

# Annual Report 2009

N.C. HOUSING PUBLIC COMPANY LIMITED

รายงานประจำปี 2552

บริษัท เอ็น.ซี. โฮสซิ่ง จำกัด (มหาชน)







## Vision

To be a property development company providing international quality of products and services with modern management and utilizing the latest technology and stands ready to expand by co-investment domestically or internationally.

## Mission

To develop a strong and encompassing investment and business expansion strategy  
To continually develop quality products and services Maximize customer satisfaction and maximize stakeholders' benefit.  
Continually develop staff capability and team work  
Emphasize good corporate governance  
Strengthen network and business relationships

## Company's Value

Diligence, dedication  
Honesty, intent  
Self development  
Team working





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# Financial Highlights



Consolidated Financial Statements	2009	2008	2007
<b>Financial Performance (THB Million)</b>			
Revenue from sales and services	825	771	832
Total Revenues	865	780	840
Cost of sales and services	561	561	600
Total Expenses	766	779	853
Gross profit	264	209	233
Earning before interest and income tax	99	(0.95)	(13)
Net profit (loss)	56	(46)	(62)
<b>Financial Status (THB Million)</b>			
Assets	2,995	3,160	3,440
Liabilities	959	1,180	1,414
Shareholders' equity	2,036	1,980	2,026
Paid-up share capital	1,186	1,186	1,186
<b>Per Share (THB)</b>			
Earnings	0.05	(0.04)	(0.05)
Book value	1.72	1.67	1.71
Dividend	0.02	-	-
<b>Financial Ratio</b>			
Gross profit margin (%)	32.00	27.21	27.94
Net profit margin (%)	6.48	(5.87)	(7.33)
Return on equities (%)	2.75	(2.31)	(3.04)
Return on assets (%)	1.87	(1.45)	(1.79)
Liquidity ratio (Times)	8.42	7.45	8.65
Debt to equity ratio (Times)	0.47	0.60	0.70



# Message from the Chairman



Year 2009 was a year of so many challenges occurred which affected every business in Thailand such as political instability, marketing crisis in real estate sector and changes in business conditions which challenged to the seamless business management. The very good business performance of last year was the output of the high dedication of all staffs in the company from Board of Directors, executives, and all employees. One of our important strategies was our effective flexibility in aligning our business operation along with the market changes. The outcome of this operation has been seen by the sales figure which was THB 865 million and had profit of THB 56 million. This bottom line clearly showed that the company had solid financial strength. Our debt ratio was 0.47 times decreases from year 2008 which was 0.60 times.

Although many experts estimated that year 2010 would be the better year of real estate business because of the rebound of global and Thailand economy. Anyway, we will keep our guard high due to the fact that there are various risk factors remain in Thailand such as the instable politic, price increasing tendency of crude oil in world market that will increase the logistic and raw material costs and the intensity of the competition among companies in Thai real estate industry.

In doing business in year 2010, we, NCH, shall perform every move judiciously starting from cost management system, inventory management system and expenditure controlling system. We will pay more attention on complying our construction quality with ISO standard as well as initiating more creative marketing strategies to maximizing customer satisfactions, expanding target markets, developing new channels as well as imaginatively aggressive after sales service programs. We hold intention to do business under the Good Corporate Governance policy tightly. We intend to be a successful Good Corporate Governance real estate company by keeping on setting the employees' mindset on good business value, conscious and ethic which are complying with the principle of continuous corporate governance. With the best co-operation from all levels of employee, NCH won a Good Corporate Governance Implementation Award 2009 which was sponsored by Institute of Directors Association (IOD), Stock Exchange of Thailand (SET), and the Securities and Exchange Commission (SEC). NCH was one out of fifty-two companies which won this "Excellent" level.

May I take this opportunity to say thank you to all supports, shareholders, customers, business partners, suppliers, contractors, financial institutions, press, executives and especially all company staffs. I am looking forwards to having your continuous supports for the bright future and the prosperity of N.C. Group.

A handwritten signature in black ink, appearing to read 'S. Chatwalwong'.

(Mr. Sudham Chatwalwong)

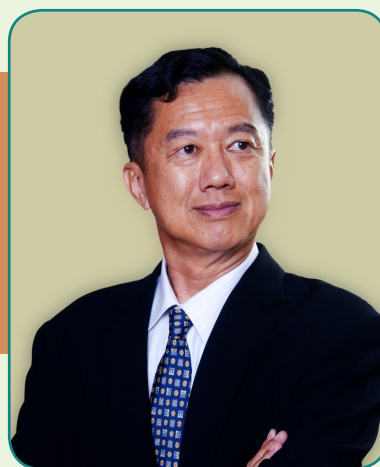
Chairman

## Board of Directors



**Mr. Sudham Chatwalwong**

Chairman and Independent Director



**Mr. Somchao Tanterdtham**

Director, Chairman of the Board of  
Executive Directors and Managing Director



**Mr. Kobsak Pongponrat**

Director, Independent Director and  
Member of the Audit Committee



**Mr. Piboon Limpraphat, Ph.D.**

Director, Independent Director and  
Chairman of the Audit Committee



**Mr. Vichit Vichaisarn**

Director, Independent Director and  
Member of the Audit Committee



**Mr. Wichian Silapacharanan**

Director, Executive Director and  
Deputy Managing Director  
(Business Administration)



**Mr. Rungsarn Nuntakawong**

Director, Executive Director and  
Deputy Managing Director  
(Operation 1)



**Mr. Somnuek Tanthathoedtham**

Director, Executive Director and  
Deputy Managing Director  
(Operation 2)



## Senior Management



1. Mr. Somchao Tanterdtham  
Managing Director
2. Mr. Wichian Silapacharanan  
Deputy Managing Director (Administration)
3. Mr. Rungsarn Nuntakawong  
Deputy Managing Director (Operation 1)
4. Mr. Somnuek Tanthathoedtham  
Deputy Managing Director (Operation 2)



5. Mr. Boonchai Chaiananbavorn  
Assistant Managing Director  
(Operation 1)
6. Mr. Warapong Nilsiri  
Assistant Managing Director  
(Operation 1)
7. Mrs. Nampetch Tantawiriya  
Senior Manager,  
Human Resource Department
8. Ms. Yossawan Rungwara  
Senior Project Manager
9. Mr. Boonchai Rojpanich  
Senior Project Manager
10. Ms. Sumanee Boonsarana  
Manager, Accounting Department
11. Mr. Walatchanat Rujidasirisakul  
Manager, Financial Department



# Summary of Changes and Developments in 2009

The positive factor that pushed Thai real estate sector in year 2009 was Real Estate Stimulation Act which comprised of

- 1) maximum 300,000 THB tax reduction for any purchasing of new land and transferred within 2009.
- 2) extend the tax reduction period for house owners to use their housing loan interests, which is less than 100,000 THB per year, as a tax reduction.
- 3) decrease house transferring fees from 2% to 0.01%.

This act aimed to motivate both seller and buyer to speed up their business decision and settlement. The result of this act was 18,300 new housing projects within first half of 2009. This was 11,000 houses and 7,300 units of condominiums.

Anyway, the political crisis still affected to customer index which was chain affected to financial liquidity of small and medium size business due to tightly loan granted by financial institutions to these two groups. Furthermore, foreigners gave up their investments on condominium along the sea shore purchased in 2009 due to instability of economy and fluctuation of currency exchange during the crisis economic of Thailand.

Thai government's mega-project name "Thai Khem Khang" worth 800,000 million Baht aimed to force government's financial institutions to grant housing loans to low and medium income persons. This made small and medium size of houses' sales increased. Another positive factor for housing projects in some areas of Bangkok metropolitan was Eastern outer-ring road connection point opening. This connection road will make people live in Lamlukka-Ramindra zone and nearby can travel more easily. Also, there were many housing projects arose more in the second half of the year than the first half. Total new projects were 30,400 units which were from 14,000 units of houses and 16,400 units of condominiums. Listed companies shared this growth 71% in houses sector and 61% in condominium sector.

Changes in strategy were undertaken by the Company to enhance its competitiveness and to broaden its customer base. A shift towards development of more medium to lower valued residential units priced between 2-3 million baht for single detached houses, 0.8 million baht starting for townhouses and duplexes priced beginning at 1.4 million baht developments to better meet customer's diminishing of purchasing power by focusing on semi-detached houses in North zone area and small single houses in west zone. In 2009 the company has closed the sale of 2 Projects

Summary details





Projects Name	Location	Project Area (rai-ngan-square wah)	Project Type	# of Units	Project Value (THB mn)
Baan Pha Piyarom Pruek Waree (P.7)	Ring Road Lumlookka Klong 6	55-3-37.0	SDH, DH	276	720
Baan Pha Piyarom Ruen Pruek (P.8)	Ring Road Lumlookka Klong 6	32-2-70.0	TH	352	481

*Note : SDH : Single Detached , DH : Duplex , TH: Townhouse*

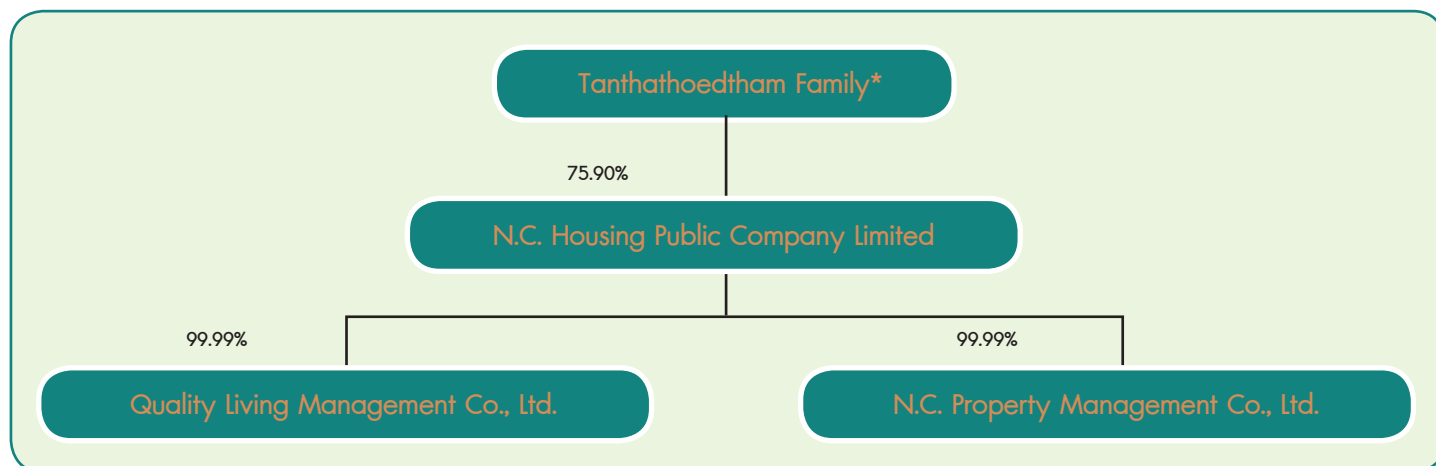
Product development was also undertaken to better meet the changing needs of consumers and to enhance the Company's product competitiveness. The new single detached houses are the Super Save line in which foundation is laid and is ready for future expansion. Housing dimensions for the Super Save line have also been adjusted to widen usable space. The Sathorn model's usable space is 140 square meters. The Sarasin model's usable space is 165 square meters. These housing designs are basically made to customer's orders and specifications for the higher end customers at the Baan Pha Green Park Royal Thonburirom, Baan Pha Green Park Royal Budhamonthon Sai 1, Home on Green 2 and Baan Pha Piyarom projects.

Moreover, NCH used widening channel of marketing strategy to reach more target customer by joining the housing exhibitions organized by Thai Real Estate Association and other relevant associations as well as opening booth in the department stores and leading malls. In 2009 the proportion of revenue from the sale of the following projects.

Projects Name	2009	
	THB mn.	%
Thanyathani Home on Green (P.2)	196.2	23.86
Baan Pha Piyarom (P.10)	134.9	16.41
Baan Pha Green Park Rayal Budhamonthon 1	104.1	12.66
Baan Pha Piyarom (P.9)	88.3	10.74
Baan Pha Green Park Pracha Uthit	73.6	8.95
The Focus Condominium	71.6	8.71
Green Park Rangsit Klong 3	49.9	6.07
Baan Pha Rangsit Klong 7	34.3	4.17
Thanyathani Home on Green	32.0	3.89
Baan Pha Piyarom (P.7)	25.3	3.08
Baan Pha Piyarom (P.3)	7.8	0.95
Baan Pha Piyarom (P.8)	2.5	0.30
Narisa Thonburirom	1.7	0.21
<b>Total</b>	<b>822.2</b>	<b>100.00</b>

# Company and Subsidiaries' Business Profile

## Shareholding Structure of N.C. Group



Remark :\* - Tanthathoedtham family includes Tanthathoedtham shareholders and related parties

- In the 1st extraordinary meeting of shareholder held on March 24, 2009, the meeting agreed to cease the operation of N.C. Estate Company Limited. The effective date was March 26, 2009. The reason of this action was that there has no operation of this company for long time and its business was duplicating the main business of NCH. This defunct would not affect to normal operation of NCH at all. (N.C. Housing Public Company Limited was a major shareholder in this company (99.99%). N.C Estate's business was land development for building small houses. Project under its operation was Banfah Rungsit Klong2. It was THB 2 million worth in common registered shares and had fully paid.)

## Business Overview

N.C. Group is a full scale residential housing and condominium developer that has a special design concept for each of its projects and after sales service with a community management service.

N.C. Group puts emphasis on the selection of its project sites located within the city and its vicinity. The key for site selection is an area that has comprehensive public infrastructure with a high growth potential. These features distinguish N.C. Housing communities from others.

The Company's projects classified by zones are as follows:

Northern Bangkok	: in the area of Rangsit - Ongkarak and Lumlookka, Baan Pha Piyaom, Baan Pha Green Park Rangsit , Baan Pha Rangsit Klong 2 (Closed), Baan Pha Rangsit Lumlookka Klong 7, Thanyathani Home on Green, Home on Green 2
Southern Bangkok	: in the area of Pracha Uthit Road, Baan Narisa, Baan Pha Green Park Royal Thonburirom
Western Bangkok	: in the area of Pinkloa Ring Road and Budhamonthon, Baan Pha Green Park Royal Pinklao, Baan Pha Green Park Royal Budhamonthon 1
Eastern Bangkok	: in the area of Sri Nakarin Road, Sri Nakarin Grand Home (Closed)
Inner Bangkok	: in the area of Lad Prao road, Baan Pha Green Park Lad Prao 101 (Closed)
Other areas	: in the area of Jomtien Beach, Chonburi Baan Suan Lalana (Closed), Baan Pha Rim Haad Jomtien, in the area of Muang District, Khonkaen The Focus Condominium





All N.C. Housing projects are also distinguished from each other in architectural design and features depending on the individual project concept. There are three types of housing for which N.C. Housing customers can choose from. “Pre-built” units (construction has been completed and is ready for ownership right transfer), “Semi-pre-built” units (construction has been partially completed), and “Pre-Sales” units (construction starts upon customer order) depending on the site and its prospective customers.

Since 2004, the Company continues to emphasize its strategy in selling pre-built residential units to enhance its product competitiveness and to meet customers’ demand. The change in strategy resulted in the Company’s revenues derived from the sale of pre-built units to increase in proportion (as shown in the table below). As of December 31, 2009, the Company has in total 12 projects in progress totaling 8,803 million baht in value.

### Sales Revenue Breakdown by Purchase Preference

Housing Type	Down Payment Installment	% of Sales Revenue				
		2009	2008	2007	2006	2005
1. Pre-built	(0 – 2 pmts)	62.1	69.5	82.3	68.8	48.2
2. Semi-pre-built	(3 – 6 pmts)	9.5	11.7	9.0	8.7	21.3
3. By order	(> 7 pmts)	28.4	18.9	8.7	22.5	30.4
<b>Total</b>		<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

### Operating Policy of N.C. Housing Public Company Limited and its Subsidiaries

N.C. Group aims to develop all N.C. Housing’s projects under the name “Baan Pha” or under previous project’s names acquired as projects that are either Non Performing Loans (NPL) or Non Performing Assets (NPA).

Subsidiaries of N.C. Housing Public Company Limited are as follows:

- **N.C. Property Management Company Limited (NCPM)** renders a full scale property management service, including sales management, marketing, and construction through rehabilitation of the project and/or renegotiate with existing purchasers as well as creditors. Projects that NCPM renders services to include Baan Suan Lalana Pattaya, Jantima Park Budhamonton 5, Baan Suan Doi Saked Chiangmai, and Thanyathani Home on Green projects.

- **Quality Living Management Co., Ltd. (QLM)** renders community management services such as security services, cleaning services, and utility services to housing projects and condominiums. In 2009, the Company managed a total of 14 communities.

## Income Structure of N.C. Group

The majority of the Company's revenue is derived from property development business including :

1. Revenue from property development for sale includes revenue from sales and construction where sales revenue is derived from 5 product lines – single detached houses, duplexes, townhouses, commercial buildings and land.
2. Revenue from project management services includes revenue from construction and revenue from project management services.
3. Revenue from management of residential community
4. Other revenue

Business Type/Revenue	Operated by	2009		2008		2007	
		THB mn.	%	THB mn.	%	THB mn.	%
Property development for sale	NC, NCE	822	95.0	768	98.5	821	97.7
Revenue from sales		822	95.0	768	98.5	821	97.7
- single detached houses		590	68.2	538	69.0	558	66.4
- duplexes		105	12.1	56	7.2	111	13.2
- townhouses		47	5.4	89	11.4	137	16.3
- commercial buildings		9	1.0	17	2.2	1	0.1
- land		71	8.2	68	8.7	15	1.7
Project management services	NCPM*	3	0.3	4	0.5	7	0.8
- Construction revenue		-	-	-	-	5	0.6
- Management service revenue and project manament		3	0.3	4	0.5	2	0.3
Community management services	QLM*	-	-	-	-	4	0.5
Other revenue**	NC, NCPM*, NCE	40	4.6	8	1.0	8	0.9
<b>Total Revenue</b>		<b>865</b>	<b>100.0</b>	<b>780</b>	<b>100.0</b>	<b>840</b>	<b>100.0</b>

Remarks \* The Company holds a 99.99% stake in NCPM and QLM

\*\* Rental fees, fees for altering contracts, interest receivables, gains from sales of assets and other non-core business transaction form a large part of the Company's other revenue.

NC : N.C. Housing Plc.

NCPM : N.C. Property Management Co., Ltd.

QLM : Quality Living Management Co., Ltd.

NCE : N.C. Estate Co., Ltd. (Closed)



## Currently Active Projects

<As of December 31, 2009>

Project Name	Location	Project Area (rai-ngan-square wah)	Project Type	# of Units	Project Value (THB mn)	Sales Progress (% based on Sales Value as of Dec 31, 2009)
<b>Northern Bangkok</b>						
1 Thanyathani Home on Green	Ring Road Lumlookka Klong 5	148-3-27.0	SDH	165	882	93.8
2 Home on Green 2	Ring Road Lumlookka Klong 5	123-0-34.2	SDH	236	1,611	31.5
3 Baan Pha Piyarom Lake and Park 2 (P9)	Ring Road Lumlookka Klong 6	60-3-66.0	SDH	198	926	40.5
4 Baan Pha Piyarom Premier Park (P10)	Ring Road Lumlookka Klong 6	63-1-83.0	SDH, DH, TH	390	791	20.7
5 Baan Pha Rangsit Lumlookka Klong 7	Ring Road Lumlookka Klong 7	18-3-56.0	SDH, DH, TH, CB	187	236	37.3
6 Baan Pha Green Park Rangsit Klong 3	Rangsit Klong 3	58-0-86.0	SDH, DH	321	905	32.8
<b>Western Bangkok</b>						
7 Baan Pha Green Park Royal Pinklao	Pinklao	21-3-52.0	SDH	60	390	95.4
8 Baan Pha Green Park Royal Budhamonthon 1	Ring Road Budhamonthon 1	38-1-61.4	SDH	90	751	81.4
<b>Southern Bangkok</b>						
9 Narisa Thonburirom	Pracha Uthit Rd., Ratburana District	51-2-69.6	SDH	60	405	97.5
10 Baan Pha Green Park Royal Thonburirom	Pracha Uthit Rd., Thungkhru District	65-1-54.1	SDH	258	1,204	45.8
<b>Other Areas</b>						
11 Baan Pha Rim Haad Jomtien	Banglamung District, Choburi	27-0-99.2	SDH	93	557	92.5
12 The Focus Condominium	Muang District, Konkaen	1-1-73.6	CD	281	145	99.3

Notes : SDH = Single Detached House, DH = Duplex, TH = Townhouse, CD = Condominium, CB = Commercial Building

# Industry Outlook

## Property Market Trend Year 2010

Kasikorn research center estimated that real estate sector will head-up step by step next year. Sales will be mostly from consumer who has purchasing power and ones who really need. Supporting factors for real estate sector will be from positively economic signs that will stimulate buying decision. Especially sales in the first quarter of the year would be high because the fees reduction will be ended on March 28, 2010. This will stimulate purchasing decision as well as companies' sales. This will also be a golden period for housing companies who has completely built houses in stock to be sold. The market at that time will be alive.

Trend of new housing projects in year 2010 from listed companies are around 170 projects, incline 110 projects from last year. Investment strategies of year 2010 will be spreading the investment portfolio. New housing projects will cover more groups of customers in scatter areas. In order to reduce business risk some real estate developers will emphasize more on low-rise buildings than last year. Strategic areas for low-rise building will be along with BTS routes such as Airport link line, Rama 9 area, and purple Bangyai-Bangsue line such as Bangyai, Banggruay-Sainoi. Other strategic area will be along extending inbound road such as Onnuch ring road and Rajapreuk-Rama5. Investment in condominium is moving on due to the demand is still high. Condominium developers will emphasize more on prime areas for example in new community and there is no condominium available around there. Some developers will choose location that is not so far from BTS or around 1 kilometer around BTS which is convenience for consumers to travel by BTS. Condominium's price will be set at the affordable price for target customers. However, new housing projects will be carefully developed because there are plenty of unsold units from previous year. The competition will surely be tough for both existing and new condominium developer next year.

## Positive Factor

Aside from new train line projects investment that will improve overall financial liquidity situation, it will be a golden opportunity for consumers to get loan for their houses especially condominium, too. Financial institutions will be happier to grant housing loan to consumers than to business for their safety reason. Low price condominiums (price not over 1 million THB) will be prime products to be sold and easier to sale than high price condominium. There are some condominium developers who expert in building and selling such low price condominium. They are ready to build and sell more next year. More than 80% of all available in year 2010 will target to low price segment. In the meantime, additional source of new houses supply to the market will be from companies that have to construct houses upon BOI contract. Finally, new government support small houses around 40,000 - 50,000 units will be finished within the end of 2010, too.

## Negative Factor

Real estate sector will face many challenges next year such as political instability while the economic is recovering and world economic is getting better which will affect to the continuity of economic growth. This discontinuity will harm to house purchasing decision that will make the growth in the industry not as high as expected. Moreover, construction costs that will continue to rise as well as consumer housing loan interest rate that will begin in the second half of the year. These two major factors will hurt developers' business and purchasing power of consumers at the same time.

Other negative factors aside from financial part which will hurt purchasing power will be environmental law, regulations and restrictions that all house developers need to aligned themselves to and comply with it profitably. These environmental restrictions will confine how to design and build the houses in the future. But it will improve consumers' quality of life in the long-run.



The total number of newly completed and registered residential units in the Bangkok metropolitan area totaled 90,971 units in 2009, which is up from 82,437 units or was a 10.4% increase from a year earlier. However, in dissecting the composition of newly completed and registered residential units, results indicate that the decline in newly completed and registered residential units were mostly from self-built units as the number of units dropped by 11.0% from 23,636 units in 2008 to 21,033 units in 2009. But for residential projects, the number of units increase by 18.9% from 58,801 units in 2008 to 69,938 units in 2009.

## Newly Completed and Registered Residential Units in the Bangkok and Metropolitan Area

### By Means of Development and Number of Units

Housing Type	2005	2006	2007	2008	2009
Self-Built by Owners	25,244	28,949	25,341	23,636	21,033
Built by Developers	45,164	49,632	49,769	58,801	69,938
Total	70,408	78,581	75,110	82,437	90,971
Change	3.1%	11.6%	-4.4%	9.8%	10.4%

Source : Real Estate Information Center

For 2009, the number of newly completed and registered single detached houses totaled 10,309 units, which was a 24.7% decline from the previous year. Newly completed and registered duplexes decreased by 52.9% to 999 units while completed and registered townhouses increase by 6.4% to 12,178 units and commercial buildings also increased by 47.3% to 46,452 units

## Newly Completed and Registered Residential Units in the Bangkok and Metropolitan Area

### By Resident Type Build by Developers

Type of Residence	2005	2006	2007	2008	2009
Single Detached Houses	23,889	16,700	16,390	13,698	10,309
% change	(10.3%)	(30.1%)	(2.0%)	(16.3%)	(24.7%)
Duplexes	586	869	1,436	2,123	999
% change	(23.0%)	48.3%	65.0%	47.8%	(52.9%)
Town Houses	11,460	14,632	14,931	11,445	12,178
% change	(14.2%)	27.7%	2.0%	(23.3%)	6.4%
Condominiums	9,229	17,431	17,012	31,535	46,452
% change	20.0%	88.9%	(2.4%)	85.4%	47.3%
Total Units in Projects	45,164	49,632	49,769	58,801	69,938
% change	(6.8%)	9.9%	(0.3%)	18.1%	18.9%

Source : Real Estate Information Center

## Supply of Residential Units

From statistics gathered from the launch of new residential projects in the Bangkok and metropolitan area in 2009, the indication is that the numbers of residential projects launched in 2009 were below to that of the previous year. The number of units launched in residential projects totaled 57,604 units in 2009 and 69,757 units in the 2008. Projects units valued between 0.5 – 3.0 million baht constituted 66.3% of all newly launched projects for 2009.

## New Residential Projects Launched in the Bangkok and Metropolitan Area

Price (million baht)	2007		2008		2009	
	# of Units	Percent	# of Units	Percent	# of Units	Percent
Less than 0.501	-	-	80	0.1	-	-
0.501 - 1.000	13,157	19.8	9,235	13.2	7,767	13.5
1.001 - 2.000	27,455	41.2	22,338	32.0	20,504	35.6
2.001 - 3.000	12,994	19.5	15,806	22.7	9,910	17.2
3.001 - 5.000	9,701	14.6	14,443	20.7	11,901	20.7
5.001 - 10.000	2,400	3.6	6,412	9.2	6,107	10.6
10.001 - 20.000	804	1.2	1,199	1.7	996	1.7
More than 20.000	65	0.1	244	0.3	419	0.7
<b>Total</b>	<b>66,576</b>	<b>100.0</b>	<b>69,757</b>	<b>100.0</b>	<b>57,604</b>	<b>100.0</b>

Source : Agencies for Real Estate Affairs (AREA)



With the breakdown of residential units built in the Bangkok and metropolitan area by type of residence, the largest growth in new project launch was in the condominium market where it constituted 41.7% of total new units developed while the proportion of townhouses, single detached houses and duplexes were 33.1%, 19.4% and 4.6%, respectively. Condominiums with a price range between 1 – 2 million baht saw the fastest growth constituting 16.5% of total new residential units and 39.5% of all condominium launches. New houses priced between 3-5 million baht grew the fastest constituting 44.1% of total new launches of single detached houses. Townhouses ranging between 1-2 million baht saw the largest growth constituting 53.4% of total new townhouses launched

## Newly Launched Residential Projects in the Bangkok and Metropolitan Area – 2009

### By Type and Price Range

(amount : units)

Price (million baht)	Single Detached Houses	Duplexes	Townhouses	Commercial Buildings	Condominiums	Land	Total
Less than 0.501	-	-	-	-	-	-	0
0.501 - 1.000	-	62	4,326	-	3,379	-	7,767
1.001 - 2.000	241	372	10,195	214	9,482	-	20,504
2.001 - 3.000	2,576	1,907	2,141	-	3,282	4	9,910
3.001 - 5.000	4,924	324	2,267	355	4,031	-	11,901
5.001 - 10.000	3,067	-	150	124	2,766	-	6,107
10.001 - 20.000	228	-	-	13	755	-	996
More than 20.000	121	-	-	-	298	-	419
<b>Total</b>	<b>11,157</b>	<b>2,665</b>	<b>19,079</b>	<b>706</b>	<b>23,993</b>	<b>4</b>	<b>57,604</b>

Source : Agencies for Real Estate Affairs (AREA)

## Mortgages

Newly approved mortgages for the general public totaled 318,866 million baht, a 11.1% increase over the previous year's 286,960 million baht. The outstanding mortgage balance for the country stands at 1,716,176 million baht in 2009, a 8.3% increase from 1,584,966 million baht a year ago resulting from the declining interest rate environment and the increased competition of commercial banks in the mortgage industry.

For loans to property developers totaled 39,665 million baht in 2009, a 39.8 % decrease the previous year's 65,855 million baht. Debt outstanding to property developers to decrease from 238,030 million baht in 2008 to 202,798 million baht as of year-end 2009 or is equivalent to a 14.8% decrease. Total debt issuance by property developers in 2009 totaled 65,927 million baht decrease the previous year's issuance of 3,190 million baht.



## Outstanding Mortgage and Debentures Issued for Property Development Projects in 2009

(Units : million baht)

Quarter/Year		Mortgage New	Mortgage Outstanding	Loans to Prop. Developers New	Loans to Prop. Developers Outstanding	Debt Issuance for Property Development
2007		270,466		31,448		59,493
	Q1/2007	59,486	1,369,491	6,288	184,188	9,803
	Q2/2007	67,198	1,398,769	8,179	190,458	14,600
	Q3/2007	69,057	1,428,818	7,836	184,398	22,792
	Q4/2007	74,725	1,479,903	9,145	178,994	12,298
2008		286,960		65,855		65,927
	Q1/2008	50,503	1,476,219	9,283	183,661	14,831
	Q2/2008	79,643	1,515,047	24,210	221,894	16,272
	Q3/2008	79,763	1,551,305	21,906	221,978	21,434
	Q4/2008	77,051	1,584,966	10,456	238,030	13,390
2009		318,866		39,665		3,190
	Q1/2009	63,994	1,606,479	15,264	229,646	0
	Q2/2009	70,689	1,631,306	7,578	233,555	3,000
	Q3/2009	85,967	1,665,186	10,383	216,434	150
	Q4/2009	98,216	1,716,176	6,440	202,798	40
	QoQ	14.2%	3.1%	(38.0%)	(6.3%)	(73.3%)
	YoY	27.5%	8.3%	(38.4%)	(14.8%)	(99.7%)
	YTD	11.1%		(39.8%)		(95.2%)

Source : Real Estate Information Center

# Risk factors

NCH puts the first priority on risk assessment. Risk management is one major policy of NCH. Furthermore, we defined risk factors, set the strategy on risk management, followed and monitored closely on daily risk management. Risk management reports were submitted to company's board of directors quarterly. NCH had defined risks and how to manage them by classifying into 3 categories

## 1. Business risk

### Risk from constructing pre-built houses

The Company has a strategy in enhancing the Company's competitiveness and responding to the client's demand by offering pre-built houses. Houses in the pre-built housing projects are mostly high priced. Managing pre-built housing projects requires a lot of cash investment because these projects do not pay-off during the construction period. The Company risks not being able to sell all the pre-built houses as anticipated. In the end, this could increase the Company's overall property development cost and high levels of inventory thus carrying cost, which could impact the Company's overall liquidity and its level of profitability.

