



บริษัท เนาวรัตน์พัฒนาการ จำกัด (มหาชน)
NAWARAT PATANAKARN PUBLIC COMPANY LIMITED

Annual Report 2010



TABLE OF CONTENTS

	Page
Message from Chairperson	1
Vision and Mission	2
Board of Directors	3

PART 1 Executive Summary

General Information	6
Summarized Corporate Financial Highlights	9
Nature of Business Operation	10
Risk Factors	15
The Shareholding Structure and Management	17
Related Party Transactions	23
Good Corporate Governance Practice	38
Report from Board of Directors Relative to Financial Reports	45
Audit Committee Report	46
Financial Position and Operation Results	48

PART 2 Report and Consolidated Financial Statements

Report of Independent Auditor	54
Financial Statements	55
Notes to Consolidated Financial Statements	64

Message from Chairperson

March 28, 2011

Dear All Shareholders

Nawarat Patanakarn Public Company Limited

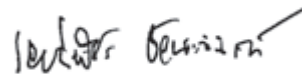
At the beginning of 2010, the political unrest has reduced the bidding contest in the public sector while the stimulus measure for the real estate business would be expired in the first quarter so the construction business has declined during mid-year. Furthermore the fluctuation in global oil price has put pressure on the cost of the construction materials and supplies to increase.

Even though 2010, Thailand has faced with a number of problems, the company is able to maintain the work in hand for about 13,000 million baht as the company has obtained some overseas job to perform. According to the amount of work in hand, it is expected to maintain the income in 2011 at the level similar to that of the preceding year.

In addition, the company has conducted the registered capital reduction process as approved by the meeting of shareholders with satisfactory response from the market. As of the end of 2010, there is no retained losses; however, like other companies, the company is required to apply the new accounting standards in 2011 to record the expenses related to remuneration of the employees to be retired. Therefore the company is unable to pay dividend to the shareholders. However, the company will try its best to continue seeking for more overseas works and the company has made its utmost effort to generate more profit for future dividend payment to the shareholders.

On behalf of the company's board of executives, we would like to take this opportunity to express our gratitude to the shareholders, customers, trading partners, financial institutes, business alliance, related persons, as well as every employee of the company for your continued support to the business of the company. The company believes that it is able to undertake the business in a stable manner with emphasis on good corporate governance to ensure the maximum benefit to all stakeholders and to become a leader in Thai and regional construction industry.

Respectfully yours



(Mr. Poapat Javanalikhorn)

Chairperson

VISION

“ Concentrate in construction and related business, both in Thailand and overseas, To be number one in our specialized area and to be within top five in general contracting business in Thailand ”

MISSION

“ Develop Planning, working procedure and measurement system, to increase efficiency and effectiveness, for the benefit of all stakeholder”



Board of Directors



Mr. Poapat Javanalikhorn

Independent Director and Chairperson

Age 80 Years

Shareholding : None

Education

- Bachelor Degree of Engineering,
Utah State University, USA
- The Degree of National Defense College of Thailand
[Class 28]
- Honorary Doctorate Degree in Engineering,
Burapa University
- DAP' 55/2006

Experience

Present : Independent Director and Chairperson
Nawarat Patanakarn Public Company Limited



Mr. Prasertphand Pipatanakul

**Independent Director
and Chairperson of the Audit Committee**

Age 76 Years

Shareholding : None

Education

- Master Degree of Business Administration,
Sasin Graduate Institute of Business Administration of
Chulalongkorn University
- Bachelor Degree in Engineering,
Chulalongkorn University
- DAP' 55/2006
- Finance for non-Finance

Experience

Present : Independent Director
and Chairperson of the Audit Committee
Nawarat Patanakarn Public Company Limited

Board of Directors



Mr. Niyom Niyamanusorn

Independent Director and Member of Audit Committee

Age : 79 Years

Shareholding : None

Education

- Master Degree, N.S.W. University at Australia
- Bachelor Degree in Engineering, Chulalongkorn University
- DAP' 55/2006
- Finance for non-Finance 2006

Experience

Present : Independent Director and Member of Audit Committee
Nawarat Patanakarn Public Company Limited



Mr. Apichart Dharmasaroja

Independent Director and Member of Audit Committee

Age : 59 Years

Shareholding : None

Education

- MBA (Marketing, Finance and International Business), Northwestern University, USA
- DAP' 64/2007
- Director Forum' 1/2009
- DCP' 93/2007

Experience

Present : Independent Director and Member of Audit Committee
Nawarat Patanakarn Public Company Limited
: Director & Advisor Khun Tawad Mining Company Limited



Mr. Mana Karnasuta

Director and Chief Executive officer

Age : 77 Years

Shareholding : 173,285 Shares as January 14, 2011

Education

- Bachelor Degree in Electrical Engineer, Chulalongkorn University
- DAP' 55/2006

Experience

Present : Director and Chief Executive Officer
Nawarat Patanakarn Public Company Limited

Board of Directors



Mr. Polpat Karnasuta

Director and President

Age : 51 Years

Shareholding : 201,200,000 Shares as January 14, 2011

Education

- Bachelor Degree in Business Administration, Oregon University, USA
- DAP' 7/2004

Experience

Present : Director and President

Nawarat Patanakarn Public Company Limited

: President, Thai Contractors Association Under H.M. The King's Patronage



Mrs. Wattana Samanawong

Director and Senior Vice President

Age : 58 Years

Shareholding : 1,073 Shares as January 14, 2011

Education

- Master of Accounting, Faculty of Commerce & Accountancy, Thammasart University
- Diploma Certificate in Auditing, Faculty of Commerce & Accountancy, Chulalongkorn University
- Bachelor of Accounting, Faculty of Economics, Kasetsart University
- Accounting for Non-Accounting Audit Committee
- DCP' 62/2007

Experience

Present : Director and Senior Vice President of Finance and Administration Department

Nawarat Patanakarn Public Company Limited



Mr. Sook Sueyanyongsiri

Director and Senior Vice President

Age : 58 Years

Shareholding : None

Education

- Master Degree of Engineering, Asian Institute of Technology
- DAP' 35/2005

Experience

Present : Director and Senior Vice President of Operation Department

Nawarat Patanakarn Public Company Limited

1. General Information

History

Nawarat Patanakarn Public Company Limited primarily provides all types of civil engineering construction services and manufactures pre-stressed concrete piles, other kinds of concrete products and processed steel used in its construction businesses and for sale.

Nawarat Patanakarn Public Company Limited was registered on May 31, 1976 with the registered capital of Baht 4 million. The capital was gradually increased. In 1995, the capital was increased from Baht 400 million to Baht 500 million as new shares were issued and offered to domestic and overseas investors. In September 1995, the Company was incorporated as a listed company in the Stock Exchange of Thailand. Currently, the Company has registered capital amounting to Baht 2,217,950,679 and paid-up capital totaling Baht 1,552,901,243 in the form of 1,552,901,243 common stocks at the par value of Baht 1 per share.

Head Office

Head Office	: Bangna Towers A, 18 th -19 th Floor, Moo 14, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540
Tax ID No.	: 3101090413
Company registration number	: 0107538000096 (Former No. Bor Mor Jor 532)
Web site	: www.nawarat.co.th
Telephone	: (662) 730-2100
Fax	: (662) 751-9484 - 90
Company Secretary	: Mrs.Wattana Samanawong Tel.(662) 730-2185
Investor Relation Department	: Mr.Vajraput Vajrabhaya Tel.(662) 730-2187

Branch Offices

- 1796 Bangna-Trad Road Km. 4.5, Bangna, Bangkok

Pre-stressed Concrete Piles, Concrete Products and Processed Steel Plants

- 1796 Bangna-Trad Road Km. 4.5, Bangna, Bangkok
- 53/4 Moo 9, Prong Akat, Bang Nampreaw, Chachoengsao

Pre-cast Concrete Jacking Pipes and Pre-cast Concrete Shaft Plant

- 31/13 Moo 2, Rama II Road Km. 33.5, Bang Krachao, Muang District, Samutsakhon

Joint Ventures, Subsidiary Companies, Associated Companies and related party (Still run business at December 31, 2010)

Joint Ventures	Address	Nature of Business	Share of Profits (Percent)
NWR - SBCC Joint Venture	2034/132-161 Italthai Tower, 34 th Floor, Bangkok, Huaykwang, Bangkok 10310	Construction	50
Nawarat - A.S. Associated Joint Venture	8/24-25 Soi Ladprao 8, Ladprao Road, Chomphon, Chatuchak, Bangkok, 10900	Construction	70
Obayashi - Nawarat Joint Venture	2/3 Moo 14, Bangna Towers A, 18 th -19 th Floor, Bangna-Trad Road Km.6.5, Bangkaew, Bangplee, Samutprakarn 10540	Construction	30
Nawarat - Samcon Joint Venture	2/3 Moo 14, Bangna Towers A, 18 th -19 th Floor, Bangna-Trad Road Km.6.5, Bangkaew, Bangplee, Samutprakarn 10540	Construction	51
NWR - STG Joint Venture	2/3 Moo 14, Bangna Towers A, 18 th -19 th Floor, Bangna-Trad Road Km.6.5, Bangkaew, Bangplee, Samutprakarn 10540	Construction	80
A.S.- Nawarat Joint Venture	2/3 Moo 14, Bangna Towers A, 18 th -19 th Floor, Bangna-Trad Road Km.6.5, Bangkaew, Bangplee, Samutprakarn 10540	Construction	50
ITD - Nawarat (L.L.C.)	Office No.126, 1 st Floor, Sh.rashid Bin Khalifa Al Maktoum Sheikh Zayed Road, Dubai, U.A.E.	Construction	40

Subsidiary Companies	Address	Nature of Business	Share of Profits (Percent)
Meeyahta International Hotel Limited	10 th -11 th Floor, FMI Center 380 Bogyoke Aung San Street, Yangon, Myanmar	Property development and hotel operation	53
Myanmar NWR Co., Ltd.	International Business Center, Suite No.106, 88 Pyay Road, HlaingTownship, Yangon, Myanmar	Construction	100
Utility Business Alliance Co.,Ltd.	21 Viphavadi-Rangsit Road, Chomthong, Chatuchak, Bangkok	Wastewater Treatment	60
NWR (Cambodia) Company Limited	217, Group 1, Smach Meanchey Commune, Smach Meanchey District, Kohkong Province.	Manage and Control Construction Project	100
MIHL (Holding) Company Limited	2/3 Moo 14, Bangna Towers A, 18 th -19 th Floor, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540	Investment in Companies and Public Companies	99.98

Associated Companies	Address	Nature of Business	Share of Profits (Percent)
C.I.N Estate Company Limited	2922/98 Chan Issara II Tower, New Petchaburi , Khwang Bangkapi, Khet Huaikhwang, Bangkok 10310	Property development and Condominium operation	40
VSPN Property Limited	Highway No.3 Sta.136+400 km. Sukhumvit Rd, Banglamung, Chonburi 22150	Property development and Villa	25

Related Party	Address	Nature of Business	Share of Profits (Percent)
New Decade Company Limited	19 Soi 7, Seiree 7 Road, Suan Luang, Bangkok 10260	Construction	-
Ruen Rapee Company Limited	19 Soi 7, Seiree 7 Road, Suan Luang, Bangkok 10260	Property trade	-
East Bangkok Assets Company Limited	19 Soi 7, Seiree 7 Road, Suan Luang, Bangkok 10260	Property trade	-
In Style Estate Park Co., Ltd.	2159/11 Phaholyothin Road, Ladyao, Chatuchak, Bangkok 10900	Property trade	-

References

Position	Address
Share registrar	Thailand Securities Depository Company Limited The Stock Exchange of Thailand Building, 62 Rachadapisek Road, Klongtoey, Bangkok 10110 Tel. 0-2229-2800
Auditor	Ernst & Young Office Limited Mr. Supachai Phanyawattano Certified Public Accountant (Thailand) No. 3930 33 rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road, Bangkok 10110 Tel. 0-2264-0777, 0-2661-9190
Legal Advisor	Weerawong, Chinnavat & Peangpanor Limited 22 nd Floor, Mercury Tower, 540 Ploenchit Road, Lumpini, Pathumwan Bangkok 10330 Tel. 0-2264-8000



2. Summarized Corporate Financial Highlights

(Unit : Million Baht)			
Consolidated Financial Statements	2010	2009	2008
Total assets	5,608.37	4,568.68	3,114.74
Total liabilities	4,038.91	3,076.07	1,721.73
Shareholders' equity	1,569.46	1,492.61	1,393.01
Fully paid common stocks	1,552.90	2,484.64	2,484.64
Total revenues	4,029.84	3,345.02	3,800.64
Net earnings (loss)	54.27	97.93	211.82
Financial Ratios			
Net profit margin (%)	1.35	2.93	5.57
Return on equity (%)	3.46	6.56	15.21
Return on total assets (%)	0.97	2.14	6.80
Book value (Baht)	1.01	0.60	0.56
Net profit (loss) / share (Baht)	0.03	0.04	0.09
Current ratio (times)	0.82	1.06	1.30
Debt-equity ratio (times)	2.57	2.06	1.24
Dividend yield (%)	-	-	-

3. Nature of Business Operation

Nawarat Patanakarn Public Company Limited has provided construction services and manufactured pre-stressed concrete piles since 1976. The corporate securities were incorporated as listed securities in the Stock Exchange of Thailand on September 27, 1995. The Company currently has registered common stocks totaling Baht 2,217,950,679 and fully paid common stocks amounting to Baht 1,552,901,243

Nature of Main Product/Service

Construction Contracting Business

Nawarat Patanakarn Public Company Limited is involved in the construction contracting business providing construction services to the government sectors, state enterprises, as well as private sectors. It undertakes works of construction as a main contractor, a sub-contractor, or through a Joint Venture business. The Company is considered a leading contractor by several entities; for example, it has been designated a Category 1 A contractor by Department of Highways having the right to make bids in all sorts of the Department's road construction. Also, the Company has already registered with various government agencies such as Royal Irrigation Department, Public Works Department, Communication Authority of Thailand, Metropolitan Waterworks Authority, Provincial Waterworks Authority. The Company acquires construction projects by way of bidding and direct contact with the project owners, with its reputation and impressive track record being the main factors of building its customers' trust. At present, it is able to undertake various types of works including:

- High Rise Buildings
- Warehouses and Industrial Plants
- Roads, Highways, Expressways, Bridges
- Public Works and Utilities
- Ports, Berths and Jetties
- Power Plants
- Dams, Reservoirs and Irrigation Works
- Wastewater Treatment Plants
- Tunnelling and Pipe Jacking Works

Pre-stressed Concrete Piles and Precast Concrete Products

The Company established its precast concrete product factories to supply its construction projects and also sell to the public both by bidding and direct employment. The Company's products include pre-stressed concrete piles, pre-stressed concrete girders and precast concrete pipes for construction of wastewater treatment projects, parapets, concrete pre-cast slabs and sheet pile to protect from land subsidence, with the ratio of production for supplying its own projects to that for selling to the outside people being 30:70 in 2008, 71:29 in 2009 and 36:64 in 2010.

Steel Structure Fabrication

The Company has manufactured fabricated steel product for supplying its construction projects and selling to the outside people, with the ratio of the former to the latter being 51:49 in 2008, 32:68 in 2009 and 89:11 in 2010.

Subsidiary Companies

1. Meeyahta International Hotel Limited (MIHL)

In 1998, the company made an investment in MIHL, a limited company registered in Union of Myanmar, with registered capital of 175 shares at 10,000 Kyat per share or US\$277,505. The initial investment was at 17 percent while the company was still a subsidiary company in Premier Group and the investment policy was the policy of Premier Group which planned to expand its investment in neighboring country. MIHL has been involved with the real estate business with privilege to lease the land and building in Rangoon from the Railway Authority of Union of Myanmar for 30 years (starting from 1999) to build an 11-storey serviced apartment for 96 units with total approximate project value of US\$17.5 million or about 560 million baht and to make an improvement to the original railway station of the Railway Authority of Union of Myanmar. The construction was undertaken in 1996 by Nawarat Patanakarn Public Company Limited assigned to undertake the construction work of the entire serviced apartment. The serviced apartment was partially opened in April 2001 with official opening ceremony in January 2002. However, the regional economic problem and the international economic sanction against Union of Myanmar had affected the project until it was unable to satisfy the debt service for the construction cost. Thus, the company is required to arrange the debt restructure agreement with MIHL through partial debt to equity conversion. As a result the shareholding portion has increased from 17% to 52.57% and, according to the laws of Union of Myanmar, the investment made in Union of Myanmar is not allowed to be withdrawn from Union of Myanmar. Therefore the company is required to record such partial investment as a loan from shareholders.

During the first quarter of 2007, MIHL received a letter on termination of the land lease contract on such project from the Union of Myanmar government because of non-compliance with the contract related to improvement to the building and accrued land lease payment since 1998 for about US\$5 million. To maintain the right as a joint creditors and to postpone the revocation of the contract, the company has sued MIHL for refund of the construction cost of such project. The case has already been completed as the primary court ruled that the company would receive the total construction cost. If MIHL is unable to make the repayment in accordance with the court decision, the court has ordered an auction of the hotel building of MIHL for repayment to the company.

In addition, during the third quarter of 2007, the shareholder, Serge Pun & Associates of MIHL has submitted a letter to inform the company that the company has not complied with the venture agreement since the charge filed for debt payment is held a default of the contract and has called the company to transfer the shares of MIHL back without payment for the share value. The company has made a written reply to explain that the company has not defaulted such joint venture agreement as claimed.

At present the company has held 92 shares or 52.57 percent accounting for 19 million baht as of December 31, 2010, the shareholders of MIHL are as follows.

Serge Pun & Associates Ltd.	for	20	shares
Serge Pun & Associates (Myanmar)	for	30	shares
Premier Enterprise Public Company Limited	for	17	shares
Nawarat Patanakarn Public Company Limited	for	92	shares
Premier International Co., Ltd.	for	16	shares
Total		<u>175</u>	shares

The company would like to confirm that the other shareholders of MIHL have no relation with the major shareholders and the management of Nawarat Patanakarn Public Company Limited and the company is responsible for the amount not exceeding the entire amount invested.

2. Myanmar NWR Company Limited

In 2000, the Company invested in Myanmar NWR Company Limited situated at International Business Center, Suite No.106, 88 Pyay Road, Hlaing Township, Yangon, Myanmar. The Company holds 100 percent of the shares for the purpose of supporting expansion of its construction contracting in The Union of Myanmar. The registered capital totals Kyat 1,000,000. The paid-up capital amounts to Kyat 500,000 or about three million Baht. The subsidiary has not yet operated due to the Myanmar economy.

3. Utility Business Alliance Company Limited

In 2001, the company made an investment in Utility Business Alliance Co., Ltd. which is involved in the management business of waste water treatment plant. The investment portion was at 50 percent. On November 11, 2003, the company sold its investment to the third party partially so the investment portion was reduced to 33.33%. In the third quarter of 2006 the company purchased the investment back from the third party so the investment portion was 60 percent of the registered capital of 40 million baht, paid-up capital of 40 million baht. The other shareholders of the 40 percent portion are the other juristic persons with no relation to the company, both directorship and shareholding.

4. NWR(Cambodia) Company Limited

In 2007, the company incorporated NWR (Cambodia) Company Limited in Cambodia with total 100 percent shareholding to facilitate the service work and construction supervision in Cambodia with registered capital of 20 million Riels or about 200,000 baht. At present the paid-up capital is 17,000 baht and the company has accepted the work on supervision of the construction of Tonle Sap Bridge with a private company and the employer is L.Y.P. Group Co., Ltd. and the project value is US\$2 million.

5. MIHL (Holding) Company Limited

The meeting of the board of directors No. 11/2010 on November 12, 2010, approved the investment in MIHL (Holding) Co., Ltd. with 99.98 percent shareholding of the total registered capital of 1 million baht with an objective to invest in limited and public limited companies.

Associated Companies

1. C.I.N Estate Company Limited

In September, 2006, the Company invested in C.I.N Estate Company Limited to procure a land and develop it into a 51-storey condominium for the purpose of own residence and forward sale. Named “The Issara Ladprao”, the condominium is located on Ladprao Road, between soi 12 and 14 , with the project price amounting to Baht 1,868.68 million. The construction has commenced since January 2007 and will have been completed in September 2011. The investment represents 40 percent of C.I.N’s registered capital.

