

ANNUAL REPORT 2011

รายงานประจำปี 2554



DEVELOPMENT

คือความภูมิใจ

Table of Contents

Message from Chairman.....	 02
Audit Committee Report.....	 04
Report on Responsibilities of the Board of.....	 06
Directors in Preparing Financial Report	
Board of Directors.....	 07
Executives.....	 08
Summary of Financial Information.....	 11
General Information.....	 12
Business Operation Nature.....	 13
Summary of Economic and Real Estate Business Situations in 2011.....	 19
and Trend in 2012	
Risk Factors.....	 20
Shareholding Structure.....	 23
Dividend Distribution Policy.....	 23
Management Structure.....	 24
Good Governance.....	 36
Internal Control.....	 44
Connected Transactions.....	 46
Financial Position Analysis and Achievements of the Management.....	 52
Auditor's Report.....	 59
Financial Statement.....	 60
Notes to the Financial Statement.....	 69



Message from Chairman

Vichien Ratanabirabongse

Chairman of the Board of Directors
Chairman of the Audit Committee and Independent Director

There occurred during the previous year, 2011, many events. The severe flood at the end of the year, and the economic fluctuations consequent thereto, necessitated the Management to exercise high expertise and experience in managing the work to enable the Company to survive such critical period, and eventually SENA Development Public Company Limited managed to do so.

The Company achieved a total income as high as 2,147 million Baht in the previous year through work management as an expert in the real estate business with plans which responded well to fluctuated situations, and enabled shareholders to receive the highest ever dividends from the profits.

During the sever flood at the end of 2011, the Company established "SENA volunteer center" to provide assistance to residents in all projects affected by the flood, including even those projects the ownerships of which have been completely transferred 10-20 years ago, because the Company always keep in mind that whoever and whenever purchased a house in the Company's project would be an important customer to the Company just the same for all projects. The activity is one of the 4-Core Value Mission, which the Company would hold as principle in its business operation.

As for 2012, the Company would introduce a "GREEN GIVING" principle in developing and marketing its products with inspiration from the flood crisis. The Company has a concept that we should help maintaining the natural balance to prevent recurrence of server natural disasters. We may simply initiate the "GREEN GIVING" principle from our own daily life, from small families to large organizations with business operation policy to help maintaining the natural balance.

SENA Development Public Company Limited is always aware that the Company's success comes from cooperation of all parties, e.g. shareholders, customers of all projects of the Company, financial institutions and all trade allies. The Company, therefore, wishes to take this opportunity to thank all of you highly.



(Vichien Ratanabirabongse)
Chairman of the Board of Directors



Message from the Chief Executive Officer



Theerawat Thanyalakpark

Chief Executive Officer

In 2011 SENA Development Public Company Limited had a total earnings of as high as 2,147 million Baht from recognition of incomes from 4 condominium projects of the Company, i.e. The Niche Huaykhwang, The Niche Taksin, The Niche Citi Ladprao 130 and The Kith Chaengwattana. The Company's total earnings of that year increased 72% from that of the preceding year. The earnings compositions were 23% from horizontal projects, 76% from condominiums and 1% from rental business. Even if the external factors in 2011 were highly fluctuating but the Company could manage the work under such fluctuating situations in an excellent manner as a professional which has been in the real estate field for over 30 years.

And as regards the ongoing business operation plan in 2012, the Company has a policy to emphasize on planning the business management in a diversify fashion by distributing risks and extending the business base from housing estate, condominium business more to retail and golf course business, and concurrently expanding the business location from Bangkok and vicinities to Pattaya, with housing estate, golf course and hotel business on a full cycle basis, covering horizontal, vertical, services and retail businesses to serve all types of customers.

As it is anticipated that the consumers' concern about the flood may delay their decision

to buy, especially for projects located in areas exposed to the flood, the Company, therefore, plans to develop the products to alleviate consumers' concern about the flood, for example, by planning to fill the land up to a higher level than the previous flood level in case of new projects in area exposed to the flood, or to design to have the power control room of condo to be at a higher location, and ensuring customers that the Company still provide good care and assistance to residents of SENA during natural disasters or severe episodes similar to what SENA Volunteer Center did during the past flood.

SENA has over the past 30 years always been operating the business with determination to create good achievements for shareholders and treat customers with care and would continue to hold on to this ideology. I, on behalf of the Board of Directors and staffs of SENA Development Public Company Limited, wish to definitely confirm that we will continue to manage the work under the good governance principles and ethics of real estate development entrepreneur towards sustainable growth.

(Theerawat Thanyalakpark)

The Chief Executive Officer and Managing Director



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 Director
3. Mr. Boonsak Khamhaenglitrong Director

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 5 meetings in 2011 with internal auditor, 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 2011 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 issues 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 2011 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.

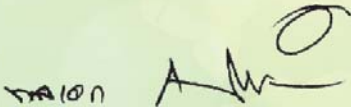
The Audit Committee found that the specific financial statement of the Company and the consolidated financial statement of the Company and its subsidiaries were in compliance with generally accepted accounting principles, information disclosure was adequate and appropriate to the business nature, and found no

material errors in connection with the internal control system, and the official requirements were complied with on good governance basis.

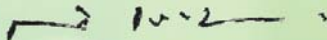
The Audit Committee recommended in 2011 to the Board of Directors to propose to the shareholder meeting to elect Miss Vimonsri Jongudomsombat, Certified Auditor No. 3899 and/or Miss Kannikorn Vipaturat, Certified Auditor No. 7305, of the Krin Audit Co., Ltd., as Auditor of the Company because the Audit Committee considered that the 2 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

Report on Responsibilities 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 2011 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 2011.

(Mr. Vichien Ratanabirabongse)
Chairman of the Board of Directors

(Mr. Theerawat Thanyalakphark)
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 Khamhaenglitrong
Audit Committee and
Independent Director



Prof. Chaiyos Hemarajata
Audit Committee and
Independent Director



Pol.Gen. Ajiravid Subarnbhesaj
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
Executive Committee

Executive Directors



Theerawat Thanyalakpark

Chief Executive Officer



Mr. Phanom Trisuwan
Executive Committee



Mrs. Weraporn Chaisiriyasawat
Executive Committee



Miss Benyalak Thanyalakpark
Executive Committee





SENA has realised the fact of “Lively Community” that it begins with the people themselves to live with happiness. “Baan Ruam Tang Fun Project” is the scheme that has been initiated to support the Company’s Corporate Social Responsibility program under the concept of sharing goods to the society.



The objective of this CSR scheme has been initiated by the Board of Directors who understand the spirit of government hospital staffs for their services by heart to help crowded patients out in every ways without any hesitation. The Company has then originated the tool to develop hospitals with modern equipments in order to seve patients with the best alternatives possible.



The management of “Baan Ruam Tang Fun project” is operated by the SENA’s Board of Directors and staffs who donate their off-work times without any incentive. The operation is done under the highest interest possible to all donate to government hospitals for supporting the reasonable services.









For more than 30 years of SENA, we aim to develop residential projects for the need of Thai people with our pride to be a qualified real estate developer including social care and treat customers as our family members. The company could surpass more than 6 major crises by our ambition and strengths to fight along with our customers. Until now, our country had been affected by the worst flooding that the Company could not let it pass by.



We had set our urgent agenda for all levels of employee to focus and prepare for handling this crisis by helping our customers as the first priority as follows;



-  security plan
-  evacuation plan
-  assistance plan
-  loan and insurance advisory



Summary of Financial Information



Information on financial status and operation results

(Unit : Million Baht)

	2011		2010		2009	
	Amount	%	Amount	%	Amount	%
Total assets	2,977.74	100.0%	3,240.12	100.0%	2,178.26	100.0%
Total liabilities	1,003.58	33.7%	1,524.95	47.1%	631.68	29.0%
Registered capital	700.00	23.5%	700.00	21.6%	700.00	32.1%
Paid-up capital	675.00	22.7%	675.00	20.8%	675.00	31.0%
Shareholder's equity	1,974.16	66.3%	1,715.17	52.9%	1,546.58	71.0%
Book value per share (Baht/share)	2.93		2.54		2.29	

(Unit : Million Baht)

	2011		2010		2009	
	Amount	%	Amount	%	Amount	%
Revenues from sales and rents	2,146.84	100.0%	1,248.42	100.0%	1,365.97	100.0%
Cost of sales	1,221.85	56.9%	732.82	58.7%	806.19	59.0%
Selling and administrative expenses	427.12	19.9%	222.71	17.8%	142.75	10.5%
Operating income	538.27	25.1%	404.90	32.4%	438.39	32.1%
Net profit	419.82	19.5%	323.60	25.9%	286.51	21.0%
Earnings per share (Baht/share)	0.62		0.47		0.42	

Significant financial ratios

		Consolidated financial statement	
		2011	2010
Gross margin	(%)	43.1%	41.3%
Net profit margin	(%)	19.5%	25.4%
Return on shareholder's equity	(%)	22.7%	19.4%
Return on assets	(%)	13.5%	11.7%
Liquidity	(times)	2.13	1.35
Liability on shareholder's equity	(times)	0.51	0.89
Dividend distribution	(%)	40.0%	40.0%

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	:	Krin Audit Co., Ltd. 138, Boonmitr Building, Floor 6, Room B 1, Silom Road, Suriyawong Sub-district, Bangrak District, Bangkok 10500

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 by 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 various requirements of targeted customer groups in Bangkok Metropolitan area and its vicinities, including other forms of commercial real estate projects which respond to the daily life of customer groups in megacities under the 4 core value concept in managing the business and providing services to customers, i.e. Customer Centric, Conservative and Careful to create stability (Trust), Knowledge Sharing and Corporate Social Responsibility (CSR). The Company emphasized on responding to customers’ requirements in all steps, e.g. residential designs, construction formats, appropriate financial conditions as well as after-sales services. The 4 core values could well respond to customers’ requirements and helped creating more awareness of the “SENA” brand, thus resulted in the Company’s highest profits from operation in 2011 after over 30 years since its establishment.

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. In respect of the construction cost, the Company would personally manage the construction work by personally procuring construction materials, thus enabling the Company to control the quality of the works to meet the standards, reduce the construction time and manage the construction costs efficiently.

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

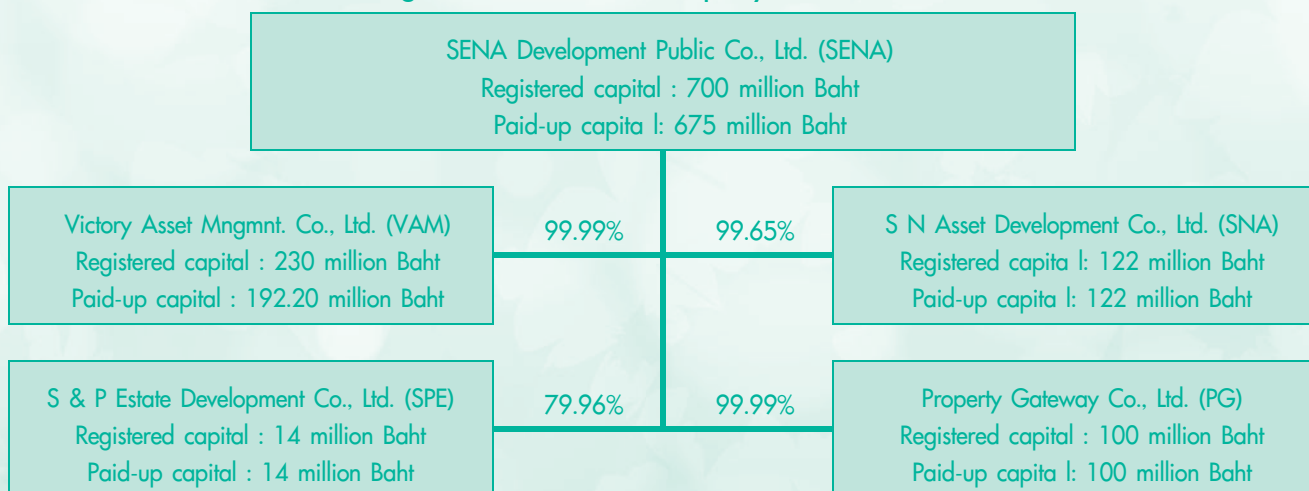
95 per cent of the total requirements in Bangkok Metropolitan area and its vicinities. Furthermore, over 35 per cent of such group still had no residence of their own, and the trend of continuous decrease in the number of heads per household also resulted in the increase in the requirements for residences of the targeted groups. The Company emphasized on developing projects under its own administration. From over 30 years of experiences in the business, the Company was well aware of the requirements for residences of customers in those targeted groups. Besides developing residences for sales, the Company also acted as intermediary to facilitate sales of houses for group of customers of SENA projects, which was part of the Company's customer services and well enhanced the Company's income.

The severe flood during the end of 2011 affected the perspective of the real estate industry of the country. The Company held tight to the Customer Centric principle by extending assistance to customers of all projects of the Company affected thereby by distributing foods and survival bags, providing assistance in passing in and out of the projects and providing advice on financial aspect and house repair, and organizing Big Cleaning Day event to clean customers' houses.

The flood at the end of 2011 caused changes to consumers' behavior in such manner that the targeted groups would opt to purchase residences in areas not affected thereby. Consequently, the Company invested in purchasing 99.99% of registered and paid-up ordinary shares of T. Treasury Holding Co., Ltd., which currently was operating golf course, hotel and resort business in Pattaya, which was not affected by the flood. The Company had a plan to develop the land within the golf course area as housing estate and to improve the golf course and hotel business concurrently to increase the value of said housing estate.

Moreover, subsidiary companies operated apartment rental projects, which were deemed extension of business generating recurring income, and the Company would launch in 2012 the SENA Fest Supermarket Project in Charoennakorn Road area, which is an appropriate location with potentials to create recurring income and cost-effective return and help the Company to reduce risks in its business operation.

Shareholding Structure of the Company (as at 31 December 2011)



SENA operated the residential real estate for sales. As at 31 December 2011, SENA had 12 projects under its administration with the total outstanding value of approximately 2,922.59 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” Project located at Paholyothin Soi 30, and “SENA House Lamlookka Klong 2” Project 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 2011, SNA had 2 projects under its administration. The total outstanding value thereof was approximately 207.75 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 2011, SPE had 1 project under its administration, i.e. “Praemaporn Klong 7” Project. The total outstanding value thereof was 89.66 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 2014, PG had 1 project under its administration, i.e. the SENA Park Project.

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 currently 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.

