

Financial Information



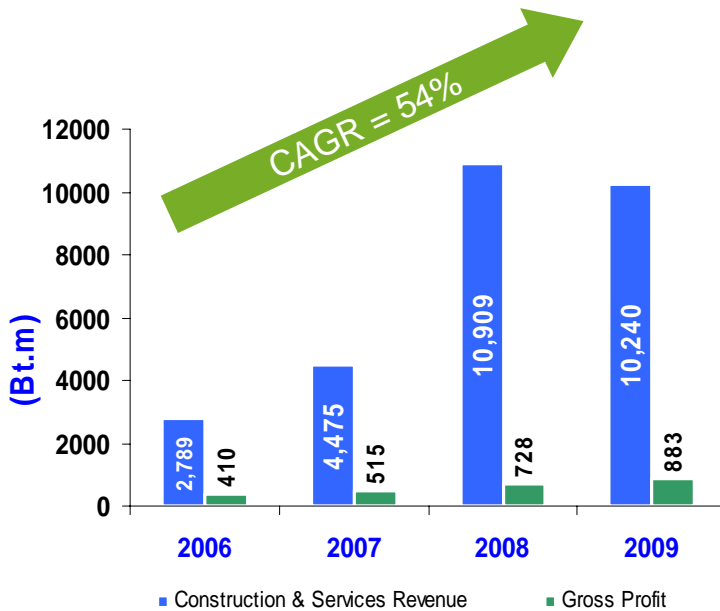
Financial Information

(Currency : THB'million)

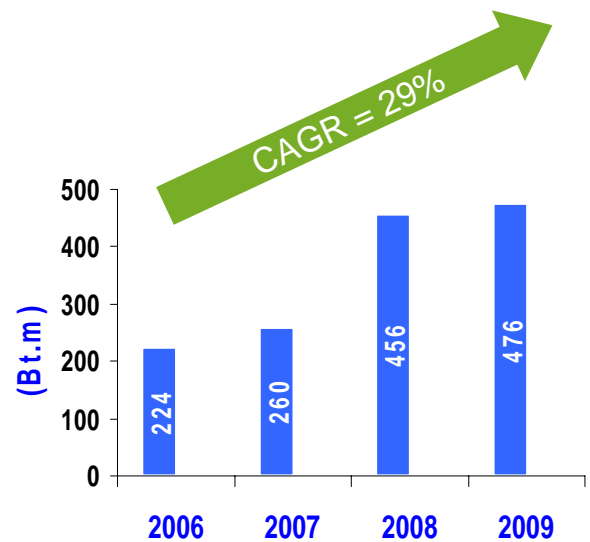
	2009	2008	2007
BALANCE SHEETS			
Current assets	4,472.74	6,697.38	5,283.05
Total assets	4,607.45	6,789.39	5,374.69
Current liabilities	3,227.78	6,100.53	4,708.12
Total liabilities	3,227.94	6,100.91	4,708.66
Total shareholders' equity	1,379.51	688.48	666.02
STATEMENTS OF INCOME			
Construction and service income	10,240.00	10,909.47	4,474.58
Total income	10,330.49	11,048.85	4,573.35
Cost of construction and service	9,357.24	10,181.02	3,959.85
Administrative expenses	497.48	411.56	371.01
Finance costs	0.06	0.10	0.01
Gross profit	882.76	728.46	514.73
Net profit for this period	327.05	314.25	139.86
FINANCIAL RATIO			
Current ratio (times)	1.39	1.10	1.12
Leverage ratio (Liabilities / Equity) (times)	2.34	8.86	7.07
Gross profit margin (%)	8.62%	6.68%	11.50%
Net profit margin (%)	3.17%	2.84%	3.06%
Return on total assets (%)	7.10%	4.63%	2.60%
Return on equity (%)	23.71%	45.64%	21.00%

Continuous Business Growth

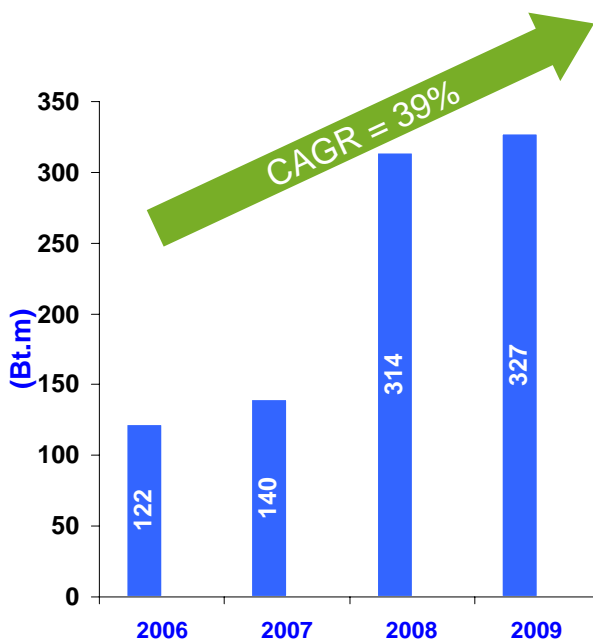
1) Revenue / Gross Profit



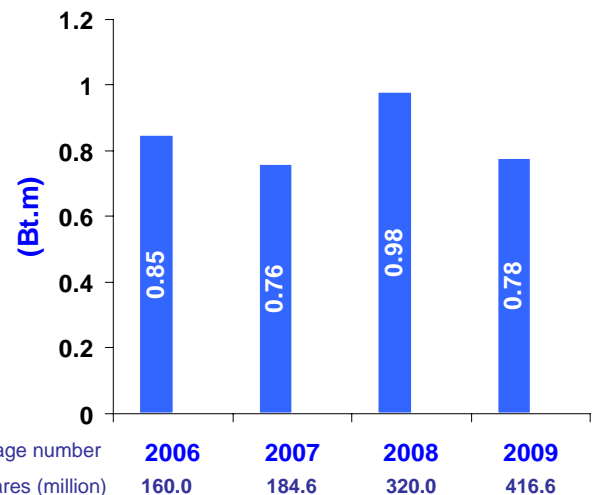
2) Operating Profit



3) Net Profit



4) EPS



Weighted average number
of ordinary shares (million)

Year	Weighted average number of ordinary shares (million)
2006	160.0
2007	184.6
2008	320.0
2009	416.6

Message from President & CEO



Mr. Hironobu Iriya
President & CEO



Message from President & CEO

Even though in 2009, the company faces Map Ta Phut issues and global economic crisis, the company's management, by using the effective cost control and project management, achieves the financial target for the fiscal 2009 by having net profit at 327 million Baht, increases 4.14% from the previous year. Moreover, the Company obtained a higher gross profit margin in 2009 at 8.62%, comparing with the gross profit margin in 2008 at 6.67%. As a result, the Board of Directors will propose to the Annual General Meeting of Shareholders to approve for dividend amount 0.195 Baht per share. Therefore, the aggregate amount of dividend for the fiscal year 2009, which is included interim dividend amount 0.15 Baht per share, will be 0.345 Baht per share.

Apart from frequency improving management system for higher efficient project execution, the Company also focuses in higher value service, improving work efficiency, making team work, and gathering new idea from employees for new marketing strategy.

On behalf of the Company, we, management and employees of TTCL together with support from our business alliances, determine our intention to push our best effort to boost in corporate value, capitalizing on its total engineering proficiency and project management skills. We appreciate shareholders who always give us support and trustfulness.

(Mr. Hironobu Iriya)
President & CEO

Report of the Audit Committee



Mr. Sivaraks Phinicharomna
Chairman of the Audit Committee



Report of the Audit Committee

Dear Shareholders of TOYO-THAI CORPORATION PLC.

The Audit Committee was appointed by a resolution from the Extraordinary General Meeting of Shareholders on Jun 30, 2008, was composed of three independent directors. Mr.Sivaraks Phinicharomna was appointed as the chairman. Mr.Gumthorn Utarnwuthipong and Mr.Ryuzo Nagaoka were appointed as committee member. Mr.Sarun Sriratanatum, Finance Manager of the Company was the secretary to Audit Committee.

In 2009, the Audit Committee conducted 7 meetings to consider and provided opinions on the following issues.

1. Reviewed quarterly and yearly financial statements before proceeding to the Board of Directors to insure conformity with generally accepted accounting principles as well as disclosure properly of related parties and connected transactions including transactions that might have conflict of interests in nature. And, there was a meeting between Audit Committee and auditor without management attending, therefore; the Audit Committee could rest assure on independence and audit performance.
2. Reviewed internal control systems and followed up corrective actions through the annual year risk base audit plan to cover all risks and all activities of the Company and found that management had taken actions in accordance with audit recommendations. Thus, the Audit Committee could assure that the company had sufficient internal control systems. In addition, the Audit Committee overviewed auditing activities to assure its performing in according with risk based audit plan and developing its activities on the continuous basis.
3. Reviewed the result of risk management and the Company's management confirmed that the process was sufficient and improved continuously.

4. Reviewed whether the Company had followed the best practices of corporate governance issued by the Stock Exchange of Thailand, and complied with other official rules and regulations.
5. Reviewed and provided opinions on connected transactions and those that might have conflict of interests with regarded to its correctness and adequate disclosure.
6. Reviewed auditor independence and recommended annual appointment as well as compensation.
7. Provide opinion on the Manager of Internal Auditing regarding appointment, assignment and performance evaluation.
8. The Audit Committee had conducted self-evaluation on performance for the year 2009. They were satisfied with the result and reported it to the Board of Directors.

The Audit Committee had unlimited access to the company information. They could request advices and discussed matters with management, internal and external auditors and outside consultant without restriction. The Audit Committee had opinion that the financial statements were accurate and completed per principle of materiality in accordance with the generally accepted accounting principles and disclosed information adequately, the internal control systems of the company were sufficient with no significant weaknesses; the rules and regulations of security exchange commission and stock exchange of Thailand were properly complied as well as other related laws; connected transactions that might lead to conflict of interest were actual transactions carried out during a normal course of business, the consideration was done according to its appropriateness and to the most benefit of the company. Besides, the company had continuous development on the good corporate governance as well.

In 2009, the Audit Committee had satisfied with result of independent evaluation and appropriateness of the auditor. Therefore, recommended the Board of Directors to appoint Mr. Prasit Yuengsrikul, Certified Public Accountant No. 4174 or Mr. Somchai Jinnovart, Certified Public Accountant No. 3271 or Mr. Vichien Khingmontri, Certified Public Accountant No 3977 from PricewaterhouseCoopers ABAS Limited, to be the company's auditors for another year. The appointment has been preceded to the shareholders' meeting for approval.

On behalf of the Audit Committee

A handwritten signature in blue ink, appearing to read 'Sivaraks', is positioned above the printed name of the Chairman.