However, before initiating such projects, the Company performs in-depth research and analysis to determine the likely success. The Company also analyzes client's demands in terms of preferred housing location, style, and size in order to come up with the right product to suit client demands. Project development has also been broken into phases enabling the Company to make necessary changes to project design to meet changing customer demand. As of December 31, 2009, there is 469 million baht worth of units in inventory, which is equal to 4.9 % of total available units for sale in all of the Company's projects.

### Risk from building pre-sales houses and semi-pre-built houses

The trend towards developing pre-sales houses and semi-pre-built houses is to reduce the Company's marketing risk and to increase flexibility for the Company to make changes to product design to meet changing customer demand. Down payment made by customers for the purchase of pre-sales and semi-pre-built houses is used as working capital. However, the applicable risk of selling pre-sales and semi-pre-built houses is the necessity to fix the price for each unit prior to construction and thus causing uncertainty in margin and profitability from the potential change in cost of construction material.

Despite the risk, the Company contracts its building work on a turnkey basis where the Company will be responsible for key construction material constituting about 30% of the materials needed. As a result, the Company is able to effectively control its construction cost.

## 2. Operation risk

### Construction Management:

The Company supplies some raw materials, such as piles, parquets, rugs, marble tiles, granite tiles, rubber tiles, and risers, to sub-contractors to control the standard and quality of houses. The Company does not have future contracts to purchase construction materials. Going forward, prices of the construction materials are likely to rise from the crude oil price hike, which could drive up investment costs and diminish profits.

Construction department has been forced to put more effort on controlling cost of construction. Anyhow, the Company has adopted a material requirement planning system to avoid such risks. Furthermore, the size of each housing project is determined upon the client's demand. Therefore, the Company can manage housing and construction material inventory, and is able to set a reasonable price for its products. In addition, the Company as a large housing developer has bargaining power to get the best price and the desired volume of products from suppliers. The Company continues to maintain good working relationships with its suppliers. Price adjustment decision will depend on phases of sales or product group or market conditions and situation at any period.

### Risk of purchasing property

Due to stagnant economic climate in Thailand and to reduce uncertainty in the market company had carefully decided to purchase a plot of land. Last year NCH purchased 5,773 square Wah of land in Banglamung district, Chonburi province. This purchasing was worth 72.76 million Baht. This investment was for NCH's new housing project. NCH had decided very carefully and had considered various concerned factors such as location, demand and optimum return on investment. The expected results from this investment would be high return and low risk.

## 3. Management Risk

### Major shareholder owns over 75% of total shares

As of December 30, 2009, the Company's major shareholder, the Tanthathoedtham Family holds 75.9 % (details appear in the Shareholder and Management Structure section) or more than three fourth of the Company's paid-up shares, enabling the Tanthathoedtham group to control and make all management decisions regarding all issues requiring consensus from shareholders. Therefore, there is risk for minority shareholders in regards to a check and balance system. Moreover, the concentrated shareholding of the Company's shares may prevent potential investors who see value in the Company to consider a takeover.

Nevertheless, the Company's management structure includes a Board of Directors, a Board of Executive Directors, and an Audit Committee. The Company's management structure and principles were established by capable and knowledgeable individuals with business background. The directors' authorities are limited by the Company's corporate governance policies. The major shareholders and connected parties cannot cast vote on issues with conflicts of interest.



# Shareholder and Management Structure

## Capital Structure

### Equity

As of December 30, 2009, the Company has registered capital of THB 1,200,000,000 divided into 1,200,000,000 common shares with a par value of THB 1 per share. The paid-up capital was THB 1,185,985,052 representing 1,185,985,052 common shares with a par value of THB 1 each.

### Major Shareholders As of December 30, 2009

No.	Shareholders' Name	Number of Shares	% to Paid up Share Capital
1	Mr. Namchai Tanthathoedtham	672,000,000	56.66
2	Mrs. Sunee Tanthathoedtham	84,000,000	7.08
3	Mr. Somnuek Tanthathoedtham	19,810,800	1.67
4	Mr. Prasit Tanthathoedtham	19,218,000	1.62
5	Mrs. Nongluck Tanthathoedtham	19,203,000	1.62
6	Mrs. Somsong Lawanprasert	19,080,000	1.61
7	Mr. Sujin Tanthathoedtham	18,242,000	1.54
8	Ms. Rattana Tanthathoedtham	17,871,000	1.51
9	Mr. Somchao Tanterdtham	13,513,000	1.14
10	Mrs. Jintana Jessadawarangkul	10,000,000	0.84
11	Mr. Nattawit Tanterdtham	3,216,000	0.27
12	Mr. Nattawut Tanterdtham	3,216,000	0.27
13	Mrs. Somporn Daecharin	800,000	0.07
14	Sabina Public Company Limited	50,000,000	4.22
15	Mr. Pattanapong Tanumattaya	32,643,900	2.75
16	Mrs. Supaporn Tamtham	32,046,900	2.70
17	Mr. Somchai Wimokcharoensuke	17,904,000	1.51
18	Mr. Arunsak Buranaosoth	14,333,540	1.21
19	Mr. Yutthana Sirima	12,749,500	1.08
20	Mr. Kittipol Tuantong	10,753,900	0.91
21	Mr. Suraphan Tanumattaya	10,690,700	0.90
22	Mr. Theera Pumsanoh	10,289,100	0.87
23	Others	94,403,712	7.96
<b>Total</b>		<b>1,185,985,052</b>	<b>100.00</b>

Source : Thailand Securities Depository Company Limited

- Note :
1. Shareholders ranked 1-13 are members of the Tanthathoedtham Family who hold a total of 900,169,800 shares accounting for 75.90 % of the Company's paid up shares capital
  2. MR. Viroj Thanalongkorn , majority shareholder of the Sabina Public Company Limited holding 74.59% of the Company's total paid – up shares as of May 12, 2009
  3. Investors are able to access to information on current shareholders via the Company's website [www.ncgroup.co.th](http://www.ncgroup.co.th)

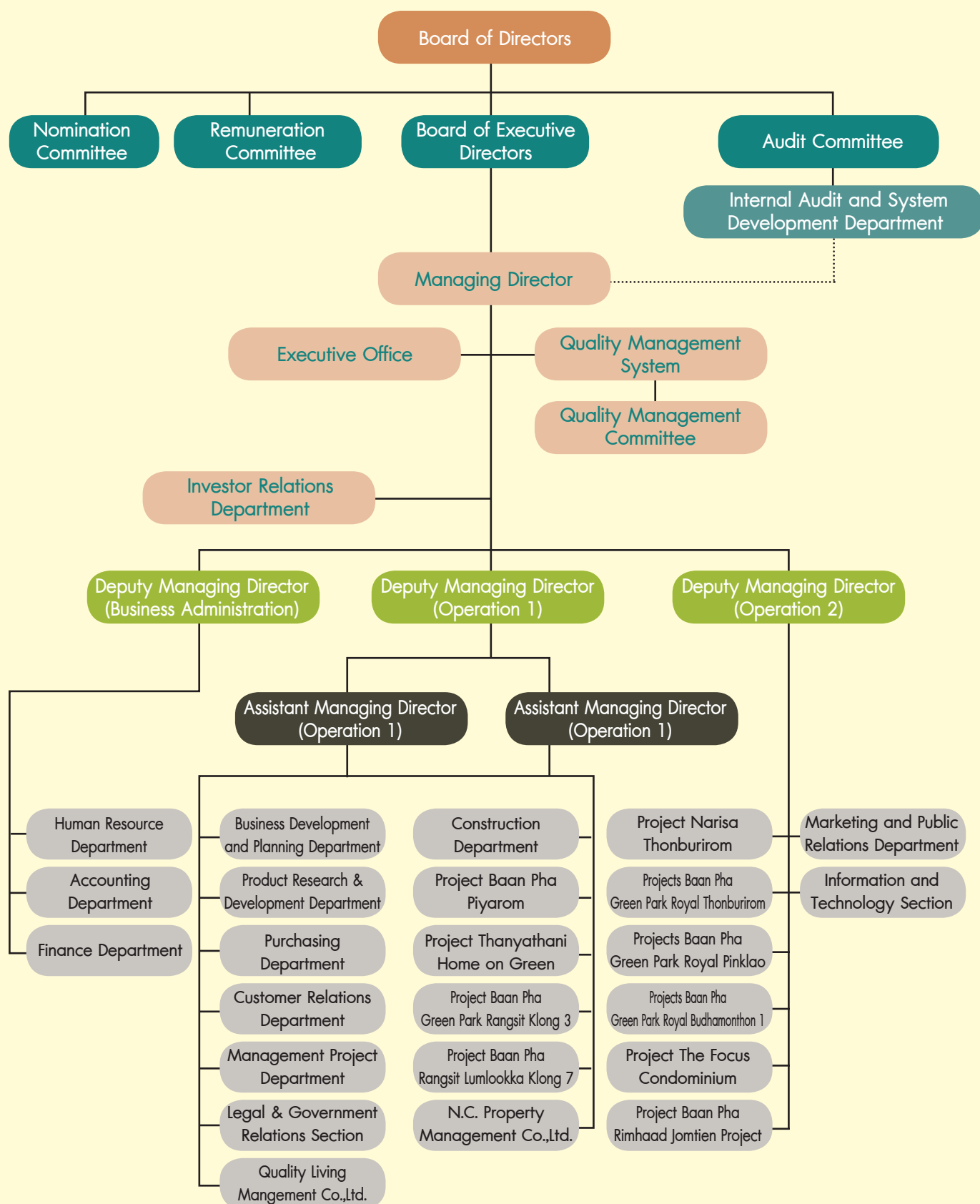
## Dividend Payment Policy

The Company has a policy to pay dividend of not less than 40% of its consolidated net profit after tax and legal reserves. Factors to be considered when paying dividend are operational performance, financial status, liquidity, business expansion plans, and other matters related to management of the Company given that such operation must be beneficial to the Company as well as to its shareholders.

The Board of Directors of the Company's subsidiaries will consider a dividend payment based on ending cash status and investment plan. The Board of Directors will consider a dividend payment on a case by case basis with sufficient cash status.

## Organization Structure as of December 31, 2009

### N.C. Housing Public Company Limited





## Management Structure

The Company's management structure consists of 5 committees including the Board of Directors, the Audit Committee, the Nomination Committee, the Remuneration Committee and the Board of Executive Directors details are as follows:

### Board of Directors

In 2009, the Company's Board of Directors met a total of 6 times. As of December 31, 2009, there were 8 members of the Board of Directors as follows:

1. Mr. Sudham Chatwalwong	Chairman and Independent Director
2. Mr. Somchao Tanterdtham	Director, Member of the Remuneration Committee and Chairman of the Board of Executive Directors
3. Mr. Somnuek Tanthathoedtham	Director and Executive Director
4. Mr. Wichian Silapacharanan	Director, Member of the Nomination Committee and Executive Director
5. Mr. Rungsarn Nuntakawong	Director and Executive Director
6. Mr. Piboon Limpraphat, Ph.D.	Director, Independent Director, Chairman of the Audit Committee, Chairman of the Nomination Committee and Chairman of the Remuneration Committee
7. Mr. Kobsak Pongponrat	Director, Independent Director, Member of the Audit Committee and Member of the Nomination Committee
8. Mr. Vichit Vichaisarn	Director, Independent Director, Member of the Audit Committee and Member of the Remuneration Committee

Company secretary: Mrs. Nampetch Tantawiriya

*Note : 1. Mr. Somchao Tanterdtham and Mr. Somnuek Tanthathoedtham are members of the Tanthathoedtham Family, the majority shareholders holding 75.90% of the Company's total paid-up shares as of December 30, 2009.*

### Directors Authorized to Act on the Company's Behalf

The following Directors are eligible for filing affidavits as approved at the shareholders' meeting:

- (1) Co-signing of Mr. Somchao Tanterdtham and Mr. Somnuek Tanthathoedtham with the Company's official seal, or
- (2) Mr. Somchao Tanterdtham or Mr. Somnuek Tanthathoedtham co-signing with either Mr. Wichian Silapacharanan or Mr. Rungsarn Nuntakawong with the Company's official seal.

## Scope of Duties and Responsibilities of the Board of Directors

- (1) To manage the Company's business in compliance with the law, the Company's objectives, Articles of Association and resolutions of shareholders in an honest manner and with the aim to maximize benefit to the Company.
- (2) To set goals, guidelines, policies, work plans and the Company's financial budget; to ensure that the Board of Executive Directors and the Senior Management are in compliance with the policies and regulations set by the Stock Exchange of Thailand. However, the following activities will be able to carried out only with the approval of the shareholders' meeting: increasing or decreasing the Company's capital, issuing debentures, selling or transferring the Company's businesses in part or in whole to a third person or vice versa, amending the company's Memorandum of Association, Articles of Association, conducting related party transactions, and the selling or purchasing of major assets following the regulations of the Stock Exchange of Thailand or other government entities.
- (3) Setting appropriate accounting policies, providing financial reporting and reviewing the Company's financial statements to ensure integrity. Assessing the appropriateness and effectiveness of the Company's internal audit and risk management processes along with processes to review performance and modify such processes to obtain the desired results.
- (4) Ensure that there is integrity in business dealings with all Company's stakeholders.
- (5) Ensure ethical business operations.
- (6) Abide by the fiduciary duties of a publicly listed company's board member in providing a statement on the Board's responsibilities in preparing financial information for disclosure alongside that of the Company's financial auditor's statement in the Company's annual report.
- (7) To appoint director(s) and/or senior management(s) to manage and carry out business transactions as assigned by the Board of Directors.

## Audit Committee

The Company's Board of Directors reached a resolution at the Board meeting 4/2006 on November 6, 2006 to appoint 3 members to the Audit Committee made up of non-executive board members and are independent directors. The appointment took effect on November 7, 2006 and a tenor of 3 years.

1.*	Mr. Piboon	Limpraphat, Ph.D.	Chairman
2.*	Mr. Kobsak	Pongponrat	Member
3.*	Mr. Vichit	Vichaisarn	Member

Secretary of the Audit Committee: Mrs. Nampetch Tantawiriya

\* Name list of qualify and professional Audit Committee. See more details of each member on Directors and Executives topic)

Note : 1 The 4<sup>th</sup> Board of Directors Meeting held on August 13, 2009 approved the appointment of the Audit Committee and allowed them to start their works since November 7, 2009.

## Scope of Duties and Responsibilities of the Audit Committee

- (1) To review the Company's financial reporting process to ensure accuracy and sufficient disclosure of financial information, by coordinating with the independent financial auditor and senior management, responsible for preparing the quarterly and yearly financial reports. The Audit Committee may suggest that the auditor review or examine any transactions considered necessary and significant during the audit of the Company's accounts.
- (2) Check the availability, appropriateness, and effectiveness of company's internal control system and internal audit system. Examine how independence of internal audit team and give a recommendation on the appointment, transfer, termination of internal audit department head and any other departments that relevant to internal audit functions.
- (3) To ensure that the Company's business practice is in compliance with the securities and exchange laws, the rules and regulations of the Stock Exchange of Thailand, or related business laws.
- (4) Consider, select, and propose to appoint proper person to be internal auditor as well as his/her benefits based on creditability, experience, and readiness to attend the annual auditor meeting independently at least once a year.
- (5) Examine every detail that is relevant or conflict with the company benefits according to law and the regulations of the Stock Exchange of Thailand.
- (6) Prepare the annual internal audit report and published in the company annual report. This report must be signed by chairman of the audit committee and must have the following detail:
  - a) The committee's opinion regarding to the accuracy, completeness, and the reliability of the company annual report.
  - b) The committee's opinion regarding to the sufficiency of the company's internal audit system.
  - c) The committee's opinion regarding to the Securities and Stock Exchange Act, the regulations of the Stock Exchange of Thailand, or other business laws compliance.
  - d) The committee's opinion regarding to the appropriateness of the auditor.
  - e) The committee's opinion regarding to issues that may conflict with the company's interests.
  - f) The number of audit committee meetings and participation of each member.
  - g) Add their opinions or observations derived from their field work as written in the charter.
  - h) Any other information that investors should know under committee's duty and responsibility.
- (7) Carry out the assignment given by the board of directors under the permission of audit committee.

During 2009, the Audit Committee held a total of 6 meetings which reported to the Board of Directors with progress reports and reported to Shareholder in the Annual Report



## Nomination Committee

At the 4/2007 Board meeting held on October 11, 2007, a resolution was reached by the Board of Directors to appoint a Nomination Committee to include 2 members not holding a management position within the Company and are Independent Directors. Another member of the Committee is to have a management position within the Company. The Committee's term is for 2 years.

1.	Mr. Piboon	Limpraphat, Ph.D.	Chairman
2.	Mr. Kobsak	Pongponrat	Member
3.	Mr. Wichian	Silapacharanan	Member

Secretary of the Nomination Committee: Mrs. Nampetch Tantawiriya

- Note :*
- 1. Ms. Pimpang Buranajun, ex- Secretary of the Nomination Committee resigned on August 29, 2008. The Nomination Committee meeting at the 1/2009 held on January 12, 2009 appointed Mrs. Nampetch Tantawiriya, as a new Secretary of the Nomination Committee in place of Ms. Pimpang Buranajun*
  - 2. The 4<sup>th</sup> Board of Directors Meeting held on August 13, 2009 approved the appointment of the Nomination Committee and allowed them to start their works since October 11, 2009.*

## Scope of Duties and Responsibilities of the Nomination Committee

- (1) To draft guidelines and qualifications of candidates to be appointed to the the Company's Board of Directors, the various Committees and the Board of Executive Directors.
- (2) To seek and screen persons with qualifications appropriate to be appointed to the Company's Board of Directors, the various Committees and the Board of Executive Directors in case a vacancy occurs or when there needs to be a new appointment. Candidate's names are to be submitted for the Company's Board of Directors and/or the Company's shareholders for consideration and approval.
- (3) To undertake other related activities as assigned by the Company's Board of Directors.

The Nomination Committee met once for the year 2009 and points of consideration were reported to the Company's Board of Directors.

## Remuneration Committee

The resolution to establish a Remuneration Committee was made at the 5/2007 Board meeting held on November 12, 2007 requiring the appointment of at least 2 members who do not hold a management position within the Company and are Independent Directors and 1 member who holds a management position within the Company. The Committee's term is for 2 years.

1.	Mr. Piboon	Limpraphat, Ph.D.	Chairman
2.	Mr. Vichit	Vichaisarn	Member
3.	Mr. Somchao	Tanterdtham	Member

Secretary of the Remuneration Committee: Mrs. Nampetch Tantawiriya.

- Note :*
- 1. Ms. Pimpang Buranajun, ex-Secretary of the Remuneration Committee resigned on August 29, 2008. The Remuneration Committee meeting at the 1/2009 held on January 12, 2009 appointed Mrs. Nampetch Tantawiriya, as a new Secretary of the Remuneration Committee in place of Ms. Pimpang Buranajun.*
  - 2. The 4<sup>th</sup> Board of Directors Meeting held on August 13, 2009 approved the appointment of the Remuneration Committee and allowed them to start their works since November 12, 2009.*

## Scope of Duties and Responsibilities of the Remuneration Committee

- (1) Draft guidelines for assessing the performance of the Board of Directors, the various Committees, the Board of Executive Directors and the Managing Director.
- (2) Determine the level of remuneration for members of the Board, the various Committees and the Board of Executive Directors which includes the monthly remuneration, meeting allowance, annual bonus and other cash and non-cash benefits. The proposal is to be submitted for Board and/or shareholder consideration and approval.
- (3) Determine remuneration for the Managing Director which includes the monthly salary, annual bonus and other cash and non-cash benefits to be submitted for Board consideration and approval.
- (4) To undertake other related activities as assigned by the Company's Board of Directors.

During 2009, The Remuneration Committee held a total of 2 meetings which points of consideration were reported to the Company's Board of Directors and reported to Shareholder in the Annual Report

## Board of Executive Directors

As of December 31, 2009, there were 4 members of the Board of Executive Directors as follows:

1. Mr. Somchao Tanterdtham	Chairman
2. Mr. Somnuek Tanthathoedtham	Member
3. Mr. Wichian Silapacharanan	Member
4. Mr. Rungsarn Nuntakawong	Member

## Scope of Duties and Responsibilities of the Board of Executive Directors

- (1) To determine rule- and law-abiding policies, directions, strategy and business operations to parallel the business goals set by the Board of Directors.
- (2) To set the Company's organization structure and management authority, which include the nomination, employment, training and layoff of personnel, excluding the Chairman of the Board of Executive Directors and the Managing Director.
- (3) To consider and review the annual budget proposed by the Managing Director before presenting to the Board of Directors for approval.
- (4) To examine and monitor management's adherence to company policies to ensure maximum effectiveness.
- (5) To review and consider the business investment opportunities related to the core business or other businesses before presenting to the Board of Directors for approval.
- (6) To approve plans to obtain loans or advances from financial institutions for the running of normal business operations, for investments, purchasing of properties, land and construction and business operations for an amount not exceeding THB 500 million. If the transaction amount exceeds THB 500 million, it must be presented to the Board of Directors for approval.
- (7) To allocate funds for pension, bonuses or other compensations approved by the Board of Directors.
- (8) To perform other duties assigned by the Board of Directors.

The Board of Executive Directors may delegate financial authority for transactions to senior management as the Board deems appropriate.

Transactions that may have conflicts of interest require that the issue be reviewed as set forth in the Company's guidelines (in line with the regulations of the Company, and the Securities and Exchange Commission) prior to approval of such transactions, except for normal business transactions as clearly stated in the policies regarding connected transactions. The Executive Directors in the position that may lead to a conflict of interest does not have the authority to approve such transactions.

## Senior Management

As of December 31, 2009, the Senior Management consisted of 11 persons as follows:

1.	Mr. Somchao	Tanterdtham	Managing Director
2.	Mr. Wichian	Silapacharanan	Deputy Managing Director (Administration)
3.	Mr. Rungsarn	Nuntakawong	Deputy Managing Director (Operation 1)
4.	Mr. Somnuek	Tanterdtham	Deputy Managing Director (Operation 2)
5.	Mr. Boonchai	Chaiananbavorn	Assistant Managing Director (Operation 1)
6.	Mr. Warapong	Nilsiri	Assistant Managing Director (Operation 1)
7.	Mrs. Nampetch	Tantawiriya	Senior Manager, Human Resource Department
8.	Ms. Yossawan	Rungwara	Senior Project Manager
9.	Mr. Boonchai	Rojpanich	Senior Project Manager
10.	Mr. Walatchanat	Rujidasirisakul	Manager, Financial Department
11.	Ms. Sumanee	Boonsarana	Manager, Accounting Department

## Scope of Duties and Responsibilities of the Managing Director

- (1) To ensure that the Company's business operation is in line with the policies issued by the Board of Directors or the Board of Executive Directors, and to provide performance updates to both boards.
- (2) To prepare and review the annual budget prior to submitting to the Board of Directors for approval as well as to control the spending of each business unit.
- (3) To review and assess the Company's operating results and make necessary adjustments in operations to reflect internal and external conditions on a regular basis.
- (4) To establish business guidelines to ensure that the Company's operations are in line with the Boards strategy and goals set for management.
- (5) To control operating, selling and administrative expenses and approve business transactions including construction material procurement and investment expenditures to ensure the adherence to the budget approved by the Board of Directors or the Board of Executive Directors in the amount not exceeding THB 50 million per transaction. The Managing Director cannot alone approve any land purchase.
- (6) To review all transactions relating to the Company's assets and rights for which the Company may use to enter binding contracts with individuals, companies or financial institutions and to submit such transactions for review and approval by the Board of Executive Directors.
- (7) To review the Company's financial performance and to determine and submit for approval by the Board of Directors any interim or annual dividend.
- (8) To perform or execute any task or duty as assigned by the Board of Directors.



The Managing Director does not have any authority to approve any transactions in which the Managing Director and others may have conflicts of interest (in line with the regulations of the Company and the Securities and Exchange Commission) with the Company or the Company's subsidiaries, except for normal business transactions as clearly stated in the policies regarding connected transactions.

## Nomination of Directors and Senior Management Positions

The Nomination Committee was appointed by the Company's Board of Directors to screen persons with suitable qualifications to be appointed to the Company's Board of Directors, Independent Director, the various Committees, the Board of Executive Directors, and that of the Company's Managing Director in case a vacancy occurs or when there needs to be a new appointment. Candidate's names are to be submitted for the Company's Board of Directors and/or the Company's shareholders for consideration and approval. The Committee must ensure that the selection process is clear and transparent through the screening of persons with the necessary qualifications, expertise of various backgrounds, strong social standing, is a visionary, is an ethical person, is able to make independent contributions and has sufficient time to meaningful contribution to the Company.

For other management positions within the Company, appointments are made by the Company's Board of Directors based on the Company's guidelines in selecting persons that are able to make meaningful contributions to the Company.

## The Composition and the Appointment of Directors

- (1) The Board of Directors shall compose of at least five Directors, and at least half must be of Thai nationality. Persons appointed to the Board of Directors must possess qualifications as stated in article 68 of The Public Company Act of 1992 and guidelines as set forth by the Securities and Exchange Commission. The qualifications of each candidate are reviewed including their experiences, knowledge and capability for the business, and present the name list to the shareholders' meeting for the final selection.
- (2) At least one third of the Company's Board of Directors must be independent board members.
- (3) At every annual general shareholders' meeting, one third of the Directors has to retire. If the number of Directors cannot be divided exactly by three the number closest to one third shall be retired.  
Directors to retire in the first two years following the registration of the Company shall retire by a draw. In every subsequent year, the Directors who have been in the office for the longest term shall retire. A retired director is eligible for being re-elected.
- (4) The election of Directors will be voted at the shareholders' meeting under the following conditions and procedures:
  - (4.1) The number of individual's vote equals to the number of shares s/he is holding.
  - (4.2) Each individual's vote can be cast to vote for one or more nominees but the vote cannot be divided to preferred nominees.
  - (4.3) After the vote, the nominated persons shall be ranked in descending order from the highest number of votes received to the lowest and shall be appointed as Directors in that order. The number of newly elected Directors must equal to the number of the vacating Directors. If two or more Directors are eligible for the same seat and earn the same number of votes, the Chairman has the power to make the final decision as to who will be elected.
- (5) In case of vacancy on the Board of Directors other than through retirement by rotation, the Board of Directors shall elect any person who is qualified and is not subject to prohibition under laws governing public companies as a substitute Director at the next Board meeting by a vote not less than three quarters of the number of Directors remaining, unless the remaining term of the said director is less than two months. The substitute director shall hold the position only for the remaining term of the director he replaces.

- (6) A resolution may be passed at the shareholders' meeting to remove directors from office prior to retirement by rotation, by a vote not less than three quarters of the number of shareholders attending the meeting who have the right to vote and who have shares totaling not less than half the number shares held by shareholders attending the meeting and having the right to vote.

#### **Board Members' Qualifications**

- (1) Each board member shall possess knowledge and capability, vision, honesty and integrity. Each member must possess high ethical standards, must possess a clean and transparent record of previous responsibilities and must have sufficient time to make meaningful contributions to the Company.
- (2) Each board member must possess the qualities and must not have been disqualified in relation to the guidelines set forth for publicly listed companies and/or any other applicable laws and regulations
- (3) Board members may serve as a board member for other Companies as long as such positions will not hamper the board member from fulfilling his/her duties as a member of the Company's board.
- (4) Board members must not operate, be partner in or be a shareholder in any business entity that operates in the same industry as that of the Company or is a competitor of the Company unless such position is disclosed to shareholders at the shareholders' meeting prior to the appointment to the Company's board.
- (5) The qualification of an independent director is similar to that of a member of the Audit Committee which complies with the Stock Exchange of Thailand's guidelines regarding the qualifications and responsibilities of members of the Audit Committee. The independent director's responsibility is to ensure that the interests of all shareholders are upheld. The independent directors are also to be allowed to freely provide thoughts and comments at Board meetings.

#### **Definition of Independent Committee**

Independent Committee is a committee that none of its member works in the same business, related businesses as company. So they can make their own decisions independently.

#### Independent Directors' Qualifications:

- (5.1) Such person shall hold no more than 1% of the Company's, subsidiaries' or associated companies' paid-up capital. Such holding includes shareholdings by persons related to the Independent Director.
- (5.2) Such person shall have no management role and is not a salaried employee of the Company, its subsidiaries, its associated companies or the Company's major shareholders.
- (5.3) Such person shall have no direct or indirect financial or management conflicts of interest with the Company, its subsidiaries, its associated companies or the Company's major shareholders.
- (5.4) Such person does not bear any relation with the Company's management, the Company's major shareholders or persons related to the Company's major shareholders.
- (5.5) Such person is not appointed as a person to oversee the interests of Board members or that of the Company's major shareholders.
- (5.6) Such person is able to independently and freely perform his/her duties and is able to freely provide thoughts and comments, provide updates on activities of responsibility without concern for the Company's major shareholders or persons related to such shareholders.

For 2009, the qualifications as set forth by the Company's Board of Directors for an Independent Director is compliance with stipulated by the Stock Exchange of Thailand and limiting shareholding by such Directors of no more than 1% of the Company's paid-up capital. Such holding includes shareholdings by persons related to the Independent Director.

From the last accounting year Independent Directors have never been involved in any part of business or provided professional services over the boundary stated in the Rules, Conditions, and Procedures for Application for and Approval of Offer for Sale of Newly Issued Bonds announced in the Notification of Capital Market Supervisory Board by Securities and Exchange Commission (SEC).

#### The Appointment of Members of the Board of Executive Directors

The Company's Board of Directors has the power to appoint members of the Board of Executive Directors.

#### The Appointment of Members of the Audit Committee

The Board of Directors and/or the shareholders' meeting are responsible for appointing members of the Audit Committee by appointing at least three individuals whose qualifications meet the minimum requirement as stipulated by the Stock Exchange of Thailand and each appointed member has a three-year tenure.

#### The Appointment of Members of the Nomination and Remuneration Committees

The Board of Directors appoints at least 3 members to each of the Nomination and Remuneration Committees with the 2/3 of the members being Independent Directors and has a term of 2 years.

