed from the aforementioned position at not less than 2 years before the date of petition submission to the board.
6. Is not or does not use to be any professional service provider including services on legal consultant or financial consultant who receives service fee more than 2,000,000 Baht per annum from the applicant, parent company, subsidiary company, associated company, major shareholder, person who has control power over the applicant; and is not a shareholder with significant shareholding, a person who has control power, or a partner of such professional service provider; except for the case that such director has already passed from the aforementioned position at not less than 2 years before the date of petition submission to the board.
7. Is not a director who is appointed to be representative of the director of applicant, major shareholder, or shareholder who is a related person to such major shareholder.
8. Do not undertake business with similar nature or business that has significant competition with the applicant or subsidiary company, or is not a significant partner in partnership or a director who takes part in management, an employee, an officer, an advisor who receives regular monthly salary, or a person who holds shares more than 1 percent of issued shares with voting rights of other companies that undertake business with similar nature and with significant competition with business of the applicant or subsidiary company.

9. Does not have any other characteristics that make such director unable to independently express opinion about business operation of the applicant after getting the appointment to be an independent director with the qualifications as prescribed in Clause (1) to (9). The independent director may be assigned from the Board of Directors to make decision in business operation of the applicant, parent company, subsidiary company, associated company, subsidiary company on the same level, major shareholder, or person with control power over the applicant in form of collective decision. Regulations prescribed in Clause (2), (4), (5), and (6) in the part that requires qualification of an independent director of the applicant be considered during the past two year before the date of the petition submission to the board shall be enforced to petition submitted to the board since 1 July 2010 onwards.

For a person whose the applicant appoints to be independent director is a person that has or used to have business relationship or professional service provisions exceed the amount prescribed in Clause (4) or (6), the applicant shall receive relaxation for the prohibition on having or using to have business relationship or professional service provisions exceed the aforementioned amount only in the case that the applicant manages to have the opinion of the Board of Directors, considering under Section 89/7, that the appointment of such person would not have any effect on taking duty or on expressing independent opinion and that the applicant manages to disclose the following information in letter of appointment for shareholder's meeting that has agenda on the consideration of the appointment of independent director.

- A. Business relationship or professional service provision that makes such person unqualified according to the regulations prescribed.
- B. Reason and necessity for the appointment of such person as independent director.
- C. Opinion of the Board of Directors of the applicant in proposing to appoint such person as independent director.

In the purpose under Clause (5) and (6), "partner" means a person who is assigned from an audit firm or a professional service provider to be a signatory in audit report or professional service providing report (as the case may be) on behalf of such juristic person.

E) The Company's secretary

- The Company's secretary as at 31 December 2011 was Mr. Pongsak Maision. The responsibilities are to provide suggestions regarding laws and regulations that the committee have to know as well as to arrange and facilitate meetings of directors and shareholders to ensure efficiency.

F) The company's management as of December 31, 2011 :

1. Mr. Ratanachai Phatinavin Chief Executive Officer
 2. Mr. Vigrom Tungpanitansook Senior Vice President - Rayong Projects Department
 3. Mrs. Allawan Smarnsodtiwong Senior Vice President - Project Development and Design Department
 4. Mr. Pinij Dharakasem Senior Vice President - Project Development and Construction Department
 5. Mr. Pongsak Maision Vice President - Legal and Corporate Secretary
 6. Mr. Supphaphong Amrarong Vice President - Accounting, Finance and Information Technology Department
 7. Mr. Phisith Tangkawanich Vice President - Personnel and Corporate Affairs Department
 8. Mrs. Pichapas Phowattanakul Assistant Vice President - Accounting, Finance and Information Technology Department
 9. Mr. Thanatdet Chuenrabiab Assistant Vice President Project Development and Construction Department 2
- The Scope of authorities and accountability of the Managing Director:
 1. To undertake, manage, and operate routine business for the company's benefit. To comply with the company's objectives and the Articles of the Association including: regulations, resolutions, policies, action plans, and budgets as assigned by the Board of Directors.
 2. Managing director has authority to perform any actions that are in normal business practice with the approval power as prescribed in table of authority stipulated by the Company. In case that managing director engages in any actions with the value exceeding the authorized scope, managing director shall grant approval from management committee and / or board of directors before undertaking such actions.
 3. To propose approval by the Management Committee for any investments or developments not included in the annual policies. The scope of the Managing Directors excludes operations concerning the Connected Transaction or Assets Acquisition and Disposition of the company's assets dictated by the SET's regulations.

Committee and Management Nomination

1. Board of Directors

The Board of Directors shall consist of no more than 10 persons; currently there are nine directors of the total 10 seats who have been approved by the shareholders. The company has no Nomination Committee to recruit the directors, and does not exercise cumulative voting where a shareholder can divide his vote to appoint the directors, as stipulated in Section 70 of the Public Company Limited Act. The appointment of the directors is decided by the majority of existing votes of shareholders present in the meeting. In order to nominate directors the shareholders may elect one or more directors to gather a committee, or use other measures subject to the discretion of the shareholders. Each shareholder is allowed one vote per share and they may not divide their vote.

2. The Audit Committee

The Audit Committee consists of one Chairman of Audit Committee member, and at least two but not more than four Audit Committee directors. The company passed a resolution at the Board of Directors Meeting No.2/2011 on March 29, 2011 resolving to establish an Audit Committee consisting of:

(1) Mr. Preecha Oonchitti	Chairman of the Audit Committee
(2). Mr. Somrit Srithongdee	Audit Committee
(3). Mrs. Sununta Tiasuwan	Audit Committee

They are the directors who do not partake in the management according to the regulations and conditions of Stock Exchange of Thailand. The term of such directors is 2 years since 12 May 2011 onwards. When the term is end, the directors may be reelected to be in the position again.

3. Director and Management Remuneration

Management Remuneration for the year 2011 follows:

- Total remuneration of the 10 directors (including resigned directors) within the year 2011 equaled 5,520,000.00 Baht.
- Total remuneration of the 9 members of the management team (including salary and provident funds) within the year 2011 equaled 20,658,755.00 Baht.

Detail of management remuneration for the year 2011

Directors	Position	Office Period	No. of Participation	Remuneration amount (Baht)
1. Mr. Anand Panyarachun	Chairman	1992 - present	6/6	1,440,000.00
2. Mr. Veraphan Teepsuwan	Vice Chairman	1 April 2003 - present	6/6	480,000.00
3. Mr. Preecha Oonchitti	Independent Director and Chairman of Audit Committee	1 April 2003 - present	5/6	600,000.00
4. Mr. Somrit Srithongdee	Audit Committee	26 February 2009 - present	6/6	480,000.00
5. Mrs. Sunanta Tiasuwan	Audit Committee	16 February 2005 - Present	6/6	480,000.00
6. Mr. Thaveepol Kongseri	Chairman of the Executive Committee	16 February 2005 - Present	6/6	600,000.00
7. Mr. Chatchawin Charoen-Rajapark	Executive Director	7 March 2005 - Present	5/6	480,000.00
8. Mr. Titiwut Soukpornchaikul	Executive Director	16 November 2006 - Present	5/6	480,000.00
9. Mr. Paiboon Wongjongjaihar	Executive Director	26 April 2007- Present	6/6	480,000.00
10. Mr. Ratanachai Phatinavin	Executive Director	3 March 2008-Present	6/6	-
Total				5,520,000.00

4. Inside Information Usage Control

The Company requires executives to report any conflicts of interest, especially when internal information was used for personal interest. The Company also requires executives to report changes in their company's shareholding at the Board of Directors Meeting. The Company informed all executives of the regulations of the Securities & Exchange Commission (SEC), and Stock Exchange of Thailand (SET), as well as the penalties for violation of these regulations.

5. Audit Committee's Opinion on Internal Control

It is the company's intention that the internal control system shall proceed to The Board of Directors, and be assigned to the Audit Committee's assessment of inspection of the internal control system. The internal control system maintains appropriate and sufficient efficiency of business operations. In addition to being used resourcefully, the properties maintain protection of erroneous reduction, damages, and dishonesty. The accounting system and the financial report are both convinced and correct, and follow practice with the regulations and laws related to business operations.

In 2011 the Audit Committee evaluated the internal control system, in order to interrogate and review the significance for administration. This summary illustrates the company's internal control system, which consists of the following divisions: organization, environment, risk management, management control activities, information and communication measures, and monitoring systems, which maintain that the company has sufficient operation control procedures. The details are as follows:

(1.) Control and Environment measure

The company encourages the environment factor in order to sustain a sufficient organizational structure in accordance with internal control. The internal control system is divided into departments who are responsible for their own sectors. The internal control system is utilized for the purpose of inspection of operations. The major departments create a performance handbook in order to adjust insignificant jobs sufficiently, and reduce work redundancy. All departments are required to follow the same standards. The company reports business performance each year in categories such as: economics, market, and competition in order to maintain a high standard. Environment control appropriately influences the efficiency of internal control.

(2.) Risk Management Measure

As a means of risk management the company has analyzed and evaluated all risk factors of both internal and external causes, which may influence the business operations. Through the evaluated risk process the company follows a successful objective. The existence of any risk in the evaluation consistent of general indoctrination will be managed in an effective matter. Furthermore, if any risk is found, the Executive Committee will be informed at once.

(3.) Management Control Activities

The company's internal control activities are aimed at stipulating control when necessary through appropriate policy. The internal control activities such as: environment control, regulations, procedures, commands, and manual operation are clearly stated and specific to each activity. The established and related the audit committee the activities under the inspection of the Board of Directors. The related committees perform operations within the scope of their authority and responsibilities as assigned by The Board of Directors.

(4.) Information and Communication Measure

The company is required to communicate information concerning the operation system through financial reports and follow-ups on policies and regulations. The company collects and prepares information data from outside sources. The company proposes any sufficient or relevant information to the appropriate business and the executive management.

(5.) Monitoring System and Evaluation

The company's internal control operates efficiently and sufficiently to support the objectives of the business operation, and maintains ongoing monitoring and evaluation of the internal control department. In the year 2011, the company held meetings with the Director Committee on six occasions, and the Executive Conference almost every month , in order to monitor the internal control process and operate successfully.

Good Corporate Governance

Policy on Corporate Governance

The Board realizes the importance of good corporate governance to effective performance. This is a stepping stone to success and sustainable growth. So that the company has set the following policy on corporate governance:

- Equitable and credible treatment to the stakeholders.
- The member of the Board of Directors determine to perform their duties at their best efforts for the benefit of the company. Their performance reflect leadership and management control. The Board of Directors also monitors to prevent conflict of interest.
- The Company sets ethics for the members of the board and employees to practice.
- Operation will be transparent and able to be audited. The internal control system is in place to deal with risks. There is an internal auditor to assure that the management efficiently perform under the policies of the company.

Shareholders' right and Shareholder Meeting

The Company has a policy to disclose all information for the consideration in the Shareholder meeting. In 2008, the company held one shareholder meeting, the Ordinary General Meeting of Shareholders. The meeting was convened at a hotel located in Bangkok where the public transportation system is available for the shareholders' convenience to join the meeting. The company sent an invitation letter enclosed with information of each agenda to shareholders at least 7 days before the meeting. Each agenda has the board's opinion. The Company let shareholders register at least 1 hour before the meeting. The Chairman of the Board who chaired the meeting gave opportunities to shareholders to express their questions, opinion, and suggestions freely. Besides, the Company gave shareholders an alternative to authorize an independent director as their proxy to join the meeting.

Rights of Stakeholders

The Company realized importance of stakeholders. No matter they are internal stakeholders : employees, executives and board or external stakeholders: shareholders, customers, partners, creditors, competitors and public sectors because they all encourage the company to increase competitiveness and profit. The Company will follow provision of laws and related regulations in order to protect their rights.

The Board

The Board as of December 31, 2011, there were 10 directors consisting of

- 5 executive directors
- 1 non - executive directors
- 4 Independent directors (This is 40 % of all board members)

Chairman and Managing Director are different people. This leads to transparency, especially in supervision and daily work, because they have separate responsibilities. Conflict of interest or Managing Director's monopolization will not happen easily because of the balance of power. Moreover, this enables Chairman to make an independent and better decision for the highest benefit of company and shareholders.

The Board has involved in making decision and setting company's vision, mission, policy, goal, business plan and budget. The board has supervised the management to act in accordance with the business and budget plans. The board assigned the management to set up internal control system and to fix its authorities. The board always follow up the management operation and internal control system at the Board of Directors Meeting.

The Board holds a meeting every quarter. If necessary, an ad hoc meeting will be held with the exact date and agenda. Documents will be submitted to the board at least 5 days ahead to give the board time for consideration. In 2011, the board held 6 meetings. The participation of each director is mentioned in Directors remuneration. as in Clause 3

The minutes of the Board of Directors Meeting is prepared and kept in file approval. They are available for the board and related people to audit.

The board realizes importance of accurate and credible financial report. The board makes a report on its responsibility for financial statements. It covers important factors in line with the Code of Best Practices for Directors of Listed Company suggested by the Stock Exchange of Thailand. This is stated in the 2011 Annual Report.

Conflict of Interest

The Company launched written principles of good corporate governance under the topic of the conflict of interest and stock trading in an effort to prevent conflict of interest.

Business Ethics

The board launched employees' ethics for their guidance of practices. The way employees treat the company and stakeholder should be honest, fair and transparent. Employees signed to acknowledge and agree to adopt them. The Company will monitor whether they behave or not to encourage the good corporate governance.

Director and Management Remuneration

The Company's board of director will allocate the remuneration for directors that are approved in the ordinary shareholders' meeting 1/2011 dated 29, April 2011 which are not more than 6.5 million baht per year. In 2011, the company has paid totally 5,520,000 baht to the board of directors. And for the management team, their remunerations will depend on the company's operation results and performance of each management. Each management's remuneration will be approved by the company's executive board and / or board of directors.

Controlling System and Internal Audit

The board realizes importance of internal control system particularly in finance and operation. The company has an internal auditor to audit employees' operation. This is to ensure that main duties, financial activities, legal compliance and company's requirements have been practiced effectively. The internal auditor is granted with independence to audit. The internal auditor reports directly to the Audit Committee who then reports directly to the Board of Directors. The board will inform the management to practice and improve.

According to the 2011 internal audit reports, the Company had the policy to keep the information as well as the document form regarding the company's asset in the standard way. This is to ensure that the use of asset is in compliance with the company's principles and in such a way that maximize the company's interest. Apart from the mentioned policy, significant defects were not found. There was only daily work's error which was solved at times.

Risk Management

The Company has not had Risk Management Committee. However, it has analyzed risks and laid preventive measures in order to minimize the risk. The details are stated in topic of Clause 5 (2) Risk Management Measure.

