



รายงานประจำปี 2553
Annual Report 2010

บริษัท ไพลอน จำกัด (มหาชน)
PYLON PUBLIC COMPANY LIMITED



ข้อมูลสรุปทางการเงิน						
(Financial Summary)						
ข้อมูลทางการเงิน (พันบาท) Financial Data (Thousand Baht)	งบการเงินเฉพาะของบริษัท Separate Financial Statement			งบการเงินรวม Consolidated		
	2551 (2008)	2552 (2009)	2553 (2010)	2551 (2008)	2552 (2009)	2553 (2010)
สินทรัพย์รวม Total Assets	530,536	420,266	559,115	550,936	496,619	600,072
หนี้สินรวม Total Liabilities	224,472	103,240	228,138	229,757	155,899	258,336
ส่วนของผู้ถือหุ้น Shareholders' Equity	306,064	317,206	330,977	306,276	321,613	328,967
รายได้จากการรับจ้าง Revenue from Rendering of Service	718,729	394,344	612,109	722,076	593,521	626,496
กำไรสุทธิ Net Profit	58,218	16,962	38,951	58,633	25,541	26,016
อัตราส่วนทางการเงิน Financial Ratio	งบการเงินเฉพาะของบริษัท Separate Financial Statement			งบการเงินรวม Consolidated		
	2551 (2008)	2552 (2009)	2553 (2010)	2551 (2008)	2552 (2009)	2553 (2010)
อัตรากำไรสุทธิ (%) Net Profit Margin (%)	8.05%	4.26%	6.31%	8.07%	4.30%	4.15%
อัตราผลตอบแทนผู้ถือหุ้น (%) Return on Equity (%)	20.68%	5.44%	12.02%	20.75%	7.72%	7.62%
อัตราผลตอบแทนจากสินทรัพย์ (%) Return on Assets (%)	12.42%	3.54%	7.95%	12.24%	4.88%	4.74%
กำไรสุทธิต่อหุ้น (บาท) Earning per share (Baht)	0.39	0.09	0.19	0.39	0.12	0.16
อัตราส่วนหนี้สินต่อส่วนของผู้ถือหุ้น (เท่า) Debt to Equity (Time)	0.73	0.33	0.69	0.72	0.46	0.76
อัตราการเติบโตของรายได้จากการรับจ้าง (%) Revenue from Rendering of Service Growth (%)						
• งานฐานราก (Foundation Works)	90.18%	-45.13%	36.56%	n/a	-45.13%	36.56%
• งานก่อสร้าง (Construction Works)	-	-	6434.00%	n/a	5,851%	-55.31%
อัตราการเติบโตของกำไรสุทธิ % Net Profit Growth (%)	423.01%	-70.86%	129.64%	n/a	-56.44%	1.86%
หมายเหตุ 1 รายได้จากการรับจ้าง หมายถึง รายได้จากงานฐานราก และงานก่อสร้าง						
1 Revenue from rendering of service consist of revenue from foundation and construction works.						

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Chairman Statement

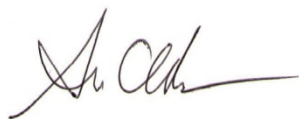
To: Shareholders of

Pylon Public Company Limited

According to the construction industry outlook of 2010, the industry has revived and expanded again as a result of the country's economic recovery and the government's economic stimulus policy which has been implemented more consistently, as demonstrated in the commencement of various BTS/MRT projects. Despite being affected from the political problem in the first and the second quarter of 2010, the construction industry rebounded in the third quarter with a full recovery in the fourth quarter after the political problem has eased. The Company's operating results have therefore shown positive trends in the second half of the year, especially in the fourth quarter. With regard to the overall 2010 performance, the Company has posted a net profit with sound liquidity.

With regard to the foundation industry trends in 2011, since construction of several BTS/MRT projects has been able to start and drive the workload to rise to a level higher than that of previous years resulting in a reduction in the price competition, the Company expects that it would be beneficial from such projects in which construction would continue for another 3-5 years. For the business policy in 2011, the Company will still focus on the expansion of its customer base and attach importance to customer selection, cost control, liquidity management and ongoing personnel development efforts.

On behalf of the Board of Directors, I would like to take this opportunity to thank all shareholders for your trust in the Company's operations and specifically those who have provided us with continuous support. I also would like to thank the Company's management team and employees for carrying out their duties with accountability and tireless effort. All these factors are key elements in driving the Company to continue its ongoing development, ensuring its stability as well as ultimately enabling the Company to grow and achieve both its short and long-term goals.



(Mr. Seri Chintanaseri)

Chairman of the Board of Directors

Statement of the Chairman of the Audit Committee

The Company's Audit Committee consists of 3 independent directors possessing full qualifications in compliance with the Notification of the Securities and Exchange Commission (SEC). Mr.Panja Senadisai is Chairman and Mr.Chaipat Sahasakul and Mr.Vinit Chovichien are the other members of the Audit Committee. The term of office of the Audit Committee is 3 years.

The Audit Committee has performed work in accordance with the scope of responsibilities as assigned by the Board of Directors and as prescribed in the Audit Committee's Charter. In 2010, a total of 5 Audit Committee's meetings were held with all members present at every meeting. The meetings were conducted to consider and proceed with the following matters:-

1. Reviewed quarterly and annual financial statements for the year 2010 in collaboration with management, the external auditor, and the Company's internal auditor so as to ensure that the Company's financial statements are in compliance with the generally accepted accounting standards as prescribed in the Accounting Act B.E. 2543 (A.D. 2000) as well as the Notifications of the Securities and Exchange Commission (SEC) and the SET and that the Company's accounting system and financial statements are accurate, reliable, and disclosed adequately and in a timely manner. Additionally, during 2010, the Audit Committee had a separate meeting with the external auditor without the management's attendance.
2. Reviewed the adequacy of the internal control system to support business operations, including the safeguarding of assets, prevention or mitigation of errors, damage and frauds, by conducting a review of reports from both the internal and external auditors as well as making enquiries of the Company's management. Based on the review, no significant problems or faults were found. The Audit Committee also participated in the assessment of the adequacy of the Company's internal control system and viewed that the Company's internal control function was independent and that the Company's internal control was sufficient and effective.
3. Reviewed the compliance with the law on securities and exchange, the SET's regulations, and the laws related to the business of the Company.
4. Considered, selected, and nominated an independent person to be an external auditor for the Company as well as proposed external auditor's fees for the year 2011 for proposal to the Board of Directors and then at the shareholders' meeting. In this regard, the Committee proposed that either Mr.Somkid Tiatragul, CPA license No. 2785 or Mr. Kosol Yamleemul, CPA license No. 4575 of Grant Thornton Limited as the Company's external auditor for the year 2011 with a view that the nominees have demonstrated strong knowledge in the Company's business, independence, and objectivity in professional practice as well as have submitted work in a timely manner.

5. Considered and selected Chayot Co., Ltd. as an independent internal auditor for another year and endorsed the proposed audit plan for the year 2011.
6. Considered the connected transactions or transactions that may lead to conflicts of interest so as to ensure compliance with the laws and regulations of the Stock Exchange of Thailand. The Audit Committee viewed that those transactions were reasonable and for the Company's interest.
7. Reviewed the Company's risk management in collaboration with the management and the internal auditor. The Committee was of the opinion that the management adopted proper and adequate risk management policy and was able to manage and keep risks at an acceptable level.
8. Reviewed, in collaboration with the management, the Company's compliance with good corporate governance principles. Based on the Corporate Governance Report of Listed Companies in 2010 prepared by the Thai Institute of Directors Association with the support of the SET and the SEC, the Company's overall average score was very good.
9. Reviewed and amended the Audit Committee's Charter so as to enhance its coverage and clarity.
10. The Audit Committee reported its work performance to the Board of Directors for acknowledgement at least once a quarter.

Based on the Audit Committee's performance of duties as mentioned above, the Audit Committee was of the opinion that the Company adopted an adequate and appropriate internal control system, that the Company put in place the appropriate procedures to ensure that the Company's operations are in compliance with relevant laws, and that the preparation and disclosure of information in the financial reports of the Company were correct, complete, reliable, and in a timely manner.



(Mr. Panja Senadisai)

Chairman of the Audit Committee

Statement of the Chairman of the Nomination and Remuneration Committee

The Company's Nomination and Remuneration Committee consists of 2 independent directors and 1 non-executive director possessing full qualifications in compliance with the Notification of the Securities and Exchange Commission (SEC). Mr.Suwit Udomsab is Chairman and Mr.Vinit Chovichien and Mr.Vongchai Sangarayakul are the other members of the Nomination and Remuneration Committee. The term of office of the Nomination and Remuneration Committee is 3 years.

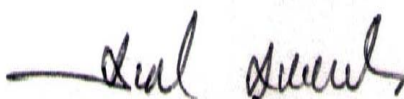
The Nomination and Remuneration Committee has performed work in accordance with the scope of responsibilities as assigned by the Board of Directors and as prescribed in the Nomination and Remuneration Committee's Charter. In 2010, a total of one Nomination and Remuneration Committee's meetings were held with all members present at each meeting. The meetings were conducted to consider and proceed with the following matters:-

1. Considered the structure, composition, and qualifications of directors.
2. Considered, selected, and nominated a person equipped with the qualifications, knowledge, and capability suitable to the Company's business for the director position and for proposal to the Board of Directors for consideration and endorsement and then at the shareholders' meeting for consideration on appointment.
3. Considered the allocation of directors' remuneration for the 2009 operating results within the amount limit as approved by the shareholders and in compliance with the specified allocation criteria.
4. Evaluated the president's performance for the year 2009, calculated his remuneration in accordance with the specified criteria, and proposed the results to the Board for Directors for endorsement.
5. Considered the budget of directors' remuneration, consisting of monthly remuneration, bonus, and meeting fees for the year 2010 by taking into account the average remuneration of the same industry, the average remuneration of the Market for Alternative Investment (mai), workloads and the scope of responsibilities of the Board of Directors, for proposal to the Board of Directors and then at the shareholders' meeting for approval.
6. Considered the criteria for assessing the president's performance and setting his remuneration for the year 2010 and proposed that to the Board of Directors for endorsement.
7. Reviewed and amended the Nomination and Remuneration Committee's Charter so as to enhance its coverage and clarity in correspondence with amendments to law.

Based on the Nomination and Remuneration Committee's performance of duties as mentioned above, the Nomination and Remuneration Committee was of the opinion that the Company selected and nominated the person having full qualifications in compliance with the Securities and Exchange Act and relevant business

laws by taking into account his/her knowledge, capability, and experience suitable for such a director position. The Committee also considered that the Company had in place the proper structure and composition of the Board of Directors and that the Company appropriately set the directors' remuneration in compliance with the specified criteria and within the amount limit as

approved by the shareholders' meeting. Additionally, the Nomination and Remuneration Committee reported its work performance to the Board of Directors for acknowledgement after every meeting.



(Mr. Suwit Udomsab)

Chairman of Nomination and Remuneration Committee

Statement of the Board of Directors' Responsibilities

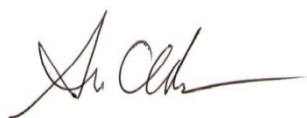
Under the Public Limited Companies Act B.E. 2535, the Accounting Act B.E. 2543, the Securities and Securities Exchange Act B.E. 2535, and the Notifications of the Securities and Securities Exchange Commission regarding the principles, conditions and methods for disclosure of financial statements and performance of companies issuing securities, it is a duty and responsibility of the Board of Directors of the Company to prepare appropriate and actual financial statements of the Company in order to show its financial position and performance for the past year.

The Company's management has prepared the financial statements in accordance with the Generally Accepted Accounting Principles, having chosen appropriate accounting policies and upheld them with consistency. Careful consideration and best estimation have also been used for such preparation and for the disclosure of material and adequate information in the notes accompanying the financial statements.

The Company's financial statements have been examined by an auditor from Grant Thornton Limited. Such auditor has been provided with information and documents to enable them to audit and express opinion in compliance with the auditing standards. The auditor's opinion is presented in the auditor's report which is a part of this annual report.

Being well aware of its duties and responsibilities to ensure the effective oversight of the financial statements, the Board of Directors has appointed the Audit Committee from qualified persons to oversee that the Company's financial statements be prepared correctly and completely and that appropriate accounting policies be adopted and consistently followed. Also, the Audit Committee has to review the internal control system to significantly prevent or reduce risk of any fraud or abnormalities, as well as to ensure its adequacy and effectiveness to safeguard the Company's assets. The Audit Committee's opinion is presented in the Statement of the Chairman of the Audit Committee which is a part of this annual report.

From the practice and supervision as mentioned above, the Board of Directors is of the opinion that the financial statements of Pylon Public Company Limited, as of December 31, 2010, present the Company's financial position and operating results in a correct and reliable manner in compliance with the Generally Accepted Accounting Principles and all relevant governing laws and regulations.



(Mr. Seri Chintanaseri)

Chairman



(Mr. Chanet Sangarayakul)

President

คณะกรรมการบริษัท

Board of Directors



นายเสรี จินตนเสรี
ประธานกรรมการ / กรรมการอิสระ
Mr. Seri Chintanaseri
Chairman / Independent Director



นายวงศ์ชัย แสงอารยะกุล
ประธานผู้ก่อตั้ง / กรรมการ /
กรรมการสรรหาและพิจารณาคำตอบแทน
Mr. Vongchai Sangarayakul
Founder Chairman / Director /
Member of Nomination and Remuneration Committee



นายปัญญา เสนาดิสัย
ประธานกรรมการตรวจสอบ /
กรรมการอิสระ
Mr. Panja Senadisai
Chairman of Audit Committee /
Independent Director



นายสุวิทย์ อุดมทรัพย์
ประธานกรรมการสรรหาและพิจารณาคำตอบแทน /
กรรมการอิสระ
Mr. Suwit Udomsab
Chairman of Nomination and Remuneration Committee /
Independent Director



นายชนเชวร์ แสงอารยะกุล
ประธานกรรมการบริหาร /
กรรมการ
Mr. Chanet Sangarayakul
Chairman of Executive Board /
Director



นายชัยพัฒน์ สหสกุล
กรรมการอิสระ /
กรรมการตรวจสอบ
Mr. Chaipat Sahaskul
Independent Director /
Member of Audit Committee



นายวินิต ช่อวิเชียร
กรรมการอิสระ / กรรมการตรวจสอบ /
กรรมการสรรหาและพิจารณาค่าตอบแทน
Mr. Vinit Chovichien
Independent Director / Member of Audit Committee /
Member of Nomination and Remuneration Committee



นายบดินทร์ แสงอาระกุล
กรรมการ / กรรมการบริหาร
Mr. Bordin Sangarayakul
Director / Member of Executive Board



นายคริสโตฟ อเล็กซานเดอร์ เคลาส์
กรรมการ / กรรมการบริหาร
Mr. Christoph Alexander Claus
Director / Member of Executive Board



นายสมศักดิ์ วัริยะพัฒน์
กรรมการ / กรรมการบริหาร
Mr. Somsak Viriyapipat
Director / Member of Executive Board



นายพิสันต์ ศิริสุขสกุลชัย
กรรมการ / กรรมการบริหาร
Mr. Pisun Sirisuksakulchai
Director / Member of Executive Board

General Information

Pylon Public Company Limited (Pylon) is a specialty foundation construction company. The Company headquarters is located at 170/16 Soi Sammit (Sukhumvit Soi 16), Ratchadapisek Road, Klongtoey Subdistrict, Klongtoey District, Bangkok 10110 and the maintenance yard is located at 22/4 Moo 11, Koobangluang Subdistrict, Ladlumkaew District, Patumthani. The Company's public company registration number is 0107548000536. Its phone number is 0-2661-8242, facsimile number is 0-2661-8247 and website address is www.pylon.co.th.

At present, Pylon's registered and paid up capital is Baht 200 million separated into 200 million ordinary shares at Baht 1 par value per share.

Details of Companies in which the Company holds 10 % or more of shares

The Company Name	:	Excelon Company Limited
Capital	:	Baht 30 million
The Company holds	:	51%
Type of Business	:	Design, construction, consulting and architectural works for buildings/ structures
Address	:	170/15 Soi Sammit (Sukhumvit Soi16) Ratchadapisek Road, Klongtoey Subdistrict, Klongtoey District, Bangkok 10110

History and Significant Developments

Year 2002

- Registered the Company in the name of Pylon Company Limited on August 13, 2002 with the initial paid up capital of Baht 5 million to engage primarily in foundation construction business. The Company has employed experienced and skillful engineering staffs to handle foundation works at the recovery of economic crisis.

