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Message from the Chairman



Vichien Ratanabirabongse

Chairman of the Board of Directors

Chairman of the Audit Committee

and Independent Director

Amidst the fierce competitions of the real estate market in 2010 coupled with domestic political incidents, natural disasters and the rigorousness of financial institutions in granting loans, all of which affected the purchasing power of consumers and decreased the total sales in the market. Under such unfavorable situations, SENA Development Public Company Limited had good plan to cope with changing situations and adapted itself thereto by being capable of maintaining the total sales within a close proximity of that of the previous year.

The Company also extended its business base to meet customers' requirements with a business on providing condominium juristic person services starting from its own condominium projects, and still maintained the standard of a reputable and reliable house construction business operator with strong financial discipline.

In 2011, the Company has a policy to manage and operate under another permanent brand with strong Brand Awareness favorable to customers along a reliable and transparent path with experiences and know-how of personnel, management and project execution emphasizing on responding to customers' requirements, including the dream-sharing housing project which contributes spare time to the society. The brand is positioned on 4 Key Values to Success, i.e. Trust/Knowledge Driven & Sharing/Customer Centric and CSR.

March 2011 is the 30th anniversary of SENA Development Public Company Limited. There have been many changes to the organizational image on a gradual, stable and sustainable basis.

SENA Development Public Company Limited wishes to thank all shareholders, customers, financial institutes, mass media including business partners for their support, and the Board of Executive Directors as well as all staffs who are vital mechanisms driving the organization and contributing to the Company's success up to present.



Vichien Ratanabirabongse
Chairman of the Board of Directors

Message from the Chief Executive Officer



Theerawat Thanyalakpark
Chief Executive Officer

The competitions in the real estate sector were fierce in 2010 as anticipated by the Company because the new supplies in the market increased by 57% compared with the previous year and many major operators turned to construct condominiums at lower prices to respond to requirements of consumers, resulting in the average selling price in 2010 being at 2.587 million Baht/unit, or 19% decreasing from that of 2009. Under such fierce competitions however, SENA Development Public Company Limited still managed to create the total sales of 1,900 million Baht in 2010 because the Company had in 2010 a policy emphasizing on developing BOI condominium projects with the opening of a new brand, The Kith, with selling prices ranging from 0.8 to 1.0 million Baht, which were competitive and within the requirements of customers during such period.

As at 31 December 2010 SENA Development Public Company Limited had total earnings of 1,248 million Baht, with 743 million Baht earned from horizontal sales, 485 million Baht from condominiums and 19 million Baht from leasing. The Company had a gross profit of 516 million Baht, representing 41.3% of the total earnings, and a net profit of 317 million Baht, representing 25.9% of the total earnings, increasing by 11% from that of 2009. The Company still maintained the policy on distributing 40% of net profit as dividends. In 2010 the Company distributed dividends of 0.18768 Baht/share to shareholders, representing a dividend yield of 8.77%.

The Company anticipates that there will still be economic fluctuations in 2011 due to internal and external factors, e.g. increasing interest rates, fluctuating oil prices affecting the construction material prices and prevailing domestic political crisis. Operators need strong management planning to cope with all situations. Consequently, SENA Development Public Company Limited plans its growth from extending the business base to reduce risks by targeting to increase the income base from leasing in subsequent years. The Company plans to open the business on providing services and space leases, and to enter the Sale Agent business in 2011, to commence extending the income base from leasing business in the future.

Finally, on behalf of the Executive Directors and staffs of SENA Development Public Company Limited, I wish to assure you of our ideal determination to develop customer-centric projects and improve the quality and create achievements to best meet the requirements of customers, sticking to the managerial principles emphasizing on ethics of real estate developers towards sustainable growth. The 30th anniversary of SENA is a pride.

Theerawat Thanyalakpark
The Chief Executive Officer and Managing Director

Audit Committee's Report



To : Shareholders of SENA Development Public Company Limited

The Audit Committee of SENA Development Public Company Limited consists of 3 independent directors, namely:

- | | |
|--------------------------------------|---------------------------------|
| 1. Mr. Vichien Ratanabirabongse | Chairman of the Audit Committee |
| 2. Mr. Kamol Thammanichanond | Audit Committee |
| 3. General Boonsak Khamhaenglitirong | Audit Committee |

All directors of the Audit Committee have such qualifications as required by the Stock Exchange of Thailand and the Securities and Exchange Commission, and Miss Usanee Chaisongto acts as Secretary of the Audit Committee.

The Audit Committee was assigned by the Board of Directors to supervise the Company's specific financial statement and consolidated financial statement to ensure compliance with accounting standard appropriate to the business operation, to review to ensure that the Company's financial report was accurate and adequate, and that appropriate and efficient internal control and audit system was established, law governing securities and exchange was complied with and adequate information was disclosed. The Audit Committee made recommendations in selecting and nominating auditor of the Company and performed other duties assigned by the Board of Directors, emphasizing on observing ethical practices, transparency and verifiability.

The Audit Committee held 4 meetings in 2010 with internal auditor, external auditor, and invited executive directors to participate at appropriate times to review the financial report, exchange comments and make recommendations beneficial to analysis on sources of information in the 2010 quarterly financial statement and annual statement independently, and reported on the results of all meetings of the Audit Committee to the Board of Directors. Significant issue could be summarized as follows.

1. Review the quarterly and annual financial statements before presenting to the Board of Directors for consideration.
2. Review the report of the internal auditor and assess the adequacy of the internal control system.

3. Follow up on the operation result and provide advice to improve the work of the internal auditor.
4. Consider the 2010 audit plan of the internal auditor on quarterly basis and provide guidance and observations.
5. Consider related transactions or transactions with possible conflicts of interest to ensure that such transactions are reasonable with optimal benefits to the Company.

The Audit Committee found that the specific financial statement of the Company and the consolidated financial statement of the Company and its subsidiaries were in compliance with generally accepted accounting principles, information disclosure was adequate and appropriate to the business nature, and found no material errors in connection with the internal control system, and the official requirements were complied with on good governance basis.

The Audit Committee recommended in fiscal year 2010 to the Board of Directors to propose to the shareholder meeting to elect Mr. Chanankorn Satiraprapakul, Certified Auditor No. 6554 from Grand Audit Co., Ltd., and/or Miss Wimon Sri Jongudomsombat, Certified Auditor No. 3899 and/or Miss Kannika Wibhanurat, Certified Auditor No. 7305, from Karin Audit Co., Ltd., as auditor of the Company because the Audit Committee considered that all those auditors were independent with no relationship whatsoever with the Company, and were approved by the Securities and Exchange Commission to audit listed companies.



(Mr. Vichien Ratanabirabongse)
Chairman of Audit Committee



(General Boonsak Khamhaenglitirong)
Audit Committee



(Mr. Kamol Thammanichanond)
Audit Committee

Responsibility Report of the Board of Directors in preparing financial report

The Board of Directors was responsible for specific financial statement of the Company and the consolidated financial statement of the Company and its subsidiaries and the financial information contained in the 2010 annual report. Such financial statements were prepared in accordance with generally accepted accounting standard by adopting appropriate accounting policy with regular practice and careful discretion and the best estimates in preparation thereof, with sufficient disclosure of significant information in the notes to the financial statements.

In that connection, the Board of Directors appointed an Audit Committee consisting of non-executive directors to oversee the quality of the financial report and the internal audit system, and comments of the Audit Committee in that respect were contained in the report of the Audit Committee as shown in the annual report.

The Board found that the overall internal control system of the Company was at a satisfactory level and presented reasonable confidence to the reliability of the specific financial statement of the Company and the consolidated financial statement of the Company and its subsidiaries as at 31 December 2010.



Mr. Vichien Ratanabirabongse
Chairman of the Board of Directors



Mr. Theerawat Thanyalakpark
The Chief Executive Officer

Board of Directors



Mr. Vichien Ratanabirabongse
Chairman of the Board of Directors
Chairman of the Audit Committee
and Independent Director



Mr. Kamol Thammanichanond
Audit Committee and
Independent Director



General Boonsak Khamhaenglitirong
Audit Committee and
Independent Director



Prof. Chaiyos Hemarajata
Directors and
Independent Director



Pol.Gen. Pichit Kuandachakup
Directors and
Independent Director



Mr. Theerawat Thanyalakpark
Directors, President of Executive
Committee and Managing Director



Miss Benyalak Thanyalakpark
Director



Miss Kessara Thanyalakpark
Director



Miss Umaporn Thanyalakpark
Director



Mrs. Weraporn Chaisiriyasawat
Director and
Secretary of the Company

Management Team



Mr. Theerawat Thanyalakpark
Chief Executive Officer



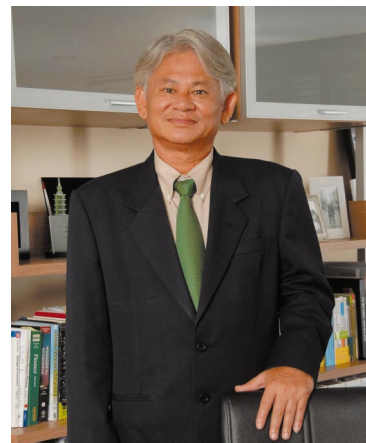
Miss Benyalak Thanyalakpark
Executive Committee



Miss Kessara Thanyalakpark
Executive Committee



Mrs. Weraporn Chaisiriyasawat
Executive Committee



Mr. Phanom Trisuwan
Executive Committee

Summary of Financial Highlights

Information on financial status and operation

(Unit : Million Baht)

	2010		2009		2008	
	Amount	%	Amount	%	Amount	%
Total assets	3,240.12	100.0%	2,178.26	100.0%	1,801.23	100.0%
Total liabilities	1,524.95	47.1%	631.68	29.0%	755.80	42.0%
Registered capital	700.00	21.6%	700.00	32.1%	700.00	38.8%
Paid-up capital	675.00	20.8%	675.00	31.0%	500.00	27.7%
Shareholder's equity	1,715.17	52.9%	1,546.58	71.0%	1,045.43	58.0%
Book value per share (Baht/share)	2.54		2.29		2.09	

(Unit : Million Baht)

	2010		2009		2008	
	Amount	%	Amount	%	Amount	%
Revenues from sales and rents	1,248.42	100.0%	1,365.97	100.0%	1,249.69	100.0%
Cost of sales	732.82	58.7%	806.19	59.0%	714.28	57.2%
Selling and administrative expenses	222.71	17.8%	142.75	10.5%	150.02	12.0%
Operating income	404.90	32.4%	438.39	32.1%	403.76	32.3%
Net profit	323.60	25.9%	286.51	21.0%	279.23	22.3%
Earnings per share (Baht/share)	0.47		0.42		0.56	

Significant financial ratios

		Consolidated financial statement	
		2010	2009
Gross profit margin	(%)	41.3%	41.0%
Net profit margin	(%)	25.4%	20.8%
Return on shareholder's equity	(%)	19.4%	21.9%
Return on assets	(%)	11.7%	14.3%
Current ratio	(times)	1.35	3.40
Debt to shareholder's equity ratio	(times)	0.89	0.41
Dividend payout ratio	(%)	40.0%	40.1%

General Information

Company's name	:	SENA Development Public Company Limited
Registration Number	:	0107548000684
Business nature	:	Development of residential real estates, i.e. single houses, townhouses and commercial buildings, condominiums and apartments for rent
Head Office address	:	524 Ratchadapisek Road, Samsen-nok Sub-district, Huaykwang District, Bangkok 10320
Registered capital	:	700,000,000 Baht
Paid-up capital	:	675,000,000 Baht Ordinary shares: 675,000,000 shares Par value: 1.00 Baht
Telephone	:	0-2541-4642
Facsimile	:	0-2541-5164
Home page	:	www.senadevelopment.com
Juristic persons held	:	As per details in 3.1 Background and significant developments
References	:	
1) Securities registrar	:	Thailand Securities Depository Co., Ltd. Floors 4, 6-7, Stock Exchange of Thailand Building Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok 10110 Telephone 0-2596-9311, facsimile 0-2832-4994-5
2) Auditor	:	Grand Audit Co., Ltd. 140/46-47, ITF Tower, Floor 21 Silom road, Suriyawong Sub-district, Bangrak District, Bangkok 10500 Telephone 0-2671-3181-2, facsimile 0-2671-3183

Nature of Business

Background

SENA Development Public Company Limited, formerly Krungthep Keha Group Co., Ltd., was established on 11 May 1993 with the initial registered capital of 50.0 million Baht. The Chairman of Executive Directors and Managing Director was Mr. Theerawat Thanyalakphark (“Khun Theerawat”). Khun Theerawat commenced the business by selling and installing wooden construction materials before entering the residential real estate development business, starting from townhouses, the first project of which was the “SENA 84 Project” in 1984, which was a small townhouse project with an average selling price of approximately 600,000 Baht, followed with projects emphasizing mainly on townhouses and consequently other types of residential projects on a continuous basis, i.e. single houses, twin houses and commercial buildings.

The Company was converted into a public limited company and conducted the Initial public Offering (IPO) to mobilize funds for use in developing various real estate projects. The Company listed its ordinary shares in the Stock Exchange of Thailand on 29 July 2009. As at 31 December 2009 the Company had registered capital of 700 million Baht, paid-up capital of 675 million Baht, divided into 675 million ordinary shares with a par value of 1 Baht per share.

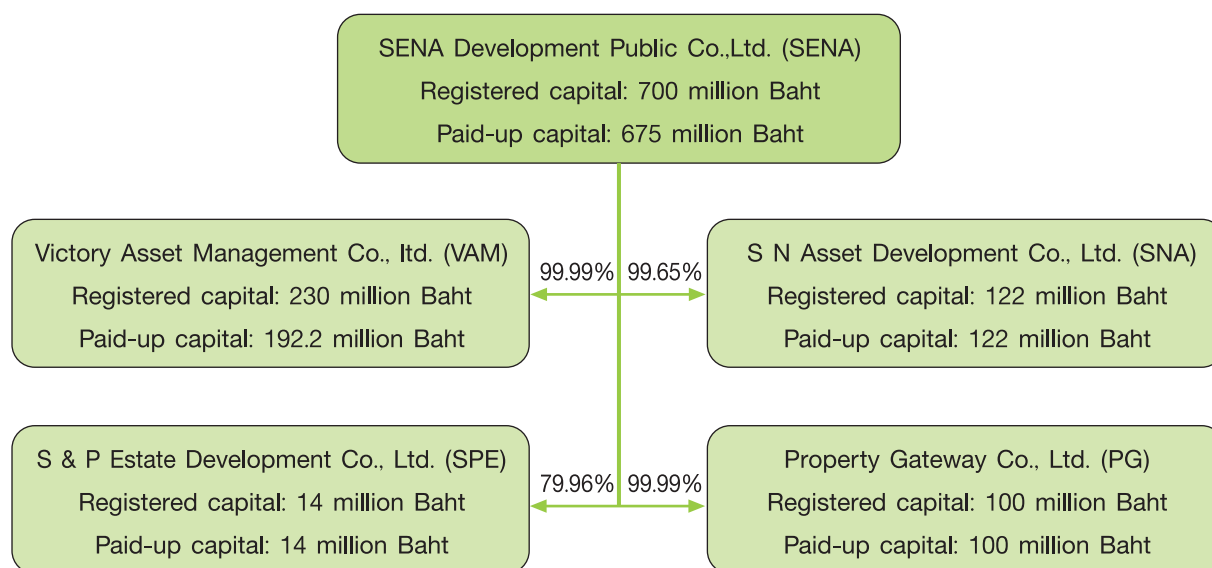
Overview of the Company’s Business

The Company and its subsidiaries emphasized on operating the business of real estate development in various forms, both horizontal and vertical residential real estate projects, to cover and meet the requirements of targeted customer groups in Bangkok Metropolitan area and its vicinities, and other forms of real estate projects which respond to the daily life of customer groups. The Company would consider investing on lands in locations with potentials for project developments at appropriate costs, which would result in determining competitive selling prices with worthwhile investment return. Designs of residences and proper project layouts in all dimensions, land development and quality construction, provision of appropriate financial condition proposals to alleviate customers’ financial burdens and favorable to their decision to purchase residences in the Company’s projects as well as after-sales services to create impressive experiences for customer groups, e.g. safety, participation in creating warm society of each project, common public utilities and project environment administration after transferring the ownership on the common areas to allocated house juristic persons or condominium juristic persons, including the act as intermediary in facilitating house sales for customer groups of SENA Project etc. contributed to optimal satisfaction to customer groups under the “Integrating Customers Experience” concept covering project administration and customer services, both before purchasing residences in the Company’s projects until after sales of residences in the projects (Integrated Solution). Moreover, the Company established a “SENA Family Card” project to create Ban SENA Member Society, and those members would become a significant purchasing power in the future.

In considering development of residential projects the Company would emphasize on varieties of residences, horizontal and vertical, in locations with potentials and along public utilities range, by determining competitive prices (in the range of 500,000-6,000,000 Baht) under the concept of cost-effectiveness to meet the requirements of main customer groups, i.e. those with low to moderate income who required residences at the prices ranging from 500,000 to 6,000,000 Baht and were the majority of customers requiring residences, i.e. over 95 per cent of the total requirements in Bangkok Metropolitan area and its vicinities. Furthermore, over 35 per cent of such group still had no residence of their own, and the trend of continuous decrease in the number of heads per household also resulted in the increase in the requirements for residences of the targeted groups.

The Company emphasized on developing projects under its own administration. The Company was well aware from over 20 years experiences of the requirements for residences of customers in those targeted groups. Besides developing residences for sales, subsidiary companies also operated projects on apartments for rents, which were deemed extension of business which generated recurring income, in appropriate locations with potentials to create recurring income and cost-effective return and helped the Company to reduce risks in its business operation.

Shareholding Structure of the Company (as at 31 December 2010)



SENA operated the residential real estate for sales. As at 31 December 2010, SENA had 13 projects under its administration with the total outstanding value of approximately 1,800 million Baht (as per details in 4.1).

Subsidiary companies

VAM was established on 12 January 2009, operating the business of real estate leasing. The Company held 99.99 per cent of VAM registered capital. Currently VAM had apartment for rent projects under its administration, namely “SENA House Ratchayothin” located at Paholyothin Soi 30, and “SENA House Lamlookka Klong 2” located at Lamlookka Klong 2, Pathumthani.

SNA was established on 22 November 2005, operating the business of developing residential real estate for sales. The Company held 99.65 per cent of SNA registered capital. As at 31 December 2010, SNA had 3 projects under its administration. The total outstanding value thereof was approximately 296.39 million Baht.

SPE was established on 12 April 2005, operating the business of developing residential real estate for sales. The Company held 79.96 per cent of SPE registered capital. As at 31 December 2010, SPE had 1 project under its administration, i.e. “Praemaporn Klong 7” Project. The total outstanding value thereof was 128 million Baht.

PG (formerly S.A. Asset Co., Ltd.) was established on 5 March 2010, operating the business of developing residential real estate for sales. The Company held 100.00 per cent of PG registered capital. As at 31 December 2010, PG had 1 project under its administration located at Ramintra Road Km. 9.

The Company's products

The Company and its subsidiaries operated the business of developing real estates in various forms, i.e. horizontal and vertical residences for sales, residences for rent and other types of real estate projects which could respond to daily life of customer groups, by emphasizing on developing projects in appropriate locations with potentials along public utilities and communication ranges. The Company had 6 different forms of residences, i.e. single houses, twin houses, townhouses, commercial buildings, condominiums and apartments for rent, under various project names which differentiate the project specific natures. Customer groups were from C- up to B+. In executing projects on development of residential real estates, the Company had a policy to sell vertical residences before construction thereof to reduce risks in the business operation. As for horizontal residences, the Company and its subsidiaries had a policy of construction completed before sales and construction to order with samples of constructed houses available in each project for customers to consider before deciding to purchase.

In view of the foregoing, besides developing residential projects for sales, the Company and its subsidiaries also operated real estate business generating recurring income, i.e. apartment for rent projects located near offices and schools, emphasizing on project environments and useful spaces together with facilities near communities with modern building designs with full facilities, mainly for customers in the groups of government officials, company staffs and students. Currently, the Company had a residence development project generating recurring income under administration of a subsidiary (VAM), namely the "SENA House" Project, an apartment project for rent on monthly and daily basis, located at Paholyothin Soi 30, Bangkok. The Project consists of 2 apartment buildings, totaling 159 units, the construction of which was completed and the Project was operational since 2007. Another apartment for rent project was under construction at Lamlookka Klong 2 to respond to requirements of customer groups in that area.

The Company had targeted groups of customers, i.e. those with low to moderate income requiring residences at the prices ranging from 500,000 to 6,000,000 Baht, and were the majority of customers requiring residences, i.e. over 95 per cent of the total requirements in Bangkok Metropolitan area and its vicinities. Furthermore, over 35 per cent of such group still had no residence of their own, and the trend of continuous decrease in the number of heads per household also resulted in the increase in the requirements for residences of the targeted groups.

The Company had a plan to create after-sales market in the form of after-sales services to create impressive experiences for customer groups, e.g. safety, participation in creating warm society of each project, common public utilities and project environment administration after transferring the ownership on the common areas to allocated house juristic persons or condominium juristic persons, including the act as intermediary in facilitating house sales for customer groups of SENA Project etc. to contribute to optimal satisfaction to customer groups under the "Integrating Customers Experience" concept covering project administration and customer services, both before purchasing residences in the Company's projects until after sales of residences in the projects (Integrated Solution).

The Company had plans for future projects under 6 main project names for horizontal and vertical residences. The project names, house designs, price levels and customer groups would be as follows.

Project name	Residential nature	Selling price	Customer group
SENA Grand Home	Single house	3-7 million Baht	B to B+
SENA Green Ville	Single and twin houses	Not over 3 million Baht	C+ to B
SENA Villa	Twin house and townhouse	1-2.5 million Baht	C to C+
The Niche	Condominium	1.5-2.5 million Baht	C to B+
The Kith	Condominium	0.7-0.9 million Baht	C- to C
The Cache	Condominium	0.5-0.6 million Baht	C-

The Company would divide the targeted groups by their respective household income per month in order to determine policy on products and marketing, as follows.

Customer group	Household income (Baht/month)
A	100,000 – 150,000
B +	80,000 – 100,000
B	60,000 – 80,000
C +	40,000 – 60,000
C	20,000 – 40,000
C -	< 20,000

Revenue structure of the Company (based on consolidated financial statement)

Revenue category	2008		2009		2010	
	Mil Baht	Per cent	Mil Baht	Per cent	Mil Baht	Per cent
1. Revenue from sales:						
- Horizontal product	969.0	77.6%	806.5	59.0%	743.4	59.5%
- Vertical product	222.7	17.8%	530.3	38.8%	485.2	38.9%
Total revenue from sales	1,191.7	95.4%	1,336.8	97.8%	1,228.6	98.4%
2. Revenue from sales of land ^{/1}	41.0	3.3%	12.0	0.9%	0.0	0.0%
3. Revenue from rent and services	16.9	1.4%	17.2	1.3%	19.8	1.6%
Total revenue	1,249.6	100.0%	1,365.9	100.0%	1,248.4	100.0%
4. Other income	18.4		21.4		112.0	

Note: /1 - Income from sales of land in 2008 was sales of vacant land in Thanyabodi Project (under SRH administration) and income from sales of land in 2009 was sales of undeveloped vacant land.

Business goals

Target: “The Company determines to become a real estate company responding to requirements of moderate-low level customers, emphasizing on developing assets towards their optimal value and integrated services for ease of ownership and convenience for dwelling.”

Mission:

- Create reliability and investments which stabilize Company’s operation by investing in related businesses.
- Make customers more satisfied with the products.
- Being an organization to provide knowledge and make use of the knowledge for development of itself and the industry.
- Having opportunities to reciprocate the society on a continuous basis and manage transparently in accordance with good corporation governance.

Competition potential assessment

Currently, competitions among real estate business operators were increasing since many major operators emphasized on controlling material costs by procuring and bargaining to purchase in bulks thus obtaining lower unit prices and raw materials faster preventing delays in construction, and major operators in the Stock Exchange had potentials to access loan or funding sources with low costs and their brands were recognizable and more reliable than those of minor operators, causing many minor operators to have much less income. However, competitions among major operators were increasing.

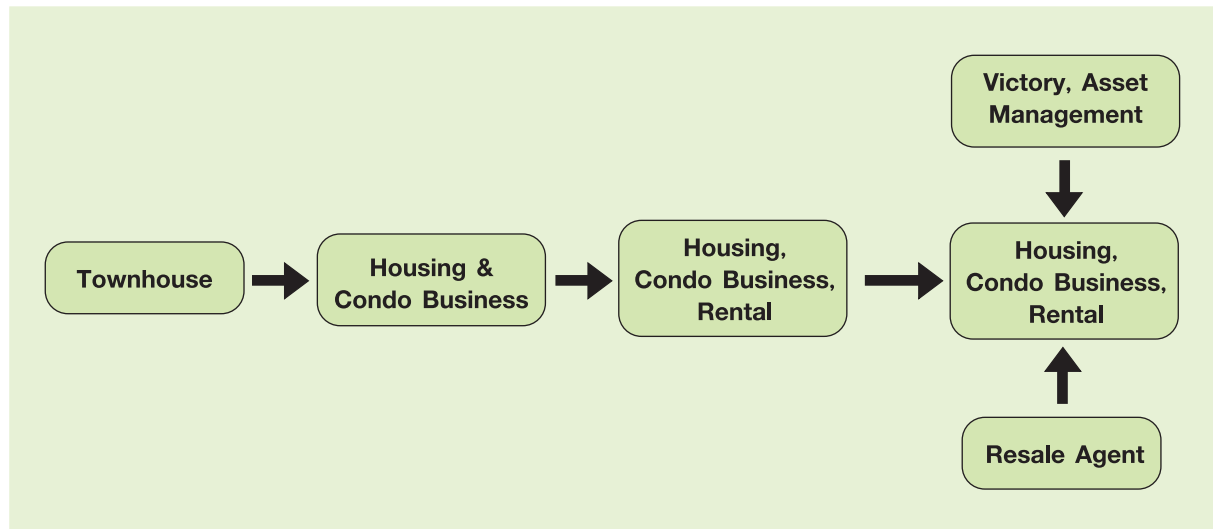
In deciding to buy a house, its price is deemed a significant factor. Consequently, many operators tried to increase their business opportunities by managing cost and expenses more efficiently to gain as much advantages as possible in the pricing. Some major operators adopted the Backward Integration strategy by investing in construction material manufacturing factories and studying techniques in reducing the construction time, controlling costs and expanding business opportunities. Moreover, some major operators adopted the Forward Integration strategy, e.g. establishing its own bank to facilitate customers in supporting loans to buy their houses and proposing incentive interest rates. Another factor which affected costs considerably was access to raw material sources. Major operators currently tried to open their projects continuously in order to reduce costs and retain their regular contractors, which helped reducing construction costs and obtained significant advantages in the real estate development business.

The Company determined its business operation strategies to increase the competition potentials in 2011 as follows.

