



NAWARAT

Annual Report
2011



บริษัท เนาวรัตน์พัฒนาการ จำกัด (มหาชน)
NAWARAT PATANAKARN PUBLIC COMPANY LIMITED

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Message from Chairman

March 1, 2012

Dear All Shareholders

Nawarat Patanakarn Public Company Limited

Due to the catastrophic flooding situation towards the end of the year 2011, some construction sites had to slow down their operation. Construction materials especially sands and bricks were in extreme short supply. Moreover, sales in the real estates sector were almost in a complete halt since the clients delayed the buying decisions in both flooded and non-flooded areas.

Even though in 2011 Thailand faced the severe problem, the company was able to maintain the work in hand to about 12,000 million baht since it has obtained more construction contracts for power plants. Given the amount of works in hand, the company expects to maintain the same level of income in 2012 as the previous year.

In addition, in 2011, similar to other companies, the company was required to adopt the new Accounting Standards to book the expenses related to employees' long term benefits which will become the employees' remuneration when retired from work resulting in additional accumulated losses during the first quarter and making the company unable to pay dividend to the shareholders. However, the company will do continue to seek for more works from both domestic and international markets and will do its best to generate more profit in order to make dividend payment to the shareholders in the future.

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, other stakeholders, as well as all the employees of the company for your continuous supports to the business of the company. The company believes that it is able to generate stable business growth, continue to emphasize on good corporate governance to ensure the maximum benefits to all stakeholders and to become one of the leaders in Thai and regional construction industry.

Respectfully yours

(Mr. Mana Karnasuta)
Chairman



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. Mana Karnasuta

Chairman

Age : 78 Years

Shareholding : 3,873,585

Shares as December 31, 2011

Education

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

Experience

Present : Chairman

Nawarat Patanakarn Public Company Limited



Mr. Prasertphand Pipatanakul

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

Age : 77 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 Chairman of the Audit Committee

Nawarat Patanakarn Public Company Limited

Board of Directors



Mr. Niyom Niyamanusorn

**Independent Director
and Member of Audit Committee**

Age : 80 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 : 60 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

Board of Directors



Mr. Polpat Karnasuta

**Director
and President**

Age : 52 Years

Shareholding : 197,000,000

Shares as December 31, 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 : 59 Years

Shareholding : 1,073

Shares as December 31, 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

Board of Directors



Mr. Sook Sueyanyongsiri

Director
and Senior Vice President

Age : 59 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, 18th-19th Floor, Moo 14, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540
Tax ID No.	: 3101090413
Company registration number	: 0107538000096 (Formerly known as 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. Praty Mankong Tel. (662) 730-2178

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 parties (Still operating at December 31, 2011)

Joint Ventures	Address	Nature of Business	Share of Profits (Percent)
NWR - SBCC Joint Venture	2034/132-161 Italthai Tower,34th Floor, Bangkapi, 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, 18th-19th Floor, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540	Construction	30
Nawarat - Samcon Joint Venture	2/3 Moo 14, Bangna Towers A, 18th-19th Floor, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540	Construction	51
NWR - STG Joint Venture	2/3 Moo 14, Bangna Towers A, 18th-19th 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, 18th-19th Floor, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540	Construction	50
ITD - Nawarat (L.L.C.)	Office No.126, 1st 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)
Myanmar NWR Co., Ltd.	International Business Center, Suite No.106, 88 Pyay Road, Hlaing Township, Yangon, Myanmar	Construction	100
Utility Business Alliance Co., Ltd.	123 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

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 Development	-
East Bangkok Assets Company Limited	19 Soi 7, Seiree 7 Road, Suan Luang, Bangkok 10260	Property Development	-

References

Position	Name / 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. Khitsada Lerdwana Certified Public Accountant (Thailand) No. 4958 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 22nd 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	2011	2010	2009
Total assets	6,207.42	5,550.25	4,568.68
Total liabilities	4,778.06	4,038.91	3,076.07
Shareholders' equity	1,429.36	1,511.34	1,492.61
Fully paid common stocks	1,552.90	1,552.90	2,484.64
Total revenues	4,412.47	4,029.84	3,345.02
Net earnings (loss)	95.78	13.47	97.93
Financial Ratios			
Net profit margin (%)	2.17	0.33	2.93
Return on equity (%)	6.70	0.89	6.56
Return on total assets (%)	1.54	0.24	2.14
Book value (Baht)	0.92	0.97	0.60
Net profit (loss) / share (Baht)	0.06	0.01	0.04
Current ratio (times)	0.86	0.82	1.06
Debt-equity ratio (times)	3.34	2.67	2.06
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 71:29 in 2009, 36:64 in 2010 and 55:45 in 2011.

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 32:68 in 2009, 89:11 in 2010 and 90:10 in 2011.

Subsidiary Companies

1. 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.

2. 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 percent. 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.

3. 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.

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, 2011, 28.24% 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)

	2011		2010		2009	
	Million Baht	%	Million Baht	%	Million Baht	%
Construction Contracting Business						
- High Rise Buildings, Warehouses and Industrial Plants	898.96	20.37	822.76	20.42	890.61	26.62
- Power Plants	1,714.54	38.86	1,410.37	35.00	445.04	13.30
- Ports, Berths and Jetties	462.95	10.49	882.61	21.90	792.75	23.70
- Roads, Highways, Expressways and Bridges	34.20	0.78	333.62	8.28	446.23	13.34
- Wastewater Treatment Plants	687.75	15.59	311.64	7.73	185.23	5.54
- Tunneling and Pipe Jacking Works	138.72	3.14	31.97	0.79	375.46	11.22
Steel Structure Fabrication and Precast Concrete Products	120.37	2.73	141.96	3.52	124.35	3.72
Interest Income / 1	20.40	0.46	23.42	0.59	13.47	0.41
Other Revenues / 2	334.58	7.58	71.49	1.77	71.88	2.15
Total Revenues	4,412.47	100.00	4,029.84	100.00	3,345.02	100.00
Increase (decrease) of total revenues (%)	382.63	9.49	684.82	20.47	(386.64)	(10.17)

- NOTE:
1. Interest income refers to the interest income from financial institutions, joint ventures and other companies.
 2. Other revenues include Gain on disposal of investment in MIHL (Holding) Company Limited, Profit from sale of assets and Project Management charge.



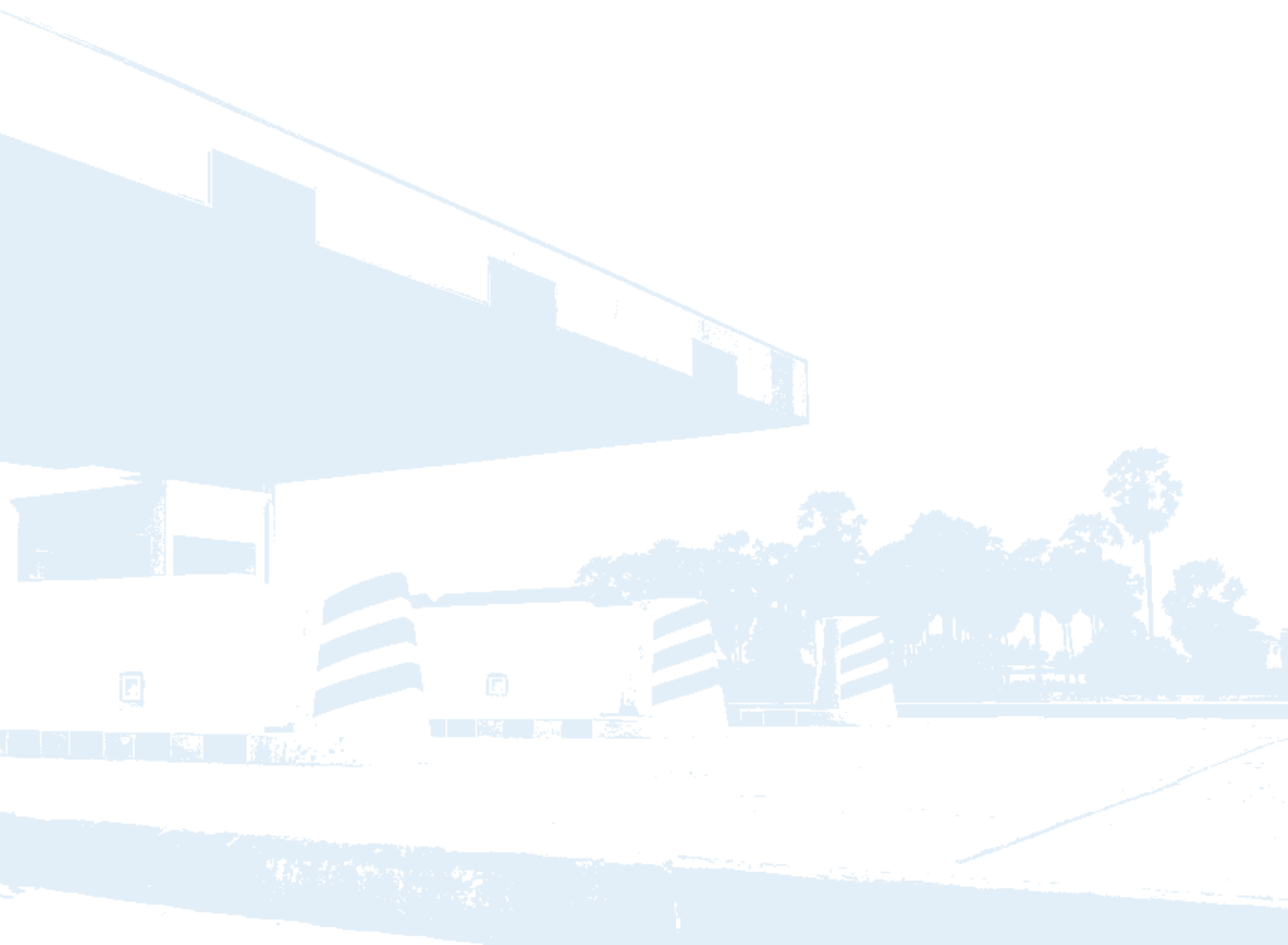
4. Risk Factors

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. **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 December 31, 2011 are as follows:

Shareholder	Nationality	As of December 31, 2011	
		Number of Shares	%
1. The Karnasutas (See Note)	Thai	224,097,512	14.43
2. Mr. Suchart Areekul	Thai	67,000,000	4.32
3. Thai NVDR Company Limited	Thai	39,896,797	2.57
4. Mr. Udom Kanarsrinuwatt	Thai	37,927,900	2.44
5. Mrs. Sunee Triyangkoonso	Thai	30,068,138	1.94
6. Mrs. Athitaya Witayanan	Thai	26,875,000	1.73
7. Mr. Tawee Harnkraiwilai	Thai	25,500,000	1.64
8. Miss Bussakorn Saelao	Thai	25,100,000	1.62
9. Mr. Phaitoon Piriyawarrasataporn	Thai	18,075,500	1.16
10. Mr. Chaiwat Tiempanich	Thai	16,000,000	1.03
11. Other Shareholder		1,042,360,396	67.12
Total		1,552,901,243	100.00

NOTE.

The Karnasutas shareholders include:

1. Mr. Mana	Karnasuta	Amount	3,873,585	Shares
2. Mrs. Nawarat	Karnasuta	Amount	278	Shares
3. Mr. Polpat	Karnasuta	Amount	197,000,000	Shares
4. Mrs. Sutasanee	Karnasuta	Amount	4,553	Shares
5. Mr. Wasin	Phuttharee	Amount	8,371,313	Shares
6. Mrs. Sutheera	Phuttharee	Amount	5,946,000	Shares
7. Mr. Apathorn	Karnasuta	Amount	8,576,235	Shares
8. Mrs. Anatchanit	Karnasuta	Amount	325,548	Shares
Total		Amount	224,097,512	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 2011 held on May 20, 2011 approved that the Company Board of Directors consists of 8 directors as follows:

1. Mr. Poapat	Javanalikhorn	Independent Director and Chairman
2. Mr. Prasertphand	Pipatanakul	Independent Director and Chairman 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
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.1 Mr. Poapat Javanalikhorn has resigned from Independent Director and Chairman of the company by the meeting of the board of directors No. 8/2011 on July 11, 2011, made an approval to his resignation with effect on July 1, 2011.
- No.5 Mr. Mana Karnasuta has appointed to Chairman of the company by the meeting of the board of directors No. 8/2011 on July 11, 2011.

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 chairman 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	Chairman 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	Chairman 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 Chairman 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 : Direct liability obligation and
 - Contingent liabilities : Non-monetary obligation
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 ap-

plicable laws.