Year 2003

- Performed the first soil cement columns with high-pressured jet grouting in His Majesty The King Bhumipol's Pak Pa Nang Diversion Dam Project in Nakornsrithammarat Province as a subcontractor to Sino-Thai Engineering and Construction Plc (Sino-Thai). From the success in the Pakpanang project, the Company has developed a strong business relationship with Sino-Thai and, as a result,

received bored piling works for several projects from Sino-Thai such as The 3rd Stage Expressway - Part S1 (Ajarnong-Bangna) Contract No. 2, The Bumrungrat Hospital Parking Garage, etc. From those projects, the Company has become well-known in the construction industry for quality of work and exceptional service, and received many bored piling works from other customers.

Year 2004

- Increased capital to Baht 60 million in January and Baht 95 million in December.
- Cooperated with Soletanche Bachy, an International Foundation Specialist Company, to construct diaphragm walls for The Samlae Water Treatment Plant in Patumthani Province.

Year 2005

- Purchased land in Patumthani Province to build the Company's new maintenance yard in January
- Increased capital to Baht 115 million in May.
- In June, the Company increased its capital from Baht 115 million to Baht 150 million along with splitting par value per share from Baht 10 to Baht 1 to accommodate the initial public offering.
- Registered as the public company on July 20, 2005.
- Registered on the Market for Alternative Investment (mai) Stock Market in December. The first trading day of the Company's shares was December 23, 2005.

Year 2006

- Relocated the Company's maintenance yard from Bangkok to Ladlumkaew, Patumthani Province in March.

Year 2008

- Set up the subsidiary company under the name of Excelon Co., Ltd. in December to provide services for design, construction, consulting and architectural works for buildings/ structures. Its registered capital is 30,000,000 baht. Pylon holds 51% of the total shares.

Year 2009

- Increased capital to Baht 200 million in May.

Revenue by Products

The Company's revenue can be categorized by products as follows:

The Company's Revenue

(Unit : Thousand Baht)

Products	2008		2009		2010	
	Revenue	Percent	Revenue	Percent	Revenue	Percent
Bored Piles	650,150	89.92	383,728	96.35	612,109	87.04
Ground Improvement	68,580	9.48	5,936	1.49	-	-
Diaphragm Wall	-	-	3,530	0.89	-	-
Total Revenue from Foundation	718,730	99.40	393,194	98.73	536,965	87.04
Revenue from Construction	-	-	1,150	0.29	75,144	12.18
Revenue from Other Services ¹	125	0.02	568	0.14	576	0.09
Other Revenues ²	4,190	0.58	3,338	0.84	4,210	0.68
Total Revenue	723,045	100.00	398,250	100.00	616,895	100.0

Remark : ¹Revenue from Other Services is the revenues from rental of machines, equipments and tools such as cranes, casing including damage claims received from Subcontractors.

²Other Revenues is the revenues from interest income, profit from sale of assets, etc.

The Subsidiary's Revenue

(Unit : Thousand Baht)

Products	2008		2009		2010	
	Revenue	Percent	Revenue	Percent	Revenue	Percent
Revenue from Construction	3,347	100.00	199,177	100.00	16,897	100.00

Remark : Excelon Co., Ltd. was established in December 2008.

Type of Business

1. Bored Pile

Bored Piles are usually used as the foundation of large-scale structures especially those located in a limited area where driven piles are not applicable due to transportation and ground vibration problems. Moreover, compared to driven piles, bored piling technique causes no lateral movement of soil underneath that may affect nearby structures, less noise pollution and less ground vibration. The Company offers various sizes of pile ranging from 50 centimeters to 200 centimeters in diameter and deeper than 60 meters depending on the design load and local soil properties.

2. Ground Improvement by Jet Grouting

The objective of ground improvement is to strengthen the existing soil structure which can lead to the increase of soil bearing capacity and prevention of lateral soil movement. The Company provides this type of service by injecting cement grout at a high pressure between 200 to 400 bars. Type of work can be categorized as follows:

2.1 Soil Cement Column

This type of ground improvement is used to strengthen the soft soil properties throughout their whole layers. The process starts from jetting water downward at high pressure to stir the surrounding soil into the designated shape and size. Once reaching the level of pile tip, cement slurry is injected to mix with surrounding soil to create the solidified soil cement column that has ability to carry a vertical design load and reduce the settlement of structure above. The soil cement column produced by Jet Grouting has better properties and more homogeneous texture than those produced by other techniques such as low pressure mixing and rotary dry mixing. At present, soil cement column has been applied to various types of works such as road foundations, airport runways, dams, water gates as well as slope protection of canals or river banks.

2.2 Localized soil improvement

This type of work is used to improve strength and properties of soil or rock in a specific area; for example, grouting cracks in rock or soil for dam construction, grouting to improve stability of soil for excavation or drilling purpose in a specific area.

3. Diaphragm Wall

Diaphragm wall is an underground reinforced concrete wall constructed to be a load bearing and retaining structure to prevent lateral soil movement. Construction process of diaphragm wall is similar to that of wet-process bored pile. Diaphragm wall can be used not only instead of sheet pile but also as a permanent underground wall with water-resistant and load bearing ability. Diaphragm wall is generally used as the structure of underground car park, subway station, underpass, etc.

4. General Construction

The Company provides service related to design, construction and architectural works for buildings and structures. Our target is to focus on civil works and low-rise buildings such as flood protection, water drainage, conference hall including office and residential buildings in which their height is less than 8 stories. Our Team consists of experienced and professional architects and engineers with various kinds of tool and equipment to carry out the works.

Industry Overview and Competition

The foundation business, which comprises piling works, diaphragm walls, ground improvement, ect., depends particularly on the construction industry. After the global economic crisis and domestic political unrest and violence during the first half of 2010, the number of construction projects has increased in the second half of 2010. As for the government sector, investments in various projects have been undertaken in a more continuous manner, especially the expansion of the BTS/MRT systems and the construction of the power plants. As for the private sector, there has been a continuous growth in the number of condominiums in urban areas and along mass transit lines. Based on the foregoing, the bored piling industry outlook of 2010 has been on an upward trend, as clearly illustrated in the fourth quarter when the number of projects in the industry has risen to high level while price competition in the industry has decreased.

In 2011, due to the Baht appreciation having an impact on the export sector, the oil price increase leading to the rise in costs of production of various products, inflation rate, and consequences from the flood crisis in the fourth quarter of 2010, the Company expects that the country's economic growth would slow down from 2010 to the level of 3.5% - 4.5%.

Nevertheless, as for the bored piling industry which is considered the main source of income of the Company, a number of projects of BTS/MRT lines have gradually commenced since 2010 and consequently the overall number of projects in the industry for 2011 is expected to continuously remain at high level with the price competition being not relatively high. Risk factors from fragile global recovery and domestic political unrest due to conflicts between groups of people, however, might cause the economic growth to be slower than expected.

Risk Factors

Price Volatility and Supply Availability of Raw Materials

Major raw materials used by the Company comprise concrete, steel bar, cement, diesel, and slurry (bentonite and polymer). In 2010, the price of steel, diesel and concrete was on an upward trend due to a recovery of global and domestic economy. However, in order to reduce the impact in long term, the Company has always conducted a policy to reduce the risk of price volatility and supply availability by preorder, in whole, some of raw materials such as steel to be used. In some cases such as concrete and bentonite, the Company would enter into the short-term agreement to lock the purchase price for a certain period. Since the Company's projects generally require only 2 – 6 months to complete, a chance that the Company would confront with the price volatility is rather limited. Moreover, the fluctuation of foreign exchange rate does not have significant effect because most major raw materials could be purchased domestically. Regarding the diesel price in which the purchase price cannot be locked in advance, the Company has a policy to alleviate the effect of diesel price by campaigning for reduction of diesel usage at the job sites as well as increasing the production efficiency. In addition, the Company will adjust the selling price if necessary in consideration with the competitiveness factor.

Inability to Secure New Projects Upon the Completion of Existing Projects

Foundation construction generally requires approximately 2-6 months to complete and at most 10-12 months for large-scale projects. Therefore, acquiring new projects to replace the nearly completed projects is necessary to maintain steady income and growth.

During late 2010, the construction industry has rebounded and expanded again. The volume of projects in the market is commensurate with the production capacity of the industry whereas the price competition has decreased as a result of the country's economic revival and the government's economic stimulus policy which has been implemented more consistently, as demonstrated in the commencement of various BTS/MRT projects. The Company expects that it would be beneficial from various large-scale infrastructure projects in which construction would continue for a period of 3-5 years. This should help mitigate this potentially arising risk. In addition, the Company has been improving the success rate of acquiring new projects and thus the Company's customer base has expanded every year.

Losing Skilled and Experienced Personnel in Foundation Works

The Company's operation requires experienced personnel who have knowledge and skill in foundation works such as planning, construction techniques, client liaison, usage of machines and equipments, as well as

machinery maintenance. Losing key personnel such as executives or proficient engineers might affect the Company's performance.

However, the Company has a policy to provide a reasonable welfare and remuneration to the employees as well as the regular training programs to improve their abilities and to keep them with the Company in long term. With a good personnel management system, the Company could rotate personnel for any vacant positions without affecting the operation.

Delay of Project Completion

Risk from the project delay may arise from the client's end such as late handover of construction area or late approval on important matters. In some cases, when the owner delays to handover the construction area, a stand-by fee would be granted to the Company. The project delay could adversely affect the construction period and expenditure. In order to alleviate this risk, the Company constantly collaborates with clients and shall transport the machines and equipments onto the job site only after the area is ready for construction.

On the other hand, the delay may cause by the Company's end such as shortage of raw material supplies. If the Company is unable to deliver the project on the agreed date, it may be subjected to a penalty fee. In this case, the Company alleviates the risk by preordering, in whole, some necessary materials after signing the contract. Moreover, the Company may increase its manpower and machinery to expedite the construction if necessary.

Lawsuits or Claims due to Damages from Construction

Damages of the structures may occur from several reasons such as errors in a design or poor quality of construction. These may lead to damages or injuries. Such occurrences may result in lawsuits or claims against the Company.

Once the project is completed, the Company shall provide the quality assurance by issuing a maintenance bond or a company guarantee letter for a period of 1-2 years. In the past, there were no damages of the structure in the projects that the Company constructed, and the Company has never been subjected to any violent claims because the Company has a high standard of quality control system to minimize a chance of having damages from construction process. In addition, the Company has a policy to have a contractor's all risk insurance during construction to reduce the risk and impact if there is any damage from operation.

Risk from Uncollectible Accounts Receivable (Credit Risk)

During the recovery of economy, there are some volatile factors such as exchange rate, oil price, metal price and inflation as well as political instability that may affect the real estate and the construction sectors. This may result in the Company's customers' liquidity problems and inability to pay debts to the Company.

In order to reduce the risk of unpaid debts, the Company shall examine financial status and reputation of its customers prior to accepting any engagement. In some cases, the Company may request for a payment guarantee prior to the beginning of operations such as advance payment, a letter of bank guarantee or avals. The Company shall set up an allowance for doubtful accounts for expected uncollectible debts, follow up debt collection until the case is final and further pursue legal action as deemed necessary.

Capital Structure

Shareholders

The shareholders' list as at the closing date of the register book on December 13, 2010 is as follow:

	รายชื่อผู้ถือหุ้น Name of shareholders	จำนวนหุ้น No. of shares	ร้อยละ Percentage
1.	กลุ่มแสงอารยะกุล* Sangarayakul Family*	125,559,602	62.78
2.	นายเขมรัฐ โอสธำพันธุ์ Mr. Khemarath Osathaphan	7,290,000	3.65
3.	นายสรวศพิเชฐ เอื้อวิไลจิต Mr. Sanpichet Uahvilajit	7,010,266	3.51
4.	นางสาวณัฐริกา ภูพิพัฒน์ Ms. Nadthika Phupiphat	5,181,786	2.59
5.	นางสาวมธุรส เอื้อนนท์ Mrs. Mathurot Euanontat	3,672,819	1.84
6.	นายสมศักดิ์ วิริยะพิพัฒน์ Mr. Somsak Viriyapipat	3,085,533	1.54
7.	นางสาวศิริ เตโช Ms. Siri Techo	2,969,899	1.48
8.	นายบุญช่วย ตั้งวัฒนศิริกุล Mr. Boonchuay Thangwatthanasirikul	2,857,200	1.43
9.	นางสาววรลักษณ์ สมัชชัย Ms. Woralak Samatchai	2,418,700	1.21
10.	นางพรทิพย์ ประสงค์สุธน Mrs. Pornthip Prasongsuthon	2,295,033	1.15
	ผู้ถือหุ้นรายอื่น Other shareholders	37,659,162	18.83
	รวม Total	200,000,000	100.00

Remark:

* Sangarayakul family consists of Mr. Chanet, Mr. Bordin, Mr. Vongchai and Mr. Anon Sangarayakul which held the shares in proportion of 39.15, 9.00, 7.40 and 7.23 respectively.

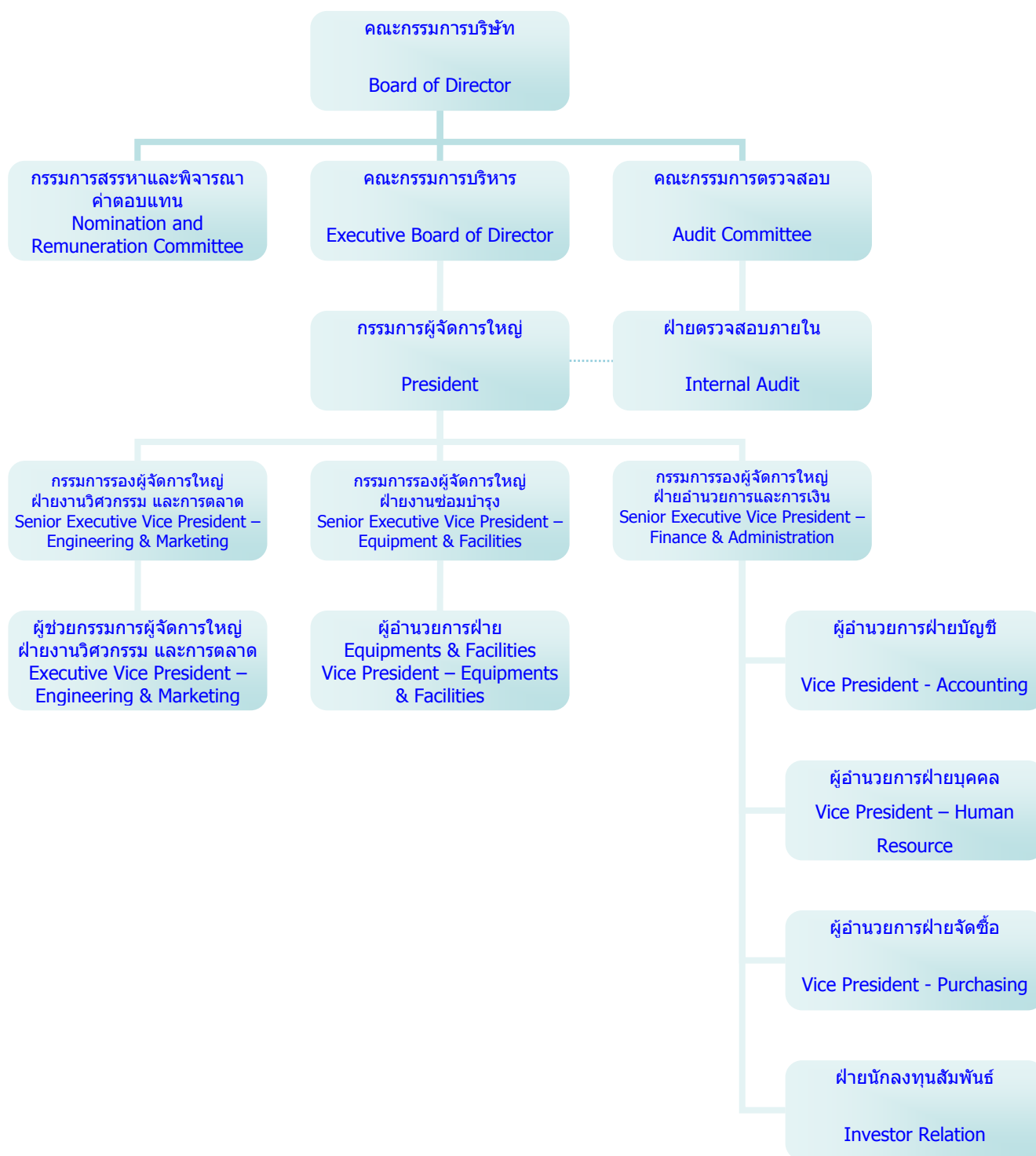
DIVIDEND POLICY

The Company has a policy to pay a dividend at a rate of not less than 40% of net earnings after income tax. However, the Company may pay less than the specified rate if the Company has to use the earnings to expand the operation, to invest, or to other objectives according to the approval of the Company's Board of Directors and the re-approval in the shareholders' meeting.