Investors Relation

The Board realizes that either financial or non-financial information of the company has effect on investors and the stakeholder's decision making. Thus, the management has to reveal all accurate, credible and up-to-date information. The management always follows this rules strictly. For investor relationship, the Company has not had a particular unit because there are not many activities. In practices, CEO and Executive Director will contact investors, shareholders and analyst. For information, investors can contact at telephone no. 0-2263-1010 or email address: estar@estarpcl.com



Inter - Related Transactions

In the year 2011, the Company did not have any related transactions with major shareholders, directors, and management of the Company except for those disclosed in financial statements of the year 2011.

Policy and direction on inter - related transaction management

In the future, the company has no policy to enter into any inter - related transaction. If there are necessarily related transactions needed to operate for the company benefit, the Company will consider them circumspectly and ensure that they will cost the same value and condition with others. The Company will appoint the outside experts to present independent opinion on the fair price in compliance with the procedure of SEC and SET's regulatory principles, methodology in the disclosure of connected transaction as well as rules and regulations of related law and will take the company benefits as a priority. In addition, the Audit Committee will be responsible for following up the inter-related transaction and take action in line with related rules and regulations.

Management Discussion and Analysis of Financial Results

Performance outcomes

A) Performance outcomes

Overall operating performance

In the year 2011, competition in property market became more intense since many projects were launched in the Bangkok areas. In addition, new accounting standard on Revenue Recognition for Real Estate Business that is effective in the year 2011 prescribed that the Company shall recognize revenues only when property ownerships are transferred to customers. Thus, sales in the year 2011 of the Company reduced.

Income from sales and services of the Company in the year 2011 decreased from the year 2010 at the amount of 204.03 Million Baht. The main cause was that the Company recognized less income from the sales of premises and condominium units in Bangkok and Banchang areas because the constructions are not 100 percent completed and not ready to transfer ownership to customers. Thus, under the accounting standard on Revenue Recognition, the Company cannot recognize revenues from sales of such premises and condominium units.

However, the Company shall accelerate the construction of houses and condominium units in Bangkok and Banchang areas in order to ensure that the Company will be able to deliver houses to customers on time and can recognize more revenues. Moreover, the Company had open the sale of 1 condominium project in Bangkok which has 2 buildings with 44 storey and 54 storey named the StarView Project located close to Rama 9 Bridge, Rama 3 road, Bang Khlo, Bang Kho Laem District.

In the year 2011 and 2012, the Company has a plan to develop new real estate business projects in Bangkok area and Rayong Province by considering mainly on the location and needs of consumers. However, due to economic situation and negative factors both domestic and external, that affected domestic purchasing powers, thus, the Company has policy to operate the business under cautious basis in order to ensure that there are enough liquidity and cash inflows from operating activities for business operations. However, debt to equity ratio of the Company was still low, which reflected capability of the Company on acquiring loans for the development of future projects of the Company.

Revenue from sales and services

Revenue from sales and services of the Company and subsidiaries are generated from 3 parts comprising income from real estate development for sale, real estate for rent, and golf club. In the previous year, most of income was from the recognition on sale of premises and condominium projects in Bangkok in the amount of 143.30 Million Baht and the recognition on sale of premises in Banchang in the amount of 210.82 Million Baht.

Income from real estate development for sale in the year 2011 decreased 35.70 percent from the year 2010 due to such negative factors as political situation, flood crisis, and change in revenue recognition method. Besides, the Company had income from its subsidiaries which are a business on real estate for rent of Sea Star Property Company Limited at the amount of 32.40 Million Baht decreased 8.55 percent from the year 2010 and a business on golf course from Eastern Star Resort Company Limited at the amount of 42.31 Million Baht decreased 7.09 percent from the year 2010.

Costs and selling and administrative expenses

In the year 2011, The Company's total cost of sold and expenses were 627 Million Baht decreasing from the year 2010 about 42.75 Million Baht mainly due to the decrease in cost of goods sold as a result of the decrease in revenue from sales and services. The Company's cost of goods sold was 353.15 Million Baht decreasing 93.68 Million Baht from the year 2010 or 20.97 percent. Selling and administrative expenses of the Company in the year 2011 was 273.85 million increasing from the year 2010 50.93 Million Baht or 22.85 percent. Selling expenses increased 27.69 Million Baht or 32.84 percent and administrative expenses increased 23.23 Million Baht or 16.77 percent because the Company launched more new projects.

Profit

In the year 2011, the Company and subsidiaries had net loss for equity holder of 151.45 Million Baht, while in the year 2010 the Company net profit for equity holder of 43.26 Million Baht. The main reason was from revenues from sales and services in the year 2011 decreasing at the amount of 204.03 Million Baht from the year 2010 or 32.13 percent. In the year 2011 the Company had reversed the record of loss from asset impairment less than that of the year 2010 at the amount of 42.20 Million Baht or 83.48 percent. Moreover, selling and administrative expenses increased 50.93 Million Baht or 22.85 percent.

B) Financial Position

As of 31 December 2011, total assets of the Company and its subsidiaries were 4,693.18 Million Baht increasing from the year 2010 248.93 Million Baht or 5.60 percent. The details of significant changes in assets of the Company during the past period are as follows :

Asset Components

As of 31 December 2011, current assets of the Company and its subsidiaries were 1,929.76 Million Baht decreased 103.54 Million Baht from the year 2010. The main reason was from a transfer of land for development into construction work in progress during the year 2011.

Quality of Assets

Account receivables and other receivables

As of 31 December 2011, account receivables and other receivables of the Company and its subsidiaries were 19.71 Million Baht increased 11.91 million from 7.80 Million Baht as of 31 December 2010.

Cost of real estate development/Inventories/ Property plant and equipment - net/ Land and land improvement for development - net

As of 31 December 2011, the Company and subsidiaries had net inventory of 1,330.73 Million Baht, while it was 1,045.43 Million Baht as of 31 December 2010 increasing 285.30 Million Baht from the previous year or 27.29 percent. Land and land improvement for development - net of the Company and subsidiaries increased from the year 2010 at the amount of 352.03 Million Baht or 24.66 percent due to the increase of land purchased, the construction of sales office in Bangkok , and the improvement of underground train system in Banchang project.

However, in the year 2011, the Company and subsidiaries had reversed the record of asset impairment loss in consolidated financial statements and separated financial statements at the amount of 8.35 Million Baht and 20.42 Million Baht respectively. This was because the Company had revised recovery value of lands and buildings of subsidiaries and lands for development of the Company by estimating from expected recovery value from the sales of assets which was derived from data in assessment report of independent appraiser approved by Securities and Exchange Commission. Thus, the Company could reverse the record of loss from impairment of land for development and impairment of assets of subsidiaries at the amount of 12.07 Million Baht.

C) Liquidity

Cash flow

In the year 2011 the Company and subsidiaries had net decrease in cash from operating activities and investing activities totaling 264.73 Million Baht increasing from the year 2010 196.57 Million Baht. mainly due to the increase of cash used for investing activities at the amount of 91.37 Million Baht or 25.40 percent which mainly due to cash paid for purchasing land and land improvement for development in the amount of 577.61 Million Baht in the year 2011. Moreover, cash from investing activities increased due to advances received from ordinary shares in the amount of 251.46 Million Baht.

Liquidity ratio

As of 31 December 2011, current liabilities of the Company and subsidiaries increased 141.31 Million Baht from the year 2010 resulting in decrease of liquidity ratio from the year 2010 to 5.69 times, in line with quick liquidity ratio reduced from the year 2011 to 1.56 times. This was because cash, bank deposits, and temporary investment decreased 424.58 Million Baht from the year 2010 resulting in decrease of current assets 103.54 Million Baht in the year 2011.

Remuneration for Auditor

1. Remuneration on the account audits

The Company and subsidiaries paid remuneration on the account audit totaling 1,280,000.00 Baht to SAM NAK-NGAN AMC Company Limited in accounting period of 2011.

2. Non-audit fees

The Company and subsidiaries also paid non-audit fees totaling 96,208 Baht. Such amount includes the financial statements translation fee (from Thai to English) and overtime fee for auditor from SAM NAK-NGAN AMC Company Limited in the accounting period of 2011.



The Board of Directors Responsibility

For Financial Statements

The Board of Directors is responsible for the Company's consolidated financial statements and related financial information included in this annual report. The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in Thailand and necessarily include certain amounts that are based on management's appropriate estimates and judgements.

The consolidated financial statements were audited by Miss Praphasri Leelasuphat No. 4664 an auditor accepted by the Securities and Exchange Commission. And subsidiary company were audited by Miss Wannee Sukpheng, authorized auditor no. 8423, of Sam Nak-Engan A.M.C. Co., Ltd. was given access to all financial records and related data, including minutes of all meetings of shareholders, the Board of Directors and other committees. The company believes that all representations made to the auditor during her audits were valid and appropriate.

The Board of Directors also assigns the management to establish and maintain efficient internal control systems in order to reasonably believe that the financial and accounting data for the financial statements preparation is sufficient and accurate. The internal control is continually reviewed for its effectiveness to maintain the company assets and prevent frauds in operations. To be assured that the financial statements are reliable, accurate and completed, the Board of Directors has designated the Audit Committee whose members are non-executive from the management to monitor and review the financial statements including the company's internal control systems. The Committee meets with representative of management, the auditor and the internal auditor to discuss financing reporting, accounting and internal control matters.

The Board of Directors is satisfied with the overview of internal control systems and trusts that the consolidated financial statements for the period ended 31 December 2011 is fair and reliable.

AUDITOR'S REPORT

To the Shareholders of EASTERN STAR REAL ESTATE PUBLIC COMPANY LIMITED

I have audited the accompanying consolidated and the separate statements of financial positions as at December 31, 2011 and 2010, the related consolidated and the separate statements of comprehensive income, changes in shareholders' equity and cash flows for the years then ended of EASTERN STAR REAL ESTATE PUBLIC COMPANY LIMITED and its subsidiary companies and of EASTERN STAR REAL ESTATE PUBLIC COMPANY LIMITED only. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to express my opinion on these financial statements based on my audit.

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

In my opinion, the consolidated and the separate financial statements referred to above present fairly, in all material respects, the consolidated and the separate financial positions as at December 31, 2011 and 2010, the consolidated and the separate operating results and cash flows for the years then ended of EASTERN STAR REAL ESTATE PUBLIC COMPANY LIMITED and its subsidiary companies and of EASTERN STAR REAL ESTATE PUBLIC COMPANY LIMITED only in accordance with generally accepted accounting principles.

Without expressing a qualified opinion on the above financial statements, I would like to draw your attention to the notes to financial statements No. 2.3, noting that during the year 2011, for the preparation and presentation of these financial statements, the Company and its subsidiary companies have adopted new and revised financial reporting standards issued by the Federation of Accounting Professions which are effective for financial statements of the accounting period that begins on or after January 1, 2011 onwards. The accompanying consolidated and the separate financial statements as at December 31, 2010 and for the year then ended have been presented in the new format to correspond with the consolidated and the separate financial statements for the year 2011 and, as explained in the notes to financial statements No. 2.4, the consolidated and the separate financial statements for the year ended December 31, 2011 have been adjusted to the effect from the application of the new and revised financial reporting standards as said above. I have already examined the adjusting items to the said financial statements and have the opinion that the adjusting items are appropriate and fairly applied.

SAM NAK-NGAN A.M.C. CO., LTD.



(Miss Praphasri Leelasupha)

Certified Public Accountant (Thailand) No. 4664

Bangkok,
February 24, 2012

STATEMENTS OF FINANCIAL POSITION

Eastern Star Real Estate Public Company Limited And Its Subsidiary Companies
As at December 31, 2011 and 2010

(Unit : Baht)

		Consolidated Financial Statements		Separate Financial Statements	
	Notes	2011	2010 (Restated)	2011	2010 (Restated)
<u>ASSETS</u>					
CURRENT ASSETS					
Cash and cash equivalent		389,532,941.48	654,263,545.59	380,292,893.31	624,456,553.93
Temporary investments	6	121,373,300.32	291,211,261.03	103,438,062.85	291,211,261.03
Trade and other receivables	7	19,710,253.42	7,800,414.07	19,957,783.14	8,687,490.63
Real estate development costs and inventories-net	8	1,330,732,386.76	1,045,428,224.87	1,331,467,897.00	1,047,757,036.02
Advance for construction work		58,828,222.56	30,850,504.46	58,828,222.80	30,850,504.46
Other current assets-net	9	9,580,796.88	3,743,102.00	8,249,100.12	2,249,972.30
TOTAL CURRENT ASSETS		1,929,757,901.42	2,033,297,052.02	1,902,233,959.22	2,005,212,818.37
NON-CURRENT ASSETS					
Finance lease contract receivable-net	10.1	40,578,858.23	42,036,747.99	40,578,858.23	42,036,747.99
Investments in subsidiary companies-net	11	-	-	919,485,223.39	907,416,870.02
Investment properties-net	12	439,826,916.91	444,586,951.89	46,986,951.89	46,986,951.89
Property, plant and equipment-net	13	404,256,244.89	387,080,191.99	113,134,439.46	88,536,748.58
Land and improvement awaiting development-net	14	1,779,671,967.56	1,427,622,401.98	1,610,680,701.83	1,258,631,136.25
Obligated deposits	15	77,991,132.00	84,622,772.00	77,991,132.00	84,622,772.00
Other non-current assets-net	16	21,094,879.30	25,002,826.47	13,829,740.68	17,130,964.79
TOTAL NON-CURRENT ASSETS		2,763,419,998.89	2,410,951,892.32	2,822,687,047.48	2,445,362,191.52
TOTAL ASSETS		4,693,177,900.31	4,444,248,944.34	4,724,921,006.70	4,450,575,009.89

Notes to financial statements an integral part of these statements.

STATEMENTS OF FINANCIAL POSITION

Eastern Star Real Estate Public Company Limited And Its Subsidiary Companies
As at December 31, 2011 and 2010

(Unit : Baht)

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2011	2010	2011	2010
		(Restated)		(Restated)	
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>					
CURRENT LIABILITIES					
Trade and other payables	17	52,762,673.31	36,294,730.34	50,053,553.74	33,920,195.69
Accrued expenses		11,632,252.85	11,796,266.28	7,826,705.93	8,556,296.90
Advance received from customers		255,635,791.71	124,387,989.36	253,040,450.70	120,911,553.45
Other current liabilities		19,222,828.33	25,463,186.57	18,359,987.28	24,567,069.54
TOTAL CURRENT LIABILITIES		339,253,546.20	197,942,172.55	329,280,697.65	187,955,115.58
NON-CURRENT LIABILITIES					
Employee benefit obligations	18	5,937,189.00	-	4,748,748.00	-
Construction retention		19,447,362.19	10,116,335.99	19,447,362.19	10,116,335.99
Advance received from land lease	10.2	6,785,990.16	7,130,275.08	6,785,990.16	7,130,275.08
Other non-current liabilities		8,720,253.31	8,883,137.69	2,316,046.00	2,174,446.00
TOTAL NON-CURRENT LIABILITIES		40,890,794.66	26,129,748.76	33,298,146.35	19,421,057.07
TOTAL LIABILITIES		380,144,340.86	224,071,921.31	362,578,844.00	207,376,172.65

Notes to financial statements an integral part of these statements.