The Management and Controlling Team

Name		Position
1. Mr. Polpat	Karnasuta	President
2. Mrs. Wattana	Samanawong	Senior Vice President of Finance & Administration Department
3. Mr. Sook	Sueyanyongsiri	Senior Vice President of Operation Department & Acting Vice President of Project Management 4 Department
4. Mr. Apathorn	Karnasuta	Senior Vice President of Procurement & Transportation Department
5. Mr. Pasan	Swasdiburi	Senior Vice President of New Business & Strategic Department
6. Mr. Mongkol	Peerasantikul	Senior Vice President of Marketing Department
7. Mr. Pinit	Fukcharoenpol	Vice President of Project Management 1 & Equipment Department
8. Mr. Nivate	Ienghong	Vice President of Factory Department
9. Mr. Somchai	Chaithaniyachat	Vice President of Estimate Department
10.Mr. Somchai	Woonpresert	Vice President of Project Management 3 Department
11.Miss Pakatip	Lopandhsri	Vice President of Finance & Accounting Department
12.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, 2011 the Company's personnel totaled 1,643: 168 full-time engineers and 435 other monthly-paid employees and 1,040 workers who receive daily wages. Personnel remunerations included salaries, wages, overtimes, allowances and bonuses totaling Baht 443 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:

Person/Juristic person	Type of transaction in the profit and loss statement	Amount in 2011	Amount in 2010	Amount in 2009	Balance as of December 31, 2011		Unit : Million baht
					Transaction in the balance sheet	Amount	Remark
1. Nawarat - A.S. Associated Joint Venture					Accounts receivable	16	The company made an investment jointly with A.S. Associated 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.
					Revenue not claimed for payment	14	
					<u>Less</u> Allowance on doubtful accounts	(10)	
						20	
					Accounts payable	22	

Person/Juristic person	Type of transaction in the profit and loss statement	Amount in 2011	Amount in 2010	Amount in 2009	Balance as of December 31, 2011		Unit : Million baht
					Transaction in the balance sheet	Amount	Remark
2. Obayashi - Nawarat Joint Venture	Sale revenue	< 0.5 mil. baht	-	1			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 and 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, 2011, the investment in this joint venture was 16.10 million baht.
3. Utility Business Alliance Co., Ltd.	Construction revenue	59	3	< 0.5 mil. Baht	Revenue not claimed for payment	< 0.5 mil. Baht	1. The company has held shares of Utility Business Alliance Co., Ltd. for 60%. 2. As of December 31, 2011, the investment in this subsidiary company was 28.27 million baht.
	Construction cost	5	< 0.5 mil. Baht	4	Accounts payable Retention	1 0.5	
4. Myanmar NWR Company Limited	Interest income	1	2	1	Short-term loans Accrued interest income <u>Less</u> Allowance on doubtful accounts	18 3 (21) 0	1. The company made an investment Myanmar NWR Company Limited at 100%. 2. As of December 31, 2011, the investment in this subsidiary company was 3.01 million baht. 3. The loan interest rate was 5.0% per year.

Person/Juristic person	Type of transaction in the profit and loss statement	Amount in 2011	Amount in 2010	Amount in 2009	Balance as of December 31, 2011		Unit : Million baht
					Transaction in the balance sheet	Amount	Remark
5. Meeyahta International Hotel Limited ("MIHL")	Interest income	-	39	42	Accounts receivable	202	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 share- holding at the time of borrowing.
					Short-term loans	358	
					Accrued interest income	740	
					<u>Less</u> Allowance on doubtful accounts	(1,300)	
						<u>0</u>	

Person/Juristic person	Type of transaction in the profit and loss statement	Amount in 2011	Amount in 2010	Amount in 2009	Balance as of December 31, 2011		Unit : Million baht
					Transaction in the balance sheet	Amount	Remark
6. Concorde Yachts International Co., Ltd.					Short-term loans	50	1. As of December 31, 2011, 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. Now 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	
					<u>Less</u> Allowance on doubtful accounts	(104)	
						0	

Person/Juristic person	Type of transaction in the profit and loss statement	Amount in 2011	Amount in 2010	Amount in 2009	Balance as of December 31, 2011		Unit : Million baht
					Transaction in the balance sheet	Amount	Remark
7. Ruen Rapee Co., Ltd.	Construction revenue	14	-	(2)	Accounts receivable	78	<p>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.</p> <p>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.</p> <p>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.</p> <p>4. As of December 31, 2011, the shareholders of Ruen Rapee Co., Ltd. consisting of:</p> <p>Mrs. Sutasanee Karnasuta 590,998 shares</p> <p>Mrs. Sutheera Phuttharee 1 share</p> <p>Miss Benja Yiemphu 1 share</p> <p>(Please see Additional Notes at end of the table)</p>
	Construction cost	4	6	6	<u>Less</u> Allowance on doubtful accounts	(76)	
						2	
					Accounts payable	1	

Person/Juristic person	Type of transaction in the profit and loss statement	Amount in 2011	Amount in 2010	Amount in 2009	Balance as of December 31, 2011		Unit : Million baht
					Transaction in the balance sheet	Amount	Remark
8. East Bangkok Assets Co., Ltd.	Construction revenue	5	-	7	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 Chaloemphrakiat Ror 9, Soi No. 38. 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, 2011, the shareholders of East Bangkok Assets Co., Ltd. consisting of: Mrs. Sutasanee Karnasuta 399,998 shares Mrs. Sutheera Phuttharee 1 share Miss Benja Yiemphu 1 share (Please see Additional Notes at end of the table)
	Construction cost	7	-	-	<u>Less</u> Allowance on doubtful accounts	(23)	
					Revenue not claimed for payment	2	
					Accounts payable	1	

Person/Juristic person	Type of transaction in the profit and loss statement	Amount in 2011	Amount in 2010	Amount in 2009	Balance as of December 31, 2011		Unit : Million baht
					Transaction in the balance sheet	Amount	Remark
9. New Decade Co., Ltd.	Sale revenue	11	1	2	Accounts receivable	100	1. Mrs. Sutasanee Karnasuta, the younger sister of Mr. Polpat Karnasuta, the director and president of the company is the authorized director of New Decade 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 Decade Co., Ltd. 3. The main Business of New Decade Co., Ltd. is construction business and has been subcontracted to undertake the construction of Koh Yor Bridge, Songkhla 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, 2011, the shareholders of New Decade Co., Ltd. consisting of: Mrs. Sutheera Phuttharee 220,000 shares Mr. Wasin Phuttharee 10,000 shares Mr. Satha Chavalit 10,000 shares Mr. Kantharit Thamangraksatr 20,000 shares Mr. Rangsan Boontaem 10,000 shares Mr. Kasemsuk Paisarnsisilp 20,000 shares Miss Orthip Muangcharoen 10,000 shares (Please see Additional Notes at end of the table)
	Profit (loss) from disposal of assets	< 0.5 mil. Baht	-	-	<u>Less</u> Allowance on doubtful accounts	(97)	
	Construction cost	2	1	8	Revenue not claimed for payment	< 0.5 mil. Baht	
					Accounts payable	5	

Person/Juristic person	Type of transaction in the profit and loss statement	Amount in 2011	Amount in 2010	Amount in 2009	Balance as of December 31, 2011		Unit : Million baht
					Transaction in the balance sheet	Amount	Remark
10. K Alliance Co., Ltd.	Sale revenue and rental revenue	5	6	3	Accounts receivable	6	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.
	Cost	< 0.5 mil. Baht	-	-	Accounts payable	< 0.5 mil. baht	
	Profit(loss) from disposal of assets	(0.5 mil. Baht)	-	-	Accrued interest expenses	2	
	Interest expense	2	-	-	Short-term loans	55	
11. Italian Thai Development Public Co., Ltd.	Construction revenue	27	-	3	Accounts receivable	53	The company sent its employees to jointly work with Italian Thai Development Public Co., Ltd. in the Social Republic of Vietnam.
					Revenue not claimed for payment	3	
					Advances	< 0.5 mil. baht	
					Accounts payable	1	
12. A.S. - Nawarat Joint Venture	Construction revenue	-	-	9	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, 2011, the investment in this joint venture was 5 million baht.
	Sale revenue	-	-	< 0.5 mil. Baht	Accrued interest expenses	2	
	Interest expense	1	1	1	Short-term loans	20	

Person/Juristic person	Type of transaction in the profit and loss statement	Amount in 2011	Amount in 2010	Amount in 2009	Balance as of December 31, 2011		Unit : Million baht
					Transaction in the balance sheet	Amount	Remark
13. Sarasini Co., Ltd. (Formerly known as "Instyle Estate Park Co., Ltd.")	Project management charge	-	11	10			<p>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.</p> <p>Later on august 26, 2011 Mrs. Wattana Samanawong has submitted a letter of resignation from this company and Nawarat Patanakarn Public Co., Ltd. doesn't make any one to represent.</p>
	Interest income	-	6	7			
14. NWR (Cambodia) Company Limited	Gain of sale of assets	-	-	< 0.5 mil. Baht			<p>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.</p> <p>2. As of December 31, 2011, the investment in this subsidiary company was 0.02 million baht.</p>
	Project management income	-	27	-			

Person/Juristic person	Type of transaction in the profit and loss statement	Amount in 2011	Amount in 2010	Amount in 2009	Balance as of December 31, 2011		Unit : Million baht
					Transaction in the balance sheet	Amount	Remark
15. ITD - Nawarat (L.L.C.)	Interest income	-	8	8	Accounts receivable	13	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, 2011, the investment in this joint venture was 0.59 million baht and allowance for diminishing in value of assets was 0.59 million baht.
					<u>Less</u> Allowance on doubtful accounts	(13)	
						0	
					Short-term loans and advances	214	
					<u>Less</u> Allowance on doubtful accounts	(214)	
						0	
					Accrued Interest revenue	29	
16. Nawarat - Strega Joint Venture	Interest expense Construction revenue Sale revenue Construction cost	- - - -	- - - -	- 8 - < 0.5 mil. baht	Accounts receivable	6	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.
					<u>Less</u> Allowance on doubtful accounts	(6)	
						0	
					Accrued interest income	< 0.5 mil. baht	
17. C.I.N. Estate Co., Ltd.	Management income Interest income	5 5	3 -	4 -	Short-term loans and advances	48	1. It is the joint investment between Nawarat Patanakarn 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, 2011, the investment in this associated company was 100.00 million baht.
					Accrued interest income	3	

Person/Juristic person	Type of transaction in the profit and loss statement	Amount in 2011	Amount in 2010	Amount in 2009	Balance as of December 31, 2011		Unit : Million baht
					Transaction in the balance sheet	Amount	Remark
18. VSPN Property Co., Ltd.	Management income	2	-	-	Accounts receivable	< 0.5	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, 2011, the investment in this associated company was 25.00 million baht. 3. The loans extended are made in accordance with the shareholding portion.
	Interest income	5	-	-		mil. Baht	

Additional Notes on Related Parties

1. Ruen Rapee Company Limited (“Ruen Rapee”)

Ruen Rapee was founded on February 6, 2003 with Mrs. Sutasanee Karnasuta and Mrs. Sutteera Phuttharee (the younger sisters of Mr. Polpat Karnasuta, the director and president of Nawarat Patanakarn Public Company Limited) currently being its directors and shareholders.

Ruen Rapee runs the business of real estate development with one project in progress called “Barn Baranee”, a housing estate of 205 units of detached house located at Rangsit-Klong 3 within an approximate area of 56 rai and with each having a price range between 2.5 and 3.5 million baht. The company is now undertaking works of its building and utility construction.

Guidelines for tackling the problem of unpaid debts

1. During the third quarter of 2008 Ruen Rapee made its transfer of assets to repay its debt by transferring Barn Baranee’s 12 deeds of land and house, totally valued 24.505 million baht, to the company to repay part of its debts. And also in the second quarter of 2009, 24 deeds of land and house and 22 deeds of vacant land at “Baranee” with a total value of 57.480 million baht were transferred to additionally repay the debt; therefore, it has so far transferred 58 deeds of land and house to the company in a total value of 81.985 million baht.

(Note: After reassessment of the asset value transferred during the third quarter of 2008 which totaled 39.073 million baht, the forced sale value is found to be equal to 24.505 million baht. Thus, when subtraction the increase of 14.568 million baht out of the forced sale value of the assets transferred for the second time which totals 57.480 million baht, trading value for the second quarter of 2009 becomes equal to 42.912 million baht).

