

Information Memorandum

of



Christiani & Nielsen (Thai) Public Company Limited

Rights Offer

Offer of new-issued ordinary shares to the existing shareholders of Christiani & Nielsen (Thai) Public Company Limited whose names are recorded in the share register book as of April 22, 2011

Offer of 100,290,420 new ordinary shares with a par value of 1.00 Baht per share
Offer Price of Baht 1.00 per share

Subscription and Payment Period

May 9 - 13, 2011

Table of Contents

	Page
Section 1 Details of Offered Securities	3
1.1 Characteristics of Offered Securities	3
1.2 Offering and Allotment Methods	4
1.3 Objective of Capital Increase	5
1.4 Benefit which the Company will receive from the Capital Increase/Share Allotment	5
1.5 Dividend Policy and Right to Receive Dividend for the Capital Increase Shares	5
1.6 Other Details Necessary for Shareholders in Making Decision Regarding Investment in the Capital Increase Shares	5
 Section 2 Details of the Securities' Issuer	 6
2.1 General Information of the Company	6
2.2 Nature of Business	6
2.3 Capital Structure	13
2.4 Management Structure	14
2.5 History of Capital Increase and Dividend Payment during the past 3 years	14
 Section 3 Financial Status and Business Performance	 16
3.1 The Company's Financial Information - 3 Years Comparison	16
3.2 Key Financial Ratios	25
3.3 Management Discussion and Analysis of Financial Status and Business Performance	26

Section 1
Details of Offered Securities

1.1 Characteristics of Offered Securities

Issuer	Christiani & Nielsen (Thai) Public Company Limited
Address	451 Lasalle Road (Sukhumvit 105), Bangna Subdistrict, Bangna District, Bangkok 10260
Type of Securities	Common Stock
Type of Offer	Rights Offer to shareholders whose names are listed in the shareholder registration book as of April 22, 2011
Paid-up Capital	Baht 401,161,682
Offered Shares	100,290,420 shares for Rights Offer to existing shareholders at the offer ratio of 4 existing ordinary shares to 1 new ordinary share
Par Value per Share	Baht 1.00
Offer Price per Share	Baht 1.00 (equal to par value)
Offer Amount	Baht 100,290,420
Rights and Conditions	The new ordinary shares issued for this capital increase shall have benefits and rights equal to the Company's existing ordinary shares
Date of Capital Increase Resolution	The resolution of the Board of Director's Meeting No. 392 on February 28, 2011 and the resolution of the Annual General Meeting of Shareholders No. 78 on April 8, 2011
Subscription Period	May 9 - 13, 2011

1.2 Offering and Allotment Methods

Offer to the Company's existing shareholders, whose names are listed in the share registration book as of April 22, 2011, at the offer ratio of 4 existing ordinary shares for 1 newly issued share. Where there is a fraction of shares remaining, such fraction of share will be discarded. The existing shareholders may subscribe for new ordinary shares in excess of their entitlements. The existing shareholders are required to subscribe and pay for those shares that they have subscribed for in excess of their entitlements at the same time as that they subscribe for the shares to which they are entitled. The Company's Board of Directors will allot the remaining shares from the fraction of shares and the unsubscribed shares from either shareholders who gave up their rights; shareholders who did not subscribe within specified period; shareholders who are not fully subscribed; and any other reasons; to the existing shareholders who subscribed in excess of their entitlements according to the following criteria:

(1) If the number of newly issued ordinary shares to which the existing shareholders have subscribed in excess of their entitlements is greater than the number of shares remaining after the allotment process, the unsubscribed shares shall be allocated among the shareholders who have expressed their intention to subscribe to shares in excess of their entitlements in proportion to their shareholding.

(2) In the event that the number of newly issued shares to which the eligible existing shareholders have subscribed in excess of their entitlement is less than the number of shares remaining after the allocation process, the unsubscribed shares shall be allocated to the shareholders who have expressed their intention to subscribe to shares in excess of their entitlements.

(3) In case there are remaining shares from the share subscription, the Board of Directors and/or any person(s) authorized the Board of Directors with the authority to offer the remaining shares to the investors by way of private placement including institutional investors and/or investors with specific characteristic at any price that the Board of Directors deems appropriate but the price must not be lower than the offer price to existing shareholders in compliance with the notification of the Capital Market Supervisory Board Tor Chor 28/2008. The offer can be made from time to time or at one time. If the person that the Company offered to sell shares to is the connected person of the Company, the Company must comply with the regulation of the Stock Exchange of Thailand regarding connected transaction prior to the share offer.

1.3 Objectives of the Capital Increase

- (1) To support the Company's business expansion
- (2) To increase competitive capabilities
- (3) To use as working capital for the Company

1.4 Benefit which the Company will receive from the Capital Increase/Share Allotment

With the new capital, the Company can improve its financial status and support its business potential.

1.5 Dividend Policy and Rights to Receive Dividend for the Capital Increase Shares

The Company's policy is to pay dividend when the Company has profit and sufficient cash flow, unless there are any other critical circumstances; and when the dividend payment shall not impact the Company's operation significantly. Subscribers of new shares issued for this capital increase will be entitled to receive dividends from the Company's business operations starting from 2011 onwards.

1.6 Other Details Necessary for Shareholders in Making Decision Regarding Investment in the Capital Increase Shares

- None -

Section 2

Details of the Securities' Issuer

2.1 General Information of the Company

Name	Christiani & Nielsen (Thai) Public Company Limited
Type of business	Construction Contractor
Head Office Address	451 La Salle Road (Sukhumvit 105) Bangna Subdistrict, Bangna District, Bangkok 10260
Telephone	66-2-398 0158
Facsimile	66-2-398 9860
Website	http://www.cn-thai.co.th

2.2 Nature of Business

The Nature of Business Operation

The Company carries on the business of construction, namely designing works, provider and contractor of installation and engineering systems entirely both for government sector and private sector. Type of works and operation as per the following details:

Type of Works

Government Sector

- Constructing buildings for universities, hospitals and other Government offices.
- Construction for road and infrastructures, highway, overpass and others.
- Civil work for Country's infrastructure including water distribution tunnels and waste water collection tunnels.

Private Sector

- General buildings for private sector including high-rise, low-rise, office buildings, education buildings, hospitals and hotels.
- Industrial and factories including process building and warehouses.
- Construction of petro-chemical product/pipelines and factories for petro-chemical products.
- Construction of hypermarkets, which recently is a continually expanding business.