STATEMENTS OF FINANCIAL POSITION

Eastern Star Real Estate Public Company Limited And Its Subsidiary Companies
As at December 31, 2011 and 2010

(Unit : Baht)

		Consolidated Financial Statements		Separate Financial Statements	
	Notes	2011	2010 (Restated)	2011	2010 (Restated)
SHAREHOLDERS' EQUITY					
Share capital	19				
Authorized share capital					
10,818,493,916 Ordinary shares @ Par Value of Baht 1.00 each		10,818,493,916.00	10,818,493,916.00	10,818,493,916.00	10,818,493,916.00
Issued and paid-up share capital					
4,429,197,749 Ordinary shares @ Par Value of Baht 1.00 each		4,429,197,749.00	4,429,197,749.00	4,429,197,749.00	4,429,197,749.00
Warrants	20	-	3,912,944.89	-	3,912,944.89
Advanced received for ordinary share subscription		254,774,037.02	-	254,774,037.02	-
Discounts on share capital		(90,990,487.44)	(91,589,327.89)	(90,990,487.44)	(91,589,327.89)
Retained earnings (deficit)					
Appropriated					
Legal reserve	21	11,812,043.85	11,812,043.85	11,812,043.85	11,812,043.85
Unappropriated (deficit)		(489,415,754.73)	(333,351,150.06)	(242,451,179.73)	(110,855,422.93)
Other components of shareholders' equity		74,131,478.86	74,852,329.18	-	720,850.32
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		4,189,509,066.56	4,094,834,588.97	4,362,342,162.70	4,243,198,837.24
NON-CONTROLLING INTERESTS OF SUBSIDIARIES		123,524,492.89	125,342,434.06	-	-
TOTAL SHAREHOLDERS' EQUITY		4,313,033,559.45	4,220,177,023.03	4,362,342,162.70	4,243,198,837.24
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4,693,177,900.31	4,444,248,944.34	4,724,921,006.70	4,450,575,009.89

Notes to financial statements an integral part of these statements.

STATEMENTS OF COMPREHENSIVE INCOME

Eastern Star Real Estate Public Company Limited And Its Subsidiary Companies
For the Years ended December 31, 2011 and 2010

(Unit : Baht)

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2011	2010	2011	2010
			(Restated)		(Restated)
Revenues from sales and services		430,953,423.04	634,978,950.36	356,238,226.34	554,006,788.00
Cost of sales and services		(353,148,453.68)	(446,829,224.27)	(305,457,633.71)	(387,875,105.93)
GROSS PROFIT		77,804,969.36	188,149,726.09	50,780,592.63	166,131,682.07
Other income		34,605,945.27	26,169,877.45	40,970,875.73	38,841,320.84
Reversal of loss from asset impairment		8,349,638.84	50,544,879.41	20,417,992.21	61,714,834.60
Selling expenses		(112,033,705.44)	(84,339,724.18)	(106,276,980.85)	(80,590,528.91)
Administrative expenses		(136,504,352.87)	(108,024,555.18)	(112,674,356.52)	(102,641,838.71)
Executives' remuneration	24	(25,311,706.00)	(30,556,911.00)	(21,037,928.00)	(24,466,000.00)
PROFIT (LOSS) FOR THE PERIOD		(153,089,210.84)	41,943,292.59	(127,819,804.80)	58,989,469.89
OTHER COMPREHENSIVE INCOME					
Profit from change in fair value of investment in available-for-sale securities		-	720,850.32	-	720,850.32
Difference on change in fair value of available-for-sale securities transfer to profit or loss		(720,850.32)	-	(720,850.32)	-
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		(720,850.32)	720,850.32	(720,850.32)	720,850.32
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		(153,810,061.16)	42,664,142.91	(128,540,655.12)	59,710,320.21
PROFIT (LOSS) ATTRIBUTABLE TO :					
SHAREHOLDERS OF THE COMPANY		(151,450,645.12)	43,263,620.85	(127,819,804.80)	58,989,469.89
NON-CONTROLLING INTERESTS OF THE SUBSIDIARIES		(1,638,565.72)	(1,320,328.26)	-	-
		(153,089,210.84)	41,943,292.59	(127,819,804.80)	58,989,469.89
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO :					
SHAREHOLDERS OF THE COMPANY		(152,171,495.44)	43,984,471.17	(128,540,655.12)	59,710,320.21
NON-CONTROLLING INTERESTS OF THE SUBSIDIARIES		(1,638,565.72)	(1,320,328.26)	-	-
		(153,810,061.16)	42,664,142.91	(128,540,655.12)	59,710,320.21
PROFIT (LOSS) PER SHARE					
BASIC AND DILUTED PROFIT (LOSS) PER SHARE	26	(0.0342)	0.0098	(0.0289)	0.0133

Notes to financial statements an integral part of these statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Eastern Star Real Estate Public Company Limited And Its Subsidiary Companies
For the Years ended December 31, 2011 and 2010

(Unit : Baht)

Consolidated Financial Statements															
		Other Components of Shareholders' Equity													
		Notes	Issued and Paid-up Share Capital	Warrants	Advanced Received for Ordinary Share Subscription	Discounts on Share Capital	Retained Earnings (Deficit)		Difference on Change in Fair Value of Available-For-Sale Securities	Other Comprehensive Income	Capital Surplus from Change in Shareholding Ratio in Subsidiary Companies	Total Other Components of Shareholders' Equity	Total Equity Attributable to Shareholders of the Company	Non-Controlling Interest of the Subsidiaries	Total Shareholders' Equity
							Appropriated Legal Reserve	Unappropriated (Deficit)							
Balance as at January 1, 2010 - previously reported			4,429,197,749.00	3,912,944.89	-	-	(91,589,327.89)	11,812,043.85	(375,727,071.84)	-	74,131,478.86	74,131,478.86	4,051,737,816.87	126,662,762.32	4,178,400,579.19
Effect from adjustment of realised profit from															
Real estate agreements		2.4.1	-	-	-	-	-	-	(887,699.07)	-	-	-	(887,699.07)	-	(887,699.07)
Balance as at January 1, 2010 - restated			4,429,197,749.00	3,912,944.89	-	-	(91,589,327.89)	11,812,043.85	(376,614,770.91)	-	74,131,478.86	74,131,478.86	4,050,850,117.80	126,662,762.32	4,177,512,880.12
Total comprehensive income (loss) for the year 2010 - restated			-	-	-	-	-	-	43,263,620.85	720,850.32	-	720,850.32	43,984,471.17	(1,320,328.26)	42,664,142.91
Balance as at January 1, 2011-before employee															
Benefit obligations adjustment			4,429,197,749.00	3,912,944.89	-	-	(91,589,327.89)	11,812,043.85	(333,351,150.06)	720,850.32	74,131,478.86	74,852,329.18	4,094,834,588.97	125,342,434.06	4,220,177,023.03
Effect from adjustment of employee benefit obligations		2.4.2	-	-	-	-	-	-	(4,613,959.55)	-	-	-	(4,613,959.55)	(179,375.45)	(4,793,335.00)
Balance as at January 1, 2011 - restated			4,429,197,749.00	3,912,944.89	-	-	(91,589,327.89)	11,812,043.85	(337,965,109.61)	720,850.32	74,131,478.86	74,852,329.18	4,090,220,629.42	125,163,058.61	4,215,383,688.03
Advanced received for ordinary share subscription		20	-	(3,314,104.44)	254,774,037.02	-	-	-	-	-	-	-	251,459,932.58	-	251,459,932.58
Warrants matured during the period		20	-	(598,840.45)	-	-	598,840.45	-	-	-	-	-	-	-	-
Total comprehensive income (loss) for the year 2011			-	-	-	-	-	(151,450,645.12)	(720,850.32)	(720,850.32)	-	(720,850.32)	(152,171,495.44)	(1,638,565.72)	(153,810,061.16)
Balance as at December 31, 2011			4,429,197,749.00	-	254,774,037.02	(90,990,487.44)	11,812,043.85	(489,415,754.73)	-	-	74,131,478.86	74,131,478.86	4,189,509,066.56	123,524,492.89	4,313,033,559.45

Notes to financial statements an integral part of these statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Eastern Star Real Estate Public Company Limited And Its Subsidiary Companies
For the Years ended December 31, 2011 and 2010

(Unit : Baht)

Separate Financial Statements										
	Notes	Other Components of Shareholders' Equity						Total Shareholders' Equity		
		Issued and Paid-up Share Capital	Warrants	Advanced Received for Ordinary Share Subscription	Discounts on Share Capital	Retained Earnings (Deficit)			Difference on Change in Fair Value of Available-For-Sale Securities	
						Appropriated Legal Reserve	Unappropriated (Deficit)			
Balance as at January 1, 2010 - previously reported		4,429,197,749.00	3,912,944.89	-	(91,589,327.89)	11,812,043.85	(168,957,193.75)	-	-	4,184,376,216.10
Effect from adjustment of realised profit from real estate agreements	2.4.1	-	-	-	-	-	(887,699.07)	-	-	(887,699.07)
Balance as at January 1, 2010 - restated		4,429,197,749.00	3,912,944.89	-	(91,589,327.89)	11,812,043.85	(169,844,892.82)	-	-	4,183,488,517.03
Total comprehensive income (loss) for the year 2010 - restated		-	-	-	-	-	58,989,469.89	720,850.32	-	59,710,320.21
Balance as at January 1, 2011-before employee benefits obligation adjustment		4,429,197,749.00	3,912,944.89	-	(91,589,327.89)	11,812,043.85	(110,855,422.93)	720,850.32	-	4,243,198,837.24
Effect from adjustment of employee benefit obligations	2.4.2	-	-	-	-	-	(3,775,952.00)	-	-	(3,775,952.00)
Balance as at January 1, 2011 - restated		4,429,197,749.00	3,912,944.89	-	(91,589,327.89)	11,812,043.85	(114,631,374.93)	720,850.32	-	4,239,422,885.24
Advanced received for ordinary share subscription	20	-	(3,314,104.44)	254,774,037.02	-	-	-	-	-	251,459,932.58
Warrants matured during the period	20	-	(598,840.45)	-	598,840.45	-	-	-	-	-
Total comprehensive income (loss) for the year 2011		-	-	-	-	-	(127,819,804.80)	(720,850.32)	-	(128,540,655.12)
Balance as at December 31, 2011		4,429,197,749.00	-	254,774,037.02	(90,990,487.44)	11,812,043.85	(242,451,179.73)	-	-	4,362,342,162.70

Notes to financial statements an integral part of these statements.

STATEMENTS OF CASH FLOW

Eastern Star Real Estate Public Company Limited And Its Subsidiary Companies
For the Years ended December 31, 2011 and 2010

(Unit : Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2011	2010 (Restated)	2011	2010 (Restated)
CASH FLOW FROM OPERATING ACTIVITIES				
Profit (loss) before income tax	(153,089,210.84)	41,943,292.59	(127,819,804.80)	58,989,469.89
Adjustments to reconcile profit (loss) before income tax for cash receipts (payments) from operations				
Gain from sale of temporary investment	(1,279,371.64)	-	(1,279,371.64)	-
Reduction in value of real estate development cost (reversed)	14,847,928.97	(39,105,601.03)	14,847,928.97	(39,105,601.03)
Reversal of loss from asset impairment	(8,349,638.84)	(50,544,879.41)	(20,417,992.21)	(61,714,834.60)
Recognized income from financial lease agreement	(1,286,395.16)	(1,257,668.63)	(1,286,395.16)	(1,257,668.63)
Depreciation - investment properties	5,953,140.44	5,897,620.92	-	-
Depreciation - plant and equipment	31,828,876.70	26,478,166.95	20,849,984.14	16,100,756.50
Amortized expenses	704,962.12	648,674.57	540,352.16	519,068.45
Loss from investment properties written off	1,502,464.62	-	-	-
(Gain) loss from sale of property, plant and equipment	776,908.20	(194,509.33)	(112,726.20)	13,591.89
Gain from sale of land and improvement awaiting development	-	(974,955.00)	-	(974,955.00)
Employee benefit	1,143,854.00	-	972,796.00	-
Loss from operations before change in operating assets and liabilities	(107,246,481.43)	(17,109,858.37)	(113,705,228.74)	(27,430,172.53)
Operating assets (increase) decrease				
Trade and other receivables	(11,909,839.35)	(44,798.38)	(11,270,292.51)	(979,731.01)
Real estate development cost	(45,305,324.12)	256,838,546.97	(43,712,023.21)	257,798,670.76
Advanced payment for construction cost	(50,236,674.24)	(35,788,387.13)	(50,236,674.24)	(30,116,579.46)
Other current assets	(5,837,694.88)	1,122,896.61	(5,999,127.82)	(4,553,753.39)
Financial lease contract receivable and advance received from land lease	2,400,000.00	2,400,000.00	2,400,000.00	2,400,000.00
Other non-current assets	63,448.40	706,643.80	31,960.77	714,710.90
Operating liabilities increase (decrease)				
Trade and other payables	15,754,743.60	4,715,885.00	15,744,693.07	5,410,755.43
Accrued expenses	(164,013.43)	(2,546,600.01)	(729,590.97)	(3,166,382.68)
Advance received from customers	131,247,802.35	88,214,112.20	132,128,897.25	87,743,575.45
Other current liabilities	(6,240,358.24)	11,628,674.39	(6,207,082.26)	11,457,752.84
Construction retention	9,331,026.20	(12,801,151.84)	9,331,026.20	(12,801,151.84)
Other non-current liabilities	(162,884.38)	412,274.84	141,600.00	(218,000.00)
Cash received (paid) from operating activities	(68,306,249.52)	297,748,238.08	(72,081,842.46)	286,259,694.47
Income tax paid	(4,912,627.17)	(6,239,522.79)	(3,883,807.36)	(5,814,090.95)
Refund income tax received	8,063,827.06	-	6,624,381.54	-
Net cash received from (use in) operating activities	(65,155,049.63)	291,508,715.29	(69,341,268.28)	280,445,603.52

Notes to financial statements an integral part of these financial statements.