2. Ruen Rapee is going to pay by installments its outstanding balance of debt based on its business’s net cash inflows.

2. East Bangkok Assets Company Limited (“East Bangkok”)

East Bangkok was founded on May 12, 2003, with Mrs. Sutasanee Karnasuta and Mrs. Sutteera Phuttharee (the younger sisters of Mr. Polpat Karnasuta, the director and president of Nawarat Patanakarn Public Company Limited) currently being its authorized directors and shareholders.

East Bangkok runs the business of real estate development with its two projects in progress consisting of :

1. “De Ville”, the construction project of a total of 50 units of detached house located at Soi Pattana Chumchon, Srinakharin Road (The company has undertaken the work of its utility construction).

2. “De Siam”, the construction project of 80 units of townhome located at Soi Chaloemphrakiat Ror 9, Soi No. 38 (The company has undertaken the work of its buildings and utilities construction).

Guidelines for tackling the problem of unpaid debts

1. During the fourth quarter of 2009, East Bangkok made its transferred of asset to repay debt by transferring 50 plots of land located in the area of “De Siam” project totally valued 34.500 million baht.

(Note: The company took on the burden of transferring fee which values 1.203 million baht. Thus, its recording of land value becomes equal to 35.703 million baht).

2. East Bangkok is going to pay by installments its outstanding balance of debt based on its business’s net cash inflows.

3. New Decade Company Limited (“New Decade”)

New Decade was founded on May 6, 2003, with Mrs. Sutasanee Karnasuta and Mrs. Sutteera Phuttharee (the younger sisters of Mr. Polpat Karnasuta, the director and president of Nawarat Patanakarn Public Company Limited) currently being authorized directors. Mrs. Sutteera Phuttharee is also a shareholder of New Decade.

New Decade was subcontracted to undertake the construction of Koh Yor Bridge, Songkhla in 2003. At that time, the company was in its third year of operating under the business rehabilitation plan (scheduled from late 2000 until 2005), it was therefore facing the difficulty applying for loans and supplying enough working capital for its operations. This is in addition to a staff reduction of 50 percent during the business rehabilitation plan. However, to enable the company to maintain its market share, there needed to be some subcontracting from work awarded, such as that mentioned above. But this was under the agreement in which all main materials must be purchased from the company for the sake of work quality. In 2004, due to an unexpected adjustment of material prices, market oil price as well as steel and cement costs were also increased which resulted in much higher construction cost. Because of this, New Decade has suffered losses and expenses from materials and machinery rented in part from the company is still unpaid.

Guidelines for tackling the problem of unpaid debts

A summary of debt repayment estimation according to New Decade’s income-and- expense assessment is as follows:

1. New Decade has tried to take part in bidding sessions for construction jobs both in government and private sectors, or in case of lack of qualification, take part in a form of joint venture. This is to try to generate income to repay its debt. It has, for example, joined Samcon Company Limited to undertake an equipment-and-machinery trading and installing project at Saimai Waste Management Center’s Waste Transfer Station, with a project value of 735 million baht under the name of “A Joint Venture between Samcon Company Limited and New Decade Company Limited”. The project was operated until March, 2011, and during that period New Decade agreed to repay its debt according to its net cash flows, an amount of 200,000 baht per month at least.

2. New Decade is to contact some renowned and financially-stabilized contraction firms and ask to become their construction subcontractor. This is for the benefit of it to absorb some technology know-how and increase its potential and thus gain better chances to be awarded with more construction jobs.

3. New Decade is to undertake jobs of consultation both in and outside of the country.

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 2011, 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 2011, The Company implemented the followings:

- 1.1 Organized the 2011 annual shareholders meeting at Usakhane 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 2010, Annual Report of the Year 2010, 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, Articles of Association relating to the allocation of annual net profit, 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 Chairman, Chairman 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. Chairman 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 Chairman 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 February 8, 2011, 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 therefore 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 2011, 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 2011, there are total employees of 1,455 and total training hour 12,304
- 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 2011 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 2011, 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. Pratya Mankong
Tel : (662) 730-2178
Fax : (662) 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 2011 (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. Termphong Opanaphan | C.P.A. License No. 4501 | and/or |
| Mr. Khitsada Lerdwana | C.P.A. License No. 4958 | |
- The audit fee for year 2011 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 2011, 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 7 members; 4 executive directors, 3 independent directors.

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

7.2.3 The Chairman 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.

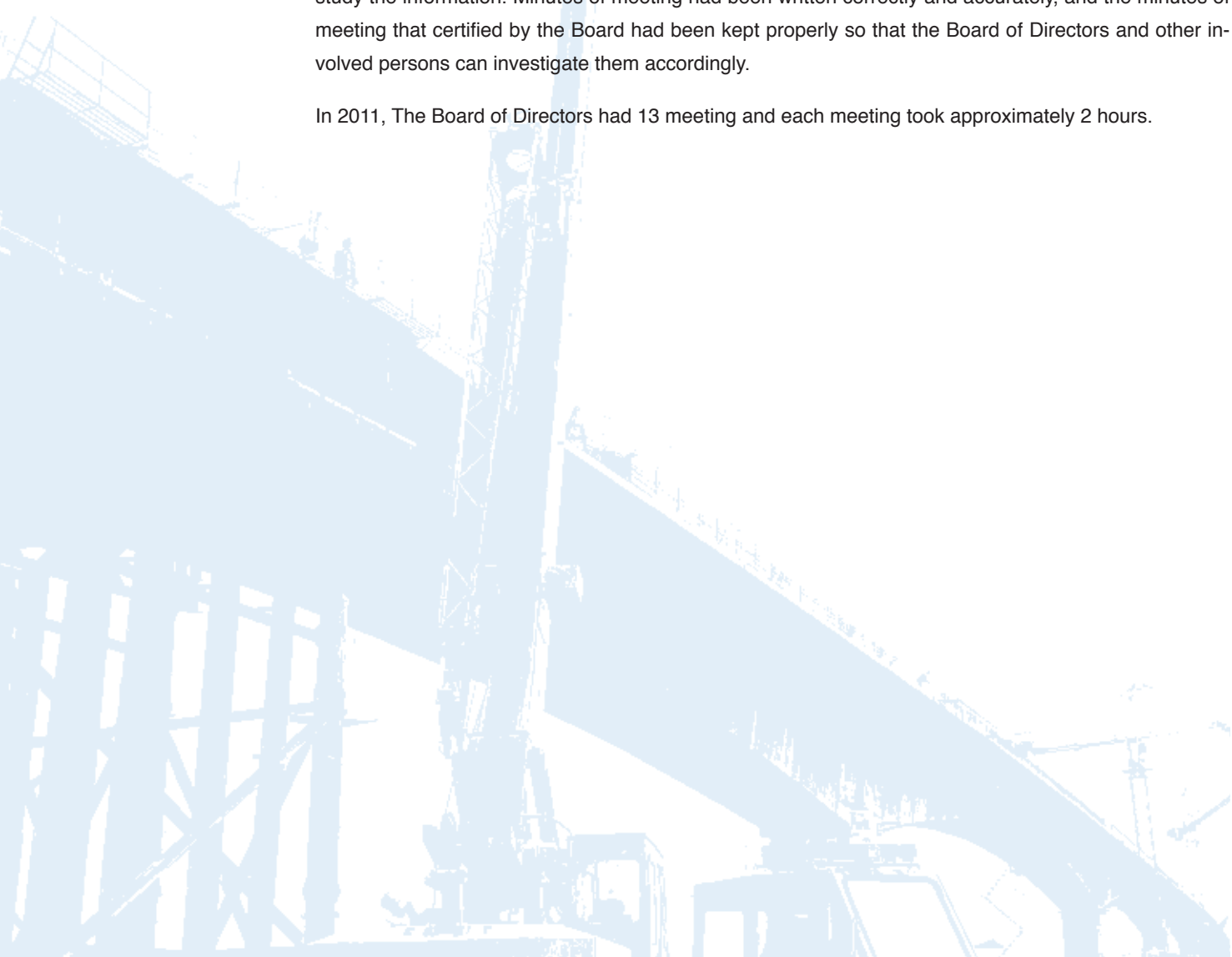
7.3.3 Independent Director is a director who has no position in the company's management team and must meet the following qualification outlined by the Securities and Exchange Commission and the Stock Exchange of Thailand detail as following:

- 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 2011, The Board of Directors had 13 meeting and each meeting took approximately 2 hours.



7.5 Directors' Remuneration

The company had paid out the remuneration to directors in 2011 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.Mana Karnasuta	Chairman	42,000.00			12	504,000.00
Mr.Prasertphand Pipatanakul	Director	26,250.00	Chairman	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.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 2011						2,961,000.00




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, 2011 are accurate and fairly presented, as well as in compliance with relevant laws and regulations.



(Mr. Mana Karnasuta)

Chairman



9. Audit Committee Report Year 2011

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	Chairman 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 2011, 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 2011, 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 Manger. 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 2012



(Mr. Prasertphand Pipatanakul)

Chairman of the Audit Committee





10. Explanation and Verification of Financial Position and Operation Results

10.1 Summary of the auditing report

Financial Statements 2011

The auditor has provided an unqualified opinion in the auditor's report with remark on two items of notes to financial statements as follows:

1. **Compliance with new accounting standards** (Item 3 of Notes to Financial Statements)

New Accounting Standards which have significant impacts on financial statements are as follows:

TAS 19 Employee Benefits

This accounting standard requires employee benefits to be recognized 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 benefit using actuarial techniques. Currently, the company, its subsidiaries, and joint controlled entities account for such employee benefits when they are incurred.

TAS 18 (revised 2009) Revenue

This accounting standard requires entities to recognize 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 recognizing revenue from real estate sales.

TAS 40 (revised 2009) Real Estate for Investment

This accounting standard requires entities to record real estate for investment using Inventory Cost Method (fair value must be revealed in Notes to Financial Statements) or Fair Value Method and changes on fair value is recognized in loss and profit. Currently, the entities record the real estate for investment under the lists of property awaiting sale, land awaiting development, land awaiting sale which use inventory cost method.

2. **The accumulated results from accounting policy change due to the adoption of new accounting standards** (Item 5 of Notes to Financial Statements)

In 2011, since the company, its subsidiaries and joint controlled entities made their significant changes on accounting policy by adopting revised and new accounting standards, the accumulated results from such accounting policy change are split into a specific list in both consolidated and separated statements of shareholders' equity.

In addition, during the year 2011, associated companies also made their change on accounting policy by adopting TAS 18 (revised 2009) Revenue. The accumulated results from such accounting policy change are split into a specific list in consolidated statements of shareholders' equity.

Financial Statements 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.

10.2 Explanation and Verification of Financial Position and Operation Results

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.

In 2011, the world's economy started to stumble. Several of the European countries were starting to face their financial difficulties, so were the US. In general, Thailand's political and economic situations were in normal conditions during the first half of the year. But it was when the catastrophic flooding occurred in much of the country's central region and also in parts of Bangkok, the capital city, that the country's economy was much seriously affected. Some kinds of commodities were in short supply because the factories were flooded. Others needed to be imported from other countries. Still others ended in heavy price increase. The country's economic growth did not seem to go in the direction as earlier expected.

Explanation of Financial Position and Operation Results for the Year Ended December 31, 2011

Summary of Financial Position Based on Consolidated Financial Statement

As of December 31, 2011, the total assets of the company registered at 6,207.42 million baht, an increase of 657.17 million baht or 11.84% from that of December 31, 2010.

Major changes in assets consisting of:

1. Accounts not claiming for payment before deduction of allowance for doubtful accounts as of December 31, 2011 was 832.75 million baht, an increase of 282.75 million baht from that of December 31, 2010, all from the projects waiting to be delivered.

The three projects ranging from one having the most accounts not claiming for payment are as follows:

- 1) Construction Project of Wangnoi Power Plant, Ayutthaya province, owned by EGAT, subcontracted to the company by Marubeni Corporation, of which incomes have not been claimed for 134.74 million baht as of December 31, 2011 while there was no incomes to be claimed as of December 31, 2010.
 - 2) "Nam Sana Hydropower Plant" in Loas. PDR, a turnkey project owned by Electricite du Loas, of which incomes have not been claimed for 121.50 million baht as of December 31, 2011, while there was no incomes to be claimed as of December 31, 2010 since the project starts by the year 2011.
 - 3) Construction Project of Chana Power Plant, Song khla province, owned by EGAT, subcontracted to the company by Marubeni Corporation, of which incomes have not been claimed for 88.10 million baht as of December 31, 2011, while there was no incomes to be claimed as of December 31, 2010 since the project starts by the year 2011.
2. Cost of real estate development projects as of December 31, 2011 was equal to 178.11 million baht. The real estate development projects for sale under the name of the company consist of:
 - 1) The Construction Project of Townhomes under the name "De Siam" located at Soi Chaloemphrakiat Ror 9 (soi 38), Bangkok, valued 53.95 million baht.
 - 2) The Construction Project of Detached Houses under the name "Barn Baranee" located on Rangsit-Klong 3 Road, Prathumthani Province, valued 34.28 million baht.
 - 3) The Construction Project of Detached Houses under the name "Villa Baranee" located on Rangsit-Klong 3 Road, Prathumthane Province, valued 89.88 million baht.
 3. Restricted bank deposit as of December 31, 2011 is equal to 256.57 million baht increased by 144.06 million baht from December 31, 2010. The restricted bank deposit means an amount of bank deposit that guarantees loans supporting a specific project and which received from different banks. Nawarat's bank deposit is in the amount of 235.58 million baht and that of Utility Business Alliance 20.99 million baht.