### History of Board Representation

Name	Title	Board Representation	Term
1. Mr. Sudham Chatwalwong	Chairman	27/11/2003 - Present	3
2. Mr. Somchao Tanterdtham	Director	27/11/2003 - Present	2
3. Mr. Somnuek Tanthathoedtham	Director	27/11/2003 - Present	3
4. Mr. Wichian Silapacharanan	Director	27/11/2003 - Present	3
5. Mr. Rungsarn Nuntakawong	Director	27/11/2003 - Present	3
6. Mr. Piboon Limpraphat, Ph.D	Director	15/5/2007 - Present	1
7. Mr. Kobsak Pongponrat	Director	27/11/2003 - Present	2
8. Mr. Vichit Vichaisarn	Director	11/10/2007 - Present	2

## Board Member's Attendance in 2009

Name	Title	Attendance/Total Meetings			
		Board of Directors	Audit Committee	Nomination Committee	Remuneration Committee
1. Mr. Sudham Chatwalwong	Chairman	6/6	-	-	-
2. Mr. Somchao Tanterdtham	Director and Remuneration Committee	6/6	-	2/2	-
3. Mr. Somnuek Tanthathoedtham	Director	6/6	-	-	-
4. Mr. Wichian Silapacharanan	Director and Nomination Committee	6/6	-	-	1/1
5. Mr. Rungsarn Nuntakawong	Director	6/6	-	-	-
6. Mr. Piboon Limpraphat, Ph.D	Director, Chairman of the Audit Committee, Chairman of the Nomination Committee, and Chairman of the Remuneration Committee	6/6	6/6	2/2	1/1
7. Mr. Kobsak Pongponrat	Director, Member of the Audit Committee, and Nomination Committee	6/6	5/6	-	1/1
8. Mr. Vichit Vichaisarn	Director, Member of the Audit Committee, and Remuneration Committee	6/6	6/6	2/2	-



## Remuneration for Board Members and Senior Management

### 1. Monetary Remuneration

#### Board of Directors' remuneration in 2009

Name	Title	Allowance (THB mn.)				Annual Remuneration	Other Remuneration	Total
		Board of Directors	Audit Committee	Remuneration Committee	Nomination Committee			
		(THB mn.)	(THB mn.)	(THB mn.)	(THB mn.)	(THB mn.)	(THB mn.)	(THB mn.)
1. Mr. Sudham Chatwalwong	Chairman	0.18	-	-	-	-	0.36	0.54
2. Mr. Somchao Tanterdtham	Director	0.12	-	0.04	-	-	-	0.16
3. Mr. Somnuek Tanthathoedtham	Director	0.12	-	-	-	-	-	0.12
4. Mr. Wichian Silapacharanan	Director	0.12	-	-	0.02	-	-	0.14
5. Mr. Rungsarn Nuntakawong	Director	0.12	-	-	-	-	-	0.12
6. Mr. Piboon Limpraphat, Ph.D	Director	0.18	0.18	0.06	0.03	0.10	-	0.55
7. Mr. Kobsak Pongponrat	Director	0.12	0.10	-	0.02	0.10	-	0.34
8. Mr. Vichit Vichaisarn	Director	0.12	0.12	0.04	-	0.10	-	0.38
Total		1.08	0.40	0.14	0.07	0.30	0.36	2.35

Note : Other remuneration include:

Monthly remuneration for the Board's Chairman of 30,000 baht beginning November 16, 2007.

Details of board members' remuneration in 2009 as approved by the Company's shareholders at the Company's Annual General Shareholders' meeting held on April 23, 2009 are as follows:

1. Chairman of the Board	THB 30,000 per meeting
2. Director who has management role within the Company (No remuneration)	THB 20,000 per meeting
3. Director who is the Chairman of the Audit Committee	THB 30,000 per meeting
4. Director who is the member of the Audit Committee	THB 20,000 per meeting
5. Annual Remuneration of the Audit Committee	THB 100,000 per person per year
6. Director who is the Chairman of the Nomination Committee	THB 30,000 per meeting
7. Director who is the member of the Nomination Committee	THB 20,000 per meeting
8. Director who is the Chairman of the Remuneration Committee	THB 30,000 per meeting
9. Director who is the member of the Remuneration Committee	THB 20,000 per meeting
8. Remuneration of the board members of the Company's subsidiary	- None -

### Board of Executive Directors' and Senior Management's Remuneration in 2009

Items	2009		
	Number of Persons	Amount (THB mn.)	Type of Remuneration
Board of Executive Directors' and Senior Management's Remuneration (As Senior Management Team)	9	26.35	- Salary - Bonus - Provident Fund

*Note : Senior Management includes Managing Director, Deputy Managing Directors, Assistant Managing Directors and Senior Managers.*

## 2. Other Types of Remuneration

- None

## Internal Information Control

The Company has in place the following policies regarding Directors , senior management and staff using confidential information for personal benefit and guidelines regarding transactions relating to the Company's stocks. Disclosing company secrets, doing or not doing things dishonestly in return for money or any other kinds of benefit are prohibited while being an employee. This prohibition is clearly written in the company rules and regulations book and employee handbook.

- Directors, senior management and staff need to report their stock ownership along with their spouses' ownership and under aged children's stock ownership. Penalties under the Securities and Stock Exchange Act 1992 section 275, and those under the Stock Exchange of Thailand have been informed to directors, executive directors, and senior management.
- Require Directors, executive directors and senior management to report any change of their Company stock ownership, according to the section 59, to the Securities and Exchange Commission and the Stock Exchange of Thailand. And the report copy must be sent to the Company.
- As stipulated in both the Company's employee handbook and that of the Company's code of ethics, the Company's board members, management and staff are prohibited from making any purchase or sale transaction of the Company's shares in the event that such person(s) has access to information that may have significant bearing on the Company's share price one month prior to the release of such information and 48 hours post the release of such information to the general public. Internally, the Company has distributed reminders concerning the prohibition of disclosing such critical information to all its board members, management and staff.
- The Company's code of ethics prohibits the Company's board members, management and staff to use insider information to transact on the Company's shares for personal benefits.
- The employee code of ethics strictly prohibits employees from disclosing the Company's secrets to other parties, or misuse authority granted by the Company for personal benefit. Employees who violate the rules face probation or be relieved of their duties.

## Internal Control

Board of Directors authorized Audit Committee to responsible for

- Reviewing the internal audit report done by Internal Audit Department
- Monitoring its performances in order to improve internal audit system and be able to do their job independently.
- Evaluating the sufficiency of internal audit system
- Monitoring the law and regulation compliance of the company business management

Company signed the contract with ANS Business Consultants Limited last year. This company would provide internal audit services to NCH according to company plan which was approved by Board of Directors. The services performances would be reported to Audit Committee directly.

In 2009, the views and findings of the Company's Board and that of the Audit Committee on the Company's internal control sufficiency report as prepared by the Company's management and the Internal Audit Department are as follows:

### 1. Organization and Environment

- 1.1 The company's plan comprised of strategy plan, annual plan , department plan, and KPIs of all departments/projects to be a job guideline for all staffs. KPI committee was to review and to examine all departments' KPIs to make sure that all KPIs suited the situation as well as company's policy.

- 1.2 To achieve company mission and respond to stakeholders, society and public sector, the company had set the business ethics of board of directors, executives, and all personnel in doing their duties honestly, loyally and morally. To achieve company mission and respond to stakeholders, society and public sector, the company had set the business ethics of board of directors, executives, and all personnel in doing their duties honestly, loyally and morally.
- 1.3 To control internal flow of documents and quality of work, company implemented ISO 9001:2000 and set the standard operation procedures for finance, procurement, and general administration.
- 1.4 Board of director appointed executive directors and also appointed 3 independent directors to be audit committee. Executive directors would have a meeting monthly. Board of directors would have a meeting quarterly. Audit committee would have a meeting with Internal Audit and System Development and Internal Auditor quarterly.
- 1.5 This organization structure caused authority delegation more rapidly than ever.
- 1.6 To advance personnel skill, company invested highly on training and development programs.

## 2. Risk Management

NCH has a risk management policy and guidelines in order to manage risk systematically. NCH has a system to define and analyze risk factors and their impacts to company's objectives achievement. NCH also set the necessary guidelines to monitor and control risks.

Board of Directors as well as Executives understood the important of risk evaluation in today management. They had set a schedule of meeting especially for risk evaluation periodically. This meeting would consider types of risks and the necessity to change or align the internal controlling system to cope with those changes.

## 3. Operation Control by Management

Company implemented preventive controlling system and encouraged all departments staffs to develop their own controlling system.

- 3.1 Chart of Authority of all management levels were already implemented.
- 3.2 Redesigned the organization structure to enable cross-controlling system.
- 3.3 Reported the KPI results and reviewed plans and goals every 6 months.
- 3.4 Company operates its business under the Securities and Stock Exchange Act, the regulations of the Stock Exchange of Thailand as well as other relevant laws such as Consumer Protection Act, Environmental Laws, City Plan Act, etc.

## 4. Information System and Communication

- 4.1 Submitting the meeting agenda and concerned documents 7 days prior to the meeting is the company's rule.
- 4.2 2 departments were set up to take care of internal and external communication. These departments are investor relation and public relation.
- 4.3 Public and company information were posted at the information board inside the company.
- 4.4 Organization chart of each department and their activities are posted in front of their departments.
- 4.5 Top management is responsible for company information technology.



## 5. Follow up system

- 5.1 Management meeting had been held at least once a month to review all projects' performance. Company used sub-meeting to consider and solved any problems as well as report the progress of all projects.
- 5.2 Performance and quality evaluation were done by quality management team and Internal Audit and System Development periodically as planned.

Audit Committee had reviewed the internal audit system and found no significant flaws in the process. The results are congruent with the recommendation from company's auditor. So, the Audit Committee approved that NCH had sufficient, efficient and effective internal control system. There were some recommendations to improve overall performance of the company from internal audit consultant which were already done by the company.

## Personnel Development Policy

The Company supports and emphasizes ongoing technical and professional development of its personnel to enhance knowledge base, enhance capability and enhance overall efficiency. Furthermore, The Company has been giving scholarship to employees to study further in relevant to their jobs and property business development. Consistent internal and external training, seminars and provided in-house training throughout the year. Lecturers were form both inside and outside company. Such training places emphasis on the development of employees' professional skills such as sales, providing service, construction and development. One of an essential training course for all employees is fundamental of business ethic, and morality. This course is designed to fit the policy of the company which emphasizes the need to have clearly and effectively business ethics and moralities in doing business. Special course for company's executive: Course of aggressive real estate sales program, Effective coaching for higher performance program, Business English program.

In addition, the Company requires that all its new recruits take part in a Company familiarization program to enable them to be acquainted with the Company's philosophy, policies and processes that are in accordance with ISO 9001 standards. The program also exposes the new recruits to the Company's good corporate governance policies and ethical guidelines and encourages them to uphold these policies and guidelines going forward.

The following table summarizes the Company's 2009 internal and external training.

Training	Sessions	Attendees
Internal	11	413
External	47	58
Total	58	471

# Good Corporate Governance Report

Members of the Company's Board of Directors understand the responsibilities they have towards the Company and especially to its shareholders while upholding the guidelines as set forth by the Stock Exchange of Thailand (SET) and that of the Securities and Exchange Commission (SEC). The Board believes that the foundation for the Company's sustainable growth lies in the adoption of good corporate governance to enhance overall effectiveness and efficiency.

## CORPORATE GOVERNANCE AWARDS

- **Best Corporate Governance Report from SET Award 2006** sponsored by Stock Exchange of Thailand(SET) and Money and Banking Magazine
- **2 consecutive years (2008-2009) of being listed in "Excellent" level** of listed company which has implemented good corporate governance policy surveyed by Institute of Directors Association (IOD) under the sponsorship of Stock Exchange of Thailand (SET), and Securities and Exchange Commission (SEC).
- **NCH has been scored in "Very Good" level of organizing the shareholders meeting for 2 consecutive years (2008-2009).** These were up from "Good" level in year 2007. NCH was also named as the idol of shareholder meeting for the rest of listed company. This Shareholder Meeting Quality Evaluation Project was the co-operation of Stock Exchange of Thailand (SET), Securities and Exchange Commission (SEC), Thai Investors Association and Thai Listed Companies Association.

## Good Corporate Governance Policies

With the understanding of the importance and necessity of having in place a robust set of corporate governance policies to ensure sustainable growth, the Board of Directors deems honesty, professionalism, transparency and the equal treatment of shareholders and stakeholders to be the foundation of future success. The Board of Directors is responsible for putting in place sound governance policies and is also responsible for reviewing and assessing the effectiveness of such policies along with making adjustments as necessary to improve on the Company's governance policies.

A resolution was reached at the Board Meeting 1/2006 held on February 24, 2006 in approving the announcement of the Company's Good Corporate Governance guidelines to all of the Company's Board members, senior management and staff as reference. The Company's good corporate governance guidelines include the following issues :

- Board structure, roles of the Board, responsibilities and independence of members of the Board of Directors
- Equal treatment of shareholders and stakeholders
- Transparent disclosure of Company information
- Control and manage risk
- Business ethics

As part of the corporate emphasis, the Company emphasized the importance of complying with the principles of good corporate governance and ensuring understanding by its employees of its significance. Beginning February 2, 2007, the day in which the Company was established has been designated CG Day where activities undertaken during the day are geared towards forwarding the cause of good corporate governance. Activities include seminars on good corporate governance related topics, activities to instill and foster a culture of honesty, integrity, responsibility and complying with the Company's ethics guidelines.



Information related to activities undertaken related to good corporate governance was disseminated through the Company's web site [www.ncgroup.co.th](http://www.ncgroup.co.th) and IR Newsletter through the Company's print media - HR News. Principles of good corporate governance and corporate ethics have been designated as required topics to be part of the Company's new employee familiarization program. All new employees have to sign to acknowledge the ethic compliance of the company.

Key operational activities undertaken in regards to good corporate governance for 2009 include.

## 1. Shareholder's Rights

The Company understands the importance of shareholder's rights and has in place measures to protect such basic rights as per the legal requirement and encouraging shareholders to fully exercise their rights as stated clearly in the Company's corporate governance guidelines.

### Annual General Shareholders' Meeting (AGM)

The 2009 Annual General Shareholders' Meeting was held on April 23, 2009 with 8 Board members attending the meeting (the Company has 8 Board members). The total number of shareholders attending the AGM by self or through proxy totaled 37 persons representing 953,949,133 common shares or a representation of 80.44% of the Company's total outstanding common shares. ( total issued and paid-up shares is 1,185,985,052 shares). Such representation constitutes a quorum as per the Company's guidelines. In this agenda, there were additional shareholders that attended the Meeting representing 1 person amount 133 shares. A total of 38 shareholders attended the Company's Annual General Shareholders' Meeting representing a total of 953,949,266 outstanding common shares constituting 80.44% of total outstanding common shares.

The Company provided its shareholders with a letter of invitation via post mail to attend the AGM along with all documents related to the meeting for which shareholders should receive 14 days prior to the meeting date. The objective is to provide shareholders with sufficient information and time to review such information and to consider the issues prior to attending the meeting. Notice of the meeting was also placed in a daily newspaper for 3 consecutive days prior to the said meeting. In addition, all documents including the letter of invitation, the proxy forms and all applicable supplementary information both in Thai and English were placed on the Company's web site [www.ncgroup.co.th](http://www.ncgroup.co.th) 30 days prior to the meeting date.



In case where a shareholder is either not able to attend the AGM or prefers to vote by proxy, the shareholder can do so by appointing another person in their stead or appoint one of the three Company's Independent Directors to vote on their behalf.

Detailed procedures regarding the AGM was provided to all shareholders along with the letter of invitation to attend the meeting, which provides details regarding the agenda and the necessary documents that need to be presented to attend the meeting. Staff was on hand on the day of the AGM to assist shareholders and proxies register for which the Company provided 2 hours in advance of the meeting and staff were also on hand to provide assistance throughout the meeting.

The Company's financial auditor (Dharmniti Auditing Co, Ltd.) was also invited to attend the AGM to not only assist in answering questions but also listen to thoughts and comments for which shareholders may have. For transparency purposes in aggregating votes, an internal audit's external consultant was assigned to ensure integrity of vote count.

The Chairman presiding over the AGM notified shareholders about the voting process and the format in counting such votes. For the issue on voting for Board members, the Company allowed shareholders to vote by person. The Chairman discussed key issues that have been submitted for shareholders to consider and vote upon per the sequence and only submitted issues as stipulated in the agenda. Equal and sufficient opportunity was given to shareholders to ask questions.

The Chairman presiding over the AGM notified shareholders about the voting process and the format in counting such votes. For the issue on voting for Board members, the Company allowed shareholders to vote by person. The Chairman discussed key issues that have been submitted for shareholders to consider and vote upon per the sequence and only submitted issues as stipulated in the agenda. Equal and sufficient opportunity was given to shareholders to ask questions. Shareholders are allowed to attend the AGM post commencement of the meeting and vote on issues for which approval is being sought. The additional votes brought in by the shareholder due to late arrival will form a quorum starting at the time for which participation at AGM commences unless the AGM sees otherwise. A comprehensive minute to the AGM was kept, recording not only the issues and discussions but also including the voting outcome on each issue. The comprehensive minute is sent to relevant persons within 14 days after the AGM along with disclosing such information on the Company's web site [www.ncgroup.co.th](http://www.ncgroup.co.th). For fiscal 2009, the Company was recognized for the high standard achieved in preparing for and executing the AGM by receiving 100 points from the SEC in conjunction with Thai Investors Association. which was in a very good level and also named as a model company in arranging the common shareholder meeting

Since the last annual shareholders meeting, company has given the minority shareholders an opportunity to propose additional agenda as well as to name a proper individual to be a member of company's director. NCH sent out letters to all minority shareholders to ask for any additional agenda they might have and the name of the individual to be elected to be a member of company board of directors via SET's channels of communication on December 18, 2008. All criteria and methodologies concerned were published in the company's web site and also through SET's system.



## 2. Equitable Treatment of All Shareholders

The Company's policy towards its shareholders is one of support, equitable and ethical treatment which abides by all guidelines and legal requirements. Details of activities facilitating shareholders in attending the AGM is disclosed as the first item in the Shareholder's Rights section.

The Company has in place policies against the Company's Board of Directors, senior management and staff using insider information for personal gains or benefits as per the section of "Internal Information Control" on page 34. Members of the Board are required to disclose any conflicts of interest that they may have for the Board of Directors to consider. A clear policy has also been set in regards to members of the Company's Board serving as members of the Board of other company's in the "Board Member's Qualifications" on page 29.

### Conflicts of Interest

The Company holds in contempt for any use of the Company's information or position by members of the Board, senior management and/or staff for personal benefits. A policy has been issued to prohibit members of the Board, senior management and staff from undertaking activities that is deemed to have conflicts of interest with the Company. However, should it be impossible to avoid such transactions, the Board of Directors mandates that such transactions be undertaken in lieu of the guidelines stipulated by the SET and must be submitted for approval by the Board of Directors with the attendance of members of the Audit Committee. This is to ensure such transactions are taken on an arms length basis. Persons who are involved in such transaction may not be involved in the review or approval process. A summary of related party transactions has been disclosed in both the Company's annual report (56-2 report) and also that of the Company's annual information disclosure under the 56-1 report format.

In addition to prohibiting any member of the Board, senior management and staff from using information or position for personal benefits, the Company also prohibits its Board Members, senior management and staff from undertaking businesses that is construed to be in direct competition with the Company or related businesses.

## 3. Stakeholders' Rights

The Company puts emphasis on the rights of all its stakeholders whether internal or external. These stakeholders include all staff, management of the Company and that of its subsidiaries along with its external stakeholders including customers, counter parties, competitors, creditors and regulatory entities. This also encompasses responsibility towards social and environmental concerns. The emphasis of these rights has been stated clearly in the Company's good corporate governance policies and in the Company's handbook on ethics to serve as reference. In fairness to its stakeholders and related persons, the Company provides a channel for such persons to launch a complaint for unfair treatment or for any misconduct on the Company's part through the Company's web site [www.ncgroup.co.th](http://www.ncgroup.co.th). In addition, individual can contact directly to company's board of directors by sending an email to [bod@ncgroup.co.th](mailto:bod@ncgroup.co.th) or to the secretary office at [ir@ncgroup.co.th](mailto:ir@ncgroup.co.th). Company emphasizes the important of the rights and benefit of all stakeholders as follows:

**Shareholders :** The Company is focused in operating its business with the utmost honesty, integrity and ethics along with the utmost transparency to ensure sustainable growth for the Company and ultimately increasing the shareholders' long-term value and wealth. This takes into consideration shareholder's rights and equality as disclosed in section 1 "Shareholders' Rights" and section 2 "Equitable Treatment of All Shareholders"

**Employees :** In considering its human capital to be at the forefront in ensuring the Company's future success, the Company's policies include equitable treatment of all staff, provide growth opportunities, comparable compensation, appointment process, re-assignment process and policies on ongoing personal development. Such staff policy is to enhance their effectiveness and efficiency while providing all with the skills necessary to become candidates for career enhancement opportunities as stipulated on page 37 in the section of "Personnel Development Policy".

Good health, safety and amiable work environment are key concerns for the Company. A committee on safety has been established to ensure safety and hygiene in the work place. Another committee on staff benefits was established to oversee the policies on staff benefits including yearly health check-ups, providing a place for exercise, providing staff insurance and setting pension fund policies.

**Customers :** The ISO 9001:2000 certification received reflects the efforts put forth by the Company in seeking to provide the best product, service and after sales service at an appropriate price while ensuring long-term customer satisfaction. Emphasis is placed on courteous treatment and efficient service for its customers and strictly abiding to service agreements as stipulated within each contract. A channel for customer complaints for its products and services has been put in place (CFR : Customer Feedback Records) while emphasizing customer privacy. At every transfer of title deed, a feedback form is provided to each customer to provide thoughts and comments about the Company's products and services. The Company also provides its customers with an annual survey form reflecting residents' level of satisfaction on the Company's products and services for which the results will be used to improve such products and services to enhance overall customer satisfaction.

**Suppliers :** At the heart of the Company's emphasis is the ethical and equitable treatment of all its business partners while ensuring that all parties receive appropriate returns for both parties. This includes avoiding situations leading to disputes on applicable fees and strictly abiding by the terms as stipulated in all of the contracts.

**Creditors :** The Company abides strictly by the terms and conditions as set forth in the contracts for borrowing money

**Competitors :** Fair and ethical competition is emphasized in running the Company's operations. The Company prefers open competition and enables suppliers to charge for goods and services at competitive market prices. The Company is not engaged in any illegal actions in acquiring of competitor's information and avoids making reference to its competitors. In 2007, there were no legal infringements made against its competitors.

**Independent Auditors:** NCH has realized the importance of having independent auditors as the investors' tool for investigating the operation of management team as well as having the correct and reliable financial report. One of the NCH policies is to fully support the operations of the independent auditors as well as providing the correct information needed by the auditors.

**Community and Society:** The Company believes in managing the environment, making social contributions and supporting events that benefit communities. Support and contributions are made by the Company and/or in conjunction with State entities to local communities for which the Company operates as stipulated under the section of "Social Contributions" on page 52. As a good corporate samaritan, the Company abides by all applicable legal guidelines.

Beside, company had set the self treatment policy and policy of treating to immediate supervisor, colleagues, as well as company. The reason behind this approval was that company believed that employees are keys to business success. They need to be trained and developed continuously until they are the best at what they do. Furthermore, employees have to behave well and give their shares to build a proper company culture and sustainable growth.

#### **4. Information Disclosure and Transparency**

The Board of Directors' directive is to ensure the disclosure of both financial and non-financial information that pertains to the Company's operations. Information integrity, completeness and transparency of disclosure through the various designated channels along with the abidance with all SEC and legal guidelines are a must. The composition, tasks and responsibilities along with remuneration for members of the Board and the members of various Committees have been disclosed in the "Management Structure" section page 21. Reports of the various Committees have also been included in the annual report on page 47-51 and details on remuneration for members of the Board is disclosed on page 32. A report on good corporate governance and adherence report has also been included.

##### **Quality of Financial Disclosure**

The Company's Board of Directors has exercised due care in ensuring that the disclosed financial information are correct, transparent and complies with generally accepted accounting principles ensuring appropriateness to the Company's operations and applying such accounting standards on a consistent basis. To further provide a higher level of confidence, the Board has put in place a risk management function and also an effective internal audit function. The Audit Committee is charged with the responsibility of ensuring quality of financial disclosure and establishing a robust internal audit process. A Board of Directors' duties on financial disclosure report along with the Audit Committee's report has been included in the 2007 annual report.

##### **Relationship with Investors**

The Board of Directors puts emphasis on disclosing correct, comprehensive, realistic, timely and transparent financial and general information related to the Company. This includes especially information that bears significant impact on the Company's share price. A policy has been set to ensure strict compliance of all legal guidelines including that of the SEC and the SET.

An Investor Relations Department has been established to serve as the Company's representative to communicate on the Company's behalf with shareholders, fund managers, equity analysts and the general public community through a number of channels either directly or indirectly. The Company utilizes channels via the SEC, the SET, media, e-mail, telephone, fax, IR Newsletter and posting information on the Company's web site [www.ncgroup.co.th](http://www.ncgroup.co.th) both in Thai and English. Interested persons can contact the Company via the Company's web site [www.ncgroup.co.th](http://www.ncgroup.co.th) or via the Investor Relations Department's E-Mail : [ir@ncgroup.co.th](mailto:ir@ncgroup.co.th) or contact by phone : 0-2993-5080-7.

#### **5. Duties of the Board of Directors**

##### **Structure of the Board of Directors**

The Company's Board of Directors comprise of knowledgeable and capable individuals with business experiences whose responsibility is to consider and approve the Company's vision, strategies, policies, business and financial budget as well as supervise the management team to effectively and efficiently execute policies. This is in observance of all legal guidelines, purpose, Company's Articles of Association and resolutions approved by shareholders to increase the Company's overall value and the utmost stability for shareholders.

The number of Board members has been determined to suit the size of the Company's operations. As of December 31, 2009, there were a total of 8 Board members with 4 members holding management positions within the Company and another 4 who do not hold any management positions and are Independent Directors. Stakeholders can be rest assured that the representation on the Company's Board is sufficient to maintain counter balance and effectively represent shareholders' interest.

The Board Chairman is an Independent Director and is not the same person holding the Managing Director position. There is a clear cut difference in the operating roles and responsibilities of the Board of Directors and that of management.

Independent Directors refer to persons possessing the qualities and is independent as per the definition stipulated by the SET regarding qualifications and responsibilities as a member of the Audit Committee as disclose in the "Board Member's Qualifications" section on pages 29.

The definition of the term "Independent Director" as per the Company's guidelines is compliance of the SET's guidelines as shown in the information under the "Board Member's Qualifications" section on page 29.

The Company's policy and guidelines for its Board members sitting on other Company's Board of Directors has been disclosed in the annual report under the "Board Member's Qualifications" section on page 29. To date, the Company has not specified the number times a Board member can be re-elected to sit on the Company's Board. However, upon reaching the term for retirement, the Nomination Committee may consider the appropriateness in re-selecting the outgoing Board members by taking into consideration the individual Board member's performance and the value of contribution made to the Company in the previous term(s).

#### **Sub-Committees**

The Board of Directors appointed qualified members of the Board to 3 committees tasked to undertake various activities including the Audit Committee, the Nomination Committee and the Remuneration Committee. Details of the composition, tasks and responsibilities of each appointed committee have been disclosed in the "Management Structure" Section page 23. Furthermore, In 2009 the company assigned sub-committee to responsible for reporting the operation result according to the audit charter to the Board of Directors and The Shareholder Meeting.

#### **Board Meetings**

The Board of Directors has set a guideline for holding at least 4 meetings annually and calls for an extraordinary meeting when necessary. All members of the Board are required to attend meetings except in cases of emergency. The Chairperson and the Managing Director are responsible for determining the appropriate agendas and its sequence while allowing other Board Members to submit other agendas for consideration. The agenda of each Board meeting is clear and the Company sends agendas and related documents to the Board seven days prior to the meeting date so that Board members have sufficient time to study the issues beforehand. Additional information on each agenda can be sought from the Company's Secretariat.

The Chairman emphasizes due care and careful judgment and provides sufficient time for the thorough discussion and consideration of matters. The Company Secretary is charged with issuing invitations and supporting Board members with all necessary documentation in preparation for Board meetings. The minutes to all Board meetings are prepared by the Company Secretary, which must be approved by the Board of Directors prior to safekeeping and for future reference by stakeholders.



In 2009, the Board of Directors met in ordinary Board meeting total 4 times and met once in an extraordinary Board meeting. Attendance record of Board members is disclosed in the annual report on page 21.

#### **Board Self-Assessment**

An annual self-assessment process has been implemented for both the Board of Directors and that of the Company's Audit Committee. The assessment evaluates the performance of the Board of Directors and the Audit Committee each as a group, which enables both entities to review the problems and obstacles encountered along with the progress made in the past year. Reflection of the review is used as reference and guideline for developing and modifying strategies and policies for the coming year.

#### **Remuneration for Board Members and Senior Management**

The Company's Board of Directors appointed the Remuneration Committee whose responsibility is to consider and set remuneration for members of the Board and the Company's Managing Director. Clear and transparent guidelines must be established while ensuring that remuneration is competitive with that of the industry and sufficiently high to retain qualified members of the Board. Board members who take on additional responsibilities will receive additional compensation as appropriate per the approval received at the AGM. Management's remuneration follows the policies and guidelines as set forth by the Company's Board of Directors which is directly linked to the Company's financial performance along with that of individual performance. Remuneration for members of the Board and that of management for 2009 is disclosed on page 32 under the heading "Remuneration for Board Members and Senior Management".

#### **Assessment of the Managing Director**

The Company's Remuneration Committee is responsible for assessing the Managing Director's performance by taking into consideration of the Company's operating results and adherence to policies as per Board resolution while taking into consideration the overall economic outlook. The committee uses the above information to determine remuneration for the Managing Director and submits the outcome for Board approval.

#### **Internal Control and Audit Process**

Much emphasis is placed on the internal control process both at the management level and at the procedural level to ensure operating efficiency. Job functions and authority have been clearly documented while asset utilization is being optimized to provide the most benefit for the Company. There are clear cut responsibilities of the administrative, management and the audit functions to ensure an effective check and balance system. The Company's Board of Directors assesses the adequacy of the internal audit process to be used for future guidance on an annual basis.

There is an Internal Audit Department whose function is to perform planned audits and assess results. An Internal Audit Manual has been drafted to ensure the adherence to guidelines regarding the Company's core operations, key financial transactions, administrative functions, management information system and legal guidelines applicable to the Company. Special audits are undertaken within stipulated guidelines to ensure efficiency and compliance with all legal guidelines and the Company's policies. The Department operates independently and can audit any function and provide audit summary, comments and suggestions to the Audit Committee. Performance review of the Department is overseen by the Audit Committee.

In addition, the company signed the contract with ANS Business Consultants, internal audit consultant service provider. This was to ensure that all operation systems of the company would be done correctly and met the international standards. The audit results would be reported to Board of Directors and responsible departments to improve the overall performances.