1. Conservative and careful to create stability (Trust & Strong Financial)
2. Customer Centric Approaches
3. Knowledge-driven & sharing to both industry and customers
4. Corporate social responsibility (CSR)

Besides creating image of products of the SENA Group with the highest quality through appropriate marketing strategy and meeting the requirements of the targeted customer groups, 2011 would be the year for “Brand Awareness” of SENA by integrating various strategies which would be key factors towards the target in strengthening the Brand of the SENA Group and capturing the customers’ hearts permanently through the

Customer Centric Approaches. The Company would plan to extend the business base on integrated services in 2011, for example, Sale Agent and juristic person management sector, to fully respond to customers' requirements for ease of obtaining ownership and facilitate convenience for dwelling. Therefore, the image of development on products and services of the SENA Group would be as illustrated below.



Summary of Economic and Real Estate Business Situations in 2010 and Trend in 2011

Overview of real estate business in 2010

- The total sales of residences in 2010 were 95,840 units, amounting to approximately 258,714 million Baht in market value.
- The residence category with the highest sales remained to be condominium with total sales of approximately 49,442 million Baht, or 52% of the total market value, followed by townhouse, single house and other categories of residence, at 28%, 14% and 6%, respectively.
- There were 116,791 units of new supplies in 2010, increasing by 103% from the previous year, amounting to approximately 302,140 million Baht.
- The average selling price of 2010 was approximately 2.7 million Baht per unit, decreasing from approximately 3.1 million Baht per unit in 2009 because most operators emphasized mainly on low-moderate level products, especially BOI houses, townhouses in suburban areas and extension to electric train routes.
- The remaining supplies of the whole market as at the end of 2010 were 130,282 units, divided into townhouses, condominium and single houses with close proportions at 33%, 31% and 29%, respectively. The remaining 7% was other types of residences, e.g. twin houses, commercial buildings, allocated lands etc.

Positive and negative factors in 2011

- The economic direction would still be good but might slow down somewhat.
- Household credit interests would tend to be adjusted.
- The inflation rate would be getting higher.
- The economic stimulation plan through electric train investment would still exist.
- External currency would flow more into investment in real estates.
- Oil price would be fluctuated but tend to be higher, affecting construction material prices.
- People with much savings (6.87 trillion Baht deposits) but low deposit interest rate would invest more in real estates.
- Domestic political crisis might still be unresolved.
- Megaprojects from foreign investments.
- Condominiums could flood the market if more new projects emerge.
- Speculation would be less or more difficult to do because there would be LTV measure in granting credits.
- Major operators would have higher market shares, open more affiliated companies causing minor operators to adapt themselves.

Source: Information Center on Thai real estate research and evaluation

Risk Factors

Risk from competitions in the real estate development business

Competitions in the real estate business were still at a high level in 2010, especially in Bangkok Metropolitan area and its vicinities. Major operators adopted the strategy mainly on price aspect. Moreover, financial institutes offered second-hand houses for bid or sales at prices lower than market prices, adding to the fierceness of the competitions, resulting in the Company's suffering directly from the increase of supplies in the market because the customers were from the same group of those for the Company's projects.

The Company, therefore, had a policy to develop projects in which it had experiences and recognized by customer groups first to maintain image and reliability and concurrently develop new forms of products for presentation to the market immediately whenever required by the market. In addition, the Company still emphasized on customers with low to moderate incomes which were main target customer groups because the Company understood and was well aware of their requirements, and on development of several projects in each area to create savings to investment dimension and help reducing operation costs. The Company had a clear administration policy thus enabling it to administer each project efficiently.

Risk from fluctuation of construction material costs

Construction material costs were increasing in 2010 from 2009 as evidenced from the average construction material cost indexes of 2010 and 2009 of 113.3 and 110.8, respectively, and the price index was only slightly fluctuated during 2010 (source: www.indexpr.moc.go.th/price/present/csi/stat/other/conyear.asp). However, such construction material cost fluctuation was deemed a risk all operators might suffer from higher construction material costs resulting in increasing construction costs.

The Company had a means to manage such risk by employing turnkey contractors through project bidding for vertical residential projects. The contractors would be responsible for procurement of construction materials and bear such risk for the Company. As for horizontal residential projects, the Company had a policy to plan for procurement of construction materials in advance in such quantities as to create savings and by reserving and making partial advance payment for the goods, which would help the Company to be aware of the construction costs and reduce risk from construction material procurement.

Risk from legal aspect related to the real estate business

Since laws and regulations related to the real estate business were being amended continuously, the Company could be subject to risk if there was any amendment thereto, for example, amendment to the requirements on land allocation under the Land Allocation Act, assessment and preparation of environment impact report, assessment and preparation of report on the result of examination of high-rise buildings, amendment to regulations related to land-use zoning under the town plan law, problems on land expropriation for construction of public utilities of the Government Sector, etc., which would impact upon the sale areas and incomes of projects or upon project costs and expenditures.

The Company reduced the risk by studying and monitoring amendments to regulations which could arise on a continuous basis to be prepared for adjustments to the residential project execution in compliance therewith, and the Company would not purchase lands if it still had no plan to execute a project thereon to prevent amendments which could affect upon the lands.

Risk from increase of interest rates and regulations of the Bank of Thailand related to the real estate sector

Since the Thai economic situation was found to still expand further during 2010-2011 and the inflation trend could be increasing from the higher prices of oil and consumer products, most economic analyzers analyzed that the Financial Policy Committee (FPC), Bank of Thailand, might increase the policy interest rate by 0.5%-1.0% in 2011 on a gradual basis to keep the inflation anticipation from rising too much and reduce the chances of imbalance in the financial system of Thailand. The policy interest rate increase would result in the financial institute loan interest rates being increased similarly and the real estate sector would suffer from the interest rate increase as well as considered from 2 issues, namely.

- The interest rate increase would affect upon the demand-pull inflation depreciating the money value, or decreasing the consumer purchasing power in other words, and most customers would seek housing loans from financial institutes. Consequently, if interest rates increased, the loan amounts granted by financial institutes would decrease and the monthly repayment amount would increase accordingly. When comparing with customer payment capacity, customers might not be able to purchase residences at the required prices, thus affecting upon their decision to purchase residences.
- The interest rate increase would affect upon the Company's financial costs because the Company applied for loans from financial institutes for use in business expansion and support real estate project developments in the future. The interest rate increase would affect upon the Company's financial costs accordingly.

The Bank of Thailand issued in 2010 a notification on measure to determine the Loan to Value Ratio (LTV Ratio) in granting housing loans for purchase of residences with prices of not exceeding 10 million Baht by determining the LTV of condominium at 90%, effective only for purchase made from 1 January 2011 onwards, and the LTV of horizontal residences at 95%, effective only for purchase made from 1 January 2012 onwards, except for government officials and state enterprise officials, to prevent economic bubble problems. That was another factor affecting the decision of customers to purchase residences.

Risk from liquidity and access to funding sources

The real estate development business needed high investment, starting from land purchasing, land development, construction, selling and administrative expenses through to completion before gradually transferring ownership and receiving cash flow from selling of residences. All such activities needed a lot of investments with 1-2 years of project management period in each project, depending on its size. Consequently, the business had risk from liquidity and access to sources of funds required for the business operation.

The Company and its subsidiaries emphasized on cash flow management and operated the business carefully in considering project development starting from selection of location of land to purchase, conducting research to analyze feasibilities of projects, attention to details of all significant parts of each project. In accessing to funding sources, the Company was trusted by several financial institutes with funding support, both in respect of Project Finance and Housing Loan to customers interested in purchasing projects of the Company and its subsidiaries. Moreover, the Company was able to access funding sources from the capital market by being approved by the Board of Directors at the end of 2010 to issue and offer for sales short-term bill of exchange within the amount of not exceeding 500 million Baht, which was a means to strengthen the liquidity and reduce the financial costs for the Company. Consequently, the Company had low risk from liquidity and access to funding sources.

Risk from major shareholders' having influence upon management policy determination

The Company had the Thanyalakpark family members as its major shareholders holding, in aggregate, 74.08 per cent of registered and paid-up capital. Consequently, the Company and/or minor shareholders could have risk from major shareholders' having control over almost all of shareholder meeting resolutions, except for matters required by law or the Articles of Association to be approved by 3-quarters of the votes in the shareholder meeting, and the major shareholders' having influence upon management policy determination because they held more than one half of the total shares, in aggregate, and were members of the Board of Directors.

However, the Company had a policy on power balancing by establishing an Audit Committee consisting of 3 independent audit directors with 2 more independent directors, totaling 5 independent directors from 10 directors of the Company, and Chairman of the Audit Committee also held the office of the Chairman of the Board of Directors, which would help enhancing the efficiency and transparency of the management through the control and audit system of the Company and power balancing of executives of the Company. Consequently, the Company was confident that all shareholders, including stakeholders of the Company, would be treated equally and fairly.

Shareholding structure

The Company's securities

The Company has a registered capital of 700.00 million Baht, paid-up capital of 675.00 million Baht divided into 675.00 million ordinary shares with a par value of 1 Baht per share.

Shareholders' List

The first 10 major shareholders (including related persons pursuant to Section 258 of the Securities and Stock Exchange Act B.E. 2535) as at 15 March 2011 were as follows.

No.	List of shareholders	Shareholding	
		Number of shares	Per cent
1.	Mr. Theerawat Thanyalakpark	211,249,989	31.30%
2.	Miss Kessara Thanyalakpark	96,250,000	14.26%
3.	Miss Srivarat Thanyalakpark	96,250,000	14.26%
4.	Miss Umaporn Thanyalakpark	76,250,000	11.30%
5.	Mr. Chatchaval Ua-areetham	20,036,500	2.97%
6.	Mr.Kenneth Rudy Kamon	18,888,700	2.80%
7.	Mr. Somkiat Chatskulvilai	13,848,000	2.05%
8.	Mrs. Sri-anong Keerativaranon	10,000,000	1.48%
9.	Mr. Ekachai Sattabongkoch	7,700,200	1.14%
10.	Thai NVDR Co., Ltd.	6,740,300	0.99%
11.	Minority shareholders	117,786,311	17.45%
Total		675,000,000	100.00%
Registered capital		700,000,000	million Baht
Issued and paid-up capital		675,000,000	million Baht

Dividend Policy

The Company and its subsidiaries had the dividend policy to distribute at least 40 per cent of net profit after corporate income tax of each year of the consolidated financial statement. Dividend distribution would take into consideration the following factors, e.g. results of operation and financial positions of the Company, liquidity of the Company, business expansion and other factors related to the Company management. Such dividend distribution must be approved by the Board of Directors or the shareholder meeting (as the case may be).

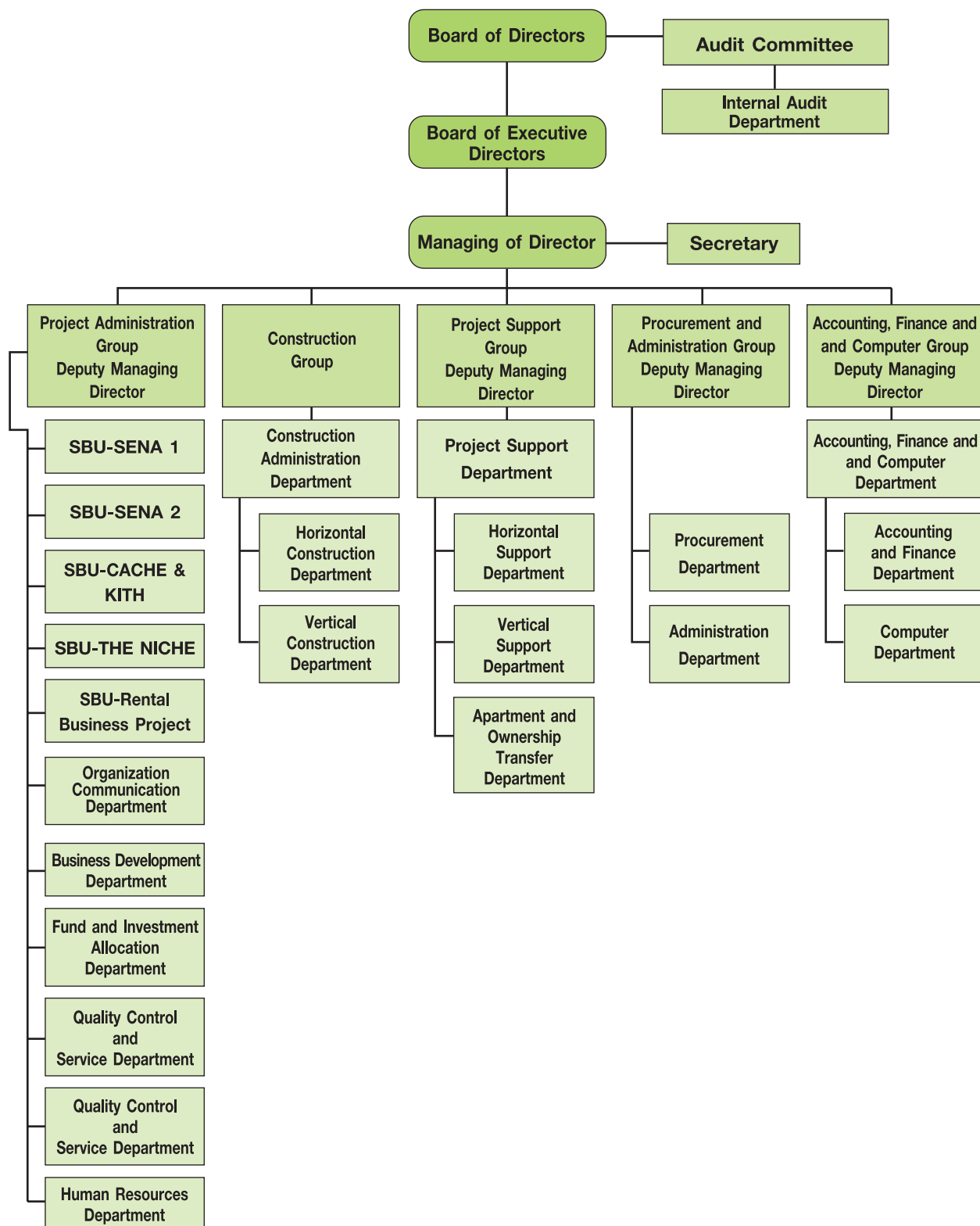
Company's dividend distribution record during 2009-2010 (consolidated financial statement)

(Unit : million Baht)

Description	2009	2010
Net profit	284.10	316.69
Dividend paid	113.87	126.68
Dividend payout ratio (%)	40.08%	40.00%

Management Structure

Organization Chart



Note: The Company currently employed external experts (Chutikan Accounting Office) to audit the Company's internal control system.

Board of Directors

As at 31 December 2010 the Company had 10 directors comprising:

- | | |
|--|--|
| 1. Mr. Vichien Ratanabirabongse | Chairman of the Board of Directors,
Chairman of the Audit Committee, and Independent Director |
| 2. Mr. Kamol Thammanichanond | Audit Committee and Independent Director |
| 3. General Boonsak Khamhaenglitirong | Audit Committee and Independent Director |
| 4. Professor Chaiyos Hemarajata | Director and Independent Director |
| 5. Police General Pichit Kuandachakupt | Director and Independent Director |
| 6. Mr. Theerawat Thanyalakpark | Director, President of Executive Committee,
and Managing Director |
| 7. Miss Benyalak Thanyalakpark | Director |
| 8. Miss Kessara Thanyalakpark | Director |
| 9. Mrs. Weraporn Chaisiriyasawat | Director and Secretary of the Company |
| 10. Miss Umaporn* Thanyalakpark | Director |

Note * - Elected by resolution of 2010 annual general shareholder's meeting on 26 April 2010.

Directors authorized to sign for the Company

Mr. Theerawat Thanyalakpark or Miss Benyalak Thanyalakpark or Miss Umaporn Thanyalakpark, two of whom to co-sign and affix the company's seal.

Scope of power, duties and responsibilities of the Board of Directors

1. Perform duties to ensure compliance with laws, objectives, Article of Association as well as resolutions of shareholder meetings, except for matters requiring approval from shareholder meeting, make related transactions and trading of significant assets pursuant to regulations of the Stock Exchange or as prescribed by other agencies, etc.
2. Consider approving business policies, targets, operation plans, business strategies and annual budgets.
3. Consider approving appointment of qualified persons without disqualifications prescribed in the Public Company Act B.E. 2535 and law governing securities and stock exchange including notifications, rules and/or regulations related to directorship in case the director office is vacated for reason other than vacating office at the end of its term.
4. Consider electing executive directors from directors of the Company and determine scope of their power, duties and responsibilities.
5. Consider appointing independent directors and audit directors taking into consideration their qualifications and disqualifications pursuant to law governing securities and stock exchange including relevant notifications, rules and/or regulations of the Stock Exchange, or propose to shareholder meeting to consider electing as independent directors and audit directors of the Company.
6. Consider determining and amending the list of directors authorized to bind the Company.
7. Appoint any other person to operate the Company's business under supervision of the Board of Directors, or may authorize such person to have such power and/or within such time as the Board deems appropriate, and the Board may cancel, revoke, change or amend such authorization.
8. Consider approving transactions of acquisition or disposal of assets, except if such transactions require approval from the shareholder meeting. Such approval will be in accordance with notifications, rules and/or regulations related to Stock Exchange.

9. Consider approving related transactions, except if such transactions require approval from the shareholder meeting. Such approval will be in accordance with notifications, rules and/or regulations related to Stock Exchange.
10. Consider approving interim dividend distribution to shareholders when the Company has sufficient profit to do so, and report such dividend distribution to shareholder meeting at its next session.

The Board of Directors shall elect one director as Chairman and one or several directors as Vice Chairman or Vice Chairmen as the Board deems appropriate. The Board of Directors must hold at least 1 meeting every 3 months.

Assignment of power, duties and responsibilities of the Board of Director must not be in such manner as authorization or sub-authorization which will enable the Board of Directors or the person authorized thereby to approve transactions in which it or the person has conflict of interest (as defined in the SEC notification) for both the Company and its subsidiaries.

The Audit Committee

As at 31 December 2010 the Company had 3 audit committees comprising:

- | | |
|--------------------------------------|---------------------------------|
| 1. Mr. Vichien Ratanabirabongse | Chairman of the Audit Committee |
| 2. Mr. Kamol Thammanichanond | Audit Committee |
| 3. General Boonsak Khamhaenglitirong | Audit Committee |

Note: The Audit Committee with knowledge and experiences in reviewing financial statements is Mr. Kamol Thammanichanond, with Miss Usanee Chaisongto acting as Secretary of the Audit Committee.

Scope of power, duties and responsibilities of the Audit Committee

1. Review to ensure that the Company's financial report was accurate and adequate.
2. Review to ensure that the Company has appropriate and efficient internal control system and internal audit system and consider independence of the internal audit agency as well as to approve appointment, transfer, and dismissal chief of internal audit agency or any other agency responsible for internal audit.
3. Review to ensure the Company's compliance with law governing securities and stock exchange, requirements of the Stock Exchange and laws related to the Company's business.
4. Consider, select and nominate independent person to act as auditor of the Company and propose remuneration of the person, and participate in at least 1 meeting with the auditor without participation of the Management.
5. Consider related transactions or transactions with possible conflict of interest to ensure compliance with laws and requirements of the Stock Exchange to ascertain that such transactions are reasonable and of optimal benefits to the Company.
6. Prepare report of the Audit Committee by disclosing it in the Company's annual report. Such report must be signed by Chairman of the Audit Committee and must contain at least the following information.
 - (a) Comments on accuracy, completeness and reliability of the Company's financial report;
 - (b) Comment on adequacy of the Company's internal control system;
 - (c) Comments on compliance with laws governing securities and stock exchange, requirements of the Stock Exchange and laws related to the Company's business;
 - (d) Comments on suitability of the Auditor;
 - (e) Comments on transactions with possible conflict of interest;

- (f) Number of meetings of the Audit Committee and participations of each Audit Director;
 - (g) Overall comments or observations obtained by the Audit Committee from the performance of its duties in accordance with the charter;
 - (h) Other matters deemed that shareholders and general investors should know under the scope of duties and responsibilities assigned by the Board of Directors.
7. Perform other duties assigned by the Board of Directors with approval of the Audit Committee.

Board of Executive Committee

As at 31 December 2010 the Company had 5 executive committee comprising:

- | | |
|----------------------------------|-------------------------|
| 1. Mr. Theerawat Thanyalakpark | Chief Executive Officer |
| 2. Miss Benyalak Thanyalakpark | Executive Committee |
| 3. Miss Kessara Thanyalakpark | Executive Committee |
| 4. Mrs. Weraporn Chaisiriyasawat | Executive Committee |
| 5. Mr. Panom Traisuwan | Executive Committee |

Scope of power, duties and responsibilities of the Board of Executive Directors

1. Prepare and present business policies, targets, operation plans, business strategies and annual budgets for approval by the Board of Directors.
2. Determine business plans, managerial power and budgets of the Company for approval by the Board of Directors.
3. Control the Company's business operation to ensure compliance with the business policies, targets, operation plans, business strategies and budgets approved by the Board of Directors efficiently and favorable to the business condition.
4. Have the power to consider approving application for any loan or credit from financial institute as well as payment or expenditure for transaction in the normal course of business of the Company, e.g. expenditure for investment to purchase land or land with structure, investment on construction and expenditure for work execution, within the amount not exceeding 700 million Baht or its equivalence for each transaction, or as assigned by the Board of Directors.
5. Determine efficient organization structure and management covering selection, training, employment and termination of employment of staffs of the Company who are in the Management or high-level executives, possibly by authorizing the Managing Director to sign the employment contracts.
6. Supervise and approve matters related to the Company's business operation and may appoint or assign one or more persons to perform any act on behalf of the Board of Executive Directors as deemed appropriate, and the Board of Executive Directors may cancel, change or amend such authorization.
7. Perform any other duties as assigned by the Board of Directors.

In making authorization referred to above to the Board of Executive Directors, executive directors with interest in any transaction in which they or a person with possible conflict of interest or any other conflict of interest with the Company or its subsidiaries shall not be entitled to vote in the matter. Approval of such transactions with possible conflict of interest may be made in accordance with notification of the Stock Exchange of Thailand re rules, procedures and disclosure of related transactions of listed companies.

The Management Team

As at 31 December 2010 the Company had 4 members of the Management team comprising:

- | | |
|----------------------------------|---|
| 1. Mr. Theerawat Thanyalakpark | Managing Director,
Deputy Managing Director, Project Administration (Acting) |
| 2. Miss Benyalak Thanyalakpark | Deputy Managing Director, Procurement and Administration |
| 3. Mrs. Weraporn Chaisiriyasawat | Deputy Managing Director, Accounting, Finance and Computer |
| 5. Mr. Panom Traisuwan | Deputy Managing Director, Project Support,
Deputy Managing Director, Construction (Acting) |

Scope of power, duties and responsibilities of the Managing Director

1. Has the power to control the Company's work management to ensure compliance with policies prescribed by the Board of Directors or the Board of Executive Directors, and report the result thereof to the Board of Directors or the Board of Executive Directors, respectively.
2. Consider the annual budget allocation prepared by the Management for submission to the Board of Executive Directors for consideration and approval, and control the expenditure of the annual budget of each agency.
3. Consider assessing the Company's business operation regularly to prevent risks from various factors, internal or external.
4. Has the power to issue orders, regulations, notifications, memorandum to ensure that work performance is in accordance with policies of the Board of Directors or the Board of Executive Directors or for the benefit of the Company.
5. Has the power to consider approving procurements and expenditures on matters relating to the normal course of business of the Company, including land purchasing, approval for procurement of construction materials and other relevant services, and the operation costs, selling and administrative costs and investment costs shall be in accordance with budgets approved by the Board of Directors or the Board of Executive Directors, but not exceeding 100 million Baht per each transaction.
6. Consider the obligation of rights and properties of the Company with any party, company, firm or financial institute for submission to the Board of Executive Directors for approval.
7. Consider the profit and loss of the Company, interim dividend distribution or annual dividend distribution for submission to the Board of Directors for approval.
8. Take any action to support the Company's business operation as authorized by the Board of Directors subject to the policy of the Board of Directors.

In granting the power and duties of the Managing Director referred to above will not include the power enabling the Managing Director to approve any transaction in which he or any party with possible conflict, interest or any other conflict of interest (as prescribed by the Article of Association and SEC) made with the Company or its subsidiaries.

In addition, in respect of the Company's subsidiaries, the Boards of Directors of such subsidiaries shall have the power to consider approving procurements and expenditures in respect of their business operation, which includes land purchasing, approval for procurement of construction materials and other relevant services, operating costs, selling and administrative costs and investment costs in accordance with budgets approved by the Board of Directors or the Board of Executive Directors, but not exceeding 50 million Baht per each transaction. If any such transaction exceeds 50 million Baht, the transaction must be approved by the Board of Executive Directors, and if it exceeds 700 million Baht, the transaction must be approved by the Board of Directors.

Secretary of the Company

Pursuant to Section 89/15 of the Securities and Exchange Act B.E. 2535, there shall be a secretary of the Board of Directors and the Secretary of the Company is Mrs. Weraporn Chaisiriyasawat.

Scope of power, duties and responsibilities of the Secretary of the Company

- 1) Prepare and keep the following documents:
 - (a) Director registration;
 - (b) Letters of invitation to attend Board meetings, minutes of Board meetings and annual reports of the Company;
 - (c) Letters of invitation to attend shareholder meetings and minutes thereof.
- 2) Keep reports on interests reported by directors or executives and forward copies thereof to Chairman of the Board of Directors and Chairman of the Audit Committee for information within seven working days of receipt by the Company of such reports.
- 3) Set up a system for storage of documents and evidences relating to the following information and ensure proper and complete storage thereof in verifiable manner for a period of at least five years of preparation thereof.
Storage of documents and evidences referred to above shall mean to include storage with computer system or any other retrievable system without any change in the content thereof.
 - (1) Provision of information for resolution of shareholder meeting;
 - (2) Financial statements and reports on financial position and results of the Company's operation or any other report required to be disclosed under Section 56, Section 57, Section 58 or Section 199 of the Securities and Exchange Act.
 - (3) Comments of the Company when there is any proposal to subscribe shares of the Company from any shareholder in general.
 - (4) Provision of information or any other report relating to the business prepared by the Company for dissemination to shareholders or the general public as required by the Capital Market Supervisory Board.
- 4) Take other actions as to be required by the Capital Market Supervisory Board.
- 5) Perform duties with responsibility, care and honesty and in accordance with laws, objectives, the Article of Association, Board resolutions as well as shareholder meeting resolutions, and refrain from taking any action materially contradictory to, or inconsistent with, the Company's interest.
- 6) Perform duties with responsibility and care in such manner as a reasonable person operating such business should do under the same circumstances by:
 - (1) Making decisions with honest and reasonable belief that such decisions are made for optimal benefits of the Company;
 - (2) Decisions are made based on information honestly believed to be adequate; and
 - (3) Decisions are made without his/her interest, directly or indirectly, in the matters which the decisions are made.

In case the Secretary of the Company vacates office or cannot perform his/her duties the Board shall elect a new Secretary within ninety days of the date the former Secretary vacates office or cannot perform his/her duties.