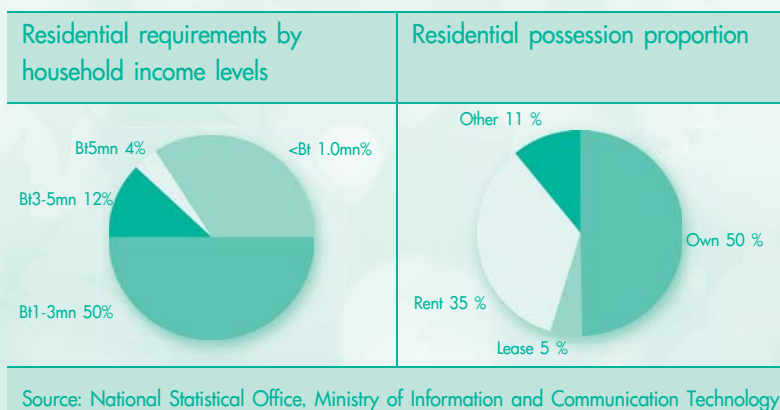
The Company had targeted groups of customers, i.e. those with low to moderate income requiring residences at the prices ranging from 500,000 to 6,000,000 Baht, and representing the majority of customers requiring residences, i.e. over 95 per cent of the total requirements in Bangkok Metropolitan area 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

Income structure of the Company and subsidiary companies





Income category	As at 31 Dec 2009		As at 31 Dec 2010		As at 31 Dec 2011	
	Mil Baht	Per cent	Mil Baht	Per cent	Mil Baht	Per cent
1. Income from sales :						
- Horizontal	806.5	59.0 %	743.4	59.5 %	491.2	22.9 %
- Vertical	530.3	38.8 %	485.2	38.9 %	1,610.6	75.0 %
Total income from sales	1,336.8	97.8 %	1,228.6	98.4 %	2,101.8	97.9 %
2. Income from sales of land/1	12.0	0.9 %	0.00	0.0 %	0.3	0.0 %
3. Income from leases and services	17.2	1.3 %	19.8	1.6 %	44.8	2.1 %
Total income	1,365.9	100.0 %	1,248.4	100.0 %	2,146.9	100.0 %
4. Other income	21.4		112.0		40.4	

Note: /1 - Income from sales of land in 2009 and 2011 was sales of undeveloped vacant land.

Business operation target

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 2012 as follows.

As Thailand suffered severe flood in several areas of Bangkok and vicinities during the end of 2011, and on the very first day of arrival of the flood at a project in Rangsit area the Company provided assistance to suffering residents not yet assisted by any agency, which enabled the Company to be aware of difficulties suffered by the residents of the Project. The Company subsequently established a “SENA volunteer center” to provide assistance to residents in all projects, both delivered and under development, and to send SENA volunteer teams to closely provide advice to the residents for them to feel comfortable that the Company did not abandon or neglect them.

Even when the flood situation has elapsed in 2012, but as a private sector which could afford to reciprocate to the society, the Company launched a campaign on environmental conservation under the “Green Giving” concept to give the greenness to the earth and return goodness to the nature to create good quality of life to customers and the Thai society and concurrently extending the goodness provision scope under one of the 4 core values to which the Company always adhered and was confident that they gave the Company pride and the Company was proud to do.

Moreover, to enable the Company to achieve the established business target, the Company emphasized on planning the business management in a risk diversification manner, extending the business base from housing estate and condominium business to rental business and golf course business, and was planning to open 6 additional new projects, comprising 2 horizontal residential projects, 2 condominium projects and 2 rental business projects, with aggregated project value of approximately 4,500 million Baht, and proceeding to extend the business location from Bangkok to Pattaya with housing estate, golf course and hotel business with horizontal, vertical, services and rental businesses to cover all types of customers.

Summary of Economic and Real Estate Business Situations in 2011 and Trend in 2012



Overview of real estate business in 2011

- The total sales of residences in 2011 were 81,816 units, reducing by 14,024 units (or 15 per cent) compared with those of 2010.
- The residence category with the highest sales remained to be condominium with total sales of approximately 37,797 units, or 46 per cent of the total sales, followed by townhouse, single house and other categories of residence, at 28, 19 and 6 per cent, respectively.
- The average selling price of 2011 was approximately 2.984 million Baht per unit (or increasing by 15 per cent) when compared with that of 2010 (2.587 million Baht), emphasizing more on marketing of middle to upper classes products, especially condominiums in the middle of the town and single houses at the middle to upper classes including urban townhouses.
- The remaining retained supplies as at the end of 2011 were 134,266 units, divided into condominiums, townhouses and single houses with close proportions at 32, 30 and 29 per cent, respectively. The remaining 9 per cent was other types of residences, e.g. twin houses, commercial buildings, allocated lands etc.

Positive and negative factors in 2012

- The flood problem would affect the consumers' decision to purchase new residences; the purchasing power was expected to resume after the 3rd quarter of 2012.
- The oil price would tend to be higher due to political problem between western countries and oil-producing countries, which would affect the production cost and construction material prices.
- The domestic political conflict problem could affect the confidence in investments and consumptions.
- Wage increment under the government campaign policy could affect entrepreneurs, especially in sectors relying mainly on labors in their production.
- The new consolidated Bangkok town plan requirements to be implemented would cause entrepreneurs to have more limitations in developing their projects, thus reducing the sales areas.
- The purple, red and blue electric train routes would still be ongoing in 2012, thus expanding the town growth.
- The Bank of Thailand postponed the LTV criteria enforcement of 95 per cent for horizontal residences from 1 January 2012 to 1 January 2013.
- Economic and real estate sector stimulation policies, e.g. the first house measure.
- The increase in salaries of those with bachelor degree would help enhancing their purchasing power.

Risk from competitions in the real estate development business

In 2012 the Company anticipated that sales of new residential projects in Bangkok and vicinities would be somewhat similar to that of 2011, and most entrepreneurs would pay more attention to horizontal project development while condominium projects should remain unchanged. However, the Company might face with more challenge in the marketing, and there would be several factors affecting the entrepreneurs' business operation and consumers' decision to purchase, e.g. the public debt in Euro zone and the fragility of the US economies, political conflicts between western countries and oil-producing countries in the Middle East, domestic political conflicts, as well as partial loss of purchasing power and production capacities due to impact of the flood in the last quarter of 2011. And as over 70 per cent of the real estate market share in Bangkok and vicinities was still held by major entrepreneurs listed in the Stock Exchange, the Company had to be more prepared, in terms of business operating fund, marketing strategy and procurement of lands in good locations etc.

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 to emphasize on study and analysis of consumers in each area, and study and analysis on projects of other entrepreneurs in the same areas and to evaluate potentials of the locations in various aspects which could enable the Company to develop valuable projects and services which truly respond to consumers' requirements, thus leading to confidence to the Corporate Brand and the business success. Moreover, the Company carried out survey on customers' satisfaction on a continuous basis in each aspect, e.g. sales, ownership transfer, house quality, services etc., in order to improve the services and deliver quality houses of the Company and concurrently implanting in employees of all departments at all levels the concept of participation in creating satisfaction to customers.

Risk from fluctuation of construction material costs

Construction material costs were increasing in 2011 from 2010 as evidenced from the average construction material cost indexes of 2011 and 2010 of 120.4 and 113.3, respectively, (source: www.indexpr.moc.go.th/price_present/csi/stat/other/conyear.asp) because of the increased demand of construction materials for rehabilitation of public utility systems and residences after the flood situations in many areas began to return to normal. That coupled with construction material production sources in some provinces in the Central Region were affected from flood which prevented them from producing at their full capacities, including difficulties in raw material and goods transportation, thus resulting in the increase in the construction material prices. However, such fluctuation in the construction material prices was deemed a risk which could affect all entrepreneurs, including the Company.

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. The issue entrepreneurs would still pursue in 2012 was the new consolidated Bangkok town plan act as the existing consolidated Bangkok town plan would expire on 15 May 2012. The new consolidated Bangkok town plan, or revision 3, would cause entrepreneurs to have more difficulties in developing their projects, for example, the issue on land-use change in some areas, requirement of more green areas, the increase in the floor area ratio (FAR Bonus), the determination of width of access road to various types of residential buildings, for example, construction of dorm condominium in areas designated for low density residential area land-use (Yor.3 area) on an area of not exceeding 2,000 square meters must be located on access road with a width of 16 meters while the existing consolidated Bangkok town plan required it to be located on access road with a width of 10 meters only.

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

The Thai economic situation trend was expected to continue to grow at the range of 4.3 to 4.9 per cent driven mainly by private sector consumption encouraged by increasing public income from the minimum wage adjustment and government officials' and state enterprise employees' salary adjustment. The Monetary Policy Committee (MPC), Bank of Thailand, transmitted a signal that the interests would no longer be on a downward direction. Should the economy recover, the interest rate could be on an upward direction. 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, too, as could be 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 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 2013 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.

Risk from major shareholders' having influence upon management policy determination

The Company had the Thanyalakpark family members as its major shareholders holding, in aggregate, 56.30 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.

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

The first 10 major shareholders (including related persons pursuant to Section 258 of the Securities and Stock Exchange Act B.E. 2535) as at 17 February 2012 were as follows.

ลำดับ	รายชื่อผู้ถือหุ้น	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.	Mr. Somsak Laovoravit	61,125,400	9.06%
4.	Mrs. Jindachaya Denpaisal	50,000,000	7.41%
5.	Miss Sriwarat Thanyalakpark	46,250,000	6.85%
6.	Miss Umaporn Thanyalakpark	26,250,000	3.89%
7.	Mr. Kenneth Rudy Kamon	18,888,700	2.80%
8.	Thai NVDR Co., Ltd.	18,180,500	2.69%
9.	Mr. Chatchaval Ua-areetham	16,256,800	2.41%
10.	Mr. Ekachai Sattabongkoch	6,834,300	1.01%
11.	Minor shareholders	123,714,311	18.32%
Total		675,000,000	100.00%
Registered capital		700,000,000	million Baht
Issued and paid-up capital		675,000,000	million Baht

Dividend Distribution Policy

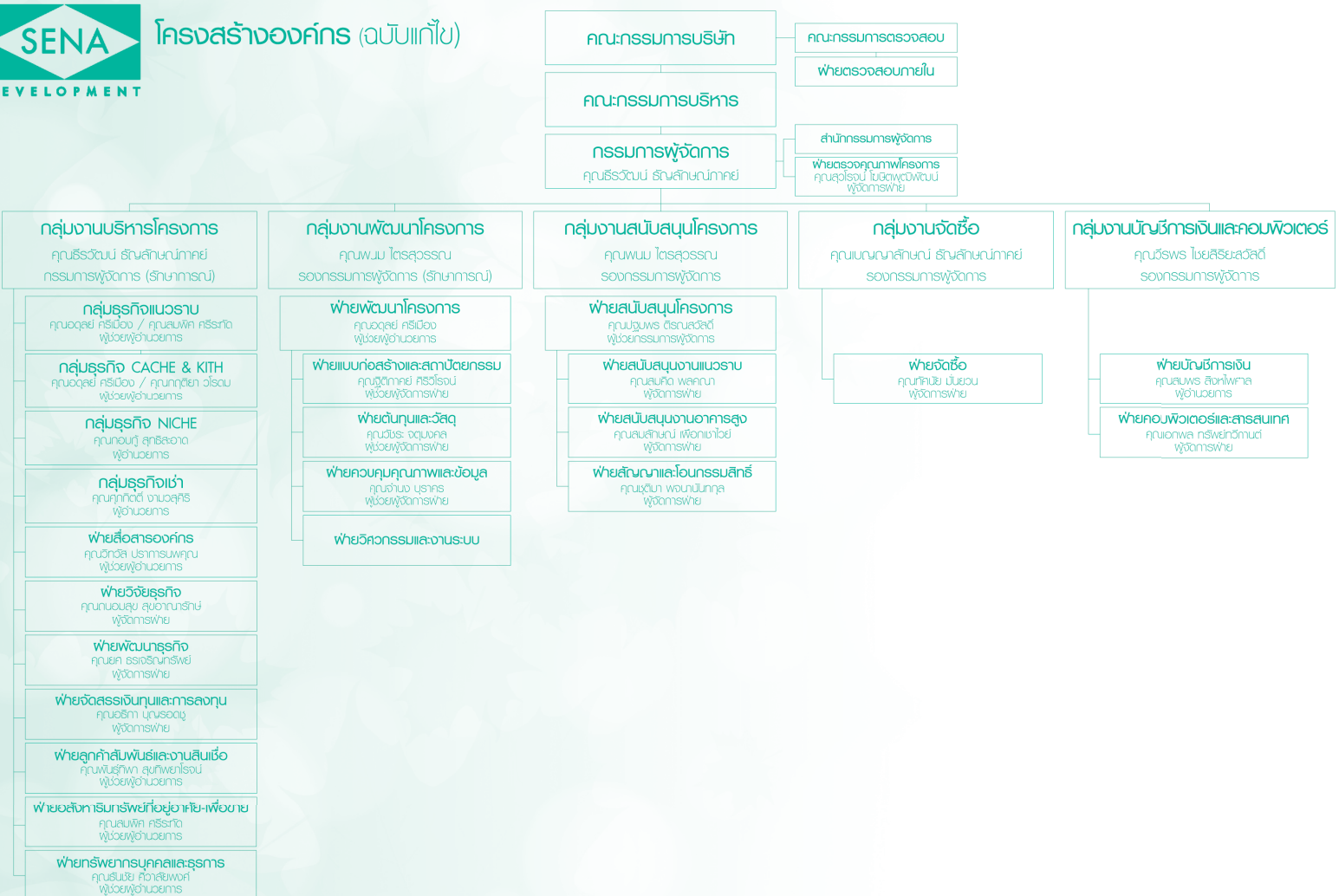
The Company and its subsidiaries had a policy to distribute dividends at least at 40 per cent of net profit after corporate income tax of each year of the consolidated financial statement. Dividend distribution would take into consideration the following factors, e.g. results of operation and financial 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 2010-2011 (consolidated financial statement)

(Unit : million Baht)

Description	2010	2011
Net profit	316.69	418.20
Dividend payable	126.68/1	167.28/2
Dividend distribution rate (%)	40.00%	40.00%

Organization Chart



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

Board of Directors

As at 31 December 2011 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 Hemaratchatha | Director and Independent Director |
| 5. Police General Achirawit* Supanpesach | 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 2011 shareholder meeting on 27 April 2011.

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 corporate seal.

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

1. Perform duties to ensure compliance with laws, objectives, Articles 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.