Great emphasis is put on risk management by the Company's Board of Directors. A risk management policy is in place along with an assessment process with corrective plans and actions have been prepared. Risks that bear effect on the Company's operations are stipulated in the "Risk Factors" on pages 16. The Board of Directors reviews and assesses the risk management process on a quarterly basis.

### **Business Ethics**

Members of the Board of Directors understand their responsibility and duty to utilize their capabilities and experiences to maximize the benefits of the Company while observing ethical standards and all applicable legal guidelines, the Company's own guidelines and resolutions reached at the shareholders' meeting. Duties must be carried out with honesty, integrity and maximizing the benefit of both the Company and its shareholders. The resolution reached at the Board meeting 1/2006 held on February 24, 2006 regarding ethical guidelines for Board members, senior management and staff were announced as reference for all to observe. Every staff member is urged to conduct their tasks with honesty, integrity and ethically and to extend such high standard of moral standard towards external parties including stakeholders, society and the environment. The Board also mandated a system to review and assess adherence on a consistent basis.

Board of Directors is responsible for Updating the company's Code of Ethics every 2 years. The revision was made to better incorporate international best practice. In addition to the handbook, training on an ongoing basis is being planned while all new recruits are introduced to the Company's ethical standards during their orientation.

General guidelines have been established for all as reference in undertaking their duties with honesty and integrity while such guideline also stipulates the penalties related to misdemeanor.

### **Development for Members of the Board and Senior Management**

The Company's policy is to support the development of skills for members of the Company's Board, senior management and the Company Secretary by requiring their attendance of seminars of related topics beneficial to the execution of tasks in their various capacities. These include both seminars and courses that have been developed internally and seminars/courses offered by professional institutions such as that of the Thai Institute of Directors (IOD), Listed Companies Association and others. The purpose is for the attendees of such seminars and courses to internalize knowledge and experience which can be applied to improve the Company's overall performance. Details of development courses attended by Board members and senior management have been disclosed on page 112 under the "Management's Information" section along with the "Personnel Development Policy" section disclosed on page 37.

### **Company Secretariat**

The Company Secretariat was established to support the various activities related to ensuring the effectiveness of the Board along with abidance of all legal guidelines and supporting the Company's efforts in building a culture of good corporate governance. Coordinating and ensuring a successful AGM forms an integral part of the Secretariat's function. In terms of Board meetings, the Secretariat must ensure that the actions taken by the Board are within the legal and Company guidelines and observing the Board's fiduciary duties. The Secretariat is also charged with safe-keeping the minutes to meetings and ensuring the execution of tasks as per the resolution of the AGM and that of the Board of Directors.

The job description and responsibility of secretary position has been put in the company's audit policy since 2008. This position is vital to the development of company audit system. Secretary office phone number is 02-993-5080-7 ext. 403, 02-531-5533. Email address is [ir@ncgroup.co.th](mailto:ir@ncgroup.co.th).

# Good Corporate Governance Report from the Audit Committee

NCH's Board of Directors announced corporate governance policy on February 24, 2006. Updating the business policy annually in order to ensure that company's operations are complying with the principle of good corporate governance concepts and methodologies.

The essence of this policy was

- To create a structure and process of building the relationship between board of directors, management teams, and shareholders.
- To give direction to all operations of the company.
- To have right controlling system in order to examine and maximize the resources usages.
- To build competitive competency that would grow the company and increase long term shareholders' value.
- To build the company credibility in the view of shareholders, investors, and business partners.

The corporate governance policy laid its foundation on transparency, honesty, responsibility and competitive competency as well as encouraged management and all employees to do their jobs carefully, ethically, right and fair. The policy was divided into 5 sections.

- Section 1 Board of Directors
- Section 2 Shareholders' rights and equality
- Section 3 Disclosure of information and Transparency
- Section 4 Risk Management and Control
- Section 5 Ethics

Audit committee was appointed to be a subcommittee by Board of Directors in their meeting. Subcommittee was an independent mechanic in balancing the power of management. Internal audit department and system development department reported the efficiency of the existing control system to the audit committee. They also supported to make continuously self audit happened in all levels of the company. This would build an audit culture and control environment. Then employee participation followed. Participated employees would keep or improved this audit system. Good audit system impacted directly to human resource development and was important fundamental to company's efficiency and effectiveness improvement.



Mr. Piboon Limpraphat, Ph.D.

Chairman of the Audit Committee

# Audit Committee's Report

To the Company's Shareholders :

N.C. Housing Public Company Limited's Audit Committee was appointed by the Company's Board of Directors on November 7, 2006 for a period of 3 years. The Audit Committee is made up of 3 Independent Directors possessing qualities as stipulated by the Stock Exchange of Thailand (SET) along with the guidelines relevant to the Audit Committee. Members of the Audit Committee include :

- |    |            |                  |          |
|----|------------|------------------|----------|
| 1. | Mr. Piboon | Limraphat, Ph.D. | Chairman |
| 2. | Mr. Kobsak | Pongponrat       | Member   |
| 3. | Mr. Vichit | Vichaisarn       | Member   |

The 4<sup>th</sup> Board of Directors Meeting held on August 13, 2009 approved the appointment of the Nomination Committee and allowed them to start their works since November 7, 2009.

Activities were undertaken as per the given responsibilities by the Company's Board of Directors and as per the responsibilities stipulated in the Audit Committee's Charter, which parallels the guidelines as stipulated by the SET.

In 2009, the Audit Committee met total of 6 times which includes three persons who had series of meetings with audit committee group of NC N.C. Housing Public Company Limited with the attendance of senior management, the internal audit's external consultant, Head of Internal Audit and System Development and the Company's financial auditor as necessary. Key activities undertaken for the year include :

1. Reviewed the Company's quarterly and full year financial statements for fiscal year 2009. To provide a level of confidence that the Company and its consolidated financial statements have been prepared in accordance with generally accepted accounting principles with sufficient and complete disclosure of financial information. The review is also to ensure that the disclosure is with integrity and review transactions between the Company and its subsidiaries and that of related party transactions or conflict with the company benefits according to law and the regulations of the Stock Exchange of Thailand or other laws which are liable to company policies .
2. Reviewed and approved the annual internal audit plan and ensured the adherence to the approved audit plan and make necessary adjustments to better risk control with the changing risk resulting from the change in operating environment. Made recommendations to improve effectiveness of the internal audit process while approval was given to further clarify the guidelines outlining the Department's responsibilities and duties.

3. Reviewed and assessed the effectiveness of the Company's internal control process and sufficiency of the company's internal audit system through the audit reports made by internal audit's external consultant and the Internal Audit Department's reports. The Committee oversaw the ongoing development of the internal control process and assessed the Company internal control process in accordance with the internal control sufficiency form used to minimize the risk of any mishaps. Ensured the compliance with both the Committee's resolutions and also that of the Board of Directors' resolutions.
4. Reviewed the policies and risk management procedures along with the progress of managing such risks as submitted by senior management on a quarterly basis to ensure confidence that the Company's risks have been minimized to an acceptable level.
5. Reviewed the effectiveness of the Company's good corporate governance by ensuring transparent information disclosure and follows the laws as stipulated by the guidelines of the Securities and Exchange Act. along with other guidelines specific to the industry. The Committee also made suggestions for the Company to establish 2 additional sub-committees – the Nomination Committee and the Remuneration Committee to oversee the selection of Directors and to ensure transparency in establish remuneration for Directors and that of the Managing Director.
6. Reviewed and performed a self-assessment in relation to the Audit Committee's Charter and in line with guidelines stipulated by the SET.
7. Reviewed the re-appointment Consider, select, and propose and remuneration of Dharmniti Auditing Company Limited as the Company's financial auditors to be submitted for Board review before submitting for shareholder approval at the Company's 2009 AGM.

The Company's Audit Committee believes that the Company's internal audit process is sufficient, appropriate and provides a level of confidence in the integrity of the Company's financial statements in its totality.



(Mr. Piboon Limpraphat, Ph.D.)

Chairman of the Audit Committee



# Nomination Committee's Report

To the Company's Shareholders:

N.C. Housing Plc.'s Nomination Committee was appointed by the Company's Board of Directors on October 31, 2007 for the duration of 2 years. Members of the Remuneration Committee are composed of 2 non-management Independent Directors and 1 Director who holds a management position while the Committee's Chairperson is an Independent Director. Members of the Committee are :

1. Mr. Piboon Limpraphat, Ph.D. Chairman
2. Mr. Kobsak Pongponrat Member
3. Mr. Wichian Silapacharanan Member

The 4<sup>th</sup> Board of Directors Meeting held on August 13, 2009 approved the appointment of the Nomination Committee and allowed them to start their works since October 12, 2009.

In 2008, the Nomination Committee undertook activities in accordance with responsibilities bestowed upon the Committee by the Company's Board of Directors and according to the Nomination Committee's Charter. The Committee met one time in 2007 and all 3 members of the Committee were present. A report was provided to the Company's Board of Directors per the Committee's decisions and undertakings.

- 1 Recruited qualified persons and proposed to BOD for their approval to replace retired members of committee. (Mr. Kobsak Pongponrat did not attend this meeting due to his management position)
- 2 Considered proposal of sub-committee's working term extension and submitted to board of director for their approval.
- 3 Considered the right of common shareholder to propose meeting agenda and name list of qualified person to be a member of company's board of director.

In 2009, the Nomination Committee executed its duties with due care, to the best of each member's ability, independently and transparently for the appropriate benefit of the Company, shareholders and stakeholders.



(Mr. Piboon Limpraphat, Ph.D.)

Chairman of the Nomination Committee

# Remuneration Committee's Report

To the Company's Shareholders:

N.C. Housing Plc.'s Remuneration Committee was appointed by the Company's Board of Directors on November 12, 2007 for the duration of 2 years. Members of the Remuneration Committee are composed of 2 non-management Independent Directors and 1 Director who holds a management position while the Committee's Chairperson is an Independent Director. Members of the Committee are :

1. Mr. Piboon Limpraphat, Ph.D. Chairman
2. Mr. Vichit Vichaisarn Member
3. Mr. Somchao Tanterdtham Member

The 4<sup>th</sup> Board of Directors Meeting held on August 13, 2009 approved the appointment of the Remuneration Committee and allowed them to start their works since November 12, 2009.

In 2008, the Remuneration Committee undertook activities in accordance with responsibilities bestowed upon the Committee by the Company's Board of Directors and according to the Remuneration Committee's Charter. The Committee met one time in 2007 and all 3 members of the Committee were present. A report was provided to the Company's Board of Directors per the Committee's decisions and undertakings.

1. Considered remuneration structure of company's Board of Director , Subcommittee company , Managing Director and Staff and proposed to shareholders for their approval. (Mr. Somchao Taterdtham, Managing Director, refrained from voting on this issue due to his executive position)
2. Considering and reviewing audit charter of remuneration committee which comprises of elements and recruitment of remuneration committee member, qualifications, term of duty, authority and responsibility, and performance reporting.

In 2009, the Remuneration Committee executed its duties with due care, to the best of each member's ability, independently and transparently for the appropriate benefit of the Company, shareholders and stakeholders.



(Mr. Piboon Limpraphat, Ph.D.)

Chairman of the Remuneration Committee

# Social Contributions

“Social Activities” is one of company’s important policies. NCH emphasizes in doing fair business as well as giving all reasonable supports to social, communities, and local activities where company’s business exists. NCH supports both company’s own activities and local or government activities. Activities supported by company in year 2009 were as the following:

## Social and Community

- N.C. Development Volunteers and journalists co-launched the project “**Voluntary Real Estate’s Journalist**”. This project was aimed to fix, improve, and upgrade the public facilities such as school. The school that was selected for this project was Wat Panernchaploo School in Ratchaburi province. N.C. donated water filter machine to this school.
- N.C. launched new program name “**Books for Trees: Youth’s Reading Promotion**”. This program was to donate books collected from company’s employees to local libraries and schools’ library where N.C. has the project established. N.C. hopes that this donation will help promoting youth’s reading in every arena where company is involved.
- The next N.C.’s activity was held in Father Day. It was a special movies show at Scala Theatre, Siam Center. There were 5 short films about 5 main areas of developments of His Majesty the King which were soils, preservation, rain making, water, and vetiver grass projects. His Majesty the King is the great king and is the great developer of Thailand as well. This activity wanted to pay respect and loyalty to His Majesty the King. All participants got the souvenir and had a chance to join the special auction. The money from this auction would be donated to His Majesty the King’s Chaipattana Foundation.
- Please be informed that Banfah Piyarom project was named as the model of “**Township Development**”, perfect big community management. N.C. was proudly to welcome the officers of Public Works and Town & Country Planning during the visiting to see how we managed Banfah Piyarom project.
- In addition to social and communities’ activities NCH had launched various kinds of family bonding events to all “Baan Fah” members such as NC Family Rally 2009. Domestic Tour promotion campaigns were very interesting campaigns because these were not only to promote domestic travelling but also promoting Thai Tourist Areas. Places introduced by NCH were Wat Pratan Dong Rang Warawiharn, Bang Luang market, Muang Singh Historical Park, and Century Market in Chacherngsao province. Moreover, NCH and members of all NCH’s housing projects donated educational utensils and equipments as well as scholarship to schools in Kanchanaburi province such as Lung Gung school, Baan Loom Peung school, and Baan Gang Rabird school.



## Children and Youth Skills Promotion Activities

- During the Children Day, NCH arranged an important contest to promote children and youth skill. It was a painting contest. Its topic of this painting contest was “Grow Going Green”. The winner got the THB 20,000 worth scholarship and certificate from governor of Pathumtani province. This contest held at Banfah Piyarom project, the modeler of large size community management.
- Another activity shown the environment caring of NCH was the 7th Leadership Training activity held at Chulachomklao Royal Military Academy, Nakorn Nayok province. This training aimed to train participants to have more stamina, leadership, necessary skills, and good team working attitude. There were various kinds of activities for example jungle adventure, bases activities, tower jumping, and much more useful activities. This activity has been done continuously by NCH.
- One of useful and interesting continuous activities for all NCH projects’ members was skill improvement training. It was a “workshop” kind of training where participants have chances to practice what they had learnt. There were various types of skills taught in this holiday training such as green bag painting, flower arrangement, bank note folding, keychain making from tissue paper, towel folding, and hand-made fan from flower. Members could use these lessons in their own life right after finishing these courses. There had been a lot more useful activities that NCH provide to all NCH’s members continuously.



## Educational Activities

- There was a visitation from Thammasat University students to study how NCH evaluated land and property price in real life. Project manager of “Banfah Greenpark Rungsit” was ready and glad to gave them knowledge and answer all questions there. It was a successful visitation and everyone enjoyed and got what they had to know about land and property valuation.



NCH has a policy to advance youth people along with a very good society creation. All staffs are always keeping this policy in mind. NCH continues to give supports to schools that needed helps. NCH gave scholarship to students, donated educational equipments, tools, materials to schools annually. NCH intentions and beliefs are poor student does not mean they have no chance to get goodness from Thai society. This would lay a very good foundation for our future.

... We believe in helping society. It is the great giving.

It is a foundation of our family and it will pay back to our beloved Thai society.

# Related Parties Transactions

Summary of related party transactions and transactions with persons with potential conflicts of interest for fiscal year 2008 as noted by the financial auditor in the notes to the financial statements are as follows:

Persons with potential conflicts of interest	Relationship	Transaction	Transaction Value (THB mn.)	Necessity/Appropriateness
1. Manager of legacy Mr. Namchai Tanthathoedtham*	The late Chairman of the Board of Director, Chairman of the Board of Executive Director, and major shareholder with 56.66% shareholding (As at December 30, 2009)	The Company borrowed funds from Mr. Namchai Tanthathoedtham at an interest rate of 5.75% per annum - Balance, beginning of year - Outstanding borrowings during 2009 - Refund during 2009 - Ending balance at December 31, 2009 - Interest payable	149 6.7 0.6 155 15.54	The Company borrowed funds from Mr. Namchai Tanthathoedtham to support its operating cash and increase liquidity. The interest rate paid is benchmarked to commercial bank's MLR.
2. Mr. Somchao Tanterdtham	Director, Member of the remuneration Committee, Chairman of the Executive Board and major shareholder of the Company holding 1.14% of shares as of December 30, 2009	The Company borrowed funds from Mr. Somchao Tanterdtham at an interest rate of 6.25% per annum - Balance, beginning of year - Outstanding borrowings during 2009 - Refund during 2009 - Ending balance at December 31, 2009 - Interest payable	31.82 4.5 23.87 12.45 0.33	The Company borrowed funds from Mr. Somchao Tanterdtham to support its operating cash and increase liquidity. The interest rate paid is benchmarked to commercial bank's MLR.
3. Mrs. Patcharin Tanthathoedtham	The kinfolk of Mr. Namchai Tanthathoedtham (the late Chairman Chairman of the Board of Executive Director, and the major shareholder of the Company holding 56.66% of outstanding shares as of December 30, 2009)	The Company rented land from Mrs. Patcharin Tanthathoedtham in the amount of THB 55,000 per month. - Total rental fee	0.66	The Company rented 11 rais of land from Mrs. Patcharin Tanthathoedtham contracted for 3 year (Jan. 1, 2007 to Dec. 31, 2009) in the amount of THB 660,000 per annum for use as a sales office, mock-up models and parking lot for the Baan Pha Piyarom project because it is convenient for customers to visit.



Persons with potential conflicts of interest	Relationship	Transaction	Transaction Value (THB mn.)	Necessity/Appropriateness
4. S.C. Construction and Decoration Co., Ltd. (SC) / Supplier of Construction Material	<ul style="list-style-type: none"> <li>Mr. Namchai Tanthathoedtham, the late Chairman, Mr. Somchao Tanterdtham, Mr. Somnuek Tanthathoedtham, Director and major shareholder, and Mrs. Nongluck Tanthathoedtham, major shareholder holds 94.98% in SC</li> <li>The Company and SC share 2 of the same directors Mr. Somchao Tanterdtham and Mr. Somnuek Tanthathoedtham</li> </ul>	Construction materials were purchased from S.C. Construction and Decoration Co., Ltd. - Total purchases - Account Payable	0.01 0.13	<ul style="list-style-type: none"> <li>The Company and its subsidiary sources certain construction material that bears impact on the Company's quality and standard requirement along with material that are considered to be hard to find for its sub-contractors. The transaction is undertaken at arms length basis.</li> <li>Purchasing construction material from a related party enables the Company to control quality standard of material, delivery time and expedited service if necessary.</li> </ul>
5. Sathaporn Wattana Trading Co., Ltd. / Supplier of Construction Material	<ul style="list-style-type: none"> <li>Mr. Namchai Tanthathoedtham, the late Chairman, Mr. Somchao Tanterdtham, Mr. Somnuek Tanthathoedtham, Mr. Wichian Silapacharanan, Mr. Rungsarn Nuntakawong, Director and major shareholder, and others within the Tanthathoedtham group hold 100% shareholding in Sathaporn Wattana Trading Co., Ltd.</li> <li>The Company and Sathaporn Wattana Trading Co., Ltd. share 2 of the same directors Mr. Namchai Tanthathoedtham and Mr. Somchao Tanterdtham (As of February 2009, Sathaporn Wattana Trading Co., Ltd. 3 directors : Mr. Somchao Tanterdtham, Mr. Sujin Tanthathoedtham and Mr. Somnuek Tanthathoedtham)</li> </ul>	Construction materials were purchased from Sathaporn Wattana Trading Co., Ltd. - Total purchases - Account Payable	27.35 13.09	<ul style="list-style-type: none"> <li>The Company and its subsidiary sources certain construction material that bears impact on the Company's quality and standard requirement along with material that are considered to be hard to find for its sub-contractors. The transaction is undertaken at arms length basis.</li> <li>Purchasing construction material from a related party enables the Company to control quality standard of material, delivery time and expedited</li> </ul>

Note : 1. Items 1 and 2 are standalone transactions and occur irregularly

2. Items 4 and 5 are transactions performed on a regular basis

\* Mr. Namchai Tanthathoedtham passed away on October 2, 2007

Manager of legacy Mr. Namchai Tanthathoedtham

- Mr. Somchao Tanterdtham
- Mr. Prasit Tanthathoedtham
- Mr. Somnuek Tanthathoedtham
- Mr. Sujin Tanthathoedtham

## Necessity/Appropriateness of Related Party Transaction and Report from the Audit Committee

The Audit Committee has reviewed the related party transactions for the accounting period ending December 31, 2009 and perceives that the transactions are of necessity and is within reason to provide the Company and shareholders with maximum benefit. The terms and conditions specified for the contracts are on the same basis as other individuals or businesses and such transactions were not for the transfer of benefits between the Company and its subsidiaries or individuals.

### Approval Process for Related Party Transactions

With unanimous decision, the Company's Board of Directors' resolution relating to related party transactions or transactions with persons who may have conflicts of interest with the Company is for each issue to be approved by the Board of Directors with the attendance of the Audit Committee to ensure fairness, appropriateness and arms length pricing of these transactions putting the Company's interest in the forefront. Board members are prohibited from voting on issues deemed to be in conflict of interest. Loans to persons deemed to have conflicts of interest are also prohibited. Policies and guidelines as set forth by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) are strictly observed by the Company.

### Policies or Guidelines on Related Party Transactions

There are 5 types of related party transactions :

#### 1. Normal transactions of the Company

Policies towards transaction such as the purchasing of construction material, the sales of units in development projects and the purchase of land are for transactions to be done at arms length, which are comparable to market prices used as reference. The best price, terms and conditions must be sought for the Company and its subsidiaries and must be submitted for approval by the Audit Committee in regards to adherence to the Company's procedures and guidelines. Upon receiving clearance from the Audit Committee, the matter is then submitted to the Board of Directors for final approval.

#### 2. Supporting transactions for the Company's normal business

Supporting transactions of the Company's normal business include sub-contracting a related company to manage communities of developed projects or to construct pre-sales units.

#### 3. Short-term renting and rental of land

Land rental for temporary establishment of a sales office for the Baan Pha Piyarom project.

#### 4. Transactions related assets or services

The outsourcing of gardening care to the Company's subsidiary

#### 5. Financial support

Financial support comes in the form of borrowing funds from sister companies, borrowing funds from persons who may have conflicts of interest , and having commercial banks issuing letters of guarantee on the Company's subsidiary's behalf for government entities. Comments from the Audit Committee are sought for the appropriateness and of such transactions. Input from independent experts or the Company's financial auditor is sought for transactions for which the Audit Committee may have difficulty in assessing the appropriateness of such transactions. Such inputs from specialists are taken into consideration by the Board of Directors or shareholders upon making decisions.

To make the process of purchasing land for the Company's future projects transparent, the Board of Directors has made it a policy that land title to be purchased for future projects will be in the name of the Company. No persons related to the Company may hold title to the pieces of land to be purchased by the Company. However, should there be need to purchase such pieces of land from a related person, the process must be submitted for the Audit Committee, the Board of Directors and shareholders' approval while observing both the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET)'s established guidelines.

All future related party transactions that may occur must abide by the guidelines as established by both the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The Internal Audit Department will undertake checks through random sampling to ensure the integrity of such transactions. The findings of the Internal Audit Department should be made to the Audit Committee at the next meeting. The Company also discloses all related party transactions in the notes to the financial statements section of the financial disclosure reviewed by the Company's financial auditor. Such disclosure is to ensure compliance with generally accepting accounting practice and such information is also disclosed in the Company's annual 56-1 report.

# Management Discussion and Analysis

## Overall Summary of the Company's Operations

The Company's full scale property development business includes residential and condominium development, property project management and community management. Currently all of the Company's revenue is derived from its property development business.

The Company holds 99.99% stakes in each of its 2 subsidiaries – The first is N.C. Property Management Co., Ltd. provides comprehensive project management services including sales and marketing, construction, title transfer, undertaking rehabilitation projects and the co-management of assets with the land owner. The second is Quality Living Management Co., Ltd. provides community management services for various property projects and condominiums post title transfer.

As of December 31, 2009, the Company and its subsidiaries launched a total of 12 property development projects worth 8,803 million baht with 55.1% or 4,848 million baht backed by sales contracts. At the end of 2009, 50.9% or 4,480 million baht of total projects was transferred and recognized by the Company as revenue.

## Operations Analysis

### 1. Revenue

Revenue earned by the Company and its subsidiaries' for fiscal year 2009 totaled 865.1 million baht, reflecting a 11.0% incline from the previous year's 779.6 million baht, as a result of good operational strategy, economic stimulate policies and measure of the government as well as another factor is growth in the real estate business

Of the Company's revenue which is derived from property development, the largest proportion of 2009's revenue is derived from the sale of landed residential units. The proportion of revenue derived from sales, service and other for 2009 were 95.0%, 0.4% and 4.6%, respectively as compared to 98.4%, 0.5% and 1.1% in 2008.

### Revenue Breakdown

Revenue	Operated By	2009		2008		2007	
		THB mn.	%	THB mn.	%	THB mn.	%
Sales Revenue	NC, NCE	822	95.0	767	98.4	821	97.7
Construction Revenue	NCPM*	-	-	-	-	5	0.6
Service Revenue	NCPM*, QLM*	3	0.4	4	0.5	6	0.7
Other Revenue**	NC	40	4.6	8	1.1	8	1.0
<b>Total Revenue</b>		<b>865</b>	<b>100.0</b>	<b>779</b>	<b>100.0</b>	<b>840</b>	<b>100.0</b>

Remarks \* The Company holds a 99.99% stake in NCPM and QLM

NC : N.C. Housing Plc.

NCPM : N.C. Property Management Co., Ltd.

QLM : Quality Living Management Co., Ltd.

NCE : N.C. Estate Co., Ltd. (Closed)

\*\* Rental fees, fees for altering contracts, interest receivables, gains from sales of assets and other non-core business transaction form a large part of the Company's other revenue.

## Sales Revenue

Of total sales of landed residential units, sales of single detached houses and duplexes increased to 71.7% and 12.8% of total revenue while revenue and sale of townhouses and commercial building dropped to 5.7% and 1.1%, respectively as compared to the proportion of 70.1%, 7.3%, 11.6% and 2.2% for the previous year.

### Sales Revenue by Type of Residential Units

Type	2009		2008		2007	
	THB mn.	%	THB mn.	%	THB mn.	%
<b>Sales Revenue :</b>						
Single Detached Houses	589.7	71.7	537.7	70.1	558.0	67.9
Duplexes	105.0	12.8	55.7	7.3	111.2	13.5
Townhouses	47.1	5.7	88.7	11.6	137.5	16.7
Commercial Building	8.9	1.1	17.1	2.2	0.7	0.1
Land	71.6	8.7	68.3	8.9	14.5	1.8
<b>Total Sales Revenue</b>	<b>822.3</b>	<b>100.0</b>	<b>767.5</b>	<b>100.0</b>	<b>821.9</b>	<b>100.0</b>

The proportion of the Company's revenue earned on sales of pre-built units, semi-pre-built units and pre-sales units for 2009 were 62.1%, 9.5% and 28.4% respectively while compared to last year's 69.5%, 11.7% and 18.9%, respectively.

### Sales Revenue by Customer's Payment Preference

Type	Down Payment Installment	% of Sales Revenue				
		2009	2008	2007	2006	2005
1. Pre-built units	(0 – 2 payments)	62.1	69.5	82.3	68.8	48.2
2. Semi-Pre-built units	(3 – 6 payments)	9.5	11.7	9.0	8.7	21.3
3. Pre-sales units	(> 7 payments)	28.4	18.9	8.7	22.5	30.4
<b>Total</b>		<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

A large proportion of the Company's sales revenue is derived from the sale of landed residential units at the Company's Thanyathani Home on Green (P.2), Baan Pha Piyarom (P.10), Baan Pha Green Park Royal Budhamonthon Sai 1, Baan Pha Piyarom (P.9), Baan Pha Green Park Pracha Uthit, The Focus Condominium, Baan Pha Green Park Rangsit Klong 3 projects constituting 87.4% of total sales revenue.



## Revenue from Projects Sales

Projects	2009		2008		2007	
	THB mm.	%	THB mm.	%	THB mm.	%
Green Park Rangsit (P.1)	-	-	-	-	-	-
Green Park Rangsit (P.2)	-	-	-	-	-	-
Baan Pha Piyarom (P.2)	-	-	-	-	-	-
Baan Pha Piyarom (P.3)	7.8	1.0	-	-	-	-
Baan Pha Piyarom (P.4)	-	-	-	-	-	-
Baan Pha Piyarom (P.5)	-	-	-	-	-	-
Baan Pha Piyarom (P.6)	-	-	-	-	-	-
Baan Pha Piyarom (P.7)	25.3	3.1	84.9	11.1	153.7	18.7
Baan Pha Piyarom (P.8)	2.5	0.3	74.7	9.7	136.6	16.6
Baan Pha Piyarom (P.9)	88.3	10.7	82.4	10.7	63.4	7.7
Baan Pha Green Park Rayal Pinklao	-	0.0	7.8	1.0	45.7	5.6
Baan Pha Green Park Rayal Budhamonthon1	104.1	12.7	75.9	9.9	87.3	10.6
Baan Pha Rim Haad Jomtien	-	-	12.7	1.7	24.8	3.0
Thanyathani Home on Green	32.0	3.9	19.9	2.6	25.8	3.1
Narisa Thonburirom	1.7	0.2	24.6	3.2	8.0	1.0
Baan Pha Green Park Pracha Uthit	73.6	9.0	73.0	9.5	93.8	11.4
Thanyathani Home on Green (P.2)	196.2	23.9	97.4	12.7	108.4	13.2
Green Park Rangsit Klong 3	49.9	6.1	96.7	12.6	70.7	8.6
The Focus Condominium	71.6	8.7	68.3	8.9	-	-
Baan Pha Rangsit Klong 7	34.3	4.2	47.1	6.1	3.7	0.5
Baan Pha Piyarom (P.10)	134.9	16.4	2.1	0.3	-	-
Baan Pha Rangsit Klong 2	-	-	-	-	-	-
Total	822.2	100.0	767.5	100.0	821.9	100.0

## Revenue from Service

Service revenue is derived from Quality Living Management Co., Ltd. renders community management services and after sales management of condominiums. For 2009, the revenue from services declined by 0.5% or 3,616 million baht from last year's to 3,166 million baht in 2009. Because in year 2008 Green Park Rangsit (P.2) change administration to Corporate village.

## Other Revenue

Other revenue is totaled 39.6 million baht in the 2009 increased 8.5 million baht from 2008 because of the Company confiscated a land deposit money in the amount of Baht 30 million from an other person because it was failure to comply with the conditions in contract by another side.

## 2. Cost of Goods Sold and Operating Profit

Sales gross margin increased to 32.0% from last year's 27.2% as a result of cost to sales ratio was decreased to 67.9 percent in 2009 from 72.8 percent in 2008 as a result of transfer cost of land and building clubhouse cost in 2008.