STATEMENTS OF CASH FLOW

Eastern Star Real Estate Public Company Limited And Its Subsidiary Companies
For the Years ended December 31, 2011 and 2010

(Unit : Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2011	2010 (Restated)	2011	2010 (Restated)
CASH FLOW FROM INVESTING ACTIVITIES				
Cash received from redemption and sale of temporary investment	170,396,482.03	-	188,331,719.50	-
Cash paid to purchase temporary investment	-	(281,495,403.35)	-	(288,646,931.25)
Purchased investment properties	(2,695,570.08)	(1,412,322.47)	-	-
Purchase of property, plant and equipment	(47,955,588.04)	(65,715,215.53)	(43,805,312.42)	(59,608,851.08)
Cash received from sale of property, plant and equipment	197,814.33	821,377.10	169,893.30	590,582.71
Purchase of land and improvement awaiting development	(577,610,265.30)	(12,014,104.25)	(577,610,265.30)	(12,014,104.25)
Cash received from sale of land and improvement for development	-	1,575,000.00	-	1,575,000.00
(Increase) decrease in obligated deposits	6,631,640.00	(1,428,550.00)	6,631,640.00	(1,428,550.00)
Net cash used in investing activities	(451,035,487.06)	(359,669,218.50)	(426,282,324.92)	(359,532,853.87)
CASH FLOWS FROM FINANCING ACTIVITIES				
Received advanced for ordinary share subscription	251,459,932.58	-	251,459,932.58	-
Net cash received from financing activities	251,459,932.58	-	251,459,932.58	-
CASH AND CASH EQUIVALENT ITEMS INCREASE (DECREASE) -NET	(264,730,604.11)	(68,160,503.21)	(244,163,660.62)	(79,087,250.35)
CASH AND CASH EQUIVALENT ITEMS AT THE BEGINNING OF THE PERIOD	654,263,545.59	722,424,048.80	624,456,553.93	703,543,804.28
CASH AND CASH EQUIVALENT ITEMS AT THE END OF THE PERIOD	389,532,941.48	654,263,545.59	380,292,893.31	624,456,553.93
Supplementary disclosure to the statements of cash flow				
1. Additional details in non-monetary transaction as follows:				
- Transferred advance from construction to real estate development cost	20,936,428.18	5,158,318.56	20,936,428.18	5,158,318.56
- Transferred advance from construction to property, plant and equipment	1,322,527.72	513,489.11	1,322,527.72	513,489.11
- Transferred land for development to real estate development cost	233,910,338.56	219,019,151.41	233,910,338.56	219,019,151.41
- Transferred property, plant and equipment to other non-current assets	11,663.00	223,328.00	11,663.00	23,328.00
- Purchase property, plant and equipment not yet paid	713,199.37	8,581,051.41	388,664.98	7,813,316.40
- Difference on change in fair value of available-for-sale securities	(720,850.32)	720,850.32	(720,850.32)	720,850.32
- Adjusted beginning balance of retained earning with employee benefit obligation	4,613,959.55	-	3,775,952.00	-
- Adjusted the non-controlling interests of subsidiary companies with employee benefit obligations	179,375.45	-	-	-
2. Cash and cash equivalent items consisted of :				
Cash and deposits at financial institutions	381,267,745.01	84,302,187.83	372,339,936.21	75,207,483.29
Cashier's cheque	312,239.37	-	-	-
Fixed deposit	7,952,957.10	3,720,163.39	7,952,957.10	3,720,163.39
Government bond	-	378,960,026.70	-	378,960,026.70
Negotiable certificates of deposit	-	187,281,167.67	-	166,568,880.55
Total	389,532,941.48	654,263,545.59	380,292,893.31	624,456,553.93

Notes to financial statements an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

EASTERN STAR REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

December 31, 2011 and 2010

1. General Information

EASTERN STAR REAL ESTATE PUBLIC COMPANY LIMITED (“the Company”) was registered for establishment on September 8, 1980 as a juristic entity under Civil and Commercial Code with the registration number 1581/2523 and converted to a limited public company on May 12, 1993 with the registration No. 0107536000307. Its office is situated at 898, Ploenchit Tower Building, 5th floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok, Thailand.

The Company was registered with The Stock Exchange of Thailand on May 12, 1993.

The principal business of the Company is related to real estate development for sale in Bangkok and Rayong Province.

Details of subsidiary companies as at December 31, 2011 and 2010 are as follows :-

<u>Company</u>	<u>Type of holding</u>	<u>Register in</u>	<u>Type of Business</u>	<u>Percentage of Shareholding</u>	
				<u>2011</u>	<u>2010</u>
Eastern Star Resort Co., Ltd.	Direct	Thailand	Golf Course	81.30	81.30
Seastar Properties Co., Ltd.	Direct	Thailand	Real Estate Rental and Development	99.13	99.13
Eastern Star-Lai San New World Co., Ltd.	Direct	Thailand	Real Estate Development	60.00	60.00

Furthermore, the Company have Sunrise Group which is major shareholder group holding 69.10% of all ordinary shares. Sunrise Group are companies registered and located in Thailand; consisted of Bangkok Broadcasting & Television Co., Ltd. hold 49.50%, BBTV Equity Co., Ltd. hold 11.58%, Sunrise Equity Co., Ltd. hold 7.89% and GL Assets Co., Ltd. hold 0.13%.

2. Basis of Financial Statements Preparation

- 2.1 The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.
- 2.2 The consolidated and the separate financial statements were prepared in accordance with the generally accepted accounting principle under the Accounting Act B.E. 2543, which include the already announced accounting standards, financial reporting standards and their interpretation including accounting guidance issued by the Federation of Accounting Professionals established under the Accounting Professions Act B.E. 2547 and regulations in accordance with the determination of the Office of the Securities and Exchange Commission on the subject of preparation and presentation of the financial reports.

The presentation in the financial statements are presented in accordance with the determination stated in the Notification of the Department of Business Development dated September 28, 2011, issued under the Accounting Act, B.E. 2543.

These financial statements were prepared by using historical cost basis except those disclosed otherwise in the accounting policies.

- 2.3 During the year 2011, the Group Companies adopted a number of new and revised Thai financial reports standards (TFRS), issued by the Federation of Accounting Professions, as listed below.

Reference Standard No.	Name
TAS No. 1 (Revised 2009)	Presentation of Financial Statements
TAS No. 2 (Revised 2009)	Inventories
TAS No. 7 (Revised 2009)	Statement of Cash Flows
TAS No. 8 (Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS No. 10 (Revised 2009)	Events after the Reporting Period
TAS No. 11 (Revised 2009)	Construction Contracts
TAS No. 16 (Revised 2009)	Property, Plant and Equipment
TAS No. 17 (Revised 2009)	Leases
TAS No. 18 (Revised 2009)	Revenue
TAS No. 19	Employee Benefits
TAS No. 23 (Revised 2009)	Borrowing Costs
TAS No. 24 (Revised 2009)	Related Party Disclosures
TAS No. 26	Accounting and Reporting by Retirement Benefit Plans
TAS No. 27 (Revised 2009)	Consolidated and Separate Financial Statements
TAS No. 28 (Revised 2009)	Investments in Associates
TAS No. 29	Financial Reporting in Hyperinflationary Economics
TAS No. 31 (Revised 2009)	Interests in Joint Ventures
TAS No. 33 (Revised 2009)	Earnings per Share
TAS No. 34 (Revised 2009)	Interim Financial Reporting
TAS No. 36 (Revised 2009)	Impairment of Assets
TAS No. 37 (Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS No. 38 (Revised 2009)	Intangible Assets
TAS No. 40 (Revised 2009)	Investment Property
TFRS No. 2	Share-based Payments
TFRS No. 3 (Revised 2009)	Business Combinations
TFRS No. 5 (Revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS No. 6	Exploration for and Evaluation of Mineral Resources
TFRIC No. 15	Agreements for the Construction of Real Estate
TIC No. 31	Revenue-Barter Transactions Involving Advertising Services

The adoption of these new and revised TFRS has resulted in changes in the Group Companies accounting policies. The effects of these changes are disclosed in the notes to financial statements No. 2.4.

In addition to the above new and revised TFRS, the FAP has issued a number of other TFRS during 2010 and 2011, which are expected to be effective for financial statements beginning on or after January 1, 2013 and have not been adopted in the preparation of these financial statements, as listed below: -

<u>Reference Standard No.</u>	<u>Name</u>
TAS No. 12	Income Taxes
TAS No. 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS No. 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rate
TIC No.10	Government Assistance - No Specific Relation to Operating Activities
TIC No. 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TIC No. 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Currently, the management is considering the effects which may incur to the consolidated or the separate financial statements from the application of the said newly issued and revised TAS and TFRS for the year the said standards become effective.

2.4. Significant changes in accounting policies

2.4.1 Accounting for agreements for the construction of real estate

From January 1, 2011, the Group Companies has applied Thai Interpretation for Financial Reporting Standard (TFRIC) No. 15 Agreements for the construction of real estate.

TFRIC No. 15 gives criteria for determining whether an agreement for the construction of real estate falls within the scope of TAS No. 11 Construction contracts or TAS No. 18 Revenue. The impact of this distinction is that revenue from construction contracts falling under TAS No. 11 may, in certain circumstances, be recognised on a percentage of completion basis whereas under TAS No. 18 revenue would normally be recognised only on completion of the contract, when substantial risks and rewards of ownership have been transferred to the buyer.

The Group Companies previously recognised revenue from the sale of unit in the condominium project on a percentage of completion basis. Under TFRIC No. 15, agreements for the sale of unit in the condominium project are regarded as being agreements for the sale of goods, rather than construction contracts, and thereby fall under TAS No. 18. Accordingly, from January 1, 2011, the Group Companies has changed its accounting policy for recognising revenue from the sale of unit in the condominium project from the percentage of completion method to the transfer of ownership method. The effects of this change are recognised retrospectively in the consolidated and the separate financial statements as at December 31, 2010 and for the year then ended. The effects of the adjustment are disclosed in the notes to financial statements No. 2.4.4.

2.4.2 Employee benefits

For the first-time adoption of adopt TAS No. 19 on Employee Benefits, the Group Companies selected to recognize the provision in long-term employee benefit obligations

by written down the retained earnings as at January 1, 2011 at Baht 4.61 million in the consolidated financial statements and at Baht 3.78 million in the separate financial statements in accordance with the transitional provisions practice. The effects of the adjustment are disclosed in the notes to the financial statements No. 2.4.4.

2.4.3 Investment properties

For the first-time adoption of TAS 40 (revised 2009) on Investment Property, the Group Companies selected to adopt the cost method for the recording of investment property under the said accounting standard. The change in the accounting policy is retrospectively applied; therefore, the financial statements for the year ended December 31, 2010, which included in the Group Companies' financial statements, have been reclassified as mentioned in the notes to financial statements No. 2.4.4 under the separate caption "Investment Properties". Except the said reclassification, the change in the accounting policy has no effect to the financial statements for the year 2010.

2.4.4 The effect of the changes in the accounting policies as mentioned in the notes to financial statements Nos. 2.4.1 to 2.4.3 for the consolidated and the separate financial statements could be summarized as follow: -

1) Statements of financial position as at December 31, 2010

(Unit : Thousand Baht)

	Consolidated Financial Statements			Separate Financial Statements		
	Before Adjustment	Adjustment Increase (Decrease)	After Adjustment	Before Adjustment	Adjustment Increase (Decrease)	After Adjustment
Effect from the changes as mentioned in No. 2.4.1						
Retained earnings unappropriated as at January 1, 2010	(375,727)	(888)	(376,615)	(168,957)	(888)	(169,845)
Unbilled completed work	9,257	(9,257)	-	9,257	(9,257)	-
Real estate development cost	1,020,625	24,803	1,045,428	1,022,954	24,803	1,047,757
Advances received from customers	82,963	37,948	120,911	82,963	37,948	120,911
Installments not yet recognized as income	18,163	(18,163)	-	18,163	(18,163)	-
Retained earnings unappropriated as at December 31, 2010	(329,112)	(4,239)	(333,351)	(106,616)	(4,239)	(110,855)
The effect of the adoption of new accounting standard as mentioned in No. 2.4.2						
Retained earnings unappropriated as at January 1, 2011	(333,351)	(4,614)	(337,965)	(110,855)	(3,776)	(114,631)
Effect from the changes as mentioned in No. 2.4.3						
Investment properties - net	-	444,587	444,587	-	46,987	46,987
Property, plant and equipment -net	784,680	(397,600)	387,080	88,536	-	88,536
Land and plaza center for rent	3,569	(3,569)	-	3,569	(3,569)	-
Land and improvement for development-net	1,471,040	(43,418)	1,427,622	1,302,049	(43,418)	1,258,631

2) Statements of comprehensive income for the year ended December 31, 2010

(Unit : Thousand Baht)

	Consolidated Financial Statements			Separate Financial Statements		
	Before Adjustment	Adjustment Increase (Decrease)	After Adjustment	Before Adjustment	Adjustment Increase (Decrease)	After Adjustment
Effect from the changes as mentioned in No. 2.4.1						
Revenues from sales	643,557	(8,578)	634,979	562,585	(8,578)	554,007
Cost of sales	452,140	(5,310)	446,830	393,185	(5,310)	387,875
Other income	16,689	(84)	16,605	29,360	(84)	29,276
Total comprehensive income for the year	45,295	(3,352)	41,943	62,341	(3,352)	58,989
EARNINGS PER SHARE (Baht)						
- BASIC / DILUTED	0.0102	(0.0007)	0.0095	0.0141	(0.0007)	0.0133

- 2.5 Certain transactions in the financial statements for the year ended December 31, 2010 have been reclassified to correspond with the presentation of the financial statements for the current year. These reclassifications are resulted of the Group Companies' adoption of the new and revised financial reporting standards and in compliance with Notification of the Department of Business Development on Specification of Condensed Items to be shown on Financial Statements (B.E. 2554), with no effect to the reported total comprehensive income for the year or shareholders' equity. The reclassifications comprised of the following: -

(Unit: Thousand Baht)

	Consolidated Financial Statements			Separate Financial Statements		
	Before Reclassifi- cation	Reclassifi- cation Increase (Decrease)	After Reclassifi- cation	Before Reclassifi- cation	Reclassifi- cation Increase (Decrease)	After Reclassifi- cation
Statement of Financial Position						
Trade and other receivables	-	7,800	7,800	-	8,687	8,687
Trade receivables	1,104	(1,104)	-	-	-	-
Advance for construction work	-	30,850	30,850	-	30,850	30,850
Other current assets	41,289	(37,546)	3,743	41,787	(39,537)	2,250
Trade and other payables	-	36,294	36,294	-	33,857	33,857
Trade payables	18,106	(18,106)	-	16,874	(16,874)	-
Other payables	18,514	(18,514)	-	17,046	(17,046)	-
Accrued expenses	13,640	(1,844)	11,796	8,493	126	8,619
Advance from customers	120,911	3,477	124,388	120,911	-	120,911
Other current liabilities	31,454	(5,991)	25,463	24,630	(63)	24,567
Other non current liabilities	4,199	4,684	8,883	-	-	-
Statements of Comprehensive Income						
Interest income	9,565	(9,565)	-	9,565	(9,565)	-
Other income	16,605	9,565	26,170	29,276	9,565	38,841

- 2.6 The preparation of financial statements in conformity with generally accepted accounting standards requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are resulted from experience and other factors that the management has reasonably assurance under such circumstance. Actual results may differ from these estimates.