Major changes in liabilities consisting of:

1. Bank overdrafts and short-term loans from financial institutions as of December 31, 2011 amounts to 518.52 million baht increased by 158.38 million baht from December 31, 2010. An amount of loan is for purchasing main material with a tendency of higher price. In this, the company will purchase according to the required amount to avoid risk of material-price increase which results in higher costs of construction, which will make the company face losses. In addition, during the time of flooding, in much of Thailand's central region including Bangkok from September to December of 2011, the company received loans from banks to help with its liquidity since construction of several of its projects were halted. Cash disbursements during that time was much higher than cash receipts.



2. Advance received from construction as of December 31, 2011 was equal to 802.32 million baht, and increase by 528.36 million baht from December 31, 2010. The company signed several contracts for construction projects and has received the advance payments for construction from the employers as agreed.
3. Reserve for employee long-term benefits as of December 31, 2011 was equal to 73.47 million baht according to TAS 19 in relation to Employee Benefits. The company is required to recognize employee benefits as expenses. When the service is performed by the employee, the company is required to record expenses for employee long-term benefits which will become their remuneration when retired from work. This accounting standard becomes effective in 2011.

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 wastewater 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 wastewater 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 167.02 million 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.
 - 3) 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.



Nawarat Patanakarn Public Company Limited,

its subsidiaries and its jointly controlled entities

Report and consolidated financial statements

31 December 2011



Report of Independent Auditor

To the Shareholders of Nawarat Patanakarn Public Company Limited

I have audited the accompanying consolidated statements of financial position of Nawarat Patanakarn Public Company Limited, its subsidiaries and its jointly controlled entities as at 31 December 2011, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and the separate financial statements of Nawarat Patanakarn Public Company Limited for the same period. These financial statements are the responsibility of the management of the Company, its subsidiaries and its jointly controlled entities as to their correctness and the 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 year ended 31 December 2011 of certain subsidiaries and jointly controlled entities. The consolidated financial statements included total assets of these subsidiaries and jointly controlled entities of Baht 2,343 million, total revenue of Baht 1,114 million and net loss of Baht 62 million. The financial statements of these subsidiaries and jointly controlled entities were audited by other auditors whose reports have been furnished to me. My opinion on the Company's consolidated financial statements, insofar as it relates to the amounts included for these subsidiaries and jointly controlled entities, are based solely on the reports of those other auditors. The consolidated financial statements and the separate financial statements of Nawarat Patanakarn Public Company Limited as at 31 December 2010 and for the year ended, as presented herein for comparative purposes, were audited in accordance with generally accepted auditing standards by another auditor of our firm who expressed an unqualified opinion on those statements under his report dated 25 February 2011 and drawing attention to a dispute of an overseas subsidiary, based solely on the reports of other auditors in so far as it related to certain subsidiaries and jointly controlled entities. The consolidated financial statements included total assets of those subsidiaries and jointly controlled entities of approximately Baht 2,531 million, total revenue of Baht 1,262 million and net loss of Baht 53 million.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my 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 audit 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 2011, the results of their operations and cash flows for the year then ended, in accordance with generally accepted accounting principles.

Without qualifying my opinion on the aforementioned financial statements, I draw attention to Note 3 and Note 5 to the financial statements, during the current year, the Company adopted the revised and new accounting standards issued by the Federation of Accounting Professions, and applied them in its preparation and presentation of the financial statements. The Company has restated the 2010 financial statements to reflect the changes in accounting policies resulting from the adoption of these new accounting standards.



Khitsada Lerdwana

Certified Public Accountant (Thailand) No. 4958

Ernst & Young Office Limited

Bangkok: 27 February 2012

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

Statements of financial position

As at 31 December 2011 and 2010

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
			(Restated)		
Assets					
Current assets					
Cash and cash equivalents	9	216,765,685	135,358,345	188,041,895	59,503,010
Trade and other receivables	10	556,563,149	745,825,813	363,926,172	555,514,477
Unbilled receivables	11	821,028,451	536,645,859	753,138,304	445,886,544
Retention receivables		182,733,834	133,420,981	131,966,803	93,662,737
Short-term loans and advances	12	237,299,540	254,298,040	79,700,476	108,611,489
Inventories	13	544,699,623	411,234,937	512,267,678	376,389,791
Project development cost	24	178,110,102	-	178,110,102	-
Other current assets	14	384,494,592	203,270,606	328,086,664	123,472,184
Total current assets		3,121,694,976	2,420,054,581	2,535,238,094	1,763,040,232
Non-current assets					
Restricted bank deposits	15	256,569,752	112,514,210	235,580,711	92,630,790
Investments in subsidiaries	16	-	-	31,296,663	31,296,663
Investments in joint ventures	17	-	-	20,918,539	24,990,496
Investments in associates	18	76,785,198	57,149,144	124,999,596	124,999,596
Other long-term investments	19	20,150,506	20,160,915	20,150,506	20,160,915
Investment Properties	20	188,593,711	147,151,069	188,593,711	147,151,069
Hotel, apartment building and equipment	21	-	11,799,631	-	-
Property, plant and equipment	22	2,464,176,072	2,524,255,181	616,135,698	535,710,068
Leasehold right for land	23	22,851,958	25,438,954	22,851,958	25,438,954
Property awaiting sale	24	-	207,822,409	-	207,822,409
Other non-current assets		56,601,139	23,906,514	8,725,544	10,939,890
Total non-current assets		3,085,728,336	3,130,198,027	1,269,252,926	1,221,140,850
Total assets		6,207,423,312	5,550,252,608	3,804,491,020	2,984,181,082

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 financial position (continued)

As at 31 December 2011 and 2010

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2011</u>	<u>2010</u> (Restated)	<u>2011</u>	<u>2010</u>
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	25	518,524,739	360,143,149	424,049,928	260,771,236
Trade and other payables	26	1,747,991,697	1,858,008,301	716,251,941	670,501,029
Current portion of long-term loans	28	228,378,199	177,972,154	47,819,131	-
Short-term loans	27	197,098,930	118,909,222	89,624,861	10,624,392
Advance received from construction		802,322,274	273,961,679	802,081,872	272,536,076
Other current liabilities		138,924,006	144,586,524	112,979,002	126,301,018
Total current liabilities		3,633,239,845	2,933,581,029	2,192,806,735	1,340,733,751
Non-current liabilities					
Long-term loans, net of current portion	28	956,977,392	990,349,305	85,230,000	-
Retention payables		50,169,074	57,734,134	47,644,788	54,155,814
Provision for long-term employee benefits	29	73,467,943	-	70,059,567	-
Other non-current liabilities		64,205,209	57,250,277	26,814,956	13,510,472
Total non-current liabilities		1,144,819,618	1,105,333,716	229,749,311	67,666,286
Total liabilities		4,778,059,463	4,038,914,745	2,422,556,046	1,408,400,037

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 financial position (continued)

As at 31 December 2011 and 2010

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
			(Restated)		
Shareholders' equity					
Share capital					
Registered					
2,217,950,679 ordinary shares of Baht 1 each		2,217,950,679	2,217,950,679	2,217,950,679	2,217,950,679
Issued and fully paid					
1,552,901,243 ordinary shares of Baht 1 each		1,552,901,243	1,552,901,243	1,552,901,243	1,552,901,243
Retained earnings					
Appropriated - statutory reserve	31	4,650,658	4,650,658	2,354,658	2,354,658
Unappropriated (deficit)		-160,605,044	-187,774,143	-173,320,927	20,525,144
Exchange differences on translation of financial statements					
in foreign currency		(5,640,186)	95,544,288	-	-
Equity attributable to owners of the Company		1,391,306,671	1,465,322,046	1,381,934,974	1,575,781,045
Non-controlling interests of the subsidiaries		38,057,178	46,015,817	-	-
Total shareholders' equity		1,429,363,849	1,511,337,863	1,381,934,974	1,575,781,045
Total liabilities and shareholders' equity		6,207,423,312	5,550,252,608	3,804,491,020	2,984,181,082

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

Directors

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

Statements of comprehensive income

For the years ended 31 December 2011 and 2010

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2011</u>	<u>2010</u> (Restated)	<u>2011</u>	<u>2010</u>
Profit or loss:					
Continuing operations					
Revenues					
Revenues from construction		3,174,271,057	2,855,541,942	2,990,348,236	2,699,855,745
Sales and service income		883,221,212	1,079,397,793	-	-
Gain on disposal of investment in subsidiary	16	265,816,674	-	20,000,000	-
Other income		89,162,088	94,901,900	67,683,796	92,940,493
Total revenues		<u>4,412,471,031</u>	<u>4,029,841,635</u>	<u>3,078,032,032</u>	<u>2,792,796,238</u>
Expenses					
Cost of construction		3,089,358,811	2,578,500,462	2,950,028,173	2,450,385,946
Cost of sales and service		818,589,662	900,618,125	-	-
Administrative expenses		276,719,665	312,154,257	198,459,394	182,485,882
Doubtful debts		10,020,629	32,920,986	29,719,689	99,887,697
Total expenses		<u>4,194,688,767</u>	<u>3,824,193,830</u>	<u>3,178,207,256</u>	<u>2,732,759,525</u>
Profit (loss) from continuing operations		<u>217,782,264</u>	<u>205,647,805</u>	<u>(100,175,224)</u>	<u>60,036,713</u>
Share of profit (loss) from investments in associates	18	19,636,054	(12,388,037)	-	-
Profit (loss) from continuing operations before					
 finance cost and corporate income tax		<u>237,418,318</u>	<u>193,259,768</u>	<u>(100,175,224)</u>	<u>60,036,713</u>
Finance cost		<u>(119,349,416)</u>	<u>(110,832,465)</u>	<u>(27,774,403)</u>	<u>(12,943,551)</u>
Profit (loss) from continuing operations before					
 corporate income tax		<u>118,068,902</u>	<u>82,427,303</u>	<u>(127,949,627)</u>	<u>47,093,162</u>
Corporate income tax	33	<u>(5,528,046)</u>	<u>(6,892,105)</u>	<u>-</u>	<u>-</u>
Profit (loss) for the year from continuing operations		<u>112,540,856</u>	<u>75,535,198</u>	<u>(127,949,627)</u>	<u>47,093,162</u>
Discontinued operations	34				
Loss for the year from discontinued operations		<u>(24,715,006)</u>	<u>(39,661,497)</u>	<u>-</u>	<u>-</u>
Profit (loss) for the year		<u>87,825,850</u>	<u>35,873,701</u>	<u>(127,949,627)</u>	<u>47,093,162</u>

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 comprehensive income (continued)