2. VSPN Property Limited

In February 2007, the Company invested in VSPN Property Limited to develop a land in Banglamung District, Chonburi, in the area of 20 rai and 33 sq. wa into a seaside village comprising 74 units, with the project price of Baht 450 million. The project was commenced in January 2007 and will have been completed in March 2010. The investment represents 25 percent of VSPN’s registered capital.

Joint Ventures

Apart from the Company’s construction contracting and subcontracting, it operates its construction business in cooperation between other companies in the form of joint ventures. The joint ventures allow the Company to undertake projects requiring advance technologies as well as complement its skill sets. Such strategic alliances enable the parties to meet the client’s requirements and maximize the use of their machinery, equipment, and personnel in order for the projects to achieve efficiency.

The joint ventures undertaken by the company have been prepared under the following criteria, that is, the operating results of the joint venture of which the profit is shared by the company less than 20 percent will be recognized under the cost method and those of which the profit is shared by the company over 20 percent will be recognized under the equity method.

In 2008, the company and Saraburi Coal Co., Ltd. had formed a joint venture called NWR-SBCC Joint Venture with the investment at 50 percent each to undertake the excavation and removal of earth and coal project at Mae Moh mine of the Electricity Generating Authority of Thailand, Mae Moh District, Lampang. At present, the contract has been signed with the employer with the project value of 16,684,716,676.17 baht (excluding the electrical charge) and the contract term of 9 years. As of December 31, 2010, 15.62% of the work has been delivered.

Nawarat Patanakarn Public Company Limited has presently undertaken the project similar to that of the joint venture. However, the joint ventures already delivered the construction work but there are a few transactions such as loans borrowed, loans extended are as follows.

Joint Venture	Percent of profit sharing
- Nawarat - A. S. Associates Joint Venture	70
- Obayashi-Nawarat Joint Venture	30
- Nawarat - Samcon Joint Venture	51
- NWR-STG Joint Venture	80
- A.S. - Nawarat Joint Venture	50
- ITD-Nawarat (L.L.C.)	40

Revenue Structure

Revenues by segment (according to the consolidated Financial Statement)

Nature of Operation	2010		2009		2008	
	Million Baht	%	Million Baht	%	Million Baht	%
Construction Contracting Business						
High Rise Buildings, Warehouses and Industrial Plants	822.76	20.42	890.61	26.62	1,543.07	40.60
Power Plants	1,410.37	35.00	445.04	13.30	-	-
Ports, Berths and Jetties	882.61	21.90	792.75	23.70	242.29	6.37
Roads, Highways, Expressways and Bridges	333.62	8.28	446.23	13.34	363.36	9.56
Wastewater Treatment Plants	311.64	7.73	185.23	5.54	280.86	7.39
Tunneling and Pipe Jacking Works	31.97	0.79	375.46	11.22	691.40	18.19
Steel Structure Fabrication and Precast Concrete Products	141.96	3.52	124.35	3.72	391.74	10.31
- Interest Income/1	23.42	0.59	13.47	0.41	19.26	0.51
- Other Revenues/2	71.49	1.77	71.88	2.15	268.66	7.07
Total Revenues	4,029.84	100.00	3,345.02	100.00	3,800.64	100.00
Increase (decrease) of total revenues (%)	684.82	20.47	(386.64)	(10.17)	(161.23)	(4.07)

- NOTE:
1. Interest income refers to the interest income from financial institutions, joint ventures and other companies.
 2. Other revenues include Reversal of Allowance for Doubtful Debts, Reversal of the Group of management's special Benefit payable, Profit from sale of assets and other incomes.



4. Risk Factors

Internal and external risk factors affecting the Company's operation are summarized as follows:

1. The Economy and Economic Growth: The construction contracting business directly relates to the country's economy and economic growth. The Company's operation, inevitably, has been affected by the recession. However, the corporate diversified supporting businesses allow diversification of risk. The economic recovery stage results in the Company's small growth rate. Construction works in the private sector are still subject to risk in terms of liquidity. Therefore, the Company has been careful with undertaking projects in this sector. The state of the economy adjusted positively in a short- time period resulting in a little increase in the Company's expansion rate. To survive in the industry, the Company has tried to acquire Works in the field it mostly specializes with less competitors. That includes works such as Jacking Pipes, Underground Tunnel, Sewage System and the like. In addition, the Company has become interested in tendering for more foreign projects either in the form of individual or joint-venture company. Still, dealing with those in private sector is risky in terms of the Employers' liquidity; as a result, much more care has to be taken in signing various projects whether within or outside of the country.
2. Change in Material Prices: The cost of materials is one of the major types of cost to be calculated when making a bid. The change in material prices directly affects the corporate profit particularly that in petrol prices that has impacted on road construction and the cost of delivering materials. Even though the prices of oil and steel (one of the main materials) were falling down during 2010, there have been no confidence that such plummeting prices would bounce back to high prices again, which causes a risk in calculating and fixing construction costs.

Moreover, the cost of imported materials depends on exchange rates.
3. Lack of the Construction Workforce: The recovering real estate segment results in competitions among contractors over labors. Generally, there are no sufficient labors during important holidays such as New Year's and Songkran holidays. An incentive in the form of increased overtimes is necessary to improve such situation. The operation cost consequently increases in certain times of the year. In general, we do not usually have problem with unskilled labors; on the other hand, when it comes to more expertly skilled labors it becomes more problematic. Some construction projects such as high-priced housing estates are always in need of those highly skilled labors at the same time resulting in competing for such labors among contractors. Therefore, in case the Company is awarded with this kind of project a good planning needs to be done in addition to the negotiation in advance with the highly skilled.
4. Unpredictable Difficulty: Although contingency costs are explicitly part of the total cost estimate, limitations in terms of time or unpredictable problems such as floods or other natural catastrophes still adversely affect projects and no compensation can be sought from clients.
5. Free Trade in Service Sector: The policy of opening up a Free-Trade Zone in the service Sector that covers works of construction leads to the increase in the number of foreign competitors. In this, the Company

realizes the need to develop its manpower, construction equipments and techniques to be able to compete with other companies in the long run.

6. Capital Sources and Interest: Contracting business requires a huge sum of working capital, especially the project hinging on a high investment in machinery. The fact that if there is an obstacle in finding financial support the project might become problematic makes the Company try to get ready by asking for more loan from various commercial banks in support of the Company's business expansion and for the Company to have more choices. In addition, the risk from the fluctuation of future interest rates may also affect the Company's operational result and cash flow; there is on use Derivative of protect it from such a risk.
7. Real estate development project : The company has recently expanded its reach into the real estate development business even though there is risk because the company has never been involved in this business. However, the company has already made a study in this business for some time through joint investment with those with long experience. If it is a sole investment, the company would employ the other company with experience to make a study on the project in which the company is interested for investment before any proceeding.
8. Legal case related to Meeyahta International Hotel Limited ("MIHL") :

In 1995, the company made an investment in MIHL located in the Union of Myanmar at 52.57 percent of the total registered capital 1.75 million Kyat and undertook the construction work of the serviced apartment for MIHL on the land plot leased from the Railway Authority of the Union of Myanmar. It is evident that MIHL has not paid the construction cost and is unable to pay the remaining balance. On July 10, 2007 the company filed the case with the court of the Union of Myanmar to claim for the construction cost of US\$14.67 million, including the interest charge for late payment until the payment is received in full. The case has already been completed as the primary court ruled that the company would receive the total construction cost. If MIHL is unable to make the repayment in accordance with the court decision, the court has ordered an auction of the hotel building of MIHL for repayment to the company.

However, in 2007, after the company has filed the court case for payment of the construction cost, a small shareholder of MIHL has sent a letter to inform the company that the company had defaulted the joint venture agreement and had taken a legal action against the company to claim for transfer of MIHL shares to such small shareholder. The case is being examined by the primary court of the Union of Myanmar.

In the third quarter of 2010, the company has sold the entire investment in MIHL to MIHL (holding) CO., Ltd., a subsidiary which is 100 percent owned by the company, for 19.5 million baht of which the payment has already been received. Later the company has sold the entire investment in MIHL (Holding) Co., Ltd. to the third party at 20 million baht and the sale contract has been signed. Such contract has indicated that the company is required to receive the total payment within 3 months, ending in mid-march 2011, in the payment condition.

9. Joint Venture Companies' ability or inability to comply with Joint Venture agreements:

Sometimes, the Company is obliged to get into bidding under the name "Joint Venture" working hand in hand with other companies. Whether working in such form becomes successful or not depends on both the abilities of the Company itself and those of other Joint-Venture companies. For the latter, when they face problems whether about money or how to work; in other words, if they cannot perform their duties in accordance with the Contract, all parties involved will each suffer bad effects from operations. If, however, they are able to tackle the problem and continue working together, there will not be much effect to the Company. On the other hand, in case their problems can not be solved, the Company may have to help resolve them by putting more investment money in the Project to prolong their work operation (if the problem is about money) or by sending an expert to them (if the problem is about working).

5. The Shareholding Structure and Management

5.1 Shareholders

The top ten shareholders as of January 14, 2011 are as follows:

Shareholder	Nationality	As of January 14, 2011	
		Number of Shares	%
1. The Karnasutas (See Note)	Thai	217,051,212	13.98
2. Thai NVDR Company Limited	Thai	96,644,035	6.22
3. Mr. Suchart Areekul	Thai	70,227,130	4.52
4. Mrs. Sunee Triyangkoon	Thai	30,068,138	1.94
5. Mrs. Athitaya Witayanan	Thai	26,875,000	1.73
6. Mr. Suthep Sethboonsang	Thai	24,611,200	1.58
7. Mr. Tawee Harnkraiwilai	Thai	24,000,000	1.55
8. Mr. Chaiwat Tiempanich	Thai	16,000,000	1.03
9. Mrs. Kanitda Karnasuta	Thai	14,437,500	0.93
10. Mr. Suwat Lerdpunyarote	Thai	12,880,000	0.83
11. Other Shareholder		1,020,107,028	65.69
Total		1,552,901,243	100.00

NOTE.

The Karnasutas shareholders include:

1. Mr. Mana	Karnasuta	Amount	173,285	Shares
2. Mrs. Nawarat	Karnasuta	Amount	278	Shares
3. Mr. Polpat	Karnasuta	Amount	201,200,000	Shares
4. Mrs. Sutasanee	Karnasuta	Amount	4,553	Shares
5. Mr. Wasin	Phuttharee	Amount	6,371,313	Shares
6. Mrs. Sutheera	Phuttharee	Amount	900,000	Shares
7. Mr. Apathorn	Karnasuta	Amount	8,076,235	Shares
8. Mrs. Anatchanit	Karnasuta	Amount	325,548	Shares
Total		Amount	<u>217,051,212</u>	Shares

5.2 Organization Structure/Personnel

The Company's Management structure consists of the Board of Directors, Audit Committee and executive Officer.

The Company's Board of Directors

Annual general meeting of shareholder for the year 2010 held on April 29, 2010 approved that the Company Board of Directors consists of 8 directors as follows:

1. Mr. Poapat	Javanalikhorn	Independent Director and Chairperson
2. Mr. Prasertphand	Pipatanakul	Independent Director and Chairperson of the Audit Committee
3. Mr. Niyom	Niyamanusorn	Independent Director and Member of Audit Committee
4. Mr. Apichart	Dharmasaroja	Independent Director and Member of Audit Committee
5. Mr. Mana	Karnasuta	Director and Chief Executive Officer
6. Mr. Polpat	Karnasuta	Director and President
7. Mrs. Wattana	Samanawong	Director and Senior Vice President
8. Mr. Sook	Sueyanyongsiri	Director and Senior Vice President

Note No.5 Mr. Mana Karnasuta has resigned from the board of director and Chief Executive Officer of the company and the meeting of the board of directors No. 7/2010 on July 19, 2010, made an approval to his resignation with effect on July 20, 2010.

Responsibilities of the Board of Directors

According to the Company's regulations, the directors are responsible for managing the Company in line with objectives, regulations and resolutions of shareholders' meetings as well as maintain the corporate benefit with honesty and integrity. The Board may assign a director or directors or any individual to undertake a piece of work on behalf of the Board themselves, except for matters required by law for adoption of the resolutions before working such as the sale or transfer of the entire business or significant part of it to others, increase or decrease of the corporate capital.

Signing and binding by Directors

Two directors sign and affix the corporate seal. with no exception for Independent Directors or Member of Audit Committee. Every of the directors can sign.

The Composition and Appointment of the Board of Directors

The Board of Directors consists of not less than five persons appointed by the shareholder's meeting. Not less than half of the directors must be residents of The Kingdom of Thailand.

In the election of directors, a shareholder has one vote for one share that he/she holds. Each shareholder is required to exercise all their votes, and may vote for one person or more to be a director/directors. Votes cannot be shared. Individuals who receive the highest votes are to be corporate directors. Should the number of persons receiving the highest votes exceeds the number of directors required, the chairperson will finalize the appointment of the persons receiving equal votes who are in the last ranks of those given the highest votes.

In each annual general meeting, one third of the Company's directors are due to resign. If the existing total number of directors cannot be evenly divided into three groups, the number of directors due to resign should be as closest to one third of the corporate directors as possible. During the first and the second year after the registration of the Company, directors due to resign are determined by drawing. For later years, directors remaining in their positions for the longest period are due to resign. Directors due to resign may be reappointed.

Management Committee

The meeting of the board of directors No. 5/2006 on June 1, 2006, made a resolution to appoint the management committee. At present such management committee has been revoked in accordance with the resolution of the meeting of the board of directors No.4/2009 on March 20, 2009.

The Audit Committee

The meeting of the board of directors No.1/2006 on February 9, 2006 made a resolution to appoint an audit committee consisting of :

1. Mr. Prasertphand	Pipatanakul	Chairperson of the audit committee
2. Lt. Seree	Osathanukroh	Member of Audit committee
3. Mr. Niyom	Niyamanusorn	Member of Audit committee

With effect on February 9, 2006, and working term of two years ending February 2008. On April 25, 2006, Lt. Seree Osathanukroh submitted his resignation from the board of director and member of audit committee. The meeting of the board of directors No.5 /2006 made a resolution on June 1, 2006 to appoint an audit committee consisting of

1. Mr. Prasertphand	Pipatanakul	Chairperson of the audit committee
2. Mr. Niyom	Niyamanusorn	Member of Audit committee
3. Mr. Trit	Ophaswongse	Member of Audit committee
4. Mr. Apichart	Dharmasaroja	Member of Audit committee

With effect on June 1, 2006, and working term of two years. Mr. Prasertphand Pipatanakul and Mr. Niyom Niyamanusorn would complete their term in April 2009 while Mr. Trit Ophaswongse and Mr. Apichart Dharmasaroja would complete their term in April 2010. However, Mr. Trit Ophaswongse submitted his resignation from the board of director on July 1, 2009. At present there are three audit committee members.

The Audit Committee of the Company has the scope of duties, responsibilities and shall report to the Board of Directors on:

1. Review and assure the accuracy of the Company financial reports in accordance with the generally accepted auditing standard and sufficiency of data disclosure.
2. Review and assure the efficiency and effectiveness of the internal control and internal audit systems.
3. Review and assure the Company acts in compliance with rules and regulations issued by the Stock Exchange of Thailand and related laws applicable to the Company business.
4. Consider, select and propose the appointment of Accounting Auditors and their auditing fee.
5. Review and consider the accuracy of the Company disclosure occurrence of the related transaction and the conflict of interest.
6. Prepare the report on corporate governance of the Audit Committee to be disclosed in the Company's annual report. The report must be signed by Chairperson of the Audit Committee.
7. Review and provide comments pertaining to the Company related transactions with its subsidiaries in compliance with rules, regulations and related practices of the Stock Exchange of Thailand.
8. Review and assure the suitability and effectiveness of the Company's risk management.
9. Review and provide comments on internal audit plans and internal audit operation, as well as coordinate with the Certified Public Accountant.

10. Provide approval of appointment, transfer and discharge, as well as consider performance and virtue of General Manager of the Internal Audit Department.
11. Report operation results of the Audit Committee to the Board of Directors at least four times a year.
12. Perform any matter as assigned by the Board of Directors, which is agreed by the Audit Committee.

If the items concern an Audit Committee member or persons who gain or lose any interest or may have conflict of interest with the Company and/or subsidiary companies, the members who are involved in any of the matter is determined to have no rights to approve the items in such matter.

Scope of authority and duty of the Chief Executive Officer

The meeting of the board of directors No.6/2006 on July 3, 2006, made a resolution to approve the authority and duty of the Chief Executive Officer to manage and supervise the business in accordance with the policy of the company and in accordance with the Memorandum of Association with scope covering but not limited to the following authority.

1. To open/close, and deposit/withdraw from an account made with a financial institute both in the country and overseas.
2. To prepare or revoke any transaction, including a bid submitted in the bidding contest, joint venture or entering into a juristic act with binding effect on the company (the amount not exceeding 2,000 million baht per transaction) in the country and overseas, based on the portion of the responsibility value of the company in the transaction as follows.
 - Direct liabilities : Direct liability obligation and
 - Contingent liabilities : Non-monetary obligation
3. Credit extension, registration of the mortgage or placement of any guarantee (the amount not exceeding 1,000 million baht per transaction for direct liabilities or 2,000 million baht per transaction for contingent liabilities) in the country and overseas.
4. Investment, purchase/sale of investment units (the amount not exceeding 2,000 million baht per transaction) in the country and overseas.
5. Investment and sale of investment in the other companies (the amount not exceeding 200 million baht) in the country and overseas.
6. Sale/purchase of fixed assets such as land, machines (the amount not exceeding 200 million baht of the book value per transaction).
7. To undertake any work assigned by the board of directors not in conflict with the rules and regulations of the Stock Exchange of Thailand and the Securities Exchange Commission Office.

The authority and assignment of the authority may be made to the suitable person excluding the authority and/or assignment of the authority to approve any transaction that he or such person may have any conflict of interest in the company or the subsidiary company in accordance with the rules and regulations of the Stock Exchange of Thailand and/or the notification of the Securities Exchange Commission and the approval on such transaction is required to be submitted to the meeting of the board of directors and/or the meeting of shareholders for examination and approval on such transaction in accordance with the requirements of the company or related laws.

Scope of Duties and Responsibilities of the President

The Board of Director's Meeting No. 6/2006 held on July 3, 2006 approved in principle that the president has the authority to act as the executor and the administrator for the business operation in accordance with the Company's policies and as stipulated in Memorandum of Association covering but not limited to the following authorities:

1. To govern/manage the day-to-day running of the Company. Monitors and evaluates the Company operation regularly to prevent risks from internal and external factors, and to report to the Board of Directors the operation results including the cooperation with external agencies in compliance with the law and procurement associated with the Company's normal operation activities.
2. To have the authority to consider the employment of the personnel, appoint, transfer, change the employee's field of work/section/department, or dismiss the employee from his/her job, determine salaries, remunerations, bonus payments, and fringe benefits for all corporate employees.
3. To have the authority to take legal actions, withdraw charges, carry out legal executions, proceed the process of arbitration, report or withdraw complaints on criminal cases, file petitions and appeal to the bureaucracy, take any action to maintain the Company's proper rights.
4. To open/close and deposit/withdraw from saving accounts with finance institutes both inside and outside of the country.
5. To undertake or cancel transactions and to bid in tendering sessions, enter into Joint-Venture agreement, perform juristic act to sign and bind the Company (with the scope of liability not over Baht 1,000 million per one deal for contingent liability) whether inside or outside of the country based on the consideration of the Company's liability values as follows:

Direct Liabilities :	burden of debts and
----------------------	---------------------

Contingent Liabilities :	non-monetary bond
--------------------------	-------------------

6. To apply for a credit, mortgage or put up other securities (with the scope of liability not over Baht 500 million per one deal) for Direct Liabilities and not over Baht 1,000 million per one deal for Contingent Liabilities whether inside or outside of the country.
7. To invest and buy/purchase investment units (not exceeding Baht 100 million per one time) both inside and outside of the country.
8. To invest and purchase investments in other companies (not exceeding Baht 100 million per one time) both inside and outside of the country.
9. To buy/ purchase permanent assets such as land and machinery (not exceeding Baht 100 million per one time according to the account cost).
10. To perform any matter as assigned by the Company's Board of Directors in compliance with the Stock Exchange of Thailand and Securities and Exchange Commission's regulations.

However, the authorities and authorization granted to suitable persons do not include the authorities and/or authorization in approving any matters that the President or any persons involved may have conflict of interest with the Company and/or subsidiary companies according to the legislation of the Stock Exchange of Thailand and/or the Securities and Exchange Commission's announcements. Such matters are required to be presented to the Board of Directors' meeting or the shareholders' meeting for consideration and approval as specified by the Company's regulations or applicable laws.