Audit Committee

As at 31 December 2011 the Company had 3 audit directors 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 Director with knowledge and experiences in reviewing financial statements is Mr. Kamol Thammanichanond, with Miss Ussanee 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 Directors

As at 31 December 2011 the Company had 4 executive directors comprising:

- | | |
|----------------------------------|-------------------------|
| 1. Mr. Theerawat Thanyalakpark | Chief Executive Officer |
| 2. Miss Benyalak Thanyalakpark | Executive Director |
| 3. Mrs. Weraporn Chaisiriyasawat | Executive Director |
| 4. Mr. Panom Traisuwat | Executive Director |

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

As at 31 December 2011 the Company had 4 members of the Management comprising:

- | | |
|----------------------------------|---|
| 1. Mr. Theerawat Thanyalakpark | Managing Director, Deputy Managing Director,
Project Administration (Acting) |
| 2. Miss Benyalak Thanyalakphark | Deputy Managing Director,
Procurement and Administration |
| 3. Mrs. Weraporn Chaisiriyasawat | Deputy Managing Director, Accounting,
Finance and Information Technology |
| 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 Articles 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 Articles 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 Articles 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 7 Board of Directors meetings in 2011 and 5 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	7/7	5/5
2. Professor Chaiyos Hemarajata	7/7	--
3. Gen. Boonsak Khamhaenglitirong	7/7	5/5
4. Mr. Kamol Thammanichanond	6/7	4/5
5. Pol. Gen. Achirawit Supanpesach	7/7	--
6. Mr. Theerawat Thanyalakpark	7/7	--
7. Miss Benyalak Thanyalakphark	7/7	--
8. Miss Kessara Thanyalakpark	7/7	--
9. Mrs. Weraporn Chaisiriyasawat	7/7	--
10. Miss Umaporn Thanyalakphark	7/7	--

Remunerations of directors and executives

1. Monetary remunerations

1.1 Remunerations of directors

The 2011 annual ordinary shareholder meeting approved the determination of remunerations of directors and audit directors for 2011. Details on the remunerations of directors for 2011 are as follows.

Unit : Baht

List of directors	2010 meeting allowance		2011 meeting allowance	
	Director	Audit director	Director	Audit director
1. Mr. Vichien Ratanabirabongse	120,000	80,000	180,000	100,000
2. Professor Chaiyos Hemarajata	60,000	--	120,000	--
3. Gen. Boonsak Khamhaenglitirong	80,000	40,000	120,000	50,000
4. Mr. Kamol Thammanichanond	80,000	40,000	100,000	40,000
5. Pol. Gen. Pichit Kuantechakup	80,000	--	--	--
6. Pol. Gen. Achirawit Supanpesach	--	--	60,000	--
7. Mr. Theerawat Thanyalakpark	40,000	--	60,000	--
8. Miss Benyalak Thanyalakpark	40,000	--	60,000	--
9. Miss Kessara Thanyalakpark	40,000	--	60,000	--
10. Mrs. Weraporn Chaisiriyasawat	40,000	--	60,000	--
11. Miss Umaporn Thanyalakphark	30,000	--	60,000	--
Total	610,000	160,000	880,000	190,000

Note: There was 1 circulating session of Board of Directors meeting in 2011 without granting meeting allowance to directors

1.2 Remunerations of executive directors

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

2. Remuneration of executives

Remuneration of executives	2010 fiscal year		2011 fiscal year	
	Number (persons)	Amount (Baht)	Number (persons)	Amount (Baht)
Salaries and bonuses	4	6,692,482	4	5,231,094







2. Non-monetary remunerations

- Nil -

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 Articles 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.co.

 In 2010 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, 5 independent directors and 4 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 2011 the Company held 6 Board of Directors meetings with 1 circulating session totaling 7 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 Articles of Association.

The Board of Directors Meeting No. 1/2555 held on 23 February 2012 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 Wong Kanit 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 of 2011. 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 2011 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 were 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 Wong Kanit 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 2011 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 2011 fiscal year.

Related person	Relationship	Transaction	Value (million Baht)				Necessity/reasonability
			31 Dec 10	Increasing	Decreasing	31 Dec 11	
1. Sinsap Thanya Co., Ltd.	Being a company of a director's relative (Mr. Theerawat Thanyalakphark)	- The Company had outstanding debt under promissory note issued to pay for land purchased from Sinsap Thanya Co.	146.89		(146.89)	0.00	- Charging interest at time deposit rate of commercial bank to compensate for extension to maturity of the promissory note.
		- The Company had interest payable to Sinsap Thanya Co.	2.41			0.00	
		- The Company had unpaid interest from promissory note	0.15	1.70	(1.85)	0.00	
		- 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				

Related person	Relationship	Transaction	Value (million Baht)				Necessity/reasonability
			31 Dec 10	Increasing	Decreasing	31 Dec 11	
		- The Company rented godown from Sinsap Thanya Co. at the rent of 5,000 Baht per month expiring 31 Dec 10	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 31 Dec 10	0.14			0.14	- Rental rate is reasonable with normal term of payment.
4. A party by Khun Sri-anong Kirativaranon and/or Saowalak Auyponsong	- Being a party of director's mother (Ms. Kessara Thanyalakphark) - Khun Saowalak Auyponsong, staff of SPE and SPH	- SPH, a subsidiary, leased out godown with 4-room commercial building at the rent of 20,000 Baht expiring 31 Jul 11 (agreement cancelled Mar 10)	0.06		(0.06)	0.00	- SPH did not make use of such property and the rental rate is reasonable.
5. S P R Engineering Co., Ltd.	Has common directors and shareholders with a subsidiary, namely Mrs. Boontuen Suebnoi, holding 20% in SPE and 25% in SPH	- The Company employed S P R Engineering Co. Ltd. as contractor in some projects. - SNA had trade account payable balance. - The Company had outstanding performance bond.	10.14 1.46 0.22			8.34 0.00 0.00	S P R Engineering Co., Ltd. had experiences in construction and the employment was made at market price (general remuneration) with retention money deductions.

Related person	Relationship	Transaction	Value (million Baht)				Necessity/reasonability
			31 Dec 10	Increasing	Decreasing	31 Dec 11	
6. Rattapol Co., Ltd.	Being a company of a director's relative (Mr. Theerawat Thanyalakphark)	- The Company employed Rattapol Co. Ltd. as contractor in some projects.	5.07			8.34	Rattapol Co., Ltd. had experiences in construction and the employment was made at market price (general remuneration) with retention money deductions.
		- SNA, a subsidiary, employed Rattapol Co. Ltd. as contractor.	0.94			0.94	
		- VAM, a subsidiary, employed Rattapol Co. Ltd. as contractor.	0.29			0.29	
		- The Company had trade account payable balance.	0.70			0.36	
		- SNA had trade account payable balance.	0.19			0.03	
		- VAN had trade account payable balance.	0.00			0.01	
7. B.V. Asset Co., Ltd.	- Being a party of director's mother (Ms. Kessara Thanyalakphark)	- A subsidiary sold land with structure in Praemaporn Klong 4 Project to B.V. Asset Co., Ltd.	3.00			0.00	- 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.
		- A subsidiary sold land with sales office building in Praemaporn Klong 4 Project to B.V. Asset Co., Ltd.	38.00			0.00	

Related person	Relationship	Transaction	Value (million Baht)				Necessity/reasonability
			31 Dec 10	Increasing	Decreasing	31 Dec 11	
8. Ms. Boontuen Suebnoi	Being a director of a subsidiary (SPE)	- The Company borrowed advance money from Ms. Boontuen.	11.60		(11.60)	0.00	- The Company borrowed short-term advance for normal operation cost with no interest and benefited therefrom.
		- The Company sold all investment in SPH, a subsidiary, to Ms. Boontuen.	0.75			0.00	- 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.
9. Tunjaroen Co., Ltd.	- Being a party of director's mother (Ms. Kessara Thanyalakphark)	- PG, a subsidiary, executed a purchasing agreement for land at Klong Kred bridge, Khwaeng Khanna Yao, from Tunjaroen Co., Ltd.	500.00			0.00	- Buying land with potential for development as residential project (Tunjaroen Co., Ltd. did not operate the real estate development business). The purchasing price was lower than the assessed price by independent appraiser of 548 million Baht. Such transaction was approved by resolution of PG Board of Directors meeting No. 1/2553 on 12 March 2010.

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 2011 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 Federation of Accounting Professions, 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 Wong Kanit Accounting Office, was employed to check and report on material changes to the business operation to the Audit Committee every quarter.

Financial Position Analysis and Achievements of the Management



1. Achievements

Perspective of past achievements

The Company had long experiences and expertise in operating the residential real estate development business for over 30 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 2011 the Company and its subsidiaries had a gross income of 2,146.84 million Baht, increasing by 71.96 per cent from the previous year, with a net profit of 419.62 million Baht, representing 19.55 per cent of the gross income. As at 31 December 2011 the Company and its subsidiaries had a total of 12 residential real estate development for sales projects in progress, with outstanding value of approximately 3,205.40 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” and the “SENA House Lamlookka Klong 2” apartment projects for rent on monthly/daily basis with 159 units and 42 units, respectively, and the “Godown Sukhumvit 50” Project with 22 warehouses for rent, and the “SENA Fest” Project, a 4-storey Community Mall at Charoennakorn Road, Bangkok, which would be operational in 2012.

Achievements in 2011

Revenues

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

The Company recognized its revenues from land with structures and condominiums after the construction has been completed and ownerships and material interests in the properties have been transferred to buyers. In respect of other revenues, the Company recognized them on accrual basis. Revenues of the Company during 2010-2011 by types of projects were as follows.

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

Revenues	2010		2011	
	Mil Baht	% of revenue	Mil Baht	% of revenue
Revenues from residence sales				
SENA Grand Home	119.23	9.5%	82.30	3.8%
SENA Green Ville	245.49	19.7%	177.26	8.2%
SENA Villa	285.87	22.9%	166.41	7.7%
The Niche	42.84	3.4%	1,177.93	54.8%
The Cache/1	379.44	30.4%	143.05	6.7%
Praemaporn Klong 4	5.99	0.5%	0.00	0.0%
Praemaporn Klong 7	38.41	3.1%	42.71	2.0%
The Kith	111.35	8.9%	312.11	93.7%
Total revenues from sales	1,228.63	98.4%	2,101.77	97.8%
Revenues from land sales	0.00	0.0%	0.31	0.01%
Revenues from rents and services	19.79	1.6%	44.76	2.1%
Total revenues	1,248.42	100.0%	2,146.84	100.0%
Other revenues	112.01		40.40	

Note: There were in 2011 other revenues from sales of properties, sales of investments in subsidiary company and recognition of fair value of investment which is higher than the cost of investment on ordinary shares of the subsidiary company as at the investment date.

The Company had total revenues of 2,146.84 million Baht in 2011, comprising 2,101.77 million Baht from sales of residences, divided into revenues from horizontal and vertical projects of 491.15 million Baht and 1,610.62 million Baht, or 23 per cent and 75 per cent, respectively, and revenues from rents and services of 44.76 million Baht.

The Company and its subsidiaries had other revenues of 40.40 million Baht in 2011 from various transactions, for example, lease of godown, disposal of properties of a subsidiary company and juristic person project management etc.

Costs of sales

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

The Company and its subsidiary companies recognized their cost of sales on accrual basis. Costs of sales of the Company during 2010-2011 by types of projects were as follows.

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

Cost of sales	2010		2011	
	Mil Baht	% of revenue	Mil Baht	% of revenue
Cost of residence sales				
SENA Grand Home	70.40	59.0%	44.92	54.6%
SENA Green Ville	151.00	61.5%	115.83	65.4%
SENA Villa	160.68	56.2%	94.55	56.8%
The Niche	26.07	60.9%	685.01	58.2%
The Cache	221.33	58.3%	54.47	38.1%
Praemaporn Klong 4	2.04	34.1%	0.00	0.0%
Praemaporn Klong 7	28.35	73.8%	29.12	68.2%
The Kith	60.38	54.2%	169.91	54.4%
Costs of sales	720.23	58.6%	1,193.81	56.8%
Cost of land sales	0.00	0.0%	0.23	74.2%
Cost of rents and services	12.58	63.5%	27.81	62.2%
Total costs of sales	732.82	58.7%	1,221.85	56.9%

Costs of sales comprised costs of land, land development, construction and public utilities. In 2011 the Company and its subsidiaries had total cost of sales of 1,221.85 million Baht representing 56.9 per cent of total revenues, comprising cost of residence sales of 1,193.81 million Baht or 56.8 per cent of revenues from residence sales, which was close to that of 2010 which had a cost of 58.7 per cent, cost of rents and services was 27.81 million Baht or 62.2 per cent of revenues from rents and services, decreasing from that of 2010 which had a cost of 63.5 per cent because the revenues from rents and services for condominium/housing estate juristic persons were increasing while the variable costs were increasing at a lower proportion and the fixed cost only slightly increased.

Selling and administrative expenses

The Company recognized the expenses on accrual basis. Selling and administrative expenses of the Company and its subsidiary companies during 2010-2011 were as follows.

Selling and Administrative Expenses (Consolidated Financial Statement)

Selling and administrative expenses	2010		2011	
	Mil Baht	% of revenue	Mil Baht	% of revenue
Selling expenses	109.19	49.0%	271.01	63.4%
Administrative expenses	104.66	47.0%	145.93	34.2%
Remunerations of executives	8.86	4.0%	10.18	2.4%
Other expenses	0.00	0.0%	0.00	0.0%
Total selling & administrative expenses	222.71	100.0%	427.12	100.0%
Expenses per total revenue ratio		17.8%		19.9%

The Company and its subsidiaries had selling and administrative expenses of 416.94 million Baht, increasing by 203.09 million Baht or 95 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 “S Ville Rangsit Lamlookka Project”, “The Niche ID Ladprao 130”, “The Niche Mono Bangna”, “The Kith Sukhumvit 113”, etc., including the increasing specific tax due to there were much more transfers than those of the previous year. The administrative expenses increased from that of the previous year because there were expenses for common public utilities which were transferred to condominium/ housing estate juristic persons, 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)

	2010	2011
Gross profit (million Baht)	515.60	924.99
Gross profit rate (%)	41.3%	43.1%
Net profit (million Baht)	316.70	418.20
Net profit rate (%)	25.4%	19.5%

The Company and its subsidiaries had gross profit of 924.99 million Baht in 2011, representing 43.1 per cent of revenues from sales, which were close to those of 2010, 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 2011 net profit specifically for shareholders of the parent company of 418.2 million Baht, representing 19.5 per cent of total revenues, decreasing from 25.4 per cent of 2010 because the Company and its subsidiaries had decreasing other revenues while the financial cost and corporate income tax were increasing significantly. In 2011 the Company and its subsidiaries had 96.36 million Baht of corporate income

tax, increasing by 30.02 million Baht from that of the previous year, or 45.2 per cent from the increasing profit from that of the previous year, and most of the revenues was generated from projects not entitled to promotion from BOI, thus resulted in increasing corporate income tax when compared with that of the previous year.





Rate of return on equity

The Company had the rate of return on equity of 22.67 per cent in 2011 and the Board of Directors resolved to approve distribution of dividends from achievements in 2011 to shareholders in the total amount of 167.28 million Baht, representing 40.00 per cent of net profit as per the 2011 consolidated financial statement (dividend distribution depended on the approval of the 2012 annual ordinary shareholder meeting).