For the years ended 31 December 2011 and 2010

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
			(Restated)		
Other comprehensive income:					
Exchange differences on translation of					
financial statements in foreign currency		14,986,271	173,069	-	-
Cumulative amount of the exchange differences					
on translation of financial statements in foreign currency					
of the disposed subsidiary	16	(116,170,745)	-	-	-
Other comprehensive income for the year		<u>(101,184,474)</u>	<u>173,069</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(13,358,624)</u>	<u>36,046,770</u>	<u>(127,949,627)</u>	<u>47,093,162</u>
Profit (loss) attributable to:					
Equity holders of the Company					
Profit (loss) for the year from continuing operations		109,498,735	74,242,996	<u>(127,949,627)</u>	<u>47,093,162</u>
Loss for the year from discontinued operations		<u>(13,714,246)</u>	<u>(60,770,577)</u>		
Profit for the year attributable to equity holders					
of the Company		<u>95,784,489</u>	<u>13,472,419</u>		
Non-controlling interests of the subsidiaries					
Profit for the year from continuing operations		3,042,121	1,292,202		
Profit (loss) for the year from discontinued operations		<u>(11,000,760)</u>	<u>21,109,080</u>		
Profit (loss) for the year attributable to Non-controlling					
interests of the subsidiaries		<u>(7,958,639)</u>	<u>22,401,282</u>		
		<u>87,825,850</u>	<u>35,873,701</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		(5,399,985)	13,645,488	<u>(127,949,627)</u>	<u>47,093,162</u>
Non-controlling interests of the subsidiaries		<u>(7,958,639)</u>	<u>22,401,282</u>		
		<u>(13,358,624)</u>	<u>36,046,770</u>		
Basic earnings per share	35				
Profit (loss) for the year from continuing operations					
attributable to equity holders of the Company		0.071	0.036	(0.082)	0.023
Loss for the year from discontinued operations					
attributable to equity holders of the Company		<u>(0.009)</u>	<u>(0.029)</u>	<u>-</u>	<u>-</u>
Profit (loss) attributable to equity holders of the Company		<u>0.062</u>	<u>0.007</u>	<u>(0.082)</u>	<u>0.023</u>
Weighted average number of ordinary shares (shares)		1,552,901,243	2,081,313,118	1,552,901,243	2,081,313,118

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 2011 and 2010

(Unit: Baht)

	Consolidated financial statements						
	Equity attributable to the owners of the Company						
	Issued and fully paid share capital	Retained earnings (Deficit)		Exchange differences on translation of financial statements in foreign currency	Total equity attributable to owners of the Company	Equity attributable to non-controlling interest of the subsidiaries	Total shareholders' equity
		Appropriated	Unappropriated				
Balance as at 31 December 2009 - as previously reported	2,484,641,988	50,000,000	(1,161,020,202)	95,371,219	1,468,993,005	23,614,535	1,492,607,540
Cumulative effect of changes in accounting policy for revenue recognition from real estate sales of the associated company (Note 5)	-	-	(17,316,447)	-	(17,316,447)	-	(17,316,447)
Balance as at 31 December 2009 - as restated	2,484,641,988	50,000,000	(1,178,336,649)	95,371,219	1,451,676,558	23,614,535	1,475,291,093
Decrease in statutory reserve and share capital to offset deficit (Note 30)	(931,740,745)	(45,349,342)	977,090,087	-	-	-	-
Total comprehensive income for the year (restated)	-	-	13,472,419	173,069	13,645,488	22,401,282	36,046,770
Balance as at 31 December 2010 - as restated	<u>1,552,901,243</u>	<u>4,650,658</u>	<u>(187,774,143)</u>	<u>95,544,288</u>	<u>1,465,322,046</u>	<u>46,015,817</u>	<u>1,511,337,863</u>
Balance as at 31 December 2010 - as previously reported	1,552,901,243	4,650,658	(129,655,632)	95,544,288	1,523,440,557	46,015,817	1,569,456,374
Cumulative effect of changes in accounting policy for revenue recognition from real estate sales of the associated company (Note 5)	-	-	(58,118,511)	-	(58,118,511)	-	(58,118,511)
Balance as at 31 December 2010 - as restated	1,552,901,243	4,650,658	(187,774,143)	95,544,288	1,465,322,046	46,015,817	1,511,337,863
Cumulative effect of change in accounting policy for employee benefits (Note 5)	-	-	(68,615,390)	-	(68,615,390)	-	(68,615,390)
Total comprehensive income for the year	-	-	95,784,489	(101,184,474)	(5,399,985)	(7,958,639)	(13,358,624)
Balance as at 31 December 2011	<u>1,552,901,243</u>	<u>4,650,658</u>	<u>(160,605,044)</u>	<u>(5,640,186)</u>	<u>1,391,306,671</u>	<u>38,057,178</u>	<u>1,429,363,849</u>

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 2011 and 2010

(Unit: Baht)

	Separate financial statements			
	Issued and fully paid share capital	Statutory reserve	Retained earnings (deficit)	Total shareholders' equity
Balance as at 31 December 2009	2,484,641,988	50,000,000	(1,005,954,105)	1,528,687,883
Decrease in statutory reserve and share capital to offset deficit (Note 30)	(931,740,745)	(47,645,342)	979,386,087	-
Total comprehensive income for the year	-	-	47,093,162	47,093,162
Balance as at 31 December 2010	<u>1,552,901,243</u>	<u>2,354,658</u>	<u>20,525,144</u>	<u>1,575,781,045</u>
Balance as at 31 December 2010	1,552,901,243	2,354,658	20,525,144	1,575,781,045
Cumulative effect of change in accounting policy for employee benefits (Note 5)	-	-	(65,896,444)	(65,896,444)
Total comprehensive income for the year	-	-	(127,949,627)	(127,949,627)
Balance as at 31 December 2011	<u>1,552,901,243</u>	<u>2,354,658</u>	<u>(173,320,927)</u>	<u>1,381,934,974</u>

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 2011 and 2010

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010 (Restated)	2011	2010
Cash flows from operating activities				
Profit (loss) before tax from continuing operations	118,068,902	82,427,303	(127,949,627)	47,093,162
Loss before tax from discontinued operations	(24,715,006)	(39,661,497)	-	-
Profit (loss) before tax	93,353,896	42,765,806	(127,949,627)	47,093,162
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation	386,460,506	373,931,404	136,085,802	144,448,817
Amortisation of leasehold right for land	2,586,996	2,586,996	2,586,996	2,586,996
Doubtful debts	10,020,629	32,920,986	29,719,689	99,887,697
Share of (profit) loss from investments in associates	(19,636,054)	12,388,037	-	-
Gain from disposal of investments in subsidiary	(265,816,674)	-	(20,000,000)	(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	(19,333,247)	(3,625,671)	(21,849,025)	(1,494,490)
Loss of diminution in value of investment	-	-	1,276,957	-
Decrease of inventory to net realisable value	1,887,442	-	1,887,442	-
Unrealised loss on exchange	4,516,775	26,159,989	9,087,876	1,530,031
Gain on disposal of property awaiting sale	(591,955)	(10,547,862)	(591,955)	(10,547,862)
Provision for long-term employee benefits	7,721,413	-	7,031,983	-
Provision for project loss	2,489,478	-	2,489,478	-
Interest income	(21,615,306)	(23,415,664)	(20,399,810)	(27,712,682)
Interest expenses	115,429,980	107,633,563	27,774,403	12,943,551
Income from operating activities before changes in operating assets and liabilities	297,473,879	560,852,675	27,150,209	269,261,809
Decrease (increase) in operating assets				
Trade and other receivables	181,636,147	(201,522,531)	185,300,214	(148,512,435)
Unbilled receivables	(282,753,824)	(267,969,508)	(305,622,992)	(245,886,125)
Inventories	(137,185,032)	43,137,174	(137,765,329)	68,434,576
Project development cost	35,944,967	-	35,944,967	-
Property awaiting sale	(83,969,760)	(43,177,168)	(83,969,760)	(43,177,168)
Retention receivables	(49,312,853)	51,119,817	(38,304,066)	47,320,045
Other current assets	(110,068,879)	136,139,746	(130,921,372)	60,341,726
Other non-current assets	(38,834,767)	(18,441,954)	(3,925,796)	(6,866,039)
Increase (decrease) in operating liabilities				
Trade and other payables	68,767,599	864,375,555	45,739,683	216,819,208
Advances received from construction	518,992,841	(1,945,752)	518,325,281	(1,671,608)
Other current liabilities	1,963,214	16,335,637	(5,811,494)	4,994,444
Retention payables	(7,565,060)	(4,046,250)	(6,511,026)	(4,350,460)
Other non-current liabilities	4,086,073	46,492,536	10,435,624	2,752,731
Cash flows from operating activities	399,174,545	1,181,349,977	110,064,143	219,460,704
Cash paid for interest expenses	(113,191,542)	(104,352,458)	(26,065,379)	(12,356,968)
Cash paid for corporate income tax	(81,902,014)	(52,963,583)	(73,693,108)	(46,643,210)
Net cash from operating activities	204,080,989	1,024,033,936	10,305,656	160,460,526

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 2011 and 2010

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		(Restated)		
Cash flows from investing activities				
Increase in restricted bank deposits	-144,055,542	-21,490,841	-142,949,921	-19,203,899
Decrease (Increase) in short-term loans and advances	21,589,510	(75,384,113)	14,005,601	(88,227,248)
Increase in investments in subsidiaries	-	-	-	(31,499,790)
Increase in investments in associates	-	(1,000,000)	-	(1,000,000)
Decrease in other long-term investments	10,409	11,211	10,409	11,211
Net cash from disposal of investment in subsidiary	(21,072,278)	-	10,000,000	19,500,000
Cash received from return of investments in joint ventures	-	-	2,795,000	7,591,455
Deposit received for share subscription	-	10,000,000	-	10,000,000
Proceeds from disposal of equipment	27,915,415	7,955,503	30,399,806	5,603,018
Proceeds from disposal of property awaiting sale	45,022,266	51,647,300	45,022,266	51,647,300
Acquisition of equipment	(330,513,680)	(1,100,279,600)	(225,062,213)	(203,719,804)
Interest income	12,884,351	5,055,192	12,384,458	4,804,800
Net cash used in investing activities	(388,219,549)	(1,123,485,348)	(253,394,594)	(244,492,957)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	158,381,590	(47,929,666)	163,278,692	14,634,837
Increase in short-term loans	75,143,907	9,892,257	75,300,000	10,378,095
Increase in long-term loans	17,034,132	66,917,946	133,049,131	-
Net cash from financing activities	250,559,629	28,880,537	371,627,823	25,012,932
Increase in translation adjustments	14,986,271	173,069	-	-
Net increase (decrease) in cash and cash equivalents	81,407,340	(70,397,806)	128,538,885	(59,019,499)
Cash and cash equivalents at beginning of year	135,358,345	205,756,151	59,503,010	118,522,509
Cash and cash equivalents at end of year	216,765,685	135,358,345	188,041,895	59,503,010
Supplemental cash flows information				
Non-cash transactions				
Transfer of deposit received for share subscription to revenue from disposal of investment in subsidiary	10,000,000	-	10,000,000	-
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 2011 and 2010**

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 28 September 2011, 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	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2011</u>	<u>2010</u>
			Percent	Percent
<u>Subsidiaries:</u>				
Meeyahta International Hotel Limited (held by MIHL (Holding) Company Limited)	Hotel	Myanmar	-	53
MIHL (Holding) Company Limited	Investment	Thailand	-	100
Myanmar NWR Company Limited	Construction	Myanmar	100	100
Utilities Business Alliance Company Limited	Water and wastewater utility management service	Thailand	60	60
NWR (Cambodia) Company Limited	Constructions consulting services	Cambodia	100	100
<u>Joint controlled entities</u> (proportionate consolidation):				
Nawarat - A.S. Associated Joint Venture	Construction	Thailand	70	70
Nawarat - Samcon Joint Venture	Construction	Thailand	51	51
Obayashi - Nawarat Joint Venture	Construction	Thailand	30	30
A.S. - Nawarat Joint Venture	Construction	Thailand	50	50
NWR - Strega Joint Venture	Construction	Thailand	80	80
ITD - Nawarat (L.L.C.)	Construction	United Arab Emirates	40	40
NWR - SBCC Joint Venture	Soil and coal extraction and transportation	Thailand	50	50

During 2011, the Company sold of all its investment in MIHL (Holding) Company Limited to an outside party (Note 16)

- 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 end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes 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) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

- 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 year

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

Accounting standards:

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

Financial reporting standards:

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

Financial Reporting Standard Interpretations:

TFRIC 15	Agreements for the Construction of Real Estate
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Accounting Standard Interpretations:

SIC 31	Revenue-Barter Transactions Involving Advertising Services
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These accounting standards do not have any significant impact on the financial statements, except for the following accounting standards.

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. The Company, its subsidiaries and its jointly controlled entities previously accounted for such employee benefits when they were incurred.

The Company, its subsidiaries and its jointly controlled entities have changed this accounting policy in the current year and recognise the liability in the transition period through an adjustment to the beginning balance of retained earnings in the current year. The change has the effect of decreasing the profit of the Company, its subsidiaries and its jointly controlled entities for the year 2011 by Baht 8 million (0.005 Baht per share) (Separate financial statements: decreasing profit by Baht 7 million or 0.005 Baht per share). The cumulative effect of the changes in the accounting policy has been presented in Note 5 to the financial statements.