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

Lease agreement

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

Allowance for the cost of goods exceeding net realisable value/Allowance for loss from dilapidated goods

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

Allowance for deteriorated, damaged, obsolete and out-of-date inventories are calculated by basing on the assessment made by the management together with consideration for the aging of the inventories.

Allowance for impairment of assets

Impairment of assets; the management of the Group Companies would assess at the statement of financial position date whether there is an indication that an asset may be impaired. If any such indication exists, the Group Companies make an estimate of the asset's recoverable amount. When the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the statements of comprehensive income.

Investment properties, property, plant and equipment and depreciation

In determining depreciation of investment properties, property, plant and equipment, the management is required to make estimates of the useful lives and residual values of the investment properties, property, plant and equipment and to review estimate useful lives and residual values when there are any changes.

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

Estimate on employee benefit obligations

The obligation under the post-employment benefit is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Other estimates are disclosed under related caption in these notes to financial statements.

3. Basis of the Consolidated Financial Statements Preparation

- 3.1 The consolidated financial statements consist of the financial statements of the Company and its subsidiaries (together called "Group Companies").
- 3.2 A subsidiary company is an enterprise under the control of the Group Companies. This control occurs when the Group Companies has a controlling power directly or indirectly in determining the financial policies and operation of that company in order to derive benefits from that subsidiary company. Also the financial statements of the subsidiary company will be combined into the consolidated financial statements of the Group Companies commencing from the date of control until the cessation date of such control.
- 3.3 The consolidated financial statements are prepared by using the same accounting policies for similar accounting items or events.
- 3.4 The accounting period of the subsidiary companies ends on the same date as that of EASTERN STAR REAL ESTATE PUBLIC COMPANY LIMITED.
- 3.5 The consolidated financial statements combine the accounts of the Company and its subsidiary companies after eliminating inter-company transaction items. The balances between the Company and subsidiary companies, significant intra-group transactions, investments in subsidiary companies and share capital of subsidiary companies have already been eliminated from the consolidated financial statements.

4. Accounting Policies

The Group Companies significant accounting policies can be summarized as follows: -

- 4.1 Cash and cash equivalent items include cash, bank deposits in the forms of savings and current accounts, and temporary investments with term not exceeding three months and not subject to withdrawal restrictions.
- 4.2 Investments in debt instruments, those current portion for the debt instrument and those are held until maturity, are shown at amortized cost. The Group Companies amortized premium/discount over value of debt instruments using the effective rate method and the amount written off/ amortized will be combine/shown as adjustment to the interest receivable.

4.3 Trade and other receivable are stated at their invoice valued less allowance for doubtful accounts (if any), which allowance for doubtful accounts is made by assessing each uncollectible account receivable, the said assessment is made from the past debt collection together with consideration of the debtors' financial positions.

4.4 Real estate development cost and inventories are stated at the lower of cost and net realizable value.

4.4.1 Real estate development costs, including real estate during development, are those real estates which are held with the intention of development and sale in the ordinary course of business, which is valued at specific cost method. The cost consisted of land cost, expenses directly related to the project (design expense, public utilities expense, construction cost) and borrowing cost on loans borrowed specifically for the development property are capitalized, on a specific identification basis, as part of the cost of the development property until the completion of development.

4.4.2 Other inventories are valued at first-in first-out cost method which cost being consisted of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present condition and location.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

The Group Companies records the allowance for the inventory for dilapidated, damaged and out-of-date goods which are made from the assessment of the management together with consideration for the aging of the inventories.

4.5 Borrowing costs for use in construction of the projects are capitalized as part of the cost of those projects and capitalization will ceased when the projects are ready for its intend use or ready for sale when the construction is completed or when the construction is suspended, until active development resumes. For the loan borrowed with the specific purpose to be used in project development, the borrowing costs consisted of the actual interest expense paid less the revenue earned from investing the said loan in short-term investment. For the loan borrowed for the general purpose, the borrowing cost is calculated by multiply the expense of the said project with the capitalization rate. The capitalization rates are calculated based on the weighted average of the borrowing cost during the year excluding the borrowing cost of the loan borrowed with the specific purpose.

4.6 Financial lease contract receivable is stated at the contractual amount less unearned interest income.

4.7 Investments

4.7.1 Investment in subsidiary companies in the separated financial statements are recorded by the cost method less accumulated allowance for impairment and recorded the recognition of the change of the investments value in the statement of comprehensive income when the investments has been disposed or impaired.

- 4.7.2 Investment in other company is general investment, which recorded by the cost method less accumulated allowance for impairment.
- 4.7.3 Investment in marketable debt and equity instruments which are recorded as securities for sale are those held for an unspecified period which might be sold in need of liquidity and shown in total under of non-current assets except the management has intention to hold them less than 12 months from the date of the statement of financial position or the management want to sell them to increase the working capital. In the latter case, they will be classified as current asset. Normally, the management will fix the appropriate classification at the time of investing and will review the classification regularly. These investments are valued at fair values which are calculated from the latest quote of purchase price as of the accounting year end date and recognised the change in value as a separate item in the shareholders' equity when these investments are sold or impaired in value, the recognition will be made through the statements of comprehensive income.
- 4.8 Investment Properties defined as land or a building or component of a building, or land and building, held to earn rental or for capital appreciation, or both, rather than for use in the production or supply of goods and services, for administrative purposes, or for making sales in the ordinary course of business.

The Group Companies recorded the initial value of the investment properties at cost. Afterward, the Group Companies would record the investment properties at cost less accumulated depreciation and allowance for impairment (if any).

The depreciation of the investment properties is calculated from cost on the straight-line basis over the estimated useful life of 40-50 years. The depreciation of the investment properties is included in the calculation for the operating result.

No depreciation is calculated for the land in investment properties.

The Group Companies recognizes the difference between the assets' net realizable value and book value in the profit or loss for the period the investment properties are derecognized from the account.

- 4.9 Land initially recorded at cost net from allowance for impairment. Building and equipment shown at cost net from accumulated depreciation and accumulated allowance for impairment. Depreciation is calculated by the straight-line method over the following estimated useful life :

- Buildings and construction 40-50 years
- Club house 5 years
- Machinery and equipment 5 years
- Furniture 5 years
- Office equipment and tools 5 years
- Vehicles 5 years

The Group Companies made no depreciation on land and assets under construction.

- 4.10 Impairment of assets, the Group Companies assesses at each date of the statement of financial position whether there is an indication that an asset may be impaired. If any such indication exists, the Group Companies make an estimate of the asset's recoverable amount. When the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the statement of comprehensive income.

The recoverable amount of assets is the greater of fair value less costs to sell the asset and value in use.

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.

- 4.11 Land and improvement-development are consisted of land and improvement including design expense of the future project which initially recorded at cost; consists of cost of land acquisition, cost of improvement and expenses directly related to the future project and shown at cost net from allowance for impairment (if any).
- 4.12 Intangible assets and amortized expense, intangible asset is shown at cost less by accumulated amortization and allowance for impairment (if any) of that asset. The amortization of intangible asset with certain useful life is amortized by systematically throughout the useful life of such asset which is 5 years. The Group Companies will review the period and method for amortization of intangible assets with certainty in useful life at least every end of the year. Amortized expense is recognized in statement of comprehensive income.
- 4.13 Trade and other payable are shown at cost.
- 4.14 Interest bearing liabilities are shown at cost and state the expense related to the incurrence of debt as the expense for the year.
- 4.15 Employee benefits:

Short-term employee benefits

The Group Companies recognizes salaries, wages, bonuses, and contribution towards Social Security Fund and provident fund as expenses when occurred.

Post-employment benefits (Defined contribution plans)

The Group Companies and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group Companies. The fund's assets are held in a separate trust fund and the Group Companies' contributions are recognised as expenses when incurred.

Post-employment benefits (Defined benefit plans)

The Group Companies have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group Companies treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rates.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in profit or loss

For the first time adoption of TAS No. 19 on Employee Benefit, the Group Companies selected to recognize the obligation during the transition period that exceed the recognized obligation on the same date as per the existing accounting policies by adjustment to the retained earnings at the beginning of the year currently.

- 4.16 Estimation of liabilities: the Group Companies will record liability estimates whenever there is certainty that liability or obligation will occur at present legally or by estimation from the result connected with the past event. Such obligation is expected to cause damage to loss of useful or economic resources in order to make payment toward obligation and the amount to be paid is respectfully estimated. If payment made toward liability estimated is recovered fully or partly with certainty, the Group Companies will recorded the recovered payment as asset separately but the amount so recorded must not be more than the amount of related liability estimate and the related expense with the liability estimate will be shown in the statement of comprehensive income in the net amount after recovered expense already recognized.
- 4.17 Capital Surplus from change in shareholding ratio in subsidiary company is the variance between the money paid to purchase the increase in the shareholding ratio in the subsidiary company and the book value of the subsidiary company, incurred from the increase in the shareholding ratio of the subsidiary company. The said additional paid-in capital is shown under the shareholders' equity caption in the statement of financial position and will be written off when the investment is disposed.
- 4.18 Non-controlling interests of subsidiary companies represent the portion of book value of the net assets of the subsidiary companies under the shareholding ration that are not held by the Company and are presented separately under the shareholders' equity in the consolidated statements of financial position and net profit (loss) of the non-controlling interest are presented separately in the consolidated statements of comprehensive income.
- 4.19 Recognized revenue excludes value added taxes or other sale taxes and is arrived at after deduction of trade discounts are as follows :-

- 4.19.1 Revenues from sales of land for develop, revenue from sales of houses together with land and revenues from sales of condominium units are recognized the Group Companies have already transfer the ownership title and significant rewards of ownership to the purchaser or when the ownership already transferred to the purchaser.
- 4.19.2 Revenue from life-time golf membership is gradually recognized over the period of 10 years.
- 4.19.3 Revenue from sale is recognised in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. Service income is recognised as services are provided. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.
- 4.19.4 Revenue from finance lease agreement is recognized by effective interest rate method over the terms of financial lease contract. The Company ceases to recognize income from finance lease contract of the accounts receivable that are over due for more than 4 consecutive periods except where there is an indication of inability to repay, which the income recognition is ceased immediately.
- 4.19.5 Rental income from investment property is recognized the statement of comprehensive income on a straight-line basis over the term of the lease.
- 4.19.6 Interest income and other income are recognized in the statement of comprehensive income by accrual basis. Dividend income is recognized in the statement of comprehensive income on the date that has right to receive payments is established.
- 4.20 Cost of Sales and Expenses Recognition
 - 4.20.1 Cost of sales of house together with land and condominium units is computed by appropriation of the entire development cost anticipated to incur (based on actual costs) to house together with land and condominium units in accordance with basis of saleable area and consequently recorded in the statement of comprehensive income in proportion to the revenue recognition.
 - 4.20.2 Payments made under operating leases are recognized in the statement of comprehensive income on a straight line basis over the term of the lease. Benefits received under the lease agreement is recognise in the statement of comprehensive income as a part of the total rental fee under the lease agreement. Contingent rentals are charged to the statement of comprehensive income for the accounting period in which they are incurred.
 - 4.20.3 Other expenses are recognized in the statement of comprehensive income by accrual basis.
- 4.21 Financial cost consists of interest expense or other expenses in similar nature charged to the statement of comprehensive income in the year such expenses are incurred except in case that they are partly recorded as cost of assets due to the effect of long period of time used to acquire, construct or produce such assets prior to direct utilization or for sale. Interest which is part of installment amount under finance lease contract is charged to the statement of comprehensive income by effective rate method.

- 4.22 The related parties transaction: The related parties and related companies with the Group Companies meant individuals or enterprises which have the controlling power over the Group Companies or are controlled by the Group Companies either directly or indirectly, or under the same control with the Group Companies, including the holdings companies of the subsidiaries and the companies under the same Group Companies. Furthermore, the related parties or related companies also meant the associated companies and the parties whose holding the shares with voting rights, either directly or indirectly, and have significant influence to the Group Companies, important managers, directors or the employees of the Group Companies who have the power to plan and control the operations of the Group Companies including the family members close to the said persons which could persuade or power to persuade to act in compliance with the said persons and business that the said persons have control power or significant influence, either directly or indirectly.
- 4.23 Income tax will be recognized as expense item whenever the Group Companies are liable to pay tax and calculate the tax from the taxable profit for the year under the Revenue Code.
- 4.24 Basic earnings or loss per share is calculated by dividing profit or loss for the year by the weighted averaged number of already issued and fully paid shares during the accounting year, and diluted earnings per share is calculated by dividing annual profit for the year after adjustment with the effect of item related to diluted ordinary shares by the weighted average number of already issued and fully paid shares during the year plus number of ordinary shares which may be issued in order to convert all diluted ordinary shares to ordinary shares.
- 4.25 The sectoral business operation is disclosed under the separate business sectors of the Group Companies. The business sector is the business sector that source products or provide services which have different risks and return from the risks and return of the products or services provide by other business sectors.
- 4.26 Financial instruments consist of financial assets and liabilities shows on the statement of financial position are comprised of cash equivalent items, trade receivable and payable, other receivable and payable and investment. The significant accounting policies and the value measurement basis for the said financial assets and liabilities for each item are respectively disclosed in the accounting policy of each related caption.