2. Financial positions


Assets

As at the end of 2011 the Company and its subsidiaries had current assets of 1,915.27 million Baht and total assets of 2,977.74 million Baht, increasing from 2010 when the current assets and the total assets were 1,857.58 million Baht and 3,240.12 million Baht, respectively. Significant changes in the operating assets were as follows.


-  There was an increase in inventories of 92.53 million Baht, which were projects being developed for sales, the proceeds thereof would gradually be recognized within 1-2 years (as per details in item 8).
-  There was a decrease in lands pending development of 370.22 million Baht. Parts of the lands purchased in 2009 and 2010 have been developed as projects launched in 2011. The Company and its subsidiaries have invested on the lands in 2011 for future project development (as per details in item 10).
-  There was a net increase in properties for investment of 18.06 million Baht from investment on construction in SENA House Lamlookka Klong 2” Project, which was launched and rents generated therefrom were recognized in 2011 (as per details in item 13).
-  As at the end of 2011 the Company had a total of land leasehold and construction value of 95.17 million Baht, increasing from 39.64 million Baht in 2010 due to the increasing construction value. The leasehold was for a term of 32 years to launch the “SENA Fest” Project currently under construction as Community Mall, spaces thereof would be available for lease in 2012.


Liabilities

As at the end of 2011 the Company and its subsidiaries had current liabilities of 898.83 million Baht and total liabilities of 1,003.58 million Baht, decreasing from 2009 when the current liabilities and the total liabilities were 1,377.53 million Baht and 1,524.95 million Baht, respectively. Significant changes in the liabilities were as follows.

-  The Company and its subsidiaries had long-term loans from financial institutes of 489.56 million Baht in total, decreasing by 300.43 million Baht from that of 2010, by presenting 391.36 million Baht as current liabilities and 98.20 million Baht as non-current liabilities (as per details in note 20

to the financial statement), because projects launched in 2009 and 2010 were successful and the construction thereof were completed in 2011 and a great many ownership transfers were made. The Company and its subsidiaries repaid the loans from financial institutes under such projects in accordance with the total transfers in 2011. The Company and its subsidiaries also borrowed more money from financial institutes in addition to projects launched in 2011, but still emphasized on keeping the liabilities at appropriate level during each period of time.

 As at the end of 2011, the Company and its subsidiaries repaid debts under promissory notes from related businesses together with interests upon maturity of the promissory notes in the amount of 148.74 million Baht, and no new promissory notes were issued (as per details in note 5.4 to the financial statement), and repaid short-term loans from related parties and businesses in full together with interests thereon, amounting to 12.80 million Baht in total.

 As at the end of 2011, the Company and its subsidiaries owed 289.44 million Baht under short-term promissory notes to financial institutes, increasing from 90.39 million Baht in 2010. The debts were under 5 promissory notes and 1 promissory note aval by a financial institute, with a total value of 143.52 million Baht, for purchase of lands for development of various projects, and under 7 short-term bills of exchange issued and offered for sales on private offering basis to investors, with a total value of 150.00 million Baht (as per details in note 18 to the financial statement).

Shareholders' equity

As at the end of 2011 the Company and its subsidiaries had shareholders' equity of 1,974.16 million Baht, increasing from 1,715.17 million Baht in 2010. 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 240.78 million Baht because there were increased retained earnings from achievements in 2011 netted after deduction of dividends payable. The Company distributed total dividends of 167.28 million Baht to shareholders.

Capital structure

The Company and its subsidiaries had the Debt to Equity Ratio (D/E Ratio) of 0.51 time as at the end of 2011, decreasing from 0.89 time in 2010, because the Company and its subsidiaries repaid debts on loans from financial institutes with proceeds from ownership transfers made in 2011, which exceeded the procurement of additional funding sources for development of new projects expected to be launched in 2012 by seeking credit line support from financial institutes, thus decreasing the debt on loans from financial institutes. However, in 2011, the Company offered for sales on private offering basis 7 short-term bills of exchange in the amount of 150 million Baht, which would reach their maturity during January to August 2012, with a discount rate of 4.75-6.00% per annum, to support the business expansion and use as funding source for the Company's business operation. However, the Company and its subsidiaries still exercised care in procuring funding sources for business operation for investment on land and construction of various projects by

selecting appropriate funding sources with low financial costs and taking into account the financial liquidity of the Company and its subsidiaries. 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

		31 December 2010	31 December 2011
Current assets	million Baht	1,857.58	1,915.27
Current liabilities	million Baht	1,377.53	898.83
Current liquidity (current assets-current liabilities)	million Baht	480.05	1,016.43
Liquidity ratio (current assets/current liabilities)	times	1.35	2.13

As at the end of 2011 the Company and its subsidiaries had a liquidity ratio of 2.13 times, increasing from 1.35 times in 2010, because there were considerably decreasing debts on loans from financial institutes as referred to above. 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 liquidity 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 established work plan.

Expenses for investments

In 2011 the Company had the following expenses for investments:

1. Total additional investments of 55.70 million Baht in properties for rent, comprising 2 apartment-for-rent projects, the godown for rent project at Sukhumvit Soi 50 and the ‘SENA Fest’ Community Mall Project (as per details on prepaid rents in the balance sheet).
2. In 2011 the Company and its subsidiaries invested 11.60 million Baht in bank deposits, obligated by guarantee under conditions in loan agreements of the financial institutes.

3. Remuneration of the auditor

Remunerations for financial statement review and audit (Audit Fee)

1. The Company paid the total amount of 1,855,000 Baht as remunerations for interim financial statement review and financial statement audit for the 2011 fiscal year of the Company and its subsidiaries to Mr. Jessada Hungspruek, Certified Auditor No. 6554, and Miss Kannikorn Vipaurat, Certified Auditor No. 7305, of the Krin Audit Co., Ltd.
2. Other service fee (Non-audit Fee)
- Nil -

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

have audited the consolidated statements of financial position as at December 31, 2011, the consolidated statements of comprehensive income and cash flows for the years then ended of Sena Development Public Company Limited and subsidiaries, I have also audited the separate statements of financial position as at December 31, 2011, the separate statements of income, separate statement of changes in shareholders' equity and cash flows for the years then ended of Sena Development Public Company Limited. These financial statements are the responsibility of the Company's managements as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my audits. The consolidated financial statements and the separate financial statements of Sena Development Public Company Limited for the year ended December 31, 2010, as presented herein for comparative purpose, formed an integral part of the financial statements which were audited by the aforementioned auditor who reported, under his report dated February 24, 2011

I conducted my audit 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 its subsidiaries as at December 31, 2011, and the consolidated results of their operation and their cash flows for the year then ended, and the separate financial position of Sena Development Public Company Limited as at December 31, 2011 and the results of its operations, and its cash flows for the year then ended, in conformity with generally accepted accounting principles.

Notes to financial statements 3 and 33 explain the adoption of certain newly issued financial reporting standards for the preparation of the accompanying financial statements. Accordingly the comparative financial statements for the years ended December 31, 2010 have been presented in accordance with the financial statements for the years ended December 31, 2011.

(Ms. Kannika Wipanurat)

Certified Public Accountant Registration No. 7305

Karin Audit Company Limited
Bangkok, Thailand
February 23, 2011

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2011 AND 2010 



	Notes	Baht			
		Consolidated financial statements		Separate financial statements	
		2010	2011	2010	2011
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	264,233,576	288,036,035	143,892,582	207,036,313
Short-term investments		797,806	-	-	-
Trade accounts and notes receivable	7	741,907	1,265,647	-	-
Short-term loans and accrued interest income					
to related parties	5.2	-	-	255,196,055	258,453,461
Inventories - net	8	1,614,600,969	1,522,066,731	821,902,411	1,221,231,265
Other current assets	9	34,891,445	46,214,001	25,443,137	28,715,612
Total current assets		1,915,265,703	1,857,582,414	1,246,434,185	1,715,436,651
NON-CURRENT ASSETS					
Deposits at bank pledged as collateral		24,565,526	13,541,309	21,961,463	10,160,013
Land held for development - net	10	500,946,412	871,172,439	489,270,608	309,749,084
Investments in subsidiaries	11	-	-	408,146,636	408,146,636
Property, plant and equipment - net	12	95,872,505	87,186,933	52,954,262	44,790,130
Investments property - net	13	320,698,186	311,320,171	-	-
Project under construction	14	-	14,498,699	-	-
Prepaid rental expenses	15	95,169,320	55,528,205	95,169,320	55,528,205
Other non-current assets	16	25,221,955	29,291,993	23,669,374	25,110,788
Total non-current assets		1,062,473,904	1,382,539,749	1,091,171,663	853,484,856
TOTAL ASSETS		2,977,739,607	3,240,122,163	2,337,605,848	2,568,921,507

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

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2011 AND 2010 



	Notes	Baht			
		Consolidated financial statements		Separate financial statements	
		2010	2011	2010	2011
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade accounts and notes payable	17	73,248,054	99,527,326	64,855,867	67,257,099
Current portion of promissory notes payable to related parties	5.4	-	147,039,152	-	147,039,152
Short-term promissory notes payable from financial institutions	18	289,438,587	199,055,888	289,438,587	199,055,888
Current portion of liabilities under hire purchase and financial lease agreements		1,182,887	1,902,992	1,182,887	1,902,992
Loans from financial institutions	20	375,368,000	630,431,805	125,368,000	308,911,805
Current portion of long-term loans from financial institutions	20	15,988,566	15,116,455	-	-
Short-term loans from related parties	5.5	-	11,600,000	-	-
Advances received from customers		29,291,609	182,046,981	20,519,854	162,184,489
Accrued corporate income tax		37,153,480	22,804,188	21,674,106	22,765,906
Retention payable		23,007,749	25,911,322	18,736,373	19,061,877
Other current liabilities		54,152,704	42,096,856	32,493,696	26,089,928
Total current liabilities		898,831,636	1,377,532,965	574,269,370	954,269,136
NON-CURRENT LIABILITIES					
Long-term loans from financial institutions - net	20	98,200,430	144,448,700	9,740,100	40,000,000
Liabilities under hire purchase and financial lease agreements - net		971,632	2,972,011	971,632	2,972,011
Estimated liability-employee benefit	19	5,578,956	-	4,764,654	-
Total non-current liabilities		104,751,018	147,420,711	15,476,386	42,972,011
TOTAL LIABILITIES		1,003,582,654	1,524,953,676	589,745,756	997,241,147

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

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2011 AND 2010 



	Notes	Baht			
		Consolidated financial statements		Separate financial statements	
		2010	2011	2010	2011
SHAREHOLDERS' EQUITY					
Share capital					
Registered share capital					
700,000,000 ordinary shares of Baht 1.00 each		700,000,000	700,000,000	700,000,000	700,000,000
Issued and paid-up					
675,000,000 ordinary shares of Baht 1.00 each		675,000,000	675,000,000	675,000,000	675,000,000
Effect of business acquisition under common control		(1,242,822)	(1,242,822)	-	-
Premium on share capital		160,163,350	160,163,350	160,163,350	160,163,350
Retained earnings					
Appropriated					
Legal reserve	22	67,455,310	50,641,216	67,455,311	50,641,216
Unappropriated		1,065,100,629	824,322,446	845,241,431	685,875,794
Total shareholders' equity of parent		1,966,476,467	1,708,884,190	1,747,860,092	1,571,680,360
Minority interest		7,680,486	6,284,297	-	-
TOTAL SHAREHOLDERS' EQUITY		1,974,156,953	1,715,168,487	1,747,860,092	1,571,680,360
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,977,739,607	3,240,122,163	2,337,605,848	2,568,921,507

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

STATEMENTS OF COMPREHENSIVE INCOME



FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	Notes	Baht			
		Consolidated financial statements		Separate financial statements	
		2010	2011	2010	2011
Revenue from sales		2,127,513,487	1,229,894,370	1,719,947,826	1,008,370,346
Revenue from sales - land		305,000	-	305,000	4,200,000
Revenue from rental and services apartment		19,025,276	18,525,325	-	-
Total revenues		2,146,843,763	1,248,419,695	1,720,252,826	1,012,570,346
Cost of sales		1,208,664,611	720,786,112	978,256,736	590,746,976
Cost of sales - land		224,795	-	224,795	4,013,717
Cost of rental and services apartment		12,964,591	12,036,957	-	-
Total cost of sales		1,221,853,997	732,823,069	978,481,531	594,760,693
Gross profit		924,989,766	515,596,626	741,771,295	417,809,653
Other income		40,399,512	112,011,622	16,920,438	62,848,923
Income before expenses		965,389,278	627,608,248	758,691,733	480,658,576
Selling expenses		271,009,166	109,191,658	221,842,642	91,491,751
Administrative expenses		145,933,254	104,658,670	98,878,593	70,208,324
Management' remuneration	5.16	10,176,086	8,862,482	9,743,426	8,442,482
Total expenses		427,118,506	222,712,810	330,464,661	170,142,557
Income before finance costs and income tax		538,270,772	404,895,438	428,227,072	310,516,019
Finance costs		(22,288,313)	(14,947,544)	(16,259,361)	(6,336,742)
Income before tax		515,982,459	389,947,894	411,967,711	304,179,277
Income tax	24	(96,363,584)	(66,347,661)	(75,685,818)	(55,088,401)
Earnings for the periods		419,618,875	323,600,233	336,281,893	249,090,876
Profit attributable to :					
Owners of the parent		418,198,931	316,697,125	336,281,893	249,090,876
Non controlling interest		1,419,944	6,903,108	-	-
		419,618,875	323,600,233	336,281,893	249,090,876
Basic earning per share (Baht per shares)	25	0.62	0.47	0.50	0.37
Weighted average number of ordinary shares (Shares)	25	675,000,000	675,000,000	675,000,000	675,000,000