Business Operation

The Company's main construction projects are from Government, State Enterprise and Private Sector, which can be classified as follows:

Main Contractor

The Company directly tenders for and is awarded construction contracts from the Owner. However, for special projects which require high technology, the Company shall jointly tender with specialized company, who meets the requirement of the Owner. In this case the Company may partially hire the subcontractors to complete the projects.

Joint Venture/Consortium/Sub-contractor

In tendering of mega projects with complicated construction activities, which require specialist technology to complete the project, the Company shall consider tendering in different form such as (1) Joint Venture, which is the investment in project which cannot separate the job or quality of work for each partner. Each partner shall be responsible for profit or loss in accordance with the agreed proportion. (2) Consortium, where the investment in project can specify the job or quality of work for each partner. Each partner shall be responsible for their own profit or loss. (3) Sub-contractor from Main Contractor for the project where the Company has experience.

Company's Capability in Thailand Construction Business

In general, Government Sector and/or State Enterprises have set the tendering criterias in order to shortlist and pre-qualify the firms who are eligible to tender for their projects. The intention is to classify capability of individual contractors by experience and project references, financial status, number of qualified staff, and construction related plant/equipment. Each firm will be classified according to the capability to tender the project in term of size and values.

Presently, the Company has registered and is listed as eligible contractor to various government sectors, and especially to the Department of Highway as Special-class contractor who is qualified to bid and work on unlimited project size and value.

In private sector, the Company is invited to tender or work on most projects with no objection.

Business Outlook and Competition

Construction business in Thailand is still very competitive. However Christiani & Nielsen still has a high level of trust from both Government and private sectors. During the

past 80 years, the Company has constructed many projects with the aim to satisfy the needs of all current and new customers by delivering all construction works with high quality, on time and within budget.

Through the professionalism, experience and training in engineering and project management of our team members, it is our policy to penetrate new target markets, especially the mega projects for infrastructures to support the growth of Thailand's economy. Such projects require a strong company both in construction operation and financial situation. Moreover, the Company also elects to tender for work with potential for future growth, such as retail business, modernized trade, which requires rapid construction and timely completion. These projects are expected to contribute high return to the Company and all shareholders.

Construction Business and Competitors

The Competitors in Construction Business

The Company is one of the leading construction companies in Thailand, registered in the Stock Exchange of Thailand. The Company is ready for all industrial sectors with its personnel, tools/equipments and experience in all types of work.

The Company tries to tender and be awarded projects where there is low competition, and in such cases the contractor is required to have high capacity, potential and readiness, for example:

Government Infra Structure

The Company is registered as special class contractor with Highway Department, first class contractor with the Royal Irrigation Department, the Department of Rural Roads and Bangkok Metropolitan Administration thus capable to tender for all sizes of work with unlimited credit line for all construction projects of those departments. In addition to the construction project for mass rapid transit of various lines, the Company has negotiated with partners both in Thailand and foreign countries for the preparation of tenders.

Agricultural Business

The company is experienced in concrete silo construction by using slip-form techniques, which requires experienced workmanship.

Energy, Oil and Gas

The Company is one of few experienced companies undertaking this type of work, which is high value and involves a long construction period. These projects require international construction standards, specific know-how, high technology and high safety standards. The Company has constructed a number of projects for PTT Group.

In private sector, with our experience, we also construct high-rise buildings such as Condominiums, Office buildings and also 5-star hotels/resort, which requires high quality construction. The Company's construction projects for Education and Hospital also satisfy Owner's needs and standards.

Details of Business Operation of the Company, Subsidiaries, Associated Companies and Joint Venture

Informations of Group Companies						
	Companies	Types of Business	Paid-up Capital (Million)	Shareholding percentage by group company	Net cost of investment (Million)	Major shareholders and % Shareholding
	<u>Subsidiaries Company :</u>					
1	CNT Holdings Limited	Investments	2,600.00	100.00	102.60	The Company 100%
2	Harmony Property Group Limited	Investments	7.36	100.00	5.26 4.57	The Company 75% CNT Holdings Limited 25%
3	Indochina Investments Limited	Investments	4.09	100.00	3.78 1.48	The Company 90% CNT Holdings Limited 10%
4	Christiani & Nielsen Construction (Thai) Company Limited	Construction Business	32.80	100.00	0.57	The Company 100%
	<u>Jointly Controlled Entities</u>					
1	Pan Asia – CNT Joint Venture	Construction Business	4.00	45.00	1.80	The Company 45% Pan Asia – CNT Joint Venture 55%
	<u>Associated Companies:</u>					
1	International Machinery Supplies Company Limited	Import and export Construction materials	17.50	31.94	0.00	CNT Holdings Limited 31.94 % Tetraford Development Co.,Ltd 32.76 % Broadcasting Network (Thailand) Co, Ltd. 31.94 %
	<u>Others Company :</u>					
1	Phuket Land Development Company Limited	Real Estate Development	20.00	15.00	0.00	CNT Holdings Limited 15% Somprasong land PCL. : 84.50%
2	Thai Contractors Asset Company Limited	Real Estate Development	500.00	0.20	1.00	The Company 0.20%
3	G.E.C. Engineering Company Limited	Design and Construction	230.00	0.03	0.07	The Company 0.03%

At present, the Company's affiliates were established for doing construction business, holding company and real estate. These affiliates are not currently doing any business. As of 31 December 2010, the Company had 4 affiliates and one joint venture.

Affiliate	Type of Business	Paid-up Capital (Baht million)	Percentage of Shareholding
Christiani and Nielsen Construction (Thai) Co., Ltd.	Construction	32.80	100
CNT Holdings Co., Ltd.	Shareholding	2,599.99	100
Harmony Property Group	Shareholding	7.37	100
Indochina Investment Co., Ltd.	Shareholding	4.08	100

Joint Controlled Business

Joint-controlled Business	Type of Business	Paid-up Capital (Baht million)	Percentage of Shareholding
Joint Venture Pan Asia-CNT	Construction	4.00	45

In 2007, the Company entered into the Joint Venture Agreement with Pan Asia Engineering and Construction (Thailand) Co., Ltd., in which such joint controlled business named Pan Asia-CNT Joint Venture with objective business of constructing the civil works of the Petrochemical HMC-PDH Plant. In this regard, the Company made an investment at the rate of 45 per cent.

During year 2009, Christiani and Nielsen Construction (Thai) Co.,Ltd., registered the business dissolution and its liquidation was completed on February 24, 2011.

The Company's principle income is derived from construction work done by the Company. The following are income from the nature of business.