5. Inter-Related Transactions with Related Parties and Person

The Company and its subsidiaries incurred accounting transactions with related parties which have the same group of shareholders or common directors. The significantly inter-remaining balances and related transactions between the Company, its subsidiaries and related parties are as follows:-

5.1 Inter-Assets and Liabilities

(Unit : Baht)

<u>Description/Company's Name</u>	<u>Consolidated</u> <u>Financial Statements</u>		<u>Separate</u> <u>Financial Statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
- Other Accounts Receivable				
Eastern Star Resort Co., Ltd.	-	-	875,594.31	1,323,808.34
Seastar Properties Co., Ltd.	-	-	219,502.28	215,765.06
Eastern Star-Lai San New World Co., Ltd.	-	-	920,372.61	854,806.35
Total	-	-	2,015,469.20	2,394,379.75
- Prepaid for Central Area Expenses				
The Star Estate @ Narathiwat Juristic Person	1,275,531.60	-	1,275,531.60	-
- Administration Fund				
The Star Estate @ Narathiwat Juristic Person	1,518,490.00	2,074,890.00	1,518,490.00	2,074,890.00
- Other Payables				
Seastar Properties Co., Ltd.	-	-	-	72,222.68
Eastern Star-Lai San New World Co., Ltd.	-	-	324,643.79	324,643.79
Total	-	-	324,643.79	396,866.47
- Accrued Interest Payable				
Eastern Star-Lai San New World Co., Ltd.	-	-	63,100.23	63,100.23

5.2 Inter-Revenues and Expenses

(Unit : Baht)

<u>Description/Company's Name</u>	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>For the year ended December 31,</u>		<u>For the year ended December 31,</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
- Income of Central Service Management				
Seastar Properties Co., Ltd.	-	-	1,682,242.92	1,682,242.80
Eastern Star Resort Co., Ltd.	-	-	906,056.04	906,056.04
Total	-	-	2,588,298.96	2,588,298.84
- Other Income				
Seastar Properties Co., Ltd.	-	-	1,013,626.80	1,058,840.71
Eastern Star Resort Co., Ltd.	-	-	4,540,457.29	5,240,762.42
Total	-	-	5,554,084.09	6,299,603.13
- Other Expenses				
Eastern Star Resort Co., Ltd.	-	-	567,597.19	426,527.03
- Office Rent and Service Expenses				
Related Person of Bangkok				
Broadcasting & Television Co., Ltd.	4,559,106.67	4,276,951.92	4,559,106.67	4,276,951.92
- Central Area Expenses				
The Star Estate @ Narathiwat Juristic Person	1,275,531.60	2,109,778.42	1,275,531.60	2,109,778.42
- Executives and Important Management's Remuneration				
Short-term employee benefits	33,721,431.00	30,875,096.00	27,959,653.00	24,668,860.00
Post-employment benefits	645,253.74	-	624,897.05	-

Inter-transactions between the Company with its related parties have the policies of pricing as follows :-

- Central service management, office rental and service charges are based on mutually agreed upon basis.
- Central area expenses are based on the arm's length basis, which is at the same basis that the juristic persons charge to outside parties.

5.3 Nature of Relationship

<u>Company's Name</u>	<u>Relationship</u>	<u>Connection</u>
Eastern Star Resort Co., Ltd.	Subsidiary Company	Direct Shareholding and Mutual Directors
Seastar Properties Co., Ltd.	Subsidiary Company	Direct Shareholding and Mutual Directors
Eastern Star-Lai San New World Co., Ltd.	Subsidiary Company	Direct Shareholding and Mutual Directors
Related Person of Bangkok Broadcasting & Television Co., Ltd.	Related Person	Direct and Indirect Shareholding
The Star Estate @ Narathiwat Juristic Person	Related Juristic Person	Mutual Directors

6. Temporary Investments

Consisted of :-

(Unit : Baht)

<u>Consolidated Financial Statements</u>				
<u>As at December 31,</u>				
	<u>2011</u>		<u>2010</u>	
	<u>Amount</u>	<u>Interest Rate</u>	<u>Amount</u>	<u>Interest Rate</u>
		<u>% Per Annum</u>		<u>% Per Annum</u>
Fixed deposit 5-12 months	103,438,062.85	2.00-2.75	1,861,729.91	0.75-1.00
Government bond 6 months	-	-	178,628,680.80	1.64-1.78
Promissory note	17,935,237.47	3.80-4.25	-	-
Total	121,373,300.32		180,490,410.71	
Available-for-sale securities debt instrument				
- General fixed income fund	-		110,000,000.00	
Add Difference on change in fair value of available-for-sale securities	-		720,850.32	
Available-for-Sale Securities Debt Instrument-Net	-		110,720,850.32	
Total	121,373,300.32		291,211,261.03	

(Unit : Baht)

<u>Separate Financial Statements</u>				
<u>As at December 31,</u>				
	<u>2011</u>		<u>2010</u>	
	<u>Amount</u>	<u>Interest Rate</u> <u>% Per Annum</u>	<u>Amount</u>	<u>Interest Rate</u> <u>% Per Annum</u>
Fixed Deposit 5-12 months	103,438,062.85	2.00-2.75	1,861,729.91	0.75-1.00
Government bond with 6 months	-	-	178,628,680.80	1.64-1.78
Total	103,438,062.85		180,490,410.71	
Available-for-sale securities debt instrument				
- Debt instrument fund	-		110,000,000.00	
Add Difference on change in fair value of available-for-sale securities	-		720,850.32	
Available-for-sale securities debt instrument-net	-		110,720,850.32	
Total	103,438,062.85		291,211,261.03	

7. Trade and Other Receivables

Consisted of:-

(Unit : Baht)

	<u>Consolidated</u> <u>Financial Statements</u>		<u>Separate</u> <u>Financial Statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Trade receivable				
- Trade receivable	10,153,968.34	1,104,482.16	8,958,500.00	-
Total trade receivable	10,153,968.34	1,104,482.16	8,958,500.00	-
Other receivable				
- Other receivable-related parties	-	-	2,015,469.20	2,394,379.75
- Prepaid expenses-related parties	1,275,531.60	-	1,275,531.60	-
- Prepaid expenses- other parties	4,942,933.57	2,289,168.89	4,710,640.20	2,011,260.91
- Accrued income	10,339,875.25	10,914,130.34	10,249,662.21	10,914,130.34
- Advanced payment to employee	331,056.50	375,390.55	229,557.36	297,070.77
- Interest income from financial institutions	1,180,454.53	1,630,808.50	1,031,988.94	1,584,215.23
Total	18,069,851.45	15,209,498.28	19,512,849.51	17,201,057.00
Less Allowance for doubtful accounts-accrued income	(8,513,566.37)	(8,513,566.37)	(8,513,566.37)	(8,513,566.37)
Total other receivable	9,556,285.08	6,695,931.91	10,999,283.14	8,687,490.63
Total trade and other receivable	19,710,253.42	7,800,414.07	19,957,783.14	8,687,490.63

Aging analyses for trade receivable were as follow: -

(Unit : Baht)

	<u>Consolidated</u> <u>Financial Statements</u>		<u>Separate</u> <u>Financial Statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Trade receivable				
Within credit term	9,352,570.00	758,140.61	8,958,500.00	-
Over credit term less than 3 months	797,118.34	177,154.30	-	-
Overdue 3 months but not over 6 months	4,280.00	169,187.25	-	-
Total	10,153,968.34	1,104,482.16	8,958,500.00	-

8. Real Estate Development Cost and Inventories-Net

Consisted of:-

(Unit : Baht)

	<u>Consolidated</u> <u>Financial Statements</u>		<u>Separate</u> <u>Financial Statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Real Estate Development Cost				
- Real Estate during Development	1,089,538,206.33	654,440,572.84	1,095,208,714.02	661,691,840.41
- Real Estate Ready-for-Sale	263,402,337.52	398,282,347.72	258,921,154.75	393,801,164.95
Less Allowance for Diminution in the Value of Inventories	(22,661,971.77)	(7,735,969.34)	(22,661,971.77)	(7,735,969.34)
Net	1,330,278,572.08	1,044,986,951.22	1,331,467,897.00	1,047,757,036.02
Other Inventories	453,814.68	441,273.65	-	-
Total	1,330,732,386.76	1,045,428,224.87	1,331,467,897.00	1,047,757,036.02

For the years ended December 31, 2011 and 2010, the detail of the real estate development cost which was recognized as expenses and included in "Cost of Sales" are as follow:-

(Unit : Baht)

	<u>Consolidated</u> <u>Financial Statements</u>		<u>Separate</u> <u>Financial Statements</u>	
	<u>Ended December 31,</u>		<u>Ended December 31,</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Real estate development cost which was recognized as expenses and included in "Cost of Sales"				
- Cost of sale	338,300,524.71	485,934,825.30	290,609,704.74	426,980,706.96
- Written down to net realizable value (Reversal)	14,847,928.97	(39,105,601.03)	14,847,928.97	(39,105,601.03)
Net	353,148,453.68	446,829,224.27	305,457,633.71	387,875,105.93

As at December 31, 2011, the part of the land together with construction as the real estate development cost of the Company at Baht 530.33 million have been pledged as collateral against the credit facility with a commercial bank as mentioned in the note to financial statement No.29.4.

As at December 31, 2011 and 2010, the part of real estate ready-for-sale in the consolidated financial statements at Baht 5.72 million and in the separate financial statements at Baht 3.37 million for both years are land ready-for-sale which the ownership is jointly hold by the Company and a subsidiary company. The Company and the subsidiary company recorded the cost of land allocated by their ownership ratio at 50% each.

9. Other Current Assets-Net

Consisted of:-

	(Unit : Baht)			
	<u>Consolidated</u>		<u>Separate</u>	
	<u>Financial Statements</u>		<u>Financial Statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Administration fund-related parties	1,518,490.00	2,074,890.00	1,518,490.00	2,074,890.00
Supplies	1,121,888.81	1,289,073.64	-	-
Revenue department receivable	6,730,610.12	-	6,624,381.54	-
Others	209,807.95	379,138.36	106,228.58	175,082.30
Total	9,580,796.88	3,743,102.00	8,249,100.12	2,249,972.30

10. Finance Lease Contract Receivable-Net/Advance Received from Land Lease

On August 23, 2007, the Company entered into a contract to lease a land and plaza center building to a company. The lease tenor is for 25 years 5 months commencing from August 23, 2007 and the total contractual value of the lease is Baht 97.26 million, which the Company received the contractual lease fee on the lease registration date at Baht 24.00 million and for the remaining amount the Company received the 1st monthly lease fee out of the total leasing period of 17 months at Baht 2.40 million. After which, the lease fee is payable annually. The lease fee for the 2nd -5th year is Baht 2.40 million per year and afterwards the lease fee will be increased by 10% every 5 years. The Company recognizes the land and building leasing fee by apportioning all leasing fee under the lease contract to the fair value of the land and the plaza center building as follows:-

- 10.1 From the total building lease fee of Baht 64.19 million, the advance of Baht 15.84 million was received on the lease registration date and the remaining amount will be receivable at 66% of annual lease fee as mentioned in above contract. The Company will gradually recognize as income from the building lease fee under financial lease contract. As at December 31, 2011 and 2010, the remaining account receivable under the finance lease agreement is as follows:-

(Unit : Baht)

	<u>Consolidated Financial Statements / Separate Financial Statements</u>		
	<u>As at December 31, 2011</u>		
	<u>Original investment in lease agreement</u>	<u>Unearned financial income</u>	<u>Present value of the minimum payment the debtor has to pay under lease agreement</u>
Within 1 year	1,584,000.00	(121,736.57)	1,462,263.43
Over 1 year but not over 5 years	6,969,600.00	(440,089.68)	6,529,510.32
Over 5 years	33,462,792.00	(875,707.52)	32,587,084.48
Total	42,016,392.00	(1,437,533.77)	40,578,858.23

(Unit : Baht)

	<u>Consolidated Financial Statements / Separate Financial Statements</u>		
	<u>As at December 31, 2010</u>		
	<u>Original investment in lease agreement</u>	<u>Unearned financial income</u>	<u>Present value of the minimum payment the debtor has to pay under lease agreement</u>
Within 1 year	1,584,000.00	(126,110.24)	1,457,889.76
Over 1 year but not over 5 years	6,811,200.00	(459,145.84)	6,352,054.16
Over 5 years	35,205,192.00	(978,387.93)	34,226,804.07
Total	43,600,392.00	(1,563,644.01)	42,036,747.99

- 10.2 From total land lease fee of Baht 33.07 million, the advance of Baht 8.16 million was received on the lease registration date and the remaining amount will be receivable at 34% of annual lease fee as mentioned in above contract. The Company will gradually recognize as income from the land lease fee under the operating lease contract throughout the lease tenor. The outstanding balance as at December 31, 2011 and 2010 are as follow:-

(Unit : Baht)

	<u>Consolidated Financial Statements/ Separate Financial Statements</u>	
	<u>As at December 31,</u>	
	<u>2011</u>	<u>2010</u>
Total minimum amount which the debtor has to pay under the outstanding operating lease		
Within 1 year	816,000.00	816,000.00
Over 1 year but not over 5 years	3,590,400.00	3,508,800.00
Over 5 years	17,238,408.00	18,136,008.00
Total	21,644,808.00	22,460,808.00
Plus Advance received for land lease (net from recognized income)	6,785,990.16	7,130,275.08
Land lease income to be recognized in future	28,430,798.16	29,591,083.08

11. Investments in Subsidiary Companies-Net

Consisted of:-

(Unit : Baht)

Company's Name	Separate Financial Statements							
	As at December 31,							
	Paid-up	%	2011				2010	
	Capital (Unit : Thousand Baht)	shareholding	Cost Method	Allowance for impairment	Net	Cost Method	Allowance for impairment	Net
Eastern Star Resort Co., Ltd.	500,000	81.30	409,374,400.00	(11,320,863.67)	398,053,536.33	409,374,400.00	(23,423,512.86)	385,950,887.14
Seastar Properties Co., Ltd.	1,150,000	99.13	934,680,000.00	(509,248,312.94)	425,431,687.06	934,680,000.00	(509,214,017.12)	425,465,982.88
Eastern Star-Lai San New World Co., Ltd.	160,000	60.00	96,000,000.00	-	96,000,000.00	96,000,000.00	-	96,000,000.00
Total			1,440,054,400.00	(520,569,176.61)	919,485,223.39	1,440,054,400.00	(532,637,529.98)	907,416,870.02

As at December 31, 2011 and 2010, the Company has reviewed the recoverable amount of the investment to be suitable with the present business value of the subsidiary companies, which considered from the results of operation and recoverable amount of the subsidiary companies' assets, by basing on the information of the appraisal report issued by an independent appraiser whom have been approved by the Office of Securities and Exchange Commission. Therefore, the Company has to reverse the loss from impairment of assets and recognized such reversed loss in the statement of comprehensive income at Baht 12.07 million and Baht 19.06 million respectively.

In the year 2011 and 2010, the subsidiary companies paid no dividends.