The Management and Controlling Team

Name		Position
1. Mr. Mana	Karnasuta	Chief Executive Officer
2. Mr. Polpat	Karnasuta	President
3. Mrs. Wattana	Samanawong	Senior Vice President of Finance and Administration Department
4. Mr. Sook	Sueyanyongsiri	Senior Vice President of Operation Department & Acting Vice President of Project Management 4 Department
5. Mr. Apathorn	Karnasuta	Senior Vice President of Procurement & Transportation Department
6. Mr. Pasan	Sawasdiburi	Senior Vice President of New Business & Strategic Department
7. Mr. Pinit	Fukcharoenpol	Vice President of Project Management 1 & Equipment Department
8. Mr. Mongkol	Peerasantikul	Vice President of Design Department and Project Management 5 Department
9. Mr. Nivate	Ienghong	Vice President of Factory Department
10. Mr. Somchai	Chaithaniyachat	Vice President of Estimate Department
11. Mr. Somchai	Woonpresert	Vice President of Project Management 3 Department
12. Miss Pakatip	Lopandhsri	Vice President of Finance and Accounting Department
13. Mr. Mitporn	Tansrisuk	Vice President of Administration Department

Directors and Executive Nomination

The Company does not have the nominating committee in which directors are nominated and voted by the shareholder's meeting.

Personnel

As at December 31, 2010 the Company's personnel totaled 1,638: 147 full-time engineers and 438 other monthly-paid employees, and 1,053 workers who receive daily wages. Personnel remunerations included salaries, wages, overtimes, allowances, and bonuses totaling Baht 373 million.

The Company's personnel development policies involve academic training, on-the-job training in the related fields, and support provided to promote further education in the fields that enhance work effectiveness.

5.3 Dividend Payment Policy

The Company has the policy on dividend payment which shall be no less than 50 percent of net profit. Subsidiaries and Associated Companies have not setup their dividend payment policy yet. Currently, the Criteria used in sharing profits in Joint Ventures is by way of year-by-year-deviding, or when the works have finished, or according to the Joint Venture Companies' Consideration.

6. Related Party Transactions

Nawarat Patanakarn Public Company Limited had significant business transactions between subsidiary companies, associated companies, joint ventures, related party and executive as follows:

Unit : Million baht							
Person/Juristic person	Type of transaction in the profit and loss statement	Amount in 2010	Amount in 2009	Amount in 2008	Balance as of December 31, 2010		Remark
					Transaction in the balance sheet	Amount	
1. Nawarat-A.S. Associated Joint Venture	Construction revenue	-	-	-	Accounts receivable	17	The company made an investment jointly with A.S Associates Engineering Co., Ltd. (1964) in the joint venture at 70:30 to construct the water tunnel from Taksin-Petchkasem Ring Road to Rama 2 Road for the Metropolitan Water Authority at 661 million baht. The project completed in January 2007 and the construction warranty period ended on August 2009.
	Sale revenue	-	-	1	Revenue not claimed for payment	14	
						Less Allowance on doubtful accounts	
						22	

Unit : Million baht							
Person/Juristic person	Type of transaction in the profit and loss statement	Amount in 2010	Amount in 2009	Amount in 2008	Balance as of December 31, 2010		Remark
					Transaction in the balance sheet	Amount	
2. Obayashi-Nawarat Joint Venture	Sale revenue	-	1	7			1. The company made an investment jointly with Obayashi Corporation Co., Ltd. (Bangkok Branch) at 30:70 in the joint venture to construct the underground power line for the Metropolitan Electricity Authority in conjunction with Sojitsu Corporation and Exim Corporation under NEON Consortium. The project value is consisting of two currencies, 4,511 million yen 1,297 million baht. The project ended April 2009. The company manufactured and sold the pipes to the joint venture with the purchase order valued at 80 million baht. 2. As of December 31, 2010, the investment in this joint venture was 16.10 million baht.
3. Joint Venture between Nawarat Patanakarn Public Co., Ltd. and Samcon Co., Ltd.	Construction revenue	-	-	-	Accounts payable	< 0.5 mil. baht	1. The company made an investment jointly with Samcon Co., Ltd. in the joint venture at 51:49 to construct the Garbage Disposal Station (new system) for Bangkok Metropolitan Administration at 619 million baht. The project was completed in July 2007. 2. As of December 31, 2010, the investment in this joint venture was 15.05 million baht and allowance for diminishing in value of assets was 11.65 million baht.
	Construction cost	-	-	-			
	Interest income	-	-	-			

Unit : Million baht							
Person/Juristic person	Type of transaction in the profit and loss statement	Amount in 2010	Amount in 2009	Amount in 2008	Balance as of December 31, 2010		Remark
					Transaction in the balance sheet	Amount	
4. Joint venture of Vianini Lavori S.p.a., Nawarat Patanakarn Public Co., Ltd., Vianini-Thai Construction & Development Co., Ltd.	Interest income	-	-	< 0.5 mil. baht			The company made an investment jointly with Vianini Lavori Spa and Vianini-Thai Construction & Development Co., Ltd. in this joint venture at 99:0.5:0.5 to construct the At Narong-Ram Indra Expressway Project. The construction project was completed in 1997. During the construction, Mr.Polpat Karnasuta did not make any involvement with Vianini-Thai Construction & Development Co., Ltd.. In 1999, Mr.Polpat Karnasuta had become the shareholder of such company for 305,900 shares of preferred stock or 50.98% of the total preferred stock of such company. The loan interest rate was 3.25% per year and this joint venture has not taken part in any construction project after At Narong-Ram Indra Expressway Project has been completed. This joint venture was liquidated in 2008.
5. Utility Business Alliance Co., Ltd.	Construction revenue	< 0.5 mil. Baht	< 0.5 mil. Baht	-	Accounts receivable	< 0.5 mil. Baht	1. The company has held shares of Utility Business Alliance Co., Ltd. for 60%. 2. As of December 31, 2010, the investment in this subsidiary company was 28.27 million baht. 3. In November 2010, Utility Business Alliance Co., Ltd. employed the company to improve the system on the project on operaton, maintenance and management of Din Daeng Water Quality Control Plant, Phase 2, with the project value of 59.2 million baht excluding value added tax with the contract term of 6 months.
	Construction cost	4	4	32	Revenue not claimed for payment	< 0.5 mil. Baht	
	Dividend income	-	-	4	Accounts payable	2	

							Unit : Million baht
Person/Juristic person	Type of transaction in the profit and loss statement	Amount in 2010	Amount in 2009	Amount in 2008	Balance as of December 31, 2010		Remark
					Transaction in the balance sheet	Amount	
6. Meeyahta International Hotel Limited ("MIHL")	Interest income	39	42	64	Accounts receivable Short-term loans Accrued interest income Less Allowance on doubtful	202 358 740 (1,300) 0	1. Year 1995, The company made an investment in MIHL located in the Union of Myanmar at 17% before the investment has reached 52.57% and the total investment in MIHL was sold to MIHL (Holding) Co., Ltd. in the third quarter of 2010. 2. MIHL employed the company to construct the serviced apartment on the land leased from the railway Authority of the Union of Myanmar and MIHL has failed to pay the construction cost to the company. 3. The loan interest rate was 6.25% per year and the loan was extended according to the portion of shareholding at the time of borrowing.
7. Myanmar NWR Company Limited	Interest income	1	1	< 0.5 mil. baht	Short-term loans Accrued interest income Less Allowance on doubtful	14 2 (16) 0	1. The company made an investment Myanmar NWR Company Limited at 100%. 2. As of December 31, 2010, the investment in this subsidiary company was 3.01 million baht. 3. The loan interest rate was 5.0 % per year.

Unit : Million baht							
Person/Juristic person	Type of transaction in the profit and loss statement	Amount in 2010	Amount in 2009	Amount in 2008	Balance as of December 31, 2010		Remark
					Transaction in the balance sheet	Amount	
8. Concorde Yachts International Co., Ltd.	Interest income	-	-	-	Short-term loans	50	1. Shareholding structure of Concorde Yachts International Co., Ltd. consisting of: Premier Global Corporation Co.,Ltd 424,999 shares Nawarat Patanakarn Public Co., Ltd. 424,999 shares Premier International Co., Ltd. 424,999 shares Mr.Pecka Michael Coskenkeela 1,224,999 shares Mr.Suradej Boonyawattana 1 share Mr.Polpat Karnasuta 1 share Mrs. Supawan Shinkulprasarn 1 share Miss Yanisa Phanuekdee 1 share Other shareholders have no relation to the major shareholders and the management of Nawarat Patanakarn Public Co., Ltd. 2. The loan extended is not in accordance with the shareholding portion because some companies have not sufficient fund. 3. The loan interest rate was 3.25% per year. 4. The company is involved in yacht building and sale and its operation has been suspended for a long time since the economic conditions have not supported the business. The company has registered its dissolution and is in the liquidation process. The company expected no debt repayment because the company has sold all assets to partially repay the debts and other shareholders which are the juristic person are being liquidated due to bankruptcy.
					Accrued interest income	54	
					Less Allowance on doubtful	(104)	
						0	

Unit : Million baht							
Person/Juristic person	Type of transaction in the profit and loss statement	Amount in 2010	Amount in 2009	Amount in 2008	Balance as of December 31, 2010		Remark
					Transaction in the balance sheet	Amount	
9. Ruen Rapee Co., Ltd.	Construction revenue	-	(2)	15	Accounts receivable	86	1. Mrs. Sutasanee Karnasuta and Mrs. Sutheera Phuttharee, the younger sisters of Mr. Polpat Karnasuta, the director and President of the company are the authorized director and the shareholders of Ruen Rapee Co., Ltd. 2. The main business of Ruen Rapee Co., Ltd. is real estate development business and the project handled and constructed by the company called “Barn Baranee” Project located at Klong 3, Rangsit. 3. The third quarter of 2008, Ruen Rapee Co., Ltd. transferred the houses and land in “Barn Baranee” Project with value of 24.51 million baht to partially repay the debt to the company and in the second quarter of 2009, the houses and land in “Barn Baranee” Project with value of 57.48 million baht were transferred to partially repay the debt to the company. 4. As of December 31, 2010, the shareholders of Ruen Rapee Co., Ltd. consisting of: <div>Mrs. Sutasanee Karnasuta 590,998 shares</div> <div>Mrs. Sutheera Phuttharee 1 share</div> <div>Miss Benja Yiemphu 1 share</div>
	Construction cost	7	6	-	Less Allowance on doubtful	(83)	
						3	
					Accounts payable	2	

Unit : Million baht							
Person/Juristic person	Type of transaction in the profit and loss statement	Amount in 2010	Amount in 2009	Amount in 2008	Balance as of December 31, 2010		Remark
					Transaction in the balance sheet	Amount	
10. East Bangkok Assets Co., Ltd.	Construction revenue	-	7	4	Accounts receivable	25	1. Mrs. Sutasanee Karnasuta and Mrs. Sutheera Phuttharee, the younger sisters of Mr. Polpat Karnasuta, the director and president of the company are the authorized director and the shareholders of East Bangkok Assets Co., Ltd. 2. The main business of East Bangkok Assets Co., Ltd. is real estate development business. There are two projects handled and constructed by the company. The first project is “De Ville” Project located at Soi Pattana Chumchon, Sri Nakharin Road and “De Siam” Project located at Soi Udomsuk, Sukhumvit Road 3. The fourth quarter of 2009, East Bangkok Assets Co., Ltd. transferred the houses and land in “De Siam” Project with value of 34.5 million baht to partially repay the debt to the company. 4. As of December 31, 2010, the shareholders of East Bangkok Assets Co., Ltd. consisting of: Mrs. Sutasanee Karnasuta 399,998 shares Mrs. Sutheera Phuttharee 1 share Miss Benja Yiempfu 1 share
	Construction cost	-	-	-	Less Allowance on doubtful	(25)	
					Revenue not claimed for payment	0	
					Less Allowance on doubtful	2	
						(2)	
						0	

Unit : Million baht							
Person/Juristic person	Type of transaction in the profit and loss statement	Amount in 2010	Amount in 2009	Amount in 2008	Balance as of December 31, 2010		Remark
					Transaction in the balance sheet	Amount	
11. New Dacade Co., Ltd.	Sale revenue	2	2	31	Accounts receivable	107	1. Mrs. Sutasanee Karnasuta, the younger sister of Mr. Polpat Karnasuta, the director and president of the company is the authorized director of New Dacade Co., Ltd. 2. Mrs. Sutheera Phuttharee, the younger sister of Mr. Polpat Karnasuta, the director and president of the company is the authorized director and shareholder of New Dacade Co., Ltd. 3. The main New Dacade Co., Ltd. construction business and has been subcontracted to undertake the construction of Koh Yor Bridge, Song Khla and subcontracted to undertake the construction of Chonburi-Pattaya Road, Section 3, from the company while some supplies could not be procured at the better conditions and price so they are procured from the company. 4. As of December 31, 2010, the shareholders of New Dacade Co., Ltd. consisting of: <div>Mrs. Sutheera Phuttharee220,000 shares Mr. Wasin Phuttharee10,000 shares Mr. Satha Chavalit10,000 shares Mr. Kantharit Thamangraksatr20,000 shares Mr. Rangsan Boontaem10,000 shares Mr. Kasemsuk Paisarnsrilp20,000 shares Miss Orthip Muangcharoen10,000 shares</div>
	Construction cost	1	8	61	Less Allowance on doubtful	(107)	
						0	
					Advance made to contractors	24	
					Accounts payable	2	

Unit : Million baht							
Person/Juristic person	Type of transaction in the profit and loss statement	Amount in 2010	Amount in 2009	Amount in 2008	Balance as of December 31, 2010		Remark
					Transaction in the balance sheet	Amount	
12. K Alliance Co., Ltd.	Sale revenue and rental revenue	7	3	3	Accounts receivable Accounts payable	2 < 0.5 mil. baht	1. Mrs.Sutasanee Karnasuta and Mrs.Sutheera Phuttharee, the younger sisters of Mr.Polpat Karnasuta, the director and president of the company are the authorized director and the shareholders of K Alliance Co., Ltd. 2. The main business of K Alliance Co., Ltd. is mining business. 3. The accounts receivable have been incurred since the company had repaired the machine for K Alliance Co., Ltd.
13. Italian Thai Development Public Co., Ltd.	Construction revenue	-	3	5	Accounts receivable Accounts payable	53 14	The company sent its employees to jointly work with Italian Thai Development Public Co., Ltd. in the Social Republic of Vietnam.
14. A.S.-Nawarat Joint Venture	Construction revenue	-	9	178	Accounts receivable	14	1. This joint venture is formed to undertake the construction of Ua Arthorn Project of the National Housing Authority. 2. As of December 31, 2010, the investment in this joint venture was 5.5 million baht.
	Sale revenue	-	< 0.5 mil. Baht	-	Accrued interest expenses	1	
	Interest expense	1	1	< 0.5 mil. baht	Short-term loans	10	

Unit : Million baht							
Person/Juristic person	Type of transaction in the profit and loss statement	Amount in 2010	Amount in 2009	Amount in 2008	Balance as of December 31, 2010		Remark
					Transaction in the balance sheet	Amount	
15. InStyle Estate Park Co., Ltd.	Project management charge	15	10	9	Accounts receivable	45	The company has undertaken the construction business of residential condominium while Nawarat Patanakarn Public Co., Ltd. is employed to manage the construction project. At present, the ownership is being transferred to buyers of such residential units. The loan transaction, includes accounts receivable which have incurred from the business agreement and the company has assigned Mrs. Wattana Samanawong , the director to supervise the disbursement of this company when the condominium is sold, the debt repayment will be received from this company.
	Interest income	9	7	6	Less Allowance on doubtful accounts	(43)	
						2	
					Short-term loans and advances	66	
					Less Allowance on doubtful accounts	(19)	
						47	
16. NWR (Cambodia) Company Limited	Gain of sale of assets	-	< 0.5 mil. Baht	-	Accrued Interest revenue	25	1. This company is registered in Cambodia and is 100% owned by the company. It is involved in the business of management and supervision of the construction project. 2. As of December 31, 2010, the investment in this subsidiary company was 0.02 million baht.
	Project management income	27	-	-	Less Allowance on doubtful accounts	(11)	
						14	
					Accounts receivable	< 0.5 mil. Baht	
					Accounts payable	< 0.5 mil. baht	

Unit : Million baht							
Person/Juristic person	Type of transaction in the profit and loss statement	Amount in 2010	Amount in 2009	Amount in 2008	Balance as of December 31, 2010		Remark
					Transaction in the balance sheet	Amount	
17. ITD-Nawarat (L.L.C.)	Interest income	11	8	7	Accounts receivable <u>Less</u> Allowance on doubtful accounts Short-term loans and advances <u>Less</u> Allowance on doubtful accounts Accrued Interest revenue <u>Less</u> Allowance on doubtful accounts	12 <u>(12)</u> <u>0</u> 195 <u>(195)</u> <u>0</u> 29 <u>(29)</u> <u>0</u>	1. It is the company jointly invested and is registered in United Arab emirates to undertake the construction work in Dubai and is 40% owned by the company. 2. As of December 31, 2010, the investment in this joint venture was 0.59 million baht and allowance for diminishing in value of assets was 0.59 million baht.
18. Nawarat-Strega Joint Venture	Interest expense Construction revenue Sale revenue Construction cost	- - - -	- 8 - < 0.5 mil. baht	- 34 4 1	Accounts receivable <u>Less</u> Allowance on doubtful accounts Accrued interest income	7 <u>(6)</u> <u>1</u> <0.5 mil. baht	It is the joint venture jointly undertaken by the company and Strega Co., Ltd. with the investment portion at 80:20 to undertake the construction work on underground power line of the Metropolitan Electricity Authority with the project value of 83 million baht and the construction work was completed in January 2009.

Unit : Million baht							
Person/Juristic person	Type of transaction in the profit and loss statement	Amount in 2010	Amount in 2009	Amount in 2008	Balance as of December 31, 2010		Remark
					Transaction in the balance sheet	Amount	
19. C.I.N Estate Co., Ltd.	Management income	4	4	4	Short-term loans and advances	24	1. It is the joint investment between Nawarat Patana-karn Public Co., Ltd. and Charn Issara Development Public Co., Ltd. at the portion of 40:60 to undertake the construction of a condominium at Ladprao Road between Soi 12-14 called “The Issara Ladprao” which is under the construction. 2. As of December 31, 2010, the investment in this company was 100 million baht.
	Interest income	< 0.5 mil. Baht	-	-	Accrued interest income	< 0.5 mil. baht	
20. MIHL (Holding) Co., Ltd.	-	-	-	-	Advances	< 0.5 mil. baht	1. This company is newly formed with 100% owned by the company. 2. The company sold the entire investment in Meeyahta International Hotel Limited (“MIHL”) which is a subsidiary company in the Union of Myanmar to MIHL (Holding) Co., Ltd. for 19.5 million baht and the payment has been received in full. 3. In the third quarter of 2010, the company sold the entire investment in MIHL (Holding) Co., Ltd. to the third party for 20 million baht under the payment condition that the total payment is required to be received completely within three months which is due in mid-March 2011. 4. As of December 31, 2010, the investment in this subsidiary was 19.5 million baht and the allowance for diminishing in value of assets was 19.5 million baht.

Unit : Million baht							
Person/Juristic person	Type of transaction in the profit and loss statement	Amount in 2010	Amount in 2009	Amount in 2008	Balance as of December 31, 2010		Remark
					Transaction in the balance sheet	Amount	
21. VSPN Property Co., Ltd.	Management income	1	-	-	Accounts receivable	< 0.5 mil. baht	1. This associated company is 25% owned by the company to develop the residential housing units in Banglamung District, Chonburi. It is under the construction process. 2. As of December 31, 2010, the investment in this as- sociated company was 25 million baht. 3. The loans extended are made in accordance with the shareholding portion.
	Interest income	1	-	-	Revenue not claimed for payment	< 0.5 mil. baht	
						Short-term loans and advances	

Lending Policy Provided for future Joint Ventures

The Company's lending policy mandates that lending providing for its future joint-ventures will only be done on necessity basis and with interest charged at the market interest rate. The Annual General Meeting No.1/1997 on April 29, 1997 approved the related party transactions concerning providing and receiving financial support between the Company and its related companies according to the following detail:

The financial management of the Company and related companies is consolidated in order to maximize the usefulness and effectiveness in terms of liquidity and ability to negotiate with financial institutions, the guideline for the Company's providing financial support for its related companies has been determined into three categories:

1. Joint ventures which Nawarat Patanakarn Public Company Limited has the venture capital of lower than 90 percent
2. Joint ventures which Nawarat Patanakarn Public Company Limited has the investment of lower than 90 percent
3. Joint ventures and companies in categories 1 and 2 to be invested in the future

Lending is provided through promissory notes and guarantee obligation with financial obligations. Rewards take the form of interest at a rate close to that issued by leading commercial banks to their good customers. A transaction does not exceed 25 percent of the total assets from each three-month consolidated financial statements. The lending policy has been in use since April 1997 and will remain valid until further changes have been made.