(Mr.Sivaraks Phinitcharomna)
Chairman of the Audit Committee
23 February 2010

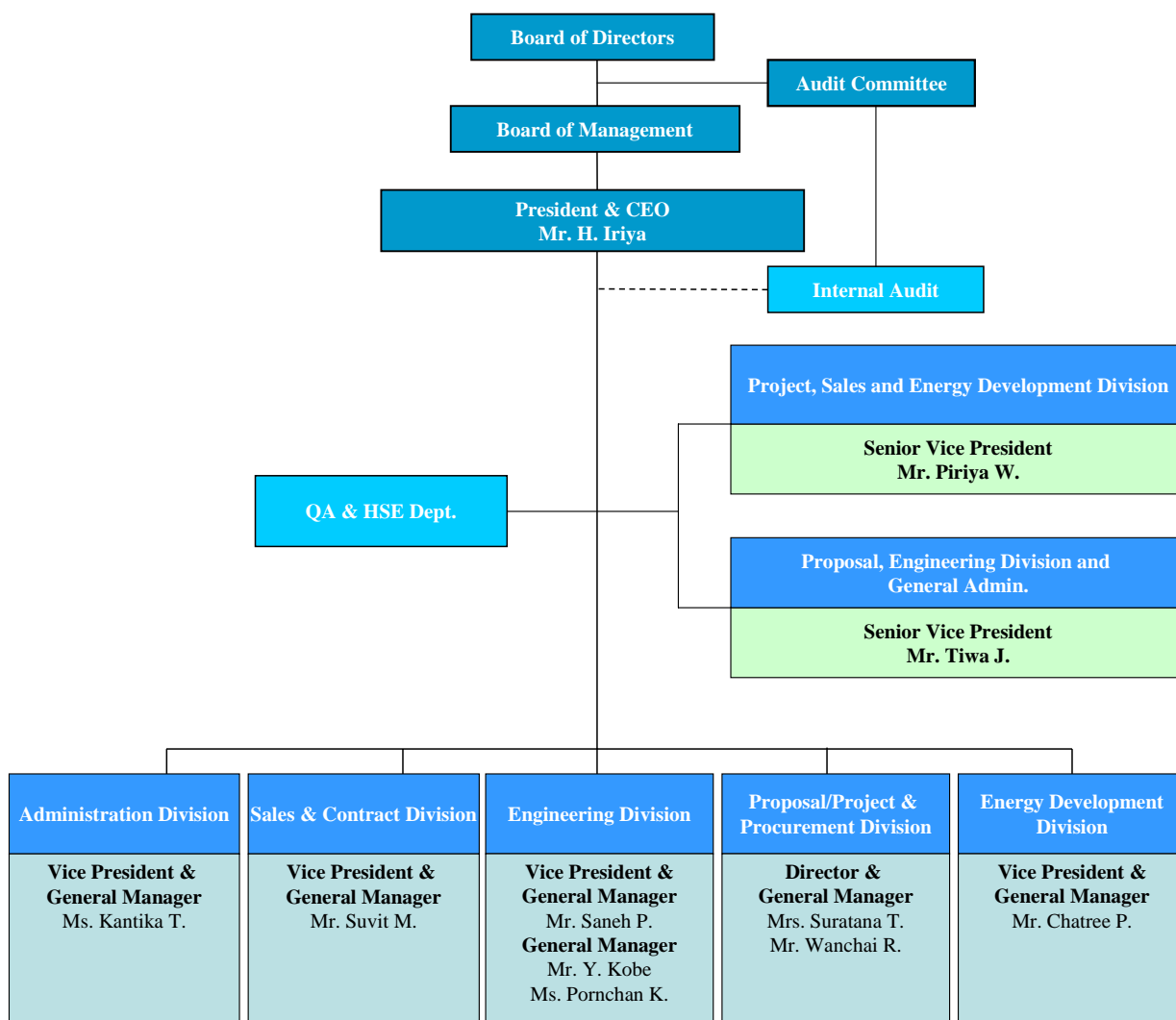
Company Profile



Company Profile

Name of Company	: Toyo-Thai Corporation Public Company Limited
Head Office located at	: 159/41-44, Sermmmit Tower, 27 th – 30 th Floor, Sukhumvit 21 Road (Asoke), North Klongtoey, Wattana, Bangkok 10110, Thailand
Tel.	: (66) 2-260-8505
Fax.	: (66) 2-260-8525-6
Home Page	: www.toyo-thai.com
Type of Business	: Integrated Engineering, Procurement and Construction Services for Turnkey Projects mainly Petrochemical Industries.
Registration No.	: 0107551000185
Registered Capital	: 480,000,000.00 Baht
Paid-up Capital	: 480,000,000.00 Baht
Par Value	: 1.00 Baht
Securities Registrar	: Thailand Securities Depository Co., Ltd. 62 The Stock Exchange of Thailand Building Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel. : (66 2) 229 2800 Fax. : (66 2) 359 1259
Audit Firm	: PricewaterhouseCoopers ABAS Ltd. 15th Floor, Bangkok City Tower 179/74-80 South Sathorn Road Bangkok 10120, Thailand Tel. : (66) 2-344-1000 Fax. : (66) 2-286-5050
Independent Auditor	: Mr. Prasit Yuengsrikul CPA. No. 4174 Mr. Somchai Jinnovart CPA. No. 3271 Mr. Vichien Khingmontri CPA. No. 3977

Company Organization



Board of Director



Mr. Hironobu Iriya
Chairman



Mrs. Nijaporn Charanachitta
Director



Mr. Makoto Fusayama
Director



Mr. Tiwa Jaruke
Director



Mr. Piriya Wongphayabal
Director



Mr. Suvit Manamaiyanon
Director



Mr. Sivaraks Phinicharomma
Independent Director and
Chairman of the Audit Committee



Mr. Gumthorn Utarnwuthipong
Independent Director and
Audit Committee



Mr. Ryuzo Nagaoka
Independent Director and
Audit Committee

Board of Management



- | | |
|----------------------------------|---|
| 1. Mr. Hironobu Iriya | President & CEO |
| 2. Mr. Piriya Wongphayabal | Senior Vice President Project, Sales and Energy Development Division |
| 3. Mr. Tiwa Jaruke | Senior Vice President Proposal, Engineering Division & General Admin. |
| 4. Mr. Suvit Manomaiyanon | Vice President & General Manager Sales and Contract Division |
| 5. Ms. Kantika Tanthuvanit | Vice President & General Manager Administration Division |
| 6. Mr. Saneh Poorisat | Vice President & General Manager Engineering Division |
| 7. Mr. Chatree Phooyongyooth | Vice President & General Manager Energy Development Division |
| 8. Mrs. Suratana Trinratana | Director & General Manager Project & Procurement Division |
| 9. Mr. Wanchai Ratinthorn | Director & General Manager Proposal, Project & Sales Division |
| 10. Mr. Yukio Kobe | General Manager Engineering Division |
| 11. Ms. Pornchan Katejularsriroj | General Manager Engineering Division |
| * Mr. Bundith Chiraphandhu | Advisor Energy Development Division |

Type of Business

Toyo-Thai Corporation Public Company Limited established and registered to be a limited company on April 24, 1985 with an initial registered capital of 20 million Baht to under take the business of services in Integrated Engineering, Procurement of machines and equipment, and construction of process and industrial plants (Integrated EPC) with the joint venture of Italian-Thai Development Public Company Limited (ITD) and Toyo Engineering Corporation (TOYO) of Japan in the proportion of 51% and 49% respectively. The Company is arranged to be the first company in Thailand who provides integrated design and engineering, procurement and construction services. The Company possesses the experience and expertise of engineering and design, procurement of equipment and materials, and construction of turn-key projects for industrial and process Plants which covers process of production, utility facilities of the plant and storing, conveying and distributing system of products thereof. At present, the maximum value of project scale which the Company has capability to service, is not over than US Dollars 300 million. Company's clients are business operators in the industry of petrochemical, chemical, petroleum, and etc.

As the leading company providing Integrated EPC service for the past 24 years, the Company has achieved success in providing services in engineering design and construction of various plants more than 140 projects resulting to the company gaining a good reputation and receiving the highest trust from the clients in the quality of work of engineer design and construction, the punctuality in delivery of the project, and the safety in the operation of work.

The Company anticipates the tendency of growth in the requirement of Integrated EPC service and the continual in requirement from clients in domestic and overseas, especially from clients in the industry of petroleum and petrochemical. The readiness of company's engineering team in managing the project of a high value and of a sophisticated engineering technology and the advantage in having a lower cost of project management than competitors, encourages the Company to have the policy to increase its work for overseas projects, especially in Vietnam, China, Africa and the countries in Middle –East and expand service scope to cover projects having the value of US Dollars 300-500 million. In order to prepare the Company's readiness in the financial side and enhancing the reliability to the foreign clients, therefore, the Company offered its shares to the public and listed the shares in the Stock Exchange of Thailand in June, 2009.

- | | |
|-------------|---|
| 1985 | <ul style="list-style-type: none"> • Toyo –Thai Corporation Limited has been established by the joint venture of Italian- Thai Development Public Company Limited and Toyo Engineering Corporation of Japan with the registered capital of 20 million Baht to be the first company in Thailand in providing service business in engineering and design, procurement and construction of turnkey projects for industrial and process plants (Integrated EPC). |
| 1996 | <ul style="list-style-type: none"> • The Company increased its registered and paid capital to 100 million Baht to back up the business expansion of the Company. Therefore, the shareholders' percentage of ITD group was reduce to be 25 %. |
| 1997 | <ul style="list-style-type: none"> • To alleviate the impact of the domestic investment slow down resulting from the country's economic crisis, the |

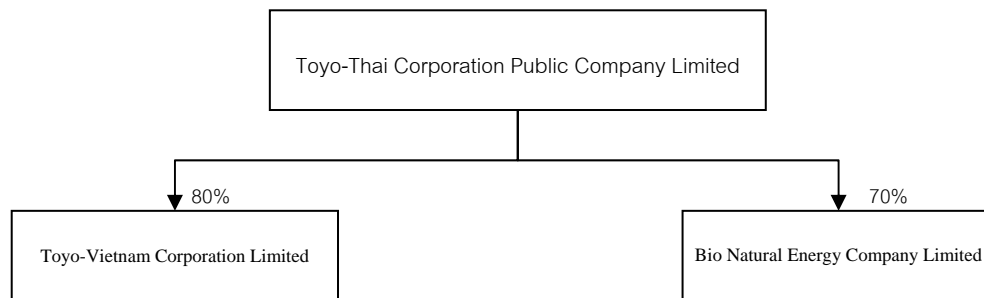
Company starting to expand its business to other countries in Asia. The Company built a NPK compounded fertilizer plant for Japan Vietnam Fertilizer Company and thereafter the company is success in providing service in Malaysia, Myanmar, China and Bangladesh in the following year.

- The Company has established Toyo – Vietnam Corporation Limited (Toyo-Vietnam) to provide integrated design and engineering, procurement and construction service in Vietnam.
- 2002** • The company has received the certificate of quality management system in accordance with ISO 9001: 2000
- 2003** • The company has increased its registered and paid capital to 160 million Baht to support the continual growth of the business.
- 2004** • The Company won the bid for Modified Diphenylmethane, Diisocyanate (MMDI) Plant Project from Bayer Polyurethane (Shanghai) in China. For bidding of this project, the company had to compete with other international engineering contractors in China. The winning of this project in China is a result from the Company's achievement in building the project of Bisphenol A of Bayer in Thailand
- 2005** • The Company expands its international business as the Company is entrusted to build a polyurethane plant in China and a Chlor-Alkali Plant in U.S.A. which is the first project of the Company in U.S.A. The Company has proved its capability and being accepted in worldwide.
- 2006** • PTT Polyethylene Company Limited awarded a contract to the Company to build Ethane Cracker Plant Project. Upon completion, this ethylene plant will be one of the largest ethylene plant with capacity of one million tons per year.
- The Company has established Bio Natural Energy Co., Ltd. to generate electricity from Methane Gas.
- 2007** • PTT Polyethylene Company Limited awarded contracts to the Company to build Low Density Polyethylene (LDPE) Plant Project and Linear Low Density Polyethylene (LLDPE) Plant Project. Upon projects completion, these two plants will be one of the largest LDPE and LLDPE plants in the world. The total investment of these projects is more than 9,000 million Baht.
- 2008** • The Company has increased its registered capital to 320 million Baht to support the business expansion and the growth of sales.
- The Company is converted to a public company limited in July.

- The Company has increased its registered capital to 480 million Baht by offer a total value of 30,000,000 common shares to TTCL employees at the offering price of Baht 1 per share. The rest of 130,000,000 shares were allotted for Initial Public Offering.
- 2009**
- Employee Stock Ownership (ESOP) total 30,000,000 common shares to TTCL employees at the offering price of Baht 1 per share
 - Initial Public Offering were allotted 130,000,000 shares at 4.25 baht per share. Total registered Capital are fully paid up on June 16, 2009.

2.2 Business Operation Overview

As of December 31, 2009, the shareholding structure of the Company in subsidiary and affiliated company and scope of business of each company are as follows:



Toyo-Thai Corporation Public Company Limited

Business of Toyo-Thai Corporation Public Company Limited is to provide integrated design and engineering, procurement of equipment and materials and construction services of turnkey projects for industrial and process plants. Major clients are the business operator of petroleum, petrochemical and chemical industry in Thailand and overseas.

Toyo-Vietnam Corporation Limited

Toyo-Vietnam Corporation Limited (TVC) is established on February 19, 1997 to operate of the business integrated design and engineering, procurement of equipment and materials and construction services of turnkey projects for industrial and process plants in Vietnam. At present, TVC has a registered and paid-up capital at US Dollars 300,000. The Company holds 80% of the total registered and paid-up capital. Mr. Hironobu Iriya, President and CEO of TTCL and Mr. Atsushi Sugiura, former Managing Director, each person holds 10% of the registered capital and paid up.

Bio Natural Energy Company Limited

Bio Natural Energy Company Limited (BNE) is established on May 31, 2006 to operate the business of generating electricity from methane gas collected from waste water from Ethanol Plant of Pornvilai International Group Trading Co., Ltd. (PVL). BNE has its paid-up capital at 5 million Baht. The Company holds 70 % and PVL holds 30 % of the total registered and paid-up capital.

2.3 Company's revenue structure

The revenue of the Company and subsidiary in the period of 2006 – 2009 can be classified as follows:

Item of Revenue	2006		2007		2008		2009	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from Construction and Service Company	2,788.89	97.54	4,474.58	97.70	10,909.47	98.74	10,240.00	99.12
- Engineering Procurement and Construction (EPC)	2,415.13	84.47	4,104.84	89.63	10,527.95	95.29	9,979.06	96.60
- Engineering Procurement and Construction Management (EPCm)	301.08	10.53	309.27	6.75	266.01	2.41	227.98	2.20
TVC	72.68	2.54	60.47	1.32	115.51	1.05	32.96	0.32
Interest received	44.39	1.55	91.14	1.99	121.94	1.10	57.40	0.56
Other revenue	26.00	0.91	14.14	0.31	17.44	1.58	33.09	0.32
Total revenue	2,859.28	100.00	4,579.86	100.00	11,048.85	100.00	10,330.49	100.00

Note *1 The revenue structure of 2005 demonstrated above is only the revenue of the Company and does not include the revenue of subsidiary.

*2 E= Engineering, P= Procurement, C=Construction, Ps=Procurement Service, Cm= Construction Management.

2.4 Company's Business Target

2.4.1 To maintain the leadership in the Integrated EPC service in Thailand.

The Company has the target to maintain its leadership in the Integrated EPC services in Thailand to which the Company will emphasize in developing the ability of its employees continually. This will include the maintaining of the service quality in the part of design and engineering and construction to meet international standard, and completion of work and on-time delivery so that the Company can compete with the competitors who are international EPC Contractors.

2.4.2 To be one of reliable international integrated EPC Contractors

Other than the fore-going, the Company also has the advantage in having experienced and knowledgeable engineering teams in all disciplines , and having proven experience in design and construction of various kind of projects for clients in petroleum and petrochemical industries acceptable in the high quality and capability in controlling project cost. The Company set up the target to be one of the engineering contractor who provide Integrated EPC services which is acceptable to its capability in the international level by expanding its services to international market and receiving contract of the large scale project having the value of US Dollars 300 – 500 million. This is to increase Company's business opportunity and growth in the future. The Company intends to increase its revenue from overseas project at the proportion of 50% of the total revenue within the next 5 years.

2.4.3 To create recurring income source from the development of intellectual property, plant operation service and investment in renewable energy business.