## 3. Selling and Administrative Expense

The Company's sales expenses was reduced THB 8.7 million or 9.5 percent and administrative expenses was reduced THB 10.3 million or 9.8 percent as a result of a decline in rent banners and advertising expense , special business tax ratio , transfer fee and asset depreciation.

## 4. Profits

For the 2009 the Company posted a net profit of 56.1 million baht as compared to a 45.8 million baht loss posted in the previous year, which was a 101.9 million baht or 222.5 percent improvement over the previous year is resultant of total revenue increase 85.5 million or 11.0 percent, cost to sales ratio was decreased to 67.9 percent in 2009 from 72.7 percent in 2008, sales expenses was reduced THB 8.7 million or 9.5 percent and administrative expenses was reduced THB 10.3 million or 9.8 percent.

## 5. Shareholder Wealth

Earning per share (EPS) for 2009 was at 0.05 baht and return on equity (ROE) at 2.75% as compared to the previous year's EPS at minus 0.04 and ROE at minus 2.31%.

Dividend for year 2009 of 0.02 baht per share and allocated legal reserves THB 3.79 million of annual net profit.

## Financial Status

### Assets

As of December 31, 2009, the Company's total assets stood at 2,995.1 million baht, which was a 164.9 million baht or a 5.2% decline from 2008. Current assets declined 4.7% or 138.4 million baht with inventory dropping 60.2 million baht while the cost of land development was down 70.2 million baht from the sale and transfer of title of houses to customers and non current asset declined 11.8% or 26.5 million baht.

### Composition of Assets

#### Inventory

Inventory in the form of property for sale was stated at cost or the net value that the Company is likely to receive whichever is lower. Asset stated at cost reflects the cost of land acquisition plus cost in land development, construction cost and other directly related cost including interest expense. As of December 31, 2009 as compared to the same period in 2008 inventory was at 423.8 million baht versus 484.0 million or constitutes 14.1% and 15.3% of total assets respectively. The proportion of inventory to total assets declined in 2009 as the Company implemented its plan to reduce its cost of capital and increase liquidity in The Focus condominium, Baan Pha Green Park Royal Budhamonthon Sai 1, Thanyathani Home on Green (P.2), Baan Pha Piyarom (P.7) and Baan Pha Piyarom (P.8), Projects.

#### Property Development Cost

The cost of property development and land held for development forms a large part of the Company's assets. For the period 2009, the proportion of property development cost 36.9% of total assets and land held for development 41.3% of total assets. In 2009 Property development and cost land held for development declined to 2,343.1 million baht from 2,413.8 million baht in 2008, decreased 70.7 million baht or 2.9% because of transferred to customers and were transferred to completed products.

#### Property, Building and Equipment

Land and property for office use along with club house owned by the Company in residential projects forms the largest proportion of the Company's property, building and equipment. As of December 31, 2009, the Company's property, building and equipment stood at 182.9 million baht declined from 193.0 million baht posted a year earlier constitutes 6.1% of total assets for 2008 and 6.1% for the year earlier. The decline in asset value was mostly the result of depreciation.

#### Construction Material Inventory

With the Company's policy in having the sub-contractor be responsible for buying construction material as per the required quality as set by the Company, the Company provides supplies for a limited number of items.

### Asset Quality

#### Asset

Upon review of the Company's asset value, should there be any event or change in condition which puts integrity of asset value into question, the Company will immediately expense the loss on the asset value. In 2003, the Company undertook a corporate restructuring by taking a 99.99% vested interest in two of its subsidiaries at fair value except for the investment in Quality Living Management Co., Ltd. where the Company purchased shares at a premium as goodwill and expensed that goodwill in that same year.

## Accounts Receivables

Revenue from the sale of landed residential units and revenue from construction is recognized on the percent of completion basis but as for revenue from services rendered is recognized based on the terms of the contract. As of December 31, 2009, the Company's outstanding accounts receivables totaled 1.7 million baht including accounts receivables from property development and services in the proportion of 1.7 million baht and 0.03 million baht or constitutes 98.2 % and 1.8% of total accounts receivables respectively.

(See details of Accounts Receivables as of December 31, 2009 from Notes to Financial Statements Article 6.)

### Details of Accounts Receivable as of December 31, 2008

An 1.7 million baht in outstanding accounts receivables is not considered to be a significant sum and bears little impact on the Company's financial performance. The Company will issue contact letters to follow up on accounts that have been delinquent for over 2 months. The responsible department will work with the delinquent account owner(s) to resolve all outstanding debt. A loss reserve has also been set aside based on the Company's historical loss rate.

## Liquidity

The Company's cash is derived mainly from the revenue on sale of landed residential units and asset backed credit line from financial institutions. As of December 31, 2009, the Company's cash and cash equivalents totaled 15 million baht, which is a 3.7 million baht increased from the previous year. Details on cash movement are as follows :

- Net cash received of 261 million baht is derived from operations mostly from the sale and title transfer of residential units within residential projects for which the Company's inventory and cost of land development declined 60 million baht and 70 million baht respectively.
- Net cash used for investments totaled 4.3 million baht mostly for assets for daily operations.
- Net cash from financing activities totaled 253 million baht which was the result of repaying outstanding liabilities from financial institutions and decreased borrowings from members of the Board. The Company's long-term debt as of the end of December 2009, totaled 147 million baht and borrowings from members of the Board totaled 13 million baht.
- Liquidity ratio inclined to 8.4 times in 2009 from 7.4 times in 2008 because of sell value and transfer value increase more than last year.

## Sources of Funds

Appropriate Capital Structure

### Liabilities

The Company's total liabilities as of December 31, 2009 totaled 959.0 million baht, a 18.7% or 221.0 million baht reduction from the previous year. Current liabilities decreased 15.8% or 62.2 million baht, which is mostly due to decreased utilization of the overdraft facility and short-term borrowings from financial institutions 67.7 million baht and increased of unrealized income 3.2 million baht. A 158.8 million baht or 20.2% reduction in long-term liabilities resulted from the repayment on outstanding loans brought down outstanding loans from financial institutions declined 146.4 million baht while outstanding borrowings from members of the Company's Board decreased 13.3 million baht. This brings the company's debt to equity ratio to 0.47 times, a reduction from 0.60 times the year before.

(See details of Company's outstanding liabilities as of December 31, 2009 from Notes to Financial Statements Article 17.)

### Shareholder's Equity

As of December 31, 2009, the Company's shareholder's equity totaled 2,036.0 million baht which is a 2.8% incline from last year's 1,980.0 million baht as a result of a net profit of 56.1 million baht earned for 2009.

### Legal Reserve

In year 2009, the Company had appropriated its legal reserve at the amount of Baht 3.79 million. As of December 31, 2009 the company had legal reserve amount of Baht 27.3 million or 2.28% of paid – up share capital.

### Commitment and Contingent Liabilities

- 1 The Company have entered into several agreements in respect of leases of building , sales office building , land and the provision of related services.

Future minimum rentals and service charges payables under these agreements as at December 31, 2009, are as follows:

Payable within:	Million Baht
1 year	5.75
2 to 3 years	2.23

- 2 As at December 31, 2009, the Company and subsidiaries have contingent liabilities from letters of guarantees issued by three banks to government agency and third parties amounting to Baht 160.43 million (Baht 160.03 million for the Company only).
- 3 As at December 31, 2009, the Company had contingent liability from letters of guarantee issued by a bank on behalf of the subsidiary for electricity usage amounting to Baht 0.40 million.
- 4 As at December 31, 2009, the Company has contingent liabilities to a bank from the guarantee on the customer's loan and gasoline amounting to Baht 0.97 million.
- 5 As at December 31, 2009, the Company have contingent liabilities from purchase of land as part of property development amounting to approximately Baht 54.79 million.
- 6) As at December 31, 2009, the Company has contingent liabilities arising from lawsuits as follows:
  - a) A financial institution had filed one civil lawsuits demanding the Company as the loan guarantor to repay the loan with the principal borrowers who were the clients of the Company in the total amount of Baht 0.60 million along with interest at 15% per annum to be calculated from the date of the filing of lawsuit until the date of full settlement (Baht 0.22 million calculated up to December 31, 2009).

As at December 31, 2009, the management has assessed the damage of the lawsuit up to December 31, 2009 and provides a provision in the amount of Baht 0.18 million

- b) A house buyer in the Company's project had filed a civil lawsuit demanding the Company to indemnify the losses resulting from the fire incident of Baht 1.5 million together with other expenses and interest at 15% per annum to be calculated from the date of the filing of lawsuit until the date of full settlement (Baht 0.59 million calculated up to December 31, 2009).

In year 2008, the Court of First Instance ordered the case dismissed. The plaintiff does not filed on appeal within deadline period result as at December 31, 2009, that case to ended.

- c) A house buyer in the Company's project had filed a civil lawsuit demanding the Company to indemnify the losses resulting from the expropriated land of Baht 7.81 million together with other expenses and interest at 15% per annum to be calculated from the date of the filing of lawsuit until the date of full settlement (Baht 0.91million calculated up to December 31, 2009).

The management has assessed the damage of the lawsuit up to December 31, 2009 and provides a provision in the amount of Baht 2.68 million (In 2008, recognizing of the losses was in the amount of Baht 2.24 million)

### Remuneration for the Company's Financial Auditor

1. **Audit fee**

The remuneration for the Company's financial auditor for their auditing work for the accounting period totaled 949,000 baht.

2. **Non-audit fee**

The Company and its subsidiaries compensated the Company's financial auditor for services including consulting fees, transportation fees and over time pay for the accounting period totaled 215,988 baht.



## Board of Directors' Duties on Financial Disclosure

As a publicly listed company on the Stock Exchange of Thailand (SET), the Company's Board of Directors understands the importance of ensuring integrity in information disclosure and ensuring complete, transparent, sufficient disclosure of the Company's financial statements. Such disclosure observes generally accepted accounting principles with discretion observed on the suitability, appropriateness and circumspect of accounting principles, which is applied on a consistent basis. Such robust accounting guidelines also serve to protect against fraud or abnormal transactions where due consideration was given in determining the appropriateness and comprehensiveness of guidelines to best reflect the Company's true financial performance.

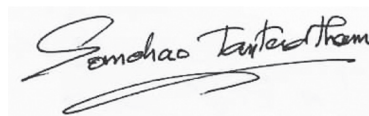
The Company's Board of Directors appointed the Audit Committee with members including Independent Directors with qualifications as stipulated by the SET and was charged with the responsibility to oversee that the financial and operating information provided by the Company maintains integrity and is sufficient and to report its findings and suggestions to the Company's Board of Directors. The Committee is also responsible for the transparent, correct and complete disclosure of information regarding related party transactions and transactions that may have conflicts of interest. Ensuring a comprehensive risk management system, a robust internal audit process and a comprehensive and appropriate corporate governance policy along with having an effective assessment process on abiding with all applicable legal guidelines and that of the SET are all part of the Audit Committee's responsibility. A report by the Audit Committee has been provided in the Company's 2009 annual report.

The Company's Board of Directors believes the Company's overall internal audit process to be sufficient and should provide a level of comfort that the Company's financial statements and the consolidated financial statements for the period ending December 31, 2009 for which the Company's Audit Committee, Company's management and the Company's financial auditors have reviewed and audited to be correct, complete, appropriate and employs generally accepted accounting principles and abides by all applicable laws and related guidelines.



(Mr. Sudham Chatwalwong)

Chairman



(Mr. Somchao Tanterdtham)

Managing Director



# REPORT AND CONSOLIDATED FINANCIAL STATEMENTS AND SEPARATE

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009 AND 2008

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

# Report of the Auditor

## To The Shareholders and Board of Directors of N.C. Housing Public Company Limited and its Subsidiaries

I have audited the consolidated balance sheets of N.C. Housing Public Company Limited and its Subsidiaries as at December 31, 2009 and 2008, the related consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended and the balance sheets of N.C. Housing Public Company Limited as at December 31, 2009 and 2008, the related statements of income, changes in shareholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of N.C. Housing Public Company Limited and its Subsidiaries as at December 31, 2009 and 2008, the consolidated results of their operations, the consolidated changes in their shareholders' equity and their consolidated cash flows for the year then ended and the financial position of N.C. Housing Public Company Limited as at December 31, 2009 and 2008, the results of its operations, the changes in its shareholders' equity and its cash flows for the year then ended in conformity with generally accepted accounting principles.



(Miss Chantra Wongsri - Udomporn)

Certified Public Accountant

Registration No. 4996

Dharmniti Auditing Company Limited

Bangkok, Thailand

February 26, 2010

2010/087/9495

## BALANCE SHEETS

AS AT DECEMBER 31, 2009 AND 2008

In Baht

	Note	Consolidated		The Company Only	
		2009	2008	2009	2008
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	3.2, 5	15,878,630.00	3,794,109.35	13,895,810.31	1,361,035.52
Trade accounts receivable - net	3.3, 6	1,216,734.00	6,193,008.49	1,184,634.00	-
Unbilled receivables - net	3.1, 7	6,827,000.00	20,001,815.49	6,827,000.00	20,001,815.49
Inventories - net	3.4, 8	423,756,501.84	484,000,403.29	423,756,501.84	484,035,450.04
Property development	3.5, 9	1,105,312,581.16	1,175,489,568.58	1,101,317,798.99	1,171,760,082.81
Land held for development	9, 17	1,237,768,131.11	1,238,282,914.95	1,237,768,131.11	1,238,282,914.95
Other current assets - net	10	7,381,407.77	8,825,282.33	4,982,994.12	4,614,553.52
Total current assets		2,798,140,985.88	2,936,587,102.48	2,789,732,870.37	2,920,055,852.33
NON-CURRENT ASSETS					
Deposit pledged as collateral	11	1,182,682.76	7,963,205.63	969,725.74	946,805.97
Investment in subsidiaries - at cost method	3.6, 12	-	-	11,864,497.95	11,944,974.19
Property, plant and equipment-net	3.7, 13	182,903,664.07	193,023,494.66	182,782,533.52	192,740,770.55
Intangible assets - net	14	3,175,315.07	3,200,000.00	3,175,315.07	3,200,000.00
Withholding income tax		8,383,109.07	16,763,238.59	7,028,276.91	15,472,679.03
Other non-current assets		1,287,954.44	2,449,621.54	1,287,954.44	2,449,621.54
Total non-current assets		196,932,725.41	223,399,560.42	207,108,303.63	226,754,851.28
TOTAL ASSETS		2,995,073,711.29	3,159,986,662.90	2,996,841,174.00	3,146,810,703.61

Notes to financial statements form an integral part of these statement

**BALANCE SHEETS (Con't)**

AS AT DECEMBER 31, 2009 AND 2008

In Baht

	Note	Consolidated		The Company Only	
		2009	2008	2009	2008
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from financial institutions	15	68,242,774.49	135,986,557.36	68,242,774.49	131,312,900.33
Notes payable	3.9	30,042,863.39	29,973,276.79	30,042,863.39	29,973,276.79
Trade accounts payable	3.9	17,466,023.77	25,320,764.68	17,466,023.77	25,320,764.68
Advance received from sale of land	29	-	30,000,000.00	-	29,412,079.51
Payable for purchase of land	26.5	68,361,450.00	68,361,450.00	68,361,450.00	68,361,450.00
Payable to related parties	3.9, 3.11, 4	13,224,089.25	12,661,903.87	17,220,597.11	17,022,762.91
Current portion of liabilities under financial lease	3.14, 16	833,892.00	208,491.00	833,892.00	208,491.00
Current portion of long-term loans from financial institutions	17	23,351,677.90	-	23,351,677.90	-
Short-term loan from related parties	3.9, 3.11, 4	-	-	15,700,000.00	23,223,805.68
Unrealized income	3.1, 7	22,507,118.00	25,747,450.30	22,507,118.00	25,747,450.30
Accrued expenses	3.9	21,295,068.05	8,837,222.71	20,578,284.14	8,674,737.96
Corporate income tax payable		4,107,141.50	-	4,020,496.20	-
Accrued interest	3.9, 4	15,940,216.25	10,863,196.40	15,957,305.28	11,024,944.64
Retention from subcontractors	3.9	37,901,423.30	40,998,014.09	36,068,095.96	39,097,041.84
Other current liabilities		8,891,046.59	5,372,069.75	7,336,681.75	4,857,699.02
Total current liabilities		332,164,784.49	394,330,396.95	347,687,259.99	414,237,404.66
NON-CURRENT LIABILITIES					
Liabilities under financial lease agreement - net	3.14, 16	1,313,016.77	460,509.00	1,313,016.77	460,509.00
Long-term loans from financial institutions - net	17	457,949,785.72	604,354,150.47	457,949,785.72	604,354,150.47
Loan from directors	3.9, 4	167,600,000.00	180,870,000.00	167,600,000.00	180,870,000.00
Total non-current liabilities		626,862,802.49	785,684,659.47	626,862,802.49	785,684,659.47
TOTAL LIABILITIES		959,027,586.98	1,180,015,056.42	974,550,062.48	1,199,922,064.13

Notes to financial statements form an integral part of these statement

## BALANCE SHEETS (Con't)

AS AT DECEMBER 31, 2009 AND 2008

In Baht

	Note	Consolidated		The Company Only	
		2009	2008	2009	2008
LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)					
SHAREHOLDERS' EQUITY					
Share capital					
Authorized share capital					
1,200,000,000 ordinary shares of Baht 1.00 each		1,200,000,000.00	1,200,000,000.00	1,200,000,000.00	1,200,000,000.00
Issued and paid-up share capital					
1,185,985,052 ordinary shares capital of Baht 1.00 each		1,185,985,052.00	1,185,985,052.00	1,185,985,052.00	1,185,985,052.00
Paid-in capital Premium on share capital		577,530,000.00	577,530,000.00	577,530,000.00	577,530,000.00
Retained earnings					
Appropriated - legal reserve	19	28,300,000.00	24,712,237.47	27,300,000.00	23,512,237.47
Unappropriated		244,231,072.31	191,744,317.01	231,476,059.52	159,861,350.01
TOTAL SHAREHOLDER'S EQUITY		2,036,046,124.31	1,979,971,606.48	2,022,291,111.52	1,946,888,639.48
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		2,995,073,711.29	3,159,986,662.90	2,996,841,174.00	3,146,810,703.61

Notes to financial statements form an integral part of these statement



## STATEMENT OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

In Baht

	Note	Consolidated		The Company Only	
		2009	2008	2009	2008
REVENUES					
Sales	3.1	822,265,398.28	767,503,000.85	822,265,398.28	767,503,000.85
Service income	3.1	3,166,532.72	3,616,000.00	-	-
Dividends income	3.1, 4	-	-	15,999,040.00	16,998,980.00
Other income	3.1, 4, 29	39,680,263.11	8,468,346.74	42,356,598.02	7,567,887.27
Total Revenues		865,112,194.11	779,587,347.59	880,621,036.30	792,069,868.12
EXPENSES					
Cost of Sales	3.1, 4	558,433,879.08	558,505,082.25	558,522,616.23	558,862,979.13
Cost of Service		2,884,671.03	2,757,878.48	-	-
Selling expenses	3.1	83,511,534.04	92,258,483.90	83,511,534.04	92,258,483.90
Administrative expenses	3.1, 4	95,300,368.36	105,628,744.21	94,530,984.30	101,154,757.01
Management benefit expenses	23	26,347,968.21	19,487,384.00	26,221,968.21	18,773,384.00
Total Expenses		766,478,420.72	778,637,572.84	762,787,102.78	771,049,604.04
Income (loss) before finance cost and income tax		98,633,773.39	949,774.75	117,833,933.52	21,020,264.08
Finance costs	4	29,608,131.82	46,080,732.27	29,760,009.05	46,563,473.66
Income (loss) before income tax		69,025,641.57	(45,130,957.52)	88,073,924.47	(25,543,209.58)
Income tax	3.18, 24	12,936,461.80	668,503.76	12,671,452.43	593,175.69
Net income (loss)		56,089,179.77	(45,799,461.28)	75,402,472.04	(26,136,385.27)
Profit (loss) attribution					
Shareholders' equity of the parent company		56,089,179.77	(45,799,461.28)	75,402,472.04	(26,136,385.27)
Minority interest		-	-	-	-
		56,089,179.77	(45,799,461.28)	75,402,472.04	(26,136,385.27)
BASIC EARNINGS PER SHARE (Baht per share)	3.17, 21				
Net income (loss)					
Shareholders' equity of the parent company		0.05	(0.04)	0.06	(0.02)
Minority interest		-	-	-	-
		0.05	(0.04)	0.06	(0.02)

Notes to financial statements form an integral part of these statement

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

In Baht

	Note	Shareholders' equity of the parent company					Minority interest	Total
		Share capital issued and paid-up	Premium on share capital	Retained earnings		Total		
				Appropriated legal reserve	Unappropriated			
Consolidated								
Beginning balance, 2008		1,185,985,052.00	577,530,000.00	24,712,237.47	237,544,798.29	2,025,772,087.76	-	2,025,772,087.76
Net income (loss) for the year 2008		-	-	-	(45,799,461.28)	(45,799,461.28)	-	(45,799,461.28)
Dividend paid	20	-	-	-	(1,020.00)	(1,020.00)	-	(1,020.00)
Ending balance, 2008		1,185,985,052.00	577,530,000.00	24,712,237.47	191,744,317.01	1,979,971,606.48	-	1,979,971,606.48
Net income (loss) for the year 2009		-	-	-	56,089,179.77	56,089,179.77	-	56,089,179.77
Appropriated - legal reserve	19	-	-	3,787,762.53	(3,787,762.53)	-	-	-
Reversal of legal reserve in subsidiary account	12	-	-	(200,000.00)	200,000.00	-	-	-
Dividend paid	20	-	-	-	(960.00)	(960.00)	-	(960.00)
Return of capital in subsidiary account to minority	12				(13,701.94)	(13,701.94)	-	(13,701.94)
Ending balance, 2009		1,185,985,052.00	577,530,000.00	28,300,000.00	244,231,072.31	2,036,046,124.31	-	2,036,046,124.31

Notes to financial statements form an integral part of these statement

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Con't)

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

In Baht

	Note	Shareholders' equity of the parent company					Minority interest	Total
		Share capital issued and paid-up	Premium on share capital	Retained earnings		Total		
				Appropriated legal reserve	Unappropriated			
The Company Only								
Beginning balance, 2008		1,185,985,052.00	577,530,000.00	23,512,237.47	185,997,735.28	1,973,025,024.75	-	1,973,025,024.75
Net income (loss) for the year 2008		-	-	-	(26,136,385.27)	(26,136,385.27)	-	(26,136,385.27)
Ending balance, 2008		1,185,985,052.00	577,530,000.00	23,512,237.47	159,861,350.01	1,946,888,639.48	-	1,946,888,639.48
Net income (loss) for the year 2009		-	-	-	75,402,472.04	75,402,472.04	-	75,402,472.04
Appropriated - legal reserve	19	-	-	3,787,762.53	(3,787,762.53)	-	-	-
Ending balance, 2009		1,185,985,052.00	577,530,000.00	27,300,000.00	231,476,059.52	2,022,291,111.52	-	2,022,291,111.52

Notes to financial statements form an integral part of these statement

## STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

In Baht

	Consolidated		The Company Only	
	2009	2008	2009	2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net income (loss)	56,089,179.77	(45,799,461.28)	75,402,472.04	(26,136,385.27)
Add (less) Adjustments to reconcile net profit to net cash provided by (used in) operating activities :				
Depreciation and amortization	14,972,098.25	19,264,656.94	14,797,827.69	18,857,457.37
Gain from sale of fixed assets	(594,161.87)	(36,743.69)	(33,415.21)	(36,743.69)
Loss from written-off fixed assets	7,677.38	91,222.14	7,675.38	46,336.22
Doubtful debts	-	552,128.00	-	552,128.00
Gain from confiscated land deposit	(30,000,000.00)	-	(29,412,079.51)	-
Gain from written-off trade accounts payable and retentions	(2,594,301.26)	(1,148,863.58)	(2,594,301.26)	(468,908.69)
Gain from written-off accrued expenses	(347,068.76)	(135,004.53)	(347,068.76)	(135,004.53)
Gain from return of capital in subsidiary (Note 12)	-	-	(3,820,667.77)	-
Loss from written-off current asset	-	24,417.85	-	-
Loss from written-off deposit	204,179.90	-	204,179.90	-
Loss from written-off withholding tax	52,272.25	559,262.53	-	489,229.10
(Gain) Loss from compensation from expropriated land	-	178,453.80	-	173,504.82
Dividend income	-	-	(15,999,040.00)	(16,998,980.00)
Interest income	(51,208.53)	(87,780.87)	(34,927.38)	(41,631.31)
Interest expenses	29,377,991.17	44,423,742.27	29,529,868.40	44,906,483.66
Income tax expenses	12,936,461.80	668,503.76	12,671,452.43	593,175.69
Income from operating activities before changes in operating assets and liabilities	80,053,120.10	18,554,533.34	80,371,975.95	21,800,661.37
Decrease (increase) in operating assets				
Trade accounts receivable	4,976,274.49	2,075,024.31	(1,184,634.00)	2,196,485.00
Receivables from related parties	-	-	-	17,142.00
Unbilled receivables	13,174,815.49	(515,756.00)	13,174,815.49	(515,756.00)
Accrued income - commission	-	7,160,623.40	-	-
Inventories	60,243,901.45	130,203,129.25	60,278,948.20	129,049,366.13
Property development	96,179,759.57	131,941,953.13	96,445,055.97	131,461,382.69
Construction materials	-	16,180.85	-	18,387.95
Other current assets	1,443,874.56	8,338,515.01	(368,440.60)	(404,646.16)
Other non-current assets	465,507.20	81,578.35	465,507.20	59,644.44

Notes to financial statements form an integral part of these statement

## STATEMENTS OF CASH FLOWS (Con't)

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

In Baht

	Consolidated		The Company Only	
	2009	2008	2009	2008
Increase (decrease) in operating liabilities				
Payable for purchase of land	-	(2,966,000.00)	-	(2,966,000.00)
Notes payable	69,586.60	11,084,196.27	69,586.60	11,084,196.27
Trade accounts payable	(7,365,127.33)	(2,412,923.78)	(7,365,127.33)	(2,068,280.78)
Advance received from sale of land	-	30,000,000.00	-	29,412,079.51
Payable to related parties	562,185.38	8,218,841.35	197,834.20	(5,978,681.07)
Unrealized income	(3,240,332.30)	(27,506,271.70)	(3,240,332.30)	(27,506,271.70)
Accrued expenses	12,758,844.10	(4,121,948.30)	12,204,544.94	(4,099,712.89)
Accrued commission	-	(19,774,564.43)	-	(12,809,919.76)
Retention deducted from constructor	(991,903.11)	(2,872,912.56)	(924,258.20)	(2,046,183.57)
Other current liabilities	3,565,046.96	1,802,493.48	2,525,052.85	1,952,947.97
Cash receivable from operations	261,895,553.16	289,306,691.97	252,650,528.97	268,656,841.40
Interest received	51,208.53	87,780.87	34,927.38	41,631.31
Withholding taxes refunded from Revenue department	8,419,402.12	10,684,666.13	8,419,402.12	10,684,666.13
Income tax paid	(8,920,865.27)	(9,016,130.17)	(8,625,956.35)	(7,646,452.60)
Net cash provided by (used in) operating activities	261,445,298.54	291,063,008.80	252,478,902.12	271,736,686.24
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Increase (decrease) in deposit pledged as collateral	6,780,522.87	(112,104.53)	(22,919.77)	(75,182.86)
Proceeds from sales of fixed assets	592,847.66	151,143.49	32,100.00	151,143.49
Cash paid for purchase of fixed assets	(2,679,075.30)	(6,691,833.83)	(2,666,395.30)	(6,614,729.50)
Cash paid for purchase of intangible assets	(300,000.00)	-	(300,000.00)	-
Cash received from return of capital in subsidiary (Note 12)	-	-	3,901,144.01	-
Dividend received	-	-	15,999,040.00	16,998,980.00
Net cash provided by (used in) investing activities	4,394,295.23	(6,652,794.87)	16,942,968.94	10,460,211.13
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Cash payment liabilities under financial lease agreement	(403,091.23)	-	(403,091.23)	-
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(67,743,782.87)	(10,332,238.13)	(63,070,125.84)	(10,782,104.87)
Cash received from short-term loan from related parties	-	-	10,200,000.00	14,700,000.00
Cash payment from short-term loan from related parties	-	-	(17,723,805.68)	(12,150,000.00)
Cash received from loan from directors	11,200,000.00	32,400,000.00	11,200,000.00	32,400,000.00
Cash payment from loan from directors	(24,470,000.00)	(10,080,000.00)	(24,470,000.00)	(10,080,000.00)

Notes to financial statements form an integral part of these statement

## STATEMENTS OF CASH FLOWS (Con't)

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

In Baht

	Consolidated		The Company Only	
	2009	2008	2009	2008
Cash received from long-term loans	255,818,244.00	207,809,278.01	255,818,244.00	207,809,278.01
Cash payment from long-term loans	(378,870,930.85)	(446,711,613.02)	(378,870,930.85)	(446,711,613.02)
Interest paid	(49,270,850.23)	(68,830,490.00)	(49,567,386.67)	(69,519,031.86)
Cash payment from recapitalisation in subsidiary	(13,701.94)	-	-	-
Dividend paid	(960.00)	(1,020.00)	-	-
Net cash provided by (used in) financing activities	(253,755,073.12)	(295,746,083.14)	(256,887,096.27)	(294,333,471.74)
Net increase (decrease) in cash and cash equivalents	12,084,520.65	(11,335,869.21)	12,534,774.79	(12,136,574.37)
Cash and cash equivalents, beginning of year	3,794,109.35	15,129,978.56	1,361,035.52	13,497,609.89
Cash and cash equivalents, ending of year	15,878,630.00	3,794,109.35	13,895,810.31	1,361,035.52

## Supplemental disclosures of cash flows information

1) Cash and cash equivalents consisted of :-				
Cash on hand	8,496,363.00	238,000.00	8,481,363.00	220,000.00
Cash at bank	7,382,267.00	3,556,109.35	5,414,447.31	1,141,035.52
<b>Total</b>	<b>15,878,630.00</b>	<b>3,794,109.35</b>	<b>13,895,810.31</b>	<b>1,361,035.52</b>

2) In year 2009, the Company had transferred a sample house and sale office building as part of property development in value of Baht 0.03 million.

3) In year 2009, the Company acquired vehicle with an aggregate cost of Baht 2.5 million. The purchase of Baht 1.88 million was made by hire-purchase agreements. The remaining portion of Baht 0.62 million was paid by cash and in year 2008, the Company acquired vehicle with an aggregate cost of Baht 0.91 million. The purchase of Baht 0.67 million was made by hire-purchase agreements. The remaining portion of Baht 0.24 million was paid by cash.

4) In year 2008, the Company had transferred land and building as part of property development in value of Baht 17.74 million.