The Company's policy on future construction projects applied to its related companies

Projects that are contracted by the companies in the group include factory and office construction or real estate development projects. Project prices shall be appropriate market prices to ensure acceptable profit. Also, reasonable cost is assured for the client.

Construction projects tendered between the Company, its associated companies and its related companies

Independent engineers shall be appointed by the Company's independent directors. The inspection is performed to plans and value assessment of the construction projects. Then results are reported to the Board of Directors (including independent directors) right after the particular tenders. Comments are presented in the annual report.

Summary of current related transactions

1. In case of business transactions, employments are at the market prices.
2. In case of each other's loans, the interest rate will be according to the cost of the investment capital or in accordance with the Contract signed.
3. Collection of debts from trade accounts receivables from Subsidiaries, Joint Ventures and Related Parties will be performed as if they were general trade accounts receivables.

However, on December 26, 2006 from 1.00 pm to 4.30 pm, members of the auditing committee had a meeting to consider and discuss the Company's related transactions as summarized below:

The Company has related transactions with its Subsidiaries, Joint Ventures, Related Companies and its executives which can be divided into two main groups:

1. Business operations run and conditioned in the same way that other outside businesses are conditioned (which are those dealing with Subsidiaries, Joint Ventures, Related Parties and the Company's executives)

2. Loans granted in the past before the Company's Business Rehabilitation in 2000 to its Subsidiaries, Joint Ventures and Related Parties are those granted to:
 - 2.1 Meeyahta International Hotel Limited
 - 2.2 Myanmar NWR Company Limited
 - 2.3 Joint Venture of Vianini Lavori S.p.A., Nawarat Patanakarn Public Company Limited, Vianini – Thai Construction and Development Co., Ltd.
 - 2.4 Joint Venture of International Quality Assurance Laboratory Company Limited and Nawarat Patanakarn Public Company Limited
 - 2.5 Concorde Yachts International Co.,Ltd.

The increased amount of loan during 2006 was from the balance of interest the Company set up in order to reserve the right to the unsettled debt outstanding--principle and interest—not from any more loan. This is for the Company to have the right to claim of debt in full amount with interests up to now. In case there is a debt settlement lawsuit, the Company will be able to exert its right to claim in full amount. In this, the Company has already recorded the reserve of doubtful debts in full amount.

In addition, the Company has filed a lawsuit to The Union of Myanmar's Civil Court against Meeyahta International Hotel Limited to seek for its repayment of debt. As for other Subsidiaries or Joint Ventures that have stopped their business operations, the Company will take all possible actions to get those Subsidiaries and Joint Ventures to settle their debts (which are currently Joint Venture of Vianini Lavori S.p.A., Nawarat Patanakarn Public Company Limited, Vianini – Thai Construction and Development Co., Ltd. and Concorde Yachts International Co.,Ltd.).

For this, the auditing committee has a view that the Company has observed The Stock Exchange of Thailand's regulations on related transactions in relation to disclosure of data in Financial Statement and compliance with its criteria early from the initiation of each transaction.



7. Good Corporate Governance Practice

The Board of Directors strongly believes that good corporate governance is one of the important factors that help ensure the success of the company and enable the company to grow constantly and sustainably. The Principle on Corporate Governance is therefore adopted so that company's directors, management and employees can use it as the guidelines.

In 2010, The Company implemented the followings:

1. Rights of Shareholders and equitable Treatment of Shareholders

Shareholders are the owners of the company and control the company by appointing the Board of Directors to act as their representatives. Shareholders are eligible to make decisions on any significant corporate changes. Basic rights of Shareholders are: buy, sell or transfer of shares, share in profit of the company, obtain relevant and adequate information on the company in a timely manner and on a regular basis, participate and vote in the Shareholders' meeting to appoint or remove members of the Board, appoint the independent auditor, make decision of dividend payment and other matters that affect the company such as increase or decrease of capital and amendment to the company's Articles of Association etc. The company uphold the principle of equitable treatment of shareholders. All shareholders will be treated equally and fairly. The company also encourage shareholders to exercise their rights.

In 2010, The Company implemented the followings:

- 1.1 Organized the 2010 annual shareholders meeting at Suvarnabhumi A 2nd Floor Bangna Towers B Building, 2/3 Moo 14 Bangna-Trad Rd. Km. 6.5, Bangkaew, Bangplee, Samutprakarn, which is venue convenient to shareholders.
- 1.2 Distributed the notice calling for annual shareholders meeting 7 days in advance and attached with agendas and other relevant documents such as Copy of the Annual General Meeting of Shareholders for the year 2009, Annual Report of the Year 2009, Profiles of directors nominated for election in replacement of those retired by rotation, The summarized biography of the Member of Audit Committee proposed option to shareholders who are unable to attend the meeting, The summarized biography of the auditor, Proxy Form, Articles of Association relating to the Shareholders' Meetings, Document Verifying Entitled to Attend the Meeting, and Map of the Meeting venue.
- 1.3 In the proxy form, the company provided options to shareholders by providing name of the 3 audit committee members so that shareholders may select one of them as their proxies to attend the meeting and vote in the meeting.
- 1.4 On the day of the meeting, the company open for registration 1 hours before the meeting.
- 1.5 Chairperson, Chairperson of the Audit Committee, Chief Executive Officer, Member of Audit Committee, President and Directors also the Management, Auditor and Legal Advisor attended the

meeting and listen to the opinions of shareholders on various issues.

- 1.6 Before the meeting, in accordance with the agendas stipulated in the notice calling for the meeting. Chairperson of the meeting had informed shareholders regarding the procedure of the meeting and the voting method for each agenda, which approved unanimously by the shareholders.
- 1.7 Chairperson of the meeting had run the meeting in accordance with the agendas stipulated in the notice calling for the meeting. Provided equal opportunities to shareholders to check the company's performance as well as ask, give opinions and provide recommendations. The company had written down all the major points in the minutes of meeting so that shareholders can investigate them accordingly.
- 1.8 Voting is by way of one-share one- vote rule. Provided there is not any objection or abstention, shareholders will be taken as approving the resolution proposed. If any shareholder desires to object, disagree, or vote for no vote, he will be advised to use the ballot provided by the Company. In casting a shareholder's vote, each of his shares will represent one vote. However, in finding the result, only the number of votes for disagreement and/or abstention (sent in writing) will be subtracted from all votes present at the meeting. As for the shareholders who issue a letter of attorney to have someone else attend the meeting but choose to cast his vote in the shareholder-own- intention system, the Company will put their votes(whether for agreement, disagreement and/or abstention depending on their own intention) into its database for one such regular resolution.
- 1.9 On the agenda appointing directors to replace those who retired by rotation, the company provided opportunity to shareholders to elect directors on individual basis.
- 1.10 No other agendas are considered in addition to those stipulated in the notice calling for the meeting.
- 1.11 On January 29,2010, the company had sent a letter to the Stock Exchange of Thailand as well as posted the information on the company's website, informed the shareholders that the company has provided opportunity to shareholders to add agendas for the meeting also provided opportunity to shareholders to nominate suitable persons to be elected as the company's directors in accordance with the company's procedure (see details in the company's website at www.nawarat.co.th)
- 1.12 The company had prepared the minutes of shareholders' meeting covered all the major points correctly and accurately. The company forwarded the minutes of meeting to the Stock Exchange of Thailand as well as disclosed the minutes of meeting on the company's website within 14 days after the date of the meeting.

The company has policy to disclose correct and accurate information constantly and on time. The company had disclosed information and other company's news to shareholders, investors and other people who are interest in the above-mentioned through various channels provided by the Stock Exchange of Thailand and through the company's website www.nawarat.co.th. In addition, the company has established the Investor Relation office in order to communicate with shareholders, investors and other people who are interested in above-mentioned.

2. Roles and Rights of Stakeholders

Stakeholders of the company will be treated fairly in accordance with their legal rights as specified in relevant laws. The Board of Directors will not do anything in violation of Stakeholders' legal right. Stakeholders include, but are not limited to shareholders, employees, customers, suppliers, competitors, independent auditors and community in the neighborhood of the company, etc.

3. Guidelines relative to Employees

The company strongly believes that employees are the most valuable resources of the company, it there-

fore encourage employees to learn and develop their skills continuously. The company has provided fair and suitable remunerations to employees by comparing with other companies that have similar size and similar nature of business. Besides, The Company has provided sufficient welfares to employees that reflect the current circumstances.

In 2010, The Company had implemented the followings for the employees:

- 3.1 In addition to salaries and bonuses that the company paid to the employees which close to those paid by other companies with similar size and similar nature of business, the company has arranged to have the Provident Fund, Nawarat Patanakarn Saving and credit Cooperative Limited., Medical treatment fee, Country Allowance, Foreign Allowance, Uniform, Life Assurance and Accident Insurance as well as the annual Physical Check up for all employees.
- 3.2 The company had jointly worked with Government Housing Bank Limited and Government Savings Bank Limited (Sai Thong Loans) provided a residential credit to the employee of which the privileges are better than that of the personal loan so the employees are able to acquire their own residence.
- 3.3 Privileges on holidays and financial assistance in case that the employee's father-mother has passed away.
- 3.4 Daily bus service for the employees and vehicles for employees in some positions at the construction site and head office.
- 3.5 Residential welfare for employees, including free electricity and running water for employees at the construction site.
- 3.6 The company had organized various training courses to improve knowledge and skill of the employees in order to improve the competitive potentiality. Form of training courses also in house training and send employees to training center. In 2010, there are total employees of 1,661 and total training hour 10,629.50
- 3.7 The company had organized the Orientation Course to all new employees so that they know the policy, culture of the company and operating practices.

4. Guidelines relative to Independent Auditors

The company realizes the importance of the Independent Auditors as the key mechanism of shareholders in auditing the Management's performance and to ensure that financial reports are correct and accurate and has given full supports to the Independent Auditors by providing them correct and accurate information, as well as providing them convenience during their auditing process. The financial reports of the company including the 2010 annual reports have certificated by the Independent Auditor. The financial reports are unqualified (clean report)

5. Disclosure and Transparency

The company realizes the importance to pay attention to the disclosure and transparency with regard to the corporate governance, in 2010, the company had disclosed information both the financial information and other information correctly, accurately, transparently and on time, in accordance with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand as follows:

- 5.1 Had forwarded the financial reports and other reports to Securities and Exchange Commission and Stock Exchange of Thailand within the given time set forth by them.
- 5.2 Had disclosed the financial status and other information such as nature of business, business risk, the number of security of the company held by each director, the connected transactions and Good

Corporate Governance Practice. etc. in the annual report and in the Form 56-1

- 5.3 Had disclosed the financial information and other information correctly and accurately in the company's website www.nawarat.co.th
- 5.4 The company has established the Investor Relations office so that shareholders and other persons can contact at
- Mr.Vajraput Vajrabhaya and Mr.Pratya Mankong
Tel : 02-730-2100 ext.2178
Fax : 02-751-9484
E-mail : ir@nawarat.co.th
- 5.5 The Board of Directors had selected the Independent Auditors who are independent and have no conflict of interests with the company and the Auditors have been approved by Securities and Exchange Commission. The company has appointed the auditors from Ernst & Young Office Limited. As the company's auditor for the year 2010 (who were the company's existing auditor) as recommended by the Audit Committee as follows:
- Ms. Siraporn Uranantakul C.P.A. License No. 3844 and/or
Mr. Supachai Panyawatno C.P.A. License No. 3930 and/or
Mr.Termphong Opanaphan C.P.A. License No. 4051
The audit fee for year 2010 of not exceed 1,950,000 Baht
- 5.6 The Company audited financial reports have been certified by the Independent Auditor and the financial reports are unqualified (clean reports)
- 5.7 The company has adopted the safeguard and investigation system for the use of internal information for inappropriate personal gain. All directors and management must report the changes in holding of the company's securities to the Securities and Exchange Commission. All directors, management and the employees involved in the internal information are prohibited to disclose such information to outside people or people whose job are not involved with the information. Also, all directors, management and employees involved in the preparation of the financial reports are prohibited to sell or buy the company's securities before the information is disclosed to the public.

6. Internal control and Risk management

The company has paid attention to the internal control and risk management system. The company has set up the Internal Audit Department, reported directly to the Audit Committee as a mechanism to reinforce the internal control system and the internal audit system as well as to follow up and ensure that there is improvement and correction of the flaws found from the audit to improve the efficiency and reduced risk from the operation.

The Company has policy on risk management for various matters such as financial risk management, credit risk, Interest rate risk and foreign currency risk etc. The company has also implemented the group accident insurance, group life assurance and medical insurance for the employees.

7. Responsibilities of the Board

The Board of Directors is responsible to shareholders in carrying out the company's business in compliance with the laws and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand, the objective and articles of association of the company as well as the resolutions of shareholders meeting. The Board of Directors shall perform duties in good faith, with due diligence and care, and for the best interest of the company and shareholders.

In 2010, the Board of Directors has performed its duties as follows:

7.1 Leadership and Vision

The Board of Directors has participated in the adoption of the company's strategic direction and annual operating budget including to oversee and control the management to operate the company in accordance with the policy and business plan to increase wealth of the company and grow the business constantly and sustainably. In addition the Board of Directors has established the Audit Committee to oversee the financial reports, internal control system, risk management system, the selection of independent auditor and oversee that the company has operated business in compliance with relevant laws and regulations.

7.2 Board Structure and Qualification

7.2.1 The Board of Directors comprised of 8 members; 4 executive directors, 4 independent directors.

7.2.2 The Board has 4 independent directors which is more than 1/3 of total directors. Out of the 4 independent directors, 3 are Audit Committee members.

7.2.3 The Chairperson and the Chief Executive Officer is not the same person.

7.2.4 The vacating directors may be eligible for-election.

7.2.5 The executive directors must not be the directors in other public companies more than 5 companies. The holding of directorship in other companies mentioned above must be informed to the Board and approved by the Board.

7.2.6 No director is allowed to be the partner or director of other companies which have similar-business and operate the business in competition with the company accepted that the matters were informed to have shareholder's meeting before the person was appointed to the company's director.

7.2.7 Every director should understand comprehensively the duties and responsibilities of the company director and the nature of business of the company as well as shall express their opinions independently. The director should also dedicate time and effort in carrying out the duties to reinforce the position of the Board of Directors.

7.3 Definition and Qualification of Director

7.3.1 Executive Director is an executive who is appointed as a member of the Board of Directors. The Executive Director must be knowledgeable and understand the business of the company and must not be a person who is prohibited to be company's director by law, or regulations of the Securities and Exchange Commission or the Stock Exchange of Thailand.

7.3.2 Non-executive director is a director who has no position in the company's management team. The Non-executive Director must have skills, experience and expertise that are useful to the company. And must meet the following qualification outlined by the Securities and Exchange Commission or the Stock Exchange of Thailand.

7.3.3 Independent Director is a director who has no position in the company's management team and must meet the following qualification outlined by the Securities and Exchange Commission and the Stock Exchange of Thailand detail as following:

- Hold company shares of not more than 5% of the company's paid up capital, or of those of the company's customers, suppliers, trade creditors, loan creditors or loan debtors etc. They must also have no benefits or interests directly or indirectly with regard to financial

and management of the company, the subsidiaries, the affiliates or the associates in such a way to make them less independent.

- Must not be the management, employees or advisors who receive regular compensation from the company, or personal advisors of the person who control the company, the subsidiaries, the affiliates or the associates. They must not have benefits or interests mentioned above for a period of not less than 3 years.
- Must have no business relation with the company, such as the customers, suppliers, trade creditors, loan creditors or loan debtors etc. They must also have to benefits or interests directly or indirectly with regard to financial and management of the company, the subsidiaries, the affiliates or the associates in such a way to make them less independent.
- Must not be relatives or other connected persons which may make them less independent with the management or major shareholder of the company, the subsidiaries, the affiliate or the associates, including person who are representatives of the management or major shareholders.

7.4 Board of Directors' Meeting

The Board of Directors has had regular meeting every month and may have additional meeting when it is necessary. In every meeting the Board had clearly fixed the agenda and had sent the notice calling for the meeting more than 7 days in advance so that the Board of Directors shall have sufficient times to study the information. Minutes of meeting had been written correctly and accurately, and the minutes of meeting that certified by the Board had been kept properly so that the Board of Directors and other involved persons can investigate them accordingly.

In 2010, The Board of Directors had 12 meeting and each meeting took approximately 2 hours.

7.5 Directors' Remuneration

The company had paid out the remuneration to directors in 2010 as follows:

Name	Board of Directors		Audit Committee		Number of month to get paid	Total amount of Remuneration (Baht)
	Position	Remuneration/month (Baht)	Position	Remuneration/month (Baht)		
Mr.Poapat Javanalikhorn	Chairperson	42,000.00			12	504,000.00
Mr.Prasertphand Pipatanakul	Director	26,250.00	Chairperson	21,000.00	12	567,000.00
Mr.Niyom Niyamanusorn	Director	26,250.00	Director	13,125.00	12	472,500.00
Mr.Apichart Dharmasaroja	Director	26,250.00	Director	13,125.00	12	472,500.00
Mr.Mana Karnasuta	Director	26,250.00			7	183,750.00
Mr.Polpat Karnasuta	Director	26,250.00			12	315,000.00
Mrs.Wattana Samanawong	Director	26,250.00			12	315,000.00
Mr.Sook Sueyanyongsiri	Director	26,250.00			12	315,000.00
Total amount of Remuneration for Committee in the year 2010						3,144,750.00

Note : Mr. Mana Karnasuta resigned as a director from the date of July 20, 2010



8. Report from Board of Directors Relative to Financial Reports

The Board of Directors is responsible for the company's financial reports and the details therein. The financial reports are prepared in accordance with the generally accepted accounting standards in Thailand, by adopting the appropriate accounting policy and consistent implementation as well as due judgment and best estimation in the financial reports preparation, including the sufficient note and explanation of the financial reports. In addition, The Board of Directors has overseen that the company's internal control system and risk management system are appropriate and efficient to ensure that the financial reports are correct, accurate and sufficient to safeguard the company's assets as well as to protect frauds.

The Board of Directors has appointed the Audit Committee to oversee and review the company's accounting policy and the accuracy of the financial reports, including the review of the company's internal control system and internal audit system, the details of which can be seen from the Audit Committee's Report included in the annual report. In addition the company's financial reports were audited by the independent auditor, Ernst & Young Office Limited. The report of the independent auditor is included in the annual report.

The Board of Directors has the opinion that the company's internal control system in general is satisfactory and can be assured that the financial reports of Nawarat Patanakarn Public Company Limited and its subsidiary for the year ended December 31, 2010 are accurate and fairly presented, as well as in compliance with relevant laws and regulations.

(Mr. Poapat Javanalikhorn)

Chairperson



9. Audit Committee Report Year 2010

The Audit Committee of Nawarat Patanakarn Public Company Limited is comprised of 3 independent directors and all the member of the Audit Committee are not the management or the advisors of the company.

1. Mr. Prasertphand	Pipatanakul	Chairperson of the Audit Committee
2. Mr. Niyom	Niyamanusorn	Member of Audit Committee
3. Mr. Apichart	Dharmasaroja	Member of Audit Committee

The Audit Committee has performed its duties and responsibilities as assigned by the Board of Directors and in accordance with the good practices for the Audit Committee of the Stock Exchange of Thailand.