The Company has a plan to provide Integrated EPC services for renewable energy industry to which the Company considers that it will have high demand in future. In addition to provide Integrated EPC service, the Company is studying the feasibility to provide consultant service in application of carbon credit for United Framework on Climate Change; in providing service for research and development of intellectual property such as copyright of technology and production license, provision of operation service and the investment in the project in criteria of Clean Development Mechanism (CDM) for example, project in improving efficiency of energy both in the part of manufacturing and the part of utilization; project in renewable energy, for example solar energy, bio-mass energy, wind energy and the small scale hydro energy, project of modifying the fuel from high carbon into low carbon for use in the transportation or in the industry, project of changing waste material to be the energy source, for example project of manufacturing bio-gas from the buried garbage or from the waste, which will be the recurring income of the Company in the future to alleviate the volatility of the resource from principal business of the Company.

Provision of Service

Provision of Service

Nature of service.

In provision of service to clients for each project, the Company can separate the services in 3 principal lines i.e. Design and Engineering, Procurement equipment and material and Construction. Clients may employ the Company to provide any one of line of such services. However, generally, most of the clients prefer to employ our services in a complete manner which is generally known as the “Integrated EPC”, because in the integrated service, the client is able to control the project quality and cost by assigning the responsibilities to the Company who is the service provider including to have the time saving and the continuity of operation of work in each part of the project. The Company is the first Thai engineering contractor who provided Integrated EPC services. Mostly, the company provides services for petrochemical and petroleum industries projects. Besides, the Company also has the experiences for other industries project as well, for example, petrochemical plant and fertilizer plant. The Company has the special expertise in providing services to project receiving investment promotion privileges from the Office of Board of Investment Promotion (BOI). The Company has its clients both in domestic and overseas. The Company mostly works as the main contractor or works jointly with other contractors in Thailand and other countries in the form of consortium. The three principal service lines are described as follows:

Design and Engineering

In providing the Design and Engineering services, the Company has an engineering team consisting of all necessary engineering disciplines such as civil, mechanical, electrical and chemical enabling the design of the whole industrial plant including civil structure, utilities system of the plant such as electricity, water, air condition, solid waste treatment system, wastewater treatment system, storage tanks and process and production unit of the plant, especially petroleum, petrochemical and chemical plants, including instrument and control system for checking, measuring and warning necessary to the operation of the plant. Having the engineering team for every engineering discipline is an important strong point of the Company’s business i.e. the Company is able to really provide integrated services and is able to save client’s cost in hiring others design and providing convenience to client to coordinate closely between design team and construction team. This advantage can enable the Company to control overall cost of the project in the highest effectiveness.

For the stage of engineering design, the Company begins to analyze the clients’ purposes and requirements in every aspect before going to perform the details design. In operating the detailed design, the Company will take into the consideration of the following factors:

- Safety of plant as a whole and in every detail in operation.
- Friendly to the environment.
- Quality of product to be obtained from the process.
- The highest efficiency of production steps in the aspect of heat balance and material balance to reduce the loss of energy and raw material which can help the client to spend the lowest cost for production.

- Reliability to the manufacturing system, machines and equipment.
- Simplicity and economy in repair and maintenance or in future expansion.
- Problems and impediment that may happen in the stage of construction which could enable the Company to anticipate and prepare measurement to encounter its happening in order to reduce the risk in Company's project execution.
- The appropriateness of the use of technology and the cost of the client's project.

Procurement of Machinery and Equipment

The Company provides procurement services to procure all necessary equipment and materials for the project by contacting with the vendors or manufacturers in both domestic and overseas. The Company negotiates for price and conditions for the purchase and delivery, inspection of quality and specification of equipment and material so that they are in line with the requirement provided by the engineers, and coordinate with vendor or manufacturers to arrange the shipment within the schedule to be consistent with the project schedule.

From the Company's experiences, most of its clients are in the petroleum and petrochemical business which have obtained promotion privileges from the Board of Investment ("BOI"). This leads the Company to be acquainted and familiar in the process of procurement and import of the equipment from overseas for clients to comply with the requirements of the Board of Investment. Moreover, from the advantage of utilizing worldwide subsidiaries and affiliated companies of Toyo Engineering Corporation which is one of the major shareholders of the Company, making the Company flexibility in the procurement of equipment, inspection and expedition from other countries through these subsidiaries and affiliated companies.

Construction of plant

In providing construction service, the Company will assign appropriate engineering team to work for the each project. Each project team will be consisted of a project manager and project engineers and lead engineers from various disciplines. All engineers in project team will work jointly and be responsible jointly in executing the project since the beginning of planning, executing and coordinating with client or client's representative, subcontractors, manufacturers and vendors of equipment and materials and the design engineers. Project team will control and inspect the construction work to be good quality and complete on time as planned. They also manage the cost and payment of project and safety of project execution.

During the whole period of design, procurement and construction, the Company has quality control department in its organization consisting expert in specific field to inspect and follow up quality of work in every stages to ensure that the work in each detail having the efficiency in line with the required quality. For the inspection, the Company will accompany with client's representative to conduct the inspection.

Generally, in a project which the Company provides the integrated EPC services, the value of engineering and design is approximately 10% of the total contract price of the project, the value of procurement of equipment and materials is 60% of the total contract price of the project and the value of construction work is approximately 30% of the contract price of the project.

The Company treats very important in safety and health of the employees executing in each project by arranging sufficient protection equipment and tool for such employees. The Company arranges training and orientation for safety for every employee in project team before starting construction work. The Company also conducts the analysis of accident potential in various aspect in order to design the measurement to protect the damage occurred and to contain it from any possible spreading, including the arrangement of safety offices for each project. The Company has been certified for the Occupational Health and Safety Management System in accordance with BSI-OHSAS 18001:2007. The execution of construction work of the Company has been accepted by the clients in having a high safety standard, with proven by safety certificates. The safety certificates from clients in the last 5 years are shown in the following table:

Safety certificates of major projects of the Company

Owner	Description	Safety Certificate
PTT Polyethylene Company Limited	Linear Low Density Polyethylene Project	5.93 million man-hours without loss time accident
PTT Phenol Company Limited	Bisphenol-A Project	2 million man-hours without loss time accident
Thai MMA Co., Ltd.	Methyl Methacrylate (MMA)	3 million man-hours without loss time accident
PTT Polyethylene Company Limited	Low Density Polyethylene Project	4 million man-hours without loss time accident
PTT Polyethylene Company Limited	Ethane Cracker Project	10 million man-hours without loss time accident
Vinythai Public Company Limited	VCM & Chlorine Expansion Project	3 million man-hours without loss time accident
Bayer Thai Co., Ltd.	Polycarbonate & Bisphenol-A Debottlenecking Project	1.7 million man-hours without loss time accident
Bayer Polyurethanes (Shanghai) Co., Ltd.	Modified Diphenylmethane Diisocyanate (MMDI) Project	2.4 million man-hours without loss time accident
TOC Glycol Company Limited	Utility Portion for EO/EG Plant	2.4 million man-hours without loss time accident
KAO Industry (Thailand) Co., Ltd.	KAO-T Project	6 million man-hours without loss time accident
Eastern Chemical Co., Ltd.	Ethyl Alcohol Plant	1 million man-hours without loss time accident
GE Toshiba Silicones (Thailand) Limited	New Silicones Finishing Plant Project	2.8 million man-hours without loss time accident
Asia Silicones Monomer Ltd.	Silicone Monomer Plant	10 million man-hours without loss time accident

Safety Certificates for Construction Work Experience Without Lost Time Accident



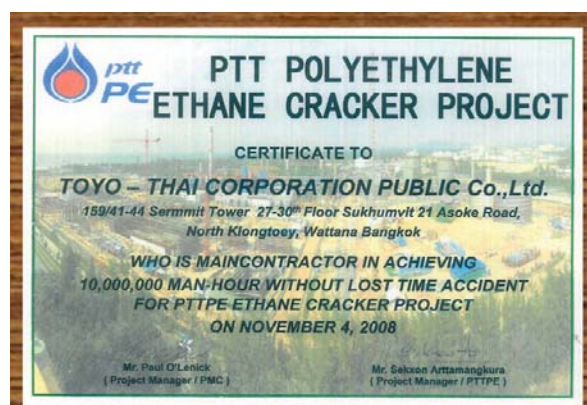
5.9 million man-hours without Lost Time Accident Safety Certificate for LLDPE Project



3 million man-hours without Lost Time Accident Safety Certificate for TMMA#2 Project



4 million man-hours without Lost Time Accident Safety Certificate for LDPE Project



10 million man-hours without Lost Time Accident Safety Certificate for Ethane Cracker Project



10 million man-hours without Lost Time Accident Safety Certificate for ASM G-1 Project



3 million man-hours without Lost Time Accident Safety Certificate for VNT Everest Project

Major experience of the Company in past 5 years with total value of 30,000 million Baht and detail is shown as follows:

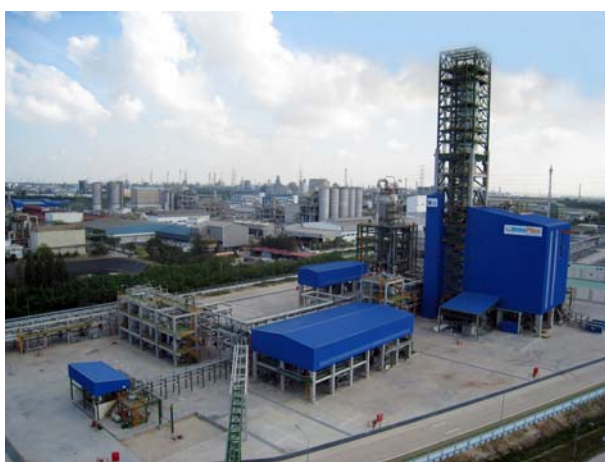
Clients / Location	Description	Scope of Work ¹	Period	Contract Price (Million Baht)
AGC Chemicals (Thailand) Co., Ltd.	Chlor-Alkali Plant	E.P.C.	Jun. 08-Feb.09	0 - 100
PTT Polyethylene / Rayong	Linear Low Density Polyethylene Project	E.P.C.	Dec. 06 – Aug. 09	5,000 – 6,000
Vinythai Public Company Limited/ Rayong	PVC Expansion Project	E.P.C.	Feb. 07- June 08	200 – 400
Bayer Thai Co., Ltd./ Rayong	Polycarbonate Debottlenecking Project	E.P.C.	Aug'05–Aug'06	600 – 800
Bayer Thai Co., Ltd./ Rayong	Bisphenol-A Debottlenecking Project	E.P.C.	Mar'08 - Jun'10	100 – 200
Vinythai Public Company Limited/ Rayong	Vinyl Chlorine Monomer and Chlorine Expansion Project	E.P.C.	May'05-Dec'06	1,000 – 1,500
Shin Etsu Engineering Co., Ltd./ Louisiana, U.S.A.	Chlor-Alkali Plant	E.PS.CM.	May'05-Jan'07	400 – 600
AGC Chemical (Thailand) Co., Ltd. / Rayong	Chlor-Alkali Plant Phase III	E.P.C.	Mar.'05-Jun.'06	600 – 800
Bayer Polyurethanes (Shanghai) Co., Ltd./ Shanghai ,China	Modified Diphenylmethane Diisocyanate (mMDI) Plant	E.PS.CM.	Nov'04-Mar.'06	200 – 400
AGC Chemical (Thailand) Co., Ltd. / Rayong	Chlorine Expansion Project	E.P.C.	Nov.'04-Oct.'05	0 - 100
AGC Chemical (Thailand) Co., Ltd. / Samutprakarn	Chlor-Alkali Expansion Project	E.P.C.	Nov.'04-Nov.'05	100 – 200
PTT Pcl. / Chonburi	LPG/Propane Loading/Unloading Project	E.P.C.	Aug.'04-Jun.'05	0 - 100
TOC Glycol Co., Ltd. / Rayong	Utilities and Supporting Facilities for Ethylene Oxide/Ethylene Glycol Plant	E.P.C.	Feb.04-Feb.06	800 – 1,000
PTT Chemicals Pcl. / Rayong	Steam Generation Project	E.P.C.	Dec.'03-Mar.'05	200 – 400
Thai Asahi Kasei Spandex Co., Ltd. / Chonburi	Spandex Plant	E.P.C.	Dec.'03-Nov.'04	200 – 400
Thai MMA Co., Ltd. / Rayong	MMA Debottlenecking Project	E.P.C.	Oct. 03-Dec.04	0 - 100
Kao Industrial (Thailand) Co., Ltd. / Chonburi	Detergents, hair care and skin care products Plant	E.P.C.	Oct.03 - Dec.04	1,000 – 1,500
Eastern Chemical Co., Ltd. / Chonburi	Ethyl Alcohol Plant	E.P.C.	Sep.'03–Feb.'05	100 – 200

Clients / Location	Description	Scope of Work ^{/1}	Period	Contract Price (Million Baht)
GE Toshiba Silicones (Thailand) Ltd. / Rayong	Silicone Finishing Plant Project	E.P.C.	Oct.'02 - Feb.'04	1,000 – 1,500
Asia Silicones Monomer Ltd. / Rayong	Utilities and Supporting Facilities for Silicone Monomer Plant	E.P.C.	May '02-Dec.'03	1,000 – 1,500
Bangladesh Chemical Industries Corporation)/ Chittagong, Bangladesh	Di-Ammonium Phosphate Plant Project	E.P.C.	Apr.'04-Jun.'06	2,000 – 2,500

Remark : ^{/1} E:ENGINEERING, P:PROCUREMENT, PS: PROCUREMENT SERVICE, C:CONSTRUCTION, CM: CONSTRUCTION MANAGEMENT



VCM and Chlorine Expansion Project for Vinythai Public Company Limited



LLDPE Project for PTT Polyethylene Co., Ltd.



MMA#2 Project for Thai MMA Co., Ltd.



ROC Expansion Phase III for Rayong Olefins Co., Ltd.