Income Structure

Construction Revenues		(Million Baht)					
Company name	Shareholding (%)	2010	%	2009	%	2008	%
Christiani & Nielsen (Thai) PCL		4,065.01	98.99	4,344.09	99.28	5,000.33	98.58
Christiani & Nielsen Construction (Thai) Company Limited	100.0	-	-	-	-	-	-
Pan Asia – CNT Joint Venture	45.0	-	-	13.64	0.31	46.94	0.93
Elimination and Adjustment		2.68	0.07	(12.00)	(0.27)	(35.34)	(0.70)
Total Construction Revenues		4,067.69	99.05	4,345.73	99.32	5,011.93	98.81

Others income

Company name	Shareholding (%)	2010	%	2009	%	2008	%
Christiani & Nielsen (Thai) PCL		110.84	2.70	31.04	0.71	326.75	6.44
Christiani & Nielsen Construction (Thai) Company Limited	100.0	-	-	3.15	0.07	(0.41)	(0.01)
CNT Holdings Limited	100.0	8.77	0.21	0.54	0.01	90.85	1.79
Indochina Investments Limited	100.0	71.85	1.75	1.17	0.03	(6.87)	(0.14)
Pan Asia – CNT Joint Venture	45.0	7.96	0.19	0.02	0.00	0.02	0.01
Elimination and Adjustment		(160.49)	(3.91)	(6.14)	(0.14)	(350.19)	(6.90)
Total others income		38.93	0.95	29.78	0.68	60.15	1.19
Total income		4,106.62	100.00	4,375.51	100.00	5,072.08	100.00

In the past year, the Company Group had income derived from construction and other income, the detail of which income was classified according to work by geographical area - presenting financial information classified upon work as at December 31, 2010 and 2009.

Operating Assets

Major fixed assets of the Company, Subsidiary and Joint Venture as at 31 December 2010 were:

Type of Assets	Type of proprietary right	Net Cost (Thousand)	Net Value* (Thousand)	Collateral value, net of accumulated depreciation and impairment of the subsidiary obligation. **	Commitments for future lease payments (Thousand)
1. Building on leasehold land	10 years leases	77,203	19,699	No	136,200
2. Construction machinery and Equipment	Ownership & finance leases	709,626	172,438	No	49,611
3. Furniture fixtures and Equipment	Ownership	81,779	7,832	No	No
4. Motor vehicles	Ownership & finance leases	106,706	16,619	No	1,088
Total		975,314	216,588		

Note : * Accounting Value calculated from net cost deducting accumulated depreciation
 ** Calculated from net cost deducting accumulated depreciation and impairment loss of that assets

2.3 Capital Structure

Shareholders Structure

Major shareholders as at 31 December 2010 were as follows:

<u>Shareholders</u>	<u>Number of Shares</u>	<u>% of Total Shares</u>
CPB Equity Co.,Ltd. (the affiliate company of Crown Property Bureau)	208,533,981	51.98
Bangkok Bank PCL.	12,312,856	3.07
Mrs. Jaratsri Pongpirodom	8,250,000	2.06
M.R.Chatu Mongol Sonakul	6,000,000	1.50
Mr. Pairoj Paisansrisomsuk	3,961,150	0.99
Mr. Pornchai Suraratrangsee	3,226,357	0.80
Mr. Ittasee Foofuengmongkolkit	2,800,000	0.70
Mr. Arg Attakrawesunthorn	2,694,263	0.67
Mrs. Kanya Sithisuksai	2,400,000	0.60
Mr. Chanchai Prasertadisorn	1,948,000	0.49

The Group of majority shareholders, as at December 30, 2010, was:

<u>Shareholders</u>	<u>Number of Shares</u>	<u>% of Total Shares</u>
CPB Equity Co.,Ltd. (the affiliate company of Crown Property Bureau)	208,533,981	51.98

The Group of majority shareholders has assigned its representatives to take positions of authorized directors in the management structure. In this regard, it was considered that an adequate number of directors were to be representatives, although not in accordance with the shareholding ratio.

2.4 Management Structure

In the Company's structure of management, the Board of Directors, the Audit Committee and the Chief Executive Officer are the top management of the Company.

The Board of Directors comprised:

	<u>Name</u>	<u>Position</u>	<u>Type of Director</u>
1.	Mr. Santi Grachangnetara	Chairman of the Board of Directors	Director
2.	Mr. Pratip Wongnirund	Chairman of the Audit Committee	Independent Director
3.	Mr. Pamornsak Suracupta	Audit Committee	Independent Director
4.	Mr. Vinai Vamvanich	Audit Committee	Independent Director
5.	Mr. Michael David Selby	Director (Resigned on 1/9/10)	Director
6.	Lieutenant General Chayuth Suwanamas	Director (Resigned on 1/9/10)	Director
7.	Mr. Somchai Jongsirilerd	Director	Director
8.	Miss Wanaree Chintaganant	Director	Director
9.	Mr. Sataporn Phettongkam	Independent Director	Independent Director
10.	Mr. Danuch Yontarak	Director and Company Secretary (Resigned 6/1/10)	Director
11.	Mr. Surasak Osathanugraha	Director and Company Secretary (Appointed 2/3/10)	Director

Audit Committee comprised:

	<u>Name</u>	<u>Position</u>	<u>Term remaining</u>
1.	Mr. Pratip Wongnirund	Chairman of the Audit Committee	1 year
2.	Mr. Vinai Vamvanich	Audit Committee	1 year
3.	Mr. Pamornsak Suracupta	Audit Committee	2 years

Company Management comprised:

	<u>Name</u>	<u>Position</u>
1.	Mr. Somchai Jongsirilerd	Chief Executive Officer and Managing Director, Construction
2.	Mr. Surasak Osathanugraha	Assistant to Chief Executive Officer
3.	Mr. Narong Bharkthongsook	Operation and Technical Director
4.	Mrs. Jurairat Suksawatdi Na Ayudhaya	Finance and Administration Director
5.	Mr. David Greenbank	Commercial Director

2.5 History of Capital Increase and Dividend Payment during the past 3 years

Capital Increment

During the past 3 years the Company has not increased its capital. As at 31 December 2010, the Company's registered capital was 401,162,888 Baht with paid up capital of 401,161,682 Baht divided into 401,161,682 common shares at par value of 1 Baht per share.

Dividend Policy and Dividend Payment recorded for the past 3 years

The Company's Dividend Policy states that Dividend Payment shall depend upon the relevant yearly results of operation, and at the rate of not less than 40 per cent of net profit after tax for the Separate Financial Statements (in compliance with Public Limited Company Act and interpreted by Federation of Accounting Professions) provided that there was no

other critical event and such payment of dividend did not substantially impact on the Company's normal business.

There is no policy of dividend payment in the Company's subsidiaries, the joint controlled business and the affiliates.