Management

Management Structure

The Company's management structure is shown in the following organization chart



The structure of the Company's committees consists of the Board of Directors and three sub-committees which are the Audit Committee, the Nomination and Remuneration Committee and the Executive Board. Members of each committee and the scope of their authorities are as follows:

The Board of Directors

The Company's Board of Directors comprises eleven members in which:

- 6 directors are non-executive directors while 5 of them are independent directors
- 5 directors are executive directors

Their names are as follows:

Name - Surname	Position
1. Mr. Seri Chintanaseri	Chairman / Independent Director
2. Mr. Vongchai Sangarayakul	Founder Chairman/Director
3. Mr. Panja Senadisai	Independent Director
4. Mr. Suwit Udomsab	Independent Director
5. Mr. Chaipat Sahasakul	Independent Director
6. Mr. Vinit Chovichien	Independent Director
7. Mr. Chanet Sangarayakul	Director
8. Mr. Bordin Sangarayakul	Director
9. Mr. Christoph Alexander Claus	Director
10. Mr. Somsak Viriyapipat	Director
11. Mr. Pisun Sirisuksakulchai	Director

Company Secretary is Ms. Thitima Tiawprateep

Independent Director

Independent Director is defined by the Company's Board of Directors as follows:

1. Holding shares not exceeding 1 percent of the total shares with voting rights of its parent company, its subsidiary, its associated company or potential conflicting juristic person (provided that any shares held by his or her related person as stipulated in section 258 of securities laws (No.4) 2008 must be taken into account).
2. Not being (at present) nor having been (2 years prior to appointment) an executive director (including the director who has the same responsibility as management and authorized director except for the signature in transactions approved by the Board of Directors and joint signing with other directors), employee, officer, monthly paid advisor or controlling person of the Company, its parent company, its subsidiary, its associated company, its parallel subsidiary (subsidiary of the same holding company) or potential conflicting juristic person.

3. Not being a person related by blood or by registration under laws such as father, mother, spouse, sibling and child, including spouse of child of executive, major shareholder, controlling person or such other persons who will be nominated to take up the position of executive or controlling person of the Company or its subsidiary.
4. Not having (at present) nor having had (2 years prior to appointment) a business relationship with the Company, its parent company, its subsidiary, its associated company or potential conflicting juristic person that might interfere his or her use of independent discretion, including not being (at present) nor having been (2 years prior to appointment) a major shareholder, a director who is not an independent director, or an executive of a person who has a business relationship with the Company, its parent company, its subsidiary, its associated company or potential conflicting juristic person with transaction value equal to or more than 3 percent of net tangible assets (NTA) of the Company; or equal to or more than baht 20 million, whichever is lower. The calculation of such transaction value must include the transaction incurred during 1 year prior to the date entering into the business relationship with the same person. The aforementioned business relationship includes any trading transaction in the ordinary course of business, taking or granting a lease of real property, any transaction relating to assets or services, and granting or acceptance of financial assistance.
5. Not being (at present) nor having been (3 years prior to appointment) an auditor of the Company, its parent company, its subsidiary, its associated company or potential conflicting juristic person as well as not being a major shareholder, a director who is not an independent director, an executive, or a managing partner of the auditing firm employing an auditor of the Company, its parent company, its subsidiary, its associated company or potential conflicting juristic person.
6. Not being (at present) nor having been (2 years prior to appointment) any professional service providers, including a legal advisor or a financial advisor, obtaining service fees of more than baht two million per annum from the Company, its parent company, its subsidiary, its associated company or potential conflicting juristic person. If a professional service provider is a juristic person, this will include a major shareholder, a director who is not an independent director, an executive or a managing partner of such professional service provider.
7. Not being a director appointed to represent any director of the Company, a major shareholder or a shareholder who is a related person to the Company's major shareholder.
8. Not having any other characteristic which makes him or her incapable of expressing an independent opinion with regard to the Company's operation.

Authority to sign on behalf of the Company

Mr. Chanet Sangarayakul and Mr. Bordin Sangarayakul are authorized to jointly sign their names together with the Company's seal affixed to enter into bond on the Company's behalf. Otherwise, one of the aforementioned Directors may jointly sign his name with either Mr. Vongchai Sangarayakul or Mr. Christoph Alexander Claus or Mr. Somsak Viriyapipat or Mr. Pisun Sirisuksakulchai together with the Company's seal affixed to enter into bond on the Company's behalf.

Scope of Authorities of the Company's Board of Directors

The Board of Directors has authorities and responsibilities to manage the Company in compliance with laws, objectives and regulations of the Company, and the legalized resolution passed at the shareholders' meeting. The Board of Directors shall manage the Company with honesty and carefully look after the Company's benefits. The important authorities and responsibilities of the Board of Directors are as follows:

1. To arrange the annual general shareholders' meeting within four months after the date ending the Company's fiscal year.
2. To arrange the Board of Directors' meeting at least once every three months.
3. To prepare the Company's balance sheet and income statement that would be audited by the external auditor and submitted to the shareholders' meeting for consideration and approval.
4. The Board of Directors may delegate authorities to one or many Directors or other persons to perform any duties on its behalf under its supervision. The Board of Directors may assign them with specific authorities and durations as deemed appropriate and reserve the right to change or revoke those authorities given.

The Board of Directors may delegate authorities to the Executive Board to perform any tasks in accordance with the extent of its prescribed authorities. The assigned authorities, however, must not give the Executive Board the opportunity to consider and approve any transactions that he/she or other persons may have interests or conflict of interests of any nature with the Company or its subsidiaries except the transactions that comply with the policy and criteria that are already considered and approved by the Board of Directors.

5. To set goal, direction, policy, plan, and budget of the Company as well as monitor and supervise the administration and management of the Executive Board so that it complies with the prescribed policy except for the matters required by law to be approved by the resolution of the shareholders' meeting. These matters are such as acquisition and deposition of the capital, issuance of the Company's debenture, sale or transfer of ownership of the Company or a significant part thereof to another individual, purchase or transfer of business from other companies, and amendment of memorandum of association or regulations, etc. The Board of Directors' duty is also to supervise the Company so that its business operation complies with the

Securities and Securities Exchange Act and the Stock Exchange of Thailand's regulations such as the matter of related party transactions and the sale and purchase of core assets in accordance with the regulations of the Stock Exchange of Thailand or other laws relevant to the Company's business.

6. To consider the structure of management as well as the appointments of the Executive Board, Managing Director, and other committees as deemed appropriate.
7. To monitor the Company's operating performance so that it has continually complied with the prescribed plan and budget.
8. The Director is prohibited from doing business, being partner of the ordinary partnership, being partner with unlimited liabilities of the limited partnership, or being Director of the private company or other companies which conduct business of the same nature and directly compete with the Company. These matters are prohibited whether doing for his/her or other person interests unless the Director notifies the shareholders' meeting prior to the resolution for his/her appointment.
9. The Director must promptly inform the Company about their direct or indirect personal interest in contracts executed by the Company including debentures and shareholding status, whether increase or decrease, in the Company or its affiliates.

Audit Committee

Name - Surname	Position
1. Mr. Panja Senadisai *	Chairman of Audit Committee / Independent Director
2. Mr. Chaipat Sahasakul *	Member of Audit Committee / Independent Director
3. Mr. Vinit Chovichien	Member of Audit Committee / Independent Director

*Remark *The Director who has knowledge and experience in reviewing the financial report*

Secretary to the Audit Committee is Ms. Thitima Tiawprateep

Scope of Authorities of the Audit Committee

1. To review the Company's financial reporting process to ensure that it is accurate and adequate;
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient as well as to determine an internal audit unit's independence;
3. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business;
4. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration;

5. To approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;
6. To review the connected transactions, or the transactions that may lead to conflicts of interest, to ensure that they are in compliance with the laws and the Exchange's regulations and are reasonable and for the highest benefits of the Company;
7. To review the Charter of the Audit Committee at least once a year and propose to the Board of Directors for consideration;
8. To carry out any other tasks as assigned by the Board of Directors and approved by the Audit Committee;
9. To prepare, and to disclosed in the Company's annual report, an audit committee's report which must be signed by the Audit Committee's chairman and consist of at least the following information required by the Stock Exchange of Thailand;
 - (a) an opinion on the accuracy, completeness and creditability of the Company's financial report,
 - (b) an opinion on the adequacy of the Company's internal control system,
 - (c) an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
 - (d) an opinion on the suitability of an auditor,
 - (e) an opinion on the transactions that may lead to conflicts of interest,
 - (f) the number of the Audit Committee meetings and the attendance of such meetings by each committee member,
 - (g) an opinion or overview comment received by the audit committee from its performance of duties in accordance with charter, and
 - (h) other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors;
10. To report the results of the Audit Committee's work to the Board of Directors regularly at least once every quarter.

The Nomination and Remuneration Committee

Name - Surname	Position
1. Mr. Suwit Udomsab	Chairman of Nomination and Remuneration Committee / Independent Director
2. Mr. Vongchai Sangarayakul	Member of Nomination and Remuneration Committee
3. Mr. Vinit Chovichien	Member of Nomination and Remuneration Committee / Independent Director

Remark Secretary to the Nomination and Remuneration Committee is Ms. Waraporn Nilpetch.

Scope of Authorities of the Nomination and Remuneration Committee

1. To determine the structure, composition and qualifications of the directors and the president.
2. To select and submit the names of the knowledgeable and experienced candidates who are suitable for the Company's business to be appointed as the directors and the president in case of vacancy for consideration and approval of the Board of Directors or at the shareholders' meeting as the case may be.
3. To select the Company's representative for positions in subsidiary and/or associated companies.
4. To determine the remuneration structure of the directors and the president such as monthly remuneration, gratuity, bonus, welfare, meeting fee and other cash and non-cash fringe benefits.
5. To set up the criteria for the president's assessment and present to the Board of Directors' for consideration and approval.
6. To consider the terms and conditions in case of new securities (or warrants) offered to directors and employees (ESOP) as well as to consider and endorse in case that securities are allotted to any director or any employee more than 5 % of the total securities to be allotted. The Nomination and Remuneration Committee will be eligible to have such endorsement upon the condition that none of the Nomination and Remuneration Committee's members is granted the security allotment of more than 5%.
7. The Nomination and Remuneration Committee is a sub-committee appointed by the Board of Directors for a purpose of studying and reviewing the assignments. Hence, the Nomination and Remuneration Committee is routinely requested to report its activities to the Board of Directors' meeting subsequent to its meeting and report its performance in the past year to shareholders in the Company's annual report and the annual general meeting of shareholders.
8. To perform any other tasks, as assigned by the Board of Directors, in relation to nomination and remuneration.

The Executive Board of Directors

Name - Surname	Position
1. Mr. Chanet Sangarayakul	Chairman of Executive Board
2. Mr. Bordin Sangarayakul	Member of Executive Board
3. Mr. Christoph Alexander Claus	Member of Executive Board
4. Mr. Somsak Viriyapipat	Member of Executive Board
5. Mr. Pisun Sirisuksakulchai	Member of Executive Board

Scope of Authorities of the Executive Board of Directors

Duties and responsibilities of the Executive Board of Directors are to administer the Company's usual business practice and management. Its duties and responsibilities are also to set and submit to the Board of Directors' meeting for consideration and approval and/or endorsement the policies, business plans, budget, management structure, and power of management authorities, as well as the criteria in conducting the Company's business that complies with the economic environment. The Executive Board of Directors shall investigate and monitor the Company's performance to ensure the compliance with the prescribed policies. Major duties and responsibilities of the Executive Board of Directors are as follows:

1. To set policy, direction, strategy, and core management structure regarding the Company's business conduct and submit to the Board of Directors for approval.
2. To set business plan, budget, and management authorities and submit to the Board of Directors for approval.
3. To consider the Company's investment project and submit to the Board of Directors for approval.
4. To approve important investment expenditures prescribed in the annual budget as assigned by the Board of Directors or investment expenditures that are already approved in principle by the Board of Directors.
5. To approve procurement or hiring contracts for the office management task in the amount not exceeding Baht 20 million per transaction.
6. To negotiate and sign contracts, agreements, and documents for the construction projects worth not exceeding Baht 200 million for private sector and Baht 500 million for public sector including the procurement or hiring of those projects that are normal business practices of the Company.
7. To act as the management's advisory committee in the matter of financial policy, marketing, operation and other administrative duties.
8. To approve the opening or closing of the bank deposit account, to specify the authorized person who shall withdraw money from the Company's account, as well as to handle the matters concerning the bank deposit account.
9. To conduct any necessary operations to support and protect the Company's benefits.

According to the regulations of the Securities and Securities Exchange Commission and the Stock Exchange of Thailand, the authorities of the Executive Board shall not include the approval of transactions that member of the Executive Board or other persons may have interests or conflict of interests of any nature with the Company or its subsidiaries (if any). These transactions must be submitted to the Board of Directors' meeting and/or the shareholders' meeting for consideration and approval as specified by the Company's regulations and other related laws unless it is the approval of transactions that are the nature of the Company's normal business practices and the framework for consideration is clearly set by the Board of Directors.

The Management Executive

Members of the management executive are as follows:

Name - Surname	Position
1. Mr. Chanet Sangarayakul	President
2. Mr. Bordin Sangarayakul	Senior Executive Vice President - Finance & Administration
3. Mr. Christoph Alexander Claus	Senior Executive Vice President – Engineering & Marketing
4. Mr. Somsak Viriyapipat	Senior Executive Vice President - Equipments & Facilities
5. Mr. Pisun Sirisuksakulchai	Executive Vice President - Engineering & Marketing
6. Mrs. Sureerat Nakaphadungrat	Vice President - Accounting
7. Mr. Veeratas Jiradachviroj	Vice President - Purchasing

Scope of Authorities of the President

1. To take responsibilities on daily routine management as well as control and supervise staffs and employees of the Company.
2. To conduct or operate the Company's business in compliance with the policy, plan, and budget approved by the Board of Directors and/or the Executive Board.
3. To manage, on behalf of the Company, the Company's business to fully comply with the prescribed objectives, regulations, policies, rules, orders as well as the resolutions of the shareholders' meeting and/or the resolutions of the Board of Directors' meeting and/or the resolutions of the Executive Board's meeting.
4. To approve procurement or hiring contracts for the office management tasks in the amount not exceeding Baht 5 million per transaction.
5. To negotiate and sign contracts, agreements, and documents for the construction projects worth not exceeding Baht 50 million including the procurement or hiring of those projects that are normal business practices of the Company.
6. To hire and determine the remunerations of all the Company's employees as well as appoint the employer's representative in the provident fund committee.

However, according to the regulations of the Securities and Securities Exchange Commission and the Stock Exchange of Thailand, the authorities of the President shall not include the approval of transactions that he/she or other persons may have interests or conflict of interests of any nature with the Company or its subsidiaries. These transactions must be submitted to the Board of Directors' meeting and/or the shareholders' meeting for consideration and approval as specified by the Company's regulations and other related laws unless it is the approval of transactions that are the nature of the Company's normal business practice and the framework for consideration is clearly set by the Board of Directors.

The Selection of Directors and Executives

- **Composition and Criteria for Selection of the Company's Directors**

Composition and selection, appointment, dismissal or termination from the position of the Company's Director is prescribed in the Company's article of association which can be concluded as follows.

The Company's Board of Directors comprises at least 5 members and not less than half of the Directors must reside in Thailand. All Directors must meet the qualification required by law.

At every annual general meeting, one-third of the Directors, or if the number is not a multiple of three, then the number nearest to one-third shall retire from the office. The Directors retiring on the first and second year after the registration of the company shall be drawn by lots. In every subsequent year, the directors who have been longest in office shall retire. Directors whose terms expire may be re-elected.

The annual meeting of shareholders shall elect members of the Board of Directors in accordance with the following criteria and procedures.

1. Each shareholder shall have one vote for each share he/she holds.
2. Each shareholder shall exercise all votes in electing one or many persons to be Directors, provided that a vote shall not be divisible.
3. Persons who receive the highest votes are, in descending order, elected to the Board of Directors until the required number is met. In the case that two or more candidates have an equality of votes but exceed the number of Directors which the meeting of shareholders is to appoint, the presiding Chairman will cast the deciding vote.

In case of vacancy due to reasons other than expiry of service terms, the Board of Directors shall choose any person who is qualified and not subject to prohibition by law as a replacement director at the next meeting of the Board of Directors, except in the case that the remaining term of office of such director is less than two months.

The replacement director shall hold the office only for the remaining term of the director whom he/she replaces. The resolution of the Board of Directors must be passed by votes of not less than three-fourth of the number of the remaining directors.

The meeting of shareholders may pass a resolution to dismiss the director before the expiration of his/her service term with the votes of at least three-fourth of the number of attendant shareholders entitled to vote and at least one half of shares held by the attendant shareholders entitled to vote.

