

**Preuksa Real Estate Public Company Limited
and its Subsidiaries**

Annual financial statements
and
Audit report of Certified Public Accountant

For the years ended
31 December 2009 and 2008

Audit report of Certified Public Accountant

To the shareholders of Preuksa Real Estate Public Company Limited

I have audited the accompanying consolidated and separate balance sheets as at 31 December 2009 and 2008, and the related statements of income, changes in equity and cash flows for the years then ended of Preuksa Real Estate Public Company Limited and its subsidiaries, and of Preuksa Real Estate Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial positions as at 31 December 2009 and 2008 and the results of operations and cash flows for the years then ended of Preuksa Real Estate Public Company Limited and its subsidiaries, and of Preuksa Real Estate Public Company Limited, respectively, in accordance with generally accepted accounting principles.

(Somboon Supasiripinyo)
Certified Public Accountant
Registration No. 3731

KPMG Phoomchai Audit Ltd.
Bangkok
16 February 2010

Preuksa Real Estate Public Company Limited and its Subsidiaries

Balance sheets

As at 31 December 2009 and 2008

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		2009	2008	2009	2008
(in Baht)					
<i>Current assets</i>					
Cash and cash equivalents	5	846,252,967	1,526,168,206	561,414,129	1,175,206,278
Current investments	6, 7	2,304,521,701	3,424,107	1,728,046,212	3,424,107
Installment receivables	8	59,779,582	38,316,705	56,241,098	35,460,307
Receivable from subsidiaries	4	-	-	138,895,842	199,506,187
Short-term loans to subsidiaries	4	-	-	126,511,235	328,670,572
Property development projects	6, 9	13,201,936,684	12,621,939,173	11,994,026,728	11,383,647,680
Deposits for purchase of land		486,380,284	99,055,113	486,380,284	99,055,113
Other current assets		204,933,667	138,156,927	187,604,778	108,986,625
Total current assets		17,103,804,885	14,427,060,231	15,279,120,306	13,333,956,869
<i>Non-current assets</i>					
Investment in subsidiaries	10	-	-	799,998,300	275,997,825
Property, plant and equipment	6, 11	1,299,179,820	1,505,913,958	1,202,114,667	1,402,422,772
Land not used in operations	6, 12	127,869,798	127,829,591	127,829,591	127,829,591
Deferred tax assets	13	176,965,607	116,963,345	143,992,662	90,544,730
Intangible assets	14	86,727,956	78,830,209	75,918,654	68,712,410
Other non-current assets		76,524,574	35,670,611	58,789,519	30,985,029
Total non-current assets		1,767,267,755	1,865,207,714	2,408,643,393	1,996,492,357
Total assets		18,871,072,640	16,292,267,945	17,687,763,699	15,330,449,226

The accompanying notes are an integral part of these financial statements

Preuksa Real Estate Public Company Limited and its Subsidiaries

Balance sheets

As at 31 December 2009 and 2008

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		2009	2008	2009	2008
		(in Baht)			
<i>Current liabilities</i>					
Short-term loans from financial institutions	6, 15	-	1,993,108,263	-	1,845,108,263
Trade accounts payable					
- Subsidiaries	4	-	-	81,350,134	71,359,198
- Others		798,867,269	535,505,161	707,189,676	421,519,193
Payables for purchase of land		350,227,637	300,685,648	246,510,049	240,498,522
Current portion of long-term debentures	15	600,000,000	400,000,000	600,000,000	400,000,000
Short-term loan from subsidiary	4, 15	-	-	-	39,217,225
Customers' deposits		946,558,910	819,156,597	926,835,724	782,095,087
Income tax payable		687,319,333	405,943,812	603,399,543	320,700,669
Other current liabilities	16	924,190,785	490,384,791	785,376,435	431,126,542
Total current liabilities		4,307,163,934	4,944,784,272	3,950,661,561	4,551,624,699
<i>Non-current liabilities</i>					
Long-term loans	6, 15	30,000	606,656,710	20,000	583,055,710
Long-term debentures	15	1,500,000,000	600,000,000	1,500,000,000	600,000,000
Employee benefits	17	40,999,587	30,841,233	38,795,851	29,474,916
Total non-current liabilities		1,541,029,587	1,237,497,943	1,538,815,851	1,212,530,626
Total liabilities		5,848,193,521	6,182,282,215	5,489,477,412	5,764,155,325