In 2010, The Audit Committee has 12 meeting for various matters. The top management, the Internal Audit Manager and the Auditor has participated in the discussion of relevant agendas. The meeting for review of annual financial statement is one in which there are none of the Company's executives involved. Performance of the Audit Committee can be summarized as follows:

1. The review of quarterly financial reports and annually financial report for the year 2010, the financial reports and fairly presented. The information disclosure is adequate and reliable and in accordance with the general accepted accounting standards, the connected transactions between the company and its subsidiary has also properly been disclosed to ensure that they has been done in accordance with normal business transaction and in compliance with the criteria of the Stock Exchange of Thailand before forwarding them to Board of Directors for consideration.
2. The oversight of the internal control, the Audit Committee review with the Internal Audit Manager and has established audit plan that are suitable to the circumstance in order that the internal control is good, well-covered and suitable to the operating process. The Audit Committee has reviewed the investigating results and followed up the implementation as planed to protect or reduce possible risk as well as review regularly the performance of the Internal Audit Manager. The Audit Committee is of the opinion that the internal audit system is appropriate and efficient.
3. The review of the compliance with the Securities and Exchange Commission's laws and other relevant laws, The Audit Committee had a meeting with the Company Secretary who oversees and follows up the compliance of the company with the laws, rules and regulations of the Securities and Exchange Commission. The Audit committee is of the opinion that the company has operated the business in compliance with relevant laws and no material flaws are found.

4. The consideration of nomination of Auditor, the Audit committee has nominated for shareholder's approval:

- | | | | |
|-----------------------------|----------------|---------|--------|
| 1. Ms. Siraporn Uranantakul | C.P.A. License | No.3844 | and/or |
| 2. Mr.Termphong Opanaphan | C.P.A. License | No.4501 | and/or |
| 3. Mr. Khitsada Lerdwana | C.P.A. License | No.4958 | |

Ernst & Young Office Limited. As the company's Auditor for the year 2011



(Mr.Prasertphand Pipatanakul)

Chairperson of the Audit Committee



10. Explanation and Verification of Financial Position and Operation Results

10.1 Summary of the auditing report

Financial Statement 2010

The auditor has provided an unqualified opinion in the auditor's report with remark on the dispute with Meeyahta International Hotel Limited ("MIHL") as follows.

MIHL is a subsidiary company in the Union of Myanmar with total shareholding of 53%. MIHL entered into a land lease agreement with the Railway Authority of the Union of Myanmar for the lease term of 30 years (starting 1999) with renewal condition for another 10 years at the expiry of the agreement. In 2001, MIHL started its business after a certain delay due to the poor economic conditions. MIHL incurred a large amount of operating loss and the retained losses have been much greater than its capital.

As the investment conditions of such project have required MIHL to transfer ownership in such project to the concession provider at the expiry of the long-term lease with land rental charge at US\$910,152 per year. Such rental charge is subject to change every 5 years with additional charge per year of US\$35,000 plus 2% of the revenue before deduction of expenses of the project. As of December 31, 2010, MIHL incurred the obligation to pay the rental charge at US\$19 million according to such lease agreement.

In 2007, MIHL received a letter of termination of the land lease agreement from the government of the union of Myanmar for non-compliance with the agreement in relation to the improvement to the building and accrued land rental charge since 1998 until 2008 for about US\$10 million. To look after the interest of the joint creditor and to postpone the termination of the agreement, the company has taken a legal action against MIHL to repay the construction cost of such project and the case has already been decided by the primary court of the Union of Myanmar that the company would receive all construction costs. If MIHL is unable to repay the debts in accordance with the court decision, the court has order to put the hotel building of MIHL under an auction to obtain the payment to repay the debts to the company.

Besides, in 2007, a small shareholder of MIHL made a letter to inform the company that the company has defaulted the joint venture agreement and has a suit against the company for transfer of share ownership in MIHL to such small shareholder. The case is being under the examination of the primary court of the Union of Myanmar.

Financial Statements 2009:

The auditor has provided an unqualified opinion in the auditor's report with remark on the dispute with Meeyahta International Hotel Limited ("MIHL"), a subsidiary company in the Union of Myanmar, similar to the remark provided in the auditor's report of 2010 above. As of December 31, 2009, the case that the company had charged MIHL to repay the construction cost, is being examined by the primary court, the Union of Myanmar.

The auditing company for the financial statements of the years 2009 and 2010

Is Ernst & Young Office Limited: Mr.Supachai Panyawattano register no. 3930. The Company auditing expenses for the years 2009 and 2010 totaling 1.95 million per year.

10.2 Explanation and Verification of Financial Position and Operation Results

Since 1997 the country's economy has been suffering from the Baht depreciation and reduced economic growth. The construction contracting business has been dramatically impacted. Although in 2000 the economy seemed to improve, exchange rates became stable, and interest rates tended to reduce, there was still no clear sign of recovery. Liquidity was lacking, as financial institutions did not offer enough sufficient credits. On November 30, 2000, the Company entered into the debt restructuring agreement with its financial institution creditors. This relieved its debt and interest obligations. The corporate capital structure was restructured by the financial institution creditors. Part of the loans was novated as capital. The debts were partially reduced. The debt restructuring allowed the Company to have suitable financial structure facilitating its future operation. Still, the Company faced the problem of liquidity again in 2004 making it unable to repay the final amount of debt to financial institution creditors according to the business rehabilitation plan. The Company Then filed an application for amendment of the business rehabilitation plan and managed to clear off its debt and redeemed the convertible debentures before the due date. The Central Bankruptcy Court ordered an end to business rehabilitation on November 14, 2005.

In 2009, the world's and domestic economic situation gradually recovered. In the second quarter of 2009, the rise of world oil as well as steel-type, main material prices were turning back again. Up until now, oil and steel prices have increased by 40 and 20 percent respectively. Besides, the problematic political situations within the country have had an effect on its economic growth as well.

In 2010, the domestic political condition has severely affected domestic growth, including natural disaster incurred to Thailand and other countries around the world.

Explanation of Financial Position and Operation Results for the Year Ended December 31, 2010**Summary of Financial Position Based on Consolidated Financial Statement**

As of December 31, 2010, the total assets of the company registered at 5,608.37 million baht, an increase of 1,039.7 million baht or 22.76% from that of December 31, 2009.

Major changes in assets consisting of:

1. Non-related accounts receivable before deduction of allowance for doubtful accounts as of December 31, 2010, were 1,637.23 million baht, an increase of 163.41 million baht from that of December 31, 2009, with significant changes in three accounts receivable as follows.
 1. NWR-SBCC Joint Venture for the project of excavation and removal of earth and coal project at Mae Moh mine, Contract No. 6 Mae Moh Mine of the Electricity Generating Authority of Thailand, Mae Moh District, Lampang. The accounts receivable as of December 31, 2010 were 120.92 million baht (according to the investment portion at 50%), an increase of 49.15 million baht from that of December 31, 2009.
 2. PTT Public Co., Ltd. for the project on design and construction of the waste water treatment system for gas separation plant at Mab Ta Phut. The accounts receivable as of December 31, 2010 were 172.05 million baht, an increase of 163.46 million baht from that of December 31, 2009.
 3. GS Engineering & Construction Corporation for "Jetty Development and LNG Receiving Terminal Project". The accounts receivable as of December 31, 2010 were 77.52 million baht while there was no outstanding balance on December 31, 2009.

2. Accounts not claiming for payment before deduction of allowance for doubtful accounts as of December 31, 2010 were 550 million baht, an increase of 269.29 million baht from that of December 31, 2009 due to the construction project waiting for the delivery. There are two projects which have generated large incomes but have not claimed for the payment.
 1. Project on design and construction of the waste water treatment system for gas separation plant at Mab Ta Phut of PTT Public Co., Ltd. of which incomes have not been claimed for 139.44 million baht as of December 31, 2010 while there was no incomes to be claimed as of December 31, 2009.
 2. “Theun Hinboun Expansion Project” in the People Democratic Republic of Laos, which is subcontracted to the company by Cooperativa Muratori & Cementisti – C.M.C. Di Ravenna of which incomes have not been claimed for 167.02million baht as of December 31, 2010 while there was no incomes to be claimed as of December 31, 2009.
 3. Short-term loans and advances provided to related companies before deduction of allowance for doubtful accounts as of December 31, 2010 were 377.58 million baht compared with 273.38 million baht as of December 31, 2009, an increase of 104.20 million baht with details as follows.

(Unit : Million Baht)			
	As of 31/12/2010	As of 31/12/2009	Additional loans in 2010
ITD- Nawarat (L.L.C.)	134.48	102.79	31.69
InStyle Estate Park Co., Ltd.	91.77	65.88	25.89
Concorde Yachts International Co., Ltd.	104.41	104.71	-0.30
C.I.N Estate Co., Ltd.	24.33	-	24.33
VSPN Property Co., Ltd.	22.21	-	22.21
Other	0.38	-	0.38
Total	377.58	273.38	104.20

4. Land, Buildings and equipment were acquired during the year at the cost of 1,098.61 million baht, mostly an acquisition of NWR-SBCC Joint Venture to undertake the excavation and removal of earth and coal project, Contract No.6 at Mae Moh mine of the Electricity Generating Authority of Thailand, Mae Moh District, Lampang. The additional purchase during the year was 892.33 million baht (according to the investment portion of 50%).
5. Land to be developed and to be sold The company has transferred two plots of the land to be developed in Samui island, Surat Thani and Mae Rim District, Chiangmai at the cost of 125.24 million baht to the land to be sold because there is no development plan.

Major changes in liabilities consisting of:

1. Account payable consisting of:
 1. Non-related accounts payable as of December 31, 2010 were 745.44 million baht, an increase of 179.85 million baht from that of December 31, 2009.
 2. Related accounts payable as of December 31, 2010 were 352.24 million baht, an increase of 229.39 million baht from that of December 31, 2009.
2. Other current liabilities-other creditors as of December 31, 2010 were 501.20 million baht, an increase of 464.09 million baht from that of December 31, 2009 due to account payable for purchase of heavy machinery and equipment of NWR-SBCC Joint Venture to undertake the excavation and removal of earth and coal project, Contract No.6 at Mae Moh mine for 463.81 million baht as of December 31, 2010 (according

to the investment portion of 50%), an increase of 461.75 million baht from that of December 31, 2009.

Explanation of Financial Position and Operation Results for the Year Ended December 31, 2009

Summary of Financial Position Based on Consolidated Financial Statement

As of December 31, 2009, the Company's total assets amounted to Baht 4,568.68 million, an increase by Baht 1,453.94 million from the date of December 31, 2008, equaling 46.68 percent.

Major Changes in Assets

1. The value of Trade Accounts Receivables-Unrelated Parties- as of December 31, 2009 was equal to Baht 1,473.82 million, an increase by Baht 108.16 million from December 31, 2008. As of December 31, 2009, there was an appearance of Trade Accounts Receivable balance from NWR-SBCC Joint Venture amounting to Baht 71.77 million (according to 50% investment proportion), from the Contract Work of excavating and transporting soil and coal at Maemoh mine, Contract 6 made at Maemoh mine, of Maemoh District, Lampang Province, employed by EGAT, commencing in 2009.
2. The value of Trade Accounts Receivables-Related Parties- as of December 31, 2009 was equal to Baht 386.76 million, a decrease by Baht 91.49 million from December 31, 2008. The Company received debt repayments through transferring of assets from 2 debtors to be named below:
 1. Ruen Rapee Company Limited paid off its debt by making transfers of assets, a total of 46 deeds of lands and buildings, amounting to Baht 42.91 million during the third quarter of 2009.
 2. East Bangkok Assets Company Limited paid off its debt by making transfers of 50 deeds of lands to settle a debt of Baht 34.50 million during the fourth quarter of 2009.
3. Outstanding merchandise as of December 31, 2009 was in the amount of Baht 470.08 million, a decrease by Baht 129.24 million from December 31, 2008. Near the end of 2008, there was a fluctuation in steel price, so the Company avoided the risk by stockpiling it. However, because some steel was brought out to use for construction throughout 2009 the outstanding balance for materials was decreased toward the end of 2009.
4. There were, during the year, purchases of land, buildings, and equipments at cost prices mostly by NWR-SBCC Joint Venture to supply the Project of excavating and transporting soil and coal at Maemoh mine, as per Contract 6 made for Maemoh mine, of Maemoh district, Lampang Province, employed by EGAT, with the buying value added during the year totaling Baht 1,319.74 million (according to 50% investment proportion).
5. Real Estates pending sale as of December 31, 2009 amounted to Baht 205.74 million, an increase by Baht 131.37 million. The Company received 3 items of land and building transfers as follows:
 1. a total of 46 deeds of land and building from Ruen Rapee Company Limited to settle a debt of Baht 42.91 million in the third quarter of 2009
 2. a total of 50 deeds of land from East Bangkok Assets Company Limited to settle a debt of Baht 34.50 million in the fourth quarter of 2009 (The Company itself paid for the transfer fee of Baht 1.20 million; therefore, the land value pending sale is equal to Baht 35.70 million.)
 3. a transfer of 30-1-88 rai of land in Samutsakon Province valued Baht 30.47 million in exchange for all of the investment money in Sarin Property Company Limited which the Company was holding

Major Changes in Debts

1. Bank Overdrafts and short-term loans from financial institutions as of December 31, 2009 amounted to Baht 408.07 million, an increase by Baht 145.67 million.

2. The value of Trade accounts payable-related parties as of December 31, 2009 was in the amount of Baht 122.85 million, an increase by Baht 101.02 million.
3. Long-term loans from banks as of December 31, 2009 amounted to Baht 1,104.40 million, the 120-million-baht portion due within one year included.

The above-mentioned 3 items of debts are major changes resulting from NWR-SBCC Joint Venture (according to 50% investment proportion), the Contract Work of excavating / transporting soil and coal at Maemoh mine, Contract 6 made for Maemoh mine, of Maemoh district, Lampang Province, employed by EGAT. This Project was commenced in 2009 and supported by long-term loans from banks with the purpose of setting up a fund for buying and repairing equipments, with 7-year loan term being repaid in installments (72 monthly installments commencing on May 31, 2010 and finalizing on April 30, 2016).

**Nawarat Patanakarn Public Company Limited,
its subsidiaries and its jointly controlled entities**

Report and consolidated financial statements

31 December 2010 and 2009



Report of Independent Auditor

To the Shareholders of Nawarat Patanakarn Public Company Limited

I have audited the accompanying consolidated balance sheets of Nawarat Patanakarn Public Company Limited, its subsidiaries and its jointly controlled entities as at 31 December 2010 and 2009, the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended, and the separate financial statements of Nawarat Patanakarn Public Company Limited for the same periods. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits. I did not audit the financial statements for the years ended 31 December 2010 and 2009 of certain subsidiaries and jointly controlled entities. The consolidated financial statements included total assets of these subsidiaries and jointly controlled entities of Baht 2,531 million, total revenues of Baht 1,262 million and net loss of Baht 53 million (2009: Baht 1,860 million, Baht 676 million and Baht 12 million, respectively). The financial statements of these subsidiaries and jointly controlled entities were audited by other auditors whose reports have been furnished to me. My report insofar as they relate to these subsidiaries and jointly controlled entities are based solely on the reports of those other auditors.

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

In my opinion, based on my audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Nawarat Patanakarn Public Company Limited, its subsidiaries and its jointly controlled entities, and of Nawarat Patanakarn Public Company Limited as at 31 December 2010 and 2009, the results of their operations and cash flows for the years then ended, in accordance with generally accepted accounting principles.

Without qualifying my opinion on the above financial statements, I draw attention to a dispute of an overseas subsidiary as described in Note 15 to the financial statements.



Supachai Phanyawattano

Certified Public Accountant (Thailand) No. 3930

Ernst & Young Office Limited

Bangkok: 25 February 2011

Nawarat Patanakarn Public Company Limited, its subsidiaries and its jointly controlled entities

Balance sheets

as at 31 December 2010 and 2009

(Unit: Baht)					
	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Assets					
Current assets					
Cash and cash equivalents	6	135,358,345	205,756,151	59,503,010	118,522,509
Trade accounts receivable - unrelated parties, net	7	631,560,743	449,582,478	469,977,299	313,529,048
Trade accounts receivable - related parties, net	7,8	80,475,560	100,693,532	82,062,799	123,660,700
Unbilled receivables - net	7	536,645,859	268,676,351	445,886,544	200,000,419
Retention receivables - net		133,420,981	184,540,798	93,662,737	140,982,782
Short-term loans and advances to related parties - net	8	243,161,401	164,851,489	108,611,489	62,069,528
Loans to venturer	9	11,136,639	10,607,927	-	-
Inventories - net	10	411,234,937	454,372,111	376,389,791	444,824,367
Other current assets					
Withholding income tax		52,427,463	66,406,921	46,643,210	61,647,421
Advance payment		32,963,669	46,232,039	32,963,669	46,232,039
Prepaid expenses		37,106,142	24,968,488	31,445,642	19,091,336
Value added tax refundable		22,431,973	96,512,507	1,555,425	36,370
Others		92,130,869	71,744,322	14,338,617	16,968,656
Total current assets		2,420,054,581	2,144,945,114	1,763,040,232	1,547,565,175
Non-current assets					
Restricted bank deposits	20	112,514,210	91,023,369	92,630,790	73,426,891
Investments in subsidiaries - net	11	-	-	31,296,663	19,296,673
Investments in joint ventures - net	12	-	-	24,990,496	33,412,470
Investments in associates	13	115,267,655	85,853,628	124,999,596	123,999,596
Other long-term investments - net	14	20,160,915	20,227,217	20,160,915	20,227,217
Hotel, apartment building and equipment - net	15,25	11,799,631	56,172,758	-	-
Property, plant and equipment - net	16,20	2,524,255,181	1,784,067,663	535,710,068	480,547,609
Other non-current assets					
Leasehold right for land - net	17	25,438,954	28,025,950	25,438,954	28,025,950
Property awaiting sale	18,20	207,822,409	205,744,679	207,822,409	205,744,679
Land awaiting development	19	21,910,532	139,829,688	21,910,532	139,829,688
Land awaiting sale	19	125,240,537	-	125,240,537	-
Others		23,906,514	12,785,941	10,939,890	11,395,232
Total non-current assets		3,188,316,538	2,423,730,893	1,221,140,850	1,135,906,005
Total assets		5,608,371,119	4,568,676,007	2,984,181,082	2,683,471,180

The accompanying notes are an integral part of the financial statements.

Nawarat Patanakarn Public Company Limited, its subsidiaries and its jointly controlled entities

Balance sheets (continued)

as at 31 December 2010 and 2009

(Unit: Baht)					
		Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Note					
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	20	360,143,149	408,072,815	260,771,236	246,136,399
Trade accounts payable - unrelated parties		745,440,638	565,587,689	571,271,664	366,697,665
Trade accounts payable - related parties	8	352,239,363	122,850,727	36,448,391	36,873,617
Current portion of long-term loan from bank	21	177,972,154	120,000,000	-	-
Short-term loans and advances from related parties	8	118,909,222	109,016,965	10,624,392	246,297
Advance received from construction		273,961,679	276,265,529	272,536,076	274,565,782
Deposit for share subscription	11	10,000,000	-	10,000,000	-
Other current liabilities					
Accrued expenses		233,449,355	242,469,260	24,834,656	14,641,549
Output tax suspend		109,447,151	97,593,610	100,845,826	89,095,091
Other accounts payable		501,200,640	37,112,957	37,946,318	35,051,399
Others		50,817,678	43,157,277	15,455,192	22,211,483
Total current liabilities		2,933,581,029	2,022,126,829	1,340,733,751	1,085,519,282
Non-current liabilities					
Long-term loan from bank, net of current portion	21	990,349,305	981,403,513	-	-
Retention payables		57,734,134	61,780,384	54,155,814	58,506,274
Other non-current liabilities		57,250,277	10,757,741	13,510,472	10,757,741
Total non-current liabilities		1,105,333,716	1,053,941,638	67,666,286	69,264,015
Total liabilities		4,038,914,745	3,076,068,467	1,408,400,037	1,154,783,297

The accompanying notes are an integral part of the financial statements.

Nawarat Patanakarn Public Company Limited, its subsidiaries and its jointly controlled entities

Balance sheets (continued)

as at 31 December 2010 and 2009

(Unit: Baht)					
	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Shareholders' equity					
Share capital	22				
Registered					
2,217,950,679 ordinary shares of Baht 1 each					
(31 December 2009: 3,149,691,424 ordinary shares of Baht 1 each)		2,217,950,679	3,149,691,424	2,217,950,679	3,149,691,424
Issued and fully paid					
1,552,901,243 ordinary shares of Baht 1 each					
(31 December 2009: 2,484,641,988 ordinary shares of Baht 1 each)		1,552,901,243	2,484,641,988	1,552,901,243	2,484,641,988
Translation adjustment		95,544,288	95,371,219	-	-
Retained earnings					
Appropriated - statutory reserve	22	4,650,658	50,000,000	2,354,658	50,000,000
Unappropriated (deficit)		(129,655,632)	(1,161,020,202)	20,525,144	(1,005,954,105)
Equity attributable to the Company's shareholders		1,523,440,557	1,468,993,005	1,575,781,045	1,528,687,883
Minority interest - equity attributable to minority shareholders of subsidiaries		46,015,817	23,614,535	-	-
Total shareholders' equity		1,569,456,374	1,492,607,540	1,575,781,045	1,528,687,883
Total liabilities and shareholders' equity		5,608,371,119	4,568,676,007	2,984,181,082	2,683,471,180

The accompanying notes are an integral part of the financial statements.