Dividend recorded for the past 3 year

Dividend Payment Year	Period of Operating Result	Dividend Payment Baht per share	Percentage
2009	1 Jan. – 31 Dec. 08	0.08	47.06
2010	1 Jan. – 31 Dec. 09	0.20	50.00
2011	1 Jan. – 31 Dec. 10	0.60	56.60

Section 3 Financial Status and Business Performance

3.1 The Company's financial information - 3 years comparison

Balance Sheets

(Unit : Thousand Baht)

ITEMS	2010				2009				2008			
	Consolidated financial statement		Separate financial statement		Consolidated financial statement		Separate financial statement		Consolidated financial statement		Separate financial statement	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Current assets												
Cash and cash equivalents	262,573	7.7	198,057	5.8	537,416	17.2	484,425	15.6	357,601	10.7	335,697	10.1
Temporary investments	610,689	17.8	552,771	16.3	-	-	-	-	-	-	-	-
Construction contract debtors												
Related party	24,645	0.7	26,972	0.8	67,808	2.2	70,897	2.3	6,739	0.2	11,921	0.4
Unrelated parties - net	665,368	19.4	665,368	19.6	680,296	21.8	673,068	21.7	865,932	25.9	858,594	25.9
Construction contracts in progress	741,524	21.7	741,524	21.8	514,961	16.5	520,430	16.7	906,087	27.1	902,758	27.2
Inventories - net	2,572	0.1	2,572	0.1	2,151	0.1	2,151	0.1	2,200	0.1	1,882	0.1
Advance from related party	2,015	0.1	-	-	-	-	-	-	-	-	-	-
Other current assets												
Withholding tax deducted at source	431,339	12.6	430,806	12.7	559,403	17.9	558,412	18.0	432,456	13.0	431,521	13.0
Advances for construction	101,561	3.0	101,424	3.0	51,477	1.6	51,341	1.7	113,857	3.4	113,720	3.4
Other account receivable - net	1,402	0.0	1,402	0.0	29,134	0.9	29,134	0.9	18,085	0.5	18,085	0.5
Others	31,104	0.9	29,417	0.9	31,168	1.0	29,623	1.0	20,534	0.6	18,833	0.6
Total other current assets	2,874,792	84.0	2,750,313	80.9	2,473,814	79.2	2,419,481	77.9	2,723,491	81.6	2,693,011	81.3

Balance Sheets (Continue)

(Unit : Thousand Baht)

ITEMS	2010				2009				2008			
	Consolidated financial statement		Separate financial statement		Consolidated financial statement		Separate financial statement		Consolidated financial statement		Separate financial statement	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Non-current assets												
Restricted deposits	185,967	5.4	179,747	5.3	246,778	7.9	190,929	6.1	282,950	8.5	196,906	5.9
Investments in subsidiaries - net	-	-	112,208	3.3	-	-	106,308	3.4	-	-	106,740	3.2
Investments in joint ventures - net	-	-	1,800	0.1	-	-	-	-	-	-	1,800	0.1
Investments in associate and other companies - net	1,069	0.0	1,069	0.0	1,169	0.0	1,169	0.0	3,068	0.1	850	0.0
Long term investment - Government bond	1,799	0.1	1,799	0.1	-	-	-	-	-	-	-	-
Amounts due from and loans to related parties - net	-	-	11,622	0.3	6,012	0.2	11,295	0.4	1,337	0.0	5,786	0.2
Plant and equipment - net	216,588	6.3	216,558	6.4	250,409	8.0	250,368	8.1	181,779	5.4	181,728	5.5
Net assets of discontinued operation units	15,080	0.4	-	-	17,207	0.6	-	-	17,986	0.5	-	-
Other non-current assets												
Investments in real estate - net	106,716	3.1	106,716	3.1	106,716	3.4	106,716	3.4	103,231	3.1	103,231	3.1
Cash reserved for debt settlement	4,320	0.1	4,320	0.1	4,320	0.1	4,320	0.1	4,320	0.1	4,320	0.1
Advance payment for land lease	14,911	0.4	14,911	0.4	16,911	0.5	16,911	0.5	20,000	0.6	20,000	0.6
Total non-current assets	546,450	16.0	650,750	19.1	649,522	20.8	688,016	22.1	614,671	18.4	621,361	18.7
Total assets	3,421,242	100.0	3,401,063	100.0	3,123,336	100.0	3,107,497	100.0	3,338,162	100.0	3,314,372	100.0

Balance Sheets (Continue)

(Unit : Thousand Baht)

ITEMS	2010				2009				2008			
	Consolidated financial statement		Separate financial statement		Consolidated financial statement		Separate financial statement		Consolidated financial statement		Separate financial statement	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Liabilities and shareholders' equity												
Current liabilities												
Bank overdrafts	-	-	-	-	-	-	-	-	44,141	1.3	44,141	1.3
Accounts payable and accrued construction costs	833,525	24.4	832,771	24.5	766,374	24.5	766,035	24.7	1,055,181	31.6	1,055,137	31.8
Deferred construction revenue	1,208	0.0	1,208									
Advances from customers												
Related party	-	-	-	-	2,463	0.1	4,478	0.1	3,533	0.1	6,712	0.2
Unrelated parties	357,404	10.4	357,404	10.5	283,574	9.1	281,442	9.1	312,393	9.4	307,671	9.3
Account payable from other companies	840	0.0	-		951	0.0	-		1,522	0.0	611	0.0
Current portion of liabilities under hire-purchase and finance lease agreements	23,577	0.7	23,577	0.7	33,169	1.1	33,169	1.1	7,688	0.2	7,688	0.2
Short-term provisions												
Estimated expenses for construction projects	334,090	9.8	334,090	9.8	431,050	13.8	431,050	13.9	452,528	13.6	452,528	13.7
Estimated liabilities for guarantee obligations and other payables	18,009	0.5	18,009	0.5	69,087	2.2	69,087	2.2	69,087	2.1	69,087	2.1
Provision for other expenses	66,168	1.9	66,168	1.9	66,168	2.1	66,168	2.1	66,168	2.0	66,168	2.0
Other current liabilities	60,660	1.8	57,678	1.7	71,094	2.3	68,273	2.2	88,463	2.7	85,350	2.6
Total current liabilities	1,695,481	49.6	1,690,905	49.7	1,723,930	55.2	1,719,702	55.3	2,100,704	62.9	2,095,093	63.2

Balance Sheets (Continue)

(Unit : Thousand Baht)