The accompanying notes are an integral part of these financial statements

Preuksa Real Estate Public Company Limited and its Subsidiaries

Balance sheets

As at 31 December 2009 and 2008

		Consolidated		Separate	
		financial statements		financial statements	
Liabilities and equity	Note	2009	2008	2009	2008
		(in Baht)			
Equity					
Share capital					
Authorised share capital	18	2,224,753,400	2,255,753,400	2,224,753,400	2,255,753,400
Issued and paid-up share capital	18	2,206,812,000	2,191,394,200	2,206,812,000	2,191,394,200
Share premium	18	1,361,595,353	1,361,595,353	1,361,595,353	1,361,595,353
Fair value changes on investments		534,804	-	275,793	-
Currency translation differences		35,980	-	-	-
Retained earnings					
Legal reserve	18	225,575,340	225,575,340	225,575,340	225,575,340
Unappropriated		9,228,194,402	6,331,244,526	8,404,027,801	5,787,729,008
Total equity attributable to equity holders of the Company		13,022,747,879	10,109,809,419	12,198,286,287	9,566,293,901
Minority interests		131,240	176,311	-	-
Total equity		13,022,879,119	10,109,985,730	12,198,286,287	9,566,293,901
Total liabilities and equity		18,871,072,640	16,292,267,945	17,687,763,699	15,330,449,226

The accompanying notes are an integral part of these financial statements

Preuksa Real Estate Public Company Limited and its Subsidiaries

Statements of income

For the years ended 31 December 2009 and 2008

		Consolidated financial statements		Separate financial statements	
	Note	2009	2008	2009	2008
<i>(in Baht)</i>					
Revenues					
Revenue from sale of real estate		18,966,048,930	12,968,506,304	17,033,514,333	11,442,786,027
Dividend income	4, 10	-	-	99,930,000	-
Other income		67,399,703	65,093,604	84,176,062	96,876,213
Total revenues		19,033,448,633	13,033,599,908	17,217,620,395	11,539,662,240
Expenses					
Cost of real estate sales		11,749,037,439	8,085,646,990	10,585,074,538	7,247,633,103
Selling expenses	20	809,271,694	790,981,129	754,131,453	732,643,746
Administrative expenses	21	1,576,911,182	1,016,012,063	1,430,237,109	958,171,207
Management benefit expenses	22	52,135,813	50,875,504	52,135,813	50,875,504
Total expenses		14,187,356,128	9,943,515,686	12,821,578,913	8,989,323,560
Profit before finance costs and income tax expense		4,846,092,505	3,090,084,222	4,396,041,482	2,550,338,680
Finance costs	24	(47,053,343)	(57,393,443)	-44,382,280	-53,756,514
Profit before income tax expense		4,799,039,162	3,032,690,779	4,351,659,202	2,496,582,166
Income tax expense	25	(1,177,206,394)	(659,322,472)	-1,010,494,421	-518,256,901
Profit for the year		3,621,832,768	2,373,368,307	3,341,164,781	1,978,325,265
Profit attributable to:					
Equity holders of the Company		3,621,815,864	2,373,265,826	3,341,164,781	1,978,325,265
Minority interest		16,904	102,481	-	-
Profit for the year		3,621,832,768	2,373,368,307	3,341,164,781	1,978,325,265
Earnings per share					
Basic	26	1.65	1.08	1.52	0.90
Diluted	26	1.64	1.08	1.51	0.90