Notes to financial statements form an integral part of these statement



# NOTES TO FINANCIAL STATEMENTS

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2009 AND 2008

## 1. GENERAL INFORMATION

### (a) Legal status and address of the Company

The Company was registered to be a limited company on February 2, 1994 and converted to be The Public Company Limited under the Limited Public Company Act with the Ministry of Commerce on November 27, 2003, and the Company name was changed to N.C. Housing Public Company Limited.

The address of its registered office is as follows:

1/765 Moo 17 Soi Amporn Paholyotin Rd. K.M. 26 Tambol Kukod Aumpur Lumlookka Patumtanee 12130, Thailand.

### (b) Nature of the Company's business

The Company operates its principal business as a real estate developer for trade in various areas such as house for sell including the land development, providing construction services, condominium for sell, providing rental space in club house, etc.

### (c) Employees

As at December 31, 2009 and 2008, the Company and subsidiaries have 150 employees and 162 employees, respectively (129 employees and 137 employees, respectively for the Company only).

### (d) Expenses by nature

Significant expenses by nature are follow:

In Baht

	Consolidated		The Company Only	
	2009	2008	2009	2008
Utilities and construction in progress	402,528,327.46	296,658,754.59	402,316,721.46	298,650,985.03
Interest capitalization	24,969,878.91	27,957,259.60	24,969,878.91	27,957,259.60
Changes in land, constructions in progress and land held for development	130,935,672.71	233,889,068.06	131,236,015.86	232,254,734.50
Employee benefit expenses	52,690,144.43	51,619,476.37	47,661,437.44	46,060,729.70
Depreciation and amortization expenses	14,972,098.25	19,264,656.94	14,797,827.69	18,857,457.37

## 2. BASIS OF FINANCIAL STATEMENT PREPARATION AND PRINCIPLES OF CONSOLIDATION

### 2.1 Basis for the preparation of financial statements

2.1.1 The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation B.E. 2552 for public limited company, 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 such financial statements in Thai language.

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

## 2.1.2 Adoption of new accounting standards during the year

2.1.2.1 The Federation of Accounting Professions (FAP) has issued Notification No. 12/2552 dated May 15, 2009, regarding the renumbering of Thai Accounting Standards to be the same as International Accounting Standards.

2.1.2.2 The Federation of Accounting Professions (FAP) has issued Notification No. 86/2551 and 16/2552, mandating the use of new accounting standards, financial reporting standards and accounting treatment guidance as follows.

- a) Accounting standards, financial reporting standards and accounting treatment guidance which are effective for the fiscal year beginning on or after January 1, 2009.

Framework for the Preparation and Presentation of Financial Statements (revised 2007)

TAS 36 Impairment of Assets (revised 2007)

TFRS 5 Non-current Assets Held for Sale and Discontinued Operations (revised 2007)

Accounting Treatment Guidance for Leasehold Right

Accounting Treatment Guidance for Business Combination under Common Control

The management of the Company has assessed the effect of these accounting standards, financial reporting standards and accounting treatment guidance and believes that they will not have any significant impact on the financial statements for the current year.

- b) Accounting standards which are not effective for the current year.

TAS 20 Accounting for Government Grants and Disclosure of Government Assistance (effective on January 1, 2012)

TAS 24 Related Party Disclosures (revised 2007) (effective on January 1, 2011)

TAS 40 Investment Property (effective on January 1, 2011)

The management of the Company is still evaluating the effect of these accounting standards to the financial statements for the year in which they are initially applied.

## 2.2 Basis of consolidated and operations

2.2.1 The accompanying consolidated financial statements include the accounts of N.C. Housing Public Company Limited and the following subsidiaries are owned directly and indirectly by the Company :-

	Percentage of Holding by direct and indirect		Nature of Business
	2009	2008	
N.C. Property Management Co., Ltd.	100.00	100.00	Contractor and project management
Quality Living Management Co., Ltd.	100.00	100.00	Property management service
N.C. Estate Co., Ltd.	-	100.00	Real estate developer (On March 26, 2009, N.C. Estate Co., Ltd is ceased operation, see note 12)

2.2.2 The percentage of total assets and total revenues of the subsidiaries included in the consolidated financial statements are as follows:

	Percentage of total assets included in consolidated balance sheet		Percentage of total revenues included in consolidated income statement for the year ended	
	2009	2008	2009	2008
<b>Subsidiary companies</b>				
N.C. Property Management Co., Ltd.	0.16	0.43	0.14	0.12
Quality Living Management Co., Ltd.	0.05	0.03	0.37	0.46
N.C. Estate Co., Ltd.	-	0.22	-	0.01

2.2.3 The acquisition of subsidiaries are recorded by Purchase Method.

2.2.4 Significant intercompany transactions between the Company and subsidiaries have been eliminated.

2.2.5 The consolidated financial statements are prepared by using uniform accounting policies for transaction alike and other events in similar circumstances.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Recognition of revenues and expenses

Revenue from sales of land and houses are recognized on the percentage of completion method. The calculations is based on percentage of incurred actual cost which will compare with both total estimation cost excluded land cost and evaluation from engineer. Revenue is recognized on sale contracts on which the deposits are collected for not less than 20 percent of contract price, the Company will discontinue recognizing revenue on sale contracts for which customers default the payment of installment over 3 periods.

The excess of buyers' payment over the percentage of work completion is recorded as unrealized income. And the excess of work completion over buyers' payment is recorded as unbilled receivable.

Allowance for cost of sales are based on the estimated cost of real estate project and recognize on the percentage of sale revenue which will be periodically reviewed in case the significant cost changes.

Revenue from sale condominiums is recognized on the percentage of completion method and the total agreements to sell condominiums should not be less than 40% of the areas opening for sales buyer's paid deposits and installments should not be less than 20% of the corresponding contract sales amounts.

Revenue from construction is recognized on the percentage of completion method. The part of not dued is recognized as "Accrued income"

A subsidiary recognizes the revenue from construction on the percentage of completion method. The part of not dued is recognized as "Accrued income"

A subsidiary recognizes service income on a time proportion basis in accordance with contract.

The Company and subsidiaries recognize other revenues and expenses on the accrual basis.

### 3.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks and deposits at financial institutions which are promissory notes with original maturity of 3 months or less and excluded deposits which are pledged as collateral.

### 3.3 Allowance for doubtful accounts

The Company and subsidiaries provide allowance for doubtful accounts equal to the estimated collection losses that may be incurred in the collection of all receivables. The estimated losses are based on historical collection experience coupled with a review of the current status of existing receivables.

### 3.4 Inventories - net

Inventories are real estate for sale which are stated at the lower of cost or net realizable value. Cost is included land, land developing, construction and direct expense including interest.

Construction materials are valued at cost (first-in, first-out method) or net realizable value, whichever is lower.

The Company ceases to capture the related interest as part of inventories cost when construction of the project had finished or suspended.

### 3.5 Property development and land held for development

Property development is stated at cost. Cost is included land, land developing, construction and direct expense including interest.

Land held for development, the Company intends to hold for future benefit which are stated at cost less provision for impairment. Cost consists of land cost and related expenses for land acquisition including interest. The Company will stop to capture the capitalized interest when land development is completed.

The Company ceases to capture the related interest as part of property development cost when construction of the project had finished or suspended.

### 3.6 Investment in subsidiaries

Investments in subsidiaries are stated at cost method. The Company recognizes impairment loss on the investment in the statement of income. The Company recognizes dividends receive when the subsidiaries announce paid dividends.

Equity securities that are not marketable are stated at cost less impairment losses.

Loss on impairment (if any) of investments in subsidiary are recognized in income statement.

### 3.7 Property, plant and equipment

Land is stated at Cost.

Plant and equipment are stated at cost less accumulated depreciation.

Depreciation is calculated by the straight-line method, based on the estimated useful lives of the assets as follows:

Buildings	20 years
Building improvement	20 years
Machinery and equipments	5 years
Sample house and sales office buildings	5 years
Office equipments	5 years
Furniture and fixtures	5 years
Vehicles	5 years

### 3.8 Intangible assets

Intangible assets represent the cost of software license used in operations. Intangible assets stated at cost less accumulated amortization. Amortization of intangible assets is calculated by reference to their costs on the straight - line method over the estimated useful lives of 10 years.

### 3.9 Trade Payable and Other Payables

Trade and other payables (including balances with related parties) are stated at cost.

### 3.10 Impairment of Assets

The Company and its subsidiary companies the impairment of assets whenever events indicate that the carrying value of an asset exceeds its realizable value. Realisable value is determined the value of an asset's net selling price and its value in use whichever is higher. The value in use is derived from management estimates.

The Company and its subsidiary companies recognize an impairment loss in the earnings statements whenever the carrying value of an asset exceeds its realizable value. The Company and its subsidiary companies will reverse the impairment loss when there are indications that the value of the asset is no longer impaired or the amount of impairment has decreased.

### 3.11 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

### 3.12 Use of accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates for certain accounting transactions, affecting amounts reported in the financial statement and notes related thereto. Subsequent actual results may differ from these estimates.

### 3.13 Provisions for estimated liabilities

A Provision for estimated liabilities is recognized in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

### 3.14 Finance lease

Leases of assets that substantially transfer to the Company all the rewards and risks of ownership of assets and that the Company intends to exercise the option of the leases to purchase the assets at the expiration of the lease term, are accounted for as finance leases.

At the inception of a finance lease, the cost of the asset is recorded together with the obligation, excluding the interest element, to pay future rentals. Finance charges are charged to the current period operations by the effective rate.

### 3.15 Financial instruments

The Company and its subsidiary companies have no policy to speculate in or engage in the trading of any financial derivative instruments.

Financial instruments carried in the balance sheet include cash and cash equivalents, bank overdrafts and short-term loans from financial institutions, trade accounts receivable, trade accounts payable include notes receivable and notes payable, unrealized income, accrued income, other loan, accrued expenses and retention. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

### 3.16 Employee benefits

The Company and its subsidiary companies and their employees have jointly established provident funds as approved by the Ministry of Finance in accordance with the Provident Fund Act B.E. 2530. The funds are contributed by the Company, its subsidiary companies and their employees at the rate of 2 - 5 percent of their basic salary and will be paid to employees upon termination in accordance with the rules of each company's staff provident fund.

The funds are managed by TISCO Asset Management Public Company Limited.

### 3.17 Earnings per share

Earnings per share of the Company and its subsidiaries and only the Company is basis earnings per share which is calculated by dividing the net earnings for the period by the weighted average number of ordinary shares held by outside parties in issue and paid-up during the period.

### 3.18 Income tax

The Company records income tax expense, if any, based on the amount currently payable under the Revenue Code. For the income tax calculation method and policies had been disclosed in Note to financial statement no.24.



#### 4. TRANSACTIONS WITH RELATED COMPANIES

The Company has certain transactions with its related companies. A portion of the Company's assets, liabilities, revenues, cost and expenses arose from the transactions with the related companies which are related through common shareholdings and/or directorships. The effects of these transactions, which are in the normal course of business, were reflected in the accompanying financial statements on the basis determined by the companies concerned.

The significant transactions between the Company and its related companies reflected in the accompanying consolidated financial statements are as follows:-

The significant outstanding balance at December 31, 2009 and 2008 are as follow:-

In Baht

	Type of relation	Consolidated		The Company Only	
		2009	2008	2009	2008
Payable to related parties					
- N.C. Property Management Co., Ltd.	Subsidiary	-	-	4,223,514.78	4,371,411.38
- S.C. Construction And Decoration Co., Ltd.	Co-shareholding and directing	133,862.78	263,446.20	133,862.78	263,446.20
- Sathaporn Wattana Trading Co., Ltd.	Co-shareholding and directing	13,090,226.47	12,398,457.67	12,863,219.55	12,387,905.33
		13,224,089.25	12,661,903.87	17,220,597.11	17,022,762.91
Short-term loan from related parties					
- Quality Living Management Co., Ltd.	Subsidiary				
Balance, beginning of year		-	-	2,850,000.00	3,500,000.00
Addition during the year		-	-	-	-
Deduction during the year		-	-	-	(650,000.00)
Balance, ending of year		-	-	2,850,000.00	2,850,000.00
- N.C. Estate Co., Ltd.	Subsidiary				
Balance, beginning of year		-	-	1,723,805.68	1,723,805.68
Addition during the year		-	-	-	-
Deduction during the year		-	-	(1,723,805.68)	-
Balance, ending of year		-	-	-	1,723,805.68
- N.C. Property Management Co., Ltd.	Subsidiary				
Balance, beginning of year		-	-	18,650,000.00	15,450,000.00
Addition during the year		-	-	10,200,000.00	14,700,000.00
Deduction during the year		-	-	(16,000,000.00)	(11,500,000.00)
Balance, ending of year		-	-	12,850,000.00	18,650,000.00
		-	-	15,700,000.00	23,223,805.68

	Type of relation	Consolidated		The Company Only	
		2009	2008	2009	2008
Short-term loan from directors					
- Manager of legacy Mr.Namchai Tanthathoedtham*	Director				
Balance, beginning of year		149,050,000.00	137,050,000.00	149,050,000.00	137,050,000.00
Addition during the year		6,700,000.00	12,000,000.00	6,700,000.00	12,000,000.00
Deduction during the year		(600,000.00)	-	(600,000.00)	-
Balance, ending of year		155,150,000.00	149,050,000.00	155,150,000.00	149,050,000.00
- Mr. Somchao Tanterdtham	Director				
Balance, beginning of year		31,820,000.00	21,500,000.00	31,820,000.00	21,500,000.00
Addition during the year		4,500,000.00	20,400,000.00	4,500,000.00	20,400,000.00
Deduction during the year		(23,870,000.00)	(10,080,000.00)	(23,870,000.00)	(10,080,000.00)
Balance, ending of year		12,450,000.00	31,820,000.00	12,450,000.00	31,820,000.00
		167,600,000.00	180,870,000.00	167,600,000.00	180,870,000.00
Accrued interest from related parties					
- Quality Living Management Co., Ltd.	Subsidiary	-	-	3,591.77	20,527.06
- N.C. Property Management Co., Ltd.	Subsidiary	-	-	13,497.26	129,272.61
- N.C. Estate Co., Ltd.	Subsidiary	-	-	-	11,948.57
		-	-	17,089.03	161,748.24
Accrued interest					
- Manager of legacy Mr.Namchai Tanthathoedtham*	Director	15,546,132.21	6,623,416.10	15,546,132.21	6,623,416.10
- Mr. Somchao Tantredtham	Director	335,185.62	1,411,886.96	335,185.62	1,411,886.96
		15,881,317.83	8,035,303.06	15,881,317.83	8,035,303.06

**\* Manager of legacy Mr. Namchai Tanthathoedtham**

- Mr. Somchao Tantredtham
- Mr. Prasit Tanthathoedtham
- Mr. Somnuek Tanthathoedtham
- Mr. Sujin Tanthathoedtham

The issued short-term loans from related companies are promissory notes carried interest rate at 0.50%-2.75% per annum in year 2009 and interest rate of 2.375%-3.50% per annum in year 2008 and will be paid when requested.

Loan from directors incurred mainly intended to utilize for the Company's working capital and loan repaid.

Loan from directors carried interest rates at 5.75% per annum in year 2009 and interest rate at 6.25% per annum in year 2008 and will be paid when requested.

	Pricing basis	Consolidated		The Company Only	
		2009	2008	2009	2008
Transaction during the year					
Sales					
Manager of legacy Mr. Namchai Tanthathoedtham*	Market price	6,199,212.00	-	6,199,212.00	
Mr. Somnuek Tanthathoedtham	Market price	4,617,300.00	-	4,617,300.00	-
Mr. Sujin Tanthathoedtham	Market price	3,762,000.00	-	3,762,000.00	-
Namchai Asset Development Co., Ltd.	Market price	6,498,735.00	-	6,498,735.00	-
Dividends received					
N.C. Property Management Co., Ltd.	In year 2009, Baht 160 per share  In year 2008, Baht 170 per share	-	-	15,999,040.00	16,998,980.00
Other income - office rental					
Quality Living Management Co., Ltd.	Baht 5,000 per month	-	-	60,000.00	60,000.00
N.C. Property Management Co., Ltd.	Baht 2,500 per month	-	-	-	30,000.00
Other income - utility charges					
Quality Living Management Co., Ltd.	Baht 1,401.87 per month	-	-	16,822.44	16,822.44
N.C. Property Management Co., Ltd.	Baht 350.47 per month	-	-	-	4,205.61
Other income - gain from sale of fixed assets					
Sathaporn Wattana Transport Partnership	Agreed price	32,100.00	-	32,100.00	-
Namchai Asset Development Co., Ltd.	Agreed price	560,746.66	-	-	-
Other income - gain from returns of capital from subsidiary					
N.C. Estate Co., Ltd.	Net book value	-	-	3,820,667.77	-
Purchase construction materials					
Sathaporn Wattana Trading Co., Ltd.	Market price	27,350,309.54	27,973,122.56	27,138,703.54	27,960,961.45
S.C. Construction And Decoration Co., Ltd.	Market price	9,549.75	129,583.42	9,549.75	129,583.42
Acquisition of assets					
S.C. Construction And Decoration Co., Ltd.	Market price	-	32,100.00	-	32,100.00

	Pricing basis	Consolidated		The Company Only	
		2009	2008	2009	2008
Management fee					
Quality Living Management Co., Ltd.	Minimum Baht 30,000 per project	-	-	2,172,000.00	1,812,000.00
Utility charges					
N.C. Property Management Co., Ltd.	At cost	-	-	7,360.00	18,798.69
Utility (Servitude)					
N.C. Property Management Co., Ltd.	At cost	-	-	-	233,644.86
Other expense - research expense					
N.C. Property Management Co., Ltd.	At cost	-	-	-	136,841.13
Other expense - rental					
Mrs. Patcharin Tanthathoedtham	Baht 55,000 per month	660,000.00	660,000.00	660,000.00	660,000.00
Interest expenses					
Quality Living Management Co., Ltd.	In year 2009, at the rate of 0.50%-2.75% p.a.  In year 2008, at the rate of 2.375%-3.50% p.a.	-	-	31,838.00	92,852.39
N.C. Property Management Co., Ltd.	In year 2009, at the rate of 0.50%-2.75% p.a.  In year 2008, at the rate of 2.375%-3.50% p.a.	-	-	155,055.82	541,203.77
N.C. Estate Co., Ltd.	In year 2009, at the rate of 0.75%-2.75% p.a.  In year 2008, at the rate of 2.375%-3.50% p.a.	-	-	10,649.81	47,569.95
Manager of legacy Mr. Namchai Tanthathoedtham*	In year 2009, at the rate of 5.75% p.a.  In year 2008, at the rate of 6.25% p.a.	8,922,716.11	8,758,955.49	8,922,716.11	8,758,955.49
Mr. Somchao Tanterdtham	In year 2009, at the rate of 5.75% p.a.  In year 2008, at the rate of 6.25% p.a.	1,487,999.18	1,712,400.66	1,487,999.18	1,712,400.66

## 5. CASH AND CASH EQUIVALENTS

In Baht

	Consolidated		The Company Only	
	2009	2008	2009	2008
Cash in hand	8,496,363.00	238,000.00	8,481,363.00	220,000.00
Cash at bank - current accounts	996,403.92	1,686,850.65	713,696.05	421,423.24
Cash at bank - savings accounts	6,385,863.08	1,869,258.70	4,700,751.26	719,612.28
<b>Total</b>	<b>15,878,630.00</b>	<b>3,794,109.35</b>	<b>13,895,810.31</b>	<b>1,361,035.52</b>

Bank accounts are carried interest at the floating rate which are set by bank.

## 6. TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable consist of the following:

In Baht

	Consolidated		The Company Only	
	2009	2008	2009	2008
<b>Real Estate</b>				
Receivable from installment	1,717,586.00	532,952.00	1,717,586.00	532,952.00
<b>Contractor and project management</b>				
Management receivable	-	6,105,803.49	-	-
<b>Property manager services</b>				
Management receivable	32,100.00	87,205.00	-	-
<b>Total</b>	<b>1,749,686.00</b>	<b>6,725,960.49</b>	<b>1,717,586.00</b>	<b>532,952.00</b>
<b>Less Allowance for doubtful accounts</b>	<b>(532,952.00)</b>	<b>(532,952.00)</b>	<b>(532,952.00)</b>	<b>(532,952.00)</b>
<b>Trade accounts receivable-net</b>	<b>1,216,734.00</b>	<b>6,193,008.49</b>	<b>1,184,634.00</b>	<b>-</b>

The accounts receivable were classified by aging as follows:

In Baht

	Consolidated		The Company Only	
	2009	2008	2009	2008
Over 0 month to 3 months	32,100.00	87,205.00	-	-
Over 3 months to 6 months	63,000.00	-	63,000.00	-
Over 6 months to 12 months	1,121,634.00	165,655.69	1,121,634.00	-
Over 12 months	532,952.00	6,473,099.80	532,952.00	532,952.00
<b>Total</b>	<b>1,749,686.00</b>	<b>6,725,960.49</b>	<b>1,717,586.00</b>	<b>532,952.00</b>

Changes in the allowance for doubtful accounts during the years are as follows:-

In Baht

	Consolidated		The Company Only	
	2009	2008	2009	2008
Beginning balance, year	532,952.00	247,402.00	532,952.00	247,402.00
Increase	-	285,550.00	-	285,550.00
Decrease	-	-	-	-
Ending balance, year	532,952.00	532,952.00	532,952.00	532,952.00

Receivable from installment consists of

		Consolidated		The Company Only	
		2009	2008	2009	2008
Contracted sales value	(In Million Baht)	7,246.04	6,444.69	7,246.04	6,444.69
Installment dues	(In Baht)	6,937,306,832.86	6,105,116,950.39	6,937,306,832.86	6,105,116,950.39
Less collected amount	(In Baht)	(6,935,589,246.86)	(6,104,583,998.39)	(6,935,589,246.86)	(6,104,583,998.39)
Receivable from installment	(In Baht)	1,717,586.00	532,952.00	1,717,586.00	532,952.00

## 7. UNBILLED RECEIVABLE / UNREALIZED INCOME

In Baht

	Consolidated		The Company Only	
	2009	2008	2009	2008
Installment dues	6,937,306,832.86	6,105,116,950.39	6,937,306,832.86	6,105,116,950.39
Less recognized income	(6,921,626,714.86)	(6,099,371,315.58)	(6,921,626,714.86)	(6,099,371,315.58)
	15,680,118.00	5,745,634.81	15,680,118.00	5,745,634.81
<b>The transactions consist of Descriptions as below</b>				
Unbilled receivables	6,827,000.00	20,001,815.49	6,827,000.00	20,001,815.49
Unrealized incomes collected from both the deposit of purchase and sale contract paid under 20% of its contract amount and the excess installment over the project progression.	(22,507,118.00)	(25,747,450.30)	(22,507,118.00)	(25,747,450.30)
	(15,680,118.00)	(5,745,634.81)	(15,680,118.00)	(5,745,634.81)

## 8. INVENTORIES - NET

Inventories - net consist of

In Baht

	Consolidated		The Company Only	
	2009	2008	2009	2008
Houses and condominiums for sales	423,756,501.84	484,000,403.29	423,756,501.84	484,035,450.04
Less allowance for declining value of inventories	-	-	-	-
<b>Inventories - net</b>	<b>423,756,501.84</b>	<b>484,000,403.29</b>	<b>423,756,501.84</b>	<b>484,035,450.04</b>

The Company has commitment under the signed purchase and sale contract as follow:-

	Consolidated			
	2009		2008	
	Unit	In Million Baht	Unit	In Million Baht
House and condominiums for sales	133	423.76	247	484.00
The selling contracted house and condominiums	(28)	(63.07)	(46)	(50.99)
<b>House and condominiums for sale - net</b>	<b>105</b>	<b>360.69</b>	<b>201</b>	<b>433.01</b>

	The Company Only			
	2009		2008	
	Unit	In Million Baht	Unit	In Million Baht
House and condominiums for sales	133	423.76	247	484.04
The selling contracted house and condominiums	(28)	(63.07)	(46)	(50.99)
<b>House and condominiums for sale - net</b>	<b>105</b>	<b>360.69</b>	<b>201</b>	<b>433.05</b>

As at December 31, 2009 and 2008, inventories of the project in the amount of Baht 423.76 million and Baht 484.04 million, respectively, are mortgaged as collateral for long-term loans with three financial institutions in the amount of Baht 2,316.11 million and Baht 2,600.74 million, respectively (see note 17).



## 9. PROPERTY DEVELOPMENT

### 9.1 Actual property development cost consist of :

Consolidated (In Baht)								
As at December 31, 2009								
Project	Land, utilities and interest capitalization	Construction in progress	Sample houses	Sale office buildings	Total	Less transfer to inventory	Less transfer to cost of sale	Property development cost
Baan Pha Piyarom 3	151,468,080.91	237,054,693.06	4,965,489.83	-	393,488,263.80	-	(393,488,263.80)	-
Baan Pha Piyarom 7	215,718,268.33	266,374,721.50	-	-	482,092,989.83	-	(482,092,989.83)	-
Baan Pha Piyarom 8	105,117,829.29	220,495,531.71	-	-	325,613,361.00	-	(325,613,361.00)	-
Baan Pha Piyarom 9	189,283,960.54	165,408,136.57	15,779,965.12	-	370,472,062.23	(63,936,013.91)	(190,384,707.71)	116,151,340.61
Baan Pha Piyarom 10	152,899,049.99	103,661,496.05	-	-	256,560,546.04	(29,966,623.77)	(89,241,944.78)	137,351,977.49
Baan Pha Rangsit Klong 7	47,468,555.68	63,552,062.80	-	-	111,020,618.48	(18,107,611.98)	(59,274,571.31)	33,638,435.19
Baan Pha Green Park Royal Pinklao	162,506,899.29	131,824,880.70	2,217,215.82	-	296,548,995.81	(14,569,437.36)	(281,979,558.45)	-
Baan Pha Green Park Pracha-Utid	400,820,806.96	242,976,056.90	15,315,951.52	-	659,112,815.38	(68,876,690.51)	(363,814,715.63)	226,421,409.24
Baan Pha Green Park Rangsit 2	244,902,605.26	411,348,973.99	5,836,234.74	-	662,087,813.99	(2,923,507.19)	(659,164,306.80)	-
Baan Pha Green Park Phutta-Monthon	214,476,246.44	251,605,468.87	1,638,730.00	-	467,720,445.31	(45,451,574.02)	(358,204,654.87)	64,064,216.42
Baan Pha Green Park Klong 3	261,743,006.89	157,047,273.24	10,599,195.30	-	429,389,475.43	(51,221,294.27)	(218,003,852.52)	160,164,328.64
Baan Narisa	142,879,471.99	141,687,380.93	-	715,955.62	285,282,808.54	(6,636,443.12)	(278,646,365.42)	-
Baan Pha Thanyathani	55,033,996.50	247,111,455.19	-	-	302,145,451.69	(61,310,201.63)	(234,791,848.71)	6,043,401.35
Baan Pha Thanyathani village 2	417,466,342.26	150,149,940.26	29,849,786.42	-	597,466,068.94	(51,363,565.63)	(269,651,245.34)	276,451,257.97
Baan Pha Rim Had Jomtien	158,756,891.45	201,447,770.05	10,288,959.79	-	370,493,621.29	(6,310,906.13)	(360,638,159.27)	3,544,555.89
The Green Park Jomtien by NC GROUP	78,718,062.14	2,763,596.22	-	-	81,481,658.36	-	-	81,481,658.36
Khon Kan Condominium	46,233,102.05	44,576,007.33	-	-	90,809,109.38	(3,082,632.32)	(87,726,477.06)	-
	3,045,493,175.97	3,039,085,445.37	96,491,528.54	715,955.62	6,181,786,105.50	(423,756,501.84)	(4,652,717,022.50)	1,105,312,581.16

Consolidated (In Baht)								
As at December 31, 2008								
Project	Land, utilities and interest capitalization	Construction in progress	Sample houses	Sale office buildings	Total	Less transfer to inventory	Less transfer to cost of sale	Property development cost
Baan Pha Piyaom 3	151,468,080.91	237,054,693.06	4,965,489.83	-	393,488,263.80	(5,051,428.60)	(388,436,835.20)	-
Baan Pha Piyaom 7	218,736,891.62	265,834,784.25	-	-	484,571,675.87	(17,063,054.89)	(467,508,620.98)	-
Baan Pha Piyaom 8	105,805,935.34	220,473,375.67	-	-	326,279,311.01	(1,744,405.50)	(324,534,905.51)	-
Baan Pha Piyaom 9	181,344,014.79	133,130,082.18	15,779,965.12	-	330,254,062.09	(52,391,098.13)	(138,380,979.57)	139,481,984.39
Baan Pha Piyaom 10	118,239,912.80	28,275,143.50	-	-	146,515,056.30	-	(1,359,988.23)	145,155,068.07
Baan Pha Rangsit Klong 7	45,888,197.51	47,992,965.15	-	-	93,881,162.66	(18,049,064.85)	(35,661,525.83)	40,170,571.98
Baan Pha Green Park Royal Pinklao	162,506,899.29	131,620,466.11	2,217,215.82	-	296,344,581.22	(14,365,022.77)	(281,979,558.45)	-
Baan Pha Green Park Pracha-Utid	394,215,510.83	211,196,711.15	15,315,951.52	-	620,728,173.50	(63,404,343.96)	(305,462,652.73)	251,861,176.81
Baan Pha Green Park Rangsit 2	244,902,605.26	411,348,973.99	5,836,234.74	-	662,087,813.99	(2,923,507.19)	(659,164,306.80)	-
Baan Pha Green Park Phutta-Monthon	213,981,548.98	222,132,243.14	1,638,730.00	-	437,752,522.12	(86,501,074.70)	(283,067,647.63)	68,183,799.79
Baan Pha Green Park Klong 3	257,073,574.53	134,727,427.43	10,599,195.30	-	402,400,197.26	(34,735,615.65)	(179,328,207.74)	188,336,373.87
Baan Narisa	142,879,471.99	141,266,515.51	-	715,955.62	284,861,943.12	(6,627,943.12)	(277,539,585.51)	694,414.49
Baan Pha Thanyathani	44,561,996.50	235,457,198.55	-	-	280,019,195.05	(50,399,089.15)	(206,540,146.82)	23,079,959.08
Baan Pha Thanyathani village 2	405,899,122.18	100,331,502.31	29,849,786.42	-	536,080,410.91	(79,241,660.21)	(141,857,086.49)	314,981,664.21
Baan Pha Rim Had Jomtien	158,731,911.45	201,004,495.50	10,288,959.79	-	370,025,366.74	(5,867,102.49)	(360,613,708.36)	3,544,555.89
Khon Kan Condominium	46,233,102.05	42,196,587.33	-	-	88,429,689.38	(45,635,992.08)	(42,793,697.30)	-
	2,892,468,776.03	2,764,043,164.83	96,491,528.54	715,955.62	5,753,719,425.02	(484,000,403.29)	(4,094,229,453.15)	1,175,489,568.58