ITEMS	2010				2009				2008			
	Consolidated financial statement		Separate financial statement		Consolidated financial statement		Separate financial statement		Consolidated financial statement		Separate financial statement	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Non-current liabilities												
Liabilities under hire-purchase and finance lease agreements - net of current portion	27,122	0.8	27,122	0.8	45,614	1.5	45,614	1.5	7,131	0.2	7,131	0.2
Long-term provision - provision for employees' benefits	56,494	1.7	56,494	1.7	223,114	7.1	223,114	7.2	219,295	6.6	219,295	6.6
Total non-current liabilities	83,616	2.4	83,616	2.5	268,728	8.6	268,728	8.6	226,426	6.8	226,426	6.8
Total liabilities	1,779,097	52.0	1,774,521	52.1	1,992,658	63.8	1,968,430	64.0	2,327,130	69.7	2,321,519	70.0
Shareholders' equity												
Share capital	401,162	11.7	401,162	11.8	401,162	12.8	401,162	12.9	401,162	12.0	401,162	12.1
Unrealised gain												
Revaluation surplus on assets	6,078	0.2	6,078	0.2	7,430	0.2	7,430	0.2	8,214	0.2	8,214	0.2
Translation adjustments	(25,824)	(0.8)	-	-	(21,297)	(0.7)	-	-	(19,740)	(0.6)	-	-
Retained earnings												
Appropriated - statutory reserve	40,120	1.2	40,120	1.2	40,120	1.3	40,120	1.3	32,053	1.0	32,053	1.0
Unappropriated	1,151,685	33.7	1,179,182	34.7	716,815	23.0	670,355	21.6	602,895	18.1	551,424	16.6
Equity attributable to the Company's shareholders	1,573,221	46.0	1,626,542	52.3	1,144,230	36.6	1,119,067	36.0	1,024,584	30.7	992,853	30.0
Own shares held by the subsidiary	-	-	-	-	(13,552)	(0.4)	-	-	(13,552)	(0.4)	-	-
Premium on share - sale of own shares held by the subsidiary	68,924	2.0	-	-	-	-	-	-	-	-	-	-
Total shareholders' equity	1,642,145	48.0	1,626,542	47.8	1,130,678	36.2	1,119,067	36.0	1,011,032	30.3	992,853	30.0
Total liabilities and shareholders' equity	3,421,242	100.0	3,401,063	100.0	3,123,336	100.0	3,107,497	100.0	3,338,162	100.0	3,314,372	100.0

Income Statements

(Unit : Thousand Baht)

Items	2010				2009				2008			
	Consolidated financial statement		Separate financial statement		Consolidated financial statement		Separate financial statement		Consolidated financial statement		Separate financial statement	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Revenues												
Construction income	4,067,689	99.1	4,065,005	97.3	4,345,736	99.3	4,344,094	99.3	5,011,931	98.8	5,000,332	98.9
Bad debt recovery and reversal of allowance for doubtful accounts	12,112	0.3	6,365	0.2	10,642	0.2	10,642	0.2	52	0.0	52	0.0
Other income												
Write back trade accounts payable	5,348	0.1	5,348	0.1	7,618	0.2	7,618	0.2	33,124	0.7	33,124	0.6
Dividend income	-	-	70,200	1.7	-	-	-	-	4,278	0.1	270,353	5.1
Interest income	9,396	0.2	8,674	0.2	5,031	0.1	5,007	0.1	5,272	0.1	4,930	0.1
Reversal of estimated liabilities for guarantee obligations	4,195	0.1	4,195	0.1	-	-	-	-	-	-	-	-
Reversal of allowance impairment loss of investment in related parties	-	-	7,700	0.2	-	-	-	-	15,360	0.3	16,171	0.3
Others	7,880	0.2	8,357	0.2	6,485	0.1	7,768	0.2	2,062	0.0	2,122	0.0
Total revenues	4,106,620	100.0	4,175,844	100.0	4,375,512	100.0	4,375,129	100.0	5,072,079	100.0	5,327,084	100.0

Income Statements (Continue)

(Unit : Thousand Baht)

Items	2010				2009				2008			
	Consolidated financial statement		Separate financial statement		Consolidated financial statement		Separate financial statement		Consolidated financial statement		Separate financial statement	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Expenses												
Costs of construction	3,541,896	86.2	3,541,896	84.8	4,027,238	92.0	4,026,262	92.0	4,770,873	94.1	4,761,264	89.4
Administrative expenses	174,653	4.3	172,654	4.1	157,284	3.6	156,320	3.6	168,459	3.3	167,363	3.1
Management benefit expenses	29,598	0.7	29,598	0.7	25,584	0.6	25,584	0.6	21,153	0.4	21,153	0.4
Bad debts and doubtful debts	1,793	0.0	-	-	6,462	0.1	432	0.0	62,628	1.2	63,410	1.2
Impairment loss of investments in related parties	-	-	-	-	-	-	1,800	0.0	-	-	238,300	4.5
Loss on exchange rate	-	-	2	0.0	137	0.0	72	0.0	-	-	-	-
Total expenses	3,747,940	91.3	3,744,150	89.7	4,216,705	96.4	4,210,470	96.2	5,023,113	99.0	5,251,490	98.6
Profit before finance cost, results of discontinued operation units and corporate income tax	358,680	8.7	431,694.0	10.3	158,807	3.6	164,659	3.8	48,966	1.0	75,594	1.4
Finance cost	(5,871)	(0.1)	(5,782)	(0.1)	(5,676)	(0.1)	(5,569)	(0.1)	(8,745)	(0.2)	(8,426)	(0.2)
Profit before results of discontinued operation units and corporate income tax	352,809	8.6	425,912	10.2	153,131	3.5	159,090	3.6	40,221	0.8	67,168	1.3
Results of discontinued operation units	(185)	(0.0)	-	-	45	0.0	-	-	(35,709)	(0.7)	-	-
Profit before corporate income tax	352,624	8.6	425,912	10.2	153,176	3.5	159,090	3.6	4,512	0.1	67,168	1.3
Corporate income tax	(367)	(0.01)	-	-	(181)	(0.0)	-	-	(61.9)	(0.0)	-	-
Net profit	352,257	8.6	425,912	10.2	152,995	3.5	159,090	3.6	3,893	0.1	67,168	1.3
Net profit attributable to												
Equity holders of the parent	352,257		425,912		152,995		159,090		3,893		67,168	
Earnings per share												
Net profit attributable to equity holders of the parent (Baht)	0.89		1.06		0.39		0.40		0.01		0.17	
Weighted average number of ordinary shares (Thousand shares)	393,903		401,162		387,609		401,162		387,609		401,162	

Statements of Cash Flows

(Unit : Thousand Baht)