MMDI Project for Bayer Polyurethanes (Shanghai) Co., Ltd.



Chlor-Alkali Complex for AGC Chemicals (Thailand) Co., Ltd.



OSBL for EO/EG Plant for TOC Glycol Co., Ltd.



Combined Cycle Power Plant for TLP Cogeneration Co., Ltd.



Di-Ammonium Phosphate Plant for Bangladesh Chemical Industries Corporation



NPK Compound Fertilizer Plant for Japan Vietnam Fertilizer Company

Marketing and the Competition

Competition Strategy

In setting the strategy for competition and business operation policy, the Company aims to enhance its ability in long term competition by setting the strategy as follows:-

- The experience of project management team.
Other than the ability in project management of the Company, our executives have proven their ability in steering the Company out of the economic crisis of Thailand in 1997. Our executives have experience of work from engineer before they are entrusted by the Company. Several of them have joined the Company since the Company is established or for more than 24 years, therefore, they have a very good knowledge in various functions of the Company especially in the engineering part and they also use their experience to help in inspection and auditing the works and provide advice to engineer in the level of project manager and other engineer level. As the higher level executives have the experience jointly with the Company in the same long period, it makes executive team have a good understanding to the cultures of the Company and the changes happened in the past along the way.
- Proven project experience
Since there is limited operators in the petroleum and petrochemical business in the country, therefore, our clients in this group are most the acquainted clients who expand their investment. In the 24 years long period, the Company uses strategy to keep or maintain relation with our clients with the good quality of work in the project and the engineering services to satisfy the requirement of the clients. The Company has success in this strategy which we could evidence from the trust and relying given to us by the clients in the past when they need our services, for example, PTT Group, SCG Chemicals Group, Bayer Thai Co., Ltd., AGC Chemical (Thailand) Co., Ltd. (former name: THASCO Chemical Co., Ltd.), Thai Central Chemical Public Company Limited, Bayer Polyurethane (Shanghai) (China), Shin-Etsu Engineering (Japan) and Solvay SA (Belgium). Other than assigning the additional projects to the Company, they also recommended the Company to the new customers. Therefore, the Company has a principal policy in keeping the quality of project to be in line with the engineering standard, to uphold the honesty to the engineering profession, to execute the project to be complete on time required; to take care of the benefit of the project as if the Company be the joint owner of the project with the clients and provide after sale service to the clients.
- Knowledge and ability of engineers.
The Company has the policy to support and develop its employees especially for employees who are engineers which are the most important resource of the Company. In order to develop the efficiency in the project execution for upholding our ability to compete with other, the Company has the plan to develop knowledge and level of capability of engineer continually in both specific technology and the principal of project management and plan to

support joint working team to exchange idea and opinion and the knowledge in engineer from the engineers in the team.

- Efficiency in managing the Company
The Company has the policy to develop the work system and the central administration continually to enhance the work efficiency and develop the ability in responding to client's requirement and enhance the reliability to the Company by the client in domestic and overseas for example, we set up the quality standard system in accordance with the quality management system in accordance with ISO 9001:2000 and receive ISO certificate from The Engineering Institute of Thailand (EIT) and Energy & Environmental Accredited Quality Assessment of England (EAQA) in 2002.
- The first Thai company providing Integrated EPC services.
For the petroleum and petrochemical project at the scale not exceeding US Dollars 300 million, The Company is the one of its kind that capable to provide Integrated EPC service to clients without having to rely on the parent company in overseas or other company to work jointly in the project. The Company is difference from other contractor who need to obtain assistance from the parent company in the engineering work or assistance in joint-bidding in the project bigger than its capacity or with project that such Company no previous experience. As a real service provider of Integrated EPC, the Company has gained the advantage in matter of operation cost, ability and flexibility of operation, the maintain of good quality of work, the readiness and capability in acceptance of large scale project will enable the Company gaining the benefit of economy saving from the economy of scale.
- Safety in the project execution
Safety is treated as the most important policy of the Company toward the employees of the Company and subcontractors. The Company deems that any accident if occurred, it will be a loss because of impact the cost and the time will be increased and it also impact the moral of the concerned personnel. Therefore, the Company chooses to compliance with the OHSAS 18001 standard for keeping safety in every part of the Company and we are in the process of applying for the certification of OHSAS 18001:2007. In each project, the Company will arrange to have the accident protection equipment for its employees. Other than this, the Company will analyze and find out the possibility of accident happening in every aspect in order to design the protection of loss and to contain its wild spread to the nearby vicinity. Other than this the Company has a good record in keeping safety and is acceptable to clients as evidence by certificates received from client during 24 years of the Company's business operation
- Efficient procurement
The Company has set up the policy of procurement in order to build up the transparent performance and the competition between the vendors who sell various of equipment and materials including the procurement of subcontractors by way of bidding every times in order to assured that the

original cost of the Company will impact to the cost of the clients in an appropriate level.

- Relationship with the vendors who supply equipment and materials and subcontractors.

In executing the project and delivery of a quality work to the client in each project within the project schedule, the Company has to rely on the manufactures and vendors of equipment and material and subcontractors for its qualification, readiness, expertise and responsibilities. Maintaining a good relationship with these service providers will help the Company to uphold its ability to compete with other and reduce the risk of being unable to procure good quality of equipment and material and good quality work from subcontractor for the new project in the future.

- Utilize of up-to-date technology to perform design work.

Since the construction of petroleum and petrochemical plant has a very complicated design, the Company therefore, brings the up-to-date design technology into the system design of the Company such as the Plant Design System (PDS) which make the design accurately and reduce the error. Engineer can check the design from the plant model in 3 dimensions which like enter to the real plant. Moreover, PDS program can also help the client's personnel to operate and maintenance the plant area conveniently and safety.

Outlook for Petroleum and Petrochemical Industries in Thailand

Thai's economy in next two years is expected to improve in line with global economy especially continuously growth of China's economy. This makes higher demand of petrochemical products compare with 2009. Accordingly, PTT Chemical, one of the largest petrochemical producers in Thailand, expects to increase their olefins and plastics capacity by 29% from 3.57 millions per year in 2009 to 4.8 million tons per year in 2010.

Even though, in November 2009, the Central Administration Court ordered 76 projects in Map Ta Phut to temporarily halt operating until these projects comply with the Constitution's Article 67 which requires projects to pass public hearings and independent reviews and to complete environmental impact (EIA) and health impact assessments (HIA) before being allowed to operate. However, on December 2, 2009, the Court lifted the ban on 11 of 76 projects with the reason that these projects do not have impact on the environment, natural resources and the livelihood of local residents. In addition, on February 24, 2010, the Court allowed 9 more Map Ta Phut industrial projects to proceed with the construction works and machinery test runs. These regain investors confident. Moreover, the investors consider that this issue will have short term effect only. Thailand stills the interesting place for investment for medium and long term as shown by 2009 survey of Japan Bank for International Corporation (JBIC). The 2009 survey showed that Thailand is the fourth on the list of countries most preferred by Japanese investors - behind China, India and Vietnam. In addition, Board of Investment of Thailand (BOI) disclosed that BOI received applications with the highest investment value in 40 years with total investment 723,400 million Baht. There were applications for 788 projects from foreign investors

with total investment 350,745 million Baht, 18% higher than total investment 2008. The above show that foreign investors still interest to invest in Thailand.

In addition, there are many new petrochemical projects in the South-East Asia i.e. a world scale petrochemical project of the joint venture between Siam Cement Group, Vietnam Oil and Gas Group (Petrovietnam) and Vietnam National Chemical Corporation (Venachem). This is the first world-scale petrochemical project in Vietnam with expected total investment of 3,500 – 4,000 million US Dollars.

Status of competition

The competition of providing Integrated EPC services in nowadays is not severe due to the capability of each company in providing service is limited by its engineering workload which is the important factor in providing service. According to the expected new demand for petrochemical and petroleum projects in next two years, while it still has limited service provider; the reason of most of the service providers have projects in hand and nearly reach the full capacity of their ability; and the reason of most of the petrochemical and petroleum plant owners prefer to assign its project execution in the Integrated EPC method so that the whole project work will not be separated, therefore, these reasons will make the service providers who intend to bid for the project, must carefully consider about its production capacity before bidding as the providing of EPC service required a lot of engineers for the whole process in the project. Thus, the Company views that in next two years the demand of EPC service will be more than the supply and will make the competition in bidding the project become less severe and may not cut their price to compete like other construction industry.

Measure and procedure of approval for making connected transaction

Transaction with Related Parties

Measure and procedure of approval for making connected transaction

The Company will arrange to have a department responsible for transaction verification in relation to reasonableness, general trading terms and conditions, and other details of the transaction to be in the normal course of business. The Company shall proceed as following.

- 1) In case of general trading terms and conditions as well as normal course of business, the board of directors or the person assigned by the board of directors shall proceed with the transactions and shall report those transactions to the Audit Committee quarterly
- 2) In any case other than 1) above, the transaction shall be reviewed and provided with opinions by the audit committee prior to the submission for approval by the board of directors and/or shareholders

After the initial public offering, the board of directors shall manage the Company in accordance with the Stock Exchange of Thailand (SET)'s rules, regulations, instructions, and notifications as well as in compliance with the requirement in information disclosure regarding connected transactions or acquisition/disposition of assets of the Company and its subsidiaries and also in compliance with the Thai Accounting Standard (TAS)

In case of connected transactions, the audit committee shall review and provide opinions in terms of its necessity and reasonableness by considering the conditions to be in line with normal course of business and general trading terms and conditions of the Company. The Company may appoint a professional or the Company's auditor to provide opinions regarding the connected transactions to the audit committee and/or the board of directors and/or shareholders as necessary for the best interest of the Company and transparency of the transactions. The Company shall disclose the connected transactions in the notes to its audited financial statements.

The Company has set up the scope of normal trade transaction for the Company and its subsidiaries, the transaction shall have the nature of normal trade terms and conditions per the following details:

Normal Course of Business shall refer to:

The provision of integrated engineering, procurement and construction services including consultancy to industrial clients or other project's contractors, both individual and juristic person.

The purchase of raw material, construction material, consumable goods, machine and equipment, as well as the engagement of a sub contractor, which is required in the Company's business operation including other expenses normally incurred in the business course such as warehouse rental fee, transportation charge, etc. from an individual or a juristic person.

Fair Price shall refer to:

The price in which the buyer and the supplier agree to exchange goods or services when both parties have knowledge and willingness to enter into an agreement and the price is independently negotiable. The price shall be specified based on a market price, resulting from an independent negotiation on the same basis for all parties.

Policy or tendency of further connected transactions

There may be a doing connected transactions by the Company in the future that need to comply with the law concerning securities and exchanges, regulations, notification, orders or rules of the Stock Exchange of Thailand including the Accounting Standard Re: the Disclosure of information concerning Related Persons or Activities, required by the Institute of Certified Accountants and Auditors of Thailand.

Measure for conflict of interest with third party who has other types of conflict of interest.

In addition to connected transaction, the company has connected transaction with the other party who may have conflict of interest i.e. collaboration as consortium or compete in business. The company has measurement as follows:

Work together with other company as consortium

In case of jointly bid or work together as consortium, the company and its consortium member will jointly consider scope of work and responsibility in each section of such project base on its specialized and competitiveness. The consortium will have chance to win if there is suitable scope of work and responsibility of each members. Each consortium member will prepare proposal on its scope and combined each party proposal to be consortium proposal.

To prepare proposal, the company considers that the proposal shall be benefit to the company. The proposal is prepared based on accurate actual cost plus appropriate profit with approval from the Board of Directors and Board of Management. Audit Committee will review scope of work and benefit sharing amount consortium to ensure that such division of scope of work is reasonable and maximize benefit of the company.

Management Discussion and Analysis

Management Discussion and Analysis For the year ended 31 December 2009

1. The operating performance of 2009

For 2009, the Company had the net profit at THB 327 million, increasing 4.14% from the previous year. Construction and service income at THB 10,240 million dropped from the last year at 6.13%. While, the cost of construction and service at THB 9,357 million decreased from last year at 8.09%. Therefore, the gross profit margin of 2009 at 8.62% was better than 2008, which had 6.67%.

The construction in progress of each project was achieved as per schedule. Therefore, the operation results were in line with the Company's projection.

2. Management Discussion and Analysis Report according to consolidated financial statements

	For the year ended			
	31 Dec 2009	31 Dec 2008	Increase/ (Decrease)	Change
	(THB'million)		(%)	
Revenues				
Construction and service income	10,240	10,909	(669)	- 6.13%
<u>Less</u> Cost of construction and services	9,357	10,181	(824)	- 8.09%
Gross profit	883	728	155	21.29%
<u>Add</u> Other income	90	139	(49)	- 35.25%
<u>Less</u> Expenses and Corporate income tax	646	553	93	16.82%
Net profit for this period	327	314	13	4.14%
Attributable to				
Equity holders of the company	325	312	13	4.17%
Minority interest	2	2	0	0.00%
Basic earning per share (THB)	0.78	0.98	(0.20)	- 20.41%

2.1 Analysis of Income

2.1.1 Construction and service income

For 2009, the construction and service income at THB 10,240 million decreased THB 669 million or 6.13% lower, compared to 2008. However, the cost of construction and service at THB 9,357 million decreased at THB 824 million, or 8.09% lower, compared to previous year. The construction cost was normal ratio and under control, therefore, the gross profit margin of 2009 at 8.62% was better operation result than 2008, which had 6.67%. The gross profit of 2009 was THB 883 million, increasing THB 155 million from 2008, that had THB 728 million or 21.29% growth.

2.1.2 Interest income and other income

Interest income of the year 2009 was THB 57 million, decreasing by THB 65 million compared to the year 2008 that had THB 122 million. This was due to the interest rate of deposit was less than the previous year in line with the financial market.