Director and executive nomination

The Company still had no specific Nominating Committee. Persons nominated to director and executive offices of the Company must be fully qualified as per Section 68 of the Public Company Act B.E. 2535 and Notification No. KJ.12/2543 dated 22 March 2000 of the Securities and Exchange Commission re Rules, Conditions and Procedures for Application for and Approval of Offer for Sale of Newly Issued Shares, without disqualifications as per notification of SEC re requirements regarding executives of companies issuing securities. All directors and executives have no record of committing offense within the period of 10 years retroactively prior to the date of filing of application and have no record of having been subject to a final judgment for bankruptcy, have not violated regulations, procedures, notifications, orders, resolutions or agreement of listing with the Stock Exchange as well as circulars required by the Stock Exchange to comply with, nor committed any offence against property or any offense pursuant to law governing securities and exchange, without any pending dispute or prosecution.

1) Element and nomination of directors

Element of and nomination, election, removal or vacation of office of directors are prescribed in the Article of Association. Shareholder meeting will elect directors in accordance with the following rules and procedures.

1. Each shareholder shall have a number of votes equal to the number of shares held.
2. Each shareholder may exercise all the votes he/she has under (1) to elect one or several persons as director or directors, but may not allot his/her votes to any person in any number.
3. The candidates shall be appointed as directors in order of ranks descending from the highest number of votes received until all of the director positions are filled. Where the vote cast for candidates in descending order tie, which would cause the number of directors to be exceeded, the Chairman of the meeting in which directors are being elected shall have a casting vote.

In every annual ordinary meeting one-third of the directors shall retire and those holding their office longest shall retire first. If the number of directors is not a multiple of three, the number of directors closest to one-third shall retire.

2) Element and nomination of audit directors

The Audit Committee of the Company must consist of at least 3 directors elected by the Board of Directors and have such qualifications as required by law governing securities and exchange including notifications, regulations and/or procedures of the Stock Exchange. At least 1 audit director must have knowledge in accounting and finance. Nominated audit directors must be qualified in respect of independence, i.e.:

- Holding not more than 1 per cent of the total number of shares with the right to vote of the Company, mother company, subsidiaries, associated companies or juristic persons with possible conflicts, including shares held by those related to such independent directors.
- Not being or having been a director involved in the management, staff, employee, advisor with regular salary or a person with controlling power of the Company, parent company, subsidiaries, associated companies, subsidiary at the same level or juristic persons with possible conflicts, except if having ceased being as such for at least 2 years prior to the date of election.
- Not being a person with blood relationship or by law as parent, spouse, sibling and child, including spouse of a child of an executive, major shareholder, person with controlling power or a person to be nominated as executive or person with controlling power of the Company or a subsidiary.
- Having or having had no business relationship with the Company, mother company, subsidiaries, associated companies or juristic persons with possible conflicts in such manner as may hinder his/her

independent discretion, and not being or having been a major shareholder, non-independent director or executive of a person with business relationship with the Company, mother company, subsidiaries, associated companies or juristic persons with possible conflicts, except if having ceased being as such for at least 2 years prior to the date of election.

The business relationship referred to in paragraph one includes the doing of commercial transaction normally dealing with renting or leasing of real estates, transactions relating to assets or services, or provision or receipt of financial assistance by receiving or lending, guaranteeing, using assets as loan collaterals, including other similar circumstances resulting in the Company or the party having debt burden payable to the other party from 3 per cent of the net tangible assets of the applicant or 20 million Baht or more, whichever is the higher. Calculation of such debt burden shall be in accordance with calculation of value of related transactions as per notification of the Stock Exchange of Thailand Board of Directors re disclosure of information and operation of listed companies in related transactions, mutatis mutandis. But in considering such debt burden, all debt burdens incurred during 1 year prior to the date of business relationship of the same person shall be included.

- Not being or having been auditor of the Company, mother company, subsidiaries, associated companies or juristic persons with possible conflicts, and not being major shareholder, non-independent director, executive or managing partner of an auditing office with auditor of the Company, mother company, subsidiaries, associated companies or juristic persons with possible conflicts, except if having ceased being as such for at least 2 years prior to the date of election.
- Not being or having been any professional service provider, including provision of service as legal advisor or financial advisor or appraiser with service fee of exceeding 2 million Baht per year from the Company, mother company, subsidiaries, associated companies or juristic persons with possible conflicts. In case the professional service provider is a juristic person, this shall include the being of major shareholder, non-independent director, executive or managing partner of the professional service provider, except if having ceased being as such for at least 2 years prior to the date of election.
- Not being director elected as representative of any director of the Company, major shareholder or shareholder related to any major shareholder of the Company.
- Having no other qualifications preventing provision of independent comments on the Company's business operation.
- Independent directors with qualifications under 1-8 may be assigned by the Board of Directors to make decisions in the operation of business of the Company, parent company, subsidiaries, associated companies, subsidiary at the same level or juristic persons with possible conflicts with a collective decision.

3) Element and nomination of executive directors

The Board of Directors shall nominate persons to hold offices of executive directors in the Board of Executive Directors from a number of directors and/or executives as deemed appropriate.

Board meetings

There were 5 Board of Directors meetings in 2010 and 4 Audit Committee meetings, participated by the following:

List of directors	Number of participations/number of meetings	
	Board of Directors meeting	Audit Committee meeting
1. Mr. Vichien Ratanabirabongse	5/5	4/4
2. Professor Chaiyos Hemarajata	4/5	–
3. Gen. Boonsak Khamhaenglitirong	5/5	4/4
4. Mr. Kamol Thammanichanond	5/5	4/4
5. Pol. Gen. Pichit Kuandachakup	5/5	–
6. Mr. Theerawat Thanyalakpark	5/5	–
7. Miss Benyalak Thanyalakpark	5/5	–
8. Miss Kessara Thanyalakpark	5/5	–
9. Mrs. Weraporn Chaisiriyasawat	5/5	–
10. Miss Umaporn Thanyalakpark	4/5	–

Remunerations of directors and executives

1) Monetary remunerations

1.1 Remunerations of directors

The 2010 annual ordinary shareholder meeting approved the determination of remunerations of directors and audit directors for 2010 in the total amount not exceeding 820,000 Baht. Details on the remunerations of directors for 2009-2010 are as follows.

Unit : Baht

List of directors	2009 meeting allowance		2010 meeting allowance	
	Director	Audit director	Director	Audit director
1. Mr. Vichien Ratanabirabongse	150,000	80,000	120,000	80,000
2. Professor Chaiyos Hemarajata	100,000	–	60,000	–
3. Gen. Boonsak Khamhaenglitirong	100,000	40,000	80,000	40,000
4. Mr. Kamol Thammanichanond	100,000	40,000	80,000	40,000
5. Pol. Gen. Pichit Kuandachakup	80,000	–	80,000	–
6. Mr. Theerawat Thanyalakpark	–	–	40,000	–
7. Miss Benyalak Thanyalakpark	–	–	40,000	–
8. Miss Kessara Thanyalakpark	–	–	40,000	–
9. Mrs. Weraporn Chaisiriyasawat	–	–	40,000	–
10. Miss Umaporn Thanyalakpark	–	–	30,000	–
Total	530,000	160,000	610,000	160,000

Note: There was 1 circulating session of Board of Directors meeting in 2010 without granting meeting allowance to directors

1.2 Remunerations of executive committee

All executive directors waived their remunerations as executive committee by receiving on remunerations of management only.

2. Remuneration of executives

Remuneration of executives	2009 fiscal year		2010 fiscal year	
	Number (persons)	Amount (Baht)	Number (persons)	Amount (Baht)
Salaries and bonuses	5	6,224,422	4	6,692,482

2) Non-monetary remunerations

- Nil -

Good Corporate Governance

The Board of Directors held on to the policy on compliance with management principles with good corporate governance system and process as main factor in strengthening the organization systematically and efficiently by determining to operate the business in accordance with good corporate governance to create the mechanism leading to the success in the business operation towards efficiency and effectiveness and fairness to all parties related to the Company, whether being shareholders, stakeholders, committees, executives and personnel of the Company, and in harmony with requirements of the Stock Exchange, by dividing into 5 chapters as follows.

Chapter 1 : Rights of shareholders

The Board of Directors emphasized on the rights of shareholders by refraining from committing any act of infringement or eviction against shareholders, and facilitating shareholders in exercising their rights. Procedures were established to ensure that basic rights of shareholders would be protected as follows.

- The Company would regularly inform all shareholders of the progress in the business operation by informing them directly or through the Stock Exchange.
- The Company would organize 1 annual ordinary shareholder meeting within 4 months of the end of the fiscal year (31 December of every year), and should there be any urgent matter the Company might call any extraordinary shareholder meeting as necessary.
- The Company would send letter of invitation to shareholder meeting together with adequate information on agendas of the meeting at least 7-14 days in advance of the meeting date in accordance with the Article of Association and/or as required by law, and required that comments of the Board of Directors be given in support of consideration for resolution of shareholders in all agendas of the meeting, and comments of the Audit Committee in significant agendas or as required by law.
- In organizing shareholder meeting, the Company would use and arrange such venue with convenient access thereto and select suitable meeting date and time for shareholders.
- The Company would publish the letter of invitation to the meeting, in both Thai and English versions, 30 days in advance of the meeting date through the Company's website www.senadevelopment.com re "Information for investors" under the heading "Shareholder meeting" for shareholders to have sufficient time to study the information beforehand by notifying through the news system of the Stock Exchange.
- Before commencing shareholder meeting, the Company would inform shareholders of their rights under the Articles of Association to participate therein and resolve and exercise the right to vote, and the right to make comments and allow shareholders arriving late to participate and vote in the meeting. The Company also has a policy to refrain from committing any act limiting opportunities of shareholders, and arrange non-complicated meeting registration steps and voting method to facilitate shareholders' exercise of rights. The Chairman of the Board or of the meeting would allocate sufficient meeting time and allow shareholders to inquire and make comments or recommendations equally, and record significant issues discussed at the shareholder meeting in the minutes thereof. The Chairman of the meeting, the Board of Directors and directors specifically in charge of matters concerned would participate to provide information and respond to inquiries on matters concerned.
- After conclusion of shareholder meeting the Company would inform the Stock Exchange of resolutions passed by the meeting and prepare the minutes thereof for dissemination through the Company's website within 14 days of the shareholder meeting date for shareholders to comment and review.

Chapter 2 : Equitable treatment of shareholders

The Company was aware of the equitable treatment of all shareholders of all groups, whether being major or minor ones, institutional investors or foreign shareholders, by establishing the following practices.

- In case any shareholder expresses the desire to the Company to propose any additional agenda on any matter at least 3 days prior to the meeting date, and the Board of Directors considers that such agenda is beneficial to the Company and shareholders, the Company has a policy to facilitate taking up such agenda for consideration by the meeting by notifying shareholders of such additional agenda through the Stock Exchange.
- In case any shareholder expresses the desire to the Company to nominate any person to the office of director of the Company by sending supporting information on qualifications and letter of consent of the nominee in full at least 3 months in advance of the meeting date, the Company has a policy to consider nominating the person to the office of director to replace the director vacating the office at the end of the term in each year and present to shareholder meeting for consideration and resolution.
- The Company arranged for all shareholders to receive information of the Company accurately, adequately, timely and equitably in respect of the meeting date, meeting agendas and details of each agenda to support their decision making in the shareholder meeting. The Company, therefore, sent the letter of invitation to every meeting earlier than the time required by law and published supporting information for the meeting agendas in advance in the Company's website before sending the documents to allow shareholders time to study the information comprehensively.
- Any shareholder who cannot personally participate in a meeting may authorize a third party to participate and vote therein as proxy. The Company also nominated any independent director or any person as proxy by attaching to the letter of invitation type B. power of attorney, whereby shareholders could direct their vote in each agenda, which is the format prescribed by the Ministry of Commerce, and clearly indicated details of supporting documents to the power of attorney. The Company also published type A, type B and type C (for foreign shareholders appointing custodian in Thailand) powers of attorney in the Company's website for downloading by shareholders.
- In shareholder meeting, the Company allowed shareholders to register prior to the time prescribed for the meeting.
- Chairman of the meeting would explain the voting procedures and conduct the meeting in accordance with the agendas in the letter of invitation to the meeting without adding any agenda of which shareholders were not informed in advance. The Chairman of the meeting would explain on details of the agendas and allow shareholders equitable right to examine the Company's business operation, make inquiries, comments and recommendations before voting and counting votes. All shareholders could vote equitably.
- In a shareholder meeting the Company required that the voting rights be in accordance with the number of shares held by respective shareholders and one share would be entitled to one vote. All shareholders could vote equitably and actions would be taken to ensure that all shareholders receive accurate, adequate time and equitable information of the Company regarding the meeting date, meeting agendas and details of each agenda to support their decision making in the meeting. After explaining details of the agendas, shareholders would be given equitable right to examine the Company's business operation.
- The Company provided voting forms and adopted a clear practice to prevent conflict of interest. All directors holding shares of the Company are deemed stakeholders. If any director had interest in any agenda the director must disclose it to the meeting and would have no right to vote in the agenda. For agenda on election of directors, for transparency and verifiability the Company would propose that voting be made to elect director individually from the list of nominees considered by the Board of Directors.
- The Company had a means to prevent the use of internal information of the Company by prescribing under the headings of ethics and disciplinary actions in the staff manual distributed to all staffs of the Company.

- The Company had a policy and means to prevent directors and executives to make use of significant information with effects upon investment by informing the Stock Exchange of resolutions of all Board of Directors meetings immediately before opening of its next round of trading, thus preventing directors and executives from using the internal information for their personal benefits, and all directors and executives must report to SEC Office within 3 working days on their possession of securities every time they purchase or sell securities.

Chapter 3 : Role of stakeholders

The Company respects the rights of all groups of stakeholders and prescribed as code of conduct in its ethics to ensure that any legal right in respect of stakeholders, whether internal, i.e. staffs and executives of the Company and subsidiaries, or external, i.e. customers, trade partners, shareholders, investors, independent auditor, competitors, communities as well as other agencies in the society, would be cared for. The Company was also aware of support of stakeholders in various groups which would create the competitiveness and profits for the Company deemed as the Company's success in the long run and enabled the Company to keep on operating the business well and stably with fair yields for all parties. The Company would comply with all requirements of relevant laws and regulations and would be aware of its responsibilities towards the society and consumers and take into consideration the rights of those stakeholders and would fairly care for them by listening to comments or recommendations of those stakeholders before committing any act affecting stakeholders of all groups. Details are as follows.

- Treat staffs equitably and fairly and give appropriate rewards.
- Purchase of goods and services from trade partners is in compliance with trade conditions and treat trade partners in accordance with agreements made.
- Take care of customers and is responsible for customers both in respect of residence quality and service provision.
- Comply with loan conditions in accordance with agreements made with creditors granting loans to the company.
- Comply with good competition rules; avoid dishonest practice to destroy trade competitors.
- Is responsible for the environment of communities and society and support activities in the communities to support the society in appropriate times and opportunities.

Chapter 4 : Information disclosure and transparency

The Company emphasized on accurate, complete, transparent, truthful, reliable, regular and time disclosure to investors and related parties equitably under requirements of the Stock Exchange and SEC Office. All information were disclosed both in Thai and English versions in respect of general information, financial report as well as other significant information with effects upon the value of the Company's securities and information disclosed to analysts and investors. The Company would contact with investors and disclose information through various channels as follows.

- Through the news system of the Stock Exchange and the Company's website www.senadevelopment.com.
- The Company would forward all financial statements together with the information submitted to the Stock Exchange and SEC Office.
- The Company established a specific agency to supervise the dissemination of information to shareholders, analysts and institutions concerned. Investors could inquire on such information at tel. 0-2541-5014-22 of Email address: IR@senadevelopment.com and the Company added another channel for access to

the information by interested parties equitably through the website www.senadevelopment.com.

- The Company had activities in presenting information, directly and indirectly, i.e.:
 - Analyst meeting;
 - Site visit;
 - Information presentation on the Opportunity Day.

Chapter 5 : Responsibilities of the Board of Directors

1. Structure of the Board of Directors

The Company set up qualifications of prospective nominees for directorship in accordance with relevant laws taking into consideration experiences and expertise from various professions in various businesses. They must also have such knowledge and capacities to supervise the Company efficiently and adequately. Election of directors and executive directors was in accordance with rules and nomination process to find nominees with suitable qualifications transparently and reliably through the screening by the Board of Directors and/or shareholders. The Company prescribed duties and responsibilities of the Board and subcommittees and clearly specified the term of office of directors in the Company's management program (as per details in 8.2).

The Board of Directors consists of 10 directors comprising 3 audit and independent directors, 2 independent directors and 5 executive directors.

The Chairman of the Board of Directors is the same person as the Chairman of the Audit Committee and is dependent from the Management. The Board of Directors structure consists of 5 independent directors out of 10 directors, thus balancing the power and can review the work management.

The term of office of directors is 3 years each. Upon expiration of the term the Board of Directors will consider electing nominees with appropriate and relevant qualifications to fill the vacancies. Directors vacating office at the end of their term may be reelected for another term.

2. Subcommittee

The Board of Directors appointed the Audit Committee to assist in supervising the business of the Company. Power and duties of the Audit Committee are as per details in the management structure.

3. Roles, duties and responsibilities of the Board of Directors

The Board of Directors is involved in prescribing policies, targets, business plans and budgets of the Company, and supervises the Management to perform in accordance with the plans and budgets allocated proficiently and effectively.

The Company sets up policies for the Board of Directors to be responsible for the consolidated financial statement and specific financial statement of the Company by requiring the Audit Committee to review and assess the internal control system to ensure efficiency thereof to create confidence for all interested parties and the Board of Directors prepares report on the responsibility of the Board towards financial report, including the financial information contained in the annual report. Such financial statements are prepared in accordance with generally accepted accounting standards in Thailand by selecting appropriate accounting policies regularly practiced and using the discretion carefully and the best estimate in the preparation thereof. Significant information is disclosed adequately in the notes to the financial statements for benefits of shareholders and general investors to be aware of information which presents fairly and reasonable the financial positions and results of operation. Quality of the financial report is contained in the report on the responsibilities of the Board of Directors towards the financial statements in the annual report.

Moreover, the Company clearly prescribes the scope of power and duties of each committee, especially the Board of Executive Directors and the Managing Director, thus resulting in such committees or person having no exclusive power, and there is a balance in significant resolutions which require approval from the Board of Directors or shareholder meeting (as the case may be), and directors could not approve any transaction in which they or their related persons and close relatives are interested.

The Board of Directors arranges to maintain an effective internal control system to ensure reasonably that accounting transactions are accurate, complete and adequate to maintain properties and to become aware of weak points to prevent dishonesty or material unusual actions.

The Board of Directors appointed the Audit Committee to take care of the quality of the financial report and the internal control system. Currently, the Company appointed Chutikan Accounting Office, which is an external expert, to assess the internal control system of the Company and to provide advice, examine, assess and monitor the internal control system, the risk management system, the supervision of the business and report directly to the Audit Committee.

4. Board meetings

The Board of Directors would hold regular meetings once every 3 months or at least 4 meetings per year. In 2010 the Company held 5 Board of Directors meetings with 1 circulating session totaling 6 meetings. In addition, the Company could hold extraordinary meetings as necessary by clearly specifying the agendas in advance, with regular follow-ups on the results of operation. In each meeting, the letter of invitation together with agendas of the meeting would be sent at least 7 days before the meeting the date to allow the Board ample time to study the information before the meeting. The Chairman would allocate sufficient time for directors to comment freely on various issues. If any director had interest in the matter being considered, the director would not make decision in such matter. Minutes of the meeting would be prepared and maintained systematically and verifiably.

5. Self evaluation of the Board of Directors

The Company prepared a self evaluation form for the Board of Directors. Such form is prepared by the Stock Exchange of Thailand and adjusted by the Company to suit its Board of Directors. Such form helps each director and the Board to consider and review all problems and difficulties during the past year whether there is any issue in need of improvements, e.g. receipt of information, opportunities allowed by the Chairman for directors to present their views, or issues which should be developed in the future. It also serves as a tool to help checking and analyzing if the Board's performance is efficient and in full compliance with its duties or not.

6. Remunerations of directors and executives

The Company has not yet established a nominating and remuneration committee and, therefore, remunerations of directors were determined by the Board of Directors, but in a clear and transparent manner that the remunerations would be at the same level as the industry and appropriate to the duties and responsibilities assigned, and at a high enough level to attract and retain directors with the required qualifications, and approved by the shareholder meeting. Remunerations of executives were in accordance with principles and policy prescribed by the Board of Directors corresponding to the achievements of the Company and the performance of each executive.

7. Director and executive development

The Company urged the Board and high-level executives to participate in seminars with courses beneficial to their performance organized by government agencies or private organizations. All directors would be urged to participate in training courses relevant to them organized by the Thai Institute of Directors (IOD).

Supervision on the use of internal information

The Company has a policy prohibiting directors and executives from using essential internal information not yet disclosed to the public for benefits of their own or others including trading of securities of the Company as follows.

1. Inform executives in various departments to become aware of their obligations to report the possession of securities by themselves, their spouses and non sui juris children, as well as to report on changes to the possession of securities pursuant to Section 59 and the penal provisions pursuant to Section 275 of the Securities and Exchange Act B.E. 2535.

2. Send circular to inform executives that executives who are aware of essential internal information with impacts upon the changes to security value should avoid or refrain from trading of the Company's securities for 1 month and not disclose such essential information to any third party before the financial statement or internal information is disclosed to the public, and set penalization measure and inform them of the penal provisions starting from verbal warning, written warning, suspension and dismissal, respectively.

3. Time schedules for announcement of operation results and essential information effecting changes to security value and impacting upon the Company's financial statements are 45 days of the end of a quarter and 60 days of the end of the fiscal year.

In order to supervise and investigate on such conduct the Company had a policy requiring executives who are required to prepare report on possession and changes to the possession of securities pursuant to Section 59 to inform the Board of Executive Directors thereof. In addition, the Company informed directors and staffs involved with internal information, in writing, to strictly comply herewith and offenders would be penalized in accordance with the Article of Association.

Internal Control

The Board of Directors Meeting No. 1/2554 held on 24 February 2011 participated by all 3 audit directors made assessment on the adequacy and appropriateness of the internal control system of the Company. The Company emphasized on the arrangements of the internal control system, both at the executive level and the operative level, to ensure efficiency and effectiveness by employing Chutikan Accounting Office, which is an expert in examination of internal control system, to check and establish the internal control checking system for the Company and its subsidiaries for all quarters starting from the 3rd quarter of 2005 up to present. The Board of Directors also inquired the Management to follow up on the internal performance based on observations and assessment made by the internal auditor and the Board of Directors. The results of assessment of the internal control system of all quarters of 2010 of the Company and its subsidiaries were satisfactory by being capable of summarizing the results of assessment of internal controls system broken down by 5 elements in accordance with the form on assessment of adequacy of the internal control system of the Security and Exchange Commission Office as follows.

Organization and the environment

The Company had appropriate organization structure and supported the Management to perform efficiently. Targets and performance guidelines were clearly established and measurable. Performance policy and procedures including Code of Conduct were prepared in writing to prevent damages to properties of the Company and its subsidiaries and prevent executives and staffs from seeking undue benefits.

Risk management

Executives of the Company emphasized on risk management by assessing risk factors, both external and internal. Regular analyses were made by executives in the monthly meetings to consider the operation results and were followed up in the monthly meetings on the progress of the compliance with the risk management plan.

The Management performance control

The Company prescribed the scope of power, duties and amounts authorized to be approved by the Management at each level clearly and in writing. Duties were clearly classified and specified in the requirements on performance ethics. In addition, in making transactions with major shareholders, directors, executives or parties related thereto, the Company prescribed concise measure to monitor and prevent conflicts of interest to maintain optimal benefits of the Company. Operations of subsidiaries were regularly monitored and guidelines was established for persons nominated by the Company as directors or executives in said subsidiaries to comply with.

Information system and data communications

The Company emphasized on the information system and data communications to ensure that information of the Company was accurate and adequate for decision making by executives and the Board of Directors. There was a system for storage of documents supporting accounting transactions in full by categories and accounting policies in accordance with generally accepted accounting principles appropriate to the nature of the Company's business were used.

Monitoring system

The Company monitored the operation results by comparing with the established targets on a regular basis. In case any material defect was found, it would be reported to the Board of Directors and/or the Audit

Committee to take remedial action and report on the progress thereof. Moreover, the Company also had a policy requiring the Management to report to the Board of Directors immediately in case of corruption, illegal act and other unusual acts which could materially impact upon reputation and financial positions of the Company.

Summary of the internal audit of the Company as per opinions of the internal auditor

Whereas the Chutikan Accounting Office, as the Internal Auditor of the Company and its subsidiaries, has examined the work performance of various departments and assessed the internal control of each system for all quarters of 2010 and found that the Company had adequate internal control system and continuous compliance. Observations made by the Internal Auditor were issues on documentation of internal work performance in each department, which observations had no material impact upon the Company's operation, and executives of each department has investigated thereon and taken remedial actions.

Related Transactions

The Company had related transactions with parties concerned, which were transactions made with subsidiaries and related companies. Those companies were related by having some common shareholders and/or directors. The related transactions were disclosed in the notes to the financial statements audited/reviewed by the Company's auditor, and the Audit Committee has made comments on appropriateness of such transactions that they were in accordance with the normal course of business of the Company, reasonable, with prescriptions of prices and other conditions in accordance with market prices similar to those made for other parties or non-related business, and had no transfer of interest among the Company, subsidiaries, related companies and persons with possible conflict of interest.

The Company and its subsidiaries had the following transactions with related persons during the 2010 fiscal year.

Related person	Relationship	Transaction	Value (million Baht)				Necessity/reasonability
			31 Dec 2009	Increasing	Decreasing	31 Dec 2010	
1. Sinsap Thanya Co., Ltd.	Being a company of a director's relative (Mr. Theerawat Thanyalakphark)	<ul style="list-style-type: none"> - The Company had outstanding debt under promissory note issued to pay for land purchased from Sinsap Thanya Co. - The Company had interest payable to Sinsap Thanya Co. - The Company had unpaid interest from promissory note 	153.21	125.86	(132.18)	146.89	- Charging interest at time deposit rate of commercial bank to compensate for extension to maturity of the promissory note.
		- The Company leased out office space to Sinsap Thanya Co., Ltd. for the rent of 8,500 Baht per month expiring 31 Dec 10	0.10			0.10	- Rental rate is reasonable with normal term of payment.
		- The Company rented warehouse from Sinsap Thanya Co. at the rent of 5,000 Baht per month expiring 31 Dec 10	0.06			0.06	- Rental rate is reasonable with normal term of payment.
2. Baan Ruam Tang Fhun Co., Ltd.	Being a company of directors (Mr. Theerawat /Miss Benyalak/ Miss Kessara Thanyalakphark)	- VAM, a subsidiary, leased out office space to Baan Ruam Tang Fhun Co., Ltd. at the rent of 17,000 Baht per month expiring 31 Dec 10.	0.20			0.20	- Rental rate is reasonable with normal term of payment.
3. Pattaya Country Club Co., Ltd.	Being a company of a director's relative (Mr. Theerawat Thanyalakphark)	- The Company leased out office space to Pattaya Country Club Co., Ltd. for the rent of 17,000 Baht per month expiring	0.14			0.14	- Rental rate is reasonable with normal term of payment.