Items	2010		2009		2008	
	Consolidated	Separate	Consolidated	Separate	Consolidated	Separate
Cash flows from operating activities						
Net profit before tax	352,624	425,912	153,176	159,090	4,512	67,168
Adjustments to reconcile net profit before tax to net cash						
Depreciation	55,566	55,556	58,020	58,009	44,362	44,362
Amortisation	7,948	7,620	2,630	2,345	4,619	4,373
Bad debt and allowance for doubtful accounts	(283)	(283)	6,462	432	62,628	63,410
Write off withholding income tax and other assets	0	0	124	0	0	0
(Reversal) impairment loss of investment in related parties	0	(7,700)	0	1,800	0	238,300
Provision (Reversed) for loss from diminution in value of assets	0	0	0	0	5,200	5,200
Loss from return on investments in the liquidated subsidiary and joint venture	0	0	706	(590)	0	0
(Gain) loss from return on investment in other company	89	89	(28)	0	0	0
Loss (gain) from disposals of plant and equipment	7,349	7,349	(1,734)	(1,734)	2,099	2,099
Reversal of allowance for impairment loss of investments in real estate	0	0	(3,485)	(3,485)	0	0
Write back accounts payable	(5,347)	(5,347)	(7,617)	(7,617)	(33,124)	(33,124)
Reversal of estimated liabilities for guarantee obligations	(4,195)	(4,195)	0	0	0	0
Reversal of accrued interest	(3,948)	(3,948)	0	0	0	0
Reversal of estimated expenses for construction projects	(96,960)	(96,960)	(21,478)	(21,478)	(84,097)	(84,097)
Dividend income from subsidiary	0	(70,200)	0	0	(4,278)	(270,353)
Reversal of others current liabilities	0	0	0	0	(807)	(807)
Interest expenses	5,651	5,650	5,291	5,291	8,030	8,030
Profit from operating activities before changes in operating assets and liabilities	318,494	313,543	192,067	192,063	9,144	44,561

Statements of Cash Flows (continue)

(Unit : Thousand Baht)

Items	2010		2009		2008	
	Consolidated	Separate	Consolidated	Separate	Consolidated	Separate
Construction contract debtors	58,374	51,908	118,106	126,118	(53,000)	(60,654)
Construction contract in progress	(226,562)	(221,094)	391,125	382,328	(44,590)	(35,907)
Advance from related party	(2,015)	0	0	0	0	0
Inventories	(421)	(421)	49	(269)	7,695	(234)
Other current assets	(24,342)	(23,641)	37,559	38,223	(78,364)	(78,396)
Increase (decrease) in operating liabilities						
Accounts payable and accrued construction costs	72,499	72,083	(281,189)	(281,484)	26,543	32,207
Deferred construction revenue	1,208	1,208	0	0	0	0
Advances from customers	71,367	71,484	(29,890)	(28,463)	119,787	122,336
Amounts due to related party	0	0	0	0	0	0
Amount payable from other companies	(111)	0	(571)	(611)	(534)	(238)
Other current liabilities	(3,649)	(3,809)	(13,408)	(13,116)	19,939	20,128
Provision for employees' benefits	(3,476)	(3,476)	3,819	3,819	(1,040)	(1,040)
Cash from (used in) operating activities	261,366	257,785	417,667	418,608	5,580	42,763
Cash paid for interest expenses	(5,731)	(5,730)	(5,141)	(5,141)	(8,079)	(8,079)
Cash paid for corporate income tax	(95,627)	(95,486)	(127,599)	(126,891)	(142,470)	(141,388)
Cash received from corporate income tax	223,553	223,092	92	0	176,523	176,523
Net cash from (used in) operating activities	383,561	379,661	285,019	286,576	31,554	69,819

Statements of Cash Flows (continue)

(Unit : Thousand Baht)

Items	2010		2009		2008	
	Consolidated	Separate	Consolidated	Separate	Consolidated	Separate
Cash flows from investing activities						
Decrease in restricted deposits	60,812	11,182	36,171	5,977	(120,410)	(34,366)
Cash paid for purchase of investments	(612,488)	(554,570)				
(Increase) decrease in amounts due from and loans to related parties	6,011	(327)	(4,675)	25,722	(288)	(25)
Increase in investment in subsidiary	0	0	0	(31,800)	0	(9,041)
Increase in investment in other company	0	0	(319)	(319)	(250)	(250)
Proceeds from return on investments in the liquidated subsidiary and joint venture	0	0	87	1,591	0	0
Cash received from return on investment in other company.	11	11	2,246	0	0	0
Purchases of plant and equipment	(35,831)	(35,831)	(61,127)	(61,127)	(38,990)	(38,940)
Proceeds from disposals of plant and equipment	21,331	21,331	7,080	7,080	1,652	1,652
Decrease in net assets of discontinued operation units	2,127	0	779	0	309,375	0
Cash Advance payment for land lease	0	0	0	0	(12,000)	(12,000)
Dividend received from subsidiary	0	70,200	0	0	4,278	270,353
Net cash from (used in) investing activities	(558,027)	(488,004)	(19,758)	(52,876)	143,367	177,383
Cash flows from financing activities						
(Decrease) in bank overdrafts and short-term bank loans	0	0	(44,141)	(44,141)	7,414	7,414
Cash paid for settlement of debts under debt restructuring of the rehabilitation plan	(46,883)	(46,883)	0	0	0	0
Cash paid for liabilities under hire-purchase and finance lease agreements	(50,912)	(50,912)	(8,740)	(8,739)	(10,422)	(10,421)
Proceeds from selling of parent's share capital	79,465	0	0	0	0	0
Dividend paid	(77,520)	(80,230)	(31,008)	(32,092)	(38,759)	(40,115)
Net cash from (used in) financing activities	(95,850)	(178,025)	(83,889)	(84,972)	(41,767)	(43,122)
(Increase) decrease in cash and cash equivalents	(270,316)	(286,368)	181,372	148,728	133,154	204,080
Translation adjustments	(4,527)	0	(1,557)	0	28,486	0
Net increase (decrease) in cash and cash equivalents	(274,843)	(286,368)	179,815	148,728	161,640	204,080
Cash and cash equivalents at beginning of period	537,416	484,425	357,601	335,697	195,961	131,617
Cash and cash equivalents at end of period	262,573	198,057	537,416	484,425	357,601	335,697