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	Note	Baht							Total
		Equity holders of the parent						Equity Non controlling Interest	
		Issued and paid-up share capital	Effect of business acquisition under common control	Premium on share capital	Retained earnings		Total Equity holders of parent		
					Legal reserve	Unappropriated			
Balance as at January 1, 2010		675,000,000	15,587,569	160,163,350	38,186,672	640,175,865	1,529,113,456	17,469,076	1,546,582,532
Shares attribute for non-controlling interest		-	-	-	-	-	-	182,100	182,100
Investments in subsidiaries									
at the date of acquisition under book value		-	(16,830,391)	-	-	-	(16,830,391)	-	(16,830,391)
Legal Reserve	22	-	-	-	12,454,544	(12,454,544)	-	-	-
Dividends	21	-	-	-	-	(120,096,000)	(120,096,000)	-	(120,096,000)
Earning for the years		-	-	-	-	316,697,125	316,697,125	-	316,697,125
Net profit attribute for non-controlling interest		-	-	-	-	-	-	6,903,108	6,903,108
Dividends attribute for non-controlling interest		-	-	-	-	-	-	(18,079,500)	(18,079,500)
Minority interest		-	-	-	-	-	-	(190,487)	(190,487)
Balance as at December 31, 2010		<u>675,000,000</u>	<u>(1,242,822)</u>	<u>160,163,350</u>	<u>50,641,216</u>	<u>824,322,446</u>	<u>1,708,884,190</u>	<u>6,284,297</u>	<u>1,715,168,487</u>
Balance as at January 1, 2011		675,000,000	(1,242,822)	160,163,350	50,641,216	824,322,446	1,708,884,190	6,284,297	1,715,168,487
Adjustment-Employee benefits	33.1	-	-	-	-	(4,371,153)	(4,371,153)	(23,755)	(4,394,908)
Restated balance	-	675,000,000	(1,242,822)	160,163,350	50,641,216	819,951,293	1,704,513,037	6,260,542	1,710,773,579
Changes in shareholders' equity for 2011									
Legal Reserve	22	-	-	-	16,814,095	(16,814,095)	-	-	-
Dividends	21	-	-	-	-	(156,235,500)	(156,235,500)	-	(156,235,500)
Earning for the years		-	-	-	-	418,198,931	418,198,931	-	418,198,931
Net profit attribute for non-controlling interest		-	-	-	-	-	-	1,419,944	1,419,944
Balance as at December 31, 2011		<u>675,000,000</u>	<u>(1,242,822)</u>	<u>160,163,350</u>	<u>67,455,311</u>	<u>1,065,100,629</u>	<u>1,966,476,468</u>	<u>7,680,486</u>	<u>1,974,156,954</u>

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

SEPARATE STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	Note	BAHT				
		Issued and paid-up share capital	Premium on Share Capital	Retained earnings		Total
				Legal reserve	Unappropriated	
Balance as at January 1, 2010		675,000,000	160,163,350	38,186,672	569,335,462	1,442,685,484
Legal Reserve	22	-	-	12,454,544	(12,454,544)	-
Dividends	21	-	-	-	(120,096,000)	(120,096,000)
Earning for the period		-	-	-	249,090,876	249,090,876
Balance as at December 31, 2010		675,000,000	160,163,350	50,641,216	685,875,794	1,571,680,360
Balance as at January 1, 2011- unadjusted		675,000,000	160,163,350	50,641,216	685,875,794	1,571,680,360
Adjustment-Employee benefits	33.1	-	-	-	(3,866,661)	(3,866,661)
Restated balance		675,000,000	160,163,350	50,641,216	682,009,133	1,567,813,699
Changes in shareholders' equity for 2011						
Legal Reserve	22	-	-	16,814,095	(16,814,095)	-
Dividends	21	-	-	-	(156,235,500)	(156,235,500)
Earning for the period		-	-	-	336,281,893	336,281,893
Balance as at Demcember 31, 2011		675,000,000	160,163,350	67,455,311	845,241,431	1,747,860,092

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

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010



	Baht			
	Consolidated financial statements		Separate financial statements	
	2010	2011	2010	2011
CASH FLOWS FROM OPERATING ACTIVITIES				
Earning for the periods	419,618,875	323,600,233	336,281,893	249,090,876
Adjustment to reconcile income to cash provided by (used in) operating activities				
Depreciation	22,607,438	20,480,549	7,204,784	5,246,289
Write off fixed assets	119,348	80,590	-	76,980
Provisions for employee benefits	1,184,049	-	897,993	-
Negative goodwill recognized as income		(47,657,850)		-
Gain on disposal of fixed assets	(1,261,681)	(30,426,908)	(1,261,681)	(268,798)
Gain on disposal of land not used in operation	(3,363,234)	-	-	-
Profit (loss) from disposal investments in subsidiaries	-	(17,207,755)	-	-
Doubtful	90,681	-	-	-
Dividends income	-	-	-	(52,820,500)
Interest income	(3,947,885)	(4,499,872)	(10,555,911)	(6,050,730)
Interest expenses	20,263,745	19,015,268	14,575,090	4,171,553
Income tax	96,363,584	66,347,661	75,685,818	55,088,401
Income provided by operating activities before changes in operating assets and liabilities	551,674,920	329,731,916	422,827,986	254,534,071
Decrease (increase) in operating assets:				
Trade accounts receivable	523,740	-	-	-
Notes receivable trade	-	(10,625)	-	458,545
Inventories	561,910,547	(299,622,332)	480,432,958	(225,692,834)
Other current assets	11,273,896	(24,089,604)	3,272,475	(16,114,271)
Land held for development	(254,283,315)	(413,544,679)	(248,173,315)	(305,046,711)
Other non-current assets	2,745,207	(2,919,795)	3,066,584	(5,552,585)
Increase (decrease) in operating liabilities:				
Trade accounts and notes payable	(26,279,272)	40,278,107	(2,401,232)	22,979,326
Payable from land held for development	-	(400,000,000)	-	-
Advances received from customers	(152,755,372)	145,263,786	(141,664,635)	139,983,018
Retention payable	(2,903,573)	19,284,574	(325,504)	14,609,523
Other current liabilities	11,825,607	20,597,594	6,173,527	14,782,801
Other non - current liabilities	-	(60,000)	-	-
Cash receipt (paid) from operating activities	703,732,385	(585,091,058)	523,208,844	(105,059,117)
Income tax paid	(82,014,328)	(104,185,682)	(76,777,618)	(74,961,355)
Net cash provided by (used in) operating activities	621,718,057	(689,276,740)	446,431,226	(180,020,472)

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

STATEMENTS OF CASH FLOWS



FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	บาท			
	Consolidated financial statements		Separate financial statements	
	2010	2011	2010	2011
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) Temporary investments	(797,806)	20,000,000	-	20,000,000
Decrease (increase) in loans to related parties	-	-	11,700,000	(156,100,000)
Decrease (increase) in deposits at bank pledged as collateral	(11,024,217)	22,022,579	(11,801,450)	21,986,601
Cash paid for acquisition of fixed assets	(19,223,484)	(13,406,714)	(15,368,917)	(15,748,920)
Proceeds from disposal of fixed assets	1,261,682	38,500,000	1,261,682	500,000
Cash paid for investment property	(2,191,109)	(2,296,897)	-	-
Proceeds from disposal of land not used in operation	6,313,234	-	-	-
Cash paid for project under construction	(5,355,322)	(5,844,848)	-	-
Cash paid for project charoennakorn	(39,641,115)	-	(39,641,115)	-
Cash paid for prepaid rental expense	-	(23,000,000)	-	(23,000,000)
Cash paid for Investments in subsidiaries	-	-	-	(230,017,900)
Proceeds from disposal of investment in subsidiaries	-	538,598	-	1,745,000
Dividends income	-	-	-	52,820,500
Interest income	3,905,900	3,684,383	2,113,318	2,747,841
Net cash provided by (used in) investing activities	<u>(66,752,237)</u>	<u>40,197,101</u>	<u>(51,736,482)</u>	<u>(325,066,878)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Decrease in short term loan - related parties	-	(11,530,200)	-	(11,000,000)
Proceeds from short-term loans from financial institutions	314,748,333	-	209,868,333	-
Cash paid for short-term loans from financial institutions	(569,812,138)	-	(393,412,138)	-
Proceeds from long-term loans from financial institutions	20,873,000	762,028,960	20,873,000	466,508,960
Cash paid for long-term loans from financial institutions	(66,249,159)	(204,783,688)	(51,132,900)	(117,603,026)
Cash paid for short-term promissory notes payable- related parties	(146,889,442)	(7,389,328)	(146,889,442)	(7,539,038)
Increase short-term promissory notes	757,940,000	-	757,940,000	-
Decrease short-term promissory notes	(673,800,000)	-	(673,800,000)	-
Decrease in non-current portion of promissory notes payable to related parties	-	177,922,013	-	177,922,013
Cash paid for liabilities under hire-purchase and financial lease agreements	(2,720,485)	1,344,675	(2,720,485)	1,344,675
Cash paid from related parties	(11,600,000)	-	-	-
Cash paid for interest expenses	(45,253,127)	(24,490,031)	(22,559,583)	(8,421,973)
Proceeds from share subscriptions - minority interest	-	182,100	-	-
Dividends paid	(156,005,260)	(120,096,000)	(156,005,260)	(120,096,000)
Dividends paid to minority interest	-	(18,079,500)	-	-

	บาท			
	Consolidated financial statements		Separate financial statements	
	2010	2011	2010	2011
Net cash provided by (used in) finance activities	(578,768,278)	555,109,001	(457,838,475)	381,115,611
Net increase (decrease) in cash and cash equivalents	(23,802,458)	(93,970,638)	(63,143,731)	(123,971,739)
Cash and cash equivalents at beginning of the periods	288,036,034	380,840,681	207,036,313	331,008,052
Subsidiary 's cash at the purchased date	-	1,165,992	-	-
Cash and cash equivalents at end of the periods	<u>264,233,576</u>	<u>288,036,035</u>	<u>143,892,582</u>	<u>207,036,313</u>

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

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

Supplemental Disclosure of Cash Flows Information :

- 1) In year 2011, the Company has transferred land held for development amount of Baht 78.03 million to inventory because land was developed. (2010 : Baht 374.42 million)

In year 2011, its subsidiaries has transferred land held for development amount of Baht 508.34 million to inventory because land was developed.
- 2) In year 2011, the Company has issued promissory notes for the land amount of Baht 9.38 million.
- 3) In year 2011, its subsidiaries has transferring project under construction amounting Baht 19.85 million to investment property because assets are ready to use and the objective for rent. (Note No. 13)
- 4) In year 2011, The Company and its subsidiaries have been adjusting the provisions - employee benefits and retained earnings amount of Baht 3.87 million and Baht 0.14 million, respectively. (Note No. 19)
- 5) In year 2010, its subsidiary has paid the dividend amounting of Baht 70.90 million.
- 6) In year 2010, its subsidiary has transferred land held for development amount of Baht 14.80 million to inventory because land was developed and transferred land for inventory amount of Baht 0.97 million to land held for development because its no development.
- 7) In year 2010, a subsidiary has transferred land held for development amount of Baht 200 million to asset for rent.

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

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 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
		2011	2010	
Victory Asset Management Co., Ltd.	Bangkok	99.99	99.99	Services apartment and design building and furniture
S.N. Asset Development Co., Ltd.	Bangkok	99.65	99.65	Property development for sale for sa
S&P Estate Development Co., Ltd.	Phatumthani	79.96	79.96	Property development for sale for sa
Property Gateway Co., Ltd.*	Bangkok	99.99	99.99	Property development for sale for sa

* 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 the 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.

3.2 Adoption of new accounting standards

3.2.1) Accounting standards that will become effective in fiscal years beginning on or after January 1, 2011:

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	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
SIC 31	Revenue – Barter Transactions Involving Advertising Services

3.2.2) Accounting standards which are not effective for the current year

A. The Federation of Accounting Professions has issued Notification No. 5-8/2011 dated on February 25, 2011, regarding new accounting standards as follows:

		<u>Effective date</u>
SIC 10	Government Assistance - No Specific Relation to Operating Activities	1 January 2013
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets	1 January 2013 1 January 2013
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	

B. During the year 2010, Accounting standards that will become effective in fiscal years beginning on or after January 1, 2013:

		<u>Effective date</u>
TAS 12	Income tax	1 January 2013
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2013
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates	1 January 2013

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the following accounting standards which management expects the impact on the financial statements in the year when they are adopted.

TAS 12 –Taxation

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognize deferred tax assets and liabilities under the stipulated guidelines.

TAS 12 will become effective on 1 January 2013, and the management is therefore not currently able to evaluate the impact on the financial statements for the year in which it will be initially applied.

TAS 16 (revised 2009) Property, plant and equipment

The principal changes introduced by the revised TAS 16 that will affect the Company is that (i) costs of asset dismantlement, removal and restoration have to be included as asset costs and subject to annual depreciation; (ii) the depreciation charge has to be determined separately for each significant part of an asset; and (iii) the residual value of an item of property, plant and equipment has to be measured at the amount estimated receivable currently for the asset if the asset were already of the age and in the condition expected at the end of its useful life. Furthermore, the residual value and useful life of an asset have to be reviewed at least at each financial year-end.

The revised TAS 16 (revised 2009) permits as a transitional provision that these changes may be introduced prospectively from the year of introduction. The Company intends to adopt this transitional provision which the management has already determined will not have any material impact on the financial statements.

TAS 19 - Provision for employees' long-term benefits

The Group's net obligation in respect of long-term employee benefits (Legal Severance Payment) is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on government bonds. The calculation is performed using the projected unit credit method. In year 2011, the Company has already recorded provision for employees' benefits to be in accordance with TAS 19: Employee benefits. The Company has opted to record the entire amount of this liability as an adjustment to retained earnings as at January 1, 2011, in accordance as disclosed in note 12.

TAS 40 (revised 2009) Investment Property

The Company has applied TAS 40 (revised 2009) Investment Property.

Under the revised TAS, investment property, defined as property owned to earn rentals; capital appreciation; or both, is disclosed in the financial statements separately from other property, plant and equipment.

The Company has selected the cost model for accounting for its investment properties under the revised TAS. The change in accounting policy has been applied to reclassify the comparative financial statements. From 1 January 2011, the depreciable amount and useful life of the investment property have been reassessed in accordance with the requirements of TAS 16 (revised 2009). These changes in accounting policy in this regard have been applied prospectively in accordance with the transitional provisions of TAS 16 (revised 2009).

3.3 Significant accounting policies

3.3.1 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

3.3.2 Cash and cash equivalents

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.

3.3.3 Temporary Investments

Temporary Investments is the company and subsidiaries holding less than 1 year.

3.3.4 Account receivable

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.

3.3.5 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.

3.3.6 Land held for development

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

3.3.7 Investments

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

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is recognized in the statement of income.

3.3.8 Property, plant and equipment-net

Land is stated at cost

Equipments are stated at cost less accumulated depreciation and loss on impairment(if any)

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

3.3.9 Project in construction and leasehold asset

- Land is stated at cost
- Building and construction, office equipment and furniture. Stated at cost less accumulated depreciation. Depreciation is calculated on a straight line basis over the estimated useful lives as follows.
- Building under construction. Shown at cost. And will calculate the depreciation on those assets available.

	<u>Useful life</u>
Building and construction	20 - 30 Years
Equipment and furniture	5 Years

3.3.10 Long-term leases

Where the Group is the lessee

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

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases are charged to the statement of income on a straight-line basis over the period of the lease. For long-term leases where the Group does not occupy the entire areas at the lease inception date, lease expenses are charged to the statement of income on a systematic basis over the period of the lease in proportion to the area that the Group occupies in each year.

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

Where the Group is the lessor

Assets leased out under operating leases are included in property and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with other similar property and equipment owned by the Group. Rental income is recognised on a straight-line basis over the lease term.

Assets leased out by the Group under which a significant portion of the risks and rewards of ownership are transferred to the lessee are classified as finance lease. The assets held under finance lease are recorded as accounts receivable under finance lease in the balance sheet.