- **Composition and Criteria for Selection of the Audit Committee**

The Company shall appoint the Audit Committee which consists of at least three independent directors. At least one director must have knowledge or experience in accounting or finance, and have consistent knowledge of events affecting the changes in the Company's financial report in order to increase the efficiency of the Audit Committee. The Audit Committee shall hold office on a three-year term.

When the term of service expires or there is any circumstance causing any member to be unable to hold office until expiration, thus making the number of committee members to be lower than three persons, the Board of Directors or the shareholders' meeting should appoint the new member to fill up the vacancy immediately or not later than three months from the date of vacancy to ensure the continual performance of the Audit Committee.

- **Composition and Criteria for Selection of the Nomination and Remuneration Committee**

The Company shall appoint the Nomination and Remuneration Committee which consists of not less than 3 members. At least half of the members, including the Chairman of the Nomination and Remuneration Committee, must be the independent directors. The Nomination and Remuneration Committee shall hold office on a three-year term.

In case of vacancy because of completion of term, or for other reasons than completion of term, the Board of Directors shall appoint a qualified person as a replacement member within 90 days to ensure that the composition of the Nomination and Remuneration Committee complies with the requirement of the Board of Directors.

- **Composition and Criteria for Selection of the Company's Executives**

The Board of Directors shall appoint a number of suitable persons to be members of the Executive Board.

Remunerations of Directors and Executives

Position	Year 2009			Year 2010		
	No. (Person)	Amount (Million Baht)	Description	No. (Person)	Amount (Million Baht)	Description
Director	11	3.319	Meeting Fee, Bonus, Monthly Remuneration	11	4.316	Meeting Fee, Bonus, Monthly Remuneration
Executive	7	10.94	Salary, Bonus, Social Security Fund and Provident Fund	7	10.52	Salary, Bonus, Social Security Fund and Provident Fund

Remunerations of the Directors

Number of Meeting Attendance

Name - Surname	Year 2009			Year 2010		
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Board of Directors	Audit Committee	Nomination and Remuneration Committee
1. Mr. Seri Chintanaseri	6/6	-	-	6/6	-	-
2. Mr. Vongchai Sangarayakul	5/6	-	2/2	6/6	-	1/1
3. Mr. Panja Senadisai	6/6	5/5	-	6/6	5/5	-
4. Mr. Suwit Udomsab	6/6	-	2/2	6/6	-	1/1
5. Mr. Chaipat Sahasakul	6/6	5/5	-	6/6	5/5	-
6. Mr. Vinit Chovichien	6/6	5/5	2/2	6/6	5/5	1/1
7. Mr. Chanet Sangarayakul	6/6	-	-	6/6	-	-
8. Mr. Bordin Sangarayakul	6/6	-	-	6/6	-	-
9. Mr. Christoph A. Claus	4/6	-	-	5/6	-	-
10. Mr. Somsak Viriyapipat	6/6	-	-	6/6	-	-
11. Mr. Pisun Sirisuksakulchai	5/5	-	-	5/6	-	-

Remark

- Nomination and Remuneration Committee was appointed according to the resolution of the Board of Directors on November 13, 2007 and the first meeting was held in 2008.

Directors' Remunerations.

Name - Surname	Year 2009	Year 2010
	Remuneration (Baht)	Remuneration (Baht)
1. Mr. Seri Chintanaseri	806,471	972,857
2. Mr. Vongchai Sangarayakul ²	358,529	457,429
3. Mr. Panja Senadisai ¹	443,235	526,429
4. Mr. Suwit Udomsab ²	380,235	458,429
5. Mr. Chaipat Sahasakul ¹	395,235	478,429
6. Mr. Vinit Chovichien ^{1,2}	403,235	482,429
7. Mr. Chanet Sangarayakul	118,235	201,429
8. Mr. Bordin Sangarayakul	118,235	201,429
9. Mr. Christoph A. Claus	78,824	167,857
10. Mr. Somsak Viriyapipat	118,235	201,429
11. Mr. Pisun Sirisuksakulchai	98,529	167,857

Note

- Including remuneration as the Audit Committee
- Including remuneration as the Nomination and Remuneration Committee.

คณะกรรมการและผู้บริหารของบริษัท

Company's Directors and Executives

1	นายเสรี จินตนาเสรี ประธานกรรมการ ตำแหน่งอื่น อนุกรรมการด้านกฎหมาย - ตลาดหลักทรัพย์แห่งประเทศไทย ประธานบริษัท - เสรี มานพ แอนด์ คอลเลจ จำกัด กรรมการและกรรมการตรวจสอบ - บมจ.แอ็ดวานซ์ อะโกร	1	Mr. Seri Chintanaseri Chairman Other Positions Legal Subcommittee - The Stock Exchange of Thailand Chairman - Seri Manop & Doyle Ltd Director / Member of Audit Committee - Advance Agro Plc.
	การศึกษา เนติบัณฑิตอังกฤษ สถาบันเนติบัณฑิตอังกฤษลินคอล์น อินน์ เนติบัณฑิตไทย สถาบันอบรมกฎหมายแห่งเนติบัณฑิตยสภา นิติศาสตรบัณฑิต มหาวิทยาลัยธรรมศาสตร์		Education Barrister-at- Law, The Honourable Society of Lincoln's Inn, England Barrister-at- Law, Institute of Legal Education, Thailand Bachelor of law, Thammasart University
	สัดส่วนการถือหุ้นในบริษัท 0.75%		Percentage of Shareholding: 0.75%
	การอบรมจาก IOD Directors Certification Program รุ่นที่ 65/2005		IOD Training Directors Certification Program (65/2005)
2.	นายวงศ์ชัย แสงอารยะกุล ประธานผู้ก่อตั้ง / กรรมการ / กรรมการสรรหาและ พิจารณาค่าตอบแทน ตำแหน่งอื่น เจ้าของกิจการ - ห้างขายยาสยามฟาร์มาซี กรรมการ - บจ. ไพลอน (2547-2548)	2.	Mr.Vongchai Sangarayakul Founder Chairman / Director / Member of Nomination and Remuneration Committee Other Positions Owner - Siam Pharmacy Director - Pylon Co., Ltd (2004-2005)
	การศึกษา มัธยมศึกษาตอนปลาย กศน.		Education High School
	สัดส่วนการถือหุ้นในบริษัท 7.40%		Percentage of Shareholding: 7.40%

<p>การอบรมจาก IOD</p> <p>Directors Accreditation Program รุ่นที่ 44/2005</p>	<p>IOD Training</p> <p>Directors Accreditation Program (44/2005)</p>
<p>3. นายปัญจะ เสนาดิสัย</p> <p>ประธานคณะกรรมการตรวจสอบ / กรรมการ</p> <p>ตำแหน่งอื่น</p> <p>กรรมการ / ประธานคณะกรรมการตรวจสอบ / กรรมการ พิจารณาผลตอบแทน</p> <p>- บมจ. สมบูรณ์ แอ็ดวานซ์ เทคโนโลยี</p> <p>กรรมการ / กรรมการตรวจสอบ / ประธานกรรมการพิจารณา ผลตอบแทน</p> <p>- บมจ. ทรินิตี้ วัฒนา</p> <p>กรรมการ</p> <p>- บมจ. เคซีอี อิเล็คทรอนิกส์</p> <p>ประธานกรรมการ</p> <p>- บมจ. เดวา พร็อพเพอร์ตี้</p> <p>กรรมการ / กรรมการตรวจสอบ</p> <p>- บมจ. รสา พร็อพเพอร์ตี้ ดีเวลลอปเม้นท์</p> <p>การศึกษา</p> <p>Master of Business Administration (MBA), Suffolk University (USA)</p>	<p>3. Mr. Panja Senadisai</p> <p>Chairman of Audit Committee / Director</p> <p>Other Positions</p> <p>Chairman of the Audit Committee / Member of Remuneration Committee / Director</p> <p>- Somboon Advance Technology Plc.</p> <p>Director / Member of Audit Committee / Chairman of Remuneration Committee</p> <p>- Trinity Watthana Plc.</p> <p>Director</p> <p>- KCE Electronics Plc.</p> <p>Chairman of the Board</p> <p>- Deva Property Plc.</p> <p>Director / Member of Audit Committee</p> <p>- Rasa Property Development Plc.</p> <p>Education</p> <p>Master of Business Administration (MBA), Suffolk University (USA)</p>
<p>สัดส่วนการถือหุ้นในบริษัท -</p>	<p>Percentage of Shareholding: -</p>
<p>การอบรมจาก IOD</p> <p>Directors Certification Program รุ่นที่ 20/2002</p> <p>Audit Committee Program ปี 2004</p> <p>Attendance Role of the Compensation Committee Program Class 2/2007</p>	<p>IOD Training</p> <p>Directors Certification Program (20/2002)</p> <p>Audit Committee Program 2004</p> <p>Attendance Role of the Compensation Committee Program Class 2/2007</p>
<p>4. นายสุวิทย์ อุดมทรัพย์</p> <p>ประธานคณะกรรมการสรรหาและพิจารณาคำตอบแทน /</p> <p>กรรมการ</p> <p>ตำแหน่งอื่น</p> <p>กรรมการอิสระ / กรรมการตรวจสอบ</p> <p>- ธนาคารแลนด์ แอนด์ เฮาส์ เพื่อรายย่อย จำกัด (มหาชน)</p>	<p>4. Mr.Suwit Udomsab</p> <p>Chairman of Nomination and Remuneration committee</p> <p>/Director</p> <p>Other Positions</p> <p>Independent Director / Audit Committee</p> <p>- Land and Houses Retail Bank Plc.</p>

<p>กรรมการอิสระ / กรรมการตรวจสอบ</p> <p>- บมจ.แอล.เอส. ไฟแนนซ์เชียล กรุ๊ป</p> <p>คณะกรรมการที่ปรึกษากรรมการ</p> <p>- Zheng Xin Bank Co., Ltd., Shanghai, China</p>	<p>Independent Director / Audit Committee</p> <p>- L.H. Financial Group Plc.</p> <p>Advisory Board of Directors</p> <p>- Zheng Xin Bank Co., Ltd., Shanghai, China</p>
<p>การศึกษา</p> <p>ประกาศนียบัตรหลักสูตร Advanced Management Program Harvard Business School, Harvard University (USA)</p> <p>บัญชีบัณฑิต จุฬาลงกรณ์มหาวิทยาลัย</p>	<p>Education</p> <p>Advanced Management Program, Harvard Business School, Harvard University (USA)</p> <p>Bachelor of Accounting, Chulalongkorn University</p>
<p>สัดส่วนการถือหุ้นในบริษัท -</p>	<p>Percentage of Shareholding: -</p>
<p>การอบรมจาก IOD</p> <p>Directors Accreditation Program รุ่นที่ 66/2007</p>	<p>IOD Training</p> <p>Directors Accreditation Program (66/2007)</p>
<p>5. นายชัยพัฒน์ สหสกุล</p> <p>กรรมการ / กรรมการตรวจสอบ</p> <p>ตำแหน่งอื่น</p> <p>กรรมการ</p> <p>- ตลาดหลักทรัพย์แห่งประเทศไทย</p> <p>กรรมการอิสระ / กรรมการตรวจสอบ</p> <p>- บมจ.น้ำมันพืชไทย</p> <p>ประธานคณะกรรมการตรวจสอบ / กรรมการ</p> <p>- บมจ. ผลิตไฟฟ้า</p> <p>ประธานกรรมการนโยบายวิจัย</p> <p>- มหาวิทยาลัยกรุงเทพ</p> <p>การศึกษา</p> <p>Ph.D. in Economics, University of Rochester, USA</p> <p>สัดส่วนการถือหุ้นในบริษัท -</p> <p>การอบรมจาก IOD</p> <p>Directors Certification Program รุ่นที่ 21/2002</p>	<p>5 Mr. Chaipat Sahasakul</p> <p>Director / Member of Audit Committee</p> <p>Other Positions</p> <p>Director</p> <p>- The Stock Exchange of Thailand</p> <p>Independent Director / Member of Audit Committee</p> <p>- Thai Vegetable Oil Plc.</p> <p>Chairman of Audit Committee / Director</p> <p>- The Electricity Generating Plc.</p> <p>Chairman, University Research Policy Committee</p> <p>Bangkok University</p> <p>Education</p> <p>Ph.D. in Economics, University of Rochester, USA</p> <p>Percentage of Shareholding: -</p> <p>IOD Training</p> <p>Directors Certification Program (21/2002)</p>

<p>6. นายวินิต ช่อวิเชียร</p> <p>กรรมการ / กรรมการตรวจสอบ / กรรมการสรรหาและพิจารณาค่าตอบแทน ตำแหน่งอื่น</p> <p>อาจารย์พิเศษ</p> <p>- คณะวิศวกรรมศาสตร์ จุฬาลงกรณ์มหาวิทยาลัย</p> <p>การศึกษา</p> <p>Doctor of Philosophy, Purdue University, Indiana (USA)</p> <p>สัดส่วนการถือหุ้นในบริษัท -</p> <p>การอบรมจาก IOD</p> <p>Directors Accreditation Program รุ่นที่ 44/2005</p>	<p>6. Mr.Vinit Chovichien</p> <p>Director / Member of Audit Committee / Member of Nomination and Remuneration Committee Other Positions</p> <p>Lecturer</p> <p>- Faculty of Engineering, Chulalongkorn University</p> <p>Education</p> <p>Doctor of Philosophy, Purdue University, Indiana (USA)</p> <p>Percentage of Shareholding: -</p> <p>IOD Training</p> <p>Directors Accreditation Program (44/2005)</p>
<p>7. นายชนะศวร์ แสงอารยะกุล</p> <p>กรรมการ / ประธานคณะกรรมการบริหาร / กรรมการผู้จัดการใหญ่ ตำแหน่งอื่น</p> <p>ประธานกรรมการ</p> <p>- บจ. เอ็กเซลอน</p> <p>ประธานกรรมการ / กรรมการผู้จัดการใหญ่</p> <p>- บจ. ไพลอน (2545-2547)</p> <p>การศึกษา</p> <p>Doctor of Engineering Asian Institute of Technology</p> <p>สัดส่วนการถือหุ้นในบริษัท 39.15%</p> <p>การอบรมจาก IOD</p> <p>Directors Accreditation Program รุ่นที่ 44/2005</p>	<p>7. Mr.Chanet Sangarayakul</p> <p>Director / Chairman of Executive Board / President</p> <p>Other Positions</p> <p>Chairman</p> <p>- Excelon Co., Ltd.</p> <p>Chairman / President</p> <p>- Pylon Co., Ltd (2002-2004)</p> <p>Education</p> <p>Doctor of Engineering, Asian Institute of Technology</p> <p>Percentage of Shareholding: 39.15%</p> <p>IOD Training</p> <p>Directors Accreditation Program (44/2005)</p>
<p>8. นายบดินทร์ แสงอารยะกุล</p> <p>กรรมการ / กรรมการบริหาร / กรรมการรองผู้จัดการใหญ่ / รักษาการผู้อำนวยการ ตำแหน่งอื่น</p> <p>กรรมการ</p> <p>- บจ. อ้วนจั่ง</p>	<p>8. Mr.Bordin Sangarayakul</p> <p>Director / Member of Executive Board / Senior Executive Vice President / Acting Vice President</p> <p>Other Positions</p> <p>Director</p> <p>- Auan Jung Co., Ltd.</p>

กรรมการ	Director
- บจ. เอ็กเซลลอน	- Excelon Co., Ltd.
กรรมการ / กรรมการรองผู้จัดการฝ่ายอำนวยการและการเงิน	Director / DMD – Finance & Administration
- บจ. ไพลอน (2547-2548)	- Pylon Co., Ltd (2004-2005)
การศึกษา	Education
Master of Science (Construction Engineering and Management), Virginia Tech (USA)	Master of Science (Construction Engineering and Management), Virginia Tech (USA)
สัดส่วนการถือหุ้นในบริษัท 9.0%	Percentage of Shareholding: 9.0%
การอบรมจาก IOD	IOD Training
Directors Accreditation Program รุ่นที่ 44/2005	Directors Accreditation Program (44/2005)
9. นายคริสโตฟ อเล็กซานเดอร์ เคลาส์	9. Mr. Christoph Alexander Claus
กรรมการ / กรรมการบริหาร / กรรมการรองผู้จัดการใหญ่ / รักษาการผู้อำนวยการ	Director / Member of Executive Board / Senior Executive Vice President / Acting Vice President
ตำแหน่งอื่น	Other Positions
กรรมการ / กรรมการรองผู้จัดการฝ่ายงานวิศวกรรมและ การตลาด	Director / DMD – Engineering & Marketing
- บจ. ไพลอน (2547-2548)	- Pylon Co., Ltd (2004-2005)
การศึกษา	Education
Bachelor of Mechanical & Civil Engineering, University of Fridericiana Karlsruhe-Germany	Bachelor of Mechanical & Civil Engineering, University of Fridericiana Karlsruhe-Germany
สัดส่วนการถือหุ้นในบริษัท -	Percentage of Shareholding: -
การอบรมจาก IOD	IOD Training
Directors Accreditation Program รุ่นที่ 57/2006	Directors Accreditation Program (57/2006)
10. นายสมศักดิ์ วิริยะพิพัฒน์	10. Mr. Somsak Viriyapipat
กรรมการ / กรรมการบริหาร / กรรมการรองผู้จัดการใหญ่ / รักษาการผู้อำนวยการ	Director / Member of Executive Board / Senior Executive Vice President / Acting Vice President
ตำแหน่งอื่น	Other Positions
กรรมการ / กรรมการรองผู้จัดการฝ่ายซ่อมบำรุง	Director / DMD - Equipment & Facilities
- บจ. ไพลอน (2547-2548)	- Pylon Co., Ltd (2004-2005)