3.2 Key Financial Ratios

Key Financial Ratios

Items	2010		2009		2008		
	Consolidated Financial Ratios	Separate Financial Ratios	Consolidated Financial Ratios	Separate Financial Ratios	Consolidated Financial Ratios	Separate Financial Ratios	
LIQUIDITY RATIO							
Liquidity ratio	Times	1.70	1.63	1.43	1.41	1.30	1.29
Quick ratio	Times	0.92	0.85	0.75	0.71	0.59	0.58
Cash ratio	Times	0.22	0.22	0.15	0.15	0.02	0.03
Account receivable turnover	Times	4.63	4.63	4.45	4.47	4.94	4.96
Average collection period	days	77.75	77.75	80.90	80.54	72.87	72.58
Inventory turnover	Times	1499.53	1499.53	1850.75	1996.16	788.83	2697.60
Average sale period	days	0.24	0.24	0.19	0.18	0.46	0.13
Account payable turnover	Times	4.43	4.43	4.43	4.43	4.50	4.51
Debt service period	days	81.26	81.26	81.26	81.26	80.00	79.82
Cash cycle	days	-3.27	-3.27	-0.17	-0.54	-6.67	-7.11
PROFITABILITY RATIO							
Gross profit margin	%	12.93	12.87	7.33	7.32	4.81	4.78
Operating profit margin	%	8.82	10.62	3.65	3.79	0.98	1.51
Cash to profit ratio	%	106.94	87.95	176.09	170.77	64.44	92.36
Net profit margin	%	8.58	10.20	3.50	3.64	0.08	1.26
Return on equity	%	25.41	31.02	14.29	15.07	0.38	6.86
EFFICIENCY RATIO							
Return on assets	%	10.76	13.09	4.74	4.95	0.12	2.05
Return on non-current assets	%	174.66	206.23	97.65	100.49	25.52	58.99
Assets turnover	Times	1.25	1.28	1.35	1.36	1.53	1.63
FINANCIAL POLICY RATIO							
Debt to equity ratio	Times	1.08	1.09	1.76	1.78	2.30	2.34
Interest coverage	Times	85.81	85.11	77.94	78.10	22.68	27.31
Dividend payout ratio	%	67.42	56.60	51.28	50.00	800.00	47.06

3.3 Management Discussion and Analysis of Financial Status and Business Performance

Financial Analysis

Financial Position and Operational Results for Company's separate and consolidated financial statements:

Total Assets

The Company's total assets at year end 2010 amounted to Baht 3,401 million and the total assets of the Company and its subsidiaries amounted to Baht 3,421 million, representing an increase of Baht 294 million and 298 million, or equivalent to 9.45 per cent and 9.54 per cent respectively compared to year end 2009. Such increase was due to increased current assets in both separate and consolidated financial statements amounting to Baht 331 million and 401 million respectively and reduced non-current assets amounting to Baht 37 million and 103 million respectively. Major changes were:

Increase of current assets

In 2010, the Company's increased current assets in both separate and consolidated financial statements amounted to Baht 331 million and 401 million respectively. The Company's better operational results in year 2010 resulted in high level of cash liquidity. In addition, for the purpose of receiving high return with low risk, the Company increased its investment in Government bonds and treasury bills, so that the temporary investment increased to Baht 553 million and 611 million respectively. Cash and cash equivalents decreased to Baht 286 million and 275 million respectively. Also the Company was able to collect more from its debtors, including the withholding income tax refund from the Revenue Department. Therefore, debtors under construction agreement and other current assets reduced in both separate and consolidated financial statements for year end 2010 to Baht 52 million and 58 million and 105 million and 58 million respectively. However, work under construction increased from year 2009 in both separate and consolidated financial statements by Baht 221 million and 227 million respectively, including the advance received from subsidiaries in consolidated financial statements of Baht 2 million.

Decrease of non-current assets

In 2010, the Company's non-current assets in both separate and consolidated financial statements decreased by Baht 37 million and 103 million respectively, because the Company used Government bonds as the tender guarantees. Therefore, restricted deposits in both separate and consolidated financial statements decreased by the amount of Baht 11 million and 61 million respectively. Amounts due from and loans to related parties decreased in consolidated financial statements by Baht 6 million. In 2010, the Company redeemed equipment under redeemable purchase agreement, so that the net total of building and equipment decreased in both separate and consolidated financial statements by Baht 34 million. Net assets of discontinued operation decrease by Baht 2 million in consolidated Financial Statements, and the non-current assets also decreased in both separate and consolidated financial statements by Baht 2 million.

In 2010, net investments in subsidiaries and joint venture increased, the Company then reversed the allowance for impairment loss of investment in related parties. The reversal resulted in an increase of Baht 8 million in investment in subsidiaries and joint venture. In 2010, the investment in Government bonds increased by Baht 2 million in both separate and consolidated financial statements.

Total Liabilities

The Company's total liabilities at year end 2010 was Baht 1,775 million and the total liabilities of the Company and its subsidiaries was Baht 1,779 million, representing a decrease of Baht 214 million and 214 million, or equivalent to 10.76 percent and 10.72 percent respectively compared to year end 2009. Significant changes were the reversal of estimated expenses for construction projects that will not be incurred, payment for guarantee obligations and other payables, which reduced the short term debt provision in both separate and consolidated financial statements by Baht 148 million. With high liquidity in 2010, the Company decided to settle the debt under hire purchase agreement before its maturity date thus reducing the liabilities under hire-purchase and financial lease in both by Baht 28 million, other debts also reduced by Baht 10 million and 11 million respectively in both separate and consolidated financial statements. However, in 2010, the Company's accounts payable and accrued construction costs increased in both separate and consolidated financial statements by Baht 67 million and advances from customers increased in both separate and consolidated financial statements by Baht 71 million.

In 2010, the Company has adopted Thai Accounting Standard 19 "Employee Benefits" before the effective date and this resulted in the decrease of provisions for employee's benefits of Baht 167 million both in separate and consolidated financial statements.

Shareholders' Equity

The Company's shareholders' equity as at December 31, 2010 amounted to Baht 1,627 million, representing an increase by Baht 507 million or equivalent to 45.35 percent compared to year end 2009. This resulted from the Company's net profit in 2010 of Baht 426 million, the disposal of revaluation surplus of assets amounting to Baht 1 million, and the dividend payment of Baht 80 million together with the early adoption of Thai Accounting Standard 19 "Employee Benefits" before the effective date which brought an increase in the total accumulated profit from the beginning of the year of Baht 163 million.