2.1.3 Administrative expense and Income tax

For 2009, the administrative expense was THB 498 million and corporate income tax was THB 148 million, higher than 2008 that had THB 411 million and THB 142 million, respectively. The main reasons were the increasing number of staff and proposal expenses. The Company has recruited new staff to support the business expansion, then, the relevant expenses were increased for example salary expenses, area expansion, office expenses, welfare etc. approximately THB 57 million increased. The proposal expenses were increased by THB 30 million compared with the same period of 2008.

3. Analysis of Financial Status

3.1 Analysis of Assets

	(THB' million)			
	31 Dec 2009	31 Dec 2008	Increase/ (Decrease)	%
Current assets	4,473	6,697	(2,224)	(33.21)
Non-current assets	134	92	42	45.65
Total assets	4,607	6,789	(2,182)	(32.14)

As at 31 December 2009, the Company had total assets at THB 4,607 million, decreasing by THB 2,182 million from 31 Dec 2008 that had THB 6,789 million.

Assets had the significant changes from the increment of cash collection from Trade accounts receivable; then, the accounts receivable were reduced at THB 650 million. Construction in progress and attributable profit in excess of billings decreased at THB 693 million. In the meantime, net cash payment for all activities was THB 1,025 million. The Advance to sub-contractor and Construction in progress were reduced at THB 144 million. Short term investment and Withholding income tax increased THB 189 million and THB 126 million respectively.

3.2 Analysis of Liabilities and Shareholders' equity

	(THB' million)			
	31 Dec 2009	31 Dec 2008	Increase/ (Decrease)	%
Current Liabilities	3,228	6,101	(2,873)	(47.09)
Shareholders' equity	1,379	688	691	100.44
Total Liabilities and shareholders' equity	4,607	6,789	(2,182)	(32.14)

As at 31 December 2009, the significant change in Liabilities and Shareholders' equity were as follows:-

Total liabilities reduced at THB 2,873 million. The main change came from the following items -

- Trade accounts payable, Other accounts payable, Retention payable to sub-contractor and Accrued construction cost reduced at THB 759 million. The reason was the payment for construction complete as progress plan.
- Advance payments received from customer decreased due to the amortization based on the progress of work and acceptance by owners. The reduction was THB 1,395 million.

Shareholders' equity increased THB 691 million from the main following results

- Net profit for year ended was THB 327 million, and paid for the dividend payment at THB 201 million.

The net increase was THB 126 million.

- Issued and paid-up share capital was increased THB 160 million.
- The Premium of share capital was THB 405 million from the allotted and sold 130 million ordinary shares to Initial Public Offering on 16 Jun 2009, etc.

4. Major Financial Ratio

For the year ended

Ratio	31 Dec 2009	31 Dec 2008
1. Leverage ratio (Liabilities / Equity)** (times)	2.34	8.87
2. Net book value (THB/share)	3.31	2.15
3. Net profit per share (THB/share)	0.78	0.98
4. Gross profit margin (%)	8.62%	6.67%
5. Net profit margin (%)	3.17%	2.84%
6. Return on total assets (%)	7.10%	4.63%
7. Return on equity (%)	23.71%	45.64%

**The Company has trade liabilities only, no interest payment derive from loan.

5. Analysis of Cash Flows

(THB' million)

	31 Dec 2009	31 Dec 2008	Increase/ (Decrease)
Cash flows from operating activities	(1,200)	752	(1,952)
Cash flows from investing activities	(188)	83	(271)
Cash flows from financing activities	363	(288)	651
Net increase(decrease) in cash and cash equivalents	(1,025)	547	(1,572)
Add Beginning balance	2,683	2,136	547
Ending balance	1,658	2,683	(1,025)

As at 31 December 2009, the ending balance of Cash and cash equivalents of the Company was THB 1,658 million, decreasing by THB 1,025 million from the last year. The reasons came from payment for Trade accounts payable, Other accounts payable and Accrued construction costs, then, total liabilities reduced at THB 2,873 million as referred in item 3.2

5.1 Net cash used in operating activities was THB 1,200 million. The significant change came from :-

- Net profit after adjustment to net cash increased at THB 436 million.
- Cash generated from operating activities decreased at THB 1,487 million.
- Payment for Corporate income tax at THB 149 million, etc.

5.2 Net cash payment in investing activities at THB 188 million. The main reasons were more investment in Fixed deposit, Bills of exchange, and Promissory Notes, totally at THB 204 million. While, the decrease of Bond investment was at THB 12 million. Cash received from Interest income was THB 61 million, while, purchase of fixed assets at THB 57 million.

5.3 Net cash receipts from financing activities increased in the amount of THB 363 million. The Initial Public Offering of allotted and sold 130 million ordinary shares generated cash at THB 565 million, while, the dividend paid at THB 201 million.

Consolidated and Company Financial Statement

TOYO-THAI CORPORATION PUBLIC COMPANY LIMITED

**CONSOLIDATED AND COMPANY
FINANCIAL STATEMENTS**

31 DECEMBER 2009

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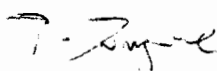
AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To the Shareholders and the Board of Directors of Toyo-Thai Corporation Public Company Limited

I have audited the accompanying consolidated and company balance sheets as at 31 December 2009, and the related consolidated and company statements of income, changes in shareholders' equity, and cash flows for the year then ended of Toyo-Thai Corporation Public Company Limited and its subsidiaries, and of Toyo-Thai Corporation Public Company Limited, respectively. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit. The consolidated financial statements of Toyo-Thai Corporation Public Company Limited and its subsidiaries, and of Toyo-Thai Corporation Public Company Limited for the year ended 31 December 2008 were audited by another auditor whose report, dated 25 February 2009, expressed an unqualified opinion on those statements.

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

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position as at 31 December 2009, and the consolidated and company results of operations, and cash flows for the year then ended of Toyo-Thai Corporation Public Company Limited and its subsidiaries, and of Toyo-Thai Corporation Public Company Limited, respectively, in accordance with generally accepted accounting principles.



Prasit Yuengsrikul
Certified Public Accountant (Thailand) No. 4174
PricewaterhouseCoopers ABAS Limited

Bangkok
25 February 2010

Toyo-Thai Corporation Public Company Limited

Balance Sheets

As at 31 December 2009 and 2008

		Consolidated		Company	
		2009	2008	2009	2008
	Notes	Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	1,657,896,142	2,682,588,075	1,624,458,648	2,661,089,570
Short-term investments	8	1,050,999,161	862,286,708	1,050,999,161	862,286,708
Trade accounts receivable					
- related parties	9, 11	-	343,004	-	343,004
Trade accounts receivable					
- third parties	9	313,093,568	962,810,384	309,095,896	953,870,332
Construction in progress and attributable profit in excess of billings	10	1,043,039,649	1,736,587,087	1,037,437,357	1,715,958,033
Other accounts receivable					
- related parties	11	57,496	73,028	57,496	89,880
Other accounts receivable - third parties		34,511,955	42,871,203	34,487,710	42,864,346
Construction in progress		5,545,196	53,305,011	5,415,640	52,849,411
Advance payments to sub-contractors					
- related parties	11	1,300,966	3,750,686	1,300,966	3,750,686
- third parties		26,145,933	119,664,896	26,111,432	110,471,880
Withholding income tax		252,059,132	125,793,143	252,059,059	125,220,065
Input tax refundable		30,312,715	73,727,871	26,519,866	73,727,311
Other current assets		57,774,783	33,575,471	58,036,362	32,632,561
Total current assets		4,472,736,696	6,697,376,567	4,425,979,593	6,635,153,787
Non-current assets					
Investments in subsidiaries, net	12	-	-	11,403,230	3,828,355
Loan to a subsidiary	11	-	-	54,000,000	-
Property, plant and equipment, net	13	98,340,837	59,256,944	49,407,284	57,772,744
Intangible assets, net	14	17,622,462	20,480,765	16,609,734	18,740,839
Other non-current assets		18,751,015	12,274,587	14,446,869	10,290,673
Total non-current assets		134,714,314	92,012,296	145,867,117	90,632,611
Total assets		4,607,451,010	6,789,388,863	4,571,846,710	6,725,786,398

The notes to the consolidated and company financial statements on pages 11 to 32 are an integral part of these financial statements.

Toyo-Thai Corporation Public Company Limited

Balance Sheets

As at 31 December 2009 and 2008

		Consolidated		Company	
		2009	2008	2009	2008
	Note	Baht	Baht	Baht	Baht
Liabilities and shareholders' equity					
Current liabilities					
Trade accounts payable - related parties	11	8,063,130	66,250,088	8,063,130	66,461,106
Trade accounts payable - third parties		685,584,481	1,102,231,415	684,179,110	1,096,218,938
Current portion of finance lease liabilities, net		167,009	160,335	-	-
Other accounts payable - third parties		32,358,168	167,574,913	31,780,961	167,011,002
Retention payable to sub-contractors					
- related parties	11	27,829,205	23,108,392	27,829,205	23,108,392
- third parties		155,024,639	86,569,190	155,024,639	86,569,190
Accrued construction costs		1,687,172,416	2,611,413,880	1,685,523,357	2,611,413,880
Advance payments received from customers					
under construction contracts		518,579,754	1,913,789,244	518,579,754	1,895,661,931
Deferred construction revenue		28,265,270	2,817,850	28,265,270	2,817,850
Corporate income tax payable		-	1,316,906	-	-
Accrued expenses		62,198,178	56,813,731	54,249,233	49,147,662
Other current liabilities		22,536,582	68,480,493	19,915,440	62,182,666
Total current liabilities		3,227,778,832	6,100,526,437	3,213,410,099	6,060,592,617
Non-current liabilities					
Finance lease liabilities, net		159,577	385,482	-	-
Total non-current liabilities		159,577	385,482	-	-
Total liabilities		3,227,938,409	6,100,911,919	3,213,410,099	6,060,592,617

The notes to the consolidated and company financial statements on pages 11 to 32 are an integral part of these financial statements.

Toyo-Thai Corporation Public Company Limited

Balance Sheets

As at 31 December 2009 and 2008

		Consolidated		Company	
		2009	2008	2009	2008
	Notes	Baht	Baht	Baht	Baht
Shareholders' equity (Cont'd)					
Share capital					
Authorised share capital	15	<u>480,000,000</u>	<u>480,000,000</u>	<u>480,000,000</u>	<u>480,000,000</u>
Issued and paid-up share capital		480,000,000	320,000,000	480,000,000	320,000,000
Premium on share capital		405,162,100	-	405,162,100	-
Currency translation differences		(6,917,703)	(5,815,626)	-	-
Retained earnings					
Appropriated - legal reserve	16	48,000,000	48,000,000	48,000,000	48,000,000
Unappropriated		<u>445,134,595</u>	<u>321,125,982</u>	<u>425,274,511</u>	<u>297,193,781</u>
Total parent's shareholders' equity		1,371,378,992	683,310,356	1,358,436,611	665,193,781
Minority interest		<u>8,133,609</u>	<u>5,166,588</u>	-	-
Total shareholders' equity		<u>1,379,512,601</u>	<u>688,476,944</u>	<u>1,358,436,611</u>	<u>665,193,781</u>
Total liabilities and shareholders' equity		<u>4,607,451,010</u>	<u>6,789,388,863</u>	<u>4,571,846,710</u>	<u>6,725,786,398</u>

The notes to the consolidated and company financial statements on pages 11 to 32 are an integral part of these financial statements.

Toyo-Thai Corporation Public Company Limited

Statements of Income

For the years ended 31 December 2009 and 2008

		Notes	Consolidated		Company	
			2009	2008	2009	2008
			Baht	Baht	Baht	Baht
Revenues						
Construction and service income	11		10,239,996,946	10,909,474,230	10,207,043,653	10,793,965,083
Cost of construction and service	11		(9,357,239,513)	(10,181,015,902)	(9,347,106,222)	(10,098,833,711)
Gross profit			882,757,433	728,458,328	859,937,431	695,131,372
Other income	18		90,490,989	139,378,985	90,692,700	137,621,431
Profit before expenses			973,248,422	867,837,313	950,630,131	832,752,803
Administrative expenses	11		(440,859,307)	(347,533,196)	(418,768,336)	(332,359,574)
Directors' and managements remuneration	11		(56,624,063)	(64,026,514)	(54,531,750)	(62,338,300)
Profit before finance costs and income tax			475,765,052	456,277,603	477,330,045	438,054,929
Finance costs			(56,653)	(95,449)	-	-
Profit before income tax	20		475,708,399	456,182,154	477,330,045	438,054,929
Income tax	19		(148,659,544)	(141,929,012)	(147,786,965)	(133,190,099)
Net profit for the year			<u>327,048,855</u>	<u>314,253,142</u>	<u>329,543,080</u>	<u>304,864,830</u>
Attributable to:						
Equity holders of the company			325,470,963	312,309,294	329,543,080	304,864,830
Minority interest			1,577,892	1,943,848	-	-
			<u>327,048,855</u>	<u>314,253,142</u>	<u>329,543,080</u>	<u>304,864,830</u>
Earnings per share for profit attributable to the equity holders of the company						
Basic earnings per share	15.1		<u>0.78</u>	<u>0.98</u>	<u>0.79</u>	<u>0.95</u>

The notes to the consolidated and company financial statements on pages 11 to 32 are an integral part of these financial statements.