The Company Only (In Baht)								
As at December 31, 2009								
Project	Land, utilities and interest capitalization	Construction in progress	Sample houses	Sale office buildings	Total	Less transfer to inventory	Less transfer to cost of sale	Property development cost
Baan Pha Piyaom 3	151,468,080.91	237,054,693.06	4,965,489.83	-	393,488,263.80	-	(393,488,263.80)	-
Baan Pha Piyaom 7	215,718,268.33	266,374,721.50	-	-	482,092,989.83	-	(482,092,989.83)	-
Baan Pha Piyaom 8	105,117,829.29	220,495,531.71	-	-	325,613,361.00	-	(325,613,361.00)	-
Baan Pha Piyaom 9	189,283,960.54	165,408,136.57	15,779,965.12	-	370,472,062.23	(63,936,013.91)	(190,384,707.71)	116,151,340.61
Baan Pha Piyaom 10	152,899,049.99	103,661,496.05	-	-	256,560,546.04	(29,966,623.77)	(89,241,944.78)	137,351,977.49
Baan Pha Rangsit Klong 7	47,468,555.68	63,552,062.80	-	-	111,020,618.48	(18,107,611.98)	(59,274,571.31)	33,638,435.19
Baan Pha Green Park Royal Pinklao	162,506,899.29	131,824,880.70	2,217,215.82	-	296,548,995.81	(14,569,437.36)	(281,979,558.45)	-
Baan Pha Green Park Pracha-Utid	400,820,806.96	242,976,056.90	15,315,951.52	-	659,112,815.38	(68,876,690.51)	(363,814,715.63)	226,421,409.24
Baan Pha Green Park Rangsit 2	244,902,605.26	411,348,973.99	5,836,234.74	-	662,087,813.99	(2,923,507.19)	(659,164,306.80)	-
Baan Pha Green Park Phutta-Monthon	214,476,246.44	251,707,824.58	1,638,730.00	-	467,822,801.02	(45,451,574.02)	(358,204,654.87)	64,166,572.13
Baan Pha Green Park Klong 3	261,743,006.89	157,047,273.24	10,599,195.30	-	429,389,475.43	(51,221,294.27)	(218,003,852.52)	160,164,328.64
Baan Narisa	142,879,471.99	141,687,380.93	-	715,955.62	285,282,808.54	(6,636,443.12)	(278,646,365.42)	-
Baan Pha Thanyathani	55,033,996.50	247,111,455.19	-	-	302,145,451.69	(61,310,201.63)	(234,791,848.71)	6,043,401.35
Baan Pha Thanyathani village 2	417,109,731.26	149,953,969.27	29,849,786.42	-	596,913,486.95	(51,363,565.63)	(269,651,245.34)	275,898,675.98
Baan Pha Rim Had Jomtien	155,204,629.32	201,455,476.29	10,288,959.79	-	366,949,065.40	(6,310,906.13)	(360,638,159.27)	-
The Green Park Jomtien by NC GROUP	78,718,062.14	2,763,596.22	-	-	81,481,658.36	-	-	81,481,658.36
Khon Kan Condominium	46,233,102.05	44,576,007.33	-	-	90,809,109.38	(3,082,632.32)	(87,726,477.06)	-
	3,041,584,302.84	3,038,999,536.33	96,491,528.54	715,955.62	6,177,791,323.33	(423,756,501.84)	(4,652,717,022.50)	1,101,317,798.99

The Company Only (In Baht)								
As at December 31, 2008								
Project	Land, utilities and interest capitalization	Construction in progress	Sample houses	Sale office buildings	Total	Less transfer to inventory	Less transfer to cost of sale	Property development cost
Baan Pha Piyaom 3	151,468,080.91	237,054,693.06	4,965,489.83	-	393,488,263.80	(5,051,428.60)	(388,436,835.20)	-
Baan Pha Piyaom 7	218,736,891.62	265,834,784.25	-	-	484,571,675.87	(17,063,054.89)	(467,508,620.98)	-
Baan Pha Piyaom 8	105,805,935.34	220,473,375.67	-	-	326,279,311.01	(1,744,405.50)	(324,534,905.51)	-
Baan Pha Piyaom 9	181,344,014.79	133,130,082.18	15,779,965.12	-	330,254,062.09	(52,391,098.13)	(138,380,979.57)	139,481,984.39
Baan Pha Piyaom 10	118,239,912.80	28,275,143.50	-	-	146,515,056.30	-	(1,359,988.23)	145,155,068.07
Baan Pha Rangsit Klong 7	45,888,197.51	47,992,965.15	-	-	93,881,162.66	(18,049,064.85)	(35,661,525.83)	40,170,571.98
Baan Pha Green Park Royal Pinklao	162,506,899.29	131,620,466.11	2,217,215.82	-	296,344,581.22	(14,365,022.77)	(281,979,558.45)	-
Baan Pha Green Park Pracha-Utid	394,215,510.83	211,196,711.15	15,315,951.52	-	620,728,173.50	(63,404,343.96)	(305,462,652.73)	251,861,176.81
Baan Pha Green Park Rangsit 2	244,902,605.26	411,348,973.99	5,836,234.74	-	662,087,813.99	(2,923,507.19)	(659,164,306.80)	-
Baan Pha Green Park Phutta-Monthon	213,981,548.98	222,285,759.44	1,638,730.00	-	437,906,038.42	(86,536,121.45)	(283,032,600.88)	68,337,316.09
Baan Pha Green Park Klong 3	257,073,574.53	134,727,427.43	10,599,195.30	-	402,400,197.26	(34,735,615.65)	(179,328,207.74)	188,336,373.87
Baan Narisa	142,879,471.99	141,266,515.51	-	715,955.62	284,861,943.12	(6,627,943.12)	(277,539,585.51)	694,414.49
Baan Pha Thanyathani	44,561,996.50	235,457,198.55	-	-	280,019,195.05	(50,399,089.15)	(206,540,146.82)	23,079,959.08
Baan Pha Thanyathani village 2	405,542,511.18	100,349,667.13	29,849,786.42	-	535,741,964.73	(79,241,660.21)	(141,857,086.49)	314,643,218.03
Baan Pha Rim Had Jomtien	155,179,649.32	201,012,201.74	10,288,959.79	-	366,480,810.85	(5,867,102.49)	(360,613,708.36)	-
Khon Kan Condominium	46,233,102.05	42,196,587.33	-	-	88,429,689.38	(45,635,992.08)	(42,793,697.30)	-
	2,888,559,902.90	2,764,222,552.19	96,491,528.54	715,955.62	5,749,989,939.25	(484,035,450.04)	(4,094,194,406.40)	1,171,760,082.81

As at December 31, 2009 and 2008, land and construction of almost projects in including land held for development totalling of Baht 2,339.09 million and Baht 2,410.04 million, respectively, are mortgaged as collateral against credit facilities for long-term loans with three financial institutions in the amount of Baht 2,316.11 million and Baht 2,600.74 million, respectively (see note 17).

Portions of the interest expense incurred for the years ended December 31, 2009 and 2008, amounting to approximately Baht 24.97 million and Baht 27.96 million, respectively, were capitalized as part of property development cost for the year. The capitalization rate for calculate interest is 6.90% and 7.38%, respectively.

## 9.2 OBLIGATION AND COMMITMENT UNDER REAL ESTATE PROJECTS

	Consolidated		The Company Only	
	2009	2008	2009	2008
Number of projects on hand, beginning of period	19	19	19	19
Number of closing projects	3	-	3	-
Number of newly open projects	1	-	1	-
Number of projects on hand, ending of period	17	19	17	19
Contracted sales value (In million Baht)	7,246.04	6,444.69	7,246.04	6,444.69
As percentage of total current projects value	65.15	57.70	65.15	57.70

As at December 31, 2009 and 2008 the Company has obligation and commitment to complete the public utility development project in the amount of Baht 155.26 million and Baht 207.64 million, respectively. Addition, fund for maintenance to public utilities in total amount of Baht 21.64 million and Baht 20.79 million, respectively, shall be conveyed to a colony's juristic person since the date of transferring of possession of project.

## 10. OTHER CURRENT ASSETS

Other current assets consist of the following :

In Baht

	Consolidated		The Company Only	
	2009	2008	2009	2008
Prepaid expense	1,613,021.64	2,590,269.72	1,552,929.72	2,567,551.68
Receivables - the Revenue Department	2,406,937.05	815,939.24	2,406,937.05	815,765.31
Advance expense	2,327,578.30	4,180,431.56	-	-
Account receivable from lawsuit (see note 26.6a)	180,000.00	690,000.00	180,000.00	690,000.00
Other current assets	1,170,448.78	1,375,219.81	1,159,705.35	1,367,814.53
<b>Total</b>	<b>7,697,985.77</b>	<b>9,651,860.33</b>	<b>5,299,572.12</b>	<b>5,441,131.52</b>
<u>Less</u> Allowance for doubtful accounts	(316,578.00)	(826,578.00)	(316,578.00)	(826,578.00)
<b>Net</b>	<b>7,381,407.77</b>	<b>8,825,282.33</b>	<b>4,982,994.12</b>	<b>4,614,553.52</b>

Changes in the allowance for doubtful accounts during the years are as follows:-

In Baht

	Consolidated		The Company Only	
	2009	2008	2009	2008
Beginning balance	826,578.00	560,000.00	826,578.00	560,000.00
Increase	-	266,578.00	-	266,578.00
Decrease	(510,000.00)	-	(510,000.00)	-
Ending balance	316,578.00	826,578.00	316,578.00	826,578.00

During the year 2009, allowance for doubtful accounts decrease amount of Baht 0.51 million, the Company reversed account receivable from lawsuit because of having termination of the case already. In addition, the Company does not have to compensate any liability obligated.

## 11. DEPOSIT PLEDGED AS COLLATERAL

As at December 31, 2009 and 2008, the Company had fixed deposit amounting to Baht 969,725.74 and Baht 946,805.97, respectively. They are pledged as collateral for customer's loan and gasoline.

As at December 31, 2009 and 2008, the subsidiaries had fixed deposit amounting to Baht 212,957.02 and current investment-savings accounts amounting to Baht 7,016,399.66, respectively. They are pledged as collateral for bank over drafts limit and bank guarantee from bank (see note 15).

Bank deposits are carried interest at the floating rate of the bank.

## 12. INVESTMENT IN SUBSIDIARIES - AT COST METHOD

	The Company Only									
	Type of business	Relationship	Paid - up share capital (In Baht)	Percentage of holding (%)	Cost Method (In Baht)		Equity Method (In Baht)		Dividend* (In Baht)	
					2009	2008	2009	2008	2009	2008
Subsidiaries :-										
N.C. Property Management Co., Ltd.	Contractor and Project management	Co - Shareholding/ Directing	10,000,000.00	100	11,864,497.94	11,864,497.94	22,189,235.42	37,577,001.86	15,999,040.00*	16,998,980.00
N.C. Estate Co., Ltd.	Real Estate (liquidated)	Co - Shareholding/ Directing	2,000,000.00	100	-	80,476.24	-	4,001,971.84	-	-
Quality Living Management Co., Ltd.	Property manager service	Co - Shareholding/ Directing	1,000,000.00	100	0.01	0.01	3,430,275.32	3,490,417.49	-	-
					11,864,497.95	11,944,974.19	25,619,510.74	45,069,391.19	15,999,040.00	16,998,980.00
<u>Less</u> Allowance for declining value of investment					-	-				
Investment in subsidiaries- net					11,864,497.95	11,944,974.19				

The Company has recognized the equity gain (loss) in subsidiaries based on the audited financial statements.

At the extraordinary shareholders' meeting of a subsidiary, N.C. Estate Co., Ltd. No.1/2009, held on March 24, 2009, the subsidiary's shareholder approved to cease operation on March 26, 2009, the such subsidiary had been stoped activities since 2005 until the present.

The subsidiary had already registered with the Department of Business Development, Ministry of Commerce on March 26, 2009. These financial statements have been prepared on the liquidation basis of accounting with the value of assets shown at the net realizable values and liabilities shown at the settlement amounts. On July 16, 2009, the subsidiary has returned the share capital to shareholders in the amount of Baht 3.90 million.

\*See more details of dividend receipt in Note 20.



### 13. PROPERTY, PLANT AND EQUIPMENT - NET

Property, plant and equipment - net consist of

	Consolidated (In Baht)			
	Balance as at December 31, 2008	Additions	Deduction	Balance as at December 31, 2009
<b>At cost</b>				
Land - office	1,947,858.35	-	-	1,947,858.35
- clubhouse	82,259,898.06	-	-	82,259,898.06
Building - office	11,236,190.47	-	-	11,236,190.47
- clubhouse	124,163,638.02	-	-	124,163,638.02
Sample house and sale office building	43,540,703.04	9,048.60	(26,129.40)	43,523,622.24
Building improvement	6,289,238.59	-	-	6,289,238.59
Machinery and equipment	2,625,904.34	138,403.95	(844,790.57)	1,919,517.72
Office equipment	22,745,559.59	644,527.75	(1,872,479.77)	21,517,607.57
Furniture and fixtures	10,568,708.82	658,586.00	-	11,227,294.82
Vehicles	20,757,489.82	601,509.00	(3,650,950.00)	17,708,048.82
Vehicle - under financial agreement	899,000.00	2,508,000.00	-	3,407,000.00
<b>Total</b>	<b>327,034,189.10</b>	<b>4,560,075.30</b>	<b>(6,394,349.74)</b>	<b>325,199,914.66</b>
<b>Less Accumulated depreciation</b>				
Building - office	(7,350,221.26)	(561,809.53)	-	(7,912,030.79)
- clubhouse	(38,848,301.15)	(6,191,379.35)	-	(45,039,680.50)
Sample house and sale office building	(36,744,213.56)	(3,042,376.62)	1,317.21	(39,785,272.97)
Building improvement	(2,331,568.00)	(314,546.93)	-	(2,646,114.93)
Machinery and equipment	(2,304,023.60)	(197,130.94)	842,027.86	(1,659,126.68)
Office equipment	(17,809,259.97)	(1,984,672.99)	1,867,565.10	(17,926,367.86)
Furniture and fixtures	(8,496,360.05)	(1,247,725.24)	-	(9,744,085.29)
Vehicles	(20,118,372.60)	(867,255.35)	3,650,947.00	(17,334,680.95)
Vehicle - under financial agreement	(8,374.25)	(240,516.37)	-	(248,890.62)
<b>Total</b>	<b>(134,010,694.44)</b>	<b>(14,647,413.32)</b>	<b>6,361,857.17</b>	<b>(142,296,250.59)</b>
<b>Property, plant and equipment - net</b>	<b>193,023,494.66</b>			<b>182,903,664.07</b>

	The Company Only (In Baht)			
	Balance as at December 31, 2008	Additions	Deduction	Balance as at December 31, 2009
<b>At cost</b>				
Land - office	1,947,858.35	-	-	1,947,858.35
- clubhouse	82,259,898.06	-	-	82,259,898.06
Building - office	11,236,190.47	-	-	11,236,190.47
- clubhouse	124,163,638.02	-	-	124,163,638.02
Sample house and sale office building	43,540,703.04	9,048.60	(26,129.40)	43,523,622.24
Building improvement	6,289,238.59	-	-	6,289,238.59
Machinery and equipment	1,928,842.49	138,403.95	(834,951.69)	1,232,294.75
Office equipment	20,888,479.66	631,847.75	(1,872,479.77)	19,647,847.64
Furniture and fixtures	10,418,208.82	658,586.00	-	11,076,794.82
Vehicles	16,148,190.90	601,509.00	(250,950.00)	16,498,749.90
Vehicle - under financial agreement	899,000.00	2,508,000.00	-	3,407,000.00
<b>Total</b>	<b>319,720,248.40</b>	<b>4,547,395.30</b>	<b>(2,984,510.86)</b>	<b>321,283,132.84</b>
<b>Less Accumulated depreciation</b>				
Building - office	(7,350,221.26)	(561,809.53)	-	(7,912,030.79)
- clubhouse	(38,848,301.15)	(6,191,379.35)	-	(45,039,680.50)
Sample house and sale office building	(36,744,213.56)	(3,042,376.62)	1,317.21	(39,785,272.97)
Building improvement	(2,331,568.00)	(314,546.93)	-	(2,646,114.93)
Machinery and equipment	(1,655,950.34)	(148,951.88)	832,190.98	(972,711.24)
Office equipment	(16,179,737.13)	(1,862,588.55)	1,867,565.10	(16,174,760.58)
Furniture and fixtures	(8,343,165.47)	(1,246,591.28)	-	(9,589,756.75)
Vehicles	(15,517,946.69)	(864,382.25)	250,948.00	(16,131,380.94)
Vehicle - under financial agreement	(8,374.25)	(240,516.37)	-	(248,890.62)
<b>Total</b>	<b>(126,979,477.85)</b>	<b>(14,473,142.76)</b>	<b>2,952,021.29</b>	<b>(138,500,599.32)</b>
<b>Property, plant and equipment - net</b>	<b>192,740,770.55</b>			<b>182,782,533.52</b>

Land, building and sale office's building including land and clubhouse's building in the total amount of Baht 111.39 million (net book value amount of Baht 80.64 million) are mortgaged as collateral against the loans and overdrafts from two commercial banks in the total amount of Baht 30 million (see note 15).

The fixed assets had been fully depreciated but still in use, as follows:

In Baht

Transaction	Consolidated		The Company Only	
	2009	2008	2009	2008
Building – clubhouse (tennis court)	2,858,014.06	321,220.00	2,858,014.06	321,220.00
Sample house and sale office building	37,751,180.35	22,082,028.35	37,751,180.35	22,082,028.35
Machinery and equipment	1,174,913.63	426,019.66	553,080.25	275,902.20
Office equipment	14,843,626.66	6,278,274.57	13,590,560.22	5,501,756.19
Furniture and fixtures	7,804,767.08	242,556.05	7,654,267.08	118,956.05
Vehicles	15,517,633.80	18,852,791.30	14,314,721.80	14,265,379.30
<b>Total</b>	<b>79,950,135.58</b>	<b>48,202,889.93</b>	<b>76,721,823.76</b>	<b>42,565,242.09</b>

#### 14. INTANGIBLE ASSETS - NET

In Baht

	Consolidated/The Company Only			
	Balance as at December 31, 2008	Additions	Deduction	Balance as at December 31, 2009
<u>At cost</u>				
Computer software	-	3,500,000.00	-	3,500,000.00
Work in progress - system development	3,200,000.00	-	(3,200,000.00)	-
<b>Total</b>	<b>3,200,000.00</b>	<b>3,500,000.00</b>	<b>(3,200,000.00)</b>	<b>3,500,000.00</b>
<u>Less</u> Accumulated amortization	-	(324,684.93)	-	(324,684.93)
<b>Intangible assets - net</b>	<b>3,200,000.00</b>			<b>3,175,315.07</b>

Intangible assets is a real estate management system development for the digitalization between construction site and head office to create quality management and delivery of digitized file from the site to the Company's FTP site.

## 15. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

This account consist of :-

In Baht

	Consolidated		The Company Only	
	2009	2008	2009	2008
Bank overdrafts from financial institutions	11,242,774.49	38,986,557.36	11,242,774.49	34,312,900.33
Short-term loans	57,000,000.00	97,000,000.00	57,000,000.00	97,000,000.00
<b>Total</b>	<b>68,242,774.49</b>	<b>135,986,557.36</b>	<b>68,242,774.49</b>	<b>131,312,900.33</b>

	Credit line (Million Baht)		Rate	Due Date	Guarantee
	2009	2008			
Bank Overdraft					
The parent company					
- Siam Commercial Bank	20	20	MOR per annum	At called	- By the mortgage of the Company's land and construction on there. - By some director
- CIMB Thai (Formerly Bankthai)	10	10	MOR per annum	At called	- By the mortgage of the Company's land and construction on there.
	30	30			
The subsidiary	-	5	At the rate of Fixed deposit rate plus 2.00%	At called	- By the subsidiary's savings account
Total Credit line	30	35			
Short-term loans					
The parent company					
- Bank of Ayudhya	35	35	MLR less 0.25% per annum	January 27, 2010	- By the mortgage of the director's land and construction on there.
- CIMB Thai (Formerly Bankthai)					
The first loan	22	50	On promissory note rate	91 - 94 days since the loan date	- In year 2009, by the mortgage of the director's negotiable certificate of deposit. - In year 2008, by the director's fixed deposits
The second loan	-	12	On promissory note rate	-	- By the director's fixed deposit.
	57	97			
Total Credit line	87	132			

Under the terms of the agreements, the Company shall strictly comply with the conditions of agreements.

In addition, the Company has to comply with the terms and conditions as specified in the loan agreement, such as (1) not to sell, dispose, transfer, give rent, pledge, or mortgage the Company's loan collaterals, (2) not to commit any obligation that would result in letting other persons have control or rights in the Company's assets, (3) not to engage into any liability or obligation over Baht 10 million per time except approved by the bank, (4) to maintain a proper financial ratio, (5) to require approval from the bank prior to dividend distribution, (6) not to decrease registered capital and to grant beneficiary of the asset protection insurance to the lender, etc.

## 16. LIABILITIES UNDER FINANCIAL LEASE AGREEMENT

Liabilities under financial lease agreements consisted of :

	Consolidated / The Company Only (In Baht)					
	As at December 31, 2009			As at December 31, 2008		
	Principal	Deferred interest	Payment	Principal	Deferred interest	Payment
Current portion due within one year	833,892.00	85,272.00	919,164.00	208,491.00	37,929.00	246,420.00
Current portion due after one year not over three years	1,313,016.77	49,321.23	1,362,338.00	460,509.00	32,331.00	492,840.00
<b>Total</b>	<b>2,146,908.77</b>	<b>134,593.23</b>	<b>2,281,502.00</b>	<b>669,000.00</b>	<b>70,260.00</b>	<b>739,260.00</b>

As at December 31, 2009 and 2008 the Company has hire-purchase agreement comprised of 3 agreements and 1 agreement, respectively, from the local leasing company to purchase vehicle in the amount of Baht 2,757,492 and Baht 739,260 (Included VAT) respectively, with a term of payment in 36 months, and repaid in monthly of Baht 20,535-35,192 (Included VAT).

Under the term of lease agreement referred to above, the Company shall have to comply with certain conditions and restrictions as specified in the lease agreement.

Liabilities under financial lease agreement is guaranteed by its director Company.

Liabilities under financial lease agreement for the portion due within one year are presented under "current liabilities" in the balance sheet.

## 17. LONG-TERM LOANS

This account consist of

In Baht

	Consolidated		The Company Only	
	2009	2008	2009	2008
<b>Loans from local banks</b>				
The first credit line	190,262,364.06	208,547,787.47	190,262,364.06	208,547,787.47
The second credit line	246,400,248.00	356,806,363.00	246,400,248.00	356,806,363.00
The third credit line	21,287,173.66	39,000,000.00	21,287,173.66	39,000,000.00
The fourth credit line (New, 2009)	23,351,677.90	-	23,351,677.90	-
Total	481,301,463.62	604,354,150.47	481,301,463.62	604,354,150.47
Less Current portion due within one year	(23,351,677.90)	( - )	23,351,677.90	( - )
<b>Long-term loans - net</b>	<b>457,949,785.72</b>	<b>604,354,150.47</b>	<b>457,949,785.72</b>	<b>604,354,150.47</b>

	Credit line (Million Baht)		Rate	Guarantee
	2009	2008		
<b>Long-term loans</b>				
<u>First loan</u> - Siam Commercial Bank	1,460.11	1,784.74	MLR, MLR less 0.50-1.00% per annum	- By the mortgage of the project's land and construction on there.
<u>Second loan</u> - CIMB Thai (Formerly Bankthai)	777.00	777.00	MLR plus 0.50% per annum	- By the mortgage of the project's land and construction on there.
<u>Third loan</u> - Siam City Bank	39.00	39.00	MLR plus 0.25% per annum	- By the mortgage of the project's land and construction on there.
<u>Fourth loan</u> - CTMB Thai (Formerly Bankthai)	40.00	-	MLR plus 0.50% per annum	- By the mortgage of the shareholder's relative land and construction in the future
	<b>2,316.11</b>	<b>2,600.74</b>		

### The first credit line

The Company has to repay the loan when received payment from its customers which normally based on the dates of transferring a real estate title deed to the customers. The loan have to be fully settled within specify periods. However, the Company did not forecast the portion of the long-term loans, which is expected to be repaid within the next one year for presenting under the current liabilities in the balance sheet. Loan as per said was guaranteed by the Company's land and construction of project. (see note 8 and 9)

In addition, the Company has to comply with the terms and conditions as specified in the loan agreement, such as (1) not to sell, dispose, transfer, give rent, pledge, or mortgage the Company's loan collaterals, (2) not to commit any obligation that would result in letting other persons have control or rights in the Company's assets, (3) not to engage into any liability or obligation over Baht 10 million per time except approved by the bank, (4) to maintain a proper financial ratio, (5) to require approval from the bank prior to dividend distribution, (6) not to decrease registered capital and to grant beneficiary of the asset protection insurance to the lender, etc.

### The second credit line

The Company had to repay the full loan amount within three years from the date of the land mortgage (on December 29, 2004). On January 4, 2008, the Company submitted a request for repayment extension of the loan to December 29, 2010. However, the Company did not estimate the current portion of long-term loans due within one year for this loan amount to be classified under current liabilities in the balance sheet (see note 8 and 9).

In addition, the Company has to comply with the terms and conditions as specified in the loan agreement, such as sending progress report on sales, transfers and construction to the lender each month and managing the Company to increase housing sales by at least 50 units per year (starting from year 2008).

### Dealing of contract

For the year 2008, the Company has housing sale in project of 32 units which is under the condition of loan agreement as above. So, the management has negotiated with bank for relief the sale condition, which the Company has to sale in project of 50 units in 2008, and bank agree with the issue but the Company has to repay principal from Baht 10,725 per Sq. wah to Baht 14,000 Sq. wah due to the revised credit line notice dated on January 26, 2009.

### The third credit line

The Company has to repay the loan when received payment from its customers which normally based on the date of transferring a real estate title deed to the customers. The loan have to be fully settled within two years from the date of the loan agreement (on September 4, 2008). However, the Company did not estimate the current portion of long-term loans due within one year for this loan amount to be classified under current liabilities in the balance sheet (see note 8 and 9).

In addition, the Company has to comply with the terms and conditions as specified in the loan agreement, such as to hire an independent appraiser, approve by the bank, appraisal the land mortgage and to grant beneficiary of the asset protection insurance to the lender, etc.

### The fourth credit line, new/2009

The Company has to repay the loan when received payment from its customers which normally based on the dates of transferring a real estate title deed to the customers. The loan have to be full settled within December 29, 2010.

In addition, the Company has to comply with the terms and conditions as specified in the loan agreement, such as:

The Company has to minimum repay the principle not less than amount Baht 8,000,000 per quarter due to the revised credit line notice dated on the fourth quarter 2009, as shown under "Current portion of long-term loans from financial institutions" in the current liabilities.

The Company did not to sell, transfer, give borrow, give rent or dispose of the Company or asset or fixed asset in usually case in the Company.



## 18. FINANCIAL INSTRUMENTS

### a. Accounting Policies

Details of significant accounting policies are disclosed in Note 3.15.

### b. Financial Risk Management

The Company and subsidiaries manage their financial risk exposure on financial assets and financial liabilities in normal business by its internal management and control system and the Company and subsidiaries do not hold or issue any derivative instruments. The significant financial assets and financial liabilities of the Company and its subsidiary comprise cash and cash equivalents, bank overdrafts and short-term loans from financial institutions, trade account receivable and payable including cheque, unbilled receivable, accrued income, loans, accrued expenses and retentions.

### c. Interest Rate Risk

The Company and its subsidiary expose significant interest rate risks which arise from deposit at financial institutions, current investment in fixed deposit at bank, bank overdrafts and short-term loans from financial institutions, long-term loans from financial institutions, loan from director and short-term loan from related company. Interest rate risk arises from the potential for a change in interest rate to have an adverse effect on the Company and the subsidiary in the current reporting period and in future years.

### d. Fair Value

The fair value of significant financial assets and financial liabilities does not differ from their carrying value except for the fair value of long-term investments and long-term debts which cannot be properly calculated, accordingly, no disclosure is made.

## 19. LEGAL RESERVE

Under the provision of the Public Limited Companies Act B.E.2535, the Company is required to appropriate at least 5% of its annual net income after deduction of the deficit brought forward (if any) as reserve fund until the reserve reaches 10% of the authorized share capital. The reserve is not available for dividend distribution.

The subsidiary had appropriated its legal reserve as reserve fund until the reserve reaches 10% of the authorized share capital.

In year 2009, the Company had appropriated its legal reserve at the amount of Baht 3.79 million.

## 20. DIVIDEND

At the extraordinary shareholders' meeting of a subsidiary No. 1/2009 held on March 24, 2009, the subsidiary's shareholders approved a dividend payment for the operating period of 2004 to all shareholders at Baht 160 per share amounting to Baht 16 million. The subsidiary paid the dividend on March 25, 2009.

At the Board of Directors Meeting of a subsidiary No.1/2008 held on August 20, 2008, the board of directors passed the resolution to propose to the shareholders a dividend payment for the operating period of 2003 - 2004 to all shareholders at Baht 170 per share amounting to Baht 17 million. The subsidiary paid the dividend on September 4, 2008.

## 21. EARNINGS PER SHARE

Basic earning per share is calculated by dividing the net income for the year by the weighted average number of ordinary shares held by outside parties in issued and paid-up during the year.

		Consolidated		The Company Only	
		2009	2008	2009	2008
Net income for the year	(Baht)	56,089,179.77	(45,799,461.28)	75,402,472.04	(26,136,385.27)
Weighted average number of ordinary shares	(Shares)	1,185,985,052	1,185,985,052	1,185,985,052	1,185,985,052
Basic earning per share	(Baht per share)	0.05	(0.04)	0.06	(0.02)

## 22. PROVIDENT FUND

The Company established a contributory registered provident fund covering all permanent employees in accordance with the provident Fund Act B.E.2530.

Under the provident fund plan, employees' and Company's contributions are equivalent to certain percentages of employees' basic salaries. The employees are entitled to the Company's contributions in accordance with the rules and regulations of the fund and on the length of service with the Company. The Company appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Provident Fund Act B.E. 2530.

The Company and subsidiaries's contribution for the years ended December 31, 2009 and 2008 amounted to Baht 2,193,931.34 and Baht 2,084,976.81, respectively.

The Company's contributions for the years ended December 31, 2009 and 2008 amounted to Baht 2,097,597.64 and Baht 1,943,722.38, respectively.

## 23. MANAGEMENT BENEFIT EXPENSES

Management benefit expenses represents the benefits paid to the Company's management such as salaries and related benefit including the benefit paid by other means. The Company's management is the persons who are defined under the Securities and Exchange Act. The management is comprised managing director, deputy managing directors and senior managers.