Related person	Relationship	Transaction	Value (million Baht)				Necessity/reasonability
			31 Dec 2009	Increasing	Decreasing	31 Dec 2010	
4. Tree Plan Enterprise Co., Ltd.	Has common directors with the Company, i.e. Mr. Theerawat and Miss Kessara Thanyalakphark	<ul style="list-style-type: none"> - The Company leased out office space to Tree Plan Enterprise Co., Ltd. for the rent of 1,100 Baht per month (agreement cancelled May 09) 	0.005			0.00	- Rental rate is reasonable with normal term of payment.
5. A party by Khun Sri-anong Kirativaranon and/or Saowalak Auyornsong	<ul style="list-style-type: none"> - Being a party of director's mother (Ms. Kessara Thanyalakphark) - Khun Saowalak Auyornsong, staff of SPE and SPH 	<ul style="list-style-type: none"> - SPH, a subsidiary, leased out warehouse with 4-room commercial building at the rent of 20,000 Baht expiring 31 Jul 11 (agreement cancelled Mar 10) 		0.24		0.06	- SPH did not make use of such property and the rental rate is reasonable.
6. S P R Engineering Co., Ltd.	Has common directors and shareholders with a subsidiary, namely Mrs. Boontuen Suebnol, holding 20% in SPE and 25% in SPH	<ul style="list-style-type: none"> - The Company employed S P R Engineering Co. Ltd. as contractor in some projects. - SNA, a subsidiary, employed S P R Engineering Co. Ltd. as contractor in SENA Villa Lamuluka Klong 2 Project - SNA had trade account payable balance. - The Company had outstanding performance bond. 	0.69 0.16 0.00 0.00	 1.46 0.22	 0.00 0.00	10.14 0.00 1.46 0.22	S P R Engineering Co., Ltd. had experiences in construction and the employment was made at market price (general remuneration) with retention money deductions.
7. Rattanapol Co., Ltd.	Being a company of a director's relative (Mr. Theerawat Thanyalakphark)	<ul style="list-style-type: none"> - The Company employed Rattanapol Co. Ltd. as contractor in some projects. - SNA, a subsidiary, employed Rattanapol Co. Ltd. as contractor. - VAM, a subsidiary, employed Rattanapol Co. Ltd. as contractor. - The Company had trade account payable balance. - SNA had trade account payable balance. 	4.60 0.85 0.00 0.59 0.06	 0.11 0.13	 0.00 0.00	5.07 0.94 0.29 0.70 0.19	Rattanapol Co., Ltd. had experiences in construction and the employment was made at market price (general remuneration) with retention money deductions.
8. B.V. Asset Co., Ltd.	Being a party of director's mother (Ms. Kessara Thanyalakphark)	<ul style="list-style-type: none"> - A subsidiary sold land with structure in Praemaporn Klong 4 Project to B.V. Asset Co., Ltd. - A subsidiary sold land with sales office building in Praemaporn Klong 4 Project to B.V. Asset Co., Ltd. 	0.00 0.00			3.00 38.00	<ul style="list-style-type: none"> - The selling price was higher than the assessed price of the Land Department. - The selling price was higher than the assessed price of the Land Department but lower than the independent assessed price of 54.39 million Baht.

Related person	Relationship	Transaction	Value (million Baht)				Necessity/reasonability
			31 Dec 2009	Increasing	Decreasing	31 Dec 2010	
9. Ms. Boontuen Suebnoi	Being a director of a subsidiary (SPE)	<ul style="list-style-type: none"> - The Company borrowed advance money from Ms. Boontuen. 	14.60	0.00	(3.00)	11.	<ul style="list-style-type: none"> - The Company borrowed short-term advance for normal operation cost with no interest and benefited therefrom.
10. T Treasury Holding Co., Ltd.	Being a company of directors (Mr. Theerawat/Miss Benyalak/Miss Kessara Thanyalakphark)	<ul style="list-style-type: none"> - The Company sold all investment in SPH, a subsidiary, to Ms. Boontuen. 	0.00			0.75	<ul style="list-style-type: none"> - To recover the invested money and as SPH had no property in business operation, the Company sold at par value, close to book value but higher than cost.
11. Tunjaroen Co., Ltd.	Being a party of director's mother (Ms. Kessara Thanyalakphark)	<ul style="list-style-type: none"> - The Company had interest payable under a promissory note. - SNA, a subsidiary, executed a purchasing agreement for land at Sukhumvit Soi 50 from Tunjaroen Co., Ltd. 	0.39			0.00	<ul style="list-style-type: none"> - Charging interest at time deposit rate of commercial bank.
			200.00			0.00	<ul style="list-style-type: none"> - Buying land with potential for development as condominium project for sales (Tunjaroen Co., Ltd. did not operate the real estate development business). The purchasing price was lower than the assessed price by independent appraiser of 296 million Baht. Such transaction was approved by resolution of SNA Board of Directors meeting No. 4/2552 on 17 Apr 09.

Opinions of the Audit Committee

The Board of Directors meeting, by the Audit Committee, considered and reviewed jointly with executives of the Company and found that connected transactions with individuals or juristic persons with possible conflict which occurred during 2010 were reasonable and the pricing or conditions of such transactions were fair and have been compared with assessed prices by neutral appraisal company or compared market prices as appropriate, and the Company did not suffer any loss.

Measures or steps of approval of connected transactions

Transactions made between the Company and its subsidiaries with directors, executives or related parties must be in accordance with general commercial conditions or with commercial agreements in the same manner as reasonable people should do with general parties in the same situation with commercial bargaining power without influence of the capacity of director, executive or related party (as the case may be) under reasonable conditions, verifiable and creating no transfer of interest.

The Company prescribed measures on connected transactions of the Company and its subsidiaries with related parties in case such connected transactions are not normal commercial transactions preventing executives and interested parties from involving in granting approval of such transactions. The Company would arrange for the Audit Committee to make comments on necessity and appropriateness of the transaction by considering from various conditions. In case the Audit Committee does not have expertise in considering connected transactions which may occur, the Company will require an independent expert or the auditor of the Company or an independent appraiser to make comments on such connected transactions to the Audit Committee for the Audit Committee to use in making decision and comments to the Board of Directors or shareholders as the case may be to approve such transactions before commencing them.

The Board of Directors must ensure that the Company complies with law governing securities and stock exchange and regulations, notifications, orders or requirements of the Stock Exchange of Thailand as well as with the requirements on disclosure of information on connected transactions and acquisition or disposal of essential assets of the Company or its subsidiaries. In addition, the Company will disclose the connected transactions in the notes to the financial statement audited by the auditor in accordance with the accounting standard prescribed by the Institute of Certified Accountants and Auditors of Thailand, and in case the Company or its subsidiaries agree to make any connected transaction or transaction on acquisition or disposal of assets of the Company or the subsidiaries in accordance with the meaning defined by applicable notification of the Stock Exchange of Thailand, the Company will comply with rules and procedures prescribed by such notification in that matter.

Policy or trend of connected transactions in the future

In its meeting No. 4/2551 held on 13 November 2008 the board of Directors has approved, in principle, commercial agreements with general commercial conditions in making transactions between the Company and its subsidiaries with directors, executives or related parties. In the future, the Company and its subsidiaries had no policy to lend money/guarantee/advance money to directors, executives or related parties and parties with possible conflict of interest or interested parties, except only as assistance in case of doing a related business in accordance with proportion of shareholding in subsidiaries. The Company had no policy to trade lands through related parties, parties with possible conflict of interest or interested parties (without paying commission or designating as agent with remunerations). The Management might make connected transactions under the principles on commercial agreements with general commercial conditions and the Company must prepare summarizing report to the Audit Committee every quarter.

Future measures to prevent conflict of interest

For companies operating the real estate business and qualified as related companies of the Company because there are common directors and/or shareholders under relevant regulations of SEC Office and the Company does not arrange the structure to incorporate such companies under the Company's control power, for transparency in the Company's management and to comply with guidelines under regulations of the Securities and Exchange Act B.E. 2535 regarding protection of interest of minor shareholders, the Company executed agreements with such companies to determine framework in the operation of business of each company to eliminate chances of conflict of interest with the Company.

Should there be any transaction between the Company and the above-mentioned related companies, the Company would deem it as a transaction with a party with possible conflict to be reviewed by the Audit Committee and presented to the Board of Directors to consider making the transaction. Any director with interest or might have any conflict of interest in any connected transaction could not be involved in consideration for approval of the connected transaction. The regulations of the Stock Exchange governing related transactions would be complied with and disclosure would be made in the notes to financial statement, the annual transaction list (56-1) and the annual report on a continuous basis.

As for the measure to prevent breach of agreements of the various companies, the Board of Directors monitored and checked such transactions by considering from reports of the Audit Committee which reviewed the transactions. An external expert, namely Chutikan Accounting Office, was employed to check and report on material changes to the business operation to the Audit Committee every quarter.

Management's Analysis

1. Operating Result

Overview of past achievements

The Company had long experiences and expertise in operating the residential real estate development business for over 20 years and had products covering all requirements of customers, both the horizontal residences, e.g. single houses, twin houses, townhouses and commercial buildings, and vertical residences, e.g. condominiums and apartments, in all price levels appropriate to main target customer groups of the Company, and the project development in all locations had potentials, e.g. community growth, availability of basic public utilities etc. Moreover, the Company also had real estate projects for rent on monthly and daily basis to respond to requirements of customer groups.

In 2010 the Company and its subsidiaries had a gross income of 1,248.42 million Baht, decreasing by 8.60 per cent from the previous year, a net profit of 316.70 million Baht, representing 25.37 per cent of the gross income. As at 31 December 2010 the Company and its subsidiaries had a total of 17 residential real estate development for sales projects in progress, with outstanding value of approximately 2,144.93 million Baht altogether after gradual conclusion of sales and recognition of earnings, and had residential real estate development for rent projects comprising the “SENA House Ratchayothin” 159-unit Apartment Project for rent on monthly/daily basis, and the “Warehouse Sukhumvit 50” 22-unit warehouse for Rent. Currently, the two projects were operational, and the “SENA House Lamlukka Klong 2” 40-unit Apartment Project for rent on monthly/daily basis, and the “SENA Fest” Community Mall Space for Rent Project at Jaroen Nakhon Road, Bangkok, would be operational in 2011.

Performance in 2010

Revenues

Revenues from Sales by Project Categories and Total Revenues (Consolidated Financial Statement)

Revenues	2009		2010	
	Mil Baht	% of revenue	Mil Baht	% of revenue
Revenues from residence sales				
SENA Grand Home	113.80	8.3%	119.23	9.5%
SENA Green Ville	281.70	20.6%	245.49	19.7%
SENA Villa	240.90	17.6%	285.87	22.9%
The Niche	393.70	28.8%	42.84	3.4%
The Cache	236.60	17.3%	379.44	30.4%
Praemaporn Klong 4	8.00	0.6%	5.99	0.5%
Praemaporn Klong 7	62.10	4.5%	38.41	3.1%
The Kith	0.0	0.0%	111.35	8.9%
Total revenues from sales	1,336.80	97.9%	1,228.63	98.4%
Revenues from land sales	12.00	0.9%	0.00	0.0%
Revenues from rents and services	17.17	1.2%	19.79	1.6%
Total revenues	1,365.97	100.0%	1,248.42	100.0%
Other incomes	21.4		112.01	

Note: There were in 2010 revenues of 48.44 million Baht from sales of commercial buildings and 331.00 million from sales of condominiums.

The Company had total revenues of 1,248.42 million Baht in 2010, comprising 1,228.63 million Baht from sales of residences, divided into revenues from horizontal and vertical projects of 743.44 million Baht and 485.19 million Baht, or 60 per cent and 40 per cent, respectively, and revenues from rents and services of 19.79 million Baht.

The Company and its subsidiaries had other revenues of 112.01 million Baht in 2010 from special transactions, for example, earnings from sales of properties, earnings from sales of investment in subsidiary, and recognition of fair value of investment which was higher than the cost of investment in ordinary shares of subsidiary at the investment date etc. (as per details in note 24 to the financial statement).

Cost of sales

Cost of Sales by Project Categories and Total Costs (Consolidated Financial Statement)

Cost of sales	2009		2010	
	Mil Baht	% of revenue	Mil Baht	% of revenue
Cost of residence sales				
SENA Grand Home	73.21	64.3%	70.40	59.0%
SENA Green Ville	169.26	60.1%	151.00	61.5%
SENA Villa	147.55	61.2%	160.68	56.2%
The Niche	232.51	59.1%	26.07	60.9%
The Cache	118.92	50.3%	221.33	58.3%
Praemaporn Klong 4	2.40	30.0%	2.04	34.1%
Praemaporn Klong 7	46.20	74.4%	28.35	73.8%
The Kith	0.00	0.0%	60.38	54.2%
Cost of sales	790.05	59.1%	720.23	58.6%
Cost of land sales	4.81	40.1%	0.00	0.0%
Cost of rents and services	11.33	66.0%	12.58	63.5%
Total cost of sales	806.19	59.0%	732.82	58.7%

Cost of sales comprised costs of land, land development, construction and public utilities. In 2010 the Company and its subsidiaries had total cost of sales of 732.82 million Baht representing 58.7 per cent of total revenues, comprising cost of residence sales of 720.23 million Baht or 58.6 per cent of revenues from residence sales, which was close to that of 2009 which had a cost of 59.1 per cent because the revenues from sales of vertical residences versus horizontal residences in 2009 and 2010 were at 40%:60%. Cost of rents and services was 12.58 million Baht or 63.5 per cent of revenues from rents and services, decreasing from that of 2009 which had a cost of 66.0 per cent because the revenues from rents and services for condominium/allotted house juristic persons were increasing while the variable costs were increasing at a lower proportion.

Selling and administrative expenses

Selling and Administrative Expenses (Consolidated Financial Statement)

Selling and administrative expenses	2009		2010	
	Mil Baht	%	Mil Baht	%
Selling expenses	43.66	30.6%	109.19	49.0%
Administrative expenses	91.54	64.1%	104.66	47.0%
Remunerations of executives	7.33	5.1%	8.86	4.0%
Other expenses	0.22	0.2%	0.00	0.0%
Total selling and administrative expenses	142.75	100.0%	222.71	100.0%
Expenses per total revenue ratio		10.5%		17.8%

The Company and its subsidiaries had selling and administrative expenses of 222.71 million Baht, increasing by 79.96 million Baht or 56.0 per cent from that of the previous year. The Company had increasing selling expenses from the previous year because there were sales promotion and advertisement expenses for ongoing projects and newly opened projects such as “SENA Grand Home”, “The Niche Ratchada-Huaykwang”, “The Niche Citi Ladprao 130”, “The Niche Taksin”, “The Kith Chaengwattana”, etc., including the increasing specific tax because the Government did not extend the measure of tax reduction to stimulate economy as from the end of March 2010. The administrative expenses increased from that of the previous year because there were expenses for common public utilities which were transferred to condominium/allotted house juristic persons from closure of 3 projects in 2010, and there were increasing salaries and remunerations of staffs because more personnel and professional management team were employed to support the future business growth.

Gross profit and net profit

Summary of Gross Profit and Net Profit (Consolidated Financial Statement)

	2009	2010
Gross profit (million Baht)	559.78	515.60
Gross profit rate (%)	41.0%	41.3%
Net profit (million Baht)	284.10	316.70
Net profit rate (%)	20.8%	25.4%

The Company and its subsidiaries had gross profit of 515.60 million Baht in 2010, representing 41.3 per cent of revenues from sales, which was close to that of 2009, evidencing that the Company had efficient control on the cost of sales thus enabling the Company to maintain good level the gross profit continuously.

The Company and its subsidiaries had in 2010 net profit specifically for shareholders of the parent company of 316.70 million Baht, representing 25.37 per cent of total revenues, increasing from 20.8 per cent of 2009 because the Company and its subsidiaries had increasing gross profit rate and other revenues while the financial cost and corporate income tax were decreasing significantly.

Return on shareholder's equity

The Company had ROE of 19.42 per cent in 2010 and the Board of Directors resolved to approve distribution of dividends from performance of 2010 to shareholders in the total amount of 126.68 million Baht, representing 40.00 per cent of net profit as per the 2010 consolidated financial statement (dividend pay depended on the approval of the 2011 annual general shareholder's meeting).

2. Financial status

Assets

As at the end of 2010 the Company and its subsidiaries had current assets of 1,857.58 million Baht and total assets of 3,240.12 million Baht, increasing from 2009 when the current assets and the total assets were 1,253.09 million Baht and 2,178.27 million Baht, respectively.

Liabilities

As at the end of 2010 the Company and its subsidiaries had current liabilities of 1,377.53 million Baht and total liabilities of 1,524.95 million Baht, increasing from 2009 when the current liabilities and the total liabilities were 368.94 million Baht and 631.68 million Baht, respectively.

Shareholders' equity

As at the end of 2010 the Company and its subsidiaries had shareholders' equity of 1,715.17 million Baht, increasing from 1,546.58 million Baht in 2009. The Company had a registered paid-up capital of 675.00 million Baht, premium on shares after deduction of expenses in offering ordinary shares to the public of 160.16 million Baht, and unappropriated retained earnings of 184.14 million Baht because there were increased retained earnings from net profit in 2010 netted after deduction of dividends. The Company distributed total dividends of 126.68 million Baht to shareholders.

Capital structure

The Company and its subsidiaries had the Debt to Equity Ratio (D/E Ratio) of 0.89 time as at the end of 2010, increasing from 0.41 time in 2009, because the Company and its subsidiaries procured funding sources for development of newly opened projects in 2010 by seeking credit support from financial institutes and consequently had increasing debts from loans from financial institutes. Moreover, the Board of Directors resolved at the end of 2010 to issue and offer for sales on private offering basis short-term bills of exchange in the amount not exceeding 500 million Baht and not exceeding 10 bills at any one time, and 1 short-term bill of exchange was issued in 2010 in the amount of 100 million Baht for investment on land for future project development. However, the Company and its subsidiaries still exercised care in procuring funding sources for business operation and credit line from financial institutes for investment on land and construction of various projects to ensure appropriateness in each period. The Company and its subsidiaries were still deemed to have strong financial positions with capabilities to incur liabilities for use in investment on future real estate development projects.

Liquidity

As at the end of 2010 the Company and its subsidiaries had a current ratio of 1.35 times, decreasing from 3.40 times in 2009, because there were considerably increasing debts from loans from financial institutes as referred prior. Most of the loans from financial institutes were recorded as current liabilities in accordance with the accounting standard. The Company and its subsidiaries were still deemed to have good current ratio. The

Company had a policy to prepare financial plan and allocate cash flow to maintain the liquidity level in accordance with the policy on risk management and financial discipline maintenance to prevent the Company from having too much financial risks while maintaining the growth rate of revenues in accordance with the target.

Capital Expenditures

In 2010 the Company had the following capital expenditures:

- 1) Total additional investments of 202.39 million Baht in properties for rent, comprising 2 apartments for rent project and the warehouse for rent project at Sukhumvit Soi 50.
- 2) In 2010 the Company made payment for capital increase in the Victory Asset Management Co., Ltd. (VAM) and the S.N. Asset Development Co., Ltd. (SNA) in the amounts of 80.99 million Baht and 49.03 million Baht, respectively, which were called gradually for the portion of capital which remained unpaid, and invested 100.00 million Baht on purchase of all ordinary shares in the Property Gateway Co., Ltd. (PG). Concurrently, the Company sold the entire investments in 2 subsidiaries, i.e. P.S.G.T Co., Ltd. (PSGT) and S&P Housing Co., Ltd. (SPH) in order to harvest the investment in 2010.

3. Remuneration of the auditor

1. Remunerations for financial statement review and audit (Audit Fee)

The Company paid the total amount of 1,855,000 Baht as remunerations for interim financial statement review and financial statement audit for the 2010 fiscal year of the Company and its subsidiaries to Mr. Chanankorn Satiraprakul, Certified Auditor No. 6554 of the Grand Audit Co., Ltd.

2. Other service fee (Non-audit Fee)

- Nil -

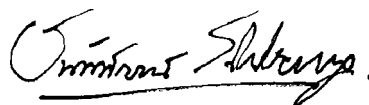
REPORT OF CERTIFIED PUBLIC ACCOUNTANT

To The Board of Directors and Shareholders of **Sena Development Public Company Limited**

I have audited the consolidated balance sheets of **Sena Development Public Company Limited and subsidiaries** as at December 31, 2010 and 2009, the consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended and the balance sheets of **Sena Development Public Company Limited** as at December 31, 2010 and 2009, and statements of income, changes in shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management, as to their correctness and completeness of the presentation. My responsibility is to express an opinion of these financial statements based on my audits.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the **Sena Development Public Company Limited and subsidiaries** as at December 31, 2010 and 2009, and the consolidated results of their operations and their cash flows for the years then ended, and the separate financial position of **Sena Development Public Company Limited** as at December 31, 2010 and 2009, and the results of its operations, and its cash flows for the years then ended, in conformity with generally accepted accounting principles.



(CHANUNKORN SATIRAPRAPAKUL)

Certified Public Accountant Registration No. 6554

Grand Audit Co., Ltd.
Bangkok
February 24, 2011

BALANCE SHEETS

AS AT DECEMBER 31, 2010 AND 2009

		Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2010	2009	2010	2009
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	288,036,034.45	380,840,681.22	207,036,312.58	331,008,052.13
Short-term investments	7	-	20,000,000.00	-	20,000,000.00
Trade accounts and notes receivable	8	1,265,647.48	1,255,022.36	-	-
Notes receivable trade - net	11	-	-	-	-
Short-term loans and accrued interest					
income to related parties	5.1	-	-	258,453,461.33	99,904,150.10
Inventories - net	9	1,522,066,731.05	836,065,299.54	1,221,231,264.84	610,917,989.18
Other current assets	10	46,214,001.00	14,925,905.98	28,715,612.13	12,206,308.50
Total current assets		<u>1,857,582,413.98</u>	<u>1,253,086,909.10</u>	<u>1,715,436,650.88</u>	<u>1,074,036,499.91</u>
NON-CURRENT ASSETS					
Deposits at bank pledged as collateral		13,541,308.91	36,738,888.15	10,160,012.65	32,146,613.53
Land held for development - net	12	871,172,438.91	589,164,621.10	309,749,083.56	379,120,441.30
Investments in subsidiaries	13	-	-	408,146,636.00	179,873,736.00
Property, plant and equipment - net	14	87,186,932.72	89,914,172.88	44,790,129.93	39,718,541.31
Assets for rent - net	15	311,320,170.83	121,440,808.64	-	-
Project under construction	16	14,498,699.00	8,743,877.30	-	-
Land lease right	17	55,528,205.00	55,528,205.00	55,528,205.00	55,528,205.00
Land and structures not used					
in operation	18	2,950,000.00	2,950,000.00	-	-
Goodwill - net	19	-	-	-	-
Other non-current assets	20	26,341,993.18	20,702,136.55	25,110,788.45	19,558,203.15
Total non-current assets		<u>1,382,539,748.55</u>	<u>925,182,709.62</u>	<u>853,484,855.59</u>	<u>705,945,740.29</u>
TOTAL ASSETS		<u><u>3,240,122,162.53</u></u>	<u><u>2,178,269,618.72</u></u>	<u><u>2,568,921,506.47</u></u>	<u><u>1,779,982,240.20</u></u>

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

BALANCE SHEETS

AS AT DECEMBER 31, 2010 AND 2009

		Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2010	2009	2010	2009
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade accounts and notes payable	21	99,527,326.18	59,249,219.21	67,257,099.06	44,277,772.94
Current portion of promissory notes					
payable to related parties	5.5	147,039,152.00	80,961,877.00	147,039,152.00	80,961,877.00
Short-term promissory notes payable	22	199,055,887.60	21,133,875.00	199,055,887.60	21,133,875.00
Current portion of liabilities under hire purchase and					
financial lease agreements		1,902,991.59	1,040,324.93	1,902,991.59	1,040,324.93
Loans from financial institutions	23	630,431,805.00	26,005,870.52	308,911,805.00	5,870.52
Current portion of long-term loans					
from financial institutions	23	15,116,455.47	18,803,501.58	-	-
Short-term loans from					
related parties	5.6	11,600,000.00	14,600,000.00	-	11,538,383.81
Advances received from customers		182,046,981.14	36,783,195.37	162,184,488.75	22,201,470.75
Accrued corporate income tax		22,804,187.56	57,922,146.45	22,765,905.87	42,638,859.71
Retention payable		25,911,321.62	6,626,747.48	19,061,876.53	4,452,353.44
Land lease right payable		-	23,000,000.00	-	23,000,000.00
Other current liabilities		42,096,856.79	22,819,172.37	26,089,928.38	11,307,127.49
Total current liabilities		1,377,532,964.95	368,945,929.91	954,269,134.78	262,557,915.59
NON-CURRENT LIABILITIES					
Non-current portion of promissory notes					
payable to related parties	5.5	-	72,248,837.50	-	72,248,837.50
Long-term loans from					
financial institutions - net	23	144,448,699.28	187,942,315.69	40,000,000.00	-
Liabilities under hire purchase					
and financial lease agreements - net		2,972,011.49	2,490,003.38	2,972,011.49	2,490,003.38
Other non-current liabilities		-	60,000.00	-	-
Total non-current liabilities		147,420,710.77	262,741,156.57	42,972,011.49	74,738,840.88
TOTAL LIABILITIES		1,524,953,675.72	631,687,086.48	997,241,146.27	337,296,756.47

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

BALANCE SHEETS

AS AT DECEMBER 31, 2010 AND 2009

		Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2010	2009	2010	2009
SHAREHOLDERS' EQUITY					
Share capital					
Registered share capital					
700,000,000 ordinary shares					
of Baht 1.00 each					
		700,000,000.00	700,000,000.00	700,000,000.00	700,000,000.00
Issued and paid-up					
675,000,000 ordinary shares					
of Baht 1.00 each					
	31	675,000,000.00	675,000,000.00	675,000,000.00	675,000,000.00
Effect of business acquisition					
under common control					
		(1,242,821.86)	15,587,569.02	-	-
Premium on share capital	31	160,163,350.00	160,163,350.00	160,163,350.00	160,163,350.00
Retained earnings					
Appropriated					
Legal reserve					
	30	50,641,215.78	38,186,671.96	50,641,215.78	38,186,671.96
Unappropriated					
		824,322,446.08	640,175,865.25	685,875,794.42	569,335,461.77
Total shareholders' equity of parent					
		1,708,884,190.00	1,529,113,456.23	1,571,680,360.20	1,442,685,483.73
Minority interest					
		6,284,296.81	17,469,076.01	-	-
TOTAL SHAREHOLDERS' EQUITY					
		1,715,168,486.81	1,546,582,532.24	1,571,680,360.20	1,442,685,483.73
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		3,240,122,162.53	2,178,269,618.72	2,568,921,506.47	1,779,982,240.20