Toyo-Thai Corporation Public Company Limited
Statements of Changes in Shareholders' Equity
For the years ended 31 December 2009 and 2008

								Consolidated
	Notes	Equity holders of the company						Total
		Issued and paid-up share capital Baht	Premium on share capital Baht	Currency translation differences Baht	Legal reserve Baht	Unappropriated retained earnings Baht	Total Baht	
Opening balance as at 1 January 2008		320,000,000	-	(3,919,796)	32,000,000	312,816,688	660,896,892	666,024,453
Dividends paid	11, 17	-	-	-	-	(288,000,000)	(288,000,000)	(288,000,000)
Unappropriated retained earnings transferred to legal reserve	16	-	-	-	16,000,000	(16,000,000)	-	-
Currency translation differences		-	-	(1,895,830)	-	-	(1,895,830)	(3,349,737)
Net profit for the year		-	-	-	-	312,309,294	312,309,294	314,253,142
Decrease in minority interest		-	-	-	-	-	(450,914)	(450,914)
Closing balance as at 31 December 2008		<u>320,000,000</u>	<u>-</u>	<u>(5,815,626)</u>	<u>48,000,000</u>	<u>321,125,982</u>	<u>683,310,356</u>	<u>688,476,944</u>
Opening balance as at 1 January 2009		320,000,000	-	(5,815,626)	48,000,000	321,125,982	683,310,356	688,476,944
Increase in ordinary shares	15	160,000,000	-	-	-	-	160,000,000	161,500,000
Premium on share capital	15	-	405,162,100	-	-	-	405,162,100	405,162,100
Dividends paid	11, 17	-	-	-	-	(201,462,350)	(201,462,350)	(201,462,350)
Currency translation differences		-	-	(1,102,077)	-	-	(1,102,077)	(1,212,948)
Net profit for the year		-	-	-	-	325,470,963	325,470,963	327,048,855
Closing balance as at 31 December 2009		<u>480,000,000</u>	<u>405,162,100</u>	<u>(6,917,703)</u>	<u>48,000,000</u>	<u>445,134,595</u>	<u>1,371,378,992</u>	<u>1,379,512,601</u>

The notes to the consolidated and company financial statements on pages 11 to 32 are an integral part of these financial statements.

Toyo-Thai Corporation Public Company Limited
Statements of Changes in Shareholders' Equity (Cont'd)
For the years ended 31 December 2009 and 2008

					Company
	Issued and paid-up share capital Baht	Premium on share capital Baht	Legal reserve Baht	Unappropriated retained earnings Baht	Total Baht
Notes					
Opening balance as at 1 January 2008	320,000,000	-	32,000,000	296,328,951	648,328,951
Dividends paid	17	-	-	(288,000,000)	(288,000,000)
Unappropriated retained earnings transferred to legal reserve	16	-	16,000,000	(16,000,000)	-
Net profit for the year		-	-	304,864,830	304,864,830
Closing balance as at 31 December 2008	320,000,000	-	48,000,000	297,193,781	665,193,781
Opening balance as at 1 January 2009	320,000,000	-	48,000,000	297,193,781	665,193,781
Increase in ordinary shares	15	160,000,000	-	-	160,000,000
Premium on share capital	15	-	405,162,100	-	405,162,100
Dividends paid	17	-	-	(201,462,350)	(201,462,350)
Net profit for the year		-	-	329,543,080	329,543,080
Closing balance as at 31 December 2009	480,000,000	405,162,100	48,000,000	425,274,511	1,358,436,611

The notes to the consolidated and company financial statements on pages 11 to 32 are an integral part of these financial statements.

Toyo-Thai Corporation Public Company Limited
Statements of Cash Flows
For the years ended 31 December 2009 and 2008

	Notes	Consolidated		Company	
		2009	2008	2009	2008
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax		475,708,399	456,182,154	477,330,045	438,054,929
Adjustment to reconcile net profit to net cash provided by operations:					
- Depreciation and amortisation	20	21,190,498	18,780,383	20,108,586	17,497,133
- Gains from disposals of equipment		-	(1,212,599)	-	(1,238,855)
- Gains from disposals investments		(831,468)	(1,352,060)	(831,468)	(1,352,060)
- Unrealised (gains)/losses from change in value of investments		2,978,983	(10,405,298)	2,978,983	(10,405,298)
- Unrealised (gains)/losses from exchange rate		(5,440,372)	27,944,506	(4,740,154)	31,599,956
- Interest income		(57,403,630)	(121,939,012)	(56,657,008)	(121,746,017)
- Dividends income		-	(54,400)	-	(54,400)
- Reversal allowance for impairment of investment	12	-	-	(5,074,875)	-
- Interest expenses		56,653	95,449	-	-
Cash flows before changes in operating assets and liabilities		436,259,063	368,039,123	433,114,109	352,355,388
Changes in operating assets and liabilities					
- Trade accounts receivable		650,333,993	168,826,153	645,391,613	162,243,068
- Construction in progress and attributable profit in excess of billings		693,547,438	(669,051,555)	678,520,676	(659,875,173)
- Other accounts receivable		8,374,780	(34,510,703)	8,409,020	(34,510,198)
- Construction in progress		47,759,815	(21,851,405)	47,433,771	(22,048,819)
- Advance payments to sub-contractors		95,968,683	(40,250,374)	86,810,168	(38,488,022)
- Withholding income tax		(126,265,989)	-	(126,838,994)	-
- Input tax refundable		43,415,156	(66,176,439)	47,207,445	(66,773,158)
- Other current assets		(28,017,261)	(2,700,112)	(29,438,928)	(1,878,217)
- Other non-current assets		(6,476,428)	2,116,269	(4,156,195)	3,439,160
- Trade accounts payable		(474,027,269)	988,197,056	(469,631,182)	986,092,224
- Other accounts payable		(135,216,745)	64,639,735	(135,230,041)	63,457,244
- Retention payable to sub-contractors		73,845,487	81,694,334	73,845,486	81,694,334
- Accrued construction costs		(924,241,464)	742,943,958	(925,890,522)	742,943,958
- Advance payments received from customers under construction contracts		(1,392,219,357)	(587,592,579)	(1,374,092,045)	(542,651,520)
- Deferred construction revenue		28,026,556	1,006,121	25,447,420	1,006,121
- Accrued expenses		2,805,311	36,345,703	5,101,571	30,307,236
- Other current liabilities		(45,943,911)	(12,031,681)	(42,267,226)	(18,266,795)
Cash receipts from (payment in) operation		(1,052,072,142)	1,019,643,604	(1,056,263,854)	1,039,046,831
- Interest paid		(56,653)	(95,449)	-	-
- Income tax paid		(148,659,544)	(267,548,661)	(147,786,965)	(260,126,654)
Net cash receipts from (payment in) operating activities		(1,200,788,339)	751,999,494	(1,204,050,819)	778,920,177

The notes to the consolidated and company financial statements on pages 11 to 32 are an integral part of these financial statements.

Toyo-Thai Corporation Public Company Limited
Statements of Cash Flows (Cont'd)
For the years ended 31 December 2009 and 2008

		Consolidated		Company	
		2009	2008	2009	2008
	Notes	Baht	Baht	Baht	Baht
Cash flows from investing activities					
Net cash payment from short-term investments		(190,859,969)	(20,483,193)	(190,859,969)	(20,483,193)
Purchase of investment in a subsidiary		-	-	-	(500,000)
Payment for loan to a subsidiary	11	-	-	(54,000,000)	-
Payment for additional paid-up shares in a subsidiary	12	-	-	(2,800,000)	-
Cash receipt from disposal of investment in a subsidiary	12	-	-	300,000	-
Cash receipt from disposal of long-term investments		-	1,449,878	-	1,449,878
Cash receipts from interest income		61,214,356	122,293,163	60,692,137	122,100,168
Dividends received from other company		-	54,400	-	54,400
Purchase of plant and equipment	13	(57,311,399)	(15,791,288)	(9,219,521)	(15,325,842)
Proceeds from disposals of equipment		-	1,330,210	-	1,245,794
Purchase of intangible assets	14	(427,100)	(5,947,195)	(392,500)	(5,408,800)
Net cash receipts from (payment in) investing activities		(187,384,112)	82,905,975	(196,279,853)	83,132,405
Cash flows from financing activities					
Cash receipts from sales of ordinary shares	15	565,162,100	-	565,162,100	-
Cash paid for finance lease liabilities		(219,232)	(136,095)	-	-
Dividends paid to shareholders	17	(201,462,350)	(288,000,000)	(201,462,350)	(288,000,000)
Net cash receipts from (payment in) financing activities		363,480,518	(288,136,095)	363,699,750	(288,000,000)
Net increase (decrease) in cash and cash equivalents					
		(1,024,691,933)	546,769,374	(1,036,630,922)	574,052,582
Beginning balance		2,682,588,075	2,135,818,701	2,661,089,570	2,087,036,988
Ending balance	7	1,657,896,142	2,682,588,075	1,624,458,648	2,661,089,570

The notes to the consolidated and company financial statements on pages 11 to 32 are an integral part of these financial statements.

1 General information

Toyo-Thai Corporation Public Company Limited (the “Company”) is a public limited company incorporated and resident in Thailand. The address of the Company’s registered office is at 159 Sermmmit Tower Floor 28, Soi Sukhumvit 21, Asoke Road, Klong-Toeynew, Wattana, Bangkok.

The Company is listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiaries are referred to as the Group.

The principle business operations of the Group are engaged in the engineering services including the design and construction of integrated industrial factories.

On 16 June 2009, the Company allotted and sold 130 million ordinary shares to the Initial Public Offering to be made to investors and unconnected persons of Baht 4.25 per share.

These interim consolidated and company financial statements were authorised for issue by the Board of Directors on 25 February 2010.

2 Accounting policies

2.1 Basis of preparation

The consolidated and company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535.

The consolidated and company financial statements have been prepared under the historical cost convention except for the measurement of trading investments aimed at fair value as disclosed in accounting policies of investment.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

An English version of the consolidated and company financial statements have been prepared from the statutory financial statements that are in Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

Comparative figures have been adjusted to conform with the minimum requirements announced by the Department of Business Development Regulation dated 30 January 2009 in relation to the format of financial statements B.E. 2552, with effective from 1 January 2009.

2 Accounting policies (Cont'd)

2.2 Net accounting standards, new financial reporting standards and amendments to accounting standards

Thai Accounting Standards were renumbered with effect from 26 June 2009 following an announcement by the Federation of Accounting Professions in order to conform with the numbers used in the International Financial Reporting Standards.

Revised standards that are effective for the period beginning on or after 1 January 2009 and revised accounting framework.

TAS 36 (revised 2007) Impairment of Assets
TFRS 5 (revised 2007) Non-current Assets Held for Sale and Discontinued Operations (formerly TAS 54)
Accounting Framework (revised 2007) (effective 26 June 2009)

These two standards and accounting framework do not have a material impact on the financial statements being presented.

The revised accounting standard and new accounting standards which are effective for the period beginning on or after 1 January 2011 and 1 January 2012 and which were not early adopted by the Group are as follows:

Effective for the period beginning on or after 1 January 2011

TAS 24 (revised 2007) Related Party Disclosure (formerly TAS 47)
TAS 40 Investment Property

Effective for the period beginning on or after 1 January 2012

TAS 20 Accounting for Government Grants and Disclosure for Government Assistance

The Company's management has determined that the revised standard and the new standards will not significantly impact the financial statements being presented.

2.3 Financial instruments

Financial assets carried on the balance sheet include cash and cash equivalents, deposits at financial institutions, trade accounts receivable, other receivables and loan to a subsidiary. Financial liabilities carried on the balance sheet include trade accounts payable, other payables, income tax payable, and finance leases. The particular accounting policies are disclosed in the individual policy statements associated with each item.

The Company is party to derivative financial instruments which comprise forward foreign exchange contracts (See Note 3).

2 Accounting policies (Cont'd)

2.4 Investments in subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiary by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

The cost of acquisition is more than the fair value of the net assets of the subsidiary acquired, the difference is recognised as goodwill. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired the difference is recognised directly in the income statement.

In the Company's separate financial statements, investments in subsidiaries are reported by using the cost method of accounting.

A list of the Group's subsidiaries and the effects acquisitions of subsidiaries are shown in Note 12.

2.5 Foreign currency translation

Items included in the financial statements of each entity in the Group are measured using Thai Baht and local currency. The consolidated financial statements are presented in Thai Baht.

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated into Thai Baht at the exchange rate prevailing at the balance sheet date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of income.

Statements of income and cash flows of foreign entities are translated into the Group's reporting currency at the weighted average exchange rates for the year and balance sheets are translated at the exchange rates ruling on the balance sheet date. Currency translation differences arising from the retranslation of the net investment in foreign entities are taken to the shareholder's equity. On disposal of a foreign entity, accumulated currency translation differences are recognised in the statement of income as part of the gain or loss on sale.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, deposits held at call with banks, other short-term highly liquid investments with maturities of three months or less from the date of acquisition and bank overdrafts. Bank overdrafts are part of the Company's cash management.

2.7 Trade accounts receivable

Trade accounts receivable are carried at original invoice amount and subsequent measured at the remaining amount less allowance for doubtful receivables based on a review of outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified and recognized in the income statement as part of administrative expenses.

2 Accounting policies (Cont'd)

2.8 Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose of use.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable those costs will be recoverable. Contract costs are recognised when incurred.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised by using the percentage of completion method. The stage of completion is measured by reference the completion of a physical proportion of the contract work. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Costs incurred in the year in connection with future activity on a contract are excluded and shown as work in process.

The aggregate of the costs incurred and the profit/loss recognised on each contract is compared against the progress billings up to the year end. Where the total costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as "Construction in progress and attributable profit in excess of billings" under current assets in the balance sheet. Where progress billings exceed total costs incurred plus recognised profits (less recognised losses), the balance is shown as "Deferred construction revenue" under current liabilities in the balance sheet.

2.9 Investments

Investments other than investments in subsidiaries are classified into the trading investments. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.

Purchases and sales of investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the investments. Cost of investment includes transaction costs. Trading investments are subsequently carried at fair value.

Realised and unrealised gains and losses arising from changes in the fair value of trading investments are included in the income statement.