The sales revenue recorded at the commencement of a finance lease represents the fair value of the asset, or if lower, the present value of the minimum lease payments accruing to the lessor, computed at a commercial rate of interest. The cost of sale recognised at the commencement of the lease term is the cost or carrying amount of the leased property. The difference between the sales revenue and the cost of sale is recorded as gain which is recognised by the Group in accordance with its normal accounting policy.

3.3.11 Impairment

The carrying amounts of the Group assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in the statement of income.

Calculation of recoverable amount

The recoverable amount of non-financial assets is the greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.3.12 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.

3.3.13 Provision for employees' long-term benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognized as expenses when incurred.

Post-employment benefits

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from other long-term benefits are recognized immediately in profit or loss.

For the first-time adoption of TAS 19 Employee Benefits, the Company and its subsidiaries elected to recognize the transitional liability, which exceeds the liability that would have been recognized at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in the current year.

3.3.14 Income tax

Corporate income tax for the company and three subsidiaries are calculated based on net income after adding back certain expenses and allowances which are forbidden expenses in tax computation at 30 percent of net profit before income tax.

3.3.15 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.

3.3.16 Basic earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing net profit (loss) by the number of outstanding ordinary shares at the statement of financial position date in case of capital increased (decreased) using the weighted average according period of time receive (repayment) ordinary shares.

3.3.17 Financial instrument

The Company have no policy to hold financial instrument for speculation and hedging

For the financial instruments shown in statement of financial position consist of cash and cash equivalents, current investment, account receivable, account payable and others payable, loans to related parties, loan from related parties and financial institution An accounting policy of each part of an item shown in others title.

3.3.18 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.

3.3.19 Segment information

Business segments provide products and services that are subject to risks and returns that are different from those of other business segments. Geographic segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those of components operating in other economic environments.

Segment information is presented in business segments consist of; the property development for sales and the investment properties for rent. Revenue less than 10 percent of total revenue, the consolidated financial statements not present information in segment information.

3.3.20 Finance lease

Leases of assets that substantially transfer to the Company and its subsidiaries all the rewards and risks of ownership of assets and that the Company and its subsidiaries 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 effective rate.

3.3.21 Operating Lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lesser are classified as operating leases. Lease payments under an operating lease are recognized as an expense on a systematic basis over the lease term.

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 and subsidiaries have entered into lease agreements for the rental of motor vehicles. The Company and subsidiaries have 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.

Impairment of investments

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

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 Sa ng 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
S.P.R. Engineering Co., Ltd.	Property development	Common shareholders and directors in subsidiary
Rattanapol Co.,Ltd.	Construction materials and equipment	Director's relative
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
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 Boontuen Suebnoi	Director of subsidiary
Khun Theerawat Thanyalakpark	Director
Khun Nuttaya Thanyalakpark	Director's relative
Khun Benyaluk Thanyalakpark	Director

* On June 7, 2010, the Company sold investment in subsidiary to third parties which was leaded to lose the significant control but also was related companies due to the shareholders are some as with another subsidiary.

** On December 3, 2010, the Company sold investment in subsidiary to former shareholder which was leaded 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 financial statements as at December 31, 2011 as follows:

5.1 Advance to related parties

S.N. Asset Development Co., Ltd.	Relationship	Baht			
		Separate financial statements			
		January 1, 2011	Increase	Decrease	December 31, 2011
	Subsidiary	-	5,250,000	(5,250,000)	-

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

	Relationship	Baht			
		Separate financial statements			
		January 1, 2011	Increase	Decrease	December 31, 2011
1. S&P Estate Development Co.,Ltd.	Subsidiary				
Principle		76,665,360	-	(20,000,000)	56,665,360
Accrued interest income		9,585,107	2,161,558	-	11,746,665
		86,250,467	2,161,558	(20,000,000)	68,412,025
2. Victory Asset Management Co., Ltd.	Subsidiary				
Principle		13,200,000	-	(13,200,000)	-
Accrued interest income		24,737	117,960	(142,697)	-
		13,224,737	117,960	(13,342,697)	-
3. S.N. Asset Development Co., Ltd.	Subsidiary				
Principle		-	83,000,000	(83,000,000)	-
Accrued interest income		16,977	204,751	(221,728)	-
		16,977	83,204,751	(83,221,728)	-
4. Property Gateway Co.,Ltd.	Subsidiary				
Principle		158,900,000	21,500,000	-	180,400,000
Accrued interest income		61,280	6,322,750	-	6,384,030
		158,961,280	27,822,750	-	186,784,030
Total		258,453,461	113,307,019	(116,564,425)	255,196,055

		Baht			
		Separate financial statements			
	Relationship	January 1, 2011	Increase	Decrease	December 31, 2011
1. S&P Estate Development Co., Ltd.	Subsidiary				
Principle		88,665,360	-	(12,000,000)	76,665,360
Accrued interest income		7,238,790	2,346,317	-	9,585,107
		<u>95,904,150</u>	<u>2,346,317</u>	<u>(12,000,000)</u>	<u>86,250,467</u>
2. Victory Asset Management Co., Ltd.	Subsidiary				
Principle		4,000,000	9,200,000	-	13,200,000
Accrued interest income		-	78,660	(53,923)	24,737
		<u>4,000,000</u>	<u>9,278,660</u>	<u>(53,923)</u>	<u>13,224,737</u>
3. S.N. Asset Development Co., Ltd.	Subsidiary				
Principle		-	62,000,000	(62,000,000)	-
Accrued interest income		-	159,470	(142,493)	16,977
		<u>-</u>	<u>62,159,470</u>	<u>(62,142,493)</u>	<u>16,977</u>
4. Property Gateway Co.,Ltd	Subsidiary				
Principle		-	158,900,000	-	158,900,000
Accrued interest income		-	61,280	-	61,280
		<u>-</u>	<u>158,961,280</u>	<u>-</u>	<u>158,961,280</u>
Total		<u><u>99,904,150</u></u>	<u><u>232,745,727</u></u>	<u><u>(74,196,416)</u></u>	<u><u>258,453,461</u></u>

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

5.3 Trade Accounts and Notes payable

	Relationship	Baht			
		Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2011
Trade Accounts and notes payable of creditors contractors	Common shareholders and directors in subsidiary	-	1,465,012	-	1,465,012
S.P.R. Engineering Co., Ltd.	Director's relative	398,945	895,524	359,783	704,957
Rattapol Co.,Ltd.					
Total		<u>398,945</u>	<u>2,360,536</u>	<u>359,783</u>	<u>2,169,969</u>

5.4 Promissory notes payable to related parties

	Relationship	Baht			
		Consolidated and separate financial statements			
		January 1, 2011	Increase	Decrease	December 31, 2011
Sinsaphanya Co., Ltd.	Director's relative				
Principle		146,889,442	-	(146,889,442)	-
Accrued interest expenses		149,710	1,699,974	(1,849,684)	-
Total		<u>147,039,152</u>	<u>1,699,974</u>	<u>(148,739,126)</u>	<u>-</u>

As at December 31, 2010, the Company has promissory notes with related company 22 bills, interest rate of fixed deposit by a financial institution, due within September 2011. Present, the company paid the promissory notes.

5.5 Short-term loans from related parties

	Relationship	Baht			
		Consolidated financial statements			
		January 1, 2011	Increase	Decrease	December 31, 2011
Khun Boontuan Suebnoi	Subsidiary's director	11,600,000	-	(11,600,000)	-
Khun Benyaluk hanyalakpark	Director	-	1,200,000	(1,200,000)	-
Total		<u>11,600,000</u>	<u>1,200,000</u>	<u>(12,800,000)</u>	<u>-</u>

		Baht			
		Consolidated financial statements			
	Relationship	January 1, 2011	Increase	Decrease	December 31, 2011
	Subsidiary's director				
Khun Boontuan Suebnoi		14,600,000	-	(3,000,000)	11,600,000

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

		Baht			
		Separate financial statements			
	Relationship	January 1, 2011	Increase	Decrease	December 31, 2011
S.N. Asset Development Co., Ltd.	Subsidiary				
Principle		-	81,000,000	(81,000,000)	-
Accrued interest expenses		-	113,795	(113,795)	-
Total		-	81,113,795	(81,113,795)	-

		Baht			
		Separate financial statements			
	Relationship	January 1, 2011	Increase	Decrease	December 31, 2011
S&P Housing Co., Ltd.	Subsidiary				
Principle		11,000,000	-	(11,000,000)	-
Accrued interest expenses		538,384	122,055	(660,439)	-
Total		11,538,384	122,055	(11,660,439)	-

Short-term loans from related company, interest rate 1.9% per annum and 3% per annum for a loan on normal operations.

5.6 Provisions for employee benefits

		Baht			
		Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Directors and executives		3,919,605	-	3,850,707	-

Significant transactions between the Company and its related parties for the years ended December 31, 2011 and 2010 are as follows:

5.7 Revenues from sales-land and land with houses

	Relationship	Pricing policy	Baht	
			Consolidated financial statements	
			2011	2010
Revenue from sale-land with house				
B.V.Asset Co., Ltd.	Common director in subsidiary	Negotiated price	-	3,000,000
รวม Total			-	3,000,000

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.

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2011 AND 2010 

			Baht	
			Separate financial statements	
	Relationship		2011	2010
<u>Revenue from sale-land</u>				
S.N.Asset Development Co., Ltd.	Subsidiary	Agreed-upon price *,**	-	4,200,000

* 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) wash not higher than the price at Land Department.

5.8 Interest Income

			Baht	
			Separate financial statements	
	Relationship	Pricing policy	2011	2010
S&P Estate Development Co., Ltd.	Subsidiary	1-3% per annum	2,161,558	2,346,317
Victory Asset Management Co., Ltd.	Subsidiary	1-3% per annum	117,960	78,660
S.N. Asset Development Co., Ltd.	Subsidiary	2.15-3% per annum	204,751	159,470
Property Gateway Co.,Ltd.	Subsidiary	1.35-4% per annum	6,322,750	61,280
			8,807,019	2,645,727

5.9 Purchase of land and structures

			Baht			
			Consolidated financial statements		Separate financial statements	
	Relationship	Pricing policy	2011	2010	2011	2010
Tun Charoen Co., Ltd	Directors relatives	Agreed-upon price *	-	500,000,000	-	-
S.N. Asset Development Co., Ltd.	Subsidiary	Agreed-upon price**	-	-	2,140,000	-
			-	500,000,000	2,140,000	-

* Cost of land and structures (Area for one plot was 15 Rai 17 Square Wah) was not over the appraised price of land independent appraiser (Top thai appraisal Co., Ltd at June 1, 2009)

** sale price of land (Area for three plots were 183 square wah) was higher than the price at Land Department (Cost of land is amount of Baht 0.48 million.)

5.10 Sub-contract fee and materials cost

	Relationship	Pricing policy	Baht			
			Consolidated financial statements		Separate financial statements	
			2011	2010	2011	2010
S.P.R. Engineering Co., Ltd.	Common shareholders and directors in subsidiary	Agreed price	8,342,370	10,137,095	8,342,370	10,137,095
RattanaPol Co.,Ltd.	Director's relative	Market price	6,669,932	6,299,261	5,329,266	5,074,377
			<u>15,012,302</u>	<u>16,436,356</u>	<u>13,671,636</u>	<u>15,211,472</u>

5.11 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.

5.12 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.
4. 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.

5.13 Interest expenses

	Relationship	Pricing policy	Baht			
			Consolidated financial statements		Separate statements	financial statements
			2011	2010	2011	2010
S.N. Asset Development Co., Ltd.	Subsidiary	3% per annum	-	-	113,795	
S&P Housing Co., Ltd.	Subsidiary	3% per annum	-	-	-	122,055
Sinsaphanya Co., Ltd.	Relative of director	7.50%, 0.75-1.25% per annum	1,699,974	2,410,856	1,699,974	2,410,855
			<u>1,699,974</u>	<u>2,410,856</u>	<u>1,813,769</u>	<u>2,532,910</u>

5.14 Other Expenses

Consist of;

	Relationship	Pricing policy	Baht	
			Separate financial statements	
			2011	2010
Victory Asset anagement Co., Ltd.	Subsidiary	*	1,077,836	678,075

* The Company has entered into management agreements for 6 condominium projects with such subsidiary for 1 year (from September 2011 to August 2012) and on year 2011, the company has already canceled the contract.

5.15 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.

5.16 Expense – Director and Director Management

	บาท			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Project costs for employee benefits.	694,991	-	682,332	-
Other	9,481,095	8,862,482	9,061,094	8,442,482
	10,176,086	8,862,482	9,743,426	8,442,482

5.17 Changes in shareholding.

During the period, the Company changed its shareholding of major shareholders. (Ownership has more changed over 10 %)

	Former	New
Miss Sriwarat Thanyalakpark	14.26%	6.85%
Miss Umaporn Thanyalakpark	11.30%	3.89%
Mrs. Chindachaya Denphaisarn	-	14.49%

5.18 Guarantee

As at December 31, 2011, the Company and its subsidiaries are between contingent liabilities arising from loan guarantees. No collateral fee charge. (Note 29.2)

6. CASH AND CASH EQUIVALENTS

As at December 31, 2011 and 2010 consist of;

	Baht			
	Consolidate financial statements		Separate financial statements	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Cash	1,124,336	537,200	459,943	397,700
Cash at banks - saving accounts	77,876,564	223,062,502	40,057,455	191,825,273
Cash at banks - current accounts	2,816,383	11,693,398	198,022	5,136,184
Cash at banks - fix accounts	1,000	-	1,000	-
Check due but not deposit	5,415,293	52,742,935	3,176,162	9,677,156
Bill of Exchange	177,000,000	-	100,000,000	-
Total	264,233,576	288,036,035	143,892,582	207,036,313

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

As at December 31, 2011 bill of exchange from financial institutions can be summarized as follows:

	Baht			
	Consolidate financial statements		Separate financial statements	
	2011	2010	2011	2010
Amount (Million Baht)	177	-	100	-
Number of bills	3	-	1	-
Due date	During the month of January 2012 and at call		During the month of January 2012	
Interest rate	2.75 – 3%	-	2.85%	-
Commitment	None	-	None	-

7. TRADE ACCOUNTS RECEIVABLE AND NOTES RECEIVABLE

As at December 31, 2011 and 2010 consist of:

	Baht			
	Consolidate financial statements		Separate financial statements	
	2011	2010	2011	2010
Notes receivable	8,000	970,000	-	-
Accounts receivable-Aging				
In due	10,634	-	-	-
Not over 3 months	723,273	295,647	-	-
Total	741,907	1,265,647	-	-

8. INVENTORIES - NET

As at December 31, 2011 and 2010 consist of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Land	1,877,542,789	1,399,169,878	1,121,713,046	1,032,437,678
Land development cost	38,886,179	34,599,568	25,379,886	20,453,514
Land and club-house	12,873,426	12,873,426	12,873,426	12,873,426
Public utility	231,346,735	210,187,437	176,486,020	147,260,130
Construction works	2,987,674,183	2,859,773,996	2,326,657,422	1,903,350,291
Management fee	29,096,649	26,157,529	10,409,309	9,628,852
Borrowing cost	71,461,240	68,487,335	38,865,894	33,717,207
Others expenses	64,032,195	32,791,166	60,281,105	32,534,022
Total	5,312,913,396	4,644,040,335	3,772,666,108	3,192,255,120
<u>Less</u> Accumulated transfer to cost of property sales	(3,699,216,134)	(3,122,877,311)	(2,951,667,404)	(1,971,927,562)
Deferred interest expenses	(6,261,449)	(6,261,449)	(6,261,449)	(6,261,449)
Net	1,607,435,813	1,514,901,575	814,737,255	1,214,066,109
Finished house held for sales - net	7,165,156	7,165,156	7,165,156	7,165,156
Total	1,614,600,969	1,522,066,731	821,902,411	1,221,231,265



As at December 31, 2011, the Company and subsidiary mortgaged the above land with total cost amount of Baht 816 million and Baht 547 million, respectively, as collateral for loans (Note 20).