TAS 18 (revised 2009) Revenue (For the associated company)

This accounting standard requires entities to recognise revenue from sales of goods, which includes real estate developed for sale, when significant risks and rewards are transferred to the buyer. Previously, an associated company elected to use the percentage-of-completion method in recognising revenue from real estate sales. The associated company changed this accounting policy in the current year and restated the prior year's financial statements, presented for comparative purposes, as though the associated company initially recognised revenue from real estate sales when the significant risks and rewards were transferred to the buyer. The change has effect the revenue recognition of the associated company, and the Company accounts for its investment in this associated company in the consolidated financial statements using the equity method. The change has the effect of decreasing profit of the Company for the year 2011 by Baht 47 million (0.030 Baht per share) (2010: decreasing profit by Baht 41 million or 0.020 Baht per share). The cumulative effect of this change in accounting policy has been presented in Note 5 to the financial statements.

TAS 40 (revised 2009) Investment Property

This accounting standard requires entities to choose to recognise investment property either under the cost model (with disclosure of fair value in the notes to financial statements) or the fair value model, whereby changes in fair value are to be recognised in profit or loss. Investment property was previously recognised under the caption of Property awaiting sale, Land awaiting development and Land awaiting sale which is measured using the cost model. In adopting the new accounting policy commencing in the current year, the Company separately presents investment property and measures it using the cost model. The Company has changed this accounting policy in the current year and recognises the transaction in the transition period retrospectively as though the Company initially recorded these investment properties. However, in adopting the new accounting policy, no effect to previously reported profit or shareholders' equity.

4. New accounting standards issued during the years not yet effective

The Federation of Accounting Professions issued the following new/revised accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

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

Accounting Standard Interpretations:

SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

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.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognize deferred tax assets and liabilities under the stipulated guidelines.

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

5. Cumulative effect of changes in accounting policies due to the adoption of new accounting standards

During the current year, the Company, its subsidiaries and its jointly controlled entities made the changes to its significant accounting policies described in Note 3 to the financial statements, as a result of the adoption of revised and new accounting standards. The cumulative effect of the changes in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

In addition, the associated company made the change in its accounting policies due to the adoption of TAS 18 (revised 2009) Revenue, as described in Note 3 to the financial statements. The cumulative effect of the change in such accounting policy has been separately presented in the consolidated statements of changes in shareholders' equity.

The amounts of adjustments affecting the financial statements as at 31 December 2011 and 2010 and for the year ended 31 December 2011 and 2010 are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	statements of financial position		statements of financial position	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Decrease in investments in associates	105,099	58,119	-	-
Increase in investment properties	185,147	147,151	185,147	147,151
Decrease in property awaiting sale	35,303	-	35,303	-
Decrease in land awaiting development	22,187	21,911	22,187	21,911
Decrease in land awaiting sale	127,657	125,240	127,657	125,240
Increase in provision for long-term employee benefits	73,468	-	70,060	-
Decrease in unappropriated retained earnings	178,567	58,119	70,060	-

	(Unit: Thousand Baht)			
	Consolidated statements of comprehensive		Separate statements of comprehensive	
	income for the year ended		income for the year ended	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Increase in employee benefit expenses	7,721	-	7,032	-
Decrease in share of profit from investments				
in associates	46,980	40,802	-	-
Decrease in profit attributable to equity				
holders of the Company	54,701	40,802	7,032	-
Decrease in basic earnings per share (Baht)	0.035	0.020	0.005	-

6. Significant accounting policies

6.1 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 statement of the financial position.

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

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.

6.2 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.

6.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable 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.

6.4 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.

6.5 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.

6.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less allowance for loss on impairment (if any). Cost includes that land and cost of land development.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

6.7 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	-	5,15 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 is included in profit or loss when the asset is derecognized.

6.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

6.9 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.

6.10 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.

6.11 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 profit or loss 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 profit or loss on a straight line basis over the lease term.

6.12 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 end of reporting period.

Gains and losses on exchange are included in determining income.

6.13 Impairment of assets

At the end of each reporting period, 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 profit or loss.

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 profit or loss 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.

6.14 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

The Company, its subsidiaries and jointly controlled entities and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company, its subsidiaries and jointly controlled entities. The fund's assets are held in a separate trust fund and the Company, its subsidiaries and jointly controlled entities's contributions are recognised as expenses when incurred.

Defined benefit plans

The Company, its subsidiaries and jointly controlled entities have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company, its subsidiaries and jointly controlled entities treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

For the first-time adoption of TAS 19 Employee Benefits, the Company, its subsidiaries and jointly controlled entities elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in the current year.

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

6.16 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.

6.17 Discontinued operations

The Company discloses profit or loss from discontinued operations in the statement of comprehensive income. 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.

7. Significant accounting judgements and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements 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 plant and equipment/Depreciation

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

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

Post-employment benefits under defined benefit plans

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

Litigation

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



8. Related party transactions

During the years, the Company, its subsidiaries and its jointly controlled entities had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

<u>Business transactions</u>	<u>Pricing and lending policy</u>
Revenues from construction, sales and service	Market price
Cost of construction, sales and service	Market price
Disposal of equipment	Mutually agreed price
Sales of investment in subsidiary company	Mutually agreed price
Interest income	Interest rates at 5 - 19 percent per annum (2010: 5 - 19 percent per annum)
Interest expense	Interest rates at 6.40 - 7.55 percent per annum (2010: 6.15 - 6.40 percent per annum)
Management fee income	Contract price
Consultation fee	Contract price

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Revenues from construction, sales and service	-	-	59	-
Cost of construction, sales and service	-	-	5	4
Interest income	-	-	1	1
Management fee income	-	-	-	27
Loans and advances to the parties (Average during the year)	-	-	231	371
Sales of investment in subsidiary company	-	-	-	20
<u>Transactions with related parties</u>				
Revenues from construction, sales and service	46	10	46	10
Cost of construction, sales and service	13	2	13	2
Interest income	11	16	11	21
Interest expense	3	-	4	-
Disposal of equipment	1	1	1	1
Management fee income	7	20	7	20
Consultation fee	21	21	-	-
Loans and advances to the parties (Average during the year)	281	224	364	293
Loans from the parties (Average during the year)	37	1	46	2

As at 31 December 2011 and 2010, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<u>Trade and other receivables - related parties</u>				
Subsidiaries	-	-	12	202,873
Associated companies	86	306	86	306
Jointly controlled entities	20,563	20,478	48,866	49,444
Related companies (related by common shareholders)	265,033	318,735	265,033	318,735
Related companies (related by common directors)	112	-	112	-
Total	285,794	339,519	314,109	571,358
Less: Allowance for doubtful accounts	(196,053)	(258,725)	(224,728)	(488,894)
Total trade and other receivables - related parties, net	89,741	80,794	89,381	82,464
<u>Unbilled receivables - related parties</u>				
Jointly controlled entities	4,281	4,281	14,272	14,272
Related companies (related by common shareholders)	634	1,617	634	1,617
Related companies (related by common directors)	10,165	-	10,165	-
Total	15,080	5,898	25,071	15,889
Less: Allowance for doubtful accounts	-	(1,617)	-	(1,617)
Total unbilled receivables related parties, net	15,080	4,281	25,071	14,272
<u>Advance payment to subcontractor - related party</u>				
Related company (related by common shareholders)	-	24,088	-	24,088
Total advance payment to subcontractor - related party	-	24,088	-	24,088
<u>Trade and other payables - related parties</u>				
Subsidiaries	-	-	1,090	1,578
Jointly controlled entities	6,557	6,682	21,853	22,110
Related companies (related by common shareholders)	418,991	349,034	7,101	16,958
Related companies (related by common directors)	1,954	-	1,954	-
Total trade and other payables - related parties	427,502	355,716	31,998	40,646

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<u>Advance received from construction - related parties</u>				
Related companies (related by common shareholders)	689	689	689	689
Total advance received from construction - related parties	689	689	689	689
<u>Retention payable - related party</u>				
Subsidiaries	-	-	496	620
Total retention payable - related party	-	-	496	620

Short-term loans and advances to related parties (Note 12)

As at 31 December 2011 and 2010, the balance of short-term loans and advances to related parties between the Company and those related companies and the movement are as follows:

		(Unit: Thousand Baht)			
		Consolidated financial statements			
Short-term loans and advances	Related by	Balance as at	Increase	Decrease	Balance as at
		31 December	during	during	31 December
		2010	the year	the year	2011
ITD - Nawarat (L.L.C.)	Jointly controlled entity	134,485	11,446	(178)	145,753
Sarasini Co., Ltd (formerly known as "Instyle Estate Park Co., Ltd.")	Related company (related by common shareholders)	91,775	7,981	(99,756)	-
Concorde Yachts International Co., Ltd.	Related company (related by common shareholders)	104,410	-	-	104,410
C.I.N. Estate Co., Ltd.	Associated Company	24,327	28,451	(1,746)	51,032
VSPN Property Co., Ltd.	Associated Company	22,210	22,443	(16,187)	28,466
Other		376	-	(180)	196
Total		377,583	70,321	(118,047)	329,857
Less: Allowance for doubtful accounts		(134,422)	-	30,012	(104,410)
Total short-term loans and advances to related parties, net		243,161	70,321	(88,035)	225,447



		(Unit: Thousand Baht)			
		Separate financial statements			
Short-term loans and advances	Related by	Balance as at 31 December 2010	Increase during the year	Decrease during the year	Balance as at 31 December 2011
Meeyahta International Hotel Limited	Subsidiary company	1,098,461	-	(1,098,461)	-
Myanmar NWR Company Limited	Subsidiary company	16,797	4,884	-	21,681
ITD - Nawarat (L.L.C.)	Jointly controlled entity	224,141	19,078	(297)	242,922
Sarasini Co., Ltd (formerly known as "Instyle Estate Park Co., Ltd.")	Related company (related by common shareholders)	91,775	7,981	(99,756)	-
Concorde Yachts International Co., Ltd.	Related company (related by common shareholders)	104,410	-	-	104,410
C.I.N. Estate Co., Ltd.	Associated Company	24,327	28,451	(1,746)	51,032
VSPN Property Co., Ltd.	Associated Company	22,210	22,443	(16,187)	28,466
Other		313	-	(111)	202
Total		1,582,434	82,837	(1,216,558)	448,713
Less: Allowance for doubtful accounts		(1,473,823)	-	1,104,810	(369,013)
Total short-term loans and advances to related parties, net		108,611	82,837	(111,748)	79,700

Short-term loans from related parties (Note 27)

As at 31 December 2011 and 2010, the balance of short-term loans from related parties between the Company and those related companies and the movement are as follows:

		(Unit: Thousand Baht)			
		Consolidated financial statements			
Short-term loans	Related by	Balance as at 31 December 2010	Increase during the year	Decrease during the year	Balance as at 31 December 2011
A.S. - Nawarat Joint Venture	Jointly controlled entity	5,312	6,171	(516)	10,967
K Alliance Co., Ltd.	Related company (related by common shareholders)	-	98,691	(41,000)	57,691
Italian - Thai Development Plc.	Related company (related by common shareholders)	113,595	4,846	-	118,441
Serge Pun & Associates Ltd.	Related company (related by common shareholders)	78,476	-	(78,476)	-
Serge Pun & Associates (Myanmar) Ltd.	Related company (related by common shareholders)	134,318	-	(134,318)	-
Premier International Co., Ltd.	Related company (related by common shareholders)	42,706	-	(42,706)	-
Premier Enterprise Plc.	Related company (related by common shareholders)	45,374	-	(45,374)	-
Other		2	-	(2)	-
Total		419,783	109,708	(342,392)	187,099
Less: Non-controlling interest in net loss of subsidiary		(300,874)	-	300,874	-
Total short-term from related parties, net		118,909	109,708	(41,518)	187,099

(Unit: Thousand Baht)

Short-term loans	Related by	Separate financial statements			
		Balance as at 31 December 2010	Increase during the year	Decrease during the year	Balance as at 31 December 2011
A.S. - Nawarat Joint Venture	Jointly controlled entity	10,624	12,342	(1,032)	21,934
K Alliance Co., Ltd.	Related company (related by common shareholders)	-	98,691	(41,000)	57,691
Total short-term loans from related parties		10,624	111,033	(42,032)	79,625

Directors and management's benefits

During the year ended 31 December 2011 and 2010, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Short-term employee benefits	42	31	31	21
Post-employment benefits	1	-	1	-
Total	43	31	32	21

Guarantee obligations with related parties

The Company has outstanding guarantee obligation with its related parties, as described in Note 38.3 to the financial statements.

9. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Cash	26,035	60,642	24,638	17,066
Bank deposits	100,731	74,716	73,404	42,437
Bill of exchange	90,000	-	90,000	-
Total	216,766	135,358	188,042	59,503

As at 31 December 2011, bank deposits in saving accounts, fixed deposits and bill of exchange carried interests between 0.75 and 3.0 percent per annum (2010: between 0.10 and 1.5 percent per annum).

10. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	285,285	347,761	149,068	219,468
Past due				
Less than 3 months	131,666	187,997	82,169	169,930
3 - 6 months	4,769	44,822	4,769	35,921
6 - 12 months	5,812	16,506	5,812	16,506
Longer than 12 months	116,139	95,728	110,166	89,405
Total	543,671	692,814	351,984	531,230
Less: Allowance for doubtful accounts	(108,332)	(61,253)	(108,332)	(61,253)
Net	435,339	631,561	243,652	469,977
<u>Trade accounts receivable - unrelated parties, long past due and during legal action</u>				
Aged on the basis of due dates				
Past due longer than 12 months	1,146,827	944,415	1,146,827	944,415
Less: Allowance for doubtful accounts	(1,146,827)	(944,415)	(1,146,827)	(944,415)
Net	-	-	-	-
Total trade accounts receivable - unrelated parties, net	435,339	631,561	243,652	469,977
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	4,048	324	4,026	324
Past due				
Less than 3 months	8,659	12,751	8,732	13,228
3 - 6 months	10,728	6,656	10,801	6,784
6 - 12 months	15,357	12,320	15,513	13,667
Longer than 12 months	243,702	307,150	271,628	536,954
Total	282,494	339,201	310,700	570,957
Less: Allowance for doubtful accounts	(196,053)	(258,725)	(224,728)	(488,894)
Total trade accounts receivable - related parties, net	86,441	80,476	85,972	82,063
<u>Other receivables</u>				
Accrued income	18,988	3,090	18,987	3,172
Other	15,795	30,699	15,315	302
Total other receivables	34,783	33,789	34,302	3,474
Total trade and other receivables, net	556,563	745,826	363,926	555,514



11. Unbilled receivables

The outstanding balances of unbilled receivables are as follows:

	(Unit: Thousand Baht)			
			Consolidated	Separate
			financial statements	financial statements
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Project value as per contract	16,245,177	13,157,874	7,159,257	3,187,721
Accumulated amount recognised as revenue on percentage of completion basis	5,083,278	4,689,944	2,627,804	2,047,800
Less: Value of total billed	(4,250,524)	(4,139,944)	(1,862,940)	(1,588,559)
Total	832,754	550,000	764,864	459,241
Less: Allowance for doubtful accounts	(11,726)	(13,354)	(11,726)	(13,354)
Unbilled receivables, net	821,028	536,646	753,138	445,887

12. Short-term loans and advances

	(Unit: Thousand Baht)			
			Consolidated	Separate
			financial statements	financial statements
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Short-term loans and advances to related parties	225,447	243,161	79,700	108,611
Short-term loan to venturer	11,853	11,137	-	-
Total	237,300	254,298	79,700	108,611

Loans to a venturer carried interest at the rate of MOR per annum which were repayable at call.

13. Inventories

	(Unit: Thousand Baht)					
			Consolidated financial statements			
			Cost	Reduce cost to net realisable value	Inventories - net	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Finished goods	84,501	43,064	(10,864)	(11,022)	73,637	32,042
Works in process	43,019	50,960	-	-	43,019	50,960
Raw materials and supplies	432,149	330,293	(4,105)	(2,060)	428,044	328,233
Total	559,669	424,317	(14,969)	(13,082)	544,700	411,235

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Finished goods	84,501	43,064	(10,864)	(11,022)	73,637	32,042
Works in process	43,019	50,960	-	-	43,019	50,960
Raw materials and supplies	399,717	295,448	(4,105)	(2,060)	395,612	293,388
Total	527,237	389,472	(14,969)	(13,082)	512,268	376,390

14. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Withholding income tax	128,577	52,428	120,336	46,643
Advance payment	110,323	32,964	110,323	32,964
Prepaid expenses	83,404	37,106	77,826	31,446
Value added tax refundable	2,013	22,432	986	1,555
Others	60,178	58,341	18,616	10,864
Total other current assets	384,495	203,271	328,087	123,472

15. Restricted bank deposits

The outstanding balances represent fixed deposits accounts of the Company and its subsidiary which have been pledged with banks to secure credit facilities and letter of guarantee facilities for use in respect of construction and bidding of projects.

16. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital			Shareholding percentage		Cost	
	<u>2011</u>	<u>2010</u>	<u>Currency</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	(million)	(million)		(%)	(%)		
Myanmar NWR Company Limited	0.5	0.5	Kyats	100	100	3,013	3,013
MIHL (Holding) Company Limited	19.5	19.5	Baht	-	100	-	19,499
Utility Business Alliance Company Limited	40.0	40.0	Baht	60	60	28,267	28,267
NWR (Cambodia) Company Limited	505.0	505.0	USD	100	100	17	17
Total						31,297	50,796
Less: Allowance for impairment of investments						-	(19,499)
Investments in subsidiaries - net						31,297	31,297

On 15 December 2010, the Company sold of all its investments in MIHL (Holding) Company Limited to an outside party. The Company entered into an agreement to sell the investment to this party at a mutually agreed price of Baht 20 million. The Company received a deposit for the shares from the buyer amounting to Baht 10 million on the date the agreement was 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 an investment in Meeyahta International Hotel Limited which is in a dispute as discussed in Note 21 to the financial statements.

During the current year, the Company received the remaining amount of Baht 10 million from the buyer. The Company has already transferred ownership of the shares to the buyer. The net asset value of MIHL (Holding) Company Limited was as follows:

	Thousand Baht
Cash and cash equivalents	31,072
Trade accounts receivable	2,257
Inventories	1,833
Hotel, apartment building and equipment - net	11,921
Other assets	5,219
Total assets	52,302
Short-term loans from related parties	(311,875)
Other liabilities	(181,948)
Total liabilities	(493,823)
Net asset value	(441,521)
Cumulative amount of the exchange differences on translation of financial statements in foreign currency of the disposed subsidiary	(116,171)
Reversal of non - controlling interest in net loss of the disposed subsidiary	311,875
Less: Proceed from disposal of investment in the subsidiary	(20,000)
Gain on disposal of investment in the subsidiary	(265,817)



17. Investments in joint ventures

17.1 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	
	<u>2011</u>	<u>2010</u>
Nawarat - Samcon Joint Venture	12,750	15,045
Obayashi - Nawarat Joint Venture	16,098	16,098
A.S. - Nawarat Joint Venture	5,000	5,500
ITD - Nawarat (L.L.C.)	592	592
Total	34,440	37,235
Less: Allowance for loss from diminution in values of investments	(13,521)	(12,245)
Investments in joint ventures - net	20,919	24,990

During the year, Nawarat - Samcon Joint Venture and A.S. - Nawarat Joint Venture announced the return of investments to their controllers. In proportion to its controlled, the Company received return of investments amounting to Baht 2 million and Baht 1 million, respectively.

17.2 Summarised financial information of jointly controlled entities

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

Jointly controlled entities	Paid-up capital		Total assets		Total liabilities		Total revenues		Profit (loss) for the	
	as at		as at		as at		for the year ended		year ended 31	
	31 December		31 December		31 December		31 December		December	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Nawarat - Samcon Joint Venture	13	15	-	3	-	-	-	-	-	-
Obayashi - Nawarat Joint Venture	16	16	17	17	1	1	-	-	1	(10)
A.S. - Nawarat Joint Venture	5	6	42	54	35	41	1	51	(1)	8
ITD - Nawarat (L.L.C.)	1	1	38	36	152	147	2	23	(11)	(33)
Nawarat - Strega Joint Venture	-	-	2	3	-	-	-	-	(1)	-
NWR - SBCC Joint Venture	-	-	2,071	2,241	2,093	2,225	898	1,030	(38)	12
Nawarat - A.S. Associated Joint Venture	-	-	3	3	-	-	-	-	-	-

(Unit: Million Baht)

18. Investments in associated companies

18.1 Details of associates:

									(Unit: Thousand Baht)	
					Consolidated financial statements				Separate financial statements	
Company's name	Nature of business	Country of incorporation	Shareholding		Carrying amounts		Share of profit (loss)		Carrying amounts	
			percentage		based on equity method		from investments		based on cost method	
			<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
			(%)	(%)	(Restated)		(Restated)			
C.I.N Estate Co., Ltd.	Property development	Thailand	40	40	63,688	41,648	22,040	(11,893)	100,000	100,000
VSPN Property Co., Ltd.	Property development	Thailand	25	25	13,097	15,501	(2,404)	(495)	25,000	25,000
Total					76,785	57,149	19,636	(12,388)	125,000	125,000

18.2 Summarised financial information of associates

Financial information of the associated companies is summarised bellows:

									(Unit: Million Baht)	
									Total revenues	
									Profit (loss)	
Paid-up capital		Total assets		Total liabilities		for the year ended		for the year ended		
Company's name	as at 31 December		as at 31 December		as at 31 December		31 December		31 December	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
								(Restated)		(Restated)
C.I.N Estate Co., Ltd.	250	250	1,480	1,195	1,322	945	411	1	55	(29)
VSPN Property Co., Ltd.	100	100	175	201	116	132	73	80	(10)	(2)



19. Other long-term investments

(Unit: Thousand Baht)

	Consolidated/Separate financial statements		
	Percentage of shareholding	Cost	
	(percent)	2011	2010
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		3,030	3,040
Total		58,792	58,802
Less: Allowance for impairment of investments		(38,641)	(38,641)
Other long-term investments - net		20,151	20,161

20. Investment properties

The net book value of investment properties as at 31 December 2011 and 2010 is presented below.

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	2011	2010
Land awaiting development	22,187	21,911
Land awaiting sale	162,960	125,240
Building for rent - under construction	3,447	-
Total	188,594	147,151

A reconciliation of the net book value of investment properties for the years 2011 and 2010 is presented below.

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	2011	2010
Net book value at beginning of year	147,151	-
Additional development cost	6,140	-
Transfer	35,303	147,151
Net book value at end of year	188,594	147,151

The fair value of the investment properties as at 31 December 2011 and 2010 stated below:

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2011</u>	<u>2010</u>
Land awaiting development	24,000	56,472
Land awaiting sale	295,200	204,500

The fair values of the above investment properties have been determined based on valuations performed by an accredited independent valuer. The fair value of the land awaiting development and land awaiting sale have been determined based on market prices.

The Company has mortgaged investment properties, with the net book value amounting to approximately Baht 143 million (2010: Baht 32 million), as collateral against credit facilities received from a financial institution.

21. Hotel, apartment building and equipment

This represents the hotel, apartment building and equipment of Meeyahta International Hotel Limited in which MIHL (Holding) Company Limited, the Company's subsidiary, holds a 53 percent of registered capital. During the current year, the Company sold its investment in MIHL (Holding) Company Limited.

Movements of the hotel, apartment building and equipment account are summarised below.

	(Unit: Thousand Baht)
	Consolidated
	financial statements
Net book value as at 1 January 2011	11,800
Acquisitions during the year - at cost	1,663
Depreciation for the year	(6,113)
Translation adjustment	4,571
Assets of subsidiary as the Company sold of investment during the year	(11,921)
Net book value as at 31 December 2011	-

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 building and had outstanding land rental of approximately USD 10 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.

22. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated 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:								
1 January 2010	148,139	26,552	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	148,139	27,411	79,876	4,071,955	144,440	577,630	155,926	5,205,377
Additions	-	422	4,849	117,623	8,948	59,807	137,202	328,851
Disposals	-	(1,034)	(234)	(47,039)	(6,045)	(46,063)	(734)	(101,149)
Transferred in (out)	-	-	3,952	225,193	-	6,781	(235,926)	-
31 December 2011	148,139	26,799	88,443	4,367,732	147,343	598,155	56,468	5,433,079

(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
<u>Cost:</u>								
1 January 2010	148,139	26,552	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	148,139	27,411	58,890	2,091,291	130,168	559,259	7,758	3,022,916
Additions	-	422	224	80,088	5,458	58,399	80,471	225,062
Disposals	-	(1,034)	(234)	(41,583)	(5,996)	(46,064)	(734)	(95,645)
Transferred in (out)	-	-	263	33,536	-	6,781	(40,580)	-
31 December 2011	148,139	26,799	59,143	2,163,332	129,630	578,375	46,915	3,152,333
<u>Accumulated depreciation:</u>								
1 January 2010	-	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
Depreciation for the year	-	493	1,867	111,298	4,724	17,704	-	136,086
Depreciation on disposals	-	-	(38)	(36,920)	(5,472)	(44,665)	-	(87,095)
31 December 2011	-	25,015	48,605	1,857,109	116,475	487,687	-	2,534,891



As at 31 December 2011, 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 2,204 million (2010: Baht 2,186 million) (The Company only: Baht 2,190 million, 2010: Baht 2,170 million).