Trading investments are traded in active markets and valued at the market value at the close of business on the balance sheet date by reference to the Stock Exchange of Thailand and the Thai Bond Dealing Centre quoted bid price.

2 Accounting policies (Cont'd)

2.10 Property, plant and equipment

Property, plant and equipment are initially recorded at cost. Subsequently, plant and equipment are stated at historical cost less accumulated depreciation. Depreciation of building and equipment are calculated on the straight-line basis to write down the cost of each asset, except for land which is considered to have an indefinite life to their residual values over their estimated useful lives as follows:

	Useful lives
Furniture, fixtures and equipment	5 - 10 years
Motor vehicles	5 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in operating profit.

2.11 Intangible assets

Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using straight-line method over their estimated useful lives of 10 years.

Other intangible assets

Expenditure on acquired right of golf membership is capitalised and amortised using the straight-line method over their useful lives of 10 years. Intangible assets are not revalued.

2.12 Impairment of assets

Buildings and equipment and other non-financial assets including intangible assets subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. The Group will review for possible reversal of the impairment when the estimation of the recoverable amounts have changed in subsequent period after the Group's recognition of impairment.

2 Accounting policies (Cont'd)

2.13 Leases - where a Group company is the lessee

Leases of assets which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of income over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the leased asset or the leased lease term.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.14 Income tax

The Group does not recognise income taxes payable or receivable in future periods with respect to temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Income tax is provided the accounts based on taxable profits determined in accordance with tax legislation.

2.15 Provident fund

The Company operates a provident fund that is a defined contribution plan. The assets of which are held in a separate trust fund and managed by outside fund manager. The provident fund is funded by payments from employees and by the Company. Contributions to the provident fund are charged to the statement of income in the year to which they relate.

2.16 Provisions

Provisions, excluding the provisions for employee benefits, are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

2 Accounting policies (Cont'd)

2.17 Revenue recognition

a) Construction income

Revenues from construction contracts are recognised on the percentage-of-completion method by reference the completion of a physical proportion of the contract work as assessed by the project management. Provision for the total anticipated loss on construction project will be made in the accounts as soon as the possibility of loss is ascertained (See accounting policy no. 2.8 construction contracts).

b) Interest income

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

c) Dividends

Dividends are recognised when the right to receive the dividends is established.

2.18 Costs of construction

Costs of construction contracts comprise the costs of labour, subcontractors' charges, other services and overheads which are recognised on the percentage-of-completion method.

Contracts of which incurred construction costs exceed calculated costs of construction, and costs of project of which revenue have not yet been recognised are shown as "Construction in progress" under current assets in the balance sheet, while contracts of which calculated costs of construction exceed incurred costs of construction are shown as "Accrued construction costs" under current liabilities in the balance sheet.

2.19 Related party transactions

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

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

2.20 Dividends

Dividends are recorded in the consolidated and company's financial statements in the period in which they are approved by the shareholders of the Company and subsidiaries. Interim dividends are recorded in the consolidated and company financial statements when they are approved by the Board of Directors of the Company and subsidiaries.

2.21 Segment reporting

Segment information is presented by geographical areas of the Group and Company's operations.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as foreign currency forward contracts to hedge certain exposures.

Risk management is carried out by management under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, credit risk, use of derivative financial instruments and investing excess liquidity.

3.1.1 Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to US Dollars. Entities in the Group use foreign currency forward contracts to hedge their exposure to foreign currency risk in connection with measurement currency.

3.1.2 Credit risk

The Group has no significant concentrations of credit risks. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

3.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

3.2 Accounting for derivative financial instruments and hedging activities

The Group is party to derivative financial instruments, which mainly comprise foreign currency forward contracts. Such instruments are not recognised in the financial statements on inception.

Foreign currency forward contracts protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset will be realised or a foreign currency liability settled. Any increase or decrease in the amount required to realise the asset or settle the liability is offset by a corresponding movement in the value of the foreign currency forward contract. The gains and losses on the derivative instruments and the underlying financial asset or liability are therefore offset for financial reporting purposes and are not recognised in the financial statements. The fee incurred in establishing each agreement is amortised over the contract period, if any.

3 Financial risk management (Cont'd)

3.3 Fair value estimation

The fair value of publicly traded derivatives and trading investments is based on quoted market prices at the balance sheet date. The fair value of foreign currency forward contracts is determined using forward exchange market rates at the balance sheet date.

The carrying amounts of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values.

4 Significant accounting judgements and estimates

The Group makes estimation and assumptions concerning the future. The result of accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are obtained below.

4.1 Estimate in accrued construction costs

Accrued construction costs are the costs incurred from the management estimated experiences in acquisitions and initial project costs.

4.2 Construction revenue recognition

Construction revenue and construction costs are recognised by using the percentage of completion method. The stage of completion is measured by reference the completion of a physical proportion of the contract work.

5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's 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 Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

6 Segment information

Financial information by geographical segments

			Consolidated
	Thailand Baht	Others Baht	Total Baht
For the year ended 31 December 2009			
Construction and service income	10,083,699,519	156,297,427	10,239,996,946
Segment result	833,444,990	49,312,443	882,757,433
Unallocated costs			(555,708,578)
Net profit for the year			327,048,855
Unallocated assets	95,854,227	2,486,610	98,340,837
Consolidated total assets	4,558,258,365	49,192,645	4,607,451,010
For the year ended 31 December 2008			
Construction and service income	10,614,222,909	295,251,321	10,909,474,230
Segment result	708,702,222	19,756,106	728,458,328
Unallocated costs			(414,205,186)
Net profit for the year			314,253,142
Unallocated assets	57,772,744	1,484,200	59,256,944
Consolidated total assets	6,722,587,599	66,801,264	6,789,388,863

7 Cash and cash equivalents

Cash and cash equivalents as at 31 December 2009 and 2008 in cash flows statements are as follows:

	Consolidated		Company	
As at 31 December	2009 Baht	2008 Baht	2009 Baht	2008 Baht
Cash and cash at banks	329,971,778	244,690,079	296,534,284	223,191,574
Fixed deposits not over 3 months	267,924,364	267,897,996	267,924,364	267,897,996
Promissory notes not over 3 months	1,060,000,000	2,170,000,000	1,060,000,000	2,170,000,000
Cash and cash equivalents	1,657,896,142	2,682,588,075	1,624,458,648	2,661,089,570

8 Short-term investments

The summary of short-term investments are as follows:

As at 31 December	Consolidated and Company	
	2009 Baht	2008 Baht
Fixed deposits over 3 months	71,007,335	20,574,740
Bills of exchange	100,000,000	20,023,082
Promissory notes	70,000,000	-
Trading securities	809,991,826	821,688,886
Total short-term investments	1,050,999,161	862,286,708

Trading securities are as follows:

As at 31 December	Consolidated and Company			
	2009		2008	
	Cost Baht	Fair value Baht	Cost Baht	Fair value Baht
Trading securities				
- Government bonds	574,856,866	577,480,025	424,127,175	431,315,504
- Bonds	227,524,634	232,511,801	387,054,552	390,373,382
Add Change in fair value	7,610,326	-	10,507,159	-
Total	809,991,826	809,991,826	821,688,886	821,688,886

9 Trade accounts receivable

Outstanding trade accounts receivable as at 31 December 2009 and 2008 can be analysed as follows:

As at 31 December 2009	Consolidated		Company	
	2009 Baht	2008 Baht	2009 Baht	2008 Baht
Related parties				
Not yet due	-	-	-	-
Overdue				
- up to 3 months	-	343,004	-	343,004
- 3 - 6 months	-	-	-	-
- 6 -12 months	-	-	-	-
- more than 12 months	-	-	-	-
Total	-	343,004	-	343,004
Third parties				
Not yet due	284,182,939	960,610,384	280,185,267	951,670,332
Overdue				
- up to 3 months	24,510,629	2,200,000	24,510,629	2,200,000
- 3 - 6 months	-	-	-	-
- 6 -12 months	4,400,000	-	4,400,000	-
- more than 12 months	-	-	-	-
Total	313,093,568	962,810,384	309,095,896	953,870,332

10 Construction in progress and attributable profit in excess of billings

As at 31 December	Consolidated		Company	
	2009 Baht	2008 Baht	2009 Baht	2008 Baht
Contract costs to date	22,858,018,264	13,677,335,672	22,838,640,316	13,660,213,787
Recognised profit to date	1,913,186,749	1,193,479,559	1,903,960,763	1,186,373,505
Contract cost incurred and recognised profits to date	24,771,205,013	14,870,815,231	24,742,601,079	14,846,587,292
<u>Less</u> Progress billings	<u>(23,728,165,364)</u>	<u>(13,134,228,144)</u>	<u>(23,705,163,722)</u>	<u>(13,130,629,259)</u>
	<u>1,043,039,649</u>	<u>1,736,587,087</u>	<u>1,037,437,357</u>	<u>1,715,958,033</u>

11 Related party transactions

Related parties are those parties linked to the Group and the Company by shareholders, common shareholders or directors. The Company's shareholders as at 31 December 2009 are as follows:

	<u>% of shareholding</u>
• Toyo Engineering Corporation (incorporated in Japan)	26
• Italian-Thai Development Public Company Limited	11
• Global Business Management Company Limited	7
• Others	56

The followings are the transactions with subsidiaries and related parties. These transactions are considered to be normal course of business and calculated the fees charged on the conditions in contract price.

For the years ended 31 December	Consolidated		Company	
	2009 Baht	2008 Baht	2009 Baht	2008 Baht
Services income				
Major shareholder	286,770,930	319,218,332	286,770,930	319,218,332
Subsidiaries	-	-	49,750,000	16,852
Other related parties	8,762,042	470,202	8,762,042	470,202
	<u>295,532,972</u>	<u>319,688,534</u>	<u>345,282,972</u>	<u>319,705,386</u>
Cost of construction and services				
Major shareholder	694,446	105,313,072	694,446	105,313,072
Subsidiaries	-	-	343,837	482,230
Related parties				
- Shareholders	164,604,774	421,817,820	164,604,774	421,817,820
- Other related parties	25,403,581	14,392,591	25,403,581	14,392,591
	<u>190,702,801</u>	<u>541,523,483</u>	<u>191,046,638</u>	<u>542,005,713</u>
Dividends paid				
Major shareholder	64,896,000	112,320,000	64,896,000	112,320,000
Related parties				
- Shareholders	43,680,000	46,800,000	43,680,000	46,800,000
Administrative management's fee				
Major shareholder	-	5,438,733	-	5,438,733
Directors' and managements' Remuneration	56,624,063	64,026,514	54,531,750	62,338,300

Directors' and managements' remuneration are salaries, bonuses and meeting allowances paid to directors and managements.

11 Related party transactions (Cont'd)

As at 31 December	Consolidated		Company	
	2009 Baht	2008 Baht	2009 Baht	2008 Baht
Trade accounts receivable				
- related parties				
Major shareholder	-	343,004	-	343,004
	-	343,004	-	343,004
Other accounts receivable				
- related parties				
Major shareholder	18,173	-	18,173	-
Subsidiaries	-	-	-	16,852
Other related parties	39,323	73,028	39,323	73,028
	57,496	73,028	57,496	89,880
Loan to a subsidiary				
Subsidiary	-	-	54,000,000	-
Advance payments to sub-contractors				
Related parties				
- Shareholder	1,300,966	3,750,686	1,300,966	3,750,686
Trade accounts payable				
- related parties				
Subsidiaries	-	-	-	211,018
Related parties				
- Shareholder	8,063,130	65,346,513	8,063,130	65,346,513
- Other related parties	-	903,575	-	903,575
	8,063,130	66,250,088	8,063,130	66,461,106
Retention payable to sub-contractors				
Related parties				
- Shareholder	27,829,205	23,108,392	27,829,205	23,108,392
Loan to a subsidiary				

As at 31 December 2009, loan to a subsidiary of Baht 54 million is long-term loan to Bio Natural Energy Co., Ltd, a subsidiary, bearing interest rate of 8% per annum with due principal and interest repayment on annually basis of Baht 8,805,697, commencing first repayment in 2011 and due in 2020.

The investments in loan to a subsidiary are as follows:

For the year ended 31 December 2009	Consolidated Baht	Company Baht
Beginning balance	-	-
Increase	-	54,000,000
Decrease	-	-
Ending balance	-	54,000,000

12 Investments in subsidiaries, net

Investments in subsidiaries as at 31 December 2009 and 2008 are as follows:

As at 31 December	Countries	Type of business	Ownership interest		Paid-up capital		Company	
			2009	2008	2009	2008	2009	2008
			%	%			Baht	Baht
Toyo-Vietnam Corporation	Vietnam	Constructions and engineering services	80	80	USD 300,000	USD 300,000	7,903,230	7,903,230
Bio Natural Energy Co., Ltd.	Thailand	Renewable energy development	70	100	Baht 5,000,000	Baht 1,000,000	3,500,000	1,000,000
Total							11,403,230	8,903,230
Less Allowance for impairment							-	(5,074,875)
Investments in subsidiaries, net							11,403,230	3,828,355

The allowance for impairment amounting to Baht 5.07 million represents allowance for impairment of investment in Toyo-Vietnam Corporation, which has been fully reversed in the second quarter of 2009. As the Company's management considered that such subsidiary has generated profit from operation and future projected plan.

12 Investments in subsidiaries, net (Cont'd)

The movements in investments in subsidiaries are as follows:

	Consolidated	Company
	Baht	Baht
For the year ended 31 December 2009		
Opening net book value	-	3,828,355
Payment for additional paid-up shares in a subsidiary	-	2,800,000
Disposal of investment in a subsidiary	-	(300,000)
Reversal of allowance for impairment of investment	-	5,074,875
Closing net book value	-	11,403,230

Disposal of investment and additional paid-up shares in a subsidiary

During the year ended 31 December 2009, the Company sold the investment in Bio Natural Energy Co., Ltd, a subsidiary, for 3,000 shares amounting to Baht 0.3 million effect to reduce investment portion from 100% to 70%. In addition, such subsidiary called for additional paid-up share capital for which the Company had paid for the investment portion of 70% amounting to Baht 2.8 million.