การศึกษา	Education
Bachelor of Mechanical Engineering, สถาบันเทคโนโลยีพระจอมเกล้าพระนครเหนือ	Bachelor of Mechanical Engineering, King Mongkut's Institute of Technology North Bangkok
สัดส่วนการถือหุ้นในบริษัท 1.54%	Percentage of Shareholding: 1.54%
การอบรมจาก IOD	IOD Training
Directors Accreditation Program รุ่นที่ 44/2005	Directors Accreditation Program (44/2005)
11. นายพิสันต์ ศิริสุขสกุลชัย กรรมการ / กรรมการบริหาร / ผู้ช่วยกรรมการผู้จัดการใหญ่ - ฝ่ายวิศวกรรมและการตลาด ตำแหน่งอื่น กรรมการบริษัท - บจ. เอ็กซีลอน กรรมการ - บจ. ไทยคาร์ดคอม ผู้จัดการโครงการ - บมจ. ไพลอน (2549) ผู้จัดการโครงการ - Manning Construction USA (2547-2549)	11. Mr. Pisun Sirisuksakulchai Director / Member of Executive Board / Executive Vice President - Engineering & Marketing Other Positions Director - Excelon Co., Ltd. Director - Thaicar dot com Co., Ltd. Project Manager - Pylon Plc. (2006) Project Manager - Manning Construction USA (2004-2006)
การศึกษา	Education
Master of Business Administration (MBA), Rockhurst University (USA)	Master of Business Administration (MBA), Rockhurst University (USA)
Master of Science – Construction Management, University of Wisconsin-Madison (USA)	Master of Science – Construction Management, University of Wisconsin-Madison (USA)
สัดส่วนการถือหุ้นในบริษัท 0.08%	Percentage of Shareholding: 0.08%
การอบรมจาก IOD	IOD Training
Directors Accreditation Program รุ่นที่ 79/2009	Directors Accreditation Program (79/2009)

<p>12. นางสาวสุรรัตน์ นาคะผดุงรัตน์ ผู้อำนวยการฝ่ายบัญชี ตำแหน่งอื่น ผู้จัดการฝ่ายบัญชี - บจ. ซีเนคัลเลอร์ แลป (2543-2547)</p> <p>การศึกษา Master of Business Administration (MBA) สถาบัน บัณฑิตพัฒนบริหารศาสตร์</p> <p>สัดส่วนการถือหุ้นในบริษัท 0.87%</p>	<p>12. Mrs. Sureerat Nakaphadungrat Vice President – Accounting Other Positions Accounting Manager - Cinecolor Lab Co., Ltd (2000-2004)</p> <p>Education Master of Business Administration (MBA), NIDA</p> <p>Percentage of Shareholding: 0.87%</p>
<p>13. นายวีรทัศน์ จิรเดชวิโรจน์ ผู้อำนวยการฝ่ายจัดซื้อ ตำแหน่งอื่น ผู้จัดการฝ่ายระบบปฏิบัติการ - บมจ. ไพลอน (พ.ศ.2549-2550) Quality Advisor - บจ. ซีวีดี อินเตอร์เนชั่นแนล (พ.ศ.2545-2548)</p> <p>การศึกษา Master of Business Administration (MBA) มหาวิทยาลัยธรรมศาสตร์</p> <p>สัดส่วนการถือหุ้นในบริษัท -</p>	<p>13. Mr. Veeratas Chiradechvirot Vice President – Purchasing Other Positions Operating System Manager - Pylon Plc.(2006-2007) Quality Advisor - CVD International Co., Ltd.(2002-2005)</p> <p>Education Master of Business Administration (MBA), Thammasart University</p> <p>Percentage of Shareholding: -</p>

Corporate Governance

Corporate Governance, as defined by the Stock Exchange of Thailand (SET), is a set of structures and processes of the relationships between a company's board of directors, its management and its shareholders to develop the company's competitiveness, growth and shareholder value in long term while taking into account the interests of other company's stakeholders. The Board of Directors has conducted business in accordance with the concepts of good corporate governance as defined by the Principles of Good Corporate Governance and the regulations specified by the Securities Exchange Commission (SEC) in order to promote the Company's management efficiency and to serve as a basis for sustainable business development, which are presented in 5 categories as follows:

1. Rights of Shareholders
2. Equitable Treatment of Shareholders
3. Role of Stakeholders
4. Disclosure and Transparency
5. Responsibilities of the Board of Directors

Chapter 1 and 2 - Rights and Equitable Treatment of Shareholders

The Company must recognize shareholders' rights and ensure equitable treatment to all shareholders in respect of both statutory rights, such as the right to attend and vote in shareholders' meetings, the right to approve dividend payment and the right to specify remuneration for directors; and non-statutory rights such as disclosure of information and news to shareholders via the Company's website.

With regard to shareholders' meetings, all shareholders are allowed to propose the meeting agendas and the names of candidate directors to the Company in advance from mid-November prior to the Company's Annual General Meeting of Shareholders. Additionally, the Board of Directors has set various criteria such as the shareholding percentage of those proposing candidate directors, support data for consideration, various channels for submission of information and the submission deadline. Relevant information will be published through the channel of the SET and details of the said criteria are also available on the Company's website. The Company's meeting invitation contains supporting information for each agenda and various proxy forms as well as a list of independent directors in case any shareholders are unable to attend the meeting but would like to assign proxy to attend the meeting on their behalf. The Company has posted the meeting invitation and related attachments in both Thai and English via its website in advance of the meeting so that shareholders can study all information prior to receiving the invitation.

At the Annual General Meeting of Shareholders, all members of the Board of Directors shall attend the meeting unless having inevitable matter. In 2010, 10 out of 11 board members attended the meeting and the meeting Chair, who is also Chairman of the Board of Directors, informed all the attendees about regulations

governing the meeting, enabled the shareholders to use their right to elect each individual director, as well as allowed the shareholders to express their opinions and pose any inquiries relating to the meeting or the Company. Furthermore, the Company has encouraged the shareholders to send their questions to the Company in advance via the Company's email.

After the Company's Annual General Meeting of Shareholders, the meeting minutes shall be prepared for dissemination through the Company's website within 14 days.

With regards to control of usage of internal information, the Board of Directors has a policy to prevent directors, executives, and employees from using internal information they may acquire through their status for their own or other persons' benefits. Details of this policy are presented under the section "Supervision of Inside Information Usage". In addition, the Company has prescribed measures and procedures on the approval of connected transactions between the Company and its stakeholders or relevant parties to ensure that the directors who have conflicts of interest or participated in such transactions do not have the right to vote in the decision making process.

Chapter 3 - Role of Stakeholders

The Company realizes the importance and gives due care to all groups of stakeholders both inside and outside the Company, such as the shareholders, employees, customers, suppliers and competitors with respect to their legal rights, as well as undertakes responsibility for the society and the public. The Board of Directors therefore stipulates a code of business ethics as guidelines for the Board of Directors, the management team and employees in their operations. It is the duty and responsibility of everyone to comply with this code. The synopsis is as follows:

- ***Treatment of Employees:*** The Company realizes the importance of every employee and ensures that they all receive equitable treatment in respect of opportunity, compensation and for development of their ability.
- ***Treatment of Customers:*** The Company stresses the importance of customer satisfaction and confidence by consistently providing customers with high quality products and services at reasonable prices while maximizing customers' benefits with integrity and honesty.
- ***Treatment of Suppliers:*** The Company treats its suppliers equally and fairly by not charging, receiving or paying any benefits to or from suppliers unfairly, by strictly complying with the mutually agreed terms and conditions, and by developing and maintaining a sustainable relationship with suppliers and contract counterparties through mutual trust.

- ***Treatment of Competitors:*** The Company competes fairly with all business competitors under the justified framework of complying with a good business competition practice with morality and not damaging the reputation of its competitors by making false accusations.

In addition, the Company emphasizes the importance of the social and public responsibility through its compliance with laws and related regulations, management of environment issues, and adoption of safety measures for business operations. With regards to environment, the Company has determined measures to reduce environmental impact at the job sites and the maintenance yard. Furthermore, the Company has promoted the resources and energy saving campaign among employees through reduction in use of electricity, water, and especially fuel. Our survey shows that the fuel has been used in a more efficient manner. In respect of social responsibility, the Company has also conducted several social contribution activities. For example, in 2010 the Company's executives and employees jointly participated in a Kathin Ceremony of Phra Paan Temple in Chiangmai province. The Company also gave donation to the staffs whose properties were affected from the serious flood.

The stakeholders may send their comments or suggestions to the Board of Directors through the Company's secretary via the Company's website or by mail. If anyone discovers any illegal or unethical acts, inaccurate financial reports or weak internal control systems, they can inform through the Company's secretary, and the Company will protect the informants by keeping their name as confidential. The Audit Committee will then examine the submitted information and report it to the Board of Directors.

Chapter 4 – Disclosure and Transparency

The Company discloses all of its important information, both financial and non-financial, via the Company's website. This includes information about the organization, corporate governance policy, shareholding structure, structure of the Board of Directors and its committees, as well as news inside and outside the organization, which is mostly available in Both Thai and English. Shareholders and investors are also provided easy access to the Company's website to download the Annual Report, the Annual Registration Statement (Form 56-1) and the financial statements. In addition, the Company sets up an investor relations unit to communicate with shareholders, investors, and securities analysts equally.

Chapter 5 – Responsibilities of the Board of Directors

The Board of Directors is made up of 11 members, consisting of 5 independent directors, 5 executive directors, and 1 non-executive director. The structure of the Board of Directors consists of directors with extensive knowledge and experience in various fields relating to the Company's business, e.g. law, accounting, financial, banking, economics, corporate governance and engineering. The Company's Board of Directors set up the qualifications of an independent director which are more strict than the requirements of

the SEC and the SET. The Board of Directors directly appoints three sub-committees: the Audit Committee, the Executive Committee, and the Nomination and Remuneration Committee. All these sub-committees have a scope of authority, responsibility and qualifications as specified by the Board of Directors and report directly to the Board on a quarterly basis. The Executive Committee reports the Company's operating results to the Board of Directors on a monthly basis.

The Board of Directors approves the Company's vision, mission and income projection of the following year as well as an annual investment budget. The Board of Directors also revises standards of corporate governance, risk management policy and transactions that may cause conflicts of interest (if any), and expresses opinions on the adequacy of the internal control system. Since 2007, the Board of Directors has commenced the performance evaluation in group. Policy and criteria on payment of directors' remuneration are determined by the Board of Directors and approved by the shareholders. Considerations for remuneration are based on comparison with the industry and the Company's operating results. The Board of Directors also sets remuneration for sub-committees except for the Executive Committee's members and the President who are paid as the Company's employees. The President's remuneration shall be determined based on performance evaluation by the Nomination and Remuneration Committee (since 2008).

Supervision of Inside Information Usage

The Company has a strict policy prohibiting its directors, executives, and employees who know the inside information from using that information for his/her own or other person interests. The Company's guidelines on this policy are as follows.

1. The Company informs the directors and executives about the use of inside information and obligations to report their trading of Company's and its subsidiaries' stock including the trading executed by their spouses and dependents that have not come of age. They are also informed about the relevant penalties thereof according to the Securities and Securities Exchange Act B.E.2535 and its amendment as well as the regulations of the Stock Exchange of Thailand.
2. It is an obligation of directors and executives to prepare the report of their ownerships of the Company's stock, including those stocks owned by their spouses or dependents that have not come of age, and submit to the Securities and Securities Exchange Commission. The report should be as follows.
 - Report the first ownerships of stock (Form 59-1) within 30 days after the public offering closing date or the day that they are appointed to be directors or executives.
 - Report the changes of stock ownerships (Form 59-2) from buying, selling, or transferring of stocks within 3 days after buying, selling, or transferring of those stocks. On the day that they submit the report to the Securities and Securities Exchange Commission, a copy must be sent to the Company.

3. Directors, executives, and employees who know the significant inside information which may affects the changes in stock prices shall be acknowledged by the Company that they must stop buying or selling of the Company's stock one month prior to the disclosure of Company's operating result (the Company will declare its operating result within 45 days after the end of quarter and within 60 days after the end of accounting year) or prior to the day those inside information were disclosed to general public.
4. The Company prepared the Code of Ethics handbook with details prohibiting directors, executives and staffs to use inside information for buying or selling the Company's stock or to give any inside information to other persons for buying or selling the Company's stock.

If the Company found that any directors, executives or employees who knew the significant inside information violated the Company's Code of Ethics relating to usage of inside information and caused damage to the Company or its image, the Company would undertake the proper actions including but not limited to cooperate with relevant supervisory agencies to undertake necessary legal actions.

Connected Transactions

In doing business, the Company has related-party transactions with its subsidiary. Information and details of the related-party transactions are disclosed in Note 5 of the Financial Statements for the Year Ended 31st December 2010.

Measures or Procedures on the Approval of the Connected Transactions

After the Company was listed on the Market of Alternative Investment (mai), the Board of Directors has supervised the Company to ensure compliance with the Securities and Securities Exchange Act, rules, notifications, orders, or regulations prescribed by the Stock Exchange of Thailand including the regulations regarding the disclosure of information on the connected transaction and the acquisition or disposition of the Company's asset.

If the Company enters into a connected transaction with person who may have conflict, interest, or may cause conflict of interest in the future, the Audit Committee shall advise on the necessity of the transaction and suitability of its price. The advice would base on the terms and conditions of the normal business practice in the market and the price would be compared with the market price. In case that the Audit Committee does not have skill to consider the particular connected transaction, the Company shall appoint the independent expert or the Company's external auditor to provide comments on that transaction to be used for the decision of the Board of Directors, and/or the Audit Committee and/or the shareholders whatever the case may be. The Company shall disclose the connected transactions in the note accompanying the financial statements that are audited or reviewed by the Company's external auditor.

The Company has complied with the regulations of the Stock Exchange of Thailand and its amendments regarding the connected transaction and/or the acquisition and disposition of asset of the listed company as well as the disclosure of information to the Company's shareholders, general investors, and relevant agencies including the Stock Exchange of Thailand. The regulations also include the approval from the Board of Directors' Meeting and/or the meeting of shareholders as prescribed by the Stock Exchange of Thailand. In addition, directors or shareholders who have conflicts of interest or participate in such transactions do not have the right to vote in the decision making process.

Policy or Trend on the Connected Transaction Including the Acquisition and Disposition of Asset in the Future

The connected transaction that might happen in the future must comply with the measures prescribed earlier. The Company has no policy to provide loan or the guarantee of loan to the connected person in the future.

Internal Control

The Company has always realized the importance of the internal control system and hired Chayot Co., Ltd. as the Company's independent internal auditor since June 2005 (previously called "Smart Asset Advisory Co., Ltd.") the specialist that provides services for internal audit and accounting system set up. It is hired to advise and design the Company's accounting system, to assess the internal control system and to with as the following duties and responsibilities:

- Prepare the Company's annual audit plan.
- Review and provide recommendations to various departments regarding appropriate internal control.
- Prepare a report of the audit results in accordance with the audit plan and submit to the Audit Committee at least once every quarter.
- Prepare and report the results of the Company's risk assessment and adequacy of the internal control system to the Audit Committee
- Oversee the internal control system to ensure compliance with the regulations prescribed by the Stock Exchange of Thailand and the Securities and Exchange Commission.

In 2009, there were no significant issues reported from the internal and external auditors, the Audit Committee acknowledged and provided suggestions on the independent internal auditor and external auditor's notes and recommendations as well as results of the corrections conducted by the Company. In addition, at the meeting of the Company's Board of Directors No. 5/2009 held on November 12, 2009 which were attended by all three members of the Audit Committee, the Board assessed the Company's internal control system by considering reports from the Company's independent internal auditor and report from the Company's executives as well as the responses of the Company's executives to the interrogations. Assessment of the Board on five issues of the Company's internal control system regarding the organization and environment, risk management, control of executive's operation, information system and data communication, and monitoring system can be concluded that the Company's internal control was adequate.