## 24. CORPORATE INCOME TAX AND ITS CALCULATION

The Company computed corporate income tax based on the revenue and expense recognition principle in accordance with the Revenue Code and Instruction of the Revenue Department No. Por 61/2539 regarding the calculation of net profit and net income for real estate business, which differs from the accounting principles selected to apply in certain cases, such as recognition of revenue and cost of sales, capturing of interest expense and depreciation of assets under utilities system development for common facilities, etc.

Since the year 2007, the Company computed corporate income tax, for projects launched in or after 2007, based on

the principle of revenue and expense recognition in accordance with the Revenue Code and Instruction of the Revenue Department No. Tor.Por. 155/2549 regarding the calculation of revenue and expense of a company or partnership based on the accrual basis, in which revenues are recognized under the percentage of completion method, which is the same basis as the accounting principle as follows ;

Accounting Policy	Revenue Department Principle	Accounting Principle
Revenue from sales and cost of sales	Projects launched before 2007 - Recognizing revenue based on the installment due  Projects launched after 2007 - Recognizing revenue based on percentage of completion method	Recognizing revenue based on percentage of completion method
Interest expenses	Capturing interest to cost of project until the project completing for sale only	Capturing interest to cost of project based on each unit of construction (house) until completing of such unit or ceases to capture interest when finishing of building of each unit (house)
Depreciation - property development system of the project	To be depreciated as period cost, based on straight line, 5 years	Recognizing based on percentage of completion method

	The Company Only (In Baht)	
	2009	2008
Net profit (loss) before per book	88,073,924.47	(25,543,209.58)
Difference in income and expenses between A/C and tax		
<u>Add</u> Cost of sale not recognized as expenses by tax (depreciation of property development)	2,499,928.36	50,045,550.97
Add back expenses	2,364,129.44	5,118,135.54
Revenue base on tax	-	2,097,063.26
<u>Less</u> Undue installment	20,731,122.49	(2,652,674.00)
Expenses - tax deductible re : Por. 61/2539	(387,623.36)	(1,475,168.50)
Interest expenses recognized as expenses re : Por. 61/2539	(14,827,817.27)	(8,218,014.95)
Incomes - tax deductible	(16,356,530.63)	(16,998,980.00)
Deficit brought forward, not more than 5 years	(31,411,323.77)	-
Net profit before income tax per tax	50,685,809.73	2,372,702.74
<u>Less</u> Corporate income tax 25%	(12,671,452.43)	(593,175.69)
Net profit (loss) after income tax per tax	38,014,357.30	1,779,527.05

## 24. BUSINESS SEGMENT INFORMATION

Business segment information of the Company and its subsidiaries is presented as follows:-

	For the year ended December 31, 2009 (In Baht)							
	Real Estate	Contractor	Project management	Property manager services	Total	Elimination		Consolidated
						DR.	CR.	
Revenues								
Sales	822,265,398.28	-	-	-	822,265,398.28	-	-	822,265,398.28
Service income	-	-	-	5,338,532.72	5,338,532.72	(2,172,000.00)	-	3,166,532.72
Dividends income	15,999,040.00	-	-	-	15,999,040.00	(15,999,040.00)	-	-
Other income	42,374,358.63	1,340,886.73	-	67,411.59	43,782,656.95	(4,102,393.84)	-	39,680,263.11
Total revenues	880,638,796.91	1,340,886.73	-	5,405,944.31	887,385,627.95			865,112,194.11
Expenses								
Cost of sales	558,522,616.23	-	-	-	558,522,616.23	-	(88,737.15)	558,433,879.08
Cost of service	-	-	-	2,884,671.03	2,884,671.03	-	-	2,884,671.03
Selling expenses	83,511,534.04	-	-	-	83,511,534.04	-	-	83,511,534.04
Administrative expenses	94,550,374.40	464,553.61	-	2,541,622.79	97,556,550.80	-	(2,256,182.44)	95,300,368.36
Management benefit expenses	26,221,968.21	-	-	126,000.00	26,347,968.21	-	-	26,347,968.21
Total expenses	762,806,492.88	464,553.61	-	5,552,293.82	768,823,340.31			766,478,420.72
Income (loss) before finance cost and income tax	117,832,304.03	876,333.12	-	(146,349.51)	118,562,287.64			98,633,773.39
Finance cost	29,805,675.45	-	-	-	29,805,675.45	-	(197,543.63)	29,608,131.82
Income (loss) before income tax	88,026,628.58	876,333.12	-	(146,349.51)	88,756,612.19			69,025,641.57
Income tax	12,671,452.43	265,009.37	-	-	12,936,461.80	-	-	12,936,461.80
Net income (loss)	75,355,176.15	611,323.75	-	(146,349.51)	75,820,150.39			56,089,179.77
As at December 31, 2009								
Property, Plant and equipment - net	182,782,533.52	7,869.88	-	113,260.67	182,903,664.07			182,903,664.07

	For the year ended December 31, 2008 (In Baht)							
	Real Estate	Contractor	Project management	Property manager services	Total	Elimination		Consolidated
						DR.	CR.	
Revenues								
Sales	767,503,000.85	-	-	-	767,503,000.85	-	-	767,503,000.85
Service income	-	-	-	5,428,000.00	5,428,000.00	(1,812,000.00)	-	3,616,000.00
Dividends income	16,998,980.00	-	-	-	16,998,980.00	(16,998,980.00)	-	-
Other income	7,676,985.02	1,871,742.08	-	101,558.48	9,650,285.58	(1,181,938.84)	-	8,468,346.74
Total revenues	792,178,965.87	1,871,742.08	-	5,529,558.48	799,580,266.43			779,587,347.59
Expenses								
Cost of sales	558,862,979.13	-	-	-	558,862,979.13	-	(357,896.88)	558,505,082.25
Cost of service	-	-	-	2,757,878.48	2,757,878.48	-	-	2,757,878.48
Selling expenses	92,258,483.90	-	-	-	92,258,483.90	-	-	92,258,483.90
Administrative expenses	103,001,783.90	2,400,702.84	-	3,209,066.59	108,611,553.33	-	(2,982,809.12)	105,628,744.21
Management benefit expenses	18,773,384.00	235,200.00	-	478,800.00	19,487,384.00	-	-	19,487,384.00
Total expenses	772,896,630.93	2,635,902.84	-	6,445,745.07	781,978,278.84			778,637,572.84
Income (loss) before finance cost and income tax	19,282,334.94	(764,160.76)	-	(916,186.59)	17,601,987.59			949,774.75
Finance cost	46,762,358.38	-	-	-	46,762,358.38	-	(681,626.11)	46,080,732.27
Income (loss) before income tax	(27,480,023.44)	(764,160.76)	-	(916,186.59)	(29,160,370.79)			(45,130,957.52)
Income tax	593,175.69	75,328.07	-	-	668,503.76	-	-	668,503.76
Net income (loss)	(28,073,199.13)	(839,488.83)	-	(916,186.59)	(29,828,874.55)			(45,799,461.28)
As at December 31, 2008								
As at December 31, 2008								
Property, plant and equipment - net	192,740,770.55	73,392.28	-	209,331.83	193,023,494.66			193,023,494.66

## 26. COMMITMENT AND CONTINGENT LIABILITIES

- 26.1 The Company have entered into several agreements in respect of leases of building , sales office building , land and the provision of related services.

Future minimum rentals and service charges payables under these agreements as at December 31, 2009, are as follows:

Payable within:	Million Baht
1 year	5.75
2 to 3 years	2.23

- 26.2 As at December 31, 2009, the Company and subsidiaries have contingent liabilities from letters of guarantees issued by three banks to government agency and third parties amounting to Baht 160.43 million (Baht 160.03 million for the Company only).
- 26.3 As at December 31, 2009, the Company had contingent liability from letters of guarantee issued by a bank on behalf of the subsidiary for electricity usage amounting to Baht 0.40 million.
- 26.4 As at December 31, 2009, the Company has contingent liabilities to a bank from the guarantee on the customer's loan and gasoline amounting to Baht 0.97 million. (see note 11)
- 26.5 As at December 31, 2009, the Company have contingent liabilities from purchase of land as part of property development amounting to approximately Baht 54.79 million.
- 26.6 As at December 31, 2009, the Company has contingent liabilities arising from lawsuits as follows:

- a) A financial institution had filed one civil lawsuits demanding the Company as the loan guarantor to repay the loan with the principal borrowers who were the clients of the Company in the total amount of Baht 0.60 million along with interest at 15% per annum to be calculated from the date of the filing of lawsuit until the date of full settlement (Baht 0.22 million calculated up to December 31, 2009). The financial institution above alleged the borrowers for default on payments of the principal and interest under the terms of the loan agreement. Therefore, the Company as on behalf of the loan guarantor was then charged as the 2nd defendant co-borrower.

As at December 31, 2009, the management has assessed the damage of the lawsuit up to December 31, 2009 and provides a provision in the amount of Baht 0.18 million which is recorded under caption of current liabilities and recognized as an expense in the statement of income for the year 2007 in the amount of Baht 0.18 million.

During 2009, the three cases were given the ultimate outcome by the Court, having the fire incident of Baht 5.97 million. The Court ordered two cases to be dismissed and the one case, the clients of the Company compensated already.

- b) A house buyer in the Company's project had filed a civil lawsuit demanding the Company to indemnify the losses resulting from the fire incident of Baht 1.5 million together with other expenses and interest at 15% per annum to be calculated from the date of the filing of lawsuit until the date of full settlement (Baht 0.59 million calculated up to December 31, 2009). The buyer demanded the Company to pay fire indemnity for the loss and damage to the buyer's home.

In year 2008, the Court of First Instance ordered the case dismissed. The plaintiff does not filed on appeal within deadline period result as at December 31, 2009, that case to ended.

- c) Two house buyer in the Company's project had filed a civil lawsuit demanding the Company to indemnify the losses resulting from the expropriated land of Baht 7.81 million together with other expenses and interest at 15% per annum to be calculated from the date of the filing of lawsuit until the date of full settlement (Baht 0.91 million calculated up to December 31, 2009). The buyer demanded the Company to return purchase the buyer's home and indemnify the losses.

In year 2009, the Court of First Instance ordered the company to pay indemnify the losses and the Company is under process filed on appeal.

As at December 31, 2009, the ultimate outcome of the case is still indefinite. The management has assessed the damage of the lawsuit up to December 31, 2009 and provides a provision in the amount of Baht 2.68 million which is recorded under caption of current liabilities and recognized as an expense in the statement of income for the year 2009 in the amount of Baht 0.44 million. In 2008, recognizing of the losses was in the amount of Baht 2.24 million.

## 27. RECLASSIFICATION

Certain amounts in the financial statements for the year ended December 31, 2008 have been reclassified to conform to the current year's classification but with no effect to previously reported net income or shareholders' equity. The reclassifications are as follow:

In Baht

	Consolidated		The Company Only	
	As reclassified	As previously reported	As reclassified	As previously reported
<b>Balance sheet as at December 31, 2008</b>				
Property development	1,175,489,568.58	2,413,772,483.53	1,171,760,082.81	2,410,042,997.76
Land held for development	1,238,282,914.95	-	1,238,282,914.95	-
<b>Statements of income for the year ended December 31, 2008</b>				
Selling and administrative expenses	-	217,932,339.58	-	212,814,385.81
Selling expenses	92,258,483.90	-	92,258,483.90	-
Administrative expenses	105,069,481.68	-	100,665,527.91	-
Director's remuneration	-	540,000.00	-	540,000.00
Management benefit expenses	19,487,384.00	-	18,773,384.00	-
Interest expense	-	44,423,742.27	-	44,906,483.66
Finance cost	46,080,732.27	-	46,563,473.66	-

## 28. GLOBAL ECONOMIC CRISIS

In the mid 2008, there has been a severe financial crisis in the United States of America, it gives rise a great fluctuation in financial, equity and derivative markets and the economics are significant slowdown. The financial and economic unstable are spread all over the world so as to Thailand. The crisis has significantly affected the business, finance and asset value which would be substantially declined. The global economic crisis remains uncertain as to when the global economy will return to normalcy. These financial statements have been prepared on the bases of estimates and assumptions currently considered appropriate.

## 29. OTHER INFORMATION

Since, the first quarter 2009, the Company confiscated a land deposit money in the amount of Baht 30 million from an other person because it was failure to comply with the conditions in contract by another side. This matter is approved by the Company's management. The entry is recorded as other income in full amount.

## 30. AUTHORIZATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements are authorized to issue by Company's directors on February 26, 2010.



# Management's Information

Name / Position	Ages	% of Share-holding*	Relations	Education / Training Background	Experience for the past 5 years			
					Period	Position	Company	Business
1. Mr. Sudham Chatwalwong/ Chairman and Independent Director	65	-	-	Master of Engineering (Hydraulic Engineering), Asian Institute of Technology Bachelor of Engineering (Hydrology), Chulalongkorn University Diploma, National Defense College, No. 399 <u>Attendance of Thai Institute of Directors Association (IOD) Seminar</u> Director Certification Program (DCP 53/2005)	2007 - Present	Chairman and Independent Director	N.C. Housing Plc.	Property Development
					2003 - 2007	Director, Independent Director, and Member of the Audit Committee	N.C. Housing Plc.	Property Development
					2002 - 2004	Governor	Metropolitan Waterworks Authority	State Enterprise
2. Mr. Somchao Tanterdtham/ Director, Member of the Remuneration Committee, Chairman of the Board of Executive Directors, and Managing Director (Authorized Director)	56	1.14	The brother of Mr. Somnuek Tantha-thoedtham	Graduate Diploma in Public Law and Management (No. 6), King Prajakhipok's Institute Graduate Diploma in Management of Public Economy for Executive Course (No. 7), King Prajakhipok's Institute Master of Business Administration (Business Law), Ramkhamhaeng University Master of Business Administration, Thammasart University Bachelor of Medicine, Chulalongkorn University Diploma, National Defense College, No. 399 <u>Attendance of Thai Institute of Directors Association (IOD) Seminar</u> CEO Performance Evaluation, 2004 Director Accreditation Program (DAP 8/2004) Director Certification Program (DCP 128/2010)	2007 - Present	Director, Member of the Remuneration Committee, Chairman of the Board of Executive Directors and Managing Director	N.C. Housing Plc.	Property Development
					2005 - 2008	President	Thailand Real Estate Association	Association
					1998 - Present	Director	N.C. Property Management Co., Ltd.	Project Management
					1998 - Present	Director	Quality Living Management Co., Ltd.	Community Management to housing residential and condominium
					2003 - 2007	Director, Executive Director, and Managing Director	N.C. Housing Plc.	Property Development
					1994 - 2003	Managing Director	N.C. Housing Co., Ltd.	Property Development

Name / Position	Ages	% of Share-holding*	Relations	Education / Training Background	Experience for the past 5 years			
					Period	Position	Company	Business
3. Mr. Wichian Silapacharanan/ Director, Member of the Nomination Committee, Executive Director and Deputy Managing Director (Administration) (Authorized Director)	48	0.33	-	Master of Business Administration (Finance), Chulalongkorn University Bachelor of Science (Statistics), Chulalongkorn University Real Estate Management, Chulalongkorn University Organization Risk Management No. 4/2005, Listed Companies Association <u>Attendance of Thai Institute of Directors Association (IOD) Seminar</u> Director Certification Program (DCP 81/2006) Director Accreditation Program (DAP 8/2004) Board Performance Evaluation 2004	2007 - Present	Director, Member of the Nomination Committee, Executive Director and Deputy Managing Director (Administration)	N.C. Housing Plc.	Property Development
					2003 - 2007	Director, Executive Director, and Deputy Managing Director (Administration)	N.C. Housing Plc.	Property Development
					1994 - 2003	Deputy Managing Director (Administration)	N.C. Housing Co., Ltd.	Property Development

Name / Position	Ages	% of Share-holding*	Relations	Education / Training Background	Experience for the past 5 years			
					Period	Position	Company	Business
4. Mr. Rungsarn Nuntakawong/ Director, Executive Director, and Deputy Managing Director (Operation 1) (Authorized Director)	48	0.08	-	Master of Regional Planning, Chulalongkorn University Bachelor of Arts (Political Science), Public Administration, Ramkhamhaeng University <u>Attendance of Thai Institute of Directors Association (IOD) Seminar</u> Raising the Awareness of Corporate Fraud in Thailand 2005 Director Accreditation Program (DAP 8/2004)	2008 – Present	President of Property Management Association of Thailand.	Property Management Association of Thailand. (PMA)	Association
					2003 - Present	Director, Executive Director, and Deputy Managing Director (Operation 1)	N.C. Housing Plc.	Property Development
					1998 - Present	Managing Director	N.C. Property Management Co., Ltd.	Project Management
					1998 - Present	Director and Managing Director	Quality Living Management Co., Ltd.	Community Management to housing residential and condominium
					1999 - Present	Mayor of Tambon Bongyeetho	Pathumtani Province	Government Service
					1999 - Present	Member of the Sub-committee on Town and Country Planning, Pathumtani Province	Pathumtani Province	Government Service
					1994 - 2003	Deputy Managing Director (Operation 1)	N.C. Housing Co., Ltd.	Property Development

Name / Position	Ages	% of Share-holding*	Relations	Education / Training Background	Experience for the past 5 years			
					Period	Position	Company	Business
5. Mr. Somnuek Tanthathoedtham/ Director, Executive Director and Deputy Managing Director (Operation 2) (Authorized Director)	42	1.67	The brother of Mr. Somchao Tanterdtham	Master of Management (SASIN), Chulalongkorn University Bachelor of Engineering (Systems), University of Pennsylvania, Philadelphia Bachelor of Science (Wharton School), Finance and Management, University of Pennsylvania, Philadelphia Professional Development Program for Corporate Manager : Condominium / Project Village (1/2010) Regional Planning for Executive (1/2008) Real Estate Management, Chulalongkorn University, 1993 <u>Attendance of Thai Institute of Directors Association (IOD) Seminar</u> Director Certification Program (DCP 90/2007) Director Accreditation Program (DAP 8/2004)	2003 - Present	Director, Executive Director and Deputy Managing Director (Operation 2)	N.C. Housing Plc.	Property Development
					2003 - Present	Director	N.C. Estate Co., Ltd..	Property Development
					1998 - Present	Director	N.C. Property Management Co., Ltd.	Project Management
					1994 - 2003	Deputy Managing Director (Operation 2)	N.C. Housing Co., Ltd.	Property Development
6. Mr. Piboon Limpraphat, Ph.D./ Independent Director, Chairman of the Audit Committee, Chairman of the Nomination Committee and Chairman of the Remuneration Committee	70	-	-	Ph.D. University of Illinois M.A. (ECON), University of Philippines Bachelor of Economics, Thammasat University <u>Attendance of Thai Institute of Directors Association (IOD) Seminar</u> Audit Committee Program (ACP 1/2004) Board & CEO Assessment No. 2/2003 Director Certification Program (DCP 19/2002) The Role of the Chairman Program (RCP 3/2001)	2007 - Present	Director, Independent Director, Chairman of the Audit Committee, Chairman of the Nomination Committee and Chairman of the Remuneration Committee	N.C. Housing Plc.	Property Development
					2005 - Present	Director	Ladprao Bilingual School	Education Institute
					2004 - Present	Director	Ladprao General Hospital	Hospital
					2005 - Present	Director and Vice Chairman	Asia Medical and Agricultural Laboratory and Research Center	Medical and Agricultural Laboratory and Research Center
					1999 - 2007	Director and Chairman of the Audit Committee	Bank Thai Plc.	Banking

Name / Position	Ages	% of Share-holding*	Relations	Education / Training Background	Experience for the past 5 years			
					Period	Position	Company	Business
7. Mr. Kobsak Pongponrat/ Director, Independent Director, Member of the Audit Committee and Member of the Nomination Committee	61	-	-	Master of Public Administration, Roosevelt University, Chicago, ILL, USA Barrister at Law, Thai-Bar Association of Thailand L.L.B. Thammasart University Diploma, National Defense College, 1996 Financial Institute for Executive Senior Thai Band Association, No. 4/1993 <u>Attendance of Thai Institute of Directors Association (IOD) Seminar</u> Director Certification Program (DCP 53/2005) Director Accreditation Program (DAP 7/2004)	2007 - Present	Director, Independent Director, Member of the Audit Committee and Member of the Nomination Committee	N.C. Housing Plc.	Property Development
					2003 - 2008	Senior Executive Vice President	Small and Medium Enterprise Development Bank of Thailand	Banking
					2003 - 2007	Director, Independent Director and Member of the Audit Committee	N.C. Housing Plc.	Property Development
8. Mr. Vichit Vichaisarn/ Director, Independent Director, Member of the Audit Committee and Member of the Remuneration Committee	64	-	-	Master of Arts (Government), Chulalongkorn University Bachelor of Arts (Political Science), Chulalongkorn University The Senior Executive Development Program, Australia Colombo Plan Scholarship, Urban Planning and Management Program Diploma, National Defense College, No. 42 <u>Attendance of Thai Institute of Directors Association (IOD) Seminar</u> Director Certification Program (DCP 96/2007) Finance for Non-finance Director (FND 38/2007) Understanding the Financial Statement (UFS 12/2007) Audit Committee Program (ACP 20/2007) Monitoring the Quality of Financial Reporting (MRF 2/2008) IT Governance : A Strategic Part Forward	2007 - Present	Director, Independent Director, Member of the Audit Committee and Member of the Remuneration Committee	N.C. Housing Plc.	Property Development
					2006 - 2008	Director	Metropolitan Electricity Authority	State Enterprise
					2004 - 2006	Governor of Suratthani Province	Office of the Permanent Secretary for Interior	Government Service
					2003 - 2004	Governor of Pathumthani Province	Office of the Permanent Secretary for Interior	Government Service
					2001 - 2003	Governor of Satun Province	Office of the Permanent Secretary for Interior	Government Service

Name / Position	Ages	% of Share-holding*	Relations	Education / Training Background	Experience for the past 5 years			
					Period	Position	Company	Business
9. Mr. Boonchai Chaiananbavorn/ Assistant Managing Director (Operation 1)	47	-	-	Mini MBA, Business Administration, Thammasart University Bachelor of Civil Engineering, Khon Kaen University	2008 - Present	Assistant Managing Director (Operation 1)	N.C. Housing Plc.	Property Development
					2004 - 2008	Senior Project Manager	N.C. Housing Plc.	Property Development
					2003 - 2004	Construction Manager	Supalai Plc.	Property Development
10. Mr. Warapong Nilsiri / Assistant Managing Director (Operation 1)	49	-	-	Master of Regional Planning, Chulalongkorn University B.S. (Geography), Chiangmai University Mini MBA, Business Administration, Kasetsart University Mini Master of Retail Management, National Institute of Development Administration	2008 - Present	Assistant Managing Director (Operation 1)	N.C. Housing Plc.	Property Development
					2007 - 2008	Senior Manager, Business Development and Planning Department	N.C. Housing Plc.	Property Development
					2004 - 2007	General Manager	Sathaporn Wattana Trading Co., Ltd.	Commercial
					2003 - 2004	Senior Manager	S.C. Construction and Decoration Co., Ltd.	Commercial
					1999 - 2003	Managing Director	Quality Living Management Co., Ltd.	Community Management to housing residential and condominium
11. Ms. Yossawan Rungwara / Senior Project Manager	57	0.001	-	Mini MBA, Business Administration, Thammasart University The key success of the great CEO, Marketing Association of Thailand	1994 - Present	Senior Project Manager	N.C. Housing Plc.	Property Development

Name / Position	Ages	% of Share-holding*	Relations	Education / Training Background	Experience for the past 5 years			
					Period	Position	Company	Business
12. Mrs. Nampetch Tantawiriya/ Senior Manager, Human Resource Department	44	-	-	Master of Public Management, Chulalongkorn University Bachelor of Arts, Political Science, Chulalongkorn University Strategic Training & Development, ASIA Business Form (Thailand), 2004 Fundamental Practice for Corporate Secretary ( FPCS 19 ) Connected transactions Program (Act of new securities)	2008 - Present	Company Secretary, Secretary of the Board Directors, Secretary of the Audit Committee, Secretary of the Nomination Committee and Secretary of the Remuneration Committee.	N.C. Housing Plc.	Property Development
					2005 - Present	Senior Manager, Human Resource Department	N.C. Housing Plc.	Property Development
					1999 - 2004	Manager, Human Resource Department	N.C. Housing Plc.	Property Development
					1994 - 1999	Manager, Executive Office	N.C. Housing Plc.	Property Development
13. Mr. Boonchai Rojpanich / Senior Project Manager	41	-	-	Master of Business Administration, Marketing, Thammasart University Bachelor of Civil Engineering, Chulalongkorn University	2005 - Present	Senior Project Manager	N.C. Housing Plc.	Property Development
					1996 - 2005	Project Manager	N.C. Housing Plc.	Property Development
14. Ms. Sumanee Boonsarana/ Manager, Accounting Department	46	-	-	Bachelor of Business Administration, Accounting, Valaya Alongkorn Rajabhat University Bachelor of Business Administration, Sukhothai Thammathirath	2003 - Present	Manager, Accounting Department	N.C. Housing Plc.	Property Development
					2001 - 2003	Assistant Manager, Accounting Department	N.C. Housing Plc.	Property Development



Name / Position	Ages	% of Shareholding*	Relations	Education / Training Background	Experience for the past 5 years			
					Period	Position	Company	Business
15. Mr. Walatchanat Rujidasirisakul/ Manager, Finance Department	41	0.03	-	Bachelor of Economics (Finance and Banking) The University of the Thai Chamber of Commerce Real Estate Development No.25, Chulalongkorn University	2002 - Present	Manager, Finance Department	N.C. Housing Plc.	Property Development
					1999 - 2002	Asset Management Officer	Bank of Ayudhya Plc.	Banking Securities and Finance

*Remark: \* % Shareholding based on latest register book closing date on December 30, 2009*

*Note: Members of the Company's Board of Directors and management do not have any prior criminal records.*

## Management Positions Held within the N.C. Group

Directors	The Company	Subsidiaries		Related Companies									
	NCH	NCPM	QLM	1	2	3	4	5	6	7	8	9	10
1. Mr. Sudham Chatwalwong	X												
2. Mr. Somchao Tanterdtham	/, //	/	/			/			/	/	/		/
3. Mr. Somnuek Tanthathoedtham	/, //	/							/			/	/
4. Mr. Wichian Silapacharanan	/, //												
5. Mr. Rungsarn Nuntakawong	/, //		/										
6. Mr. Piboon Limpraphat, Ph.D.	/												
7. Mr. Kobsak Pongponrat	/												
8. Mr. Vichit Vichaisarn	/												

Notes :

- NCH = N.C. Housing Plc.  
NCPM = N.C. Property Management Co., Ltd.  
QLM = Quality Living Management Co., Ltd.
- X = Chairman, / = Director, // = Executive Director
- Related Companies :

  - 1) Sathaporn Wattana Limited Partnership
  - 2) Tor. Pornchai Trading Limited Partnership
  - 3) Sathaporn Homemart (1999) Co., Ltd.
  - 4) Department of Land, Klong Bueng Kum Nivet Limited Partnership (Non operate)
  - 5) Keha Charuen Land and House Co., Ltd. (Non operate)
  - 6) S.C. Construction and Decoration Co., Ltd. (SC)
  - 7) Sathaporn Wattana Trading Co., Ltd.
  - 8) Sathaporn Wattana Transportation Limited Partnership
  - 9) Icon Consulting Co., Ltd.
  - 10) Sap Namchai Pattana Co., Ltd.

# General Information

Company Name	: N.C. HOUSING PUBLIC COMPANY LIMITED
Business Type	: Property Development
Head Office Location	: 1/765 Moo 17, Soi Amporn, Phaholyothin Rd.Km.26, Tambol Kookhot, Umpher Lumlooka, Pathumthani 12130
Registration No.	: 0107546000385 (Old No. 40854600039)
Home Page	: <a href="http://www.ncgroup.co.th">www.ncgroup.co.th</a>
Telephone No.	: 66 (0) 2993-5080-7
Fax No.	: 66 (0) 2993-5089
Authorized Share Capital	: THB 1,200,000,000
Paid-Up Share Capital	: THB 1,185,985,052
Registrar	: The Thailand Securities Depository Co., Ltd. 62 The Stock Exchange of Thailand Building, Rachadapisek Road, Klongtoey, Bangkok 10110 Tel. 66 (0) 2993-2800 , 66 (0) 2229-2888
Auditor	: Miss Chanthra Wongsri-Udomporn or Mr. Pichai Dachanapirom DHARMNITI AUDITING COMPANY LIMITED 267/1 Pracharaj Sai 1 Rd., Bangsue, Bangkok 10800 Tel. 66 (0) 2587-8080
Consultants to Internal Audit	: ANS Business Consultants Company Limited 100/72, 22 <sup>nd</sup> Floor, 100/2 Vongvanij B Building, Rama 9 Rd, Huaykwang, Bangkok 10310 Tel. 66 (0) 2645-0109 Fax. 66 (0) 2645-0101

<b>Subsidiaries</b>	<b>: N.C. Property Management Company Limited</b>
Business Type	: Full service for Project Management
Head Office Location	: 1/765 Moo 17, Soi Amporn, Phaholyothin Rd.Km.26, Tambol Kookhot, Umpher Lumlooka, Pathumthani 12130
Registration No.	: (4) 337/2541
Home Page	: -
Telephone No.	: 66 (0) 2993-5080-7
Fax No.	: 66 (0) 2532-3301-2
Authorized Share Capital	: THB 10,000,000
Paid-Up Share Capital	: THB 10,000,000
Auditor	: Mr. Peradate Pongsathiansak or Miss. Wannisa Ngambuathong DHARMNITI AUDITING COMPANY LIMITED 267/1 Pracharaj Sai 1 Rd., Bangsue, Bangkok 10800 Tel. 66 (0) 2587-8080

<b>Subsidiaries</b>	<b>: Quality Living Mangement Company Limited</b>
Business Type	: Full Service for Community Management for Housing Projects, Condominiums and Club House
Head Office Location	: 1/765 Moo 17, Soi Amporn, Phaholyothin Rd.Km.26, Tambol Kookhot, Umpher Lumlooka, Pathumthani 12130
Registration No.	: (4) 1189/2541
Home Page	: -
Telephone No.	: 66 (0) 2993-5080-7
Fax No.	: 66 (0) 2532-3301-2
Authorized Share Capital	: THB 1,000,000
Paid-Up Share Capital	: THB 1,000,000
Auditor	: Miss. Wannisa Ngambuathong or Mr. Peradate Pongsathiansak or DHARMNITI AUDITING COMPANY LIMITED 267/1 Pracharaj Sai 1 Rd., Bangsue, Bangkok 10800 Tel. 66 (0) 2587-8080



N.C. Housing Public Company Limited

1/765 Moo 17, Phaholyothin Km.26 Rd., Kookhot, Lumlookka, Pathumtani 12130

Phone: 0-2993-5080-7

Fax: 0-2993-5089

Email: [ir@ncgroup.co.th](mailto:ir@ncgroup.co.th)

[www.ncgroup.co.th](http://www.ncgroup.co.th)