The accompanying notes are an integral part of these financial statements

Preuksa Real Estate Public Company Limited and its Subsidiaries

Statements of changes in equity

For the years ended 31 December 2009 and 2008

Consolidated financial statements										
		Issued and		Fair value	Currency	Retained earnings		Total equity attributable		
	Note	paid-up	Share premium	changes on	translation	Legal reserve	Unappropriated	to equity holders of	Minority	Total
		share capital		investments	differences			the Company	interests	equity
						(in Baht)				
Balance at 1 January 2008 (restated)		2,180,178,200	1,361,595,353	-	-	225,575,340	4,438,885,962	8,206,234,855	73,755	8,206,308,610
Profit for the year		-	-	-	-	-	2,373,265,826	2,373,265,826	102,481	2,373,368,307
Total recognised income		-	-	-	-	-	2,373,265,826	2,373,265,826	102,481	2,373,368,307
Dividends	28	-	-	-	-	-	(480,907,262)	(480,907,262)	-	(480,907,262)
Share capital issued	18	11,216,000	-	-	-	-	-	11,216,000	-	11,216,000
Investment of minority interest		-	-	-	-	-	-	-	75	75
Balance at 31 December 2008		2,191,394,200	1,361,595,353	-	-	225,575,340	6,331,244,526	10,109,809,419	176,311	10,109,985,730
Balance at 1 January 2009		2,191,394,200	1,361,595,353	-	-	225,575,340	6,331,244,526	10,109,809,419	176,311	10,109,985,730
Changes in equity for 2009										
Net change in fair value										
recognised in equity		-	-	534,804	-	-	-	534,804	-	534,804
Translation of financial statement										
differences		-	-	-	35,980	-	-	35,980	-	35,980
Net income recognised directly										
in equity		-	-	534,804	35,980	-	-	570,784	-	570,784
Profit for the year		-	-	-	-	-	3,621,815,864	3,621,815,864	16,904	3,621,832,768
Total recognised income		-	-	534,804	35,980	-	3,621,815,864	3,622,386,648	16,904	3,622,403,552
Dividends	28	-	-	-	-	-	(724,865,988)	(724,865,988)	(61,000)	(724,926,988)
Share capital issued	18	15,417,800	-	-	-	-	-	15,417,800	-	15,417,800
Purchase investment from										
minority interest		-	-	-	-	-	-	-	(975)	(975)
Balance at 31 December 2009		2,206,812,000	1,361,595,353	534,804	35,980	225,575,340	9,228,194,402	13,022,747,879	131,240	13,022,879,119

The accompanying notes are an integral part of these financial statements

Preuksa Real Estate Public Company Limited and its Subsidiaries

Statements of changes in equity

For the years ended 31 December 2009 and 2008

		Separate financial statements				Total equity attributable to equity holders of the Company	
Note	Issued and paid-up share capital	Share premium	Fair value changes on investments	Retained earnings			
				Legal reserve	Unappropriated		
				(in Baht)			
		2,180,178,200	1,361,595,353	-	225,575,340	4,290,311,005	8,057,659,898
		-	-	-	-	1,978,325,265	1,978,325,265
		-	-	-	-	1,978,325,265	1,978,325,265
Dividends	28	-	-	-	-	(480,907,262)	(480,907,262)
Share capital issued	18	11,216,000	-	-	-	-	11,216,000
		2,191,394,200	1,361,595,353	-	225,575,340	5,787,729,008	9,566,293,901
		2,191,394,200	1,361,595,353	-	225,575,340	5,787,729,008	9,566,293,901
Changes in equity for 2009							
Net change in fair value recognised in equity		-	-	275,793	-	-	275,793
Net income recognised directly in equity		-	-	275,793	-	-	275,793
Profit for the year		-	-	-	-	3,341,164,781	3,341,164,781
		-	-	275,793	-	3,341,164,781	3,341,440,574
Dividends	28	-	-	-	-	(724,865,988)	(724,865,988)
Share capital issued	18	15,417,800	-	-	-	-	15,417,800
		2,206,812,000	1,361,595,353	275,793	225,575,340	8,404,027,801	12,198,286,287