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

STATEMENT OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

		Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2010	2009	2010	2009
Revenue from sales		1,228,633,865.25	1,336,794,628.33	1,008,370,346.00	1,116,308,770.74
Revenue from sales - land	5.8	-	12,000,000.00	4,200,000.00	33,302,400.00
Revenue from rental and services apartment		18,525,325.09	17,172,846.46	-	-
Income from furnished		1,260,504.65	-	-	-
Total revenues		1,248,419,694.99	1,365,967,474.79	1,012,570,346.00	1,149,611,170.74
Cost of sales		720,238,247.69	790,054,424.11	590,746,975.62	653,947,048.83
Cost of sales - land		-	4,804,981.40	4,013,716.80	17,990,403.36
Cost of rental and services apartment		12,036,956.89	11,330,381.85	-	-
Cost of decoration		547,864.16	-	-	-
Total cost of sales		732,823,068.74	806,189,787.36	594,760,692.42	671,937,452.19
Gross profit		515,596,626.25	559,777,687.43	417,809,653.58	477,673,718.55
Other income	24	112,011,621.38	21,361,008.19	62,848,923.60	19,832,897.02
Income before expenses		627,608,247.63	581,138,695.62	480,658,577.18	497,506,615.57
Selling expenses		109,191,657.54	43,657,568.04	91,491,751.14	36,664,161.62
Administrative expenses		104,658,670.00	91,482,759.93	70,208,324.36	62,462,002.13
Management' remuneration		8,862,482.00	7,334,421.00	8,442,482.00	6,914,421.00
Amortization of goodwill		-	220,639.03	-	-
Total expenses		222,712,809.54	142,695,388.00	170,142,557.50	106,040,584.75
Income before finance costs and income tax		404,895,438.09	438,443,307.62	310,516,019.68	391,466,030.82
Finance costs		(14,947,544.78)	(24,126,551.33)	(6,336,742.00)	(18,142,865.82)
Income before tax		389,947,893.31	414,316,756.29	304,179,277.68	373,323,165.00
Income tax		(66,347,660.82)	(127,805,238.54)	(55,088,401.21)	(108,136,281.47)
Net income		323,600,232.49	286,511,517.75	249,090,876.47	265,186,883.53
Attributable to:					
Equity holders of the parent		316,697,124.65	284,099,975.17	249,090,876.47	265,186,883.53
Minority interest		6,903,107.84	2,411,542.58	-	-
		323,600,232.49	286,511,517.75	249,090,876.47	265,186,883.53
Basic earnings per share (Baht per share)		0.47	0.49	0.37	0.46
Weighted average number of ordinary shares (shares)	31	675,000,000	577,671,233	675,000,000	577,671,233

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

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Baht

Equity holders of the parent									
Effect of business acquisition under common control				Retained earnings					
Notes	Issued and paid-up share capital			Premium on share capital	Legal reserve	Unappropriated	Total Equity holders of parent	Minority interest	Total
	500,000,000.00	15,587,569.02	-	-	24,902,716.56	490,659,845.48	1,031,150,131.06	14,284,284.01	1,045,434,415.07
	175,000,000.00	-	160,163,350.00		-	-	335,163,350.00	-	335,163,350.00
	-	-	-	-	-	-	-	255,280.00	255,280.00
29	-	-	-	-	-	(121,300,000.00)	(121,300,000.00)	-	(121,300,000.00)
	-	-	-	-	-	284,099,975.17	284,099,975.17	-	284,099,975.17
	-	-	-	-	-	-	-	2,411,542.58	2,411,542.58
	-	-	-	-	-	-	-	(3,538.51)	(3,538.51)
	-	-	-	-	-	-	-	521,507.93	521,507.93
	-	-	-	-	13,283,955.40	(13,283,955.40)	-	-	-
	675,000,000.00	15,587,569.02	160,163,350.00		38,186,671.96	640,175,865.25	1,529,113,456.23	17,469,076.01	1,546,582,532.24
	-	-	-	-	-	-	-	182,100.00	182,100.00
	-	(16,830,390.88)	-	-	-	-	(16,830,390.88)	-	(16,830,390.88)
29	-	-	-	-	-	(120,096,000.00)	(120,096,000.00)	-	(120,096,000.00)
	-	-	-	-	-	316,697,124.65	316,697,124.65	-	316,697,124.65
	-	-	-	-	-	-	-	6,903,107.84	6,903,107.84
	-	-	-	-	-	-	-	(18,079,500.00)	(18,079,500.00)
	-	-	-	-	-	-	-	(190,487.04)	(190,487.04)
	-	-	-	-	12,454,543.82	(12,454,543.82)	-	-	-
	675,000,000.00	(1,242,821.86)	160,163,350.00		50,641,215.78	824,322,446.08	1,708,884,190.00	6,284,296.81	1,715,168,486.81

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

SEPARATE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	Notes	Issued and paid-up share capital	Premium on share capital	Baht		
				Retained earnings		
				Legal reserve	Unappropriated	Total
Balance as at January 1, 2009		500,000,000.00	-	24,902,716.56	438,732,533.64	963,635,250.20
Shares capital increased		175,000,000.00	160,163,350.00	-	-	335,163,350.00
Dividends paid	29	-	-	-	(121,300,000.00)	(121,300,000.00)
Net income for the year		-	-	-	265,186,883.53	265,186,883.53
Legal Reserve		-	-	13,283,955.40	(13,283,955.40)	-
Balance as at December 31, 2009		675,000,000.00	160,163,350.00	38,186,671.96	569,335,461.77	1,442,685,483.73
Dividends paid	29	-	-	-	(120,096,000.00)	(120,096,000.00)
Net income for the year		-	-	-	249,090,876.47	249,090,876.47
Legal Reserve		-	-	12,454,543.82	(12,454,543.82)	-
Balance as at December 31, 2010		675,000,000.00	160,163,350.00	50,641,215.78	685,875,794.42	1,571,680,360.20

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

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	Baht			
	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before tax	389,947,893.31	414,316,756.29	304,179,277.68	373,323,165.00
Adjustment to reconcile income to cash provided by (used in) operating activities				
Depreciation	20,480,548.55	14,058,379.98	5,246,288.55	5,386,066.52
Write off fixed assets	80,589.50	-	76,980.29	-
Amortization of deferred expense	-	88,286.79	-	63,718.79
Reversal of bad debt	-	(1,231,478.27)	-	-
Gain from Amortization of goodwill	-	220,639.03	-	-
Negative goodwill recognized as income	(47,657,850.33)	-	-	-
Gain on disposal of fixed assets	(30,426,907.87)	-	(268,798.22)	-
Loss on impairment of assets	-	59,141.51	-	-
Profit (loss) from disposal investments in subsidiaries	(17,207,755.23)	230,680.45	-	-
Dividends income	-	-	(52,820,500.00)	(1,892,086.50)
Interest income	(4,499,871.85)	(14,068,342.05)	(6,050,730.30)	(15,143,895.21)
Interest expenses	19,015,268.09	21,656,045.26	4,171,552.78	15,334,568.93
Income provided by operating activities before changes in operating assets and liabilities	329,731,914.17	435,330,108.99	254,534,070.78	377,071,537.53
Decrease (increase) in operating assets:				
Trade accounts receivable	-	21,739,267.91	-	18,245,414.99
Notes receivable trade	(10,625.12)	90,570,810.33	458,545.44	90,741,302.89
Inventories	(299,622,332.00)	327,507,117.38	(225,692,834.32)	249,736,862.80
Other current assets	(24,089,604.12)	2,901,083.64	(16,114,271.08)	(3,763,931.22)
Land held for development	(413,544,679.08)	(297,111,117.63)	(305,046,711.39)	(76,179,433.50)
Other non-current assets	(2,919,794.50)	(5,059,433.66)	(5,552,585.30)	(4,829,177.26)
Increase (decrease) in operating liabilities:				
Trade accounts and notes payable	40,278,106.97	(4,027,329.53)	22,979,326.12	(13,403,742.62)
Payable from land held for development	(400,000,000.00)	-	-	-
Advances received from customers	145,263,785.77	(3,487,293.02)	139,983,018.00	(12,250,432.25)
Retention payable	19,284,574.14	(9,236,648.79)	14,609,523.09	(6,805,010.88)
Other current liabilities	20,597,593.92	4,686,761.20	14,782,800.89	1,674,124.75
Other non-current liabilities	(60,000.00)	-	-	-
Cash receipt (paid) from operating activities	(585,091,059.85)	563,813,326.82	(105,059,117.77)	620,237,515.23
Income tax paid	(104,185,681.75)	(127,889,830.71)	(74,961,355.05)	(113,769,230.15)
Net cash provided by (used in) operating activities	(689,276,741.60)	435,923,496.11	(180,020,472.82)	506,468,285.08

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

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	Baht			
	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
CASH FLOWS FROM INVESTING ACTIVITIES				
Temporary investments	20,000,000.00	(20,000,000.00)	20,000,000.00	(20,000,000.00)
Decrease (increase) in loans to related parties	-	-	(156,100,000.00)	96,335,960.00
Decrease (increase) in deposits at bank pledged as collateral	22,022,579.40	(25,395,570.77)	21,986,600.88	(30,181,373.53)
Cash paid for acquisition of fixed assets	(13,406,713.59)	(9,609,043.68)	(15,748,919.74)	(2,304,297.57)
Proceeds from disposal of fixed assets	38,500,000.00	-	500,000.00	-
Cash paid for acquisition of fixed assets for rent	(2,296,897.20)	(229,602.25)	-	-
Cash paid for project under construction	(5,844,848.48)	(4,509,652.96)	-	-
Cash paid for land lease right	(23,000,000.00)	(32,528,205.00)	(23,000,000.00)	(32,528,205.00)
Investments in subsidiaries	-	-	(230,017,900.00)	(131,744,720.00)
Proceeds from disposal of investment in subsidiaries	538,598.36	290,827.48	1,745,000.00	3,743,000.00
Dividends income	-	-	52,820,500.00	1,892,086.50
Interest income	3,684,383.39	6,711,421.40	2,747,841.20	7,004,338.12
Net cash used in investing activities	40,197,101.88	(85,269,825.78)	(325,066,877.66)	(107,783,211.48)
CASH FLOWS FROM FINANCING ACTIVITIES				
Decrease in overdrafts and short-term loans from financial institutions	-	(59,544,959.87)	-	(59,544,959.87)
Decrease in promissory notes - related parties	(7,389,328.00)	-	(7,539,038.00)	-
Decrease in short term loan - related parties	(11,530,200.00)	(49,393,940.00)	(11,000,000.00)	(47,981,800.00)
Proceeds from long-term loans from financial institutions	762,028,960.00	288,745,903.00	466,508,960.00	146,745,903.06
Cash paid for long-term loans from financial institutions	(204,783,688.04)	(305,118,857.34)	(117,603,025.64)	(294,800,616.51)
Decrease in non-current portion of promissory notes payable to related parties	177,922,012.60	(79,597,890.00)	177,922,012.60	(38,000,000.00)
Cash paid for liabilities under hire-purchase and financial lease agreements	1,344,674.77	(1,001,671.69)	1,344,674.77	(1,001,671.69)
Cash paid for interest expenses	(24,490,030.83)	(24,766,989.58)	(8,421,972.80)	(17,432,606.37)
Proceeds from share subscriptions	-	335,163,350.00	-	335,163,350.00
Proceeds from share subscriptions - minority interest	182,100.00	255,280.00	-	-
Dividends paid	(120,096,000.00)	(121,300,000.00)	(120,096,000.00)	(121,300,000.00)
Dividends paid to minority interest	(18,079,500.00)	(3,538.51)	-	-
Net cash provided by (used in) finance activities	555,109,000.50	(16,563,313.99)	381,115,610.93	(98,152,401.38)
Net increase (decrease) in cash and cash equivalents	(93,970,639.22)	334,090,356.34	(123,971,739.55)	300,532,672.22
Cash and cash equivalents at beginning of the periods	380,840,681.22	46,745,270.58	331,008,052.13	30,475,379.91
Subsidiary 's cash at the purchased date	1,165,992.45	5,054.30	-	-
Cash and cash equivalents at end of the periods	288,036,034.45	380,840,681.22	207,036,312.58	331,008,052.13

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

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Supplemental Disclosure of Cash Flows Information

- 1) In year 2010, the Company has transferred land held for development amount of Baht 374.42 million to inventory because land was developed (Year 2009 : Baht 13.88 million)

In year 2010, the Company has transferred land held for development amount of Baht 14.80 million to inventory because land was developed

(Year 2009 : Baht 128.40 million) and has transferred inventory amount of Baht 0.97 million to land held for development.

(Year 2009 : Baht 78.12 million)

- 2) In year 2010, a subsidiary has transferred land held for development amount of Baht 200.00 million to asset for rent
- 3) In year 2010, a subsidiary paid for dividends amounting of Baht 70.90 million.
- 4) Purchase of investment in subsidiary

In year 2010 the Company purchase the common share of a subsidiary. At the acquisition date, The detail of net assets and payment are as follows :

Land	500,000,000.00
Revaluation	48,000,000.00
Net	548,000,000.00
Other assets less other liabilities	(400,342,149.67)
Book value of net assets	147,657,850.33
Goodwill	(47,657,850.33)
Rewards for purchase	100,000,000.00
Paid to former shareholder of subsidiary	(100,000,000.00)
Net	-

- 5) In the second quarter of 2010, the Company has sold all investment in shares of P.S.G.T Co.,Ltd.

Proceeds from sales of investment in subsidiary was as follows:

Cash receivable from sales of investment in subsidiary	1,000,000.00
(Less) Cash and deposits at financial institutions	(353,148.47)
Net	646,851.53
(Less) Other assets less other liabilities	(457,966.21)
Unrealized gain on sales of investment in subsidiary	188,885.32

- 6) In the year of 2010, the Company has sold all investment in shares of S&P Housing Co.,Ltd.

Proceeds from sales of investment in subsidiary was as follows:

Cash receivable from sales of investment in subsidiary	745,000.00
(Less) Cash and deposits at financial institutions	(853,253.19)
Net	(108,253.19)
(Less) Other assets less other liabilities	296,732.22
	188,479.03

Investments in subsidiaries at the date of acquisition

under book value	16,830,390.88
Unrealized gain on sales of investment in subsidiary	17,018,869.91

- 7) In year 2010, the Company purchased vehicles under financial lease agreements totaling cost of Baht 3.18 million. (Year 2009 : Baht 4.53 million)
- 8) In year 2009, The company has improved mapping projects. For land that has not been developed for sale. Transfer costs of land and other costs associated of Baht 13.88 million.
- 9) In year 2009, the subsidiary issued promissory notes to the Company totaling of Baht 22.00 million for payment of land purchased.

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

Notes to Financial Statements

For the Years Ended December 31, 2010 and 2009

1. GENERAL INFORMATION

1.1 Legal status and address for company

SENA DEVELOPMENT PUBLIC COMPANY LIMITED registered the conversion into a Public Company Limited on December 23, 2005, registration number is 0107548000684 and the head office is located at 524 Ratchadapisek Road, Sam Saen Nok, Huaykwang, Bangkok.

The Company listed into The Stock Exchange of Thailand on July 29, 2009.

1.2 The principle business operations

The Company's main business is property development for sales.

2. BASIS FOR INTERIM FINANCIAL STATEMENTS PREPARATION

2.1 The consolidated financial statements include the financial statements of Sena Development Public Company Limited and subsidiaries that the Company had the significant control in those subsidiaries, in spite of the Company does not hold any investments in such subsidiaries as follows :-

	Head office	Percentage of holding direct and indirect		Type of Business
		December 31, 2010	December 31, 2009	
Victory Asset Management Co., Ltd.	Bangkok	99.99	99.99	Services apartment
S&R Housing Co., Ltd. *	Nonthaburi	-	-	Property development for sale
S.N. Asset Development Co., Ltd.	Bangkok	99.65	99.65	Property development for sale
S&P Estate Development Co., Ltd.	Phatumthani	79.96	79.96	Property development for sale
S&P Housing Co., Ltd. **	Phatumthani	-	74.50	Property development for sale
P.S.G.T. Co., Ltd. ***	Bangkok	-	99.99	Property development for sale
Property Gateway Co., Ltd.****	Bangkok	99.99	-	Property development for sale

* At the Board of Directors' Meeting of SENA DEVELOPMENT PCL. held on April 29, 2008, the directors approved such subsidiary company to pay dividend and return back capital to the Company. As at December 31, 2008 the subsidiary company sold all inventories and paid the dividend amounts of Baht 36.00 million and return back capital to the Company amounting of Baht 56.25 million. On November 23, 2009, the Company sold investment in subsidiary to the former shareholder which was led to lose the significant control in that subsidiary.

** On December 3, 2010, the company sold investments in subsidiaries to the existing shareholders, the company ended the significant control in the company since the date of the sale of investments.

*** During year 2009, the Company invested in common shares of such subsidiary and has prepared for the consolidated since June 17, 2009. At the Board of Directors' Meeting on May 15, 2010, approved such subsidiary company to pay dividend and the Company invested in common shares of such subsidiary and has prepared for the consolidated since June 7, 2010, which the Company has the significant control in that subsidiary.

**** During year 2010, the Company invested in common shares of such subsidiary and has prepared for the consolidated since October 29, 2010, which the Company has the significant control in that subsidiary.

2.2 The significant inter-transactions with subsidiaries in the consolidated financial statements were eliminated.

2.3 The consolidated financial statements used the same accounting policy for the same transactions and event that resemble.

3. ADOPTION OF NEW ACCOUNTING STANDARDS

3.1 Basis for preparation of financial statements

These company financial statements are 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.

The Company prepared its statutory financial statements in the Thai language in accordance with the generally accepted accounting principles as applied in Thailand. The financial statements results of its operation, and its cash flows with generally accepted accounting principles.

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

For the convenience of readers, the financial statements were translated into English from the statutory financial statements in Thai which are issued for the domestic purpose.

Adoption of new accounting standards

During the year 2010, the Federation of Accounting Professions issued a number of revised and new accounting standards as listed below.

a) Accounting standards that will become effective in fiscal years beginning on or after January 1, 2011 (except Framework for the Preparation and Presentation of Financial Statements, which is immediately effective):

Accounting Framework (revised 2009)

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Cash Flow Statements
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Plant Property and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26 (revised 2009)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting

TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 2	Share-based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRIC 15	Agreements for the Construction of Real Estate

b) Accounting standards that will become effective in fiscal years beginning on or after January 1, 2013:

TAS 12	Income tax
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

The management of the Group is still evaluating the effect of these three accounting standards and has not been able to reach a conclusion as to their effect to the financial statements for the year in which they are initially applied.

3.2 Cash and cash equivalents are cash, tax coupons, bank deposits in the type of savings account, current account and fixed deposits not exceeding three months maturity period with no obligation.

3.3 Temporary Investments are bank fixed deposits, bill of exchange and promissory note exceeding three months maturity period but not over twelve months maturity period.

3.4 Basis of recognition of revenues and expenses

- Sales of land and houses are recognized as revenue when the construction works are completed and the ownerships have been transferred to buyers.
- Other revenues and expenses are recognized on the accrual basis

3.5 Allowance for doubtful accounts

The company and subsidiaries provide allowance for doubtful accounts equal to the amount of expected uncollectible receivable which are based on management evaluation of ability to pay of each receivable.

3.6 Investments in subsidiary

Investments in subsidiaries and associated companies under the consolidated financial statements are stated in Balance sheet by equity method.

Investments in subsidiaries and associated companies under the separate financial statements are stated in Balance sheet by cost method at cost less allowance for impairment in value. The devaluation of investment is presented as impairment loss of investment.

3.7 Inventories

Inventories comprise property development for sales are stated at the lower of cost and net realizable value, consisting of the cost of land, land development, construction costs and directly related interest and expenses.

3.8 Land held for development

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

3.9 Property, plant and equipment-net

Land is stated at cost

Equipments are stated at cost less accumulated depreciation

The depreciation is computed by straight-line method over their estimate useful life as follows:

	<u>Useful life (Years)</u>
Building office	20
Office equipments	5
Tools and equipment	5
Vehicles	5

3.10 Project in progress and assets for rent

Project in progress

Land is stated at cost

Buildings in progress are stated at cost and begin to compute the depreciation when the assets prompt to use.

Assets for rent

Land is stated at cost

Building, plant, fixture and office equipments are stated at cost less accumulated depreciation.

The depreciation is computed by straight-line method over their estimate useful life as follows:-

	<u>Useful life (Years)</u>
Buildings and constructions	20
Fixtures and office equipments	5

3.11 Land and constructions not used in operation

Land and constructions not used in operation are stated at book value as at asset not used in operation date by lower appraised price by independent appraiser.

3.12 Hire purchase

The Company records vehicles under hire purchase contracts at their fair value as at the inception of the lease, and records future rental payment obligations under the contracts (minus the interest portion) as liabilities.

The Company amortized deferred interest on hire purchase contracts by effective rate of interest over the period of contracts.

3.13 Finance lease

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

At the inception of a finance lease, the cost of the asset is recorded together with the obligation, excluding the interest element, to pay future rentals. Finance charges are charged to the current period operations in proportion to the capital balances outstanding.

3.14 Impairment of Assets

The company has considered the impairment of assets- land, building, equipment, investment and other intangible assets whenever there is indicator that the carrying amount of an asset exceeds its recoverable amount. The company will consider the impairment of each item of asset or each unit of asset which generates cash flows, as the case may be.

The company has reviewed the impairment of asset is indicator that the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in the income statement.

3.15 Goodwill

At the end of period, the Company has considered the impairment of assets.

3.16 Related parties

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

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

3.17 Corporate income tax

Corporate income tax for the year (if any) is recognized on the accrual basis which is based on the taxable profit for the year.

3.18 Capitalization of Interest

Borrowing costs are capitalized as cost of assets that the company has incurred borrowing cost on assets that required a period of time to get them ready for use. Capitalization of borrowing cost will be stopped when such assets are ready for their intended use.

3.19 Estimation

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

3.20 Basic earnings per share

Basic earning per share is calculated by dividing the net earnings for the year by weighted average number of ordinary shares issue and paid-up at the end of period.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with Generally Accepted Accounting Principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. The significant accounting judgments and estimates are as follows:

Finance leases / Operating leases

The Company has entered into lease agreements for the building rental and equipment. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that the lessor retains all the significant risk and rewards of ownership of these properties, and so accounts for the contracts as operating leases.

Allowance for doubtful accounts

Allowances for doubtful accounts are intended to adjust the value of receivables for probable credit losses. The management uses judgment to establish reserves for estimated losses for each outstanding debtor.

The allowances for doubtful accounts are determined through a combination of specific reviews, collection experience, and analysis of debtor aging, taking into account changes in the current economic conditions. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable losses and adjustments to the allowances may therefore be required in the future.

Depreciation

In calculating depreciation of plant and equipment, the management estimates useful lives and salvage values of the plant and equipment and reviews estimated useful lives and salvage values if there are any changes.

5. TRANSACTIONS WITH RELATED PARTIES

The Company has extensive transactions with the related parties the part of transactions between related parties are assets, liabilities, revenues, costs and expenses. These related parties are related through shareholdings and/or with directorship. The effect of these transactions is the normal business have included in the financial statement with the agreement between the company and the related companies.

The related parties are as follows:

Company name	Nature of business	Relationship
A-Shine Sang San Co., Ltd.	Property development	Relative of director
Sinsapthanya Co., Ltd.	Property development	Relative of director
T. Treasury holding Co., Ltd.	Property development	Common shareholders and directors
Bann Ruam Tang Fhun Co., Ltd.	Property development	Common shareholders and directors
Pattaya Country Club Co., Ltd.	Golf course and resort	Common shareholders and directors
Treeplan Enterprise Co., Ltd.	Property development	Common shareholders and directors
Chatsuda Co., Ltd.	Property development	Common shareholders and directors
R.M. Property Co., Ltd.	Property development	Director's relatives of subsidiary
Tonnam Management Co., Ltd.	Property Sales Management	Director's relatives of subsidiary*
S.P.R. Engineering Co., Ltd.	Property development	Common shareholders and directors in subsidiary
RattanaPol Co.,Ltd.	Construction materials and equipment	Director's relative
A.N.C. Supplies Trade.Co., Ltd.	Construction materials and equipment	Director's relatives of subsidiary
Tun Charoen Co., Ltd.	Holding Company	Director's relative
B.V. asset Co., Ltd.	Sales Land and Property	Common director in subsidiary
Sirinthip Karn Keha Co., Ltd.	Property development	Director's relative
Paepunthong Property Co., Ltd.	Property development	Director's relatives of subsidiary*
PSGT Co., Ltd.	Property development	Common shareholders in subsidiary**
S&P Housing Co., Ltd.	Property development	Common shareholders and directors in subsidiary***
Individual Jurisdiction By:		
Khun Srianong Keerativaranon and/or		Director's Mother
Khun Soawaluk Aueypornsong		Subsidiary's staff
Khun Phisake Sangkawanit		Director of subsidiary *
Khun Boontuen Suebnoi		Director of subsidiary
Khun Theerawat Thanyalakpark		Director

Company name	Nature of business	Relationship
Khun Supitcha Saipornchai		Subsidiary's shareholder
Khun Rateerat Mongkolkaroon		Director's relatives of subsidiary
Khun Wiriya Chaowanasai		Director's relatives of subsidiary
Khun Praweerut Thewa-aksorn		Subsidiary's shareholder *
Khun Phaisarn Sangkawanich		Subsidiary's shareholder *
Khun Phusit Sangkawanich		Subsidiary's shareholder *
Khun Yuwamal Phramyai		Subsidiary's shareholder *
Khun Unchalee Phthhawong		Subsidiary's shareholder *

* As discussed in Note 2.1 to financial statements, on November 23, 2009, the Company sold investment in subsidiary to former shareholder which was led to lose the significant control in that subsidiary.

** As discussed in Note 2.1 to financial statements, on June 7, 2010, the Company sold investment in subsidiary to third parties which was led to lose the significant control but also was related companies due to the shareholders are some as with another subsidiary.