13 Property, plant and equipment, net

	Consolidated			
	Land	Construction in progress	Furniture, fixtures and equipment	Motor vehicles
As at 1 January 2008				
Cost	6,750,000	-	51,063,857	26,386,942
<u>Less</u> Accumulated Depreciation	-	-	(13,232,432)	(11,274,857)
Net book amount	6,750,000	-	37,831,425	15,112,085
For the year ended 31 December 2008				
Open net book amount	6,750,000	-	37,831,425	15,112,085
Additions	-	-	11,024,139	4,767,149
Disposals	-	-	(117,606)	(5)
Depreciation charge (Note 20)	-	-	(11,281,788)	(4,771,983)
Currency translation differences	-	-	(20,813)	(35,659)
Closing net book amount	6,750,000	-	37,435,357	15,071,587
As at 31 December 2008				
Cost	6,750,000	-	61,637,885	27,140,976
<u>Less</u> Accumulated Depreciation	-	-	(24,202,528)	(12,069,389)
Net book amount	6,750,000	-	37,435,357	15,071,587

13 Property, plant and equipment, net (Cont'd)

	Company		
	Land Baht	Furniture, fixtures and equipment Baht	Motor vehicles Baht
For the year ended 31 December 2009			
Opening net book amount	6,750,000	36,683,323	14,339,421
Additions	-	7,403,921	1,815,600
Depreciation charge (Note 20)	-	(12,236,007)	(5,348,974)
Closing net book amount	6,750,000	31,851,237	10,806,047
As at 31 December 2009			
Cost	6,750,000	66,627,186	28,056,831
<u>Less</u> Accumulated depreciation	-	(34,775,949)	(17,250,784)
Net book amount	6,750,000	31,851,237	10,806,047

14 Intangible assets, net

	Consolidated	
	Computer software Baht	Golf membership Baht
At 1 January 2008		
Cost	21,900,337	782,000
<u>Less</u> Accumulated amortisation	(4,580,081)	(781,999)
Net book amount	17,320,256	1
For the year ended 31 December 2008		
Opening net book amount	17,320,256	1
Additions	4,647,195	1,300,000
Amortisation charge (Note 20)	(2,714,891)	(11,721)
Currency translation differences	(60,075)	-
Closing net book amount	19,192,485	1,288,280
At 31 December 2008		
Cost	26,438,334	2,082,000
<u>Less</u> Accumulated amortisation	(7,245,849)	(793,720)
Net book amount	19,192,485	1,288,280
For the year ended 31 December 2009		
Opening net book amount	19,192,485	1,288,280
Additions	427,100	-
Amortisation charge (Note 20)	(2,981,410)	(130,000)
Currency translation differences	(173,993)	-
Closing net book amount	16,464,182	1,158,280
At 31 December 2009		
Cost	26,593,200	2,082,000
<u>Less</u> Accumulated amortisation	(10,129,018)	(923,720)
Net book amount	16,464,182	1,158,280

14 Intangible assets, net (Cont'd)

	Company	
	Computer software Baht	Golf membership Baht
	Total Baht	
At 1 January 2008		
Cost	19,607,192	782,000
<u>Less</u> Accumulated amortisation	(4,193,008)	(781,999)
Net book amount	15,414,184	1
For the year ended 31 December 2008		
Opening net book amount	15,414,184	1
Additions	4,108,800	1,300,000
Amortisation charge (Note 20)	(2,070,425)	(11,721)
Closing net book amount	17,452,559	1,288,280
At 31 December 2008		
Cost	23,715,992	2,082,000
<u>Less</u> Accumulated amortisation	(6,263,433)	(793,720)
Net book amount	17,452,559	1,288,280
For the year ended 31 December 2009		
Opening net book amount	17,452,559	1,288,280
Additions	392,500	-
Amortisation charge (Note 20)	(2,393,605)	(130,000)
Closing net book amount	15,451,454	1,158,280
At 31 December 2009		
Cost	24,108,492	2,082,000
<u>Less</u> Accumulated amortisation	(8,657,038)	(923,720)
Net book amount	15,451,454	1,158,280

15 Share capital and premium on share capital

	Number of shares (Share)		Issued and paid-up Baht	Premium on share capital Baht	Total Baht
	Authorised ordinary shares	Issued and paid-up shares			
As at 1 January 2008	320,000,000	320,000,000	320,000,000	-	320,000,000
Additional shares	160,000,000	-	-	-	-
As at 31 December 2008	480,000,000	320,000,000	320,000,000	-	320,000,000
Issued of shares	-	160,000,000	160,000,000	405,162,100	565,162,100
As at 31 December 2009	480,000,000	480,000,000	480,000,000	405,162,100	885,162,100

During 16 - 18 February 2009, the Company allotted and sold 30 million ordinary shares with a par value of Baht 1 per share totalling of Baht 30 million to directors and employees in accordance with the resolution of the Extraordinary General Meeting of Shareholders held on 30 September 2008.

On 16 June 2009, the Company allotted and sold 130 million ordinary shares to the Initial Public Offering to be made to investors and unconnected persons of Baht 4.25 per share totalling of Baht 535.16 million net of expenditures in issuing those shares.

As at 31 December 2009, the total authorised ordinary shares are 480 million shares with Baht 1 par value (2008: 480 million shares with Baht 1 par value).

15.1 Earnings per share

Basic earnings per share attributable to equity holders of the parent is calculated by dividing the net profit attributable to equity holders of the parent by the weighted average number of ordinary shares issued during the year.

	Consolidated		Company	
	2009	2008	2009	2008
Net profit attributable to equity holders of the parent (Baht)	325,470,963	312,309,294	329,543,080	304,864,830
Weighted average number of ordinary shares in issue (Shares)	416,602,740	320,000,000	416,602,740	320,000,000
Basic earnings per share (Baht)	0.78	0.98	0.79	0.95

There are no dilutive potential ordinary shares in issue during the years presented.

16 Legal reserve

	Consolidated		Company	
	2009	2008	2009	2008
	Baht	Baht	Baht	Baht
Beginning balance	48,000,000	32,000,000	48,000,000	32,000,000
Appropriation during the year	-	16,000,000	-	16,000,000
Ending balance	48,000,000	48,000,000	48,000,000	48,000,000

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. The legal reserve is non-distributable. The Company has fully provided legal reserve since 2008.

17 Dividends

At the Board of Directors' meeting held on 27 February 2009, it was approved the payment of dividends in respect of year 2008 performance for 350 million shares of Baht 0.37 per share, totalling Baht 129.50 million. These dividends were paid to the shareholders in April 2009.

At the Board of Directors' meeting held on 13 August 2009, it was approved the interim dividend payment in respect of half year 2009 performance for 480 million shares of Baht 0.15 per share, totalling Baht 72 million. These dividends were paid to shareholders in September 2009.

At the Extraordinary Shareholders' meeting held on 20 May 2008, the payment of dividends in respect of 2007 performance was approved for 3.2 million shares at Baht 90 per share, totalling Baht 288 million. These dividends were paid to the shareholders in July 2008.

18 Other income

	Consolidated		Company	
	2009	2008	2009	2008
	Baht	Baht	Baht	Baht
Interest income	57,403,630	121,939,012	56,657,008	121,746,017
Other income	24,705,629	3,460,121	20,579,087	1,895,562
Reverse allowance for impairment of investment in a subsidiary	-	-	5,074,875	-
Gains on disposal of investments	831,468	1,352,060	831,468	1,352,060
Unrealised gains/(losses) from changes in value of investments	(2,978,983)	10,405,298	(2,978,983)	10,405,298
Gains from exchange rate	10,529,245	2,222,494	10,529,245	2,222,494
Total	90,490,989	139,378,985	90,692,700	137,621,431

19 Income tax

The Group records corporate income tax on accrual basis. The Group did not record deferred tax liability and deferred tax asset for the temporary different transactions. Corporate income tax in the company statements of income is calculated as 30.96% of accounting profit.

20 Expenses by nature

	Consolidated		Company	
	2009 Baht	2008 Baht	2009 Baht	2008 Baht
Construction supplies and subcontractor charges	6,803,523,427	6,676,886,342	6,771,251,121	6,616,150,349
Provision for expenses for construction contracts	1,386,736,668	2,658,502,378	1,383,058,278	2,594,279,306
Salaries, wages and other employee benefits	1,111,223,530	793,699,246	1,087,245,809	772,996,128
Consultant expenses	26,465,463	122,785,990	26,465,463	121,566,298
Rental expenses	92,464,400	76,836,243	88,762,358	72,716,347
Depreciation and amortisation expenses (Notes 13 and 14)	21,190,498	18,780,383	20,108,586	17,497,133

21 Financial instruments

Foreign currency risk

The Company and the subsidiaries' exposure to foreign currency risk arises mainly from purchase of equipment and services that are denominated in foreign currencies. The Company manages its exposure to foreign currency risk by balancing net position of receipt and payment of the foreign currency transactions in each period, and considering purchase/sale of forward contracts from time to time so as to reduce exposure to the foreign currency risk which may incur.

As at 31 December 2009, the Company has no outstanding foreign currency forward contracts.

As at 31 December 2009, the Company and the subsidiary have outstanding balances of financial assets and liabilities denominated in foreign currencies as follows:

Currency	(Unit : Baht per 1 foreign currency)				Exchange rate	
	Consolidated		Company		As at 31 December 2009	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	Buying	Selling
USD	1,671,582	6,125,724	1,334,151	6,125,724	33.2207	33.5168
Yen	-	90,438,851	-	90,438,851	-	0.365609
Euro	-	594,777	-	594,777	-	48.1284
Swiss franc	-	60,000	-	60,000	-	32.3905
Australian Dollar	-	348,889	-	348,889	-	30.0488
Singapore Dollar	-	26,791	-	26,791	-	23.9525
GBP	-	5,224	-	5,224	-	53.4022

22 Commitments and contingent liabilities

As at 31 December 2009, the Group has commitments and contingent liabilities including contracts as following:

1) Capital commitments

The Company has outstanding commitment in respect of uncalled portion of investment in an overseas subsidiary company of USD 160,000 or equivalent to approximately Baht 5.36 million.

2) Operating leases and services commitments

The Company and its subsidiary have entered into lease agreements in respect of the lease of office building space and services and rental of vehicles. As at 31 December 2009 and 2008 rental payable under these non-cancellable leases are as follows:

	2009	2008
Paid within	Baht'000	Baht'000
1 year	32,582	55,686
2 years	28,763	22,206
3 - 5 years	482	-
Total	<u>61,827</u>	<u>77,892</u>

3) Guarantees

3.1) The Company has guaranteed bank credit facilities of its subsidiary amounting not over USD 0.6 million or equivalent to approximately Baht 20.11 million.

3.2) As at 31 December 2009, the Group has outstanding bank guarantees in respect of certain performance bond and contractual performance as follows:

3.2.1 Letter of guarantee to guarantee contractual performance as required in the normal course of the business of the Group amounting to USD 29.356 million and Baht 2,141.59 million.

3.2.2 Letter of guarantee to guarantee electricity use and others amounting to Euro 0.44 million and Baht 18.25 million.

22 Commitments and contingent liabilities (Cont'd)

4) Litigations

- 4.1) During 1999, the Company was sued by a sub-contractor alleging that Company had breached a sub-contraction contract and calling for the Company to pay compensation. The Company disputed the claim and countersued for an amount appropriating the amount of comparative claimed from the Company. Subsequently, on 16 August 2004, the Civil Court dismissed the claim of the construction sub-contractors and ordered the sub-contractors to make payment to the Company of approximately Baht 5 million, plus interest at the rate of 7.5% per annum as from 29 April 1999 until payment is completed. However, the sub-contractors have filed an appeal with the Court of Appeals and the case is currently being considered by that court. The management believes that there are no legal grounds supporting the subcontractor's claims above and hence the Company has not made any provision for the compensation claimed in the accounts.
- 4.2) During 2004, the Company signed a Novation Agreement transferring rights and obligations it had under a construction contract for one construction project in Thailand to a group of companies. Under that agreement, the Company has no any commitment to the construction. However, in December 2008, the Company was sued by a sub-contractor of the assignee claiming that the Company had breached a contract and calling for the Company to pay compensation for operational losses of the sub-contractor of approximately Baht 248.65 million, plus interest at the rate of 7.5% per annum from 7 January 2008 until the date of entering the plaint, amounting to approximately Baht 17.37 million. The Company is currently appointing an attorney to represent the Company in its defense against the plaint. The management believes that there are no legal grounds supporting the sub-contractor of the assignee's claims above and hence the Company has not made provision for the compensation claimed in the accounts.

23 Post balance sheet event

- 1) On 22 January 2010, the Company and Mitsubishi Corporation Group entered into a joint venture agreement to establish a joint venture company in Thailand named "Global New Energy Co., Ltd" engaged in renewable energy business, and holds a proportionate of 40% of the joint venture company.
- 2) At the Board of Directors of the Company's meeting on 25 February 2010, it approved the dividend payment for the operating results of 2009 at Baht 0.345 per share for 480 million shares, totalling Baht 93.60 million. The dividend payment approval has been proposed to shareholders' meeting for the year 2010 for the further consideration and approval. The Company already paid interim dividend at Baht 0.15 per share for 480 million shares, totalling Baht 72 million in September 2009 (See note 17 Dividend). Therefore, the remaining dividend payment was at Baht 0.195 per share, totalling Baht 93.6 million.