Nawarat Patanakarn Public Company Limited, its subsidiaries and its jointly controlled entities

Income statements

For the years ended 31 December 2010 and 2009

(Unit: Baht)				
Note	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Continuing operations				
Revenues				
Revenues from construction	2,855,541,942	2,729,952,628	2,699,855,745	2,529,590,415
Sales and service income	1,079,397,793	484,952,206	-	-
Other income				
Interest income	23,415,664	13,466,344	27,712,682	16,239,522
Management fee income	20,012,374	15,237,122	47,012,374	15,237,122
Reversal of allowance for loss from diminution in value of other long-term investment	-	30,468,724	-	30,468,724
Reversal of allowance for loss from diminution in value of investments in joint ventures	-	-	-	11,615,186
Others	51,473,862	70,940,254	18,215,437	21,842,560
Total revenues	4,029,841,635	3,345,017,278	2,792,796,238	2,624,993,529
Expenses				
Cost of construction	2,578,500,462	2,493,806,282	2,450,385,946	2,318,090,571
Cost of sales and service	900,618,125	392,920,645	-	-
Administrative expenses	281,603,776	245,984,280	161,553,869	156,006,315
Doubtful debts (reversal)	32,920,986	(24,216,980)	99,887,697	(1,709,165)
Remunerations of directors and managements 8	30,550,481	33,967,599	20,932,013	27,313,470
Total expenses	3,824,193,830	3,142,461,826	2,732,759,525	2,499,701,191
Income from continuing operations before share of income from investments in associates, finance cost and corporate income tax	205,647,805	202,555,452	60,036,713	125,292,338
Share of income from investments in associates 13	28,414,027	2,918,738	-	-
Income from continuing operations before finance cost and corporate income tax	234,061,832	205,474,190	60,036,713	125,292,338
Finance cost	(110,832,465)	(59,321,591)	(12,943,551)	(17,822,653)
Income from continuing operations before corporate income tax	123,229,367	146,152,599	47,093,162	107,469,685
Corporate income tax 24	(6,892,105)	(7,734,325)	-	-
Income for the year from continuing operations	116,337,262	138,418,274	47,093,162	107,469,685
Discontinued operations 25				
Loss for the year from discontinued operations	(39,661,497)	(48,945,508)	-	-
Net income for the year	76,675,765	89,472,766	47,093,162	107,469,685

The accompanying notes are an integral part of the financial statements.

Nawarat Patanakarn Public Company Limited, its subsidiaries and its jointly controlled entities

Income statements (continued)

For the years ended 31 December 2010 and 2009

(Unit: Baht)				
Note	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Net income attributable to:				
Equity holders of the parent				
Income for the year from continuing operations	115,045,060	136,957,296	47,093,162	107,469,685
Loss for the year from discontinued operations	(60,770,577)	(39,023,508)	-	-
Income for the year attributable to equity holders of the parent	54,274,483	97,933,788	47,093,162	107,469,685
Minority interests of the subsidiaries			-	-
Income for the year from continuing operations	1,292,202	1,460,978		
Income (loss) for the year from discontinued operations	21,109,080	(9,922,000)		
Income (loss) for the year attributable to minority interests of the subsidiaries	22,401,282	(8,461,022)		
	76,675,765	89,472,766		
	-	-		
Basic earnings per share	26			
Income for the year from continuing operations attributable to equity holders of the parent	0.06	0.06	0.02	0.04
Loss for the year from discontinued operations attributable to equity holders of the parent	(0.03)	(0.02)	-	-
Net income attributable to equity holders of the parent	0.03	0.04	0.02	0.04
Weighted average number of ordinary shares (shares)	2,081,313,118	2,484,641,988	2,081,313,118	2,484,641,988

The accompanying notes are an integral part of the financial statements.

Nawarat Patanakarn Public Company Limited, its subsidiaries and its jointly controlled entities

Statements of changes in shareholders' equity

For the years ended 31 December 2010 and 2009

(Unit: Baht)							
	Consolidated financial statements						
	Equity attributable to the parent's shareholders					Minority interest	Total
	Issued and fully paid-up share capital	Translation adjustment	Statutory reserve	Deficit	Total equity attributable to the parent's shareholders		
Balance as at 31 December 2008	2,484,641,988	95,170,439	50,000,000	(1,258,953,990)	1,370,858,437	22,153,557	1,393,011,994
Income recognised directly in equity:							
Increase in translation adjustment	-	200,780	-	-	200,780	-	200,780
Net income recognised directly in equity	-	200,780	-	-	200,780	-	200,780
Net income for the year	-	-	-	97,933,788	97,933,788	1,460,978	99,394,766
Total income for the year	-	200,780	-	97,933,788	98,134,568	1,460,978	99,595,546
Balance as at 31 December 2009	2,484,641,988	95,371,219	50,000,000	(1,161,020,202)	1,468,993,005	23,614,535	1,492,607,540
Balance as at 31 December 2009	2,484,641,988	95,371,219	50,000,000	(1,161,020,202)	1,468,993,005	23,614,535	-
Income recognised directly in equity:							
Increase in translation adjustment	-	173,069	-	-	173,069	-	173,069
Net income recognised directly in equity	-	173,069	-	-	173,069	-	173,069
Net income for the year	-	-	-	54,274,483	54,274,483	22,401,282	76,675,765
Total income for the year	-	173,069	-	54,274,483	54,447,552	22,401,282	76,848,834
Decrease in statutory reserve and share capital to offset deficit (Note 22)	(931,740,745)	-	(45,349,342)	977,090,087	-	-	-
Balance as at 31 December 2010	1,552,901,243	95,544,288	4,650,658	(129,655,632)	1,523,440,557	46,015,817	1,569,456,374

The accompanying notes are an integral part of the financial statements.

Nawarat Patanakarn Public Company Limited, its subsidiaries and its jointly controlled entities

Statements of changes in shareholders' equity (continued)

For the years ended 31 December 2010 and 2009

(Unit: Baht)				
	Separate financial statements			
	Issued and fully paid-up share capital	Statutory reserve	Retained earnings (deficit)	Total
Balance as at 31 December 2008	2,484,641,988	50,000,000	(1,113,423,790)	1,421,218,198
Net income for the year	-	-	107,469,685	107,469,685
Balance as at 31 December 2009	2,484,641,988	50,000,000	(1,005,954,105)	1,528,687,883
Balance as at 31 December 2009	2,484,641,988	50,000,000	(1,005,954,105)	-
Net income for the year	-	-	47,093,162	47,093,162
Decrease in statutory reserve and share capital to offset deficit (Note 22)	(931,740,745)	(47,645,342)	979,386,087	-
Balance as at 31 December 2010	1,552,901,243	2,354,658	20,525,144	1,575,781,045

The accompanying notes are an integral part of the financial statements.

Nawarat Patanakarn Public Company Limited, its subsidiaries and its jointly controlled entities

Cash flow statements

For the years ended 31 December 2010 and 2009

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Cash flows from operating activities				
Income before tax from continuing operations	123,229,367	146,152,599	47,093,162	107,469,685
Loss before tax from discontinued operations	(39,661,497)	(48,945,508)	-	-
Net income before tax	83,567,870	97,207,091	47,093,162	107,469,685
Adjustments to reconcile net income before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	376,518,400	196,445,521	147,035,813	149,678,511
Doubtful debts (reversal)	32,920,986	(24,216,980)	99,887,697	(1,709,165)
Reversal of allowance for loss from diminution in value of other long-term investment	-	(30,468,724)	-	(30,468,724)
Reversal of allowance for loss from diminution in value of investments in joint ventures	-	-	-	(11,615,186)
Share of income from investments in associates	(28,414,027)	(2,918,738)	-	-
Gain from disposal of investments in subsidiary	-	-	(359,021)	-
Loss from disposal of investments in joint ventures	-	-	830,519	-
Loss from disposal of other long-term investments	55,091	-	55,091	-
Gain on disposal of equipment	(3,625,671)	(11,497,496)	(1,494,490)	(6,766,042)
Unrealised loss (gain) on exchange	26,159,989	(2,227,154)	1,530,031	(1,616,690)
Gain on disposal of property awaiting sale	(10,547,862)	(2,587,017)	(10,547,862)	(2,587,017)
Interest income	(23,415,664)	(13,466,344)	(27,712,682)	(16,239,522)
Interest expenses	107,633,563	67,970,765	12,943,551	17,822,653
Income from operating activities before changes in operating assets and liabilities	560,852,675	274,240,924	269,261,809	203,968,503
Decrease (increase) in operating assets				
Trade accounts receivable	(178,014,385)	(101,079,320)	(154,146,549)	31,280,513
Unbilled receivables	(267,969,508)	41,602,669	(245,886,125)	117,783,650
Retention receivables	51,119,817	(14,176,133)	47,320,045	(40,712,280)
Inventories	43,137,174	129,234,822	68,434,576	136,766,117
Other current assets	112,631,600	(15,868,224)	65,975,840	80,735,767
Increase (decrease) in operating liabilities				
Trade accounts payable	409,381,799	155,866,240	204,288,987	(100,782,626)
Advances received from construction	(1,945,752)	(8,976,026)	(1,671,608)	16,617,658
Accrued expenses and other current liabilities	471,329,393	8,789,190	17,524,665	(70,237,306)
Retention payable	(4,046,250)	(32,634,075)	(4,350,460)	(27,889,275)
Other non-current liabilities	46,492,536	(2,197,502)	2,752,731	(2,197,502)
Cash flows from operating activities	1,242,969,099	434,802,565	269,503,911	345,333,219
Cash paid for interest expenses	(104,352,458)	(40,908,274)	(12,356,968)	(18,412,909)
Cash paid for corporate income tax	(52,963,583)	(65,176,649)	(46,643,210)	(61,647,421)
Net cash from operating activities	1,085,653,058	328,717,642	210,503,733	265,272,889

The accompanying notes are an integral part of the financial statements.

Nawarat Patanakarn Public Company Limited, its subsidiaries and its jointly controlled entities

Cash flow statements (continued)

For the years ended 31 December 2010 and 2009

(Unit: Baht)				
	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Cash flows from investing activities				
Increase in restricted bank deposits	(21,490,841)	(37,669,939)	(19,203,899)	(30,851,878)
Increase in short-term loans and advances to related parties	(74,855,401)	(25,200,013)	(88,227,248)	(52,627,432)
Increase in loans to venturer	(528,712)	-	-	-
Increase in investments in subsidiaries	-	-	(31,499,790)	-
Increase in investments in joint ventures	-	-	-	(5,921,974)
Increase in investments in associates	(1,000,000)	(18,500,000)	(1,000,000)	(18,500,000)
Increase in other long-term investments	(24)	(2,499,975)	(24)	(2,499,975)
Cash received from return of investments in joint ventures (Note 12)	-	-	7,591,455	56,417,000
Cash received from disposal of investments in subsidiary (Note 11)	-	-	19,500,000	-
Deposit received for share subscription (Note 11)	10,000,000	-	10,000,000	-
Cash received from disposal of other long-term investments	11,235	-	11,235	-
Proceeds from disposal of equipment	7,955,503	29,177,838	5,603,018	10,805,611
Proceeds from disposal of property awaiting sale	51,647,300	10,072,303	51,647,300	10,072,303
Acquisition of equipment	(1,100,279,600)	(1,427,549,342)	(203,719,804)	(103,854,932)
Increase in property awaiting sale	(43,177,168)	(29,770,686)	(43,177,168)	(29,770,686)
Increase in land awaiting development	(7,321,381)	(16,000,000)	(7,321,381)	(16,000,000)
Interest income	5,055,192	1,324,824	4,804,800	691,987
Decrease (increase) in other non-current assets	(11,120,573)	3,949,129	455,342	3,808,347
Net cash used in investing activities	(1,185,104,470)	(1,512,665,861)	(294,536,164)	(178,231,629)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(47,929,666)	145,670,104	14,634,837	(9,988,249)
Increase in long-term loan from bank	66,917,946	1,101,403,513	-	-
Increase (decrease) in short-term loans and advances from related parties	9,892,257	(15,917,480)	10,378,095	(16,303,282)
Net cash from (used in) financing activities	28,880,537	1,231,156,137	25,012,932	(26,291,531)
Increase in translation adjustment	173,069	200,780	-	-
Net increase (decrease) in cash and cash equivalents	(70,397,806)	47,408,698	(59,019,499)	60,749,729
Cash and cash equivalents at beginning of year	205,756,151	158,347,453	118,522,509	57,772,780
Cash and cash equivalents at ending of year	135,358,345	205,756,151	59,503,010	118,522,509
Supplemental cash flows information				
Non-cash transactions				
Transfer of property awaiting sale in settlement of debts	-	101,597,953	-	101,597,953
Transfer land awaiting development to land awaiting sale	125,240,537	-	125,240,537	-

The accompanying notes are an integral part of the financial statements.

Nawarat Patanakarn Public Company Limited, its subsidiaries and its jointly controlled entities

Notes to consolidated financial statements

For the years ended 31 December 2010 and 2009

1. General information

Nawarat Patanakarn Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the provision of construction services and its registered address is 2/3, Bangna Towers A, 18th-19th Floor, Moo 14, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 30 January 2009, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Nawarat Patanakarn Public Company Limited (“the Company”) and its subsidiaries (“the subsidiaries”) and its jointly controlled entities (“jointly controlled entities”) as follows:

Company's name	Country of incorporation	Paid-up capital	Percentage of shareholding		Assets as a percentage to the consolidated total assets as at 31 December		Revenues as a percentage to the consolidated total revenues for the years ended 31 December	
			2010 Percent	2009 Percent	2010 Percent	2009 Percent	2010 Percent	2009 Percent
<u>Subsidiaries:</u>								
Meeyahta International Hotel Limited (held by MIHL (Holding) Company Limited)	Myanmar	1.75 million Kyats	53	53	0.72	1.53	1.17	1.30
MIHL (Holding) Company Limited	Thailand	19.5 million Baht	100	-	-	-	-	-
Myanmar NWR Company Limited	Myanmar	0.5 million Kyats	100	100	0.34	0.38	-	-
Utilities Business Alliance Company Limited	Thailand	40 million Baht	60	60	2.84	2.17	2.71	2.85
NWR (Cambodia) Company Limited	Cambodia	505 USD	100	100	0.14	0.29	1.33	1.33
<u>Joint controlled entities (proportionate consolidation):</u>								
Nawarat - A.S. Associated Joint Venture	Thailand	-	70	70	0.06	0.41	-	0.13
Nawarat - Samcon Joint Venture	Thailand	29.5 million Baht	51	51	0.06	0.08	-	-
Obayashi - Nawarat Joint Venture	Thailand	53.7 million Baht	30	30	0.30	0.60	-	0.88
A.S. - Nawarat Joint Venture	Thailand	11 million Baht	50	50	0.97	1.43	1.25	3.05
NWR - Strega Joint Venture	Thailand	-	80	80	0.05	0.28	-	0.13
ITD - Nawarat (L.L.C.)	United Arab Emirates	0.3 million UAE dirham	40	40	0.65	0.96	0.55	0.37
NWR - SBCC Joint Venture	Thailand	-	50	50	39.95	34.26	25.26	12.90
Q I N A Contracting (L.L.C.)	United Arab Emirates	3 million UAE dirham	-	20	-	-	-	-

During 2010, the Company terminated its investment in Q I N A Contracting (L.L.C.) as described in Note 12 to the financial statements. In addition, the Company invested in ordinary shares of MIHL (Holding) Company Limited, a subsidiary in Thailand. The Company's investment represents 100 percent of the registered capital of such company.

- b) Subsidiaries are fully consolidated and jointly controlled entities are proportionately consolidated as from the date on which the Company assumes control and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries and jointly controlled entities are prepared using the same significant accounting policies as the Company.
- d) The assets and liabilities in the financial statements of overseas subsidiary companies and jointly controlled entities are translated to Baht using the exchange rate prevailing on the balance sheet date, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Translation adjustment" in shareholders' equity.
- e) Material balances and transactions between the Company, its subsidiary companies and its jointly controlled entities have been eliminated from the consolidated financial statements.
- f) Minority interests represent the portion of net income or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

2.3 The separate financial statements, which present investments in subsidiaries, joint ventures and associates presented under the cost method, have been prepared solely for the benefit of the public.

3. Adoption of new accounting standards

During the current year, the Federation of Accounting Professions issued a number of revised and new accounting standards as listed below.

- a) Accounting standards that are effective for fiscal years beginning on or after 1 January 2011 (except Framework for the Preparation and Presentation of Financial Statements, which is immediately effective):

Framework for the Preparation and Presentation of Financial Statements (revised 2009)	
TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements

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

b) Accounting standards that are effective for fiscal years beginning on or after 1 January 2013:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the following accounting standards which management expects the impact on the financial statements in the year when they are adopted.

TAS 19 Employee Benefits

This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefits using actuarial techniques. Currently, the Company accounts for such employee benefits when they are incurred.

At present, the management is evaluating the impact on the financial statements in the year when this standard is adopted.

TAS 18 (revised 2009) Revenue

This accounting standard requires entities to recognise revenue from sale of goods, which includes real estate developed for sale, when the significant risks and rewards are transferred to the buyer. Currently, the entities can elect to use the percentage-of-completion method in recognising revenue from real estate sales.

The change will have effect the revenue recognition of an associated company, and the Company accounts for its investment in this associated company in the consolidated financial statements using the equity method. The effect of the change in such accounting policy to the 2011 consolidated financial statement will be to decrease the beginning balance of retained earnings by Baht 58.0 million.

4. Significant accounting policies

4.1 Revenues and expenses recognition

a) Revenues

Revenues from construction are recognised on a percentage of completion basis, and the percentage of completion based on the proportion of actual costs incurred to date to the total estimated budget cost. Recognised revenues which are not yet due per the contracts have been presented under the caption of “Unbilled receivables” in the balance sheets.

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

Service income is recognised when services have been rendered taking into account the stage of completion.

Interest income is recognised on an accrual basis based on the effective interest rate.

b) Expenses

Costs of construction, sales and service and other expenses are recognised on an accrual basis.

Provision for anticipated losses on construction projects is made in the accounts in full when the likelihood of loss is ascertained.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable

Trade accounts receivable are stated at the net recognition value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.4 Inventories

Finished goods and works in process are valued at the lower of cost (first-in, first-out method) and net recognition value. This cost includes all production costs and attributable factory overheads.

Raw materials are valued at the lower of cost (first-in, first-out method) and net recognition value and are charged to production costs whenever consumed.

4.5 Investments

- a) Investments in non-marketable equity securities, which the Company classifies as other investments, are valued at cost net of allowance for loss on diminution in value (if any).
- b) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- c) Investments in subsidiaries, jointly controlled entities and associates are accounted for in the separate financial statements using the cost method.

4.6 Property, plant and equipment and depreciation

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on a straight-line basis over the following estimated useful lives:

Land improvements	-	5 years
Building and constructions	-	5, 10, 20 years and the period of lease agreement
Hotel and apartment building	-	30 years
Tools, machinery and equipment	-	2 - 10 years
Office equipment, furniture and fixtures	-	2 - 5, 10 years
Hotel equipment and furniture	-	10 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and constructions in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

4.7 Leasehold right and amortisation

Leasehold right is stated at cost less accumulated amortisation and allowance for loss on impairment of assets (if any). Amortisation is calculated by reference to its cost on the straight-line basis over the lease period.

The amortisation is included in determining income.

4.8 Property awaiting sale

Property awaiting sale is stated at cost less allowance for loss on impairment of assets (if any). Cost comprises cost of land, design fee, infrastructure and construction.

4.9 Land awaiting development/Land awaiting sale

Land awaiting development and land awaiting sale are stated at cost less allowance for loss on impairment of assets (if any). It is consisted of cost of land and development costs.

4.10 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, its subsidiaries and its jointly controlled entities, whether directly or indirectly, or which are under common control with the Company, its subsidiaries and its jointly controlled entities.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company, its subsidiaries and its jointly controlled entities that gives them significant influence over the Company, its subsidiaries and its jointly controlled entities, key management personnel, directors and officers with authority in the planning and direction of the operations of the Company, its subsidiaries and its jointly controlled entities.