***As discussed in Note 2.1 to financial statements, on December 3, 2010, the Company sold investment in subsidiary to former shareholder which was led to lose the significant control in that subsidiary but also was related companies due to the shareholders are some as with another subsidiary

The significant transactions between the Group and its related parties reflected in the accompanying interim financial statements as at December 31, 2010 and December 31, 2009 are as follows:

5.1 Short-term loans and accrued interest income to related parties

		Bath			
		Separate financial statements			
	Relationship	January 1, 2010	Increase	Decrease	December 31, 2010
1. S&P Estate					
Development Co., Ltd.	Subsidiary				
Principle		88,665,360.00	-	(12,000,000.00)	76,665,360.00
Accrued interest income		7,238,790.10	2,346,316.97	-	9,585,107.07
		95,904,150.10	2,346,316.97	(12,000,000.00)	86,250,467.07
2. Victory Asset					
Management Co., Ltd.	Subsidiary				
Principle		4,000,000.00	9,200,000.00	-	13,200,000.00
Accrued interest income		-	78,660.28	(53,923.29)	24,736.99
		4,000,000.00	9,278,660.28	(53,923.29)	13,224,736.99
3. S.N. Asset					
Development Co., Ltd.	Subsidiary				
Principle		-	62,000,000.00	(62,000,000.00)	-
Accrued interest income		-	159,470.55	(142,493.41)	16,977.14
		-	62,159,470.55	(62,142,493.41)	16,977.14
4. Property Gateway					
Co.,Ltd.	Subsidiary				
Principle		-	158,900,000.00	-	158,900,000.00
Accrued interest income		-	61,280.13	-	61,280.13
		-	158,961,280.13	-	158,961,280.13
Total		99,904,150.10	232,745,727.93	(74,196,416.70)	258,453,461.33

		Bath			
		Separate financial statements			
	Relationship	January 1, 2009	Increase	Decrease	December 31, 2010
1. S&P Estate					
Development Co., Ltd.	Subsidiary				
Principle		99,865,360.00	-	(11,200,000.00)	88,665,360.00
Accrued interest income		4,435,771.63	2,803,018.47	-	7,238,790.10
		<u>104,301,131.63</u>	<u>2,803,018.47</u>	<u>(11,200,000.00)</u>	<u>95,904,150.10</u>
2. S.N. Asset					
Development Co., Ltd.	Subsidiary				
Promissory Notes					
received		3,200,000.00	22,000,000.00	(25,200,000.00)	-
Less Deferred					
interest income		-	1,580,000.00	(1,580,000.00)	-
		<u>3,200,000.00</u>	<u>23,580,000.00</u>	<u>(26,780,000.00)</u>	<u>-</u>
Principle		20,845,960.00	149,600,000.00	(170,445,960.00)	-
Accrued interest income		-	525,045.30	(525,045.30)	-
		<u>20,845,960.00</u>	<u>150,125,045.30</u>	<u>(170,971,005.30)</u>	<u>-</u>
		<u>24,045,960.00</u>	<u>173,705,045.30</u>	<u>(197,751,005.30)</u>	<u>-</u>
2. Victory Asset					
Management Co., Ltd.	Subsidiary				
Principle		65,090,000.00	15,931,807.00	(77,021,807.00)	4,000,000.00
Accrued interest income		2,012,724.52	1,105,955.34	(3,118,679.86)	-
		<u>67,102,724.52</u>	<u>17,037,762.34</u>	<u>(80,140,486.86)</u>	<u>4,000,000.00</u>
4. P.S.G.T. Co.,Ltd.					
	Subsidiary				
Principle		-	3,500,000.00	(3,500,000.00)	-
Accrued interest income		-	3,068.50	(3,068.50)	-
		<u>-</u>	<u>3,503,068.50</u>	<u>(3,503,068.50)</u>	<u>-</u>
Total		<u>195,449,816.15</u>	<u>197,048,894.61</u>	<u>(292,594,560.66)</u>	<u>99,904,150.10</u>

The Company and subsidiaries mutually agree to charge interest rate 1-4 per annum on loans for use in normal operations.

5.2 Other current assets

Consist of ;

		Baht			
		Consolidated financial statements		Separate financial statements	
Relationship		2010	2009	2010	2009
<u>Advance payment</u>					
<u>for utility system</u>					
S.N. Asset Development					
Co., Ltd.	Subsidiary	-	-	467,475.93	731,691.95
<u>Prepaid rent</u>					
Victory Asset					
Management Co., Ltd.	Subsidiary	-	-	24,800.00	-
		-	-	492,275.93	731,691.95

5.3 Trade Accounts and Notes payable

		Bath			
		Consolidated financial statements		Separate financial statements	
Relationship		2010	2009	2010	2009
Trade Accounts and notes payable					
of creditors contractors					
S.P.R. Engineering					
Co., Ltd.	Common shareholders and directors in subsidiary	1,465,011.95	-	1,465,011.95	-
RattanaPol Co.,Ltd.	Common shareholder's relative	895,523.70	660,067.78	704,956.92	596,804.22
		2,360,535.65	660,067.78	2,169,968.87	596,804.22

5.4 Retention Payable

		Baht			
		Consolidated financial statements		Separate financial statements	
Relationship		2010	2009	2010	2009
S.P.R. Engineering Co., Ltd.	Common shareholders and directors in subsidiary	223,964.97	-	223,964.97	-

5.5 Promissory notes payable to related parties

Current portion:

		Baht			
		Consolidated and separate financial statements			
Relationship		January 1, 2010	Increase	Decrease	December 31, 2010
Sinsapthanya Co., Ltd.	Relative of director				
Principle		80,872,400.00	125,856,402.00	(59,839,360.00)	146,889,442.00
Accrued interest expenses		89,477.00	1,103,613.00	(1,043,380.00)	149,710.00
Total		80,961,877.00	126,960,015.00	(60,882,740.00)	147,039,152.00

The Company has postponed due of payment of the above mentioned promissory notes amounting of Baht 55.00 million from September 2009 to be September 2010.

Later, on March 2, 2010, the Company has postponed due of payment of the above mentioned promissory notes amounting of Baht 24.84 million and Baht 72.01 million from March 2010 to be March 2011 and as at September 29, 2010, the Company has postponed due of payment of the above mentioned promissory notes amounting of Baht 53.85 from September 2010 to be March 2011.

Non-Current portion :

		Baht	
		Consolidated and separate financial statements	
Relationship		2010	2009
Sinsapthanya Co., Ltd	Relative of director		
Promissory notes		-	73,556,080.00
Less Deferred interest expenses		-	(1,307,242.50)
Net		-	72,248,837.50

The Company has postponed due of payment of above mentioned promissory notes of baht 73.56 million from March 2010 to be March 2011.

In the separate financial statements, as at December 31, 2010 and December 31, 2009, the Company has promissory notes with a related company 24 bills and 27 bills, respectively, interest rate 0.50-7.5% per annum which will be due during September 2010 to March 2011.

As at December 31, 2010, the Company has outstanding promissory notes as follows;

Promissory notes	Number of issuance	Amount (Baht)	Interest rate	Due of Payment
ส่วนที่ครบกำหนดชำระภายในหนึ่งปี				
1. Change in due portion	9	-	-	within September 2010
2. Change in due portion	7	21,033,040.00	Fixed deposit by financial institution	within September 2011
3. Change in due portion	8	72,011,402.00	and 0.50-1.25%*	within September 2011
4. Change in due portion	9	53,845,000.00	Fixed deposit by financial institution	within September 2011
		146,889,442.00		

* Reference to interest rate of fixed deposit by a financial institution.

5.6 Short-term loans from related parties

		Baht			
		Consolidated financial statements			
Relationship		January 1, 2010	Increase	Decrease	December 31, 2010
Khun Boontuan Suebnoi	Subsidiary's director	14,600,000.00	-	(3,000,000.00)	11,600,000.00
		Baht			
		Separate financial statements			
Relationship		January 1, 2009	Increase	Decrease	December 31, 2009
Khun Boontuan Suebnoi	Subsidiary's director	24,966,340.00	-	(10,366,340.00)	14,600,000.00
Khun Theerawat Thanyalakpark	director	5,000,000.00	-	(5,000,000.00)	-
		29,966,340.00	-	(15,366,340.00)	14,600,000.00

Short-term loans from directors of subsidiaries are unsecured and repayment based on the capability of subsidiaries and has no any interest charge.

		Baht			
		Separate financial statements			
	Relationship	January 1, 2010	Increase	Decrease	December 31, 2010
S&P Housing Co., Ltd. (**)	Subsidiary				
Principle		11,000,000.00	-	(11,000,000.00)	-
Accrued interest expenses		538,383.81	122,054.79	(660,438.60)	-
Total		11,538,383.81	122,054.79	(11,660,438.60)	-

		Baht			
		Separate financial statements			
	Relationship	January 1, 2009	Increase	Decrease	December 31, 2009
S&P Housing Co., Ltd. (**)	Subsidiary				
Principle		11,000,000.00	-	-	11,000,000.00
Accrued interest expenses		208,383.78	330,000.03	-	538,383.81
		11,208,383.78	330,000.03	-	11,538,383.81
S&R Housing Co., Ltd.	Subsidiary	8,954,200.00	-	(8,954,200.00)	-
Ms.Theerawat Thanyalakpark	Director	5,000,000.00	-	(5,000,000.00)	-
		13,954,200.00	-	(13,954,200.00)	-
		25,162,583.78	330,000.03	(13,954,200.00)	11,538,383.81

The Company has entered into loan agreement with a subsidiary company (**) with the interest rate at 3% per annum, interest will be paid once the final principle installment has been settled.

5.7 Other non-current liabilities

		Baht	
		Separate financial statements	
	Relationship	December 31, 2010	December 31, 2009
<u>Other accrued expenses</u>			
Victory Asset Management Co., Ltd	Subsidiary	149,359.98	11,140.00

Significant transactions between the Company and its related parties for the years ended December 31, 2010 and 2009 are as follows

5.8 Revenues from sales-land and land with houses

			Baht	
			Consolidated financial statements	
	Relationship	Pricing policy	2010	2009
<u>Revenue from sale-land with house</u>				
Khun Srianong Keerativaranon	Director's Mother	Negotiated		
		price*, **, ***, ****	-	16,020,000.00
B.V.Asset Co., Ltd.	Common director	Negotiated		
	in subsidiary	price*, **, ***, ****	3,000,000.00	-
รวม			3,000,000.00	16,020,000.00

In the year 2009, the subsidiary has revenue from sale-land with house from related person totaling of 5 plots as follows:

- * Selling price of house for one plot (Area 27.6 square wah) was lower than selling price to third party around Baht 9,673.91 per square wah.
- ** Selling price of house for four plots (Area 21.30 square wah) was lower than appraised price of Land Department around Baht 1,877.93 per square wah.
- *** Selling price of house for four plots (Area 110 square wah) was lower than appraised price of Land Department around Baht 1,677.09 per square wah.
- **** Selling price of house for four plots (Area 110 square wah) was lower than appraised price of Land Department around Baht 10,420.51 per square wah.

The subsidiary recognized gain on sales to related person amounting of Baht 3,226,982.70

During the first quarter in year 2010, the subsidiary had entered into land and building sales agreement with B.V.Asset Company Limited (Common director in subsidiary) as follows:

	Base on agreement
Land and building *	38,000,000.00
Land and structure **	3,000,000.00
Total	41,000,000.00

- * Lower than the appraised price of independent appraiser amounting to Baht 16.39 million (June 30, 2008) but higher than appraised price of Land Department.
- ** Higher than appraised price of Land Department (No appraised price by independent appraiser).

The term of payment was specified that the first payment at the date of transferred ownership amounting to Baht 10.25 million and the rest amount of Baht 30.75 million payment would be paid within March 31, 2011. On March 26, 2010, the subsidiary had transferred ownership.

Later, on August 18, 2010, the Company received the rest of whole amount.

The first quarter of year 2010, the subsidiary had recognized gain from disposal of assets and inventories in the income statement amounting of Baht 32.02 million.

		Baht	
		Separate financial statements	
	Relationship	Pricing policy	
			2010 2009
<u>Revenue from sale-land</u>			
S.N. Asset	Subsidiary	Agreed-upon	
Development Co., Ltd.		price **,	4,200,000.00 21,302,400.00

* Cost of land (0-2-52.3 square wah) was not higher than the appraised price of independent appraiser (Simon Lim&Partners Company Limited on February 17, 2010).

** Cost of land (0-7-19 square wah) was not higher than the price at Land Department.

5.9 Revenue from rents and services

		Baht	
		Consolidated financial statements	Separate financial statements
	Relationship	Pricing policy	
			2010 2009 2010 2009
Individual Jurisdiction by			
Khun Sriamong Keerativaranon	Director's		
And/or	mother	Bath 20,000	
Khun Saowalak Aouypornsong	Subsidiary's staff	per month	60,000.00 240,000.00 - -
Sinsapthanya Co., Ltd.	Relative of director	Baht 8,500 per month	102,000.00 102,000.00 102,000.00 102,000.00
Pattaya Country Club Co., Ltd.	Relative of director	Baht 11,500 per month	138,000.00 138,000.00 138,000.00 138,000.00
Treeplan Enterprise Co., Ltd.	Common Directors	Baht 1,100 per month	- 5,500.00 - 5,500.00
Baan Ruam Tang Fhun Co., Ltd.	Common Shareholders and directors	Baht 17,000 per month	200,074.80 200,074.80 - -
P.S.G.T Co., Ltd.	Common Shareholders in subsidiary	Baht 3,000 per month	28,579.53 28,579.53 - -
Property Gateway Co., Ltd.	Subsidiary	Baht 3,300 per month	- - 6,000.00 -
			528,654.33 714,154.33 246,000.00 245,500.00

The Company had entered into rental agreement for office space with the related party with the above mentioned rate for the period covered October 1, 2008 to December 31, 2010.

The company had enter into office rental agreement with rental rate at Baht 2,000 per month and service rate at Baht 1,000 per month. The rental period is for commencing from November 10, 2010 to December 31, 2011.

The subsidiary and the related person had enter into office rental agreement with rental rate at Baht 20,000 per month. The rental agreement for 3 years is ended in July 2011.

On October 1, 2008, Baan Ruam Tang Fhun Co.,Ltd had entered into rental agreement with Victory Assets Management Co., Ltd. with the rental rate at Baht 12,000 per month and service rate at Baht 5,000 per month. The rental period is for 27 months commencing from October 1, 2008 to December 31, 2010.

The subsidiary and the related party had enter into office rental agreement with rental rate at Baht 2,000 per month and service rate at Baht 1,000 per month. The rental agreement for 17 months is ended in December 2010.

5.10 Interest Income

			Baht			
			Consolidated financial statements		Separate financial statements	
	Relationship	Pricing policy	2010	2009	2010	2009
Victory Asset Management Co.,Ltd.	Subsidiary	1-3% per annum	-	-	78,660.28	1,105,955.33
S&P Estate Development Co., Ltd.	Subsidiary	1-3% per annum	-	-	2,346,316.97	2,803,018.47
S.N. Asset Development Co., Ltd.	Subsidiary	1-3% per annum	-	-	159,470.55	2,105,119.27
P.S.G.T Co., Ltd.	Common Shareholders in subsidiary	1% per annum	-	-	-	3,068.50
Property Gateway Co., Ltd.	Subsidiary	1.75-4% per annum	-	-	61,280.14	-
			-	-	2,645,727.94	6,017,161.57

5.11 Purchase of land and structures

			Bath			
			Consolidated financial statements		Separate financial statements	
	Relationship	Pricing policy	2010	2009	2010	2009
S.N. Asset Development Co., Ltd.	Subsidiary	Agreed-upon price **,***	-	-	-	7,002,880.00
P.S.G.T Co., Ltd.	Common Shareholders in subsidiary	Agreed-upon price ****	-	-	-	52,000,000.00
Tun Charoen Co.,Ltd.	Directors Relative	Agreed-upon price *****	-	200,000,000.00	-	-
			-	200,000,000.00	-	59,002,880.00

* Purchase price of land (Area for one plot was 1 Rai 10.4 Square Wah) was equal to the appraised price of Land Department.

** Purchase price of land (Area per nine plots were 290 Square Wah) was equal to the price at Land Department.

*** Purchase price of land (Area per two plots were 107.4 Square Wah) was higher than the price at Land Department.

**** Purchase price of land (Area per two plots were 1 Rai 319.1 Square Wah) was less than the appraised price of Land Department

***** Cost of land and structures (Area for one plot was 15 Rai 17.0 Square Wah) was not over the appraised price of land independent appraiser (Top thai appraisal Co., Ltd at June 1, 2009)

5.12 Sub-contract fee and materials cost

			Baht			
	Relationship	Pricing policy	Consolidated financial statements		Separate financial statements	
			2010	2009	2010	2009
S.P.R. Engineering Co., Ltd.	Common Shareholders and directors in subsidiary	Agreed price	10,137,094.99	848,890.00	10,137,094.99	693,000.00
Rattanaapol Co.,Ltd.	Director's Relative	Agreed price	6,299,261.43	5,451,554.23	5,074,376.69	4,598,728.97
			<u>16,436,356.42</u>	<u>6,300,444.23</u>	<u>15,211,471.68</u>	<u>5,291,728.97</u>

5.13 Rental expenses

			Baht			
	Relationship	Pricing policy	Consolidated financial statements		Separate financial statements	
			2010	2009	2010	2009
<u>Office building</u>						
Sinsapthanya Co., Ltd.	Relative of Director	Baht 5,000 per month	60,000.00	60,000.00	60,000.00	60,000.00
A-Shine Sang san Co., Ltd.	Relative of Director	Baht 24,000 per annum	240,000.00	240,000.00	-	-
Victory Asset Management Co., Ltd.	Subsidiary	Baht 17,000 per month	-	-	204,000.00	170,000.00
			300,000.00	300,000.00	264,000.00	230,000.00

The Company has entered into warehouse agreement to lease with Sinsapthanya Co., Ltd. with rental rate of Baht 10,000 per month, for 3 years from March 1, 2007 to February 28, 2010. After that, on October 10, 2008 the Company decreased rental rate to be Baht 5,000 per month and extended period to be ended December 31, 2010.

The Company had entered into rental agreement with Victory Assets Management Co., Ltd. with the rental rate at Baht 12,000 and service rate at Baht 5,000 per month for 34 months commencing from March 1, 2009 to December 31, 2010.

Victory Asset Management Co., Ltd. has entered into land agreement to lease land to rent for Cars-Tent with A-Shine Sang San Co., Ltd. at the rate of Baht 240,000 per year for 20 years commencing on December 28, 2001 to December 28, 2021 totaling rental contract amount of Baht 5.30 million.

5.14 Interest expenses

			Baht			
			Consolidated financial statements		Separate financial statements	
	Relationship	Pricing policy	2010	2009	2010	2009
T.Treasury Holding Co., Ltd.	Common	5%				
	Shareholders and directors	per annum	-	209,052.00	-	209,052.00
		1.75%				
		per annum	-	180,946.00	-	180,946.00
			-	389,998.00	-	389,998.00
S&P Housing Co., Ltd.	Subsidiary	3%				
		per annum	-	-	122,054.79	330,000.03
Sinsapthanya Co., Ltd.	Relative of Director	7.50%,				
		0.75-1.25%				
		per annum	2,410,855.50	5,218,965.00	2,410,855.50	5,218,965.00
			2,410,855.50	5,608,963.00	2,532,910.29	5,938,963.03

5.15 Other Expenses

Consist of:

			Baht	
			Separate financial statements	
	Relationship	Pricing policy	2010	2009
Victory Asset Management Co., Ltd.	Subsidiary	*		
			678,074.76	130,841.13

* The Company has entered into management agreements for 7 condominium projects with such subsidiary are follow:

- Contract No. 1 The Company has entered into management agreement for a condominium project with the subsidiary and management fee charged Baht 20,000 per month (Vat included) for 1 year from June 1, 2009 to May 31, 2010 and terminate the contract on September 1, 2009 effective from October 1, 2009.
- Contract No. 2 The Company has entered into management agreement for a condominium project with the subsidiary and management fee charged Baht 20,000 per month (Vat included) for 1 year from February 1, 2010 to January 31, 2011 and terminate the contract on February 27, 2010 effective from April 1, 2010.
- Contract No. 3 The Company has entered into management agreement for a condominium project with the subsidiary and management fee charged Baht 31,000 per month (Vat included) for 1 year from April 1, 2010 to March 31, 2011 and terminate the contract on May 1, 2010 effective from July 1, 2010.
- Contract No. 4 The Company has entered into management agreement for a condominium project with the subsidiary and management fee charged Baht 31,000 per month (Vat included) for 1 year from June 1, 2010 to May 31, 2011 and terminate the contract on August 1, 2010 effective from September 1, 2010.

- Contract No. 5 The Company has entered into management agreement for a condominium project with the subsidiary and management fee charged Baht 31,000 per month (Vat included) for 1 year from August 25, 2010 to August 25, 2011 and terminate the contract on January 1, 2011 effective from January 1, 2011.
- Contract No. 6 The Company has entered into management agreement for a condominium project with the subsidiary and management fee charged Baht 85,600 per month (Vat included) for 1 year from October 1, 2010 to September 30, 2011.
- Contract No. 7 The Company has entered into management agreement for a condominium project with the subsidiary and management fee charged Baht 87,740 per month (Vat included) for 1 year from December 1, 2010 to November 30, 2011.

5.16 Sinsaphanya Co., Ltd.

Before October 9, 2007, Sinsaphanya Co., Ltd. being under the debt restructuring with the finance institution, at October 9, 2007, the court had ordered Sinsaphanya Co., Ltd. to enter into rehabilitation plan. As at December 31, 2007 such company is still in process of rehabilitation plan and under the financial control by its creditors. Apart from this, there is debt convertible into capital to the creditors since December 31, 2005. Such company is not the subsidiary of the company owing to:

- A. In accordance with the debt restructuring contract dated on October 15, 2005 between two major creditors and major shareholders of Sinsaphanya Co., Ltd. (Mr. Therawat Thanyalukpak) and Sinsaphanya Co., Ltd. agreed to proceed with every shareholder of Sinsaphanya Co., Ltd. to transfer all their shares in such company to such creditor (relative of director). As a result, the former major shareholder of Sinsaphanya Co., Ltd. (Mr. Therawat Thanyalukpak) is not related to Sinsaphanya Co., Ltd. So that creditor on behalf of the shareholder of Sinsaphanya Co., Ltd. shall receive any benefit from the company whereby appropriate to the company's shareholders in the future.
- B. On December 9, 2005, the Company has signed the contract about business collaboration with Sinsaphanya Co., Ltd. (Signed by new shareholders and directors as the authorized persons) according to that specified in the above debt restructuring contract. There are important conditions as follows:
 1. Jointly manage the real estate development project while Sinsaphanya Co., Ltd. is the land owner. In add, the Company comprises duty of property construction and project administrator.
 2. Sinsaphanya Co., Ltd. comprises duty to sell land to customers referred by the Company only as the selling prices specified in the contract.
 3. The Company has sole right to determine land development fee and construction fee in the project by considering market situation, investment and macro success of the project as the key as main point.
 4. In the contract signed with the customers, customers will enter into purchasing and selling land contract with Sinsaphanya Co., Ltd. While the purchasing and selling for structures on the land will be entered with the Company. Sinsaphanya Co., Ltd. and the Company will receive half amount of the total amount paid by customers on the contract date.
 5. Sinsaphanya Co., Ltd. will receive remaining land fee on the date that land ownership has been transferred to customers.

6. The Company will be the person who receives the whole down payment from the customers which is paid by installment before the land ownership and structures thereon have been transferred. It is determined that such installment will be paid under the contract of land development engagement and houses construction.
7. Sinsaphanya Co., Ltd. will not purchase or operate any land development or house construction so as to sale or to let or any other business operation in respect of real estate no matter by related company or in the project cooperation or joint investment with other entrepreneur. Moreover, it will not purchase additional land or any real estate in the future except real estate project specified in the contract.

From May 31, 2008, the Company has entered into the memorandum for business collaboration. According to the ruling of Land Department instructed that sales of structures on land owned by Sinsaphanya Co., Ltd should be announced as 30 days before transferred to customers. Thus the Company and Sinsaphanya Co., Ltd. has entered into business collaboration to transfer the land to the Company before transfer the land and structures thereon to customer as the same date. On October 10, 2008 the Company purchased all of land and structures thereon in project from Sinsaphanya Co., Ltd. in amount of Baht 144.46 million at market price. The Company management confirms that the shares transfer to above creditor does not hold the nature of conceal act so that Sinsaphanya Co., Ltd. is not the company under control since such procedure is part of the debt restructuring contract that Sinsaphanya Co., Ltd. owed debt to that creditor.

On November 30, 2005, the shareholders of Sinsaphanya Co., Ltd. had transferred shares according to such debt restructuring contract. Furthermore, presently, the Company does not have mutual directors and shareholders and have no influences or control power either direct or indirect.

The transactions incurred under above mentioned business collaboration contract for the year ended on December 31, 2008 are as follows:

The value according to the land development engagement and house construction contracts with customer is amounting of Baht 281.62 million. Equivalent to 67.54% of total sales of the project under the collaboration contract. The purchasing and selling value which has already been transferred amounting of Baht 254.28 millions. Equivalent to 12.58% of total revenues of ongoing projects and 10.33% of total sales of ongoing projects and has gross profit at Baht 151.65 million.

On October 1, 2008, the Company signed the memorandum with Sinsaphanya Co., Ltd. so as to increase transparency in corporate governance and comply with the Securities and Exchange Act, B.E. 2535 regarding to good corporate governance in the areas of minority shareholders protection while there is important conditions as follows: The related company will not purchase or operate any land development or house construction for sale or to let or any other business operation in respect of real estate no matter by related company or in the project cooperation or joint investment with other entrepreneur except real estate project that operate presently.

In 2008, the Company has purchased part of land and structures thereon from Sinsaphanya Co., Ltd.

5.17 Conflict of interest agreement

On December 23, 2005, the Company signed the memorandum with related company so as to increase transparency in corporate governance and comply with the Securities and Exchange Act, B.E. 2535 regarding to good corporate governance in the areas of minority shareholders benefit protection while there is important agreement as follows:

Between the Company and Pattaya Country Club Co., Ltd. (Related company)

1. The related company will not purchase or operate land development or house construction so as to sell or to let or any other business operation in respect of real estate no matter by related company or in the collaboration project or joint investment with other entrepreneur except real estate the related company has operated presently.
2. In case that the related company will develop real estate on the land of such related company which was located on the outside area of Pattaya Country Club Golf course, such related company will have to propose to the Company as developer or participant in such project development as the first choice. If the Company denied such offer, the related company may enter to operate such land development no matter by itself or participation in the collaboration project or joint investment with other entrepreneur.
3. In case that the related company wishes to sell land of such related company which was located on outside area of Pattaya Country Golf Club, Such related company agreed to offer to sell such land to the Company as the first choice with the prices not higher than appraisal value appraised by independent appraisers who receive the consent from Securities Exchange Committee which appraisal value appraised for the period not exceeding six months before the company will purchase such land.
4. Both parties agreed that any operation under this contract, both parties are responsible for compliance according to law, regulation, announcement including regulation and notification issued by Stock Exchange of Thailand, especially notification in respect of connected transactions or acquisition or disposal of assets or any other notification in order to protect the benefit of minority shareholders of the Company.
5. Any counter party cannot discreetly use human resource including any asset of another counter party for its own benefit in its business operation.

However, on April 3, 2006, the Company agreed to additionally amend such agreement with the Pattaya Country Club Co., Ltd.

The contract of additional amendment between the Company and Pattaya Country Club Co., Ltd. (related company)

1. (Amendment of topic no.1.1), Pattaya Country Club Co., Ltd. will not purchase additional land or operate land development or house construction for sale or for let or any other business operation in respect of real estate no matter by Pattaya Country Club Co., Ltd. itself or in the collaboration or joint investment with other entrepreneur apart from the real estate project which has already operated presently.
2. (Amendment of topic no 1.2), in case that Pattaya Country Club Co., Ltd. wishes to develop real estate project on the land which was located outside area of Golf course, it will have to offer to Sena Development Company Limited as the sole developer of such project. If Sena development Co., Ltd denied such offer, Pattaya Country Club Co., Ltd. does not hold the right to develop such land no matter by itself or participant in the collaboration project or joint investment with other entrepreneur. In this case, Pattaya country Club Co., Ltd. holds sole right of such land disposal.