The Company and its jointly controlled entity have mortgaged the part of land and buildings thereon, machinery and ships, amounting to approximately Baht 1,557 million (2010: Baht 1,651 million) as collateral against credit facilities and letter of guarantee facilities received from a financial institution (The Company only: Baht 145 million, 2010: Baht 145 million).

23. Leasehold right for land

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2011</u>	<u>2010</u>
Leasehold right for land	69,418	69,418
Less: Accumulated amortisation	(46,566)	(43,979)
Leasehold right - net	<u>22,852</u>	<u>25,439</u>
Amortisation for the year	<u>2,587</u>	<u>2,587</u>

24. Project development cost/Property awaiting sale

During the year, the Company transferred property awaiting sale to project development cost because the Company has commenced its project by developing such property.

Movements of the property awaiting sale are summarised below.

	(Unit: Thousand Baht)
	Consolidated/Separate financial statements
Balance as at 1 January 2011	<u>207,822</u>
Increase in development cost during the year	83,970
Disposal during the year	(44,430)
Transfer to project development cost	(212,059)
Transfer to investment properties	<u>(35,303)</u>
Balance as at 31 December 2011	<u>-</u>

Movements of the project development cost are summarised below.



	(Unit: Thousand Baht) Consolidated/Separate financial statements
Balance as at 1 January 2011	-
Transfer from property awaiting sale	212,059
Increase in development cost during the year	51,737
Disposal during the year	(85,686)
Balance as at 31 December 2011	178,110

The Company has mortgaged land and construction thereon of its development projects as collateral for the Company's loans received from a financial institution.

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

		(Unit: Thousand Baht)			
		Consolidated		Separate	
	Interest rate	financial statements		financial statements	
	(% p.a.)	2011	2010	2011	2010
Bank overdrafts	MOR, MOR+0.25	11,649	7,241	9,064	5,863
Trust receipt payable	6.00-7.50, MLR	5,285	32,422	1,495	32,422
Short-term loans	5.85-8.00, MOR, MLR, MLR-1.00	501,591	320,480	413,491	222,486
Total		518,525	360,143	424,050	260,771

The bank overdrafts and short-term loan facilities of the Company, its subsidiary and its jointly controlled entity are secured by the pledge of fixed deposits of its subsidiary, the mortgage of the part of land with structures thereon and ships of the Company, project development cost and investment properties and future structures of the Company's development project, transfer of rights of claim over collections for work done under construction agreements of its jointly controlled entity's project, the pledge of machine of its jointly controlled entity and are guaranteed by the Company, the jointly controller, the Company's director and its related party.

26. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Trade payables - related parties	423,044	352,239	26,985	36,448
Trade payables - unrelated parties	825,188	745,441	603,991	571,272
Advance received from unrelated party	26,794	25,275	-	-
Other payables	405,139	507,897	52,878	37,946
Accrued expenses	67,827	227,156	32,398	24,835
Total trade and other payables	1,747,992	1,858,008	716,252	670,501

27. Short-term loans

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Short-term loans - related parties	187,099	118,909	79,625	10,624
Short-term loans - unrelated party	10,000	-	10,000	-
Total short-term loans	197,099	118,909	89,625	10,624

Short-term loans from unrelated party carried interest at the rate of 7.5 per annum which were repayable at call.

28. Long-term loans

Loan	Interest rate (%)	Repayment schedule	(Unit: Thousand Baht)			
			Consolidated		Separate financial	
			financial statements		statements	
			<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
1	MLR, MLR-1	Monthly installments as from May 2010 - February 2017	1,052,306	1,168,321	-	-
2	MLR	Monthly installments as from February 2012 - July 2012	319	-	319	-
3	MLR	Monthly installments as from August 2012 - January 2015	57,730	-	57,730	-
4	MLR	Paid all amount within March 2014	35,000	-	35,000	-
5	MLR-1	Monthly installments as from June 2012 - June 2014	40,000	-	40,000	-
Total			1,185,355	1,168,321	133,049	-
Less: Current portion			(228,378)	(177,972)	(47,819)	-
Long-term loans, net of current portion			956,977	990,349	85,230	-

The loan agreements contain covenants as stipulated in the agreement and restrictions imposed by the lender, relating to such matters as asset restriction, creation of further debts, dividend payment, reduction of capital, maintenance of a certain debt to equity ratio and debt service coverage ratio. The loan is secured by the transfer of rights of claim over collections for work done under construction agreements of the Company and its jointly controlled entity's project, the mortgage of project development cost and investment properties and future structures of the Company's development project, the pledge of machine of its jointly controlled entity and guaranteed by the Company, the jointly controller, the Company's director and its related party.

As at 31 December 2011, the Company and its jointly controlled entity have an undrawn amount of loan under the above agreements amounting to Baht 162 million and Baht 6 million, respectively.

Movements in the long-term loans account during the year ended 31 December 2011 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2011	1,168,321	-
Add: Increase during the year	175,960	139,530
Less: Payment during the year	(158,926)	(6,481)
Balance as at 31 December 2011	1,185,355	133,049
Less: Current portion	(228,378)	(47,819)
Long-terms loans, net of current portion	956,977	85,230

29. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2011, which is compensations on employees' retirement, was as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Cumulative effect of change in accounting policy for employee benefits adjusted against beginning balance of retained earnings (Note 5)	68,615	65,896
Current service cost	5,045	4,462
Interest cost	2,676	2,570
Benefits paid during the year	(2,868)	(2,868)
Balance at end of year	73,468	70,060



Long-term employee benefit expenses included in the profit or loss for the year ended 31 December 2011 amounted to Baht 8 million (The Company only: Baht 7 million).

The Company, its subsidiaries and its jointly controlled entities used discount rate at 3.9 percent per annum, this is the principal actuarial assumption at the valuation date.

30. Share capital

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

30.1 Transfer Baht 50 million from the statutory reserve to offset the Company's deficit.

30.2 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.

31. Statutory reserve

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 profit 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.

32. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
	2011	2010
Raw materials and consumables used	1,649,979	1,258,432
Salary and wages and other employee benefits	554,766	446,374
Subcontractor costs	425,307	566,469
Fuel charges	409,793	385,974
Depreciation and amortisation	389,048	376,518
Repair and maintenance	165,818	184,493
Other expenses	633,474	542,026
Changes in inventories of finished goods and work in process	(33,496)	63,908
Total	4,194,689	3,824,194

33. 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 years are calculated on net income before income tax after adding back expenses and deducting income which are disallowable for tax computation purposes.

34. 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.

During the current year, the Company received a payment for all shares and transferred ownership of the shares of MIHL (Holding) Company Limited to the buyer. Therefore, as at 31 December 2011 and 2010, the Company presented the operating results of the disposed subsidiaries 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 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 2011 and 2010 of Meeyahta International Hotel Limited, which are classified as discontinued operations, is presented below.

	(Unit: Thousand Baht)	
	<u>2011</u>	<u>2010</u>
<u>Discontinued operations</u>		
Revenues		
Service income	26,183	47,704
Total revenues	<u>26,183</u>	<u>47,704</u>
Expenses		
Cost of service	16,854	29,371
Administrative expenses	20,465	49,502
Total expenses	<u>37,319</u>	<u>78,873</u>
Loss from discontinued operations before finance cost	(11,136)	(31,169)
Finance cost	(13,579)	(8,492)
Loss for the year from discontinued operations	<u>(24,715)</u>	<u>(39,661)</u>

The results of cash flows for the years ended 31 December 2011 and 2010 of Meeyahta International Hotel Limited which classified as discontinued operations is presented below.

	(Unit: Thousand Baht)	
	<u>2011</u>	<u>2010</u>
The net cash flows incurred for the years:		
Operating activities	6,962	(1,714)
Investing activities	(1,663)	(1,670)
Cash inflows (outflows)	5,299	(3,384)
Increase in translation adjustment	4,367	17,842
Net cash inflows	<u>9,666</u>	<u>14,458</u>

35. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

36. Segment information

The Company, its subsidiaries and its jointly controlled entities' business operations involve 3 principal segments: (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 for the year ended 31 December 2011 and 2010 by segment.

(Unit: Million Baht)								
	Construction		Soil and coal extraction and transportation		Constructions consulting services		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues from construction, sales and service	3,174	2,856	883	1,025	-	54	4,057	3,935
Operating income (loss)	(152)	17	33	102	(8)	25	(127)	144
Other income and expenses							364	49
Finance cost							(119)	(111)
Corporate income tax							(6)	(7)
Non-controlling interests of the subsidiaries							(3)	(1)
Profit for the year from continuing operations - attributable to equity holders of the Company							109	74
Property, plant and equipment and leasehold right	646	567	1,841	1,983	-	-	2,487	2,550
Total assets	4,136	3,301	2,071	2,241	-	8	6,207	5,550

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

37. 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. Both employees and the Company, its subsidiary and its jointly controlled entity contribute to the fund monthly at the rate of 2-5 percent of basic salary (the Company only: 5 percent of basic salary). The fund, which is managed by Bank of Ayudhaya Public Company Limited and ING Funds (Thailand) Company Limited, 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. During the year 2011, the Company, its subsidiary and its jointly controlled entity contributed Baht 10 million to the fund (2010: Baht 10 million) (The Company only: Baht 9 million, 2010: Baht 9 million).

38. Commitments and contingent liabilities

38.1 Capital commitments

As at 31 December 2011, the Company and its jointly controlled entity had the following capital commitments:

- a) The Company had an outstanding commitment of approximately USD 4,495 in respect of the uncalled portion of investment in a subsidiary company.
- b) A jointly controlled entity had capital commitments (in proportion to the Company's interest) of approximately Baht 1 million and USD 1 million, relating to the acquisition of machinery.

38.2 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 between from 1 to 30 years. As at 31 December 2011, 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
Less than 1 year	13	11
1 to 5 years	17	15
More than 5 years	9	9

38.3 Guarantees

- a) As at 31 December 2011, the Company has commitments in respect of its guarantee of bank credit facilities of one associated company amounting to Baht 427 million. Generally, the guarantee is effective so long as underlying obligation has not been discharged by its associated company. No fee is charged for the provision of such guarantee.
- b) As at 31 December 2011, the outstanding bank guarantees issued by banks on behalf of the Company, its subsidiary and its jointly controlled entity (in proportion to the Company's interest) in respect of certain performance bonds as required in the normal course of business were summarised as follows.

	(Unit: Million)	
Foreign currency	Consolidated financial statements	Separate financial statements
Baht	3,104	2,237
UAE dirham	4	-
Yen	12	12
USD	8	8

38.4 Service commitments

The Company's jointly controlled entity has entered into service agreements for machinery repair and maintenance service and project consultation, with a total of approximately Baht 118 million (in proportion to the Company's interest) to be paid between 2012 and 2018.

39. Financial instruments

39.1 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 and other receivables, 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 statement of financial position.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its deposit with financial institutions, bank overdrafts, 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 maturity in the near future (except long-term loan as descript in Note 28 to the financial statement), 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 Group seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate.

The balances of financial assets and liabilities denominated in foreign currency as at 31 December 2011 are summarised below.

Foreign currency	Financial assets	Financial liabilities	Average exchange rate as at 31 December 2011
	(Million)	(Million)	(Baht per 1 foreign currency unit)
USD	35	8	31.6422

Sell foreign exchange contracts outstanding as at 31 December 2011 are summarised below.

Foreign currency	Sold amount	Contractual exchange - sold	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
USD	27	30.1850 - 31.5400	29 February 2012 - 30 June 2014

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.



39.2 Fair value of financial instruments

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

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.

40. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure in order to support its business and maximize shareholder value. As at 31 December 2011, the Group's debt-to-equity ratio was 3.34:1 (2010: 2.67:1) and the Company's was 1.75:1 (2010: 0.89:1).

41. Reclassification

To comply with the Notification of the Department of Business Development relating to the financial statement presentation as described in Note 2 to the financial statements as the result of the adoption of revised and new accounting standards as described in Note 3 and Note 5 to the financial statement, certain amounts in the financial statements for the year ended 31 December 2010 have been reclassified to conform to the current year's classification, without any effect to the previously reported profit or shareholders' equity except the adoption of TAS 18 (revised 2009) Revenue.

42. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2012.



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