4.11 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to the income statements over the lease period. The property, plant or equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

4.12 Foreign currencies

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the balance sheet date.

Gains and losses on exchange are included in determining income.

4.13 Impairment of assets

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

An impairment loss is recognised in the income statement.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company, subsidiaries and jointly controlled entities estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.14 Employee benefits

Salaries, wages, bonuses and contributions to the social security fund and provident fund are recognised as expenses when incurred.

4.15 Provisions

Provisions are recognised when the Company, its subsidiaries and its jointly controlled entities have a present obligation as a result of a past event, it is probable that an outflow of resources embodying eco-

conomic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.16 Income tax

Income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

4.17 Discontinued operations

The Company discloses profit or loss from discontinued operations in the income statements. This comprises the total of the post-tax profit or loss of the discontinued operations. The Company has re-presented the disclosures for the prior period so that the disclosures relate to all operations that have been discontinued by the end of the reporting period for the latest period presented.

5. Significant accounting judgments and estimates

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

Estimated construction project costs

The Company, its subsidiaries and its jointly controlled entities estimate costs of construction projects based on details of the construction work, taking into account the volume and value of construction materials to be used in the project, labour costs and overhead costs to be incurred to completion of service, including forecast for any changes. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

Allowance for doubtful accounts

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

Impairment of investments

The Company treats investments in subsidiaries, joint ventures, associates and other long-term investments as impaired when the management judgment that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment.

Property awaiting sale, land awaiting development and land awaiting sale

The Company presents property awaiting sale, land awaiting development and land awaiting sale at cost less an allowance for impairment loss of assets (if any). The management is required to review such assets 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. The management used judgment to estimate impairment loss by taking into consideration the fair value.

Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and salvage values of the plant and equipment of the Company, subsidiaries and jointly controlled entities and to review estimate useful lives and salvage values when there are any changes.

Litigation

The Company, subsidiaries and jointly controlled entities have contingent liabilities as a result of litigation. The managements of the Company, subsidiaries and jointly controlled entities have used judgment to assess of the results of the litigation and believe that no loss will result.

6. Cash and cash equivalents

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Cash	60,642	38,402	17,066	27,874
Bank deposits	74,716	167,354	42,437	90,649
Total	135,358	205,756	59,503	118,523

As at 31 December 2010, bank deposits in saving accounts and fixed deposits carried interests between 0.10 and 1.5 percent per annum (2009: between 0.05 and 3.1 percent per annum).

7. Trade accounts receivable / unbilled receivables

The outstanding balances of trade accounts receivable are aged, based on due date, as follows:

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
<u>Trade accounts receivable - unrelated parties</u>				
Not yet due	347,761	158,434	219,468	72,543
Past due				
Less than 3 months	187,997	96,287	169,930	60,115
3 - 6 months	44,822	73,040	35,921	65,159
6 - 12 months	16,506	94,075	16,506	94,074
Longer than 12 months	95,728	56,690	89,405	50,582
Total	692,814	478,526	531,230	342,473
Less: Allowance for doubtful accounts	(61,253)	(28,944)	(61,253)	(28,944)
Net	631,561	449,582	469,977	313,529
<u>Trade accounts receivable - unrelated parties, long past due and during legal action</u>				
Past due longer than 12 months	944,415	995,295	944,415	995,295
Less: Allowance for doubtful accounts	(944,415)	(995,295)	(944,415)	(995,295)
Net	-	-	-	-
Total trade accounts receivable - unrelated parties, net	631,561	449,582	469,977	313,529
<u>Trade accounts receivable - related parties</u>				
Not yet due	324	5,352	324	5,374
Past due				
Less than 3 months	12,751	7,287	13,228	7,793
3 - 6 months	6,656	3,994	6,784	5,032
6 - 12 months	12,320	24,498	13,667	39,172
Longer than 12 months	307,150	345,628	536,954	568,743
Total	339,201	386,759	570,957	626,114
Less: Allowance for doubtful accounts	(258,725)	(286,065)	(488,894)	(502,453)
Total trade accounts receivable - related parties, net	80,476	100,694	82,063	123,661

The outstanding balances of unbilled receivables are as follows:

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Project value as per contract	13,157,874	15,094,950	3,187,721	5,124,797
Accumulated amount recognised as revenue on percentage of completion basis	4,689,944	6,043,091	2,047,800	4,394,116
Less: Value of total billed	(4,139,944)	(5,762,381)	(1,588,559)	(4,182,082)
	550,000	280,710	459,241	212,034
Less: Allowance for doubtful accounts	(13,354)	(12,034)	(13,354)	(12,034)
Unbilled receivables - net	536,646	268,676	445,887	200,000

8. Related party transactions

During the years, the Company, its subsidiaries and its jointly controlled entities had significant business transactions with related parties, which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between the Company and those entities. Below is a summary of those transactions.

Business transactions	Pricing and lending policy
Revenues from construction, sales and service	Market price
Cost of construction, sales and service	Market price
Purchase and disposal of equipment	Agreed upon basis
Sales of investment in subsidiary company	Mutually agreed price
Interest income	Interest at 5 - 19 percent per annum (2009: 5 - 15 percent per annum)
Interest expenses	Interest at 6.15 - 6.4 percent per annum (2009: 6.15 - 7 percent per annum)
Management fee income	Contract price
Consultation fee	Contract price

(Unit: Million Baht)				
	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Cost of construction, sales and service	-	-	4	4
Interest income	-	-	1	1
Management fee income	-	-	27	-
Loans and advances to the parties (Average during the years)	-	-	371	369
Sales of investment in subsidiary company	-	-	20	-
<u>Transactions with related parties</u>				
Revenues from construction, sales and service	-	13	-	24
Cost of construction, sales and service	2	57	2	31
Interest income	16	11	20	14
Transferred in of property awaiting sale	-	79	-	79
Purchase of equipment	-	127	-	20
Disposal of equipment	1	-	1	1
Management fee income	20	14	20	14
Consultation fee	21	13	-	-
Loans and advances to the parties (Average during the years)	224	171	293	221
Loans and advances from the parties (Average during the years)	1	3	2	6
<u>Transactions with director</u>				
Salaries and meeting allowances	31	34	21	27

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 29.3 to the financial statements.

The outstanding balances of the related party transactions had been shown in the balance sheets under the following captions:

(Unit: Thousand Baht)					
	Relationship	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Trade accounts receivable - related parties					
Meeyahta International Hotel Limited	(1)	-	-	202,412	202,412
Nawarat - A.S. Associated Joint Venture	(2)	5,123	5,123	17,078	17,078
A.S. - Nawarat Joint Venture	(2)	6,825	5,665	13,651	11,329
ITD - Nawarat (L.L.C.)	(2)	7,071	6,586	11,785	10,976
Nawarat - Strega Joint Venture	(2)	1,350	3,688	6,749	18,439
Italian - Thai Development Plc.	(3)	52,582	75,182	52,582	75,182
Instyle Estate Park Co., Ltd.	(3)	45,306	29,706	45,306	29,706
New Dacade Co., Ltd.	(3)	107,341	144,165	107,341	144,165
Ruen Rapee Co., Ltd.	(3)	86,163	81,823	86,163	81,823
East Bangkok Assets Co., Ltd.	(3)	24,797	27,537	24,797	27,537
Others		2,643	7,284	3,093	7,467
Total		339,201	386,759	570,957	626,114
Less: Allowance for doubtful accounts		(258,725)	(286,065)	(488,894)	(502,453)
Total trade accounts receivable - related parties		80,476	100,694	82,063	123,661
Unbilled receivables - related parties					
Nawarat - A.S. Associated Joint Venture	(2)	4,281	4,281	14,272	14,272
A.S. - Nawarat Joint Venture	(2)	-	3,883	-	7,766
East Bangkok Assets Co., Ltd.	(3)	1,617	279	1,617	279
Total unbilled receivables - related parties		5,898	8,443	15,889	22,317
Retention receivables - related parties					
Ruen Rapee Co., Ltd.	(3)	-	5,063	-	5,063
East Bangkok Assets Co., Ltd.	(3)	-	1,341	-	1,341
Total retention receivables - related parties		-	6,404	-	6,404
Accrued income from related parties					
ITD - Nawarat (L.L.C.)	(2)	109	120	181	200
New Dacade Co., Ltd.	(3)	43	90	43	90
VSPN Property Co., Ltd.	(4)	153	-	153	-
Others		14	116	24	124
Total accrued income from related parties		319	326	401	414

(Unit: Thousand Baht)					
	Relationship	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
<u>Short-term loans and advances to related parties</u>					
Meeyahta International Hotel Limited	(1)	-	-	1,098,461	1,059,598
Myanmar NWR Company Limited	(1)	-	-	16,797	14,822
ITD - Nawarat (L.L.C.)	(2)	134,485	102,788	224,141	171,314
Instyle Estate Park Co., Ltd.	(3)	91,775	65,877	91,775	65,877
Concorde Yachts International Co., Ltd.	(3)	104,410	104,710	104,410	104,710
C.I.N Estate Co., Ltd.	(4)	24,327	-	24,327	-
VSPN Property Co., Ltd.	(4)	22,210	-	22,210	-
Others		376	-	313	9
Total		377,583	273,375	1,582,434	1,416,330
Less: Allowance for doubtful accounts		(134,422)	(108,524)	(1,473,823)	(1,354,260)
Total short-term loans and advances to related parties - net		243,161	164,851	108,611	62,070
<u>Advance payment to subcontractor - related party</u>					
New Dacade Co., Ltd.	(3)	24,088	25,637	24,088	25,637
Total advance payment to subcontractor - related party		24,088	25,637	24,088	25,637
<u>Trade accounts payable - related parties</u>					
Utility Business Alliance Co., Ltd.	(1)	-	-	1,412	1,628
Nawarat - A.S. Associated Joint Venture	(2)	6,317	6,317	21,057	21,057
Italian - Thai Development Plc.	(3)	344,173	116,008	12,097	13,530
New Dacade Co., Ltd.	(3)	1,594	398	1,594	398
Others		155	128	288	261
Total trade accounts payable - related parties		352,239	122,851	36,448	36,874
<u>Short-term loans and advances from related parties</u>					
A.S. - Nawarat Joint Venture	(2)	5,312	123	10,624	246
Italian - Thai Development Plc.	(3)	113,595	108,891	-	-
Serge Pun & Associates Ltd.	(3)	78,476	83,999	-	-
Serge Pun & Associates (Myanmar) Ltd.	(3)	134,318	143,664	-	-
Premier International Co., Ltd.	(3)	42,706	45,731	-	-
Premier Enterprise Plc.	(3)	45,374	48,589	-	-
Others		2	3	-	-
Total		419,783	431,000	10,624	246
Less: Minority interest in net loss of subsidiary		(300,874)	(321,983)	-	-
Total short-term loans and advances from related parties		118,909	109,017	10,624	246

(Unit: Thousand Baht)					
	Relationship	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
<u>Advance received from construction - related parties</u>					
Italian - Thai Development Plc.	(3)	600	828	600	828
Ruen Rapee Co., Ltd.	(3)	89	89	89	89
Total advance received from construction - related parties		689	917	689	917
<u>Retention payable - related parties</u>					
Utility Business Alliance Co., Ltd.	(1)	-	-	620	-
New Dacade Co., Ltd.	(3)	-	4,508	-	4,508
Total retention payable - related parties		-	4,508	620	4,508

- (1) Subsidiary company
- (2) Jointly controlled entity and participant
- (3) Related company by way of common shareholders and/or authorised directors being members of the same family as that of the Company's directors
- (4) Associated company

9. Loans to venturer

As at 31 December 2010, a jointly controlled entity had loans to a venturer amounting to Baht 11.1 million (in proportion to the Company's interest), carrying interest at the rate of MOR per annum which were repayable at call.

10. Inventories

(Unit: Thousand Baht)						
	Consolidated financial statements					
	Cost		Allowance for diminution in value of inventories		Inventories - net	
	2010	2009	2010	2009	2010	2009
Finished goods	43,064	46,593	(11,022)	(14,687)	32,042	31,906
Works in process	50,960	111,339	-	-	50,960	111,339
Raw materials and supplies	330,293	312,152	(2,060)	(1,025)	328,233	311,127
Total	424,317	470,084	(13,082)	(15,712)	411,235	454,372

(Unit: Thousand Baht)						
	Separate financial statements					
	Cost		Allowance for diminution in value of inventories		Inventories - net	
	2010	2009	2010	2009	2010	2009
Finished goods	43,064	46,593	(11,022)	(14,687)	32,042	31,906
Works in process	50,960	106,174	-	-	50,960	106,174
Raw materials and supplies	295,448	307,769	(2,060)	(1,025)	293,388	306,744
Total	389,472	460,536	(13,082)	(15,712)	376,390	444,824

11. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	(Unit: Thousand Baht)	
	Cost	
	2010	2009
Myanmar NWR Company Limited	3,013	3,013
Meeyahta International Hotel Limited	-	19,141
MIHL (Holding) Company Limited	19,499	-
Utility Business Alliance Company Limited	28,267	16,267
NWR (Cambodia) Company Limited	17	17
Total	50,796	38,438
Less: Allowance for loss from diminution in values of investments	(19,499)	(19,141)
Investments in subsidiaries - net	31,297	19,297

On 3 November 2010, Utility Business Alliance Company Limited called up an additional 50 percent of the value of the 2.4 million ordinary shares held by the Company which were not fully paid (par value of Baht 10 each), or a total of Baht 12.0 million. The Company has made payment of such amount.

On 12 November 2010, Meeting No. 11/2553 of the Company's Board of Directors passed to following resolutions:

- a) Approved the Company's to invest in MIHL (Holding) Company Limited, a company newly established in Thailand with the objective of investment in companies and public companies. The Company has a 100 percent shareholding in such company and has paid in the full amount of its registered capital of Baht 19.5 million, or representing 100 percent of its registered share capital.
- b) Approved the Company's sale of all of its investment in Meeyahta International Hotel Limited to MIHL (Holding) Company Limited, a wholly owned subsidiary of the Company. The Company sold the investment for Baht 19.5 million and has already received payment.
- c) Approved the Company's sale of all investment in MIHL (Holding) Company Limited to an outside party. The Company has entered into an agreement to sell the investment to this party at a mutually agreed price of Baht 20.0 million. The Company received a deposit for the shares from the buyer on the date the agreement executed. In addition, the Company and the buyer agreed that there would be no restrictions on the disposal of this investment, even though MIHL (Holding) Company Limited has investment in Meeyahta International Hotel Limited which is involved in the dispute discussed in note 15 to the financial statements. However, payment for the investment has not yet been made and the Company has not yet transferred the subsidiary's share to the buyer. The Company therefore continues to treat the investment as investment in a subsidiary.

12. Investments in joint ventures

12.1 Details of investments in joint ventures:

Investments in joint ventures as presented in the separate financial statements represent investments in entities which are jointly controlled by the Company and other companies.

Details of these investments are as follows:

Jointly controlled entities	(Unit: Thousand Baht)	
	Cost	
	2010	2009
Nawarat - Samcon Joint Venture	15,045	15,045
Obayashi - Nawarat Joint Venture	16,098	16,098
A.S. - Nawarat Joint Venture	5,500	8,000
ITD - Nawarat (L.L.C.)	592	592
Q I N A Contracting (L.L.C.)	-	5,922
Total	37,235	45,657
Less: Allowance for loss from diminution in values of investments	(12,245)	(12,245)
Investments in joint ventures - net	24,990	33,412

In 2010, A.S. - Nawarat Joint Venture announced the return of capital to its controllers and the Company received the return of Baht 2.5 million of capital, on proportions to its control. In addition, the Company terminated its investment in Q I N A Contracting (L.L.C.) and received the return of capital amounting to Baht 5.1 million.

12.2 Summarised financial information of jointly controlled entities

The Company's proportionate shares of the assets, liabilities, revenue and expenses of significant jointly controlled entities, according to proportion under joint venture agreement, is as follows:

(Unit: Million Baht)										
Jointly controlled entities	Paid-up capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the year		Net income (loss) for the year	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Nawarat - A.S. Associated Joint Venture	-	-	3	3	-	-	-	4	-	3
Nawarat - Samcon Joint Venture	15	15	3	4	-	-	-	-	-	-
Obayashi - Nawarat Joint Venture	16	16	17	28	1	2	-	30	(10)	8
A.S. - Nawarat Joint Venture	6	8	54	65	41	59	51	105	8	(4)
Nawarat - Strega Joint Venture	-	-	3	13	-	1	-	4	-	-
ITD - Nawarat (L.L.C.)	1	1	36	44	147	137	23	13	(33)	(16)
Q I N A Contracting (L.L.C.)	-	6	-	-	-	-	-	-	-	-
NWR - SBCC Joint Venture	-	-	2,241	1,565	2,225	1,561	1,030	443	12	4

13. Investments in associated companies

13.1 Details of associates:

(Unit: Thousand Baht)										
Company's name	Nature of business	Country of incorporation	Shareholding percentage (percent)		Separate financial statements		Consolidated financial statements			
					Carrying amounts based on cost method		Carrying amounts based on equity method		Share of income (loss) from investments	
			2010	2009	2010	2009	2010	2009	2010	2009
C.I.N Estate Co., Ltd.	Property development	Thailand	40	40	100,000	100,000	99,767	70,857	28,909	5,469
VSPN Property Co., Ltd.	Property development	Thailand	25	25	25,000	24,000	15,501	14,997	(495)	(2,550)
Total					125,000	124,000	115,268	85,854	28,414	2,919

During 2010, VSPN Property Company Limited called up proceed of an additional 249,998 shares, or 4 percent of the Company's investment, totaling Baht 1 million. As a result, the share capital of that company was fully paid.

13.2 Summarised financial information of associates

Financial information of the associated companies is summarised bellows:

(Unit: Million Baht)										
Company's name	Paid-up capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the year		Net income (loss) for the year	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
C.I.N Estate Co., Ltd.	250	250	1,195	674	945	497	357	128	72	14
VSPN Property Co., Ltd.	100	96	201	220	132	153	80	31	(2)	(10)

14. Other long-term investments

(Unit: Thousand Baht)			
	Consolidated/Separate financial statements		
	Percentage of shareholding (percent)	Cost	
		2010	2009
SG Star Properties Ltd.	4.71	35,762	35,762
Mission Success 2005 Company Limited	5.56	10,000	10,000
Thai Contractors Asset Company Limited	2.00	10,000	10,000
Others	-	3,040	3,109
Total		58,802	58,871
Less: Allowance for loss on impairment of investments		(38,641)	(38,644)
Other long-term investments - net		20,161	20,227

15. Hotel, apartment building and equipment

(Unit: Thousand Baht)							
	Hotel and apartment building	Machinery and equipment	Equipment and furniture	Furniture and fixtures	Motor vehicles	Constructions in progress	Total
Cost:							
31 December 2009	502,166	30,562	54,157	21,838	20,429	4,446	633,598
Additions	-	-	760	910	-	-	1,670
Translation adjustment	(67,548)	(2,951)	(5,229)	(2,109)	(1,973)	(429)	(80,239)
31 December 2010	434,618	27,611	49,688	20,639	18,456	4,017	555,029
Accumulated depreciation:							
31 December 2009	156,341	30,561	41,853	21,836	20,324	-	270,915
Depreciation for the year	14,543	-	5,293	33	102	-	19,971
Translation adjustment	(22,835)	(2,951)	(4,360)	(2,110)	(1,970)	-	(34,226)
31 December 2010	148,049	27,610	42,786	19,759	18,456	-	256,660
Allowance for impairment loss:							
31 December 2009	306,510	-	-	-	-	-	306,510
Translation adjustment	(19,941)	-	-	-	-	-	(19,941)
31 December 2010	286,569	-	-	-	-	-	286,569
Net book value:							
31 December 2009	39,315	1	12,304	2	105	4,446	56,173
31 December 2010	-	1	6,902	880	-	4,017	11,800
Depreciation (included in administrative expenses):							
2009							24,572
2010							19,971

This represents the hotel and apartment building and equipment of Meeyahta International Hotel Limited in which the Company's subsidiary holds a 53 percent of registered capital, under a 30-year lease agreement with Myanmar Railways (commencing in 1999). The agreement is renewable for a period of 10 years. However, the subsidiary has suffered operating losses and has a significant capital deficit.

A condition of the investment in the project was that the subsidiary was to transfer its rights over the property to the lessor at the end of the lease agreement, and to pay an annual lease rental for the premises of USD 910,152, with the rate subject to revision every 5 years, plus USD 35,000 and 2 percent per annum of the gross receipts or turnover of this project. As at 31 December 2010, the subsidiary had future rental commitment under this lease amounting to approximately USD 19 million.