Consolidated financial statements

For the years ended December 31, 2011 and 2010, the Company and subsidiary capitalized interest expense as a part of cost of inventory amounting to Baht 28.15 million and to Baht 5.96 million, respectively.

Separate financial statements

For the years ended December 31, 2011 and 2010, the Company capitalised interest expense as a part of cost of inventory amounting to Baht 5.15 million and Baht 4.53 million, respectively.

The projects of the Company are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Number of projects on hand at beginning of year /period	17	17	15	12
Number of closed projects	(2)	(3)	(2)	(0)
Number of the new projects	4	3	3	3
Number of projects on hand at end of year / period	19	17	16	15
Amount of sale contracts (Million Baht)	5,070	6,058	4,303	4,867
Percentage of total sales in projects on hand	72	75	70	73

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

9. OTHER CURRENT ASSET

As at December 31, 2011 and 2010 consist of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Advance payment	3,557,231	8,815,207	2,781,967	3,608,033
Prepaid expenses	27,583,557	28,357,884	21,838,450	19,756,346
Deposit for land	500,000	5,000,000	500,000	5,000,000
Others	3,250,657	4,040,910	322,720	351,233
Total	34,891,445	46,214,001	25,443,137	28,715,612

10. LAND HELD FOR DEVELOPMENT-NET

As at December 31, 2011 and 2010 consist of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cost of land	483,528,982	858,951,942	471,853,177	305,864,378
Related expenses of land	6,519,825	8,570,866	6,519,825	235,075
Public utility development	9,542,901	3,163,533	9,542,902	3,163,533
Borrowing cost	1,354,704	486,098	1,354,704	486,098
Total	500,946,412	871,172,439	489,270,608	309,749,084

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

As at December 31, 2011 and 2010, the company has mortgaged land held for development at the cost amounting to Baht 236.17 million and 100.95 million, respectively as collateral for loans (Note 20).

11. INVESTMENTS IN SUBSIDIARIES

Separate financial statements

As at December 31, 2011 and 2010 consist of:

	Paid-up Capital (Thousand Baht)	Portion of Investment (%)	Baht			
			Cost method		Dividend income	
			2011	2010	2011	2010
Victory Asset Management Co., Ltd.	230,000.00	99.99	175,378,636	175,378,636	-	-
S.N. Asset Development Co., Ltd.	122,000.00	99.65	121,573,000	121,573,000	-	-
S&P Estate Development Co., Ltd.	14,000.00	79.96	11,195,000	11,195,000	-	-
S&P Housing Co., Ltd. *	1,000.00	74.50	-	-	-	52,820,500
Property Gateway Co.,Ltd.	100,000.00	99.99	100,000,000	100,000,000	-	-
			408,146,636	408,146,636	-	52,820,500

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

12. PROPERTY, PLANT AND EQUIPMENT - NET

The significant movements during the years ended December 31, 2011 and 2010 are as follows:

	Baht					
	Consolidated financial statements					
	Land	Building and Structures	Office Equipments	Vehicles	Work in process	Total
Cost :						
As at January 1, 2010	42,623,932	33,733,596	24,442,249	21,375,913	-	122,175,690
Increased	1,838,808	-	6,174,665	3,632,595	1,760,646	13,406,714
Decreased	(5,517,132)	(4,733,011)	(368,937)	-	-	(10,619,080)
Portion of subsidiary which ended of control	-	-	(1,428,731)	-	-	(1,428,731)
As at December 31, 2010	38,945,608	29,000,585	28,819,246	25,008,508	1,760,646	123,534,593
Increased	-	17,227	14,250,989	3,504,280	1,450,988	19,223,484
Decreased	(478,240)	(119,348)	-	(6,371,073)	-	(6,968,661)
Transfer in (out)	-	3,211,634	192,104	-	(3,211,634)	192,104
As at December 31, 2011	38,467,368	32,110,098	43,262,339	22,141,715	-	135,981,520
Accumulated depreciation:						
As at January 1, 2010	-	6,378,509	12,578,892	13,304,115	-	32,261,516
Increased	-	1,534,105	4,028,228	2,410,654	-	7,972,987
Decreased	-	(2,408,252)	(57,146)	-	-	(2,465,398)
Portion of subsidiary which ended of control	-	-	(1,421,445)	-	-	(1,421,445)
As at December 31, 2011	-	5,504,362	15,128,529	15,714,769	-	36,347,660
Increased	-	680,843	5,948,640	3,502,944	-	10,132,427
Decreased	-	-	-	(6,371,072)	-	(6,371,072)
As at December 31, 2010	-	6,185,205	21,077,169	12,846,641	-	40,109,015
Net book value :						
As at December 31, 2011	38,467,368	25,924,893	22,185,170	9,295,074	-	95,872,505
As at December 31, 2010	38,945,608	23,496,223	13,690,717	9,293,739	1,760,646	87,186,933
Depreciation for the years ended:						
December 31, 2011	-	680,843	5,948,640	3,502,944	-	10,132,427
December 31, 2010	-	1,534,105	4,028,228	2,410,654	-	7,972,987

NOTES TO FINANCIAL STATEMENTS



AS AT DECEMBER 31, 2011 AND 2010 

The significant movements during the years ended December 31, 2011 and 2010 are as follows:

Baht

	Separate financial statements					Total
	Land	Building and Structures	Office Equipments	Vehicles	Work in process	
Cost :						
As at January 1, 2010	19,482,500	5,517,500	16,369,529	21,170,714	-	62,540,243
Increased	1,838,808	-	3,526,011	3,500,595	1,760,646	10,626,060
Decreased	-	-	(360,037)	-	-	(360,037)
As at December 31, 2010	21,321,308	5,517,500	19,535,503	24,671,309	1,760,646	72,806,266
Increased	-	-	11,027,928	2,890,000	1,450,988	15,368,916
Decreased	-	-	-	(6,371,073)	-	(6,371,073)
Transfer in (out)	-	3,211,634	-	-	(3,211,634)	-
As at December 31, 2011	21,321,308	8,729,134	30,563,431	21,190,236	-	81,804,109
Accumulated depreciation :						
As at January 1, 2010	-	343,713	9,301,899	13,176,090	-	22,821,702
Increased	-	388,502	2,504,807	2,352,980	-	5,246,289
Decreased	-	-	(51,855)	-	-	(51,855)
As at December 31, 2010	-	732,215	11,754,851	15,529,070	-	28,016,136
Increased	-	385,903	3,421,508	3,397,373	-	7,204,784
Decreased	-	-	-	(6,371,072)	-	(6,371,072)
As at December 31, 2011	-	1,118,118	15,176,359	12,555,370	-	28,849,847
Net book value :						
As at December 31, 2011	21,321,308	7,611,016	15,387,072	8,634,866	-	52,954,262
As at December 31, 2010	21,321,308	4,785,285	7,780,652	9,142,240	1,760,646	44,790,130
Depreciation for the year ended:						
December 31, 2011	-	385,903	3,421,508	3,397,373	-	7,204,784
December 31, 2010	-	388,502	2,504,807	2,352,980	-	5,246,289

As at December 31, 2011 and 2010, the subsidiaries have mortgaged the land and building amounting of Baht 37.62 million and 37.73 million, as collateral for long-term loans from financial institutions (Note 20).

As at December 31, 2011 and 2010, a portion of the Company's equipment with historical cost of Baht 9.77 and 14.93 million and a portion of subsidiary's assets at Baht 2.67 and 2.67 million, are fully depreciated but they are still in use.

The first quarter in year 2011, the subsidiary has reviewed the use of assets (Note 32).

13. INVESTMENT PROPERTY

The significant movements during the years ended December 31, 2011 and 2010 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, 2010	2,527,823	19,710,131	105,416,095	9,246,452	-	136,900,501
Increased	-	-	329,207	484,981	1,482,709	2,296,897
Transfer in	-	162,583,000	37,507,027	-	-	200,090,027
As at December 31, 2010	2,527,823	182,293,131	143,252,329	9,731,433	1,482,709	339,287,425
Increased	-	-	606,875	290,465	1,293,769	2,191,109
Transfer in	-	1,468,908	16,019,209	2,173,799	-	19,661,916
As at December 31, 2011	2,527,823	183,762,039	159,878,413	12,195,697	2,776,478	361,140,450
Accumulated depreciation:						
As at January 1, 2010	-	-	11,262,825	4,196,867	-	15,459,692
Increased	-	-	10,616,802	1,890,760	-	12,507,562
As at December 31, 2010	-	-	21,879,627	6,087,627	-	27,967,254
Increased	-	-	10,145,699	2,329,311	-	12,475,010
As at December 31, 2011	-	-	32,025,326	8,416,938	-	40,442,264
Net book value						
As at December 31, 2011	2,527,823	183,762,039	127,853,087	3,778,759	2,776,478	320,698,186
As at December 31, 2010	2,527,823	182,293,131	121,372,702	3,643,806	1,482,709	311,320,171
Depreciation for the year ended:						
December 31, 2011	-	-	10,145,699	2,329,311	-	12,475,010
December 31, 2010	-	-	10,616,802	1,890,760	-	12,507,562

Investment property consist of: 1) Book value of assets for rent such as three apartments are not exceeding the appraisal value appraised by independent appraiser (T.A. Management Corporation (1999) Co., Ltd.) as per report dated February 6, 2009. 2) 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.

As at December 31, 2011, and 2010 the subsidiaries have mortgaged land and structures cost of Baht 347.03 million and Baht 328.08 million, respectively as collateral for loans from the financial institutions (Note 20).

The first quarter in year 2011, the subsidiary has reviewed the use of assets (Note 32).

14. PROJECT UNDER CONSTRUCTION

	Baht		
	Consolidated financial statements		
	Land	Building under construction	Total
Cost of assets:			
As at January 1, 2010	2,528,000	6,215,877	8,743,877
Increased	-	5,844,849	5,844,849
Transfer in (out)	-	(90,027)	(90,027)
As at December 31, 2010	2,528,000	11,970,699	14,498,699
Increased	-	5,355,321	5,355,321
Transfer in (out)	(2,528,000)	(17,326,020)	(19,854,020)
As at December 31, 2011	-	-	-

A subsidiary has apartment under construction for rent, In year 2011 was transferring investment property book value as of the date construction is completed from April 1, 2011.

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 20).

15. PREPAID RENTAL EXPENSE

Term payment on agreement	Baht	
	Consolidated and separate financial statements	
	2011	2010
First rental repayment	30,000,000	30,000,000
Leashold right transferring expenses	25,000,000	25,000,000
Registered expenses	678,205	528,205
Construction	39,491,115	-
Total	95,169,320	55,528,205

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 lesser 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. September 11, 2009, the Company has registered land leasehold right with such foundation and payment complete for leasehold right.

And on February 15, 2012, The Company and a Foundation has canceled the agreement on September 11, 2009 and attached the contract as per report date September 10, 2009. The Company and a Foundation has entered a revised agreement to expend a rental period being 50 years starting from February 1, 2012 to January 31, 2062 and a part of conditions in agreement, The Company has to pay Baht of 10 million to a Foundation, and pay mouthly rental fee baht of 50,000(since February 2012 to September 2041), and baht of 100,000(since October 2041 to January 2062). The Company has registered new land leasehold right on February 17, 2012 and entered the pledged agreement with the financial institute, credit line Baht of 372 million.

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, 2011, the Company is auction for building construction and start for some construction. This is expected to begin operation in 2012 and first rental repayment of prepaid rental expense on a straight-line basis to begin operation

16. OTHER NON-CURRENT ASSET

As at December 31, 2011 and 2010 consist of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Deposit and guarantee	10,334,878	11,983,433	9,208,813	11,177,233
Revenue Department receiveable	5,987,472	5,486,200	5,987,472	5,486,200
Others	8,899,605	11,822,360	8,473,089	8,447,355
Total	25,221,955	29,291,993	23,669,374	25,110,788

17. TRADE ACCOUNTS AND NOTES PAYABLE

As at December 31, 2011 and 2010 consist of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Account payable for construction	54,590,291	84,365,687	46,999,371	57,888,119
Notes payable	18,657,763	15,161,639	17,856,496	9,368,980
Total	73,248,054	99,527,326	64,855,867	67,257,099

18. SHORT-TERM PROMISSORY NOTES PAYABLE FROM FINANCIAL INSTITUTIONS

As at December 31, 2011 and 2010 consist of:

	Baht	
	Consolidated and separate financial statements	
	2011	2010
Promissory notes *	143,520,000	100,000,000
Bill of exchange **	150,000,000	100,000,000
Less Interest discounting bills of exchange	(4,081,413)	(944,112)
	145,918,587	99,055,888
Total	289,438,587	199,055,888

* As at December 31, 2011, the Company has issued 5 promissory note and 1 promissory note aval dued from March 2011 to September 2012 by financial institution amounting of Baht 143.52 million interest rate of MLR 2% and 5% per annum to pay the land.(Remaining credit limit has amount of Baht 220 million)

** The Company has issued 7 bills of exchanges due from January 2012 to August 2012 by amounting of Baht 150 million, discount rate of 4.75- 6.00% per annum. The support business expansion and financial resources to conduct the business of its company.