Between the Company and Bann Ruam Tang Fhun Co., Ltd. (Formerly known as Grungthep Land development Co., Ltd.) (related company)

1. As long as the related company takes the whole profit received from operation after deducting expense and paying tax according to law and donating to various public charity organization which

is generally acceptable or for other charity (no matter that donation will receive taxation benefit or not), the Company consents that related company to operate business which may have the competition nature with the Company.

2. Any counter party cannot discreetly use human resource including any asset of another counter party for its own benefit in its business operation.
3. The related company agrees and certifies that the related company will not pay dividend to shareholders or any benefit both in monetary and non-monetary from related company to shareholders, directors and the management. Except payroll or directors remuneration according to the normal rates which determined in advance.

Furthermore, the Company and Bann Ruam Tang Fhun Co., Ltd. have additional guidance as follows:

1. Major shareholders of the related company shall operate charity project only for one project at one time and the project value shall not exceed 5% of all project value of the Company.
2. The Audit committee and the auditor of the Company shall audit the accuracy of the financial statements of related company and total profit shall be donated to the charity.

Between the Company and T. Treasury Holding Co., Ltd. Treeplan Enterprise Co., Ltd. and Chatsuda Co., Ltd (related companies)

1. The related companies will not purchase or operate land development or house construction for sale or for let or any other business operation in respect of real estate no matter by related companies themselves or in the collaboration project or joint investment with other entrepreneur apart from the business of real estate that T. Treasury Holding Co., Ltd. has already operated presently. (On July 10, 2009, Treeplan Enterprise Co., Ltd. had finished of the liquidation and On April 24, 2009, Chatsuda Co., Ltd. had finished of the liquidation

On April 3 and 10, 2006, the Company has signed the Memorandum of understanding with related companies so as to increase transparency in the corporate governance and comply with the Securities and Exchange Act, B.E. 2535 regarding to good corporate governance in the areas of minority shareholders benefit protection while there is important agreement as follows:

Between the Company and Sirinthip Karn Keha Co., Ltd. (related company)

1. Sirinthip Karn Keha Co., Ltd. will not purchase additional land or operates land development or house construction for sales or for let or any other business operation in respect of real estate no matter by Sirinthip Karn Keha Co., Ltd. itself or in the collaboration project or joint investment with other entrepreneur apart from land that Sirinthip Karn Keha holds ownership presently.
2. In case that Sirinthip Karn Keha Co., Ltd. wishes to develop real estate project on the land of Sirinthip Karn Keha Co., Ltd., Sirinthip Karn Keha Co., Ltd. will have to offer to Sena Development PCL. as sole developer of such project. If Sena Development PCL. denied such offer, Sirinthip Karn Keha Co., Ltd. does not hold the right to develop such land no matter by itself or by participant in the collaboration project or joint investment with other entrepreneur. In this case, Sirinthip Karn Keha Co., Ltd. holds sole right of such land disposal.
3. Sirinthip Karn Keha Co., Ltd. will have to offer to sell such land to Sena Development Co., Ltd. as the first choice as the price not higher than appraised price by independent appraiser received the consent from Securities Exchange Committee which appraisal value appraised for the period not exceeding six months before Sena Development PCL. will purchase such land. However, if Sena Development PCL. does not wish to purchase such land from Sirinthip Karn Keha Co., Ltd.,

Sirinthip Karn Keha Co., Ltd. will therefore hold the right to sell such land to outside parties in the prices not lower than prices offered to Sena Development Company Limited.

- Both parties agreed that in any operation under this contract, both parties are responsible for compliance with legal, regulation, announcement including regulation and notification issued by Stock Exchange of Thailand, especially notification in respect of connected transactions or acquisition or disposal of assets or any other notification in order to protect the benefit of minority shareholders of the Company.

Between the Company and Jaroen Roj Land Co., Ltd. (related company)

- Jaroen Roj Land Co., Ltd. agrees and certifies to Sena Development PCL. that Jaroen Roj Land Co., Ltd. will not purchase additional land or operate land development or house construction for sale or for let or any other business operation in respect of real estate no matter by Jaroen Roj Land Co., Ltd. itself or in the collaboration project or joint investment with other entrepreneur apart from real estate project that Jaroen Roj Land Co., Ltd. has operated presently.

Between the Company and Bung Num Ruk Thanee Co., Ltd. (related company)

- Bung Num Ruk Thanee Co., Ltd. agrees and certifies to Sena Development PCL. that Bung Num Ruk Thanee Co., Ltd. will not purchase additional land or operate land development or house construction for sale or for let or any other business operation in respect of real estate no matter by Bung Num Ruk Thanee Co., Ltd. itself or in the collaboration project or joint investment with other entrepreneur apart from real estate project that Bung Num Ruk Thanee Co., Ltd. has operated presently.

Between the Company and Thitirat Wisawagam Co., Ltd. (related company)

- Thitirat Wisawagam Co., Ltd. agrees and certifies to Sena Development Company Limited that Thitirat Wisawagam will not purchase additional land or operate land development or house construction for sale or for let or any other business operation in respect of real estate no matter by Thitirat Wisawagam itself or in the collaboration project or joint investment with other entrepreneur apart from real estate project that Thitirat Wisawagam Co., Ltd. has operated presently.

5.18 Resolution of the Board of Directors' Meeting held on September 18, 2006 approved for land acquisition from T. Treasury Holding Co., Ltd. in the area of 392 Square wah to be developed for condominium residential project for sale. The sale and purchase land contract was made on November 1, 2006 for the total amount of Baht 32.50 million (appraisal value by independent appraiser, T.A. Management Corporation (1999) Co., Ltd. as per report dated on October 27, 2006 at amount of Baht 39.20 million). It is determined to be transferred within February 28, 2007 with term of payment as follows:

	Amount (Baht)
When ownership is transferred	1,000,000.00
On July 31, 2007	15,750,000.00 (no any interest charge)
On January 31, 2008	15,750,000.00 (no any interest charge)
Total	<u>32,500,000.00</u>

On July 31, 2007, the Company extended a promissory note due on July 31, 2007 to be due on January 31, 2008, with interest rate 15% per annum will be charged from July 31, 2007.

On January 15, 2008, the Company had entered into additional agreement with T. Treasury holding Co., Ltd. to extend due date of two promissory notes to be due on December 31, 2008 and January 31, 2009,

respectively at the interest rate of 5% per annum will be charged from January 31, 2008. On December 29, 2008 the Company rolled over such two promissory notes to be due on December 30, 2009 with interest rate charged at 1.75% per annum. At present, The Company has paid all the promissory note.

5.19 On December 11, 2008, the Company had entered into collaboration agreement with Victory Asset Management Co., Ltd. (Subsidiary) to promote the subsidiaries and to promote sales of land with house of the Company with the following conditions:

- Victory Asset Management Co., Ltd shall give the rate of 20% discount on normal rental fee and service fee charged to customer who holds sena card.
- The Company shall repay such discount fee at rate 20% to Victory Asset Management Co., Ltd.

6. CASH AND CASH EQUIVALENTS

As at December 31, 2010 and 2009 consist of;

	Baht			
	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Cash	537,200.00	557,424.46	397,700.00	370,859.46
Cash at banks - saving accounts	223,062,501.96	154,607,992.88	191,825,272.63	109,215,858.01
Cash at banks - current accounts	11,693,397.61	5,675,263.88	5,136,183.95	1,421,334.66
Cash at banks - fixed accounts	-	10,000,000.00	-	10,000,000.00
Bill of exchange	-	210,000,000.00	-	210,000,000.00
Check due but not deposit	52,742,934.88	-	9,677,156.00	-
Total	288,036,034.45	380,840,681.22	207,036,312.58	331,008,052.13

Saving deposit is subject to bank's floating interest rate.

As at December 31, 2009, bill of exchange from two financial institutions due on January, 2010 and at call, bearing interest at the rate of 1% to 1.35% per annum.

7. SHORT-TERM INVESTMENTS

	Baht			
	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Bill of Exchange	-	20,000,000.00	-	20,000,000.00

As at December 31, 2010, bill of exchange from financial institutions (Maturity date between 3-12 months) can be summarized as follows:

	Baht	
	Consolidated and Separate financial statements	
	2010	2009
Amount (Million Baht)	-	20
Number of bills	-	2
Due date	-	at call
Interest rate	-	1.00%
Commitment	-	None

8. TRADE ACCOUNTS RECEIVABLE AND NOTES RECEIVABLE

As at December 31, 2010 and 2009 consist of;

	Baht			
	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Notes receivable	969,999.94	1,027,000.00	-	-
Accounts receivable-Aging				
In due	-	-	-	-
Not over 3 months	295,647.54	228,022.36	-	-
Total	1,265,647.48	1,255,022.36	-	-

During the first quarter in year 2010, The Company has entered into property sale agreements (inventory) with the other company amounting of Baht 41.45 million (No appraisal price by independent appraiser but higher than the appraised price of Land Department). The term of payment was specified that the first payment was paid at the register date of transferred ownership amounting of Baht 8.30 million and the rest payment would be paid within March 31, 2011 and the debtor would pledge such assets as collateral. During March 19-23, 2010, the Company received property sales and released from mortgage and redumption of the mortgage is complete.

The first quarter of 2010 the Company had recognized profit from disposal asset (inventory) in the income statement amounting of Baht 15.53 million.

During the first quarter in year 2010, The subsidiary has entered into the property sales agreement (inventory) with the other company amounting of Baht 13.69 million (No appraisal price by independent appraiser but higher than the appraised price of Land Department). The term of payment was specified that the first payment was paid at the register date of transferred ownership amounting of Baht 2.74 million and the rest payment would be paid within March 31, 2011 and the debtor would pledge such assets as collateral. On March 31, 2010, the Subsidiary had transferred ownerships and mortgaged.

The first quarter of 2010 the subsidiary had recognized profit from disposal asset (inventory) in the income statement amounting of Baht 8.54 million.

On June 28, 2010 and July 6, 2010, the Subsidiary received property sales and released from mortgage.

9. INVENTORIES - NET

As at December 31, 2010 and 2009 consist of;

	Baht			
	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Land	1,399,169,878.17	1,013,799,082.39	1,032,437,678.44	672,357,679.12
Land development cost	34,599,568.56	29,434,491.80	20,453,514.10	18,405,277.34
Land and club-house	12,873,425.56	12,873,425.56	12,873,425.56	12,873,425.56
Public utility	210,187,437.03	154,146,329.80	147,260,129.72	108,924,172.53
Construction works	2,859,773,995.59	1,808,949,973.55	1,903,350,290.92	1,139,530,406.18
Management fee	26,157,528.86	11,485,659.92	9,628,852.23	5,244,038.40
Borrowing cost	68,487,334.66	53,588,480.28	33,717,207.22	22,404,869.71
Others expenses	32,791,165.97	13,952,543.39	32,534,021.97	13,691,424.99
Total	4,644,040,334.40	3,098,229,986.69	3,192,255,120.16	1,993,431,293.83
<u>Less</u> Accumulated transfer to				
cost of property sales	(3,122,877,310.93)	(2,279,207,676.36)	(1,971,927,562.90)	(1,398,193,591.28)
Deferred interest expenses	(6,261,448.50)	(6,261,448.50)	(6,261,448.50)	(6,261,448.50)
Net	1,514,901,574.97	812,760,861.83	1,214,066,108.76	588,976,254.05
Finished house held for				
sales - net	7,165,156.08	23,304,437.71	7,165,156.08	21,941,735.13
Total	1,522,066,731.05	836,065,299.54	1,221,231,264.84	610,917,989.18

As at December 31, 2010, the Company and subsidiary mortgaged the above land with total cost amount of Baht 402.72 million and Baht 47.36 million, respectively, as collateral for loans (Note 23).

Consolidated financial statements

As at December 31, 2010 and, 2009, the Company and subsidiary capitalized interest expense as a part of cost of inventory amounting to Baht 10.08 million and Baht 2.78 million, respectively.

Separate financial statements

As at December 31, 2010 and 2009, the Company capitalised interest expense as a part of cost of inventory amounting to Baht 8.12 million and Baht 1.68 million, respectively.

The projects of the Company are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Number of projects on hand at beginning of year /period	17	16	12	12
Number of closed projects	(3)	(2)	(2)	(2)
Number of the new projects	3	3	3	2
Number of projects on hand at end of year / period	17	17	13	12
Amount of sale contracts (Million Baht)	6,057.75	4,424.78	4,867.01	3,458.01
Percentage of total sales in projects on hand	75	71	73	74

Cost of each plot of land is lower than the appraisal values, according to the report of independent appraiser by market value method.

10. OTHER CURRENT ASSET

As at December 31, 2010 and 2009 consist of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Advance payment	8,815,206.38	647,795.78	3,608,033.42	1,393,357.05
Prepaid expenses	28,357,884.26	3,789,368.94	19,756,346.18	3,463,664.93
Deposit for land	5,000,000.00	7,000,000.00	5,000,000.00	7,000,000.00
Others	4,040,910.36	3,488,741.26	351,232.53	349,286.52
Total	46,214,001.00	14,925,905.98	28,715,612.13	12,206,308.50

11. NOTES RECEIVABLE-TRADE - NET

As at December 31, 2010 and 2009 consist of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Promissory notes	-	68,587,228.00	-	68,587,228.00
Add Deferred interest expenses (Discounted)	-	458,545.46	-	458,545.46
Less Deferred interest income	-	(853,577.89)	-	(853,577.89)
Less Discounted notes receivable	-	(68,192,195.57)	-	(68,192,195.57)
Net	-	-	-	-

Notes receivable are promissory notes received from inventory sold was aval by the Government Housing Bank for 2 years (Current of matured), Prepaid interest expense was recorded at discount rate at 4% - 5% per annum which was similarly to discount rate on financial instruments.

12. LAND HELD FOR DEVELOPMENT-NET

As at December 31, 2010 and 2009 consist of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Cost of land	858,951,942.13	569,821,719.21	305,864,377.67	359,777,539.41
Related expenses of land	8,570,865.84	4,421,088.27	235,074.95	4,421,088.27
Public utility development	3,163,532.57	12,682,384.28	3,163,532.57	12,682,384.28
Borrowing cost	486,098.37	2,239,429.34	486,098.37	2,239,429.34
Total	871,172,438.91	589,164,621.10	309,749,083.56	379,120,441.30

Costs of each plot of land are not exceed the appraisal value appraised by independent appraiser with market value method or appraisal value appraised by Land Department.

As at December 31, 2010, the subsidiary has five title deeds of land held for development (Total area : 3 rai - 2 ghan - 42.20 square wah). Such three title deeds (Total area: 2 rai - 1 ghan - 26.5 square wah) had been registered the servitude for the Company's passage - way. The subsidiary has recorded impairment of such servitude land.

As at December 31, 2010, the subsidiary has purchased land with servitude amount of Baht 4.20 million and has provided allowance for impairment loss on such land as it becomes public road.

As at December 31, 2010 and 2009, the company has mortgaged land held for development at the cost amounting to Baht 100.95 million and 104.18 million, respectively as collateral for loans (Note 23).

As at December 31, 2010 and 2009, the subsidiary has mortgaged land and structures at cost of Baht 508.34 and Baht 200 million, as collateral for loan from the financial institutions (Note 23).

13. INVESTMENTS IN SUBSIDIARIES

Separate financial statements

As at December 31, 2010 and 2009 consist of:

	Paid-up Capital (thousand Baht)	Portion of investment %	Baht			
			Cost method		Dividend income	
			2010	2009	2010	2009
Victory Asset Management Co., Ltd.*	230,000.00	99.99	175,378,636.00	94,388,536.00	-	-
S&R Housing Housing Co., Ltd. *,***	-	-	-	-	-	1,892,086.50
P.S.G.T Co., Ltd. **	100,000.00	100.00	-	1,000,000.00	-	-
S.N. Asset Development Co., Ltd. *	122,000.00	99.65	121,573,000.00	72,545,200.00	-	-
S&P Estate Development Co., Ltd.	14,000.00	79.96	11,195,000.00	11,195,000.00	-	-
S&P Housing Co., Ltd. ****	1,000.00	74.50	-	745,000.00	52,820,500.00	-
Property Gateway Co., Ltd.	100,000.00	99.99	100,000,000.00	-	-	-
			<u>408,146,636.00</u>	<u>179,873,736.00</u>	<u>52,820,500.00</u>	<u>1,892,086.50</u>

* Increase and decrease the registered share capital of subsidiaries (Note 26). There has no any shareholders percentage changing.

** During year 2009, the Company invested in common shares of such company and has prepared for the consolidated since June 17, 2009, which the Company has the significant control in that subsidiary. And on June 7, 2010 the Company had sold investment in subsidiary to third party. The Company lossed the significant control since has disposal such investment.

*** On November 23, 2009, the Company had sold investment in subsidiaries to former shareholder which was leaded to lose the significant control in that subsidiary since has disposal investment.

**** On December 3, 2010, the Company had sold investment in subsidiaries to former shareholder which was leaded to lose the significant control in that subsidiary since has disposal investment.

14. PROPERTY, PLANT AND EQUIPMENT - NET

The significant movements during the year ended December 31, 2010 and 2009 are as follows:-

	Baht					
	Consolidated financial statements					
	Land	Building and Structures	Office Equipments	Vehicles	Work in process	Total
Cost:						
As at January 1, 2009	42,145,691.58	22,823,393.71	20,690,699.63	16,761,413.45	5,419,024.42	107,840,222.79
Increased	478,240.00	187,299.05	4,226,772.09	4,614,500.00	5,303,878.72	14,810,689.86
Decreased	-	-	(94,776.41)	-	-	(94,776.41)
Transfer in (out)	-	10,722,903.14	-	-	(10,722,903.14)	-
Portion of subsidiary which ended of control	-	-	(380,446.48)	-	-	(380,446.48)
As at December 31, 2009	42,623,931.58	33,733,595.90	24,442,248.83	21,375,913.45	-	122,175,689.76
Increased	1,838,807.90	-	6,174,665.08	3,632,595.00	1,760,645.61	13,406,713.59
Decreased	(5,517,131.58)	(4,733,011.00)	(368,937.43)	-	-	(10,619,080.01)
Transfer in (out)	-	-	-	-	-	-
Portion of subsidiary which ended of control	-	-	(1,428,730.72)	-	-	(1,428,730.72)
As at December 31, 2010	38,945,607.90	29,000,584.90	28,819,245.76	25,008,508.45	1,760,645.61	123,534,592.62
Accumulated depreciation:						
As at January 1, 2009	-	4,897,794.95	8,806,892.58	10,909,406.22	-	24,614,093.75
Increased	-	1,480,714.45	3,967,530.29	2,394,708.31	-	7,842,953.05
Decreased	-	-	(6,489.62)	-	-	(6,489.62)
Portion of subsidiary which ended of control	-	-	(189,040.30)	-	-	(189,040.30)
As at December 31, 2009	-	6,378,509.40	12,578,892.95	13,304,114.53	-	32,261,516.88
Increased	-	1,534,104.52	4,028,228.22	2,410,654.11	-	7,972,986.85
Decreased	-	(2,408,252.23)	(57,146.15)	-	-	(2,465,398.38)
Portion of subsidiary which ended of control	-	-	(1,421,445.45)	-	-	(1,421,445.45)
As at December 31, 2010	-	5,504,361.69	15,128,529.57	15,714,768.64	-	36,347,659.90
Net book value:						
As at December 31, 2010	38,945,607.90	23,496,223.21	13,690,716.19	9,293,739.81	1,760,645.61	87,186,932.72
As at December 31, 2009	42,623,931.58	27,355,086.50	11,863,355.88	8,071,798.92	-	89,914,172.88
Depreciation for the years ended:						
December 31, 2010	-	1,534,104.52	4,028,228.22	2,410,654.11	-	7,972,986.85
December 31, 2009	-	1,480,714.45	3,967,530.29	2,394,708.31	-	7,842,953.05

As at December 31, 2010 and 2009, the subsidiaries have mortgaged the land and building amounting of Baht 37.73 million, as collateral for long-term loans from financial institutions (Note 23).

As at December 31, 2010 and 2009, a portion of the Company's equipment with historical cost of Baht 14.93 and 12.61 million and a portion of subsidiary's assets at Baht 2.67 and 1.42 million, are fully depreciated but they are still in use.

The significant movements during the year ended December 31, 2010 and 2009 are as follows:-

Baht						
Separate financial statements						
	Land	Building and Structures	Office Equipments	Vehicles	Work in process	Total
Cost:						
As at January 1, 2009	19,482,500.00	5,517,500.00	14,216,485.21	16,556,214.45	-	55,772,699.66
Increased	-	-	2,221,797.57	4,614,500.00	-	6,836,297.57
Decreased	-	-	(68,754.01)	-	-	(68,754.01)
As at December 31, 2009	19,482,500.00	5,517,500.00	16,369,528.77	21,170,714.45	-	62,540,243.22
Increased	1,838,807.90	-	3,526,010.73	3,500,595.00	1,760,645.61	10,626,059.24
Decreased	-	-	(360,037.43)	-	-	(360,037.43)
As at December 31, 2010	21,321,307.90	5,517,500.00	19,535,502.07	24,671,309.45	1,760,645.61	72,806,265.03
Accumulated depreciation:						
As at January 1, 2009	-	-	6,618,267.97	10,822,402.64	-	17,440,670.61
Increased	-	343,713.08	2,688,666.41	2,353,687.03	-	5,386,066.52
Decreased	-	-	(5,035.22)	-	-	(5,035.22)
ณ 31 ธันวาคม 2552	-	343,713.08	9,301,899.16	13,176,089.67	-	22,821,701.91
Increased	-	388,501.75	2,504,807.11	2,352,979.69	-	5,246,288.55
Decreased	-	-	(51,855.36)	-	-	(51,855.36)
As at December 31, 2009	-	732,214.83	11,754,850.91	15,529,069.36	-	28,016,135.10
Net book value:						
As at December 31, 2010	21,321,307.90	4,785,285.17	7,780,651.16	9,142,240.09	1,760,645.61	44,790,129.93
As at December 31, 2009	19,482,500.00	5,173,786.92	7,067,629.61	7,994,624.78	-	39,718,541.31
Depreciation for the years ended:						
December 31, 2010	-	388,501.75	2,504,807.11	2,352,979.69	-	5,246,288.55
December 31, 2009	-	343,713.08	2,688,666.41	2,353,687.03	-	5,386,066.52

15. ASSETS FOR RENT-NET

The significant movements during the year ended December 31, 2010 and 2009 are as follows

Baht						
Consolidated financial statements						
	Infrastructure Land	Land	Building and Structures	Fixture and office Equipments	Work in progress	Total
Cost:						
As at January 1, 2009	2,527,822.00	19,710,131.00	105,288,765.21	9,144,179.78	-	136,670,897.99
Increased	-	-	127,330.00	102,272.25	-	229,602.25
As at December 31, 2009	2,527,822.00	19,710,131.00	105,416,095.21	9,246,452.03	-	136,900,500.24
Increased	-	-	329,206.90	484,981.05	1,482,709.20	2,296,897.15
Transfer in	-	162,583,000.00	37,507,026.78	-	-	200,090,026.78
As at December 31, 2010	2,527,822.00	182,293,131.00	143,252,328.89	9,731,433.08	1,482,709.20	339,287,424.17
Accumulated depreciation:						
As at January 1, 2009	-	-	6,883,145.24	2,361,119.43	-	9,244,264.67
Increased	-	-	4,379,679.65	1,835,747.28	-	6,215,426.93
As at December 31, 2009	-	-	11,262,824.89	4,196,866.71	-	15,459,691.60
Increased	-	-	10,616,801.50	1,890,760.24	-	12,507,561.74
As at December 31, 2010	-	-	21,879,626.39	6,087,626.95	-	27,967,253.34
Net book value:						
As at December 31, 2010	2,527,822.00	182,293,131.00	121,372,702.50	3,643,806.13	1,482,709.20	311,320,170.83
As at December 31, 2009	2,527,822.00	19,710,131.00	94,153,270.32	5,049,585.32	-	121,440,808.64
Depreciation for the years ended:						
December 31, 2010	-	-	10,616,801.50	1,890,760.24	-	12,507,561.74
December 31, 2009	-	-	4,379,679.65	1,835,747.28	-	6,215,426.93

As at December 31, 2010, book value of assets for rent such as two apartments are not exceed the appraisal value appraised by independent appraiser (T.A. Management Corporation (1999) Co., Ltd.) as per report dated February 6, 2009.

As at December 31, 2010 and 2009 the subsidiaries have mortgaged land and structures cost of Baht 328.08 million and Baht 127.65 million, respectively as collateral for loans from the financial institutions (Note 23).

Assets for rent such as land and warehouse for rent at Sukhumvit 50, the subsidiary estimates for the useful life according to the company's policy to rent around 6 years.

16. PROJECT UNDER CONSTRUCTION

	Baht		
	Consolidated financial statements		
	Land	Building under construction	Total
Cost of assets:			
As at January 1, 2009	2,528,000.00	1,706,224.34	4,234,224.34
Increased	-	4,509,652.96	4,509,652.96
As at December 31, 2009	2,528,000.00	6,215,877.30	8,743,877.30
Increased	-	5,844,848.48	5,844,848.48
Transfer in (out)	-	(90,026.78)	(90,026.78)
As at December 31, 2010	2,528,000.00	11,970,699.00	14,498,699.00

A subsidiary has apartment under construction for rent.

As at December 31, 2010, the subsidiary has mortgaged land and structures at the cost of Baht 15.56 million, as collateral for long - term loans from a financial institution (Note 23).

17. LAND LEASE RIGHT

Term payment on agreement	Baht	
	Consolidated and Separate financial statements	
	2010	2009
First rental repayment	30,000,000.00	30,000,000.00
Leashold right transferring expenses	25,000,000.00	25,000,000.00
Registered expenses	528,205.00	528,205.00
Total	55,528,205.00	55,528,205.00

On September 2, 2008, the Company had entered into the memorandum of Land leasehold right transferring from a non related company, to rent the land with a Foundation for 32 years, expire on 2041. The Company has to pay for the first rental fee amounting to Baht 30 million (Baht of 20 million will be paid on the memorandum signing part of date, and Baht of 10 million will be paid within January 10, 2010). Also, monthly rental fee each Baht of 50,000, starting from September 2011. The Company has the commitment to construct the project by amount not less than Baht 300 million and has to finish the project construction within 10 years from the registration of leasehold the whole construction on rental land will be transferred the ownership to lessor when the period of this project contract is terminated. In addition, the Company has to pay for the benefit fee at the rate of 20% of net profit to land leasehold right transferor. Together with land leasehold right transferring charges amount of Baht 25 million. Baht of 12 million will be paid at land rental registered date, and Baht of 13 million will be paid within February 2010.

On February 25, 2010, the Company had entered into agreement to change the term of payment for the amount of Baht 13 million as follows:

	Amount (Baht)
Within February 28, 2010	5,000,000.00
Within March 31, 2010	5,000,000.00
Within April 30, 2010	3,000,000.00
	<u>13,000,000.00</u>

The Company has registered land leasehold right with such foundation on September 11, 2009.