Management's Explanation and Analysis

Overview of the Operations in 2010

During the first half of 2010, the Thai economy has been affected by both domestic political unrest and unclear sustainability of the global economic recovery. Nevertheless, from the third quarter onwards, the domestic political situation has become more stable, the economic stimulus packages of the government have become more concrete and investors have been more confident. Due to the problem of high oil price, condominiums in high potential areas such as areas nearby BTS/MRT stations have become increasingly popular and a number of condominium projects around such areas have been continuously launched throughout the year by various major developers. In 2010, the Company and the Subsidiary earned revenues from foundation and construction works at the total amount of Baht 626.50 million which were divided into 77.83% of private projects and 22.17% of government projects.

Regarding costs of the Company, despite significant fluctuation of oil price during the year, there was a little effect on the Company's operation as the Company's projects generally require only a few months to complete and the Company is able to adjust its selling price when taking a new project.

Operating Results

For the operating results of 2010, the Company and the Subsidiary had revenues from operations at the total amount of Baht 626.50 million consisting of Baht 536.67 million from foundation works or 85.71% of the total revenue (which increased by Baht 143.78 million or 36.57% from the previous year) and Baht 89.53 million from construction works or 14.29% of the total revenue. For the government sector, the important projects were the Thai Health Promotion Foundation project, Trad Drainage System – Trad Irrigation Office #9 project and the Flood Protection / Drainage System of Lam Bueng Kwang project. For the private sector, the important projects were the 185 Rajdamri Condominium project, Radisson Plaza Bangkok project, Villa Asoke project, Rhythm Phahon Aree 2 project, Rhythm Sukhumvit 50 project, U Delight @ Jatujak Station project, Holiday Inn Hotel project, THRU Thonglor project, The Room S9 project, etc.

In 2010, the project costs comprised of wages, construction materials, depreciation, consumables and other expenses required in production process in sequence of the amount of cost. The price of construction materials for foundation works such as concrete, cement, rebar, diesel and bentonite / polymer slurry was subject to change in accordance with the market and economic situation. In 2010 the Company and its Subsidiary had costs from foundation and construction works of Baht 543.6 million, increasing Baht 27.63 million or 5.35% from the previous year. This translated into the percentage of cost to revenue from foundation and construction works at 86.77%.

In 2010, the Company and the Subsidiary had the selling and administrative expenses amounted to Baht 33.89 million of which Baht 29.37 million was incurred by the Company, showing an increase of Baht 4.22 million or 16.78% from the previous year. The other Baht 4.52 million was incurred by the Subsidiary.

In 2010, the Company's net profit was Baht 38.95 million, showing an increase of Baht 21.99 million or 129.66% from the prior year. The earnings per share in 2010 was Baht 0.19. The Company and the Subsidiary's net profit was Baht 32.35 million (excluding loss of minority interest in the Subsidiary amounting to Baht 6.34 million) showing an increase from Baht 21.34 million of the previous year (excluding profit of minority interest in the Subsidiary amounting to Baht 4.2 million).

Financial Position

As of December 31, 2010, the Company and the Subsidiary's total assets were Baht 600.07 million comprising current assets of Baht 385.13 million, increasing Baht 97.17 million from the prior year, and fixed assets of Baht 214.94 million, increasing Baht 6.28 million from the previous year. Such increase in current assets was mainly from cash and cash equivalents of Baht 43.04 million, from unbilled accrued income of Baht 51.22 million and from other items of Baht 2.91 million. Return on assets in 2010 was 4.74%.

Regarding liabilities as of December 31, 2010, the Company and its subsidiary had the total liabilities of Baht 258.34 million comprising current liabilities of Baht 239.11 million, higher than that of the previous year approximately Baht 94.67 million. This was mainly from an increase of Baht 51.38 million in trade accounts and note payable and Baht 46.31 million in deposits from customers whereas other items decreased Baht 3.02 million. Non-current liabilities was Baht 19.23 million showing an increase of Baht 7.77 million from the previous year. Such increase was mainly from long-term loan from bank and liabilities under hire-purchase agreement.

In regard to shareholders' equity as of December 31, 2010, the consolidated financial statements showed shareholders' equity of Baht 341.74 million of which Baht 330.98 million belonged to the Company, higher than that of the previous year which was Baht 317.03 million. During the year, the Company gave a cash dividend payment of Baht 25 million. The total debt to equity ratio was 0.76 and the return on equity was 7.62%.

Audit Fee

In 2010, the audit fee of Baht 850,000 was paid to the auditor of Grant Thornton Limited, comprising the audit fee for the Company of Baht 590,000 and for the Subsidiary of Baht 260,000. There was no other non-audit fee paid to the auditor, the auditing firm employing the auditor and any person or any entity related to the auditor and such auditing firm. The aforementioned fee excluded out-of-pocket expenses such as printing of financial statements, transportation, etc., which were charged on actual costs but not exceeding 10% of the audit fee.

REPORT OF INDEPENDENT AUDITOR

To the Shareholders of Pylon Public Company Limited

I have audited the accompanying consolidated balance sheets as at 31 December 2010 and 2009 of Pylon Public Company Limited and subsidiary, and the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended. I have also audited the separate balance sheets as at 31 December 2010 and 2009 of Pylon Public Company Limited, and the related statements of income, changes in shareholders' equity and cash flows for the years 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 opinion on these financial statements based on my audits.

I have 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 presentation of the financial statements. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present, in all material respects, the consolidated financial positions as at 31 December 2010 and 2009 and the consolidated results of operations and cash flows for the years then ended of Pylon Public Company Limited and subsidiary, and the Company's separate financial positions as at 31 December 2010 and 2009 and its results of operations and cash flows for the years then ended, in conformity with generally accepted accounting principles.

A handwritten signature in black ink, appearing to read "Sumalee", with a long horizontal flourish extending to the right.

Mrs. Sumalee Chokdeeanant

Certified Public Accountant

Registration No. 3322

Bangkok, Thailand

28 February 2011

PYLON PUBLIC COMPANY LIMITED AND
SUBSIDIARY

BALANCE SHEETS

AS AT 31 DECEMBER 2010 AND 2009

(Unit : Baht)

		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	2010	2009	2010	2009
<u>ASSETS</u>					
CURRENT ASSETS					
Cash and cash equivalents	6	51,345,423	8,303,760	51,222,525	6,929,921
Temporary investments	7	45,210,485	60,280,042	45,207,680	60,138,090
Trade accounts and notes receivable - net					
- general customers	8	92,924,020	100,108,470	80,698,290	62,991,141
- subsidiary company	5, 8	-	-	3,898,036	-
Unbilled accrued income	9	91,585,956	40,368,385	74,294,779	15,009,820
Other receivable - subsidiary company	5	-	-	-	297,893
Contracted construction work in progress	9	5,247,102	3,904,495	4,725,482	2,839,226
Spare parts and supplies inventories		27,232,777	18,435,512	26,617,497	17,828,176
Retentions receivable - net	10	46,121,148	38,624,199	33,320,885	29,509,542
Advances for purchases of supplies		21,087,406	10,264,051	21,087,406	10,264,051
Other current assets		4,374,265	7,667,175	3,556,287	3,950,107
Total Current Assets		385,128,582	287,956,089	344,628,867	209,757,967
NON - CURRENT ASSETS					
Restricted deposits with banks	11	13,629,800	12,948,000	2,500,000	2,500,000
Investment in subsidiary company	12	-	-	15,299,970	15,299,970
Property, plant and equipment - net	13	180,923,555	179,796,026	180,207,369	179,110,947
Deposits and guarantees		2,413,451	2,215,681	2,405,951	2,214,681
Refundable income tax deducted at sources		17,976,677	13,703,043	14,072,500	11,382,556
Total Non - Current Assets		214,943,483	208,662,750	214,485,790	210,508,154
TOTAL ASSETS		600,072,065	496,618,839	559,114,657	420,266,121

The accompanying notes form an integral part of these financial statements.

PYLON PUBLIC COMPANY LIMITED AND
SUBSIDIARY

BALANCE SHEETS

AS AT 31 DECEMBER 2010 AND 2009

(Unit : Baht)

		CONSOLIDATED F/S		SEPARATE F/S	
	Note	2010	2009	2010	2009
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>					
CURRENT LIABILITIES					
Bank overdrafts and short - term loans	14	18,265,665	38,113,871	3,529,326	15,691,951
Trade accounts and notes payable		109,122,315	57,738,035	105,783,298	35,921,278
Short - term loan from director	5	6,800,000	-	-	-
Other payable - subsidiary company	5	-	-	-	39,464
Current portion of ;					
- Long - term loans from bank	15	5,938,680	3,730,680	5,938,680	3,730,680
- Liabilities under hire - purchase					
agreements	16	3,583,673	4,939,229	3,583,673	4,939,229
Retentions payable		12,402,273	11,669,148	10,454,754	10,698,395
Accrued expenses		18,969,338	13,760,992	17,381,947	11,284,612
Accrued expenses - subsidiary					
company	5	-	-	2,809,580	-
Deposits from customers		52,695,143	6,393,919	49,068,605	3,926,657
Other current liabilities		11,331,390	8,092,177	10,360,514	5,547,353
Total Current Liabilities		239,108,477	144,438,051	208,910,377	91,779,619
NON - CURRENT LIABILITIES					
Long - term loans from bank - net	15	13,378,970	9,053,650	13,378,970	9,053,650
Liabilities under hire - purchase					
agreements - net	16	5,848,411	2,406,933	5,848,411	2,406,933
Total Non - Current Liabilities		19,227,381	11,460,583	19,227,381	11,460,583
TOTAL LIABILITIES		258,335,858	155,898,634	228,137,758	103,240,202

The accompanying notes form an integral part of these financial statements.

PYLON PUBLIC COMPANY LIMITED AND SUBSIDIARY

BALANCE SHEETS

AS AT 31 DECEMBER 2010 AND 2009

		(Unit : Baht)			
		CONSOLIDATED F/S		SEPARATE F/S	
	Note	2010	2009	2010	2009
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)					
SHAREHOLDERS' EQUITY					
Share capital – common share at Baht 1 par value	19				
- Authorized 200,000,000 shares		200,000,000	200,000,000	200,000,000	200,000,000
- Issued and fully paid - up 200,000,000 shares		200,000,000	200,000,000	200,000,000	200,000,000
Share premium		58,871,217	58,871,217	58,871,217	58,871,217
Retained earnings					
- Appropriated for legal reserve	17	9,534,500	7,586,500	9,534,500	7,586,500
- Unappropriated		60,561,426	55,155,272	62,571,182	50,568,202
Equity attributable to the Company's shareholders		328,967,143	321,612,989	330,976,899	317,025,919
Minority interest - Equity attributable to					
minority shareholders of subsidairy		12,769,064	19,107,216	-	-
Total Shareholders' Equity		341,736,207	340,720,205	330,976,899	317,025,919
TOTAL LIABILITIES AND					
SHAREHOLDERS' EQUITY		600,072,065	496,618,839	559,114,657	420,266,121

The accompanying notes form an integral part of these financial statements.

PYLON PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF INCOME
FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009

(Unit : Baht)

		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	2010	2009	2010	2009
Revenues					
Revenues from construction of foundation works		536,965,192	393,194,073	536,965,192	393,194,073
Revenues from construction		89,531,271	200,327,371	75,144,094	1,149,987
Total revenues		626,496,463	593,521,444	612,109,286	394,344,060
Costs					
Costs of construction of foundation works		(452,732,688)	(335,558,109)	(452,732,688)	(335,733,880)
Costs of construction		(90,871,250)	(180,416,392)	(70,720,108)	(1,024,441)
Total costs	21	(543,603,938)	(515,974,501)	(523,452,796)	(336,758,321)
Gross profit		82,892,525	77,546,943	88,656,490	57,585,739
Other income	22	4,369,621	3,310,908	4,786,467	3,905,735
Income before expenses		87,262,146	80,857,851	93,442,957	61,491,474
Selling expenses		(1,993,096)	(875,428)	(1,893,331)	(802,371)
Administrative expenses		(31,899,796)	(29,779,306)	(27,478,087)	(24,345,994)
Director and executive remuneration		(14,394,698)	(14,562,124)	(13,056,698)	(13,224,124)
Total expenses	21	(48,287,590)	(45,216,858)	(42,428,116)	(38,372,489)
Income before financial expense and income tax		38,974,556	35,640,993	51,014,841	23,118,985
Financial expense		(2,431,803)	(1,996,483)	(1,537,110)	(1,750,569)
Income before income tax		36,542,753	33,644,510	49,477,731	21,368,416
Income tax	18	(10,526,751)	(8,103,532)	(10,526,751)	(4,406,376)
NET INCOME FOR THE YEAR		26,016,002	25,540,978	38,950,980	16,962,040
ALLOCATION OF INCOME					
Portion of the Company		32,354,154	21,337,298	38,950,980	16,962,040
Minority interest in the subsidiary		(6,338,152)	4,203,680	-	-
NET INCOME FOR THE YEAR		26,016,002	25,540,978	38,950,980	16,962,040
Basic earnings per shares (Baht)					
Net income per share (Baht)		0.16	0.12	0.19	0.09
Weighted average number of common shares(Shares)		200,000,000	181,780,822	200,000,000	181,780,822

The accompanying notes form an integral part of these financial statements.

PYLON PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009

(Unit : Baht)

		Shareholders' equity of Company						
		Retained earnings			Total shareholders'			
		Paid-up	Share	Appropriated		equity of	Minority	
Notes		share capital	premium	for	Unappropriated	Company	Interest	Total
				legal reserve				
<u>CONSOLIDATED F/S</u>								
Balance as at 1 January 2009		150,000,000	58,871,115	6,737,500	90,666,974	306,275,589	14,903,536	321,179,125
Increase in share capital during the year	19	50,000,000	102	-	-	50,000,102	-	50,000,102
Net income for the year		-	-	-	21,337,298	21,337,298	-	21,337,298
Dividend payment	20	-	-	-	(56,000,000)	(56,000,000)	-	(56,000,000)
Appropriated for legal reserve	17	-	-	849,000	(849,000)	-	-	-
Increase in minority interest		-	-	-	-	-	4,203,680	4,203,680
Balance as at 31 December 2009		200,000,000	58,871,217	7,586,500	55,155,272	321,612,989	19,107,216	340,720,205
Balance as at 1 January 2010		200,000,000	58,871,217	7,586,500	55,155,272	321,612,989	19,107,216	340,720,205
Net income for the year		-	-	-	32,354,154	32,354,154	-	32,354,154
Dividend payment	20	-	-	-	(25,000,000)	(25,000,000)	-	(25,000,000)
Appropriated for legal reserve	17	-	-	1,948,000	(1,948,000)	-	-	-
Decrease in minority interest		-	-	-	-	-	(6,338,152)	(6,338,152)
Balance as at 31 December 2010		200,000,000	58,871,217	9,534,500	60,561,426	328,967,143	12,769,064	341,736,207

The accompanying notes form an integral part of these financial statements.

PYLON PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009

(Unit : Baht)

	Notes	Paid-up share capital	Share premium	Retained earnings		Total
				Appropriated for legal reserve	Unappropriated	
SEPARATE F/S						
Balance as at 1 January 2009		150,000,000	58,871,115	6,737,500	90,455,162	306,063,777
Increase in share capital	19	50,000,000	102	-	-	50,000,102
Net income for the year		-	-	-	16,962,040	16,962,040
Dividend payment	20	-	-	-	(56,000,000)	(56,000,000)
Appropriated for legal reserve	17	-	-	849,000	(849,000)	-
Balance as at 31 December 2009		200,000,000	58,871,217	7,586,500	50,568,202	317,025,919
Balance as at 1 January 2010		200,000,000	58,871,217	7,586,500	50,568,202	317,025,919
Net income for the year		-	-	-	38,950,980	38,950,980
Dividend payment	20	-	-	-	(25,000,000)	(25,000,000)
Appropriated for legal reserve	17	-	-	1,948,000	(1,948,000)	-
Balance as at 31 December 2010		200,000,000	58,871,217	9,534,500	62,571,182	330,976,899

The accompanying notes form an integral part of these financial statements.