19. ESTIMATED LIABILITY-EMPLOYEE BENEFIT

An independent actuary carried out an evaluation of the Company's obligations for employees' long-term benefits using the projected unit credit method. The Company has provided the provision for employees' long-term benefits as follows:

	Baht	
	Consolidated financial statements	Separate financial statements
	2011	2011
Provision for employee benefits - beginning	4,394,907	3,866,661
Add recognized amount	1,184,049	897,993
Provision for employee benefits - ending	5,578,956	4,764,654

	Baht	
	Consolidated financial statements	Separate financial statements
	2011	2011
Present value of unfunded obligation	5,578,956	4,764,654
Expense recognised in profit or loss as follows:		
Current service cost	1,008,256	743,327
Interest cost	175,793	154,666
Total – recognized in the statement of income	1,184,049	897,993

Principal actuarial assumptions (Actuarial basis)

	Financial statements	
	Consolidated	Separate
	31 December 2011	31 December 2011
Discount rate (%)	4	4
Salary increase rate (%)	2 - 6	2 - 6
Retirement age (year old)	60	60

20. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

As at December 31, 2011 and 2010 consist of:

CURRENT LIABILITIES:

	Credit limit (Million baht)	Baht			
		Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Long-term loans from financial institutions					
- Land	413.60	283,610,000	443,720,000	33,610,000	162,200,000
- Construction works and project public utility development	315.30	91,758,000	186,711,805	91,758,000	146,711,805
Total	728.90	375,368,000	630,431,805	125,368,000	308,911,805

The significant movements during the years ended December 31, 2011 are as follows:

	Baht			
	Consolidated financial statements			
	January 1, 2011	Increase	Decrease	December 31, 2011
Long-term loans from financial institutions				
- Land	443,720,000	33,600,000	(193,710,000)	283,610,000
- Construction works and project public utility development	186,711,805	281,148,333	(376,102,138)	91,758,000
Total	630,431,805	314,748,333	(569,812,138)	375,368,000

	Baht			
	Separate financial statements			
	January 1, 2011	Increase	Decrease	December 31, 2011
Long-term loan from financial institutions				
- Land	162,200,000	33,600,000	(162,190,000)	33,610,000
- Construction works and project public utility development	146,711,805	176,268,333	(231,222,138)	91,758,000
Total	308,911,805	209,868,333	(393,412,138)	125,368,000

As at December 31, 2011, the Company has long-term loans with a bank under the condition of payment as following:

1. 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 10).

2. Loan facility of Baht 168.90 million

- Land cost principal is payable by installments within 30 months from the date of first drawdown period. The interest rate as follows.

1st year	interest rate of MLR-1 per annum.
2st year	interest rate of MLR-0.50 per annum.
3st year since the end of contract	interest rate of MLR per annum.

Such loan is collateral by land and structure (Note 8).

3. Loan facility of Baht 180.00 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. Such loan is collateral by land and structure (Note 8).

Subsidiaries

As at December 31, 2011, two subsidiaries have long-term loans from financial institutions as follows:

1. 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 8), guaranteed by The Company

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

NOTES TO FINANCIAL STATEMENTS



AS AT DECEMBER 31, 2011 AND 2010

NON-CURRENT LIABILITIES:

	Credit limit (Million baht)	Baht			
		Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Long-term loans from financial institutions					
- Land	140	104,448,896	159,565,155	-	40,000,000
- Construction works and project public utility development	180	9,740,100	-	9,740,100	-
Total		114,188,996	159,565,155	9,740,100	40,000,000
Current portion	-	(15,988,566)	(15,116,455)	-	-
Net	320	98,200,430	144,448,700	9,740,100	40,000,000

The significant movements during the years ended December 31, 2011 are as follows:

	Baht			
	Consolidated financial statements			
	January 1, 2011	Increase	Decrease	December 31, 2011
Long-term loans from financial institutions				
- Land	159,565,155	-	(55,116,259)	104,448,896
- Construction works and project public utility development	-	20,873,000	(11,132,900)	9,740,100
Total	159,565,155	20,873,000	(66,249,159)	114,188,996

	Baht			
	Separate financial statements			
	January 1, 2011	Increase	Decrease	December 31, 2011
Long-term loans from financial institutions				
- Land	40,000,000	-	(40,000,000)	-
- Construction works and project public utility development	-	20,873,000	(11,132,900)	9,740,100
Total	40,000,000	20,873,000	(51,132,900)	9,740,100

As at December 31, 2011, a subsidiary has loan facility from a commercial bank, payment condition is as follows:

1. Loan facility of Baht 180 million

- Construction 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 (Notes 8).

Subsidiaries

As at December 31, 2011, a subsidiary has loan facility from a commercial bank, payment condition are as follows:

1. 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 (notes 13) and the guaranteed by directors of the Company and Sena Development Public Company Limited.

As at December 31, 2011 and 2010, the Company and subsidiary remaining credit line has not been drawn down as follow:

	Million Baht			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Loans has not been drawn down	2,460	1,324	1,938	684

21. DIVIDENDS PAID

Year 2011

At the Board of Directors' Meeting No. 6/2011 held on August 10, 2011, the directors approved to pay interim dividends of Baht 0.022 per share from net profit relating solely to business operations benefiting from the privileges under the Investment Promotion and Baht 0.107 per share from net profit whichout the privileges under the Investment Promotion, totaling of Baht 87.08 million. The Company has paid dividends on September 9, 2011.

At the Board of Directors' Meeting No. 1/2011 held on February 24, 2011, the directors approved to pay interim dividend. At the meeting of the shareholders No. 1/2011 held on April 27, 2011, the shareholders approved the appropriation of dividends of Baht 0.18768 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 69.16 million. The Company has paid dividends on May 26, 2011

Year 2010

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.

22. 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.

23. EXPENSES BY NATURE

The significant expenses by nature for the ended December 31, 2011 and 2010 are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Changes in finished goods and works in process	(92,534,238)	(686,001,432)	399,328,854	(610,313,276)
Cost of land, Construction works and public utility development	1,233,751,738	1,494,953,095	568,055,555	1,303,862,354
Salary and wages and other employee benefits	99,887,895	60,371,350	71,126,605	42,226,605
Depreciation	22,607,883	20,480,549	7,204,785	5,246,289
Advertising expenses	165,660,049	45,316,314	134,439,232	51,989,278
Specific business tax and transfer fee	87,235,931	-	70,960,192	31,116,264

24. INCOME TAX

For the years ended December 31, 2011, Income tax is calculated on the earnings of the Company or subsidiaries after adding back certain expenses and provisions for expenses not yet currently allowable for tax computation purposes and after deducting tax loss brought forward from prior years (If any).



25. EARNINGS PER SHARE

The calculations of basic earnings per share were based on the weighted average number of ordinary shares during the year, calculated as follow :

	(Share/Baht)			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Earning for the years	418,198,931	323,600,233	336,281,893	249,090,876
Weighted average number of ordinary shares(shares)	675,000,000	675,000,000	675,000,000	675,000,000
Basic earnings per share(Baht)	0.62	0.47	0.50	0.37

26. 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 9 and 4, 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 January 2, 2016.

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

NOTES TO FINANCIAL STATEMENTS



AS AT DECEMBER 31, 2011 AND 2010 

The company has been received promoted from B.O.I and Non-B.O.I

(Unit : Baht)

Consolidated financial statements

December 31, 2011

	Investment Promotional activities	Non- Investment Promotional	Total
Revenue from sales	365,783,087	1,781,060,676	2,146,843,763
Cost of sales	202,078,333	1,019,775,664	1,221,853,997
Gross profit	163,704,754	761,285,012	924,989,766
Other revenue	714,171	39,685,341	40,399,512
Income before expenses	164,418,925	800,970,353	965,389,278
Selling expenses	29,452,382	241,556,784	271,009,166
Administrative expenses	8,705,745	137,227,509	145,933,254
Management remuneration	-	10,176,086	10,176,086
Total Expenses	38,158,127	388,960,379	427,118,506
Income before finance costs and income tax	126,260,798	412,009,974	538,270,772
Finance costs	100,359	22,187,954	22,288,313
Income before tax	126,160,439	389,822,020	515,982,459
Income tax	-	96,363,584	96,363,584
Net profit	126,160,439	293,458,436	419,618,875

(Unit : Baht)

	Separate financial statements		
	December 31, 2011		
	B.O.I	Non-B.O.I	Total
Revenue from sales	313,214,987	1,407,037,839	1,720,252,826
Cost of sales	173,507,838	804,973,693	978,481,531
Gross profit	139,707,149	602,064,146	741,771,295
Other revenue	700,516	16,219,922	16,920,438
Income before expenses	140,407,665	618,284,068	758,691,733
Selling expenses	21,913,602	199,929,040	221,842,642
Administrative expenses	7,658,799	91,219,794	98,878,593
Management remuneration	-	9,743,426	9,743,426
Total Expenses	29,572,401	300,892,260	330,464,661
Income before finance costs and income tax	110,835,264	317,391,808	428,227,072
Finance costs	97,643	16,161,718	16,259,361
Income before tax	110,737,621	301,230,090	411,967,711
Income tax	-	75,685,818	75,685,818
Net profit	110,737,621	225,544,272	336,281,893

27. SEGMENT INFORMATION

The Company's main business is property development for sales, operate business on single geographic segments that Thailand so this segment information is not present for financial statement.

28. FINANCIAL INSTRUMENTS

28.1 Financial risk management policy

The Company is exposed to normal business risks from changes in market interest rates so The Company will consider to use appropriate financial instruments. The Company does not hold or issue derivative financial instruments for speculative or trading purposes.

28.2 Interest rate risk

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 Company is exposed to interest rate long term since they have deposits, loans from related parties and financial institutions that bear interest rates comparable to market interest rates. However, The company does not used the financial instruments.

28.3 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.

29. CONTINGENT LIABILITIES AND COMMITMENTS

29.1 The contingent liabilities and commitments with commercial banks

As at December 31, 2011, the Group had contingent liabilities and commitments in financial institutions as follows:

29.1.1 The Company has mortgaged project land for overdrafts facility amounting to Baht 27 million.

29.1.2 As at December 31, 2011, The Company has commitment respect of bank guarantee electricity usage, public utilities and other amount of Baht 24.57 million to mortgage by bank deposit and land project.

29.1.3 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 has commitments to expel the trespasser demolishing the structures there on.

As at June 30, 2011, the Company had committed the compromising agreement about responsible for demolition expense for 4 land title deeds in amount of THB 1 million. The Company already paid of THB 0.75 million.

29.1.4 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).

29.1.5 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	18.00	Million Baht
Guarantee facilities	5.00	Million Baht

29.1.6 Construction work agreements

The Company has commitment construction work agreement to sub-contractors amounting of Baht 138.45 million. And two subsidiaries have commitment to sub-contractors amounting of Baht 0.15 million.

29.1.7 As at December 31, 2011, the subsidiary has commitment design and decoration, furniture and furnishings within the suite amounting of Baht 13.81 million.

29.2 Guarantee

As at December 31, 2011, the Company and subsidiary are contingent liabilities arising from financial institutions guarantees (Note 5.18) as follows;

Guarantee	Warrantee	Credit limit (Million Baht)
Sena Development PCL	S.N. Asset Development Co., Ltd.	248
Sena Development PCL	Victory Asset Management Co., Ltd.	113
Victory Asset Management Co., Ltd.	Sena Development PCL	70

29.3.2 Long-term contract

The Company has hired a projects management consultant and sales representatives with a non- related company as follow;

	Baht/per annum	Period
Consulting fees	200,000	September 1, 2010 – December 31, 2012
Sales team fees	100,000	March 1, 2011 – December 31, 2012
Compensation fees following contact		

29.3.2 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 2.40 million, the rental rate is Baht 240,000 per year.

29.3.4 On February 1, 2011, the subsidiary amended the agreement with the sale agent to pay compensation fee with individual (Unrelated). The agreement will pay 2% of the purchase price (the same pay rate of 1.5 % of the purchase price)as follow:

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 1.00%	of selling price

As at December 31, 2011, the subsidiary has commitments under such agreement amounting of Baht 2.96 million.

29.3.4 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.

29.4 Other agreements

29.4.1 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, 2011, the deposit amounting of Baht 1.05 million had been paid).

29.4.2 On June 15, 2011, the Company has entered into the memorandum with T.Treasury holding Co., Ltd. which the Company has right to purchase share capital of 40,000 shares amount of Baht 590 million. The Company has pay cash amount of Baht 100 million and no interest promissory note for old shareholders. On December 27, 2011, The Extraordinary Meetings approved amount of Baht 490 million. (Note 30.2)

29.5 Litigation

In year 2006, the Company and the director of Sinsapthanya Co., Ltd. have been filed as defendent by two plaintiffs as the projects' billboard collapsed for the total claim of Baht 3.20 million and 0.06 million, reespectively. 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.

30. THE IMPORTANT INVESTMENT

30.1 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. However, the Company has not processed about the share purchase.

30.2 At the resolution of the Extraordinary Shareholders' Meeting held on December 27, 2011, the shareholders approved to purchase share in T.Treasury holding Co., Ltd. (Related parties)

The payment for the shares

On January 2012, the company paid for the shares, has cashier's check amount of Baht 100 million for old shareholders, a number of 4 bills amount of Baht 490 million due January 5, 2014. The company has no interest and no guarantee, registered with the Ministry of Commerce of Thailand on January 6, 2012

31. 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, 2011, debt to equity ratio in the consolidated financial statements is 0.51:1 (Separate financial statements: Debt-to-equity ratio is 0.34:1).

32. THE PRINCIPAL ACCOUNT CHANGES

Consolidated financial statements

A subsidiary has reviewed a lifetime of office buildings and improvements from year 5-30 change to 14-52 years by considering the evaluation of the independent appraiser. To have effect on January 1, 2011.

Changes in accounting estimates above result, depreciation for the years ended December 31, 2011 as follow :

	OLD	NEW
Depreciation		
- Office buildings and improvements	1,082,635	629,263
- Investment property	4,407,158	3,574,616

33. EFFECT OF FIRST TIME ADOPTION OF THAI FINANCIAL REPORTING STANDARDS

33.1 The accounting for employee benefits

Consolidated financial statements

The company has changed the employee-benefits policy. The Company recorded for employee benefits increased by 4.37 million, improving retained earnings as at January 1, 2011 reduced by the same amount.

Separate financial statements

The company has changed the employee-benefits policy. The Company recorded for employee benefits increased by 3.87 million, improving retained earnings as at January 1, 2011 reduced by the same amount.

33.2 Investment property

Consolidated financial statements (Baht)

	2010		
	Before reclassification	Reclassification	After reclassification
Statement of financial position			
Investment Property	-	309,184,231	309,184,231
Assets for rent - net	309,184,231	(309,184,231)	-

34. RECLASSIFICATION

Certain amounts in the financial statements as at December 31, 2010 has been reclassified to conform to the current year's classification but with no effect to previously reported net income or shareholders' equity.

Reclassification as follow;

	Baht	
	As reclassifications	As previously reported
Balance Sheet as at December 31, 2010		
Prepaid rental expenses	55,528,205	-
Land lease right	-	55,528,205

35. SUBSEQUENT EVENTS

35.1 On October 10, 2011, The Company, the Company has entered into the purchase of land agreement with non related company amount of Baht 7.56 million, On January 19, 2012 the Company has been transferred right of ownership

36. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of directors on February 23, 2011.



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