The rental objective is to construct any structures on lease land in order to sub-lease or any business commercial benefit.

As at December 31, 2010, the Company is still provide the design and construction of buildings. It is expected that construction will begin in June 2554 after it was permitted by government agencies.

18. LAND AND STRUCTURES NOT USED IN OPERATION

As at December 31, 2010 and 2009 consist of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Land	1,428,017.60	1,428,017.60	-	-
Structures	1,521,982.40	1,521,982.40	-	-
Total	<u>2,950,000.00</u>	<u>2,950,000.00</u>	<u>-</u>	<u>-</u>

19. GOODWILL - NET

As at December 31, 2010 and 2009 consist of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Goodwill	-	220,639.03	-	-
<u>Less</u> Amortization of goodwill	-	(220,639.03)	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

In 2009, the Company invested in ordinary shares and written-off the whole of it's goodwill.

20. OTHER NON-CURRENT ASSET

As at December 31, 2010 and 2009 consist of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Deposit and guarantee	11,983,432.90	9,399,751.08	11,177,233.90	9,265,861.08
Revenue Department receivable	5,486,200.00	9,262,820.00	5,486,200.00	9,262,820.00
Others	8,872,360.28	2,039,565.47	8,447,354.55	1,029,522.07
Total	26,341,993.18	20,702,136.55	25,110,788.45	19,558,203.15

21. TRADE ACCOUNTS AND NOTES PAYABLE

As at December 31, 2010 and 2009 consist of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Account payable for construction	84,365,687.01	56,274,580.37	57,888,119.41	41,876,268.63
Notes payable	15,161,639.17	2,974,638.84	9,368,979.65	2,401,504.31
Total	99,527,326.18	59,249,219.21	67,257,099.06	44,277,772.94

22. SHORT-TERM PROMISSORY NOTES PAYABLE

As at December 31, 2010 and 2009 consist of:

	Baht	
	Consolidated and Separate financial statements	
	2010	2009
Promissory notes - land payment *	-	38,000,000.00
<u>Less</u> land development cost	-	(38,000,000.00)
Net	-	-
Promissory notes **, ***	100,000,000.00	21,133,875.00
Bill of exchange ****	100,000,000.00	-
<u>Less</u> Interest discounting bills of exchange	(944,112.40)	-
	99,055,887.60	-
Total	199,055,887.60	21,133,875.00

- * In year 2008, the Company has issued 3 promissory notes without interest due within 1 year due on July 2009, aval by financial institution amounting of Baht 38 million to creditor payable for payment of land according to sale and purchase agreement dated December 6, 2006. On September 1, 2009, the Company got the letter of "Money deductible accepted memo" from the creditor accepted for deduction of land filling and improving cost the due to contractor, which the Company has to pay for the overdue amount.

As at December 31, 2009 that promissory notes are secured by deposits at bank pledged as collateral. However at December 31, 2009 the Company has complete land filling and repayment to the creditor.

** The Company has issued 7 promissory notes due in September 2011 by financial institution amounting of Baht 71.08 million (no specific interest rate) for payment of land according to sale and purchase agreement dated March 25, 2010. At the present, the Company paid all debts.

*** The Company has issued 1 promissory note due in February 2011 by financial institution amounting of Baht 100 million interest rate of MLR -2% to pay the land from auction to buy assets from the auction.

**** The Company has issued 1 bill of exchange due in March 2011 by securities institution amounting of Baht 100 million, discount rate of 4% per annum. The support business expansion and financial resources to conduct the business of the company.

23. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

As at December 31, 2010 and 2009 consist of:

CURRENT LIABILITIES:

	Credit limit (Million Baht)	Baht			
		Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Long-term loans from financial institutions					
- Land	543.72	443,720,000.00	26,000,000.00	162,200,000.00	-
- Construction works and project public utility development	361.85	186,711,805.00	5,870.52	146,711,805.00	5,870.52
Total	905.57	630,431,805.00	26,005,870.52	308,911,805.00	5,870.52

The significant movements during the year ended December 31, 2010 are as follows:

	Baht			
	Consolidated financial statements			
	January 1, 2010	Increase	Decrease	December 31, 2010
Long-term loans from financial institutions				
- Land	26,000,000.00	464,720,000.00	(47,000,000.00)	443,720,000.00
- Construction works and project public utility development	5,870.52	257,308,960.00	(70,603,025.52)	186,711,805.00
Total	26,005,870.52	722,028,960.00	(117,603,025.52)	630,431,805.00

Baht

Separate financial statements

Long-term loans from

financial institutions

	January 1, 2010	Increase	Decrease	December 31, 2010
- Land	-	209,200,000.00	(47,000,000.00)	162,200,000.00
- Construction works and project public utility development	5,870.52	217,308,960.00	(70,603,025.52)	146,711,805.00
Total	5,870.52	426,508,960.00	(117,603,025.52)	308,911,805.00

As at December 31, 2010, the Company has long-term loans with a bank under the condition of payment as following:

1. Loan facility of Baht 37.20 million

- Land cost charged interest rate of MLR per annum. The interest is payable every end of the month and the principal is payable at the rate of return 80% of property sale agreements. Such loan is collateral by land and structure (Note 9).

2. Loan facility of Baht 95.00 million

- Land cost charged interest rate of MLR -1.75% per annum. The interest is payable every end of the month and the principal is payable within June 2012. Such loan is collateral by land and structure (Note 9).

3. Loan facility of Baht 30.00 million

- Land cost charged interest rate of MLR - 2% per annum. The interest is payable every end of the month and the principal is payable by installment within 18 months from the date of first drawdown period. Such loan is collateral by land and structure (Note 12).

4. Loan facility of Baht 38.85 million

- Construction cost charged with interest rate of BT'S MLR per annum. The interest is payable every end of the month and the principal is payable by installment within 3 years and 6 months from the signing data of loan agreement. Such loan is collateral by land and structure (Note 9, 12).

5. Loan facility of Baht 163.00 million

- Construction cost charged with interest rate of MLR - 1.75 per annum. The interest is payable every end of the month and the principal is payable by installment within June, 2012. The remaining credit line has not been withdrawn amounting of Baht 25.00 million. Such loan is collateral by land and structure (Note 9).

6. Loan facility of Baht 120.00 million

- Construction cost charged with interest rate of MLR - 0.50 per annum. The interest is payable every end of the month and the principal is payable by installment within 30 months from the signing data of loan agreement. The remaining credit line has not been withdrawn amounting of Baht 50.33 million. Such loan is collateral by land and structure (Note 9).

Subsidiaries

As at December 31, 2010, two subsidiaries have long-term loans from financial institutions as follows:

1. Loan facility of Baht 176.40 million bearing interest rate of MLR -0.75% per annum in the first year. After that will be MLR -0.50% per annum. The interest is payable every end of the month and remaining credit line has not been withdrawn amounting of Baht 104.88 million.

Such loans are collateral by project land (Note 9), guaranteed by the directors of parent company and Sena Development Public Company Limited.

2. Land cost amounting of Baht 350 million interests in Year 1 and 2 interest rate of MLR - 1.25 % per annum. After that, the interest rate MLR -0.75 % per annum. The interest is payable every end of the month and remaining credit line has not been withdrawn amounting of Baht 100 million.

Such loans are collateral by project land (Note 12), guaranteed by Sena Development Public Company Limited.

As the loan repayment schedule is proportionated to sales of real estate. The Company therefore presented all long-term loans as Current Liabilities.

NON-CURRENT LIABILITIES:

	Credit limit (Million Baht)	Baht			
		Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Long-term loans from financial institutions					
- Land	180.00	159,565,154.75	122,000,000.00	40,000,000.00	-
- Construction works	113.00	-	84,745,817.27	-	-
- Current portion	-	(15,116,455.47)	(18,803,501.58)	-	-
Net	293.00	144,448,699.28	187,942,315.69	40,000,000.00	-

The significant movements during the year ended December 31, 2010 are as follows:

	Baht			
	Consolidated financial statements			
	January 1, 2010	Increase	Decrease	December 31, 2010
Long-term loans from financial institutions				
- Land	122,000,000.00	40,000,000.00	(2,434,845.25)	159,565,154.75
- Construction works	84,745,817.27	-	(84,745,817.27)	-
	206,745,817.27	40,000,000.00	(87,180,662.52)	159,565,154.75

	Baht			
	Separate financial statements			
	January 1, 2010	Increase	Decrease	December 31, 2010
Long-term loans from financial institutions				
- Land	-	40,000,000.00	-	40,000,000.00

As at December 31, 2010, The Company has loan facility from a commercial bank, payment condition are as follows:

1. Loan facility of Baht 40 million
 - Land cost charged interest rate of MLR per annum. The interest is payable every end of month, repayment within 42 months and the first principal repayment within 25 months after the drawn down date. Such loans are mortgaged by The Company's land and structures (Note 9).

Subsidiaries

As at December 31, 2010, a subsidiary has loan facility from a commercial bank amounting of baht 113 million, payment condition are as follows:

1. Loan facility of Baht 50 million

Starting in July 24, 2008 interest rate is MLR -1.50% per annum. Repayment schedule starting in January 2008 under the following conditions.

1st to 12 th month	principal with interest is Baht 560,000 per month.
13th to 11 th month	principal with interest is Baht 730,000 per month.

2. Loan facility of Baht 30 million

Interest rate is MLR -1.50% per annum, repayment within 9 years and the first principal repayment commencing in June 2008 under the following conditions.

1st year	principal with interest of Baht 300,000 per month.
The 2nd-9th year	principal with interest of Baht 420,000 per month.

3. Loan facility of Baht 25 million

Interest rate is MLR -1.50% per annum, repayment within 9 years and 6 months and the first principal repayment in August 2009. The repayment of principal and interest is Baht 320,000 per month. Remaining credit line has not been drawn down amounting to Baht 5 million.

4. Loan facility of Baht 8 million

Interest rate is MLR -1.50% per annum, repayment within 9 years and 6 months and the first principal of repayment within 6 months after the drawn down under the following repayment conditions.

1st year	principal with interest is Baht 50,000 per month.
The 2 nd -9th year	principal with interest is Baht 115,000 per month.

Remaining credit line has not been drawn down amounting to Baht 8 million.

These loans are guaranteed by the Company, mortgaged by subsidiary's land and structures (Notes 14 and 16) and the directors of the Company and the subsidiary. Under the conditions that the Company has to remain 100% shareholder in the subsidiary.

During the second quarter in year 2010, a subsidiary has changed the above credit lines to overdraft of Baht 3 million and short-term loans in form of promissory amount of Baht 110 million (amount of Baht 110 million used in conjunction with the Company amount of Baht 100 million). The credit lines are secured by the land and buildings of the company, directors of the Company and the Company (No collateral fee charged).

5. Loan facility of Baht 140 million

The first principal and interest repayment is not less than Baht 1,226,000 per month and repayment within 120 months after the first drawn down onward under the term of interest rate as follows:

1st year to December 31, 2014	interest at the fixed rate 5% per annum.
January 1, 2015 onwards	interest rate of MLR+0.50% per annum.

These loans are guaranteed by land and structures at cost of Baht 200 million (note15) and the guaranteed by directors of the Company and Sena Development Public Company Limited.

24. OTHER INCOME

	Baht			
	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Gain on disposal of fixed assets	30,158,109.65	-	268,798.22	-
Higher than the fair value of investments				
in subsidiaries (As investors)	47,657,850.33	-	-	-
Gain on disposal of investments in subsidiaries	17,207,755.22	-	-	-
Dividends income	-	-	52,820,500.00	1,892,086.50
Other income	16,987,906.18	21,361,008.19	9,759,625.38	17,940,810.52
Total	112,014,174.38	21,361,008.19	62,848,923.60	19,832,897.02

25. PROMOTIONAL PRIVILEGES FROM B.O.I

By virtue of the provisions of the Investment Promotion Act of B.E. 2520, the Company and its subsidiaries has been granted privileges by the Board of Investment relating to developing a housing project for persons who have low or middle income a number of 5 and 3, respectively. (where the usable area in each unit shall not be less than 28 square meters and the contracted sale amount is less than Baht 1,000,000). The principal privilege is the exemption from corporate income tax for a period of 5 years from the start of business operations related to these privileges. The promotional privileges will expire in various periods from October 7, 2009 to October 8, 2015.

As promoted companies, the Company must comply with certain terms and conditions prescribed in the promotional certificates.

26. INCREASE OF SHARE CAPITAL IN SUBSIDIARIES

Victory Asset Management Co., Ltd.

The resolution of Shareholder's Meetings No.1/2009 held on August 31, 2009, and resolution of Board of director's Meeting No.2/2009 held on August 7, 2009, resolved to increase the subsidiary company's share capital amount of Baht 180 million, from Baht 50 million (ordinary shares 50,000 shares with a par value of Baht 1,000 per share) to be Baht of 230 million (ordinary shares 230,000 shares with a par value of Baht 1,000 per share) The subsidiary company has registered the increase in share capital with the Ministry of Commerce on September 4, 2009. The Company has received payment of shares subscription for 340 Baht per share.

The resolution of Board of director's Meeting No.3/2010 held on May 27, 2010 resolved to increase the subsidiary company's share capital with the Ministry of Commerce. The Company has received payment shares subscription by 450 Baht per share amount of Baht 81 million.

S.N. Asset Development Co., Ltd.

The resolution of The Extraordinary Meetings No.1/2009 held on August 31, 2009, and resolution of Board of director's Meeting No.8/2009 held on August 7, 2009, resolved to increase the subsidiary company's share capital from Baht 120 million from Baht 2 Million (ordinary shares 2,000 shares with a par value of Baht 1,000 per share) to be Baht of 122 million (ordinary shares 122,000 shares with a par value of Baht 1,000 per share) The subsidiary company has registered the increase in share capital with the Ministry of Commerce on September 4, 2009. The Company has received payment shares subscription by 590 Baht per share.

The resolution of Board of director's Meeting No.9/2010 held on November 22, 2010 resolved to increase the subsidiary company's share capital with the Ministry of Commerce, all the rest of the share capital in the stock price at 410 Baht.

27. DISCLOSURE AND PRESENTATION OF FINANCIAL INSTRUMENTS

27.1 Policy to manage financial risk

The Group possesses risk regarding to the change of interest rate. The Group will consider using derivative instruments, as and when it considers appropriating to manage such risks. However, the Group does not hold any policy to hold or issue any financial instruments for speculation or trading.

27.2 Risk on Interest Rate

Risk on interest rates is derived from the change of the interest rate in the future, which will affect upon the Group's operating results and cash flows. The Group subsidiaries are exposed to interest rate long term since they have deposits, promissory note received from customers and related companies, bank overdraft and loan from financial institutions that bear interest rates comparable to market interest rates. Since most the Group does not protect risk through derivative products. Except for protection risk on interest rates which are derived from the change of the interest rate in the market for promissory notes from customers and related companies which the Company had discounted with the financial institution.

27.3 Credit Risk

The Group has risk on credit regarding to trade accounts receivable and notes receivable which the counter party unaffordable or unwillingly follow the agreements. However the Group pursues conservative policy by analyze financial position and capability to payback of trade accounts receivable including considering to receive promissory notes from customers which have already been aval by the financial institute. (notes 11)

27.4 Fair Value

Since most of the financial assets and liabilities are short-term, the Group believes such book value of the financial assets and liabilities are presented in value not materially different from relevant fair value.

28. CONTINGENT LIABILITIES AND COMMITMENTS

28.1 As at December 31, 2010, the Group has contingent liabilities and commitments with commercial banks as follows:

- The Company has mortgaged project land for overdrafts facility amounting to Baht 5.00 million.
- The Company has mortgaged by bank deposits amounting to Baht 10.16 million to mortgage for project public utilities and electricity amounting to Baht 9.36.

- The Company has commitments in respect of bank guarantee

	Project public utilites	Transformer and electricity usage	Others	Mortgaged
SENA Development PCL	27.88	3.30	-	Bank deposits and land project
S&P Estate Development Co., Ltd.	2.12	-	-	Bank deposit of the subsidiary company
S.N. Asset Development Co., Ltd.	0.76	-	-	Bank deposit of the subsidiary company
Victory Asset Management Co., Ltd.	-	0.30	-	Bank deposit of the subsidiary company

- A subsidiary has commitments with commercial banks as follows:

	Baht million
Overdrafts facilities	5
Long-term loans facilities (to drawn down loan Baht 250 million)	754
Guarantee facilities	50

The loan guarantees are secured by land development and construction in the future (Note 12) and its Sena Development Co., Ltd.

- Engagement by hostile possession
The Group purchased certain land held by hostile possession (282 Square wah), amounting of Baht 2.03 million and presented as part of "Inventory". The above land purchased by the bidding total 10 plots of land (23 Rai 2 Ngan 44 square wah). The Group shall get fully benefit from such land; book value of land is lower than appraisal value appraised by market value method by independent appraiser. However, the Group have commitments to expel the trespasser demolishing the structures there on.
- As at December 31, 2010, a subsidiary has changed credit lines for building construction amount of Baht 113 million to overdraft of Baht 3 million and short-term loans in form of promissory notes amount of Baht 110 million (amount of Baht 110 million used in conjunction with the Company amount of Baht 100 million) credit line that secured by the land and buildings of the Company, directors of the Company and the Company (no collateral fee charge) (note 23).
- The Company has guaranteed S.N. Asset Development Co., Ltd for loans from the financial institution amounting to Baht 248 million without any fee charged.
- S.N.Asset Development Co., Ltd. has mortgaged certain plots of land with total cost amount of Baht 47.36 million, land of development (together with structures) cost of Baht 200 million and guaranteed by company's director for credit facilities obtained from two banks as follows:

Overdrafts facilities	5.00 Million Baht
Long-term loans facilities	162.88 Million Baht
Guarantee facilities	5.00 Million Baht

28.2 As at December 31, 2010, the Group have commitment for unused loan facilities as follows:

- The Company has unused loan facility with financial institution amounting of Baht 539.80 million. This facility was mortgaged by the Company's land and structures there on.
- Victory Asset Management Co., Ltd. has not yet been drawn down loan from the financial institution amount of Baht 13 million, its credit line was mortgaged by land and structures thereon, and guaranteed by the Company's directors and the Company.

28.3 Long-term contract

- Victory Asset Management Co., Ltd. entered into land agreement to lease land for car rent for 20 years commencing from December 28, 2001 totaling value of a contract Baht 2.64 million, the rental rate is Baht 240,000 per year.
- S&P Estate Development Co., Ltd. has awarded an individual person as sales agent. On April 10, 2006 the subsidiary has awarded an individual person (not related) as sales agent and agree to pay remuneration fee at rate 3.00% of selling price (approximately of Baht 12.53 million at the end of the project) Payment conditions are as follows:

At reservation and contract signed	pay rate	0.50%	of selling price
Completed 3 installments	pay rate	0.50%	of selling price
Completed 6 installments	pay rate	0.50%	of selling price
Completed 9 installments	pay rate	0.50%	of selling price
Ownership transferred	pay rate	1.00%	of selling price

Addendum of the agreement started on May 28, 2007 onward, the subsidiary shall pay compensation fee at rate 1.50 % of selling price (approximately of Baht 6.26 million at the end of the project).

On April 1, 2008 the subsidiary amended the agreement with the sale agent to pay compensation fee at rate 1.50 % of selling price (the amount of Baht 5.69 million at the end of the project) as follows:

At reservation and contract signed	pay rate	0.50%	of selling price
Completed 3 installments	pay rate	0.50%	of selling price
Ownership transferred	pay rate	0.50%	of selling price

As at December 31, 2010 the subsidiary has commitments under such agreement amounting of Baht 2.79 million.

- S&P Estate Development Co., Ltd. entered into project supervision contract. On August 1, 2007 the subsidiary entered into project supervision contract with an individual person (not related) and agrees to pay supervision fee at Baht 15,000 per month to the end of the project.
- S.N.Asset Development Co., Ltd. entered into rental agreement with related company at monthly rental rate of Baht 12,000 and monthly service fee of Baht 5,000. The period of agreement is for 27 months commencing from October 1, 2008 to December 31, 2010.

28.4 Construction work agreements

As at December 31, 2010, the Company has commitment construction work agreement to sub-contractors amounting of Baht 80.94 million. And three subsidiaries have commitment to sub-contractors amounting of Baht 78.52 million.

28.5 Other agreements

- On April 5, 2010, the Company has entered into the purchase of land agreement with non related person with the auction in bankruptcy court amount of Baht 41.92 million and Baht 2.55 million and the Company has not been yet transferred right of ownership and under consideration by the Bankruptcy Court to extend the payment (As at December 31, 2010, the deposit amounting of Baht 1.05 million had been paid).
- On July 22, 2010, the Company has entered into the purchase of land agreement and license allocate land with non related person amount of Baht 78 million and the Company has not been yet transferred right of ownership (As at December 31, 2010, the deposit amounting of Baht 5 million had been paid). On January 25, 2010 the company transferred some amount of land Baht 60.51 million.
- On May 27, 2010, the Company has entered into the memorandum with T.Treasury holding Co.,Ltd. which the Company has right to purchase land and building Project Pattaya Golf and Country Club under certain conditions, selling price will not be higher than the appraised value by an independent appraiser, which has not exceeded six months, however, as at December 31, 2010 the Company has not purchased the program and expected to be operational within a month of purchase in 2011.
- As at December 31, 2010, the subsidiary has commitment design and decoration, furniture and furnishings within the suite amounting of Baht 16.53 million.

28.6 Litigation

In year 2006, the Company and the director of Sinsapthanya Co., Ltd. have been filed as defendant by two plaintiffs as the projects' billboard collapsed for the total claim of Baht 3.20 million and 0.06 million, respectively. On August 8, 2007, the Civil Court decrees the Company to pay compensation loss amounting to Baht 1.15 million and Baht 1.12 million, respectively together with interest charged 7.5% per annum since the filing date. The Company has appeal against and the Company's lawyer that the billboard is not the Company's asset, therefore lawyer opined that the outcome shall be advantage to the Company. The Company therefore, has not set up any provision in its accounts.

29. DIVIDENDS PAID

Year 2010

At the Board of Directors' Meeting No. 1/2011 held on February 24, 2011, the directors approved to pay interim dividend at 0.18768 baht per share for 675 million shares totaling of Baht 126.68 million. On September 10, 2010, The Company paid the dividend at 0.08522 baht totaling of Baht 57.52 million. Remaining dividend at 0.10246 baht totaling of Baht 69.19 million.

At the Board of Directors' Meeting No. 3/2010 held on August 13, 2010, the directors approved to pay interim dividend at 0.08522 baht per share for 675 million shares totaling of Baht 57.52 million. The Company paid the dividend on September 10, 2010.

At the resolution of the Board of Directors' Meeting No. 1/2010 held on February 25, 2010, the Board approved to pay interim dividends for year 2009 at 0.0927 baht per share for 675 million shares totaling of Baht 62.57 million. The resolution was approved at the shareholders' meeting No. 1/2010 held on April 26, 2010. The Company has paid dividends on May 26, 2010.

Year 2009

At the resolution of the Board of Directors' Meeting No. 5/2009 held on July 31, 2009, the Board approved to pay interim dividends for year 2009 at 0.076 baht per share for 675 million shares totaling of Baht 51.30 million. The Company has paid dividends on September 9, 2009.

At the Board of Directors' Meeting No. 3/2009 held on June 1, 2009, the directors approved to pay interim dividends for the year 2008 at 0.14 baht per share for 500 million shares totaling of Baht 70 million. The Company paid the dividend on June 30, 2009.

30. LEGAL RESERVE

Under The Public Company Act (BE. 2535), the company is required to set aside as a legal reserve fund at least 5% of its net profit deduct accumulated loss brought forward (if any) until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

31. SHARE CAPITAL

		(Share/Baht)			
	Par Value	2010		2009	
	(Baht)	Number (share)	Amount (Baht)	Number (share)	Amount (Baht)
Authorized					
Beginning of years					
- ordinary shares	1.00	700,000,000.00	700,000,000.00	700,000,000.00	700,000,000.00
End of years					
- ordinary shares	1.00	700,000,000.00	700,000,000.00	700,000,000.00	700,000,000.00
Issued and paid-up					
Beginning of years					
- ordinary shares	1.00	500,000,000.00	500,000,000.00	500,000,000.00	500,000,000.00
End of years					
- ordinary shares	1.00	675,000,000.00	675,000,000.00	675,000,000.00	675,000,000.00
Premium on share capital			160,163,350.00		160,163,350.00

On July 16, 2009, the Company issued ordinary shares (Initial public offering (IPO)) totaling 175 million shares, Baht 1 par value, with offering price at Baht 1.98 per share. In this event, the Company has offset underwriting fee amount of Baht 11.34 million with premium on share capital. The Company registered the increased paid-up share capital from Baht 500 million to Baht 675 million with the Ministry of Commerce on July 23, 2009.

Weighted average number of ordinary shares (basic)

	Share	
	For the years ended December 31,	
	2010	2009
Issued ordinary shares at beginning of the years	675,000,000	500,000,000
Effect of shares issued in the years	-	77,671,233
Weighted average number of ordinary shares (basic)	675,000,000	577,671,233

32. EXPENSES BY NATURE

The significant expenses by nature for the ended December 31, 2010 and 2009, are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Changes in finished goods and works in process	(686,001,431.51)	1,958,433,328.54	(610,313,275.66)	1,967,154,310.19
Cost of land, Construction works and public utility development	1,494,953,095.37	2,165,874,785.73	1,303,862,354.15	1,984,322,619.79
Salary and wages and public utility development	60,371,350.05	26,937,373.08	42,226,605.46	16,006,651.70
Depreciation	20,480,548.55	14,058,379.98	5,246,288.55	5,386,066.52
Advertising expenses	45,316,314.30	20,755,784.28	40,223,543.94	17,245,264.72

33. THE IMPORTANT INVESTMENT

At the resolution of the Extraordinary Shareholders' Meeting held on August 30, 2008, the shareholders approved to purchase share in Sirinthip Karn Keha Co., Ltd. in the amounting of Baht 300 million. As at December 31, 2010, the Company has not processed about the share purchase.

34. CAPITAL MANAGEMENT

The primary objectives of the Company's and subsidiaries' capital management are to maintain their abilities to continue as a going concern and to maintain an appropriate capital structure.

As at December 31, 2010, debt to equity ratio in the consolidated financial statements is 0.89:1 (Separate financial statements: Debt-to-equity ratio is 0.63:1).

35. RECLASSIFICATION

Certain amounts in the financial statements as at December 31, 2009 has been reclassified to conform to the current year's classification but with no effect to previously reported net income or shareholders' equity. The reclassifications are as follows:

	Baht	
	Consolidated financial statements	
	As reclassifications	As previously reported
Balance Sheet as at December 31, 2009		
Trade accounts receivable	1,255,022.36	1,038,140.00
Other current assets	14,925,905.98	15,142,788.34
Statement of income for the year ended December 31, 2009		
Administrative expenses	91,482,759.93	91,541,142.43
Finance costs	24,126,551.33	24,068,168.83

36. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of directors on February 24, 2011.