PYLON PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009

(Unit : Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	2010	2009	2010	2009
Cash Flows from operating activities				
Income before income tax	36,542,753	33,644,510	49,477,731	21,368,416
Adjustments to reconcile net income to net cash provided from (used in) operating activities				
Depreciation	30,244,140	31,711,584	30,076,292	31,581,471
Interest expense	2,431,803	1,996,483	1,537,110	1,750,569
Gain from sale of fixed assets	(704,194)	-	(704,194)	-
Allowance (reversal of allowance) for doubtful account	114,133	(2,296,227)	114,133	(2,296,227)
Written-off fixed assets	-	73,529	-	73,529
Cash provided from operations before changes in operating assets and liabilities	68,628,635	65,129,879	80,501,072	52,477,758
Decrease (Increase) in operating assets				
Trade accounts and notes receivable	7,070,317	1,144,484	(21,719,318)	38,221,813
Unbilled accrued income	(51,217,571)	2,236,260	(59,284,959)	24,247,825
Other receivable - subsidiary company	-	-	297,893	(132,793)
Contracted construction work in progress	(1,342,607)	(1,130,212)	(1,886,256)	(1,430,066)
Spare parts and supplies inventories	(8,797,265)	5,139,450	(8,789,321)	5,406,059
Retentions receivable	(7,496,949)	(5,913,126)	(3,811,343)	3,201,531
Advances for purchases of supplies	(10,823,355)	7,133,478	(10,823,355)	9,075,386
Other current assets	3,292,910	(910,943)	393,820	538,166
Deposits and guarantees	(197,770)	(221,736)	(191,270)	(244,528)
Refundable income tax deducted at sources	3,096,563	6,084,754	3,096,563	6,084,754
Increase (Decrease) in operating liabilities				
Trade accounts and notes payable	51,384,280	(56,560,531)	69,862,020	(73,524,966)
Other payable - subsidiary company	-	-	(39,464)	39,464
Retentions payable	733,125	969,085	(243,641)	(1,668)
Accrued expenses	4,960,268	(292,012)	8,908,464	(2,504,730)
Deposits from customers	46,301,224	(6,191,441)	45,141,948	(8,658,703)
Other current liabilities	3,239,213	(1,380,545)	4,813,161	(3,925,369)
Cash provided from operations	108,831,018	15,236,844	106,226,014	48,869,933
Interest payment	(2,183,725)	(2,034,358)	(1,538,659)	(1,797,259)
Income tax payment	(17,896,948)	(18,845,704)	(16,313,258)	(12,650,068)
Net cash provided from (used in) operating activities	88,750,345	(5,643,218)	88,374,097	34,422,606

The accompanying notes form an integral part of these financial statements.

PYLON PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009

(Unit : Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	2010	2009	2010	2009
Cash Flows from investing activities				
Decrease (increase) in restricted deposits with banks	(681,800)	(10,290,278)	-	157,722
Decrease in temporary investments	15,069,557	1,019,331	14,930,410	1,161,283
Acquisition of fixed assets	(23,742,122)	(12,580,702)	(23,543,167)	(12,228,397)
Proceeds from sale of fixed assets	2,120,280	-	2,120,280	-
Net cash used in investing activities	(7,234,085)	(21,851,649)	(6,492,477)	(10,909,392)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans	(19,848,206)	9,790,430	(12,162,625)	(12,631,490)
Proceed from short - term loan from director	6,800,000	-	-	-
Proceed from long - term loans	11,000,000	-	11,000,000	-
Repayment of long - term loans	(4,466,680)	(8,730,680)	(4,466,680)	(8,730,680)
Repayments of liabilities under hire - purchase agreements	(6,959,711)	(14,357,655)	(6,959,711)	(14,357,655)
Proceed from share increment	-	102	-	102
Dividend payment	(25,000,000)	(6,000,000)	(25,000,000)	(6,000,000)
Net cash used in financing activities	(38,474,597)	(19,297,803)	(37,589,016)	(41,719,723)
Net increase (decrease) in cash and cash equivalents	43,041,663	(46,792,670)	44,292,604	(18,206,509)
Cash and cash equivalents at beginning of year	8,303,760	55,096,430	6,929,921	25,136,430
Cash and cash equivalents at end of year	51,345,423	8,303,760	51,222,525	6,929,921

Supplemental disclosures for cash flows information

Non - cash item

- For the year ended 31 December 2010

The Company acquired machinaries and vehicles for Baht 27.99 million of which Baht 9.30 million was under hire - purchase agreements and Baht 18.69 million was paid by cash.

- For the year ended 31 December 2009

The Company acquired vehicles for Baht 3.23 million of which Baht 2.45 million was under hire - purchase agreements and Baht 0.78 million was paid by cash.

The Company transferred inventories to property, plant and equipment of Baht 0.85 million.

The Company increase authorized share capital by Baht 50,000,000 from stock dividend.

The accompanying notes form an integral part of these financial statements.

PYLON PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTES TO FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2010 AND 2009

1. GENERAL INFORMATION

Pylon Public Company Limited was incorporated on 13 August 2002. The Company is engaged in providing services on construction of foundation works with pre-stressed concrete piles, bored piles and other foundation work, and construction business.

The Company was registered as a public company on 20 July 2005 and the Company's shares had been approved to be listed in "MAI" of the Stock Exchange of Thailand (SET) on 23 December 2005. The Company's address is at 170/16 Soi Sammit (Sukhumvit Soi 16) Rachadapisektdamai Rd., Klongtoey, Klongtoey, Bangkok 10110.

2. BASIS OF FINANCIAL STATEMENTS PREPARATION AND PRINCIPLE OF CONSOLIDATION

The accompanying financial statements have been prepared in accordance with the generally accepted accounting principles issued under the Accounting Act B.E. 2543, and accounting standards issued under Accounting Profession Act B.E. 2547, and the regulations promulgated by the Securities and Exchange Commission and the Securities Exchange of Thailand concerning the preparation and the disclosure of financial information, under the Securities and Exchange Act B.E. 2535. The financial statements have been prepared on a historical cost basis except as, otherwise, disclosed specifically.

The financial statements are officially prepared in Thai language in accordance with statutory requirement with accounting standards enumerated under the Accounting Profession Act B.E. 2547. The translation of these statutory financial statements to other language must be based mainly on the Thai financial report.

During the year 2010, the Federation of Accounting Professions has announced the new and amendments to some accounting standards and financial reporting standards, which are effective for the accounting periods beginning on or after 1 January 2011 and 1 January 2013. The management is presently considering the potential impact of adopting and initial application of these new and amended accounting standards and financial reporting standards.

2.1 The consolidated financial statements include the financial statements of Pylon Public Company Limited and subsidiary, as follow :

Name of subsidiary	Percentage of holding		Nature of business
	2010	2009	
Excelon Co., Ltd.	51	51	Provide the design, construction, consulting and architectural service for building/ structures

As at 31 December 2010 and 2009, the total assets of subsidiary represents 10.49 percent and 18.52 percent of the total assets in the consolidated financial statements, respectively, and total revenues of subsidiary for the years ended 31 December 2010 and 2009, represents 2.30 percent and 33.70 percent, respectively, of the total revenues in the consolidated financial statements.

2.2 Intercompany balances and transactions and investment in subsidiary company have been eliminated from the consolidated financial statements.

2.3 The consolidated financial statements have been prepared with the same accounting policy for the same accounting transactions or accounting events as used for the preparation of separate financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Revenues, costs and expenses recognition

Revenues

Revenues from construction are recognized on a percentage of completion basis based on the assessment of the Company's engineers. The recognized revenues which are not yet due per the contracts has been presented under the caption "Unbilled accrued income" in the balance sheet.

Rental income is recognized over the period of the lease agreement. Service income is recognized when the service has been rendered.

Costs

Costs of construction are recognized in accordance with the percentage of work completed based on total estimated costs. Provision for anticipated losses on construction projects is made in the accounts in full amount when the possibility of loss is ascertained. Differences between the estimated costs and the actual costs are recognized as current assets or current liabilities in the balance sheets whichever the case may be.

Other expenses are recorded on an accrual basis.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and highly liquid cash in banks (which are not pledged as collateral) that are readily convertible to cash on maturity date with insignificant risk of change in value.

Temporary investments

Temporary investments consist of fixed deposit and promissory notes due within 1 year. The investments are stated at fair value.

Trade accounts receivable

Trade accounts receivable are stated at the net realizable value. Allowance for doubtful accounts is provided for the estimated losses that may incur in collection of receivables. These losses are based on historical collection experiences and the review of the current status of existing receivables.

Spare parts and supplies

Inventories – spare parts and supplies are valued at the lower of cost, average method, or net realizable value and are charged to cost of construction whenever consumed.

Investment in subsidiary company

Investment in subsidiary company presented in the separate balance sheet is accounted for by the cost method. Provisions for impairment are taken up in the accounts to adjust the value of investment whenever circumstances indicate the recoverable amount of investment to be lower than its carrying amount.

Property, plant and equipment and depreciation

Property, plant and equipment are recorded at cost. Cost is measured by the cash or cash equivalent price of obtaining the asset that bring the assets to the location and condition necessary for its intended use. Plant and equipment are presented in the balance sheet at costs less accumulated depreciation. When assets are sold or retired, their costs and accumulated depreciation are eliminated from the accounts and any gain/loss resulting from their disposals is included in the statements of income.

Depreciation of property, plant and equipment are calculated by straight- line method over the estimated useful lives of the assets as follows :

	Years
Building - factory	20
Leasehold improvements	5
Machinery	10
Tools and equipment	5
Furniture, fixtures and office equipment	3 - 5
Vehicles	5

No depreciation is made for land and machinery under installation.

Expenditure for additions, renewals and betterment are capitalized. Repair and maintenance costs are recognized as expenses when incurred.

Lease agreements - where the Company and subsidiary is the lessees

Leases of equipment where the Company and subsidiary assume substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalized at the fair value of leases of assets or estimated present value of the underlying lease payments whichever is lower. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the outstanding lease payments. Lease payments net of financial charges, are recognized as liabilities under financial lease agreements. The interest expense is charged to statement of income over the lease period. Assets acquired under finance lease agreements are depreciated over the useful lives of the assets.

Leases of assets, under which all the risks and benefits of ownership are effectively retained by the lessor, are classified as operating leases. Payments made under operating leases are charged to statements of income on a straight - line basis over the lease period. When an operating lease is terminated before expiry date of the lease period, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

Hire purchase agreement

The Company records asset acquired under hire purchase agreement as asset and liability in the balance sheet at amount equal to the fair value of such asset at the inception of the contract or, if lower, at the present value of the minimum payment. In calculating the present value of the minimum payment, the discount factor used is the interest rate implicit in the contract. The interest charge is recorded in period during the lease term based on the remaining balance of the liability for each year.

Impairment

As at balance sheet date, the Company and subsidiary assess at each reporting date whether there is an indication that any asset may be impaired. If any such indication exists, the Company and subsidiary make an estimate of the asset recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the income statement. An asset recoverable amount is the higher of fair value less costs to sell and value in use.

Income tax

The Company and subsidiary account for income tax based on the provision of the Revenue Code.

Related companies

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

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that give them significant influence over the Company, key management personnel, directors and officers with authority in the planning and directing of the Company's operations.

Earnings per share

The earnings per share is determined by dividing the net income for the year by the weighted average number of shares outstanding during the year.

Employee benefits

Salaries, wages, bonuses and contributions to the social security fund and provident fund are recognized as expenses on an accrual basis.

Staff provident fund

The Company and subsidiary set up a contributory registered provident fund for its employees, in accordance with The Provident Fund Act B.E. 2530. The contributions from staffs are deducted from their monthly salaries. The Company also made contribution to the Fund to match staff contributions.

Financial instruments

Financial assets in the balance sheet include cash and bank balances, short-term investments and trade accounts receivable.

Financial liabilities in the balance sheet include trade accounts payable, advance received and borrowings.

The accounting policies for each particular transaction are disclosed under separate sections associated with each item.

Dividend payment

Dividend payment is recorded in the financial statements in the period in which they are approved by the Shareholders or Board of Directors of the Company.

Use of accounting estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumption that affect the reporting amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. The actual results may differ from those estimates.

Provisions for liabilities and expenses, and contingent assets

Provisions are recognized when the Company and subsidiary have a present legal or constructive obligation as a result of past events with probable outflow of resources to settle the obligation and where a reliable estimate of the amount can be made. The contingent assets will be recognized as separate assets only when the realization is virtually certain.

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTION AND JUDGEMENT AND CAPITAL RISK MANAGEMENT

4.1 Critical accounting estimates, assumption and judgments

Estimates, assumption and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a. Construction revenues recognition

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

b. Impairment of receivables

The Company and subsidiary account for allowance for doubtful accounts equal to the estimated collection losses that may be incurred in the collection of receivables. The estimated losses are based on historical collection experience couple with a review of outstanding receivables aging at the balance sheet date.

c. Property, plant and equipment

Management determines the estimated useful lives and residual values for property, plant and equipment of the Company and subsidiary. Management will revise the depreciation charge where useful lives and residual values previously estimated have changed or subject to be written down for their technical obsolescence or when they are no longer in used.

d. Allowance for project losses

The Company and subsidiary review their construction work-in-progress to determine whether there is any indication of foreseeable loss. Identified foreseeable loss is recognised immediately in the statement of income when it is probable that total contract cost will exceed total contract revenue as determined by the Company management.

e. Impairment of investments

The Company treats investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires management judgment.

4.2 Capital risk management

The Company's objectives in the management of capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, to issue new shares or debentures to finance debts or sell assets to reduce debts.

5. TRANSACTIONS WITH RELATED COMPANY

The Company has transactions with subsidiary. Certain portions of the Company's assets, liabilities, sales, other income, costs of sales and selling and administrative expenses represent transactions occurred with subsidiary. Those transactions with subsidiary as included in the financial statements are determined at the prices in line with those occurred in the normal course of business based on the market price in general or the price as stipulated in the agreement if no market price exists.

Significant balances with subsidiary as at 31 December 2010 and 2009 are follow :

(Unit : Baht)

		CONSOLIDATED F/S		SEPARATE F/S	
Relationship		2010	2009	2010	2009
Trade account and note receivable					
Excelon Co., Ltd.	Subsidiary	-	-	3,898,036	-
Other receivable					
Excelon Co., Ltd.	Subsidiary	-	-	-	297,893
Other payable					
Excelon Co., Ltd.	Subsidiary	-	-	-	39,464
Accrued expenses					
Excelon Co., Ltd.	Subsidiary	-	-	2,809,580	-
Short - term loan from director					
Director of subsidiary	Director of subsidiary	6,800,000	-	-	-

Loan from director bears interest at 6.125 percent per annum. There is no collateral and repayment at call.

Significant transactions with subsidiary company for the years ended 31 December 2010 and 2009 are as follow :

		CONSOLIDATED F/S		SEPARATE F/S	
The policy to pricing		2010	2009	2010	2009
Material supply margin income	Agreed rate	-	-	105,698	209,621
Management fee	Contract price	-	-	600,000	550,000
Other income	Agreed price	-	-	395,575	288,392
Material supply margin expense	Agreed rate	-	-	5,348	8,417
Project management fee	Agreed price	-	-	4,072,086	228,000
Subcontractor	Agreed price	-	-	3,185,787	167,353
Service expense	Contract price	-	-	310,098	-

6. CASH AND CASH EQUIVALENTS

	(Unit : Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2010	2009	2010	2009
Cash on hand	721,500	641,500	621,500	491,500
Cash at bank - Current account	46,230	1,253,251	45,230	45,955
Cash at bank - Savings account	50,577,693	6,409,009	50,555,795	6,392,466
Total	51,345,423	8,303,760	51,222,525	6,929,921

During the year 2010, savings account with bank bears interest at 0.50 - 1.15 percent per annum (2009 : interest rates 0.50 – 1.75 percent per annum)

7. TEMPORARY INVESTMENTS

			(Unit : Baht)			
	Interest rate		CONSOLIDATED F/S		SEPARATE F/S	
	per annum	Period	2010	2009	2010	2009
Fixed deposits	Fixed rates of					
	0.50 - 1.05 percent	3 months	210,485	280,042	207,680	138,090
Bills of exchange	Fixed rates of					
	1.00 - 1.50 percent	7 - 30 days	45,000,000	60,000,000	45,000,000	60,000,000
Total			45,210,485	60,280,042	45,207,680	60,138,090

8. TRADE ACCOUNTS AND NOTES RECEIVABLE

As at 31 December 2010 and 2009, the aged trade accounts and notes receivable are as follows:

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(Unit : Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	2010	2009	2010	2009
<u>Trade accounts and notes receivable</u>				
<u>- general customers</u>				
Not yet due	63,957,045	26,178,417	63,957,045	26,123,809
Overdue 1 - 30 days	4,871,626	10,240,788	3,225,972	7,134,872
Overdue 31 - 60 days	96,670	10,682,944	96,670	2,490,828
Overdue 61 - 90 days	114,200	6,516,991	64,200	5,006,223
Overdue 91 - 180 days	637,907	34,163,607	-	10,505,647
Overdue 181 - 360 days	13,608,325	2,587,864	3,716,156	1,991,903
Overdue more than 360 days	18,274,618	18,260,097	18,274,618	18,260,097
Total	101,560,391	108,630,708	89,334,661	71,513,379
<u>Less</u> Allowance for doubtful accounts	(8,636,371)	(8,522,238)	(8,636,371)	(8,522,238)
Net	92,924,020	100,108,470	80,698,290	62,991,141

Trade accounts and notes receivable
- subsidiary company

Not yet due	-	-	1,539,582	-
Overdue 1 - 30 days	-	-	537,842	-
Overdue 31 - 60 days	-	-	-	-
Overdue 61 - 90 days	-	-	-	-
Overdue 91 - 180 days	-	-	453,149	-
Overdue 181 - 360 days	-	-	1,367,463	-
Total	-	-	3,898,036	-

As at 31 December 2010 and 2009, the Company has trade accounts receivable overdue more than 360 days totalling Baht 17.9 million. The Company had agreed to off-set this receivable with another trade account payable for Baht 9.5 million. The Company, therefore, set provision for doubtful account at the net amount outstanding.