In 2003, the Company arranged for an independent appraiser to revalue this project using the Income Approach, in order to assess the fair value of the project. According to this revaluation, the project's fair value approximates its carrying value.

In 2009, because the Company was unable to arrange to have the project revalued by an independent appraiser, it hired a senior engineer of the General Attorney Officer of the Union of Myanmar to reappraise the valuation of the hotel building using the Replacement Cost Approach. The management used this valuation report as a basis for their decision that the allowance for impairment loss set aside was adequate.

Dispute

In 2007, Meeyahta International Hotel Limited received a letter from the Government of the Union of Myanmar canceling the lease agreement because such company had breached the contract to renovate the hotel buildings and had outstanding land rental of approximately USD 10.0 million, accrued from 1998 to 2008.

To protect the rights of creditors and postpone the cancellation of the agreement, the Company is suing Meeyahta International Hotel Limited for repayment of project construction expenses. The case is now concluded, with the Court of First Instance of the Union of Myanmar ordering that the Company received payment of all project construction expenses. If Meeyahta International Hotel Limited is unable to make payment in accordance with the Court order, the Court ordered that the hotel building of that company be sold by auction in order to settle its indebtedness of the Company.

Additionally, in 2007, a minority shareholder of Meeyahta International Hotel Limited notified the Company that it had breached a shareholders' agreement and sued the Company to transfer shares of such company to this minority shareholder. The case is currently being heard by the Court of First Instance of the Union of Myanmar.

16. Property, plant and equipment

(Unit: Thousand Baht)								
Consolidated	Land	Land improvement	Building, construction and improvement	Tool, machinery and equipment	Office equipment, furniture and fixtures	Motor vehicles	Constructions in progress	Total
Cost:								
31 December 2009	149,173	25,518	56,145	2,830,079	134,421	549,487	397,545	4,142,368
Additions	-	814	399	831,664	10,760	30,417	224,556	1,098,610
Disposals	-	-	-	(20,062)	(1,369)	(14,037)	-	(35,468)
Transferred in (out)	-	45	23,332	430,396	635	11,767	(466,175)	-
Translation adjustment	-	-	-	(122)	(7)	(4)	-	(133)
31 December 2010	149,173	26,377	79,876	4,071,955	144,440	577,630	155,926	5,205,377
Accumulated depreciation:								
31 December 2009	-	24,136	44,855	1,663,444	117,740	506,819	-	2,356,994
Depreciation for the year	-	386	3,757	316,550	8,351	24,916	-	353,960
Depreciation on disposals	-	-	-	(17,566)	(1,184)	(12,388)	-	(31,138)
31 December 2010	-	24,522	48,612	1,962,428	124,907	519,347	-	2,679,816
Allowance for impairment loss:								
31 December 2009	-	-	-	1,306	-	-	-	1,306
31 December 2010	-	-	-	1,306	-	-	-	1,306
Net book value:								
31 December 2009	149,173	1,382	11,290	1,165,329	16,681	42,668	397,545	1,784,068
31 December 2010	149,173	1,855	31,264	2,108,221	19,533	58,283	155,926	2,524,255
Depreciation (included in income statements):								
2009 (Baht 161 included in manufacturing cost, and the balance in administrative expenses)								169,287
2010 (Baht 342 included in manufacturing cost, and the balance in administrative expenses)								353,960

(Unit: Thousand Baht)								
Separate financial statements	Land	Land improvement	Building, construction and improvement	Tool, machinery and equipment	Office equipment, furniture and fixtures	Motor vehicles	Constructions in progress	Total
Cost:								
31 December 2009	149,173	25,518	56,138	1,959,662	123,114	535,249	538	2,849,392
Additions	-	814	294	108,005	7,759	26,280	60,568	203,720
Disposals	-	-	-	(15,454)	(705)	(14,037)	-	(30,196)
Transferred in (out)	-	45	2,458	39,078	-	11,767	(53,348)	-
31 December 2010	149,173	26,377	58,890	2,091,291	130,168	559,259	7,758	3,022,916
Accumulated depreciation:								
31 December 2009	-	24,136	44,857	1,681,900	111,413	505,232	-	2,367,538
Depreciation for the year	-	386	1,919	113,942	6,398	21,804	-	144,449
Depreciation on disposals	-	-	-	(13,111)	(588)	(12,388)	-	(26,087)
31 December 2010	-	24,522	46,776	1,782,731	117,223	514,648	-	2,485,900
Allowance for impairment loss:								
31 December 2009	-	-	-	1,306	-	-	-	1,306
31 December 2010	-	-	-	1,306	-	-	-	1,306
Net book value:								
31 December 2009	149,173	1,382	11,281	276,456	11,701	30,017	538	480,548
31 December 2010	149,173	1,855	12,114	307,254	12,945	44,611	7,758	535,710
Depreciation (included in income statements):								
2009 (Baht 142 included in manufacturing cost, and the balance in administrative expenses)								147,091
2010 (Baht 140 included in manufacturing cost, and the balance in administrative expenses)								144,449

As at 31 December 2010, certain plant and equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment loss) of those assets amounted to approximately Baht 2,186 million (2009: Baht 1,900 million) (The Company only: Baht 2,170 million, 2009: Baht 1,895 million).

17. Leasehold right for land

(Unit: Thousand Baht)		
	Consolidated/Separate financial statements	
	2010	2009
Leasehold right	69,418	69,418
Less: Accumulated amortisation	(43,979)	(41,392)
Leasehold right - net	25,439	28,026
Amortisation included in the income statements for the year	2,587	2,587

18. Property awaiting sale

This represents property received in settlement for of accounts receivable. The Company recorded cost of these assets based on the values assigned by independent appraisers.

Movements of the property awaiting sale account for the year ended 31 December 2010 are summarised below.

(Unit: Thousand Baht)	
	Consolidated/ Separate financial statements
Balance as at 31 December 2009	205,745
Increase in property development during the year	43,177
Disposal during the year	(41,100)
Balance as at 31 December 2010	207,822

The Company arranged for an independent appraiser to revalue assets of the project by using the Market Comparison Approach and the Depreciated Replacement Cost Approach. According to this revaluation, the appraised values of the project are higher than its carrying amount.

19. Land awaiting development/Land awaiting sale

As at 31 December 2010 and 2009, land awaiting development comprises of:

(Unit: Thousand Baht)		
	Consolidated/Separate financial statements	
	2010	2009
Land costs	18,613	136,532
Development costs	3,298	3,298
Total	21,911	139,830

In 2009 and 2010, the Company arranged for independent appraisers to revalue one plot of land, using the Market Comparison Approach. According to these revaluations, the appraised value of the land was higher than its carrying amount. In addition, the Company appraised the value of the remaining land by comparison with the price appraised by the Land Department which is higher than the carrying amount.

However, the Company decided to dispose of two plot of land awaiting for development since the Company has no plans to develop the land. Consequently, the Company transferred such land awaiting development to land awaiting sale.

Movements of the land awaiting development account for the year ended 31 December 2010 are summarised below.

	(Unit: Thousand Baht)
	Consolidated/Separate financial statements
Balance as at 31 December 2009	139,830
Increase in cost of land development during the year	7,321
Transferred to land awaiting sale	(125,240)
Balance as at 31 December 2010	21,911

20. Bank overdrafts and short-term loans from financial institutions

		(Unit: Thousand Baht)			
	Interest rate (% p.a.)	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Bank overdrafts	MOR+0.25	7,241	3,144	5,863	220
Trust receipt payable	6.00, MLR	32,422	154,013	32,422	-
Short-term loans	5.85-7.50, MLR, MOR	320,480	250,916	222,486	245,916
Total		360,143	408,073	260,771	246,136

Credit facilities provided to the Company, its subsidiaries and its jointly controlled entities by financial institutions were secured by the following mortgages and pledges of assets and guarantees:

1. Pledge of deposits at financial institutions amounting to Baht 113 million. (The Company only: Baht 93 million).
2. The mortgage of part of land and the construction thereon, ships and property awaiting sale with net book values as of 31 December 2010 totaling Baht 300 million.
3. Transfer of rights of claim over collections for work done under construction agreements for some of the projects.

The credit facility agreements stipulate covenants including restrictions on the use of working capital and conditions as to the order in which principal and interest are to be repaid.

21. Long-term loan from bank

In 2009, NWR - SBCC Joint Venture (over which the Company holds 50 percent of control) entered into a credit facility agreement with a bank, to obtain a long-term loan facility of Baht 2,700 million to be used to purchase and repair machinery and equipment for the joint venture's project. Such loan carries interest at minimum loan rate (MLR) per annum and repayable as follow.

Repayment schedule	Principal repayment per month
May 2010 - April 2011	At least Baht 30 million per month or 25 percent of the amount that the Joint venture received from contractor.
May 2011 - April 2013	At least Baht 40 million per month or 25 percent of the amount that the Joint venture received from contractor.
May 2013 - April 2016	At least Baht 50 million per month or 35 percent of the amount that the Joint venture received from contractor.

On 30 December 2010, the long-term loan agreement was amended as described below.

1. Change in interest rate from the MLR per annum to MLR - 1 per annum
2. Change in repayment term and schedule to be the following:

Repayment schedule	Principal repayment per month
May 2010 - December 2010	At least Baht 30 million per month or 25 percent of the amount that the Joint venture received from contractor
January 2011 - February 2017	At 18.5 percent of the amount that the Joint venture received from contractor

In addition, the loan is repayable within June 2017.

3. Change in some covenants relating to, such as, a repayment payable of machinery, dividend payment, maintaining certain debt to equity and debt service coverage ratios

The loan agreement contains covenants as stipulated in the agreement and restrictions imposed by the lender, relating to such matters as asset restriction, dividend payment, reduction of capital, the maintenance of a certain debt to equity ratio and debt service coverage ratio.

As at 31 December 2010, the undrawn amount of loan under the above agreement amounted to Baht 79 million.

Movements in the long-term loan from bank account during the year ended 31 December 2010 are summarised below.

(Unit: Thousand Baht)	
	Consolidated financial statements
Balance as at 1 January 2010	1,101,403
Add: Increase during the year	209,168
Less: Payment during the year	(142,250)
Balance as at 31 December 2010	1,168,321
Less: Current portion	(177,972)
Long-term loan from bank, net of current portion	990,349

22. Share capital/Statutory reserve

On 29 April 2010, the 2010 Annual General Meeting of the Company's shareholders approved the following significant resolutions:

- 22.1 Transfer Baht 50 million from the statutory reserve to offset the Company's deficit.
- 22.2 Reduce the Company's registered capital from Baht 3,150 million (3,149,691,424 ordinary shares with a par value of Baht 1 each) to Baht 2,218 million (2,217,950,679 ordinary shares with a par value of Baht 1 each) and its issued and fully paid capital from Baht 2,485 million (2,484,641,988 ordinary shares with a par value of Baht 1 each) to Baht 1,553 million (1,552,901,243 ordinary shares with a par value of Baht 1 each), by decreasing issued and fully paid capital by 931,740,745 shares. The capital reduction was made by proportionately reducing each shareholder's existing holding and was deducted against the Company's deficit. On 30 July 2010, the Company registered such reduction of shares with the Ministry of Commerce.

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

23. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Raw materials and consumables used	1,258,432	1,214,820	1,221,532	1,185,056
Salary and wages and other employee benefits	446,374	451,605	377,881	383,468
Subcontractor costs	566,469	631,779	298,023	296,325
Fuel charges	385,974	159,411	103,898	81,067
Depreciation and amortisation	356,547	171,874	147,036	149,678
Repair and maintenance	184,493	219,428	71,808	124,024
Other expenses	561,997	311,460	453,838	292,833
Changes in inventories of finished goods and work in process	63,908	(17,915)	58,743	(12,750)
Total	3,824,194	3,142,462	2,732,759	2,499,701

24. Corporate income tax

The Company is not liable to corporate income tax for the years due to tax loss brought forward.

Corporate income tax of the subsidiaries and jointly controlled entities for the year are calculated on net income before income tax after adding back expenses and deducting income which are disallowable for tax computation purposes.

25. Discontinued operations

On 12 November 2010, a Meeting of the Company's Board of Directors No. 11/2553 resolved to sell the investment in Meeyahta International Hotel Limited, the Company's subsidiary which operates a hotel business in the Union of Myanmar. Details of the sale of such investment are as follow.

1. The Company will sell its investment in Meeyahta International Hotel Limited to MIHL (Holding) Company Limited, the Company's subsidiary.
2. The Company will sell its investment in MIHL (Holding) Company Limited to an outside party.

The Company's management expects that the sale of the investment in Meeyahta International Hotel Limited will be completed within the first quarter of 2011. Therefore, as at 31 December 2010, the Company presented the results of this subsidiary's operations as a discontinued operation.

However, the consolidated financial statements included assets and liabilities of Meeyahta International Hotel Limited of which the majority are short-term. In addition, the recoverable value of the hotel, apartment building and equipment of this company is determined using the fair value method, based on the revaluation of the independent appraiser discussed in Note 15 to the financial statements. The Company therefore determined the fair value of the assets and liabilities approximated their carrying value.

The operating results for the years ended 31 December 2010 and 2009 of Meeyahta International Hotel Limited, which are classified as discontinued operations, is presented below.

(Unit: Thousand Baht)		
	2010	2009
Discontinued operations		
Revenues		
Service income	47,704	44,763
Total revenues	47,704	44,763
Expenses		
Cost of service	29,371	27,740
Administrative expenses	49,502	57,319
Total expenses	78,873	85,059
Loss from discontinued operations before finance cost	(31,169)	(40,296)
Finance cost	(8,492)	(8,649)
Net loss for the year from discontinued operations	(39,661)	(48,945)

The results of cash flows for the years ended 31 December 2010 and 2009 of Meeyahta International Hotel Limited which classified as discontinued operations is presented below.

(Unit: Thousand Baht)		
	2010	2009
The net cash flows incurred for the years:		
Operating activities	(1,714)	10,371
Investing activities	(1,670)	(1,155)
Cash inflows	(3,384)	9,216
Increase (decrease) in translation adjustment	17,842	(19,917)
Net cash inflows	14,458	(10,701)

26. Basic earnings per share

Basic earnings per share is calculated by dividing the net income for the year by the weighted average number of ordinary shares in issue during the year.

27. Segment information

The Company, its subsidiaries and its jointly controlled entities' business operations involve in (1) the construction segment (2) a jointly controlled entity which is incorporated in Thailand under the joint venture agreement, engaged in the work of soil and coal extraction and transportation segment (3) a subsidiary which is incorporated in Cambodia, engaged in the provision of construction consulting services. Below is the consolidated financial information of the Company, its subsidiaries and its jointly controlled entities by segment.

(Unit: Million Baht)								
	Construction		Soil and coal extraction and transportation		Constructions consulting services		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Revenues from construction, sales and service	2,856	2,730	1,025	441	54	44	3,935	3,215
Operating income (loss)	17	(2)	102	39	25	11	144	48
Other income and expenses							90	157
Finance cost							(111)	(59)
Corporate income tax							(7)	(8)
Minority interest of the subsidiaries							(1)	(1)
Net income attributable to equity holders of the parent							115	137
Property, plant and equipment and leasehold right	567	517	1,983	1,295	-	-	2,550	1,812
Total assets	3,319	2,921	2,241	1,565	8	13	5,568	4,499

Transfer prices between business segments are as set out in Note 8 to the financial statements.

28. Provident fund

The Company, its subsidiary and its jointly controlled entity and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The fund is contributed by both employees and the Company, its subsidiary and its jointly controlled entity and will be paid to their employees upon termination in accordance with the rules of the provident fund of the Company, its subsidiary and its jointly controlled entity. The fund is managed by Bank of Ayudhaya Public Company Limited and ING Funds (Thailand) Company Limited. During the year 2010, the Company, its subsidiary and its jointly controlled entity contributed Baht 9.5 million to the fund (2009: Baht 9.2 million) (The Company only: Baht 8.6 million, 2009: Baht 8.8 million).

29. Commitments and contingent liabilities

29.1 Capital commitments

As at 31 December 2010, the Company and its jointly controlled entity had the following commitments:

- The Company had an outstanding commitment of approximately Baht 48.0 million in respect of the purchase of land.
- The Company had an outstanding commitment of approximately USD 4,495 in respect of the uncalled portion of investment in a subsidiary company.
- A jointly controlled entity had capital commitments (in proportion to the Company's interest) of approximately Baht 22.9 million, relating to the acquisition of machinery and construction of buildings.

29.2 Operating lease commitments

The Company and its jointly controlled entity (in proportion to the company's interests) entered into several lease agreements in respect of lease of land and equipment. The terms of the agreements generally range from 1 to 30 years. As at 31 December 2010, future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

(Unit: Million Baht)		
Payable within	Consolidated financial statements	Separate financial statements
Within 1 year	12.1	10.8
Between 1 year to 5 years	18.4	16.6
More than 5 years	15.6	14.6

29.3 Guarantees

The outstanding bank guarantees issued by banks on behalf of the Company, its subsidiaries and its jointly controlled entities (in proportion to the Company's interest) in respect of certain performance bonds as required in the normal course of business, as at 31 December 2010 were summarised as follows.

(Unit: Million Baht)		
	Consolidated financial statements	Separate financial statements
Denominated in Baht	2,024.0	1,166.8
Denominated in UAE dirham	3.9	-
Denominated in Yen	12.2	12.2
Denominated in USD	1.9	1.9

29.4 Service commitments

Its jointly controlled entity had commitments in respect of service as follows:

Agreement	Contractual period	Commitments (in proportion to the Company's interest)
1. Soil and coal extraction and transportation agreement	1 March 2010 - 28 February 2011	Baht 27.0 million
2. Machinery repair and maintenance service agreement	1 November 2010 - 15 February 2011	Baht 1.6 million
3. Project consultation agreement(1)	1 March 2009 - 31 July 2010	Baht 15.0 million per year
	1 August 2010 - 31 December 2014	Baht 21.0 million per year
	1 January 2015 - 28 February 2018	Baht 15.0 million per year

(1) The agreement may be terminated with immediate effect by a written notice if the soil and coal extraction and transportation agreement between the Electricity Generating Authority of Thailand and the jointly controlled entity is terminated.

30. Financial instruments

30.1 Financial risk management

The Group's (the Company, its subsidiaries and its jointly controlled entities) financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, loans, investments, short-term loans and long-term loan. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to construction contract debtors. However, since the majority of construction services are made to creditworthy customers such as state enterprises and government agencies and due to the large number of entities comprising the Group's customer base, the Group does not anticipate material losses from its debt collection. The maximum exposure to credit risk is limited to the carrying amount of receivables, loans and other receivables as stated in the balance sheets.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, bank overdrafts and short-term and long-term borrowings. However, since most of the Group's financial assets and liabilities bear floating interest rates which are close to the market rate or fixed interest rates which will reach maturity in the near future, the interest rate risk is expected to be minimal.

Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from loans to related parties, trading transactions and income derived from overseas that are denominated in foreign currencies.

The balances of financial assets and liabilities denominated in foreign currencies which were not covered by forward exchange contracts as at 31 December 2010 are summarised below.

Foreign currency	Financial assets (Million)	Financial liabilities (Million)	Exchange rate as at 31 December 2010	
			Buying rate (Baht per 1 foreign currency unit)	Selling rate (Baht per 1 foreign currency unit)
Consolidated financial statements				
USD	35.2	1.0	29.9082	30.2963
Kip	9,012.9	7,483.9	0.0037	0.0038
JPY	17.5	-	0.3657	0.3742
Separate financial statements				
USD	35.1	1.0	29.9082	30.2963
Kip	9,012.9	7,483.9	0.0037	0.0038

In addition, the Company is also exposed to the effect of foreign exchange movements on its investments in foreign subsidiary companies, which currently are not hedged by any derivative financial instrument.

30.2 Fair value of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or bear floating interest rates for long-term loan, their fair value is not expected to be materially different from the amounts presented in the balance sheets.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

31. Capital management

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

According to the balance sheet as at 31 December 2010, the Group's debt-to-equity ratio was 2.57:1 (2009: 2.06:1) and the Company's was 0.89:1 (2009: 0.76:1).

32. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2011.

NAWARAT PATANAKARN PUBLIC COMPANY LIMITED

18th-19th Floor, Bangna Towers A Building, 2/3 Moo 14, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540
Tel. 0-2730-2100 Fax. 0-2751-9484-90 Website : www.nawarat.co.th E-mail : ir@nawarat.co.th