12. Investment Properties-Net

(Unit : Baht)

	Consolidated Financial Statements			Separate Financial Statements
	Buildings and			
	Land	Improvement	Total	Land
Cost :				
As at January 1, 2010	247,259,411.89	618,856,780.29	866,116,192.18	46,986,951.89
Purchase	-	1,412,322.47	1,412,322.47	-
As at December 31, 2010	247,259,411.89	620,269,102.76	867,528,514.65	46,986,951.89
Purchase	-	2,695,570.08	2,695,570.08	-
Sale/ Write off	-	(3,259,332.55)	(3,259,332.55)	-
As at December 31, 2011	247,259,411.89	619,705,340.29	866,964,752.18	46,986,951.89
Accumulated Depreciation:				
As at January 1, 2010	-	(318,323,576.94)	(318,323,576.94)	-
Depreciation for the Year	-	(5,897,620.92)	(5,897,620.92)	-
As at December 31, 2010	-	(324,221,197.86)	(324,221,197.86)	-
Depreciation for the Year	-	(5,953,140.44)	(5,953,140.44)	-
Sale/ Write off	-	1,756,867.93	1,756,867.93	-

(Unit : Baht)

	Consolidated Financial Statements			Separate Financial Statements
	Buildings and			
	Land	Improvement	Total	Land
As at December 31, 2011	-	(328,417,470.37)	(328,417,470.37)	-
Allowance for Impairment of Assets				
As at January 1, 2010	(70,972,460.00)	(35,633,203.35)	(106,605,663.35)	-
Reversal of Loss from Asset Impairment	3,200,000.00	4,685,298.45	7,885,298.45	-
As at December 31, 2010	(67,772,460.00)	(30,947,904.90)	(98,720,364.90)	-
As at December 31, 2011	(67,772,460.00)	(30,947,904.90)	(98,720,364.90)	-
Book Value-Net :				
As at December 31, 2010	179,486,951.89	265,100,000.00	444,586,951.89	46,986,951.89
As at December 31, 2011	179,486,951.89	260,339,965.02	439,826,916.91	46,986,951.89

As at December 31, 2010, a subsidiary company has reviewed the recoverable amount of land and buildings which were estimated from the recoverable amount from sale price based on an appraisal report of an independent professional appraiser, who has been approved by the Securities and Exchange Commission, therefore; resulted in the subsidiary company had to reversed the loss from impairment of asset at Baht 7.89 million and recognized in the statements of comprehensive income.

Investment properties as at December 31, 2011 have been appraised by applying the market price method using the appraised price of an independent appraiser, whom has been approved by the Office of Securities and Exchange Commission and shown in the consolidated financial statements at the amount of Baht 524.16 million and in the Separate Financial Statements at the amount of Baht 126.56 million.

The Group Companies have the operating contracts regarding the leasing out of land, houses and apartments with the following periods of tenors: -

	Period of Tenor
Land	25 years 5 months
Houses and apartments	1 month to 2 years

As at December 31, 2011, the assets for lease under the said operating lease would generate the future minimum rental income as follows: -

(Unit: Million Baht)

	Consolidated Financial Statements	Separate Financial Statements
Within 1 year	12.51	2.64

13.1 Consolidated Financial Statements

13.1 Consolidated Financial Statements

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13.2 Separate Financial Statements

	(Unit : Baht)								
	Land and Improvement	Buildings and Construction	Club House	Machinery and Equipment	Furniture	Office Equipment and Tools	Vehicles	Assets under Construction	Total
Cost:									
As at January 1, 2010	4,386,450.65	26,113,425.26	1,664,055.39	1,708,839.56	3,926,878.15	11,188,714.64	14,404,977.13	12,111,478.79	75,504,819.57
Purchase	-	8,904,584.87	-	258,694.16	522,015.40	1,645,634.20	2,497,231.85	53,594,007.00	67,422,167.48
Sale/ Write off	-	(330,480.06)	-	(387,483.85)	(1,656,608.27)	(128,001.30)	(987,949.00)	-	(3,490,522.48)
Transfer in/out	-	41,777,957.95	-	135,765.30	11,272,197.66	(447,135.30)	-	(52,573,902.50)	164,883.11
As at December 31, 2010	4,386,450.65	76,465,488.02	1,664,055.39	1,715,815.17	14,064,482.94	12,259,212.24	15,914,259.98	13,131,583.29	139,601,347.68
Purchase	-	3,765,023.27	-	265,625.82	1,082,458.92	933,694.27	439,335.00	37,707,840.12	44,193,977.40
Sale/ Write off	-	(167,777.50)	-	(73,600.00)	(504,684.30)	(436,573.36)	-	-	(1,182,635.16)
Transfer in/out	-	43,090,572.72	-	-	4,709,801.41	42,243.00	215,700.27	(46,747,452.68)	1,310,864.72
As at December 31, 2011	4,386,450.65	123,153,306.51	1,664,055.39	1,907,840.99	19,352,058.97	12,798,576.15	16,569,295.25	4,091,970.73	183,923,554.64
Accumulated Depreciation :									
As at January 1, 2010	(803,356.71)	(11,820,193.32)	(1,664,054.39)	(1,292,963.67)	(3,281,698.59)	(9,133,872.20)	(10,179,329.60)	-	(38,175,468.48)
Depreciation for the Year	-	(11,325,421.40)	-	(252,876.97)	(2,079,320.55)	(912,582.20)	(1,530,555.38)	-	(16,100,756.50)
Sale/ Write off	-	34,100.82	-	376,703.47	1,409,895.14	79,435.82	986,212.63	-	2,886,347.88
Transfer in/out	-	-	-	(78,188.07)	-	403,466.07	-	-	325,278.00
As at December 31, 2010	(803,356.71)	(23,111,513.90)	(1,664,054.39)	(1,247,325.24)	(3,951,124.00)	(9,563,552.51)	(10,723,672.35)	-	(51,064,599.10)
Depreciation for the Year	-	(14,940,388.63)	-	(211,316.87)	(3,150,254.88)	(973,554.59)	(1,574,469.17)	-	(20,849,984.14)
Sale/ Write off	-	163,834.10	-	61,814.20	471,706.42	428,113.34	-	-	1,125,468.06
Transfer in/out	-	-	-	-	-	-	-	-	-
As at December 31, 2011	(803,356.71)	(37,888,068.43)	(1,664,054.39)	(1,396,827.91)	(6,629,672.46)	(10,108,993.76)	(12,298,141.52)	-	(70,789,115.18)
Book Value-Net :									
As at December 31, 2010	3,583,093.94	53,353,974.12	1.00	468,489.93	10,113,358.94	2,695,659.73	5,190,587.63	13,131,583.29	88,536,748.58
As at December 31, 2011	3,583,093.94	85,265,238.08	1.00	511,013.08	12,722,386.51	2,689,582.39	4,271,153.73	4,091,970.73	113,134,439.46

As at December 31, 2011 and 2010, building improvement in the consolidated and the separate financial statements at book value of Baht 1.76 million and Baht 2.40 million respectively were improvement installed on leased office building as mentioned in the notes to financial statements No. 29.1.

As at December 31, 2011 and 2010, office equipment and vehicles as appeared in the consolidated financial statements at the book value of Baht 238.12 million and Baht 253.87 million respectively and in the separate financial statements at the book value of Baht 19.32 million and Baht 28.90 million respectively were fully depreciated over their estimate useful life but still in use.

14. Land and Improvement Awaiting Development-Net

14.1 Consolidated Financial Statements

(Unit : Baht)

	Land and Improvement for Development	Other Development Cost	Total
Cost :			
As at January 1, 2010	1,882,578,092.04	29,528,325.11	1,912,106,417.15
Purchase	-	12,014,104.25	12,014,104.25
Transfer in/out	(190,415,036.60)	(29,272,717.23)	(219,687,753.83)
Sale	(600,045.00)	-	(600,045.00)
As at December 31, 2010	1,691,563,010.44	12,269,712.13	1,703,832,722.57
Purchase	577,610,265.30	-	577,610,265.30
Transfer in/out	(233,910,338.56)	-	(233,910,338.56)
Sale	-	-	-
As at December 31, 2011	2,035,262,937.18	12,269,712.13	2,047,532,649.31
Allowance for Impairment of Assets:			
As at January 1, 2010	(309,664,545.98)	(9,873,957.99)	(319,538,503.97)
Transfer in/out	668,602.42	-	668,602.42
Reversal of Loss from Asset Impairment	42,659,580.96	-	42,659,580.96
As at December 31, 2010	(266,336,362.60)	(9,873,957.99)	(276,210,320.59)
Reversal of Loss from Asset Impairment	8,349,638.84	-	8,349,638.84
As at December 31, 2011	(257,986,723.76)	(9,873,957.99)	(267,860,681.75)
Book Value-Net :			
As at December 31, 2010	1,425,226,647.84	2,395,754.14	1,472,622,401.98
As at December 31, 2011	1,777,276,213.42	2,395,754.14	1,779,671,967.56

14.2 Separate Financial Statements

(Unit : Baht)

	Land and Improvement for Development	Other Development Cost	Total
Cost :			
As at January 1, 2010	1,713,586,826.31	29,528,325.11	1,743,115,151.42
Purchase	-	12,014,104.25	12,014,104.25
Transfer in/out	(190,415,036.60)	(29,272,717.23)	(219,687,753.83)
Sale	(600,045.00)	-	(600,045.00)
As at December 31, 2010	1,522,571,744.71	12,269,712.13	1,534,841,456.84
Purchase	577,610,265.30	-	577,610,265.30
Transfer in/out	(233,910,338.56)	-	(233,910,338.56)
As at December 31, 2011	1,866,271,671.45	12,269,712.13	1,878,541,383.58
Allowance for Impairment of Assets:			
As at January 1, 2010	(309,664,545.98)	(9,873,957.99)	(319,538,503.97)
Transfer in/out	668,602.42	-	668,602.42
Reversal of Loss from Asset Impairment	42,659,580.96	-	42,659,580.96
As at December 31, 2010	(266,336,362.60)	(9,873,957.99)	(276,210,320.59)
Reversal of Loss from Asset Impairment	8,349,638.84	-	8,349,638.84
As at December 31, 2011	(257,986,723.76)	(9,873,957.99)	(267,860,681.75)
Book Value-Net :			
As at December 31, 2010	1,256,235,382.11	2,395,754.14	1,258,631,136.25
As at December 31, 2011	1,608,284,947.69	2,395,754.14	1,610,680,701.83

As at December 31, 2011 and 2010, the Company has reviewed the recoverable amount of land and improvement awaiting development which were estimated from the recoverable amount from sale price based on an appraisal report of an independent professional appraiser, whom has been approved by the Securities and Exchange Commission, therefore; resulted in the Company had to reversed the loss from impairment of asset at Baht 8.35 million and Baht 42.66 million respectively and recognized in the statements of comprehensive income.

As at December 31, 2011 and 2010, the part of land awaiting development-net in the consolidated financial statements at Baht 21.04 million and in the separate financial statements at Baht 10.52 million for both years are land which the ownership is jointly hold by the Company and a subsidiary company. The Company and the subsidiary company recorded the cost of land allocated by their ownership ratio at 50% each.

15. Obligated Deposits

As at December 31, 2011 and 2010, the whole amount of obligated deposits was fixed deposits with maturity period of 3 months to one year which were pledged as collateral for the issuance of letters of guarantee for the land allocation and utility usage as mentioned in the notes to financial statements No. 29.3.

16. Other Non-Current Assets-Net

Consisted of:-

(Unit : Baht)

		<u>Consolidated</u> <u>Financial Statements</u>		<u>Separate</u> <u>Financial Statements</u>	
		<u>As at December 31,</u>		<u>As at December 31,</u>	
		<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Deposits		3,132,368.17	3,410,411.65	2,990,695.58	3,243,131.58
Withholding Tax		14,111,719.88	17,262,919.77	9,697,898.31	12,438,472.49
Golf-membership Right		3,465,000.00	3,465,000.00	-	-
Investments in Other Company		1,200,000.00	1,200,000.00	1,200,000.00	1,200,000.00
Computer Software		4,320,364.54	3,821,251.31	3,364,339.54	3,132,201.31
Others		10.00	272,865.00	-	-
	Total	26,229,462.59	29,432,447.73	17,252,933.43	20,013,805.38
<u>Less</u>	Allowance for Impairment				
	- Withholding Tax	(1,198,380.10)	(1,198,380.19)	-	-
	- Investments in Other Company	(1,200,000.00)	(1,200,000.00)	(1,200,000.00)	(1,200,000.00)
	Accumulated amortization				
	- Computer Software	(2,736,203.19)	(2,031,241.07)	(2,223,192.75)	(1,682,840.59)
	Net	21,094,879.30	25,002,826.47	13,829,740.68	17,130,964.79

17. Trade and Other Payables

Consisted of:-

(Unit : Baht)

	<u>Consolidated</u> <u>Financial Statements</u>		<u>Separate</u> <u>Financial Statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Trade payable				
- Related parties	-	-	-	-
- Other parties	39,364,331.51	17,780,386.42	38,343,872.31	16,873,866.76
Total trade payable	39,364,331.51	17,780,386.42	38,343,872.31	16,873,866.76
Other Payable				
- Related parties	-	-	324,643.79	396,866.47
- Other parties	13,398,341.80	18,514,343.92	11,385,037.64	16,649,462.46
Total other payable	13,398,341.80	18,514,343.92	11,709,681.43	17,046,328.93
Total trade and other payable	52,762,673.31	36,294,730.34	50,053,553.74	33,920,195.69

18. Employee Benefit Obligations

The Group Companies adopted TAS No. 19 Employee Benefits, which became effective from January 1, 2011 and the effect on the financial statements is disclosed in the notes to financial statements No. 2.4.2.

The Group Companies operates a post employment benefit and pension based on the requirement of Thai Labour Protection Act B.E. 2541 (A.D. 1998) to provide retirement benefits and other long term benefit to employees based on pensionable remuneration and length of service.

Movement in the employee benefit obligations for the year ended December 31, 2011 are as follows: -

(Unit : Baht)

	<u>Consolidated</u> <u>Financial Statements</u>	<u>Separate</u> <u>Financial Statements</u>
Employee benefit obligations as at January 1, 2011	4,793,335.00	3,775,952.00
Current service costs and interest	1,143,854.00	972,796.00
Employee benefit obligations as at December 31, 2011	5,937,189.00	4,748,748.00

For the year ended December 31, 2011, the expenses recognized in the statement of comprehensive income under administrative expense are as follows: -

(Unit : Baht)

	Consolidated Financial Statements	Separate Financial Statements
Current service costs	954,639.00	822,875.00
Interest from obligations	189,215.00	149,921.00
Total	1,143,854.00	972,796.00

Principal actuarial assumptions at the reporting date for year ended December 31, 2011 are as follows: -

	(Unit : Percent)
Discount rate	2.80-3.47
Salary increase rate	5
Employee turnover rate	0.00-20.00

19. Share Capital

- 19.1 In accordance with the minute of extraordinary shareholders' meeting No. 1/2546 held on January 15, 2003, it was resolved for the Company to increase its share capital from formerly Baht 2,147,963,165.60 with the share value of Baht 5.60 each for 383,564,851 shares, to Baht 15,145,891,482.40 with the share value of Baht 5.60 each for 2,704,623,479 shares, by issuing addition ordinary share at 2,321,058,628 shares at Baht 5.60 per share. The Company registered its increased capital on March 2003.
- 19.2 In accordance with the minute of extraordinary shareholders' meeting No. 3/2546 held on December 16, 2003, it was resolved for the Company to reduce its registered paid-up capital, after registering the change in the Company's paid-up capital to Baht 6,196,653,551.20. The share value of Baht 5.60 each for 1,106,545,277 shares amounting to Baht 6,196,653,551.20 has to be reduced to share value of Baht 4.00 each for 1,106,545,277 shares amounting to Baht 4,426,181,108.00. The reduction amount of Baht 1,770,472,443.20 would be used to write-off against discounts on shares so issued. The Company registered its reduced capital on February 25, 2004. Another resolution by the shareholders' meeting is for the Company to change the par-value of shares, after registering the reduction of registered capital as said above, by splitting the par value of Baht 4.00 each for 2,704,623,479 shares amounting to Baht 10,818,493,916.00 to par value of Baht 1.00 each for 10,818,493,916 shares amounting to Baht 10,818,493,916.00. The issued and paid-up share capital from the former capital of 1,106,545,277 shares, par value of Baht 4.00 per shares, amounting to Baht 4,426,181,108.00 to 4,426,181,108 shares, par value of Baht 1.00 per share, amounting to Baht 4,426,181,108.00. The Company registered the change of share value on March 3, 2004.