The shareholders equity of the Company and its subsidiaries as at December 31, 2010 amounted to Baht 1,642 million, representing an increase of Baht 511 million or equivalent to 45.24 percent compared to year end 2009. This was because the Company and its subsidiaries had net profit in 2010 of Baht 352 million, the disposal of revaluation surplus of assets of Baht 1 million, dividend payment of Baht 78 million and the translation adjustment increased by 5 million. Also the retained earnings at beginning year increased from adopting Thai Accounting Standard 19 as above mentioned by Baht 163 million. Moreover, a subsidiary sold the Company's ordinary shares which it held in the Securities Exchange of Thailand in 2010, so that cash on hand increased by Baht 80 million. Such transactions have already appeared as surplus of sale of own shares held by subsidiary for Baht 69 million and recognized value of own shares held by subsidiary net from dividend share at Baht 11 million.

Liquidity

The Company's liquidity was at a satisfactory level, mainly net cash flow from operational results in 2010 amounted to Baht 380 million in separate financial statements and at Baht 384 million in consolidated financial statements. The Company received dividends from its subsidiaries of Baht 70 million in separate financial statements at year end 2010 including payment received from sale of own shares held by subsidiary of Baht 80 million in consolidated financial statements and also restricted deposits decreased in 2010 by Baht 11 million in separate financial statement and by Baht 61 million in consolidated financial statement.

However, cash and cash equivalent both in separate and consolidated financial statements at year end 2010 decreased by Baht 286 million and 275 million respectively compared to year end 2009. This was because the Company invested in Government bonds

and treasury bills representing an increase of Baht 555 million and 612 million respectively. Purchase of plant and equipment net of proceeds from disposals increased both in separate and consolidated financial statements by Baht 15 million, repayment of debts for financial lease agreement before due date and for guarantee liabilities under rehabilitation plan both in separate and consolidated financial statements as at year end 2010 by Baht 98 million. In addition, the Company had the dividend payable in 2010 of Baht 80 million in separate financial statements and of Baht 78 million in consolidated financial statements.

In conclusion, the Company's financial status was strong, where the financial liquidity ratio both in separate and consolidated financial statements as at year end 2010 represented an increase by 1.63 times and 1.70 times respectively compared to year end 2009. Also the quick liquidity ratio in 2010 represented an increase equal to 0.85 times and 0.92 times compared to year end 2009, which represented 0.71 times and 0.75 times.

Total income and gross profit from operation

Total income of the Company and total income of the Company, subsidiaries and joint ventures in year end 2010 were Baht 4,176 million and 4,107 million respectively, representing a decrease by Baht 199 million and 269 million or equivalent to 4.6 percent and 6.2 percent respectively compared to year end 2009. The revenues incurred mainly from construction operations, where the ratios in separate and consolidated financial statements were equal to 97.3 percent and 99.1 percent of total income in 2010 and equal to 99.3 percent of total income both in separate and consolidated financial statements in 2009.

However, the gross margin at year end 2010 increased by Baht 205 million in separate financial statements and by Baht 207 million in consolidated financial statements or equivalent to 5.55 percent and 5.6 percent respectively. This was because the Company increased efficiency in management of construction projects in order to reduce construction costs, and improved measures to manage risk and the reversal of the estimated expenses for construction projects that will not be incurred. The gross margin for year 2010 increased to 12.87 percent and 12.93 percent in separate and consolidated financial statements compared to year 2009 when the gross margin was 7.3 percent.

Administrative Expenses

Administrative Expenses in year 2010 were Baht 203 million and Baht 205 million in separate and consolidated financial statements respectively representing an increase of Baht 20 million and Baht 21 million, equivalent to 26.14 percent and 26.73 percent in separate and consolidated financial statements respectively compared to year end 2009. The increase was due to staff bonus payments and the provision of employee's benefit in accordance with TAS 19, amounting of Baht 7 million. In addition, office rental increased by Baht 6 million because the recognized expenses regarding long-term lease agreement were in compliance with accounting standard no. 17. The Company incurred a loss from disposal of equipment and tools of Baht 7 million.

Other Expenses

Other expenses in separate financial statements represented a decrease of Baht 2 million compared to year end 2009 because the Company reversed impairment loss of investment in related parties by Baht 2 million in 2010 arising from higher net asset value of joint venture. In consolidated financial statements, other expenses increased by Baht 2 million as joint venture incurred bad debt in 2010 of Baht 2 million.

Construction Costs

The major costs of construction were construction materials, sub-contractors and wages which depended upon the market situation. Construction costs of the Company and the Company and its subsidiaries in 2010 were equivalent to Baht 3,542 million, representing a decrease of Baht 485 million from year end 2009 or equal to 12.0 percent. The decrease was in proportion with the decrease of income from construction activities, together with the effective project management to control and reduce cost as earlier mentioned.

Financial Expenses

Financial Expenses both in separate and consolidated financial statements in 2010 were equivalent to Baht 5.8 million and Baht 5.9 million respectively which were close to those in year end 2009 equivalent to Baht 5.7 million and Baht 5.8 million respectively. It was incurred from interest payable according to financial lease agreement.

Accrued Corporate Incomes Tax

The Company was not liable to corporate income tax in separate financial statements for the year 2010 and 2009 as expenses which were allowed for tax computation purpose in year 2010 higher than the profit for the year and there was tax loss brought forward from the previous year in year 2009. The corporate income tax in consolidated financial statements was Baht 0.4 million due to taxation of net profit in joint venture in 2010.

Results of discontinued operation units

Results of discontinued operation units at year end 2010 in consolidated financial statements represented a decrease of Baht 36 million or 100.13% compared to year end 2008. The financial crisis in United States of America has affected the results of discontinued operation units. The Company has adjusted its operational and financial plans and reduced net assets of discontinued operation units, so that results of discontinued operation units represented a decrease of losses.

Net Profits

Net profit was equivalent to Baht 426 million representing an increase of Baht 267 million compared to year end 2009. The principle factor was more efficient control of costs and expenses in the past year and there was the Company's reversal of estimated expenses for construction projects that will not be incurred, so that gross profit increased by Baht 205 million. In addition, the Company received dividends from its subsidiaries of Baht 70 million, the Company's subsidiaries and joint venture represented an increase of net assets from 2009 which affected the reversal of provision allowance impairment loss of investment in subsidiaries and joint venture by Baht 8 million and there was reversal of estimated liabilities for guarantee obligations of Baht 4 million. However, operational expenses increased by Baht 20 million in 2010.

The consolidated profit and loss statements for year end 2010 reported net profit equal to Baht 352 million representing an increase of Baht 199 million compared to year end 2009 because the Company's gross profit increased due to the above mentioned reasons by Baht 207 million in 2010. Moreover, the Company's interest receivable increased by Baht 4 million and bad debts and doubtful debts decreased from 2009 by Baht 5 million. However, the Company's operational expenses increased by Baht 22 million in 2010.