9. UNBILLED ACCRUED INCOME AND CONTRACTED CONSTRUCTION WORKS IN PROGRESS

As at 31 December 2010 and 2009, the Company's aggregate costs of work in progress under construction contracts are as follow :

	CONSOLIDATED F/S		(Unit : Baht) SEPARATE F/S	
	2010	2009	2010	2009
Aggregate costs of work in progress plus margin on the percentage of completion determined by engineers	492,275,014	452,215,374	281,475,508	249,778,959
<u>Add</u> Accrued cost of work in progress	2,680,569	361,392	1,656,768	
<u>Less</u> Progress billings to date based on contracts	(398,122,525)	(408,303,886)	(204,112,015)	(231,929,913)
Balance of recognized income and work in progress	96,833,058	44,272,880	79,020,261	17,849,046
<u>Less</u> work in progress - at cost	(5,247,102)	(3,904,495)	(4,725,482)	(2,839,226)
Unbilled accrued income	91,585,956	40,368,385	74,294,779	15,009,820

10. RETENTIONS RECEIVABLE

	CONSOLIDATED F/S		(Unit : Baht) SEPARATE F/S	
	2010	2009	2010	2009
Retentions receivable	46,960,702	39,785,342	34,160,439	30,670,685
<u>Less</u> Allowance for doubtful accounts	(839,554)	(1,161,143)	(839,554)	(1,161,143)
Net	46,121,148	38,624,199	33,320,885	29,509,542

These represent amounts withheld by the customers at the rate of 5 - 10 percent of the amounts billed. This will be settled after the inspection and acceptance of construction services by the customers.

11. RESTRICTED DEPOSITS WITH BANKS

As at 31 December 2010 and 2009, the Company had deposits with banks totaling Baht 2.5 million, which have been pledged with banks as collateral for the Company's bank overdraft.

As at 31 December 2010 and 2009, the subsidiary had fixed deposits with banks totaling Baht 11.13 million and 10.45 million, respectively, which have been pledged with banks as collateral for the bank guarantee for the Company's performance as well as the bank overdraft.

12. INVESTMENT IN SUBSIDIARY – AT COST

		(Unit : Thousand Baht)					
		Paid-up capital		Percentage of		SEPARATE F/S	
		(Thousand Baht)		Shareholding		at Cost	
				(percent)			
Nature of business		2010	2009	2010	2009	2010	2009
<u>Subsidiary</u>							
<u>company</u>	Provide the design,						
Excelon Co., Ltd.	construction, consulting and	30,000	30,000	51	51	15,300	15,300
	architectural services						
	for building/ structures						

13. PROPERTY, PLANT AND EQUIPMENT – NET

(Unit : Baht)

CONSOLIDATED F/S

	2009	Increase	Decrease	Transfer In (Out)	2010
Cost					
Land	31,729,641	-	-	-	31,729,641
Building - factory	33,172,184	-	-	-	33,172,184
Building - office and improvement	13,432,583	-	-	-	13,432,583
Machinery	157,323,634	25,105,569	(3,942,804)	-	178,486,399
Tools and equipment	56,875,599	2,664,117	-	961,916	60,501,632
Furniture, fixtures and office equipment	5,096,276	713,643	-	-	5,807,219
Vehicles	20,339,843	2,887,504	-	-	23,227,347
Machinery under installation	795,054	1,416,922	-	(961,916)	1,250,060
Total	318,764,814	32,787,755	(3,945,504)	-	347,607,065
Accumulated depreciation					
Building - factory	6,609,688	1,995,740	-	-	8,605,428
Building - office and improvement	5,580,217	915,233	-	-	6,495,450
Machinery	65,654,650	16,594,368	(2,528,429)	-	79,720,589
Tools and equipment	43,291,392	7,201,766	-	-	50,493,158
Furniture and fixtures	3,892,090	664,209	(989)	-	4,555,310
Vehicles	13,940,751	2,872,824	-	-	16,813,575
Total	138,968,788	30,244,140	(2,529,418)	-	166,683,510
Net Book Value	179,796,026				180,923,555
Depreciation allocation:					
Costs of goods sold	28,602,526				27,134,069
Selling and administrative expenses	3,109,058				3,110,071
Total	31,711,584				30,244,140

(Unit : Baht)

	SEPARATE F/S				
	2009	Increase	Decrease	Transfer In (Out)	2010
Cost					
Land	31,729,641	-	-	-	31,729,641
Building - factory	33,172,184	-	-	-	33,172,184
Building - office and improvement	13,432,583	-	-	-	13,432,583
Machinery	157,323,634	25,105,569	(3,942,804)	-	178,486,399
Tools and equipment	56,123,384	2,550,317	-	961,916	59,635,617
Furniture, fixtures and office equipment	5,032,793	628,488	-	-	5,658,581
Vehicles	20,339,843	2,887,504	-	-	23,227,347
Machinery under installation	795,054	1,416,922	-	(961,916)	1,250,060
Total	317,949,116	32,588,800	(3,945,504)	-	346,592,412
Accumulated depreciation					
Building - factory	6,609,688	1,995,740	-	-	8,605,428
Building - office and improvement	5,580,217	915,233	-	-	6,495,450
Machinery	65,654,650	16,594,368	(2,528,429)	-	79,720,589
Tools and equipment	43,170,638	7,050,847	-	-	50,221,485
Furniture, fixtures and office equipment	3,882,225	647,280	(989)	-	4,528,516
Vehicles	13,940,751	2,872,824	-	-	16,813,575
Total	138,838,169	30,076,292	(2,529,418)	-	166,385,043
Net Book Value	179,110,947				180,207,369
Depreciation allocation:					
Costs of goods sold	28,482,278				26,983,150
Selling and administrative expenses	3,099,193				3,093,142
Total	31,581,471				30,076,292

As at 31 December 2010 and 2009, the Company's land and building have been mortgaged to cover the bank overdrafts and long - term loan (Note 14 and 15).

As at 31 December 2010 and 2009, the gross carrying amounts of the fully depreciated equipments of the Company that are still in use are Baht 45.63 million and 20.96 million, respectively.

14. BANK OVERDRAFTS AND SHORT – TERM LOANS

As at 31 December 2010 and 2009, the Company has short - term loans from financial institution in the form of discounted promissory notes totaling Baht 3.53 million and Baht 15.69 million, respectively. The discounted promissory notes bear interest rates of 1.75 - 2.90 percent per annum. (2009 : 1.75 – 4.00 percent per annum)

As at 31 December 2010 and 2009, the Company has overdraft lines with 3 banks of Baht 42 million. Bank overdrafts are collateralized by the mortgage of the Company's land and construction thereon, the title to possess the office condominium unit, and fixed deposits totalling Baht 2.50 million.

As at 31 December 2010 and 2009, the subsidiary has bank overdraft of Baht 14.73 million and Baht 10.15 million, respectively. As at 31 December 2009, subsidiary had short term loan of Baht 12.27 million.

As at 31 December 2010, the subsidiary has bank overdraft and other credit facilities totaling Baht 45 million. Those credit facilities are collateralized by the Company and the personal guarantees of certain subsidiary's directors and the mortgage of the fixed deposits totalling Baht 10 million. Moreover, subsidiary has credit facility for working capital (factoring – construction projects) with bank for an amount of Baht 40.52 million and had transferred the right of money receive from factoring project to the bank. This credit facility is collateralized by the Company and the personal guarantees of certain subsidiary's directors.

15. LONG – TERM LOANS FROM BANK

			(Unit : Baht)	
	CONSOLIDATED F/S		SEPARATE F/S	
	2010	2009	2010	2009
Long - term loans from bank	19,317,650	12,784,330	19,317,650	12,784,330
<u>Less</u> Current portion due within one year	(5,938,680)	(3,730,680)	(5,938,680)	(3,730,680)
Long - term loans from bank - net	13,378,970	9,053,650	13,378,970	9,053,650

As at 31 December 2010 and 2009, the Company has long - term loans from a bank of Baht 19.32 million and Baht 12.78 million, respectively, the loans bear interest at the rate MLR - 0.5 per annum and are repayable monthly until August 2015. Those loans are collateralized by the Company's land and construction thereon, and the right to possess the office condominium unit.

16. LIABILITIES UNDER HIRE - PURCHASE AGREEMENTS

			(Unit : Baht)	
	CONSOLIDATED F/S		SEPARATE F/S	
	2010	2009	2010	2009
Liabilities under hire - purchase agreements	10,119,023	7,827,326	10,119,023	7,827,326
<u>Less</u> Deferred interest charges	(686,939)	(481,164)	(686,939)	(481,164)
	9,432,084	7,346,162	9,432,084	7,346,162
<u>Less</u> Current portion due within one year	(3,583,673)	(4,939,229)	(3,583,673)	(4,939,229)
Liabilities under hire - purchase agreements - net	5,848,411	2,406,933	5,848,411	2,406,933

17. LEGAL RESERVE

Pursuant to the Public Limited Companies Act. B.E. 2535, the Company is required to set aside as a statutory reserve at least 5 percent of its net profit, net of deficit (if any), at each dividend declaration

until the reserve reaches 10 percent of the registered capital. This reserve is not distributable for dividends.

18. INCOME TAX

	(Unit : Thousand Baht)			
	For the years ended 31 December			
	CONSOLIDATED F/S		SEPARATE F/S	
	2010	2009	2010	2009
Income before income tax	36,542,753	33,644,510	49,477,731	21,368,416
<u>Add</u> Transactions added back and deductible in accordance with the Revenue Code - net	3,156,023	711,226	3,156,023	663,467
Net loss of subsidiary company which included in consolidated F/S	12,934,978			
Taxable income	52,633,754	34,355,736	52,633,754	22,031,882
Income tax (rate 20%)	10,526,751	4,406,376	10,526,751	4,406,376
Income tax (rate 30%)		3,697,156		
Total income tax for the year	10,526,751	8,103,532	10,526,751	4,406,376
Income tax deducted at sources during the year	17,977,065	16,643,443	16,393,375	12,692,370

For the years ended 31 December 2010 and 2009, the Company computed corporate income tax at the rate of 20% of taxable income because the Company has been listed in "MAI" under the Stock Exchange of Thailand before 31 December 2005. The Company is entitled to tax rate reduction for 5 consecutive accounting periods from the year subsequent to the listing date.

Corporate income tax of subsidiary is computed at the rate of 30% of taxable income.

19. SHARE CAPITAL

At the annual ordinary shareholders' meeting of 2009 held on 17 April 2009, the shareholders passed a resolution to increase the Company's authorized share capital by Baht 50,000,000, from Baht 150,000,000 (divided into 150,000,000 shares at Baht 1 par value) to Baht 200,000,000 (divided into 200,000,000 shares at Baht 1 par value), to reserve for stock dividend payment to existing shareholders of the Company at the rate of 1 new ordinary share per 3 existing ordinary shares. The remaining shares

from the allotment of the stock dividend is offered to Mr. Chanet Sangarayakul, Chairman of the Executive Board, at Baht 1.75 per share which bring the share premium for Baht 102.

The Company registered the increase in common shares issued with the Ministry of Commerce on 14 May 2009.

20. DIVIDEND PAYMENT

At the annual ordinary shareholder's meeting of 2010 held on 23 April 2010, the shareholder passed a resolution to pay dividend from its retained earnings and the net profit for the year ended 31 December 2009 at rate Baht 0.125 per share 200,000,000 shares totalling Baht 25,000,000. The dividend was paid in May 2010.

At the annual ordinary shareholders' meeting of 2009 held on 17 April 2009, the shareholders passed a resolution to pay dividend from its retained earnings and the net profit for the year ended 31 December 2008 totaling Baht 56,000,000 million by divided into 2 categories as follows:

- a. Cash dividend at the rate of Baht 0.04 per share, totalling Baht 6,000,000.
- b. Stock dividend for 50,000,000 ordinary shares (with par value of Baht 1.00 each) to the existing shareholders at the rate of 1 share dividend for 3 existing ordinary shares, equal to Baht 50,000,000. In case that there were existing shares remaining from the allotment less than 3 shares, these shares would be paid in cash at the rate of Baht 0.33 per share.

21. EXPENSES BY NATURE

Significant expenses by nature are as follows :

	CONSOLIDATED F/S		SEPARATE F/S	
	2010	2009	2010	2009
Raw materials and consumable supplies used	333,726,506	280,637,160	321,219,970	165,595,435
Change in contracted construction work in progress	976,570	(1,046,488)	(229,489)	(1,707,732)

(Unit : Baht)

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Salaries, wages and other employee benefits	96,630,846	96,004,146	85,583,158	78,076,484
Subcontractor expenses	31,659,681	56,428,031	29,848,743	27,217,169
Depreciation	30,244,140	31,711,584	30,076,292	31,581,471
Rental expenses	19,208,764	21,022,442	17,822,724	8,117,937
Repair and maintenance expenses	25,151,824	26,134,393	25,143,832	26,075,826
Transportation	11,845,823	11,934,253	11,569,273	11,229,703
Project management fee	-	-	4,072,086	228,000
Director remuneration	3,715,998	3,919,000	3,715,998	3,919,000
Other expenses	38,731,376	34,446,838	37,058,325	24,797,517
Total	<u>591,891,528</u>	<u>561,191,359</u>	<u>565,880,912</u>	<u>375,130,810</u>

22. OTHER INCOME

(Unit : Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	2010	2009	2010	2009
Service income	2,001,693	1,227,159	1,401,600	999,080
Interest income	752,040	945,014	682,275	758,057
Income from sale of fixed assets	704,194	-	704,194	-
Rental income of machinery and equipments	548,200	488,580	575,600	567,511
Revenue from sale of construction material and scraps	111,083	392,061	216,781	563,532
Management fee income	-	-	600,000	550,000
Others	252,411	258,094	606,017	467,555
Total	<u>4,369,621</u>	<u>3,310,908</u>	<u>4,786,467</u>	<u>3,905,735</u>

23. SEGMENTAL FINANCIAL INFORMATION

The Company and its subsidiary are engaged in construction services in a single industry segment. As a result all of the revenues and assets as reflected in these statements of income pertain to the aforementioned industry segment.

24. COMMITMENT

As at 31 December 2010, the Company has commitments as follow:

24.1 The Company has a lease and service agreement for its office for a period of 6 years commencing from 1 September 2010 to 31 May 2016. Under the term of the agreement, the Company has to pay the monthly rental of Baht 80,729.

24.2 The Company has letter of guarantees of approximately Baht 159.82 million issued by financial institutions on behalf of the Company and its subsidiary in respect of certain performance bonds required in the normal course of businesses.

25. DISCLOSURE OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities carried on the balance sheet include cash and cash at banks, restricted deposits with banks, trade accounts and notes receivable, unbilled accrued income, trade accounts and notes payable, liabilities under hire - purchase agreements, and long - term loans. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies in Note 3 to the financial statements.

Credit risk

Credit risk refers to the risk that a counterparty will default in its contractual obligations resulting in a financial loss to the Company. Since the major part of trade accounts receivable are well-known and there is no collecting problem, management believes that the Company has no significant credit risk. Customers with credit risk are fully covered with allowance for doubtful account.

Interest rate risk

Interest rate risk arises from the fluctuation of market interest rates, which may have a negative effect to current and future operations of the Company. Management believes that the interest rate risk is minimum, hence, the Company has no hedging agreement to protect against such risk.

Exchange risk

The Company does not have any exchange risk since all of its financial assets and liabilities have been executed in Baht.

Fair value of financial instruments

The fair value of financial instruments is the amount at which the instrument may be exchanged in a current transaction between willing parties. The following methods and assumptions are used to estimate a fair value of each class of the Company's financial instruments for which it is practical to estimate that value:

- Financial assets are shown at estimated fair value.
- Financial liabilities are shown at the book value which is almost the same as the fair value, because such liabilities mature in the short term.

26. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of directors on 28 February 2011.

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REFERENCES

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