In the year 2004, the Company received capital subscription from the exercise of warrants at 2,993,045 shares, totaling Baht 1,269,051.08 and in the year 2005, the Company has increased share capital subscription from the exercised warrants at 23,596 shares, totaling Baht 10,005.00. The Company, therefore, had an increase of Baht 1,737,584.92 on the discounts on share capital and authorized share capital issued and paid-up shares capital at 4,429,197,749 shares, totaling Baht 4,429,197,749.00.

- 19.3 The Company has reserved the ordinary shares for the exercise of the ESTAR-W1 and ESTAR-W2 warrants holders as mentioned in the notes to financial statements No. 20.

20. Warrants

In accordance with the minute of extraordinary shareholders' meeting No. 3/2546 held on December 16, 2003, it was resolved for the Company to change par value of share by splitting par value of Baht 4.00 each to par value of Baht 1.00 each and to adjust the amount of those warrants in type of specified holders "ESTAR-W1" and "ESTAR-W2" so that one unit of warrants is entitled to purchase one ordinary share. In the latter resolution, the Company has to adjust the ratio of conversion right, exercise price of purchase right and the amount of warrants to purchase ordinary shares "ESTAR-W1" and "ESTAR-W2" to correspond be in accordance with the change in the par value of ordinary shares as follows:-

- 20.1 Adjusting right as a result of the said change in the par value of ordinary share and to adjust the ratio of the exercise right to 1 warrant for the purchase of 1 ordinary share; therefore, the number of warrants "ESTAR-W1" has to be increased by 554,197,444 units. Accordingly, the number of warrants "ESTAR-W1" not yet exercised for conversion after the change in the par value and the adjusted right of exercise ratio totaling 703,210,502 units. By increasing the number of warrants and with the exercise ratio of one warrant to one ordinary share, the exercise price will be at Baht 0.424 per share.
- 20.2 Adjusting right as a result of the said change in the par value of ordinary share and to adjust the ratio of the exercise right to 1 warrant for the purchase of 1 ordinary share; therefore, the number of warrants "ESTAR-W2" has to be increased by 940,024,608 units. Accordingly, the number of warrants "ESTAR-W2" not yet exercised for conversion after the change in the par value and the adjusted right of exercise ratio totaling 1,253,366,144 units. By increasing the number of warrants and with the exercise ratio of one warrant to one ordinary share, the exercise price will be at Baht 1.00 per share.

Warrants "ESTAR-W1" matured on December 29, 2011 and "ESTAR-W2" matured on December 30, 2011. The warrant holders are entitled to exercise the warrant every last working day of March, June, September and December.

For the year ended December 31, 2011, 593,035,591 units of "ESTAR-W1" and 12,845 units of "ESTAR-W2" warrants have been exercised to purchase 593,048,436 shares of the Company at Baht 0.424 and Baht 1.00 per share respectively, aggregating to Baht 251.46 million, basing the value of the warrants at Baht 3.31 million, which the Company shown under the "Advanced share subscription received for ordinary". The Company has already registered the change in the paid up capital from the exercised warrant with the Ministry of Commerce on January 12, 2012.

As at December 31, 2011, "ESTAR-W1" and "ESTAR-W2" had expired and 1,363,528,210 units of warrant remained unexercised. The said unexercised and expired warrant have the value of Baht 0.60 million and the Company recognized the said item by adjusting to the shareholders' equity of the Company.

21. Legal Reserve

For the appropriation of net profit for legal reserve under the Public Company Limited Act B.E. 2535 (A.D. 1992), the Company has to appropriate part of the annual net profit as legal reserve at rate not less than 5% of the annual net profit less by existing accumulated loss (if any) until this legal reserve hold not less than 10% of the Company's registered capital.

22. Capital Management

The primary objectives of the Group Companies' capital management are to maintain their abilities to continue as a going concern and to maintain an appropriate capital structure. However, the Company shall consider maintaining an appropriate capital structure at a certain level and restructuring of capital as deemed suitable.

23. Nature of Expenses

Consisted of :-

	(Unit : Baht)			
	<u>Consolidated</u> <u>Financial Statements</u>		<u>Separate</u> <u>Financial Statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Employees Compensation	91,381,511.93	91,631,902.91	63,306,690.85	62,426,263.09
Depreciation	37,782,017.16	32,496,780.86	20,849,984.14	16,066,655.68
Marketing Expenses	83,402,657.33	63,470,798.36	79,316,014.40	60,002,691.69
Purchase of Land and Cost of Construction during the Year	319,573,781.73	221,946,338.60	319,573,781.73	221,946,338.60
Changes in Real Estate Development Cost	(14,116,148.02)	165,928,767.33	(14,116,148.02)	165,928,767.33
Cost of Other Goods Incurred and Recognized during the Year	5,818,833.60	6,376,562.75	-	-
Other Expenses	103,155,564.26	87,899,263.82	76,516,575.98	69,202,757.16
Total	626,998,217.99	669,750,414.63	545,446,899.08	595,573,473.55

24. Executives' Remuneration

The executives' remuneration have included the directors' remuneration benefits for the year ended December 31, 2011 and 2010 at the same amount of Baht 5.52 million for both years, which have been paid to the directors of the Company as per Section 90 of the Public Limited Company Act, excluding salaries and related fringe benefits paid to directors of the Company.

25. Income Tax Expense

For the Year 2011, income tax of the Company is calculated at 30%. For the Year 2010, income tax of the Company is calculated at 25% of profit before income tax not exceeding Baht 300 million and 30% of profit before income tax exceeding Baht 300 million but after adding back allowances and various expenses not allowable for income tax calculation purpose and deducting of income not to be included as taxable income and also expense allowed to be deducted by increased amount for the 3 consecutive accounting periods commencing from the first accounting period which commences on or after January 1, 2008. The tax rate is in accordance to the Royal Decree No. 475 (B.E. 2551) dated July 29, 2008. The majority of the deduction is as follows: -

(Unit : Baht)

	<u>Consolidated</u> <u>Financial Statements</u>		<u>Separate</u> <u>Financial Statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Income not to be included as taxable income				
- Reversal of Loss from Diminution in the Value of Inventories (Increase) Decrease	(14,847,928.97)	37,965,142.48	(14,847,928.97)	37,965,142.48
- Reversal of Loss from Asset Impairment	29,647,207.60	50,544,879.41	29,647,207.60	61,714,834.60
Expense allowed to be deducted by increased amount				
- Accumulated loss carried forward not more than 5 consecutive accounting periods	47,985,673.11	34,476,885.91	47,985,673.77	34,476,885.91
- Depreciation for property, plant and equipment	10,377,732.39	9,325,228.29	10,377,732.39	9,325,228.29

The income tax of subsidiary companies are calculated at 30% of profit before income tax but after adding back allowances and various expenses not allowable for income tax calculation purpose and deducting of income not to be included as taxable income and also expenses allowed to be deducted by increased amount.

26. Profit (loss) per share

Basic profit (loss) per share is calculated by dividing profit (loss) for the year attributable to shareholders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares issued and paid up during the period. Calculated as follows:-

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>For the years ended December 31,</u>			
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Profit (Loss) for the year (Unit : Baht)	(151,450,645.12)	43,263,620.85	(127,819,804.80)	58,989,469.80
The number of issued and paid-up ordinary shares (Unit : shares)	4,429,197,749	4,429,197,749	4,429,197,749	4,429,197,749
Basic profit (loss) per share (Baht/share)	(0.0342)	0.0098	(0.0289)	0.0133

27. Provident Fund

The Group Companies and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group Companies and their employees contributed to the fund monthly at the rates determined by the Group Companies. The fund was managed by Ayudhya Fund Management Co., Ltd., and will be paid to the employees upon termination in accordance with the fund rules. For the years ended December 31, 2011 and 2010, in the consolidated financial statements, the Group Companies' contribution amounted to Baht 2.07 million and Baht 1.94 million respectively and in the separate financial statements, the Company's contribution amounted to Baht 1.62 million and Baht 1.53 million respectively.

28. Disclosure of Sectoral Business Operation

Financial information classified by sectoral business for the years ended December 31, 2011 and 2010 are as follows:-

(Unit : Thousand Baht)								
	Consolidated Financial Statements							
	For the years ended December 31, 2011 and 2010							
	Golf Course Services		Real Estate Development		Real Estate Rental		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenues from Operation	42,312	45,542	356,238	554,007	32,403	35,430	430,953	634,979
Operating Result under Sectoral Business	19,150	11,339	50,780	166,132	7,874	10,679	77,804	188,150
Other Income							34,606	26,170
Reversal of Loss from Asset Impairment							8,350	50,545
Selling Expenses							(112,034)	(84,340)
Administrative Expenses							(136,504)	(108,024)
Executives' remuneration							(25,311)	(30,557)
Profit (loss) for the year							(153,089)	41,944
Add Loss Attributable to non-controlling stakeholder interest of subsidiary companies							1,638	1,320
Profit (loss) for the year Attributable to the Company							(151,451)	43,264
As at December 31, 2011 and 2010								
Real Estate Development Cost-Net	4,935	4,922	1,325,797	1,040,506	-	-	1,330,732	1,045,428
Investment Properties	-	-	46,987	46,987	392,840	397,600	439,827	444,587
Property, Plant and Equipment-Net	280,400	284,270	113,135	88,537	10,721	14,273	404,256	387,080
Land and Improvement awaiting Development-Net	10,518	10,518	1,769,154	1,417,105	-	-	1,779,672	1,427,623
Central Assets							738,691	1,139,531
Total Assets							4,693,178	4,444,249

29. Obligation and Contingent Liabilities

- 29.1 The Company entered into a lease contract of area, equipments and service in an office building, from October 1, 2009 to September 30, 2012 with the lease fee in amount of Baht 0.36 million per month.
- 29.2 As at December 31, 2011 and 2010, the Company entered into agreements of property construction and real estate development with the total contractual value at Baht 1,555.84 million and Baht 867.76 million respectively which had obligations to pay in the future, apart from those already in the accounting book in the amount of Baht 1,145.31 million and Baht 684.30 million respectively.
- 29.3 As at December 31, 2011 and 2010, the Company has obligations for credit line from of banks by issuance the letter of guarantee for land allocation and utility usage in amount of Baht 77.99 million and Baht 84.62 million respectively, which the fixed deposits have been pledged as collateral as mentioned in the notes to financial statements No. 15.
- 29.4 As at December 31, 2011, the Company has long-term loan limit at Baht 980.00 millions as entered into loan contract with a commercial bank as mortgaged the land together with construction of the real estate development cost as mentioned in the note to financial statement No.8.
- 29.5 A subsidiary company has obligations under golf car service contract with a company for a period of three years, starting from November 1, 2011 to October 31, 2014, which the monthly service fee is charged at 50% of the income from golf car service fee received from customers.

30. Other Information

As at December 31, 2011 and 2010, the Company possessed 343 remaining golf-membership rights for both years, which were not included in the financial statements, because the Company obtained such rights at no cost as a result of the investment in a subsidiary company.

31. Financial Instruments

Policy to manage financial risk

The Group Companies possess risks regarding from nonperformance of contractual obligations by counter parties. The Group Companies will consider to using appropriate financial instruments when it considers necessary to manage such risks. However, the Group Companies do not have any policy to hold or issue any financial instruments for speculation or for trading.

Risk on credit provision

The Group Companies expose to risk from credit provision. However, the Group Companies consider the customers with sound financial position and call for deposit in advance. Moreover, the appropriate allowance for doubtful debt has been set by the Group Companies if the Group Companies anticipated any uncollectabilities from debtors.

Risk on Interest Rate

The Group Companies have interest rate risk due to deposits with financial institutions and temporary investments. The Group Companies are therefore subject to risk in relation to floating interest rates which may be fluctuate with market rates in the future which may affect upon the operating results and cash flows of the Group Companies.

Significant financial assets and liabilities that are subject to interest risks as at December 31, 2011 and 2010 classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit : Million Baht)

	Consolidated Financial Statements						
	As at December 31, 2011						
	Fixed Interest Rate			Floating Interest rate	No Interest Bearing	Total	Interest Rate (% per annum)
	Within 1 year	More than 1-5 years	Over 5 years				
Financial Assets							
Cash at banks	-	-	-	385.70	3.08	3.08	0.87-2.25
Temporary investment	-	-	-	121.37	-	121.37	2.15-4.25
Trade receivable	-	-	-	-	10.15	10.15	-
Finance lease contract receivable	1.46	6.53	32.58	-	-	40.57	0.30
Obligated deposits	77.99	-	-	-	-	77.99	1.65-2.25
Total	79.45	6.53	32.58	507.07	13.23	638.60	
Financial Liabilities							
Trade and other payables	-	-	-	-	52.76	52.76	-

(Unit : Million Baht)

Consolidated Financial Statements							
As at December 31, 2010							
	Fixed Interest Rate			Floating Interest rate	No Interest Bearing	Total	Interest Rate (% per annum)
	Within 1 year	More than 1-5 years	Over 5 years				
Financial Assets							
Cash at banks	-	-	-	81.32	5.63	86.95	0.50
Negotiable certificates of deposit/Promissory note	-	-	-	187.28	-	187.28	1.50-1.90
Government bond	-	-	-	378.96	-	378.96	1.52-1.92
Temporary investment	-	-	-	180.49	-	180.49	0.75-1.78
Trade receivable	-	-	-	-	1.10	1.10	-
Finance lease contract receivable	1.46	6.35	34.23	-	-	42.04	0.30
Obligated deposits	84.62	-	-	-	-	84.62	0.75-1.125
Total	86.08	6.35	34.23	828.05	6.73	961.44	
Financial Liabilities							
Trade and other payables	-	-	-	-	36.29	36.29	-

Fair Value

Book values of financial assets and liabilities which are shown in the statement of financial position are approximately comparable to their fair values.

32. Approval of Financial Statements

These financial statements have been approved for issuance by the Company's board of directors on February 24, 2012.





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