The accompanying notes are an integral part of these financial statements

Preuksa Real Estate Public Company Limited and its Subsidiaries

Statements of cash flows

For the years ended 31 December 2009 and 2008

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the year	3,621,832,768	2,373,368,307	3,341,164,781	1,978,325,265
<i>Adjustments for</i>				
Allowance for decline in value of property development projects	4,245,452	108,359,154	2,044,420	104,696,859
Allowance for impairment loss on plant and equipment (reversal)	121,921,797	(627,526)	121,921,797	(627,526)
Allowance for impairment loss on land not used in operations	45,895,372	-	-	-
Reversal of doubtful debts expense	-	(8,860,000)	-	(8,860,000)
Depreciation and amortisation	215,628,356	189,835,038	189,267,265	174,171,462
Gain on disposal of equipment	(6,696,493)	(1,321,485)	(6,712,882)	(1,347,743)
Dividend income from subsidiary	-	-	(99,930,000)	-
Currency translation differences	35,980	-	-	-
Employees benefits	10,158,354	9,548,333	9,320,935	8,764,664
Finance costs	47,053,343	57,393,443	44,382,280	53,756,514
Income tax expense	1,177,206,394	659,322,472	1,010,494,421	518,256,901
	<u>5,237,281,323</u>	<u>3,387,017,736</u>	<u>4,611,953,017</u>	<u>2,827,136,396</u>
<i>Changes in operating assets and liabilities</i>				
Installment receivables	(21,462,877)	(23,178,789)	(20,780,791)	(22,027,991)
Receivable from subsidiaries	-	-	60,610,345	(165,127,813)
Property development projects	(439,015,474)	(4,459,117,746)	(461,383,500)	(3,871,802,841)
Deposits for purchase of land	(387,325,171)	(28,966,212)	(387,325,171)	(28,966,212)
Other current assets	(66,776,740)	26,354,022	(78,618,153)	(70,049,133)
Other non-current assets	(59,743,644)	(35,746,029)	(44,543,471)	(32,011,909)
Trade accounts payable - subsidiaries	-	-	9,990,936	(40,208,599)
Trade accounts payable - others	263,362,108	(64,542,893)	285,670,483	(37,680,009)
Payables for purchase of land	49,541,989	66,925,148	6,011,527	105,895,877
Customers' deposits	127,402,313	472,401,685	144,740,637	452,155,095
Other current liabilities	427,126,761	171,106,591	347,570,660	150,314,906
Income tax paid	(955,833,135)	(470,059,844)	(781,243,479)	(361,238,890)
Net cash provided by (used in)				
operating activities	<u>4,174,557,453</u>	<u>(957,806,331)</u>	<u>3,692,653,040</u>	<u>(1,093,611,123)</u>

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

Preuksa Real Estate Public Company Limited and its Subsidiaries

Statements of cash flows

For the years ended 31 December 2009 and 2008

	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
		(Restated)		(Restated)
	(in Baht)			
Cash flows from investing activities				
Decrease in short-term deposits at financial institutions	1,772,312	51,067,325	1,772,312	51,067,325
Purchase of debt securities	(17,569,681,784)	-	(14,419,176,370)	-
Sale of debt securities	15,267,346,682	-	12,693,057,746	-
Increase in short-term loans to subsidiaries	-	-	(351,877,089)	(307,576,788)
Decrease in short-term loans to subsidiaries	-	-	554,036,426	390,043,542
Increase in property, plant and equipment	(139,153,296)	(394,952,785)	(120,205,364)	(289,341,195)
Increase in land not used in operations	(37,825,734)	-	-	-
Increase in investment in subsidiaries	-	-	(524,000,475)	(174,999,925)
Dividend received from subsidiary	-	-	99,930,000	-
Proceed from disposal of equipment	19,243,049	23,140,358	18,850,358	23,058,536
Net cash used in investing activities	(2,458,298,771)	(320,745,102)	(2,047,612,456)	(307,748,505)
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	(1,993,108,263)	1,993,108,263	-1,845,108,263	1,845,108,263
Proceeds from long-term loans	426,730,252	1,804,910,000	426,730,252	1,716,310,000
Proceeds from long-term debentures	1,500,000,000	-	1,500,000,000	-
Proceeds from short-term loan from subsidiaries	-	-	372,080,837	39,217,225
Proceeds from issue of ordinary shares	15,417,800	11,216,000	15,417,800	11,216,000
Repayment of long-term loans	-1,033,356,962	-1,417,528,260	-1,009,765,962	-1,268,528,260
Repayment of long-term debentures	-400,000,000	-	-400,000,000	-
Repayment of short-term loan from subsidiaries	-	-	-411,298,062	-
Investment of minority interests	(975)	75	-	-
Finance costs paid	(186,928,785)	(133,291,636)	(182,023,347)	(125,864,886)
Dividends paid	(724,865,988)	(480,907,262)	(724,865,988)	(480,907,262)
Dividends paid to minority interest in subsidiary	(61,000)	-	-	-
Net cash provided by (used in) financing activities	-2,396,173,921	1,777,507,180	-2,258,832,733	1,736,551,080
Net increase (decrease) in cash and cash equivalents				
	(679,915,239)	498,955,747	(613,792,149)	335,191,452
Cash and cash equivalents at beginning of year	1,526,168,206	1,027,212,459	1,175,206,278	840,014,826
Cash and cash equivalents at end of year	846,252,967	1,526,168,206	561,414,129	1,175,206,278

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

Preuksa Real Estate Public Company Limited and its Subsidiaries
Notes to financial statements
For the years ended 31 December 2009 and 2008

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Preuksa Real Estate Public Company Limited and its Subsidiaries
Notes to financial statements
For the years ended 31 December 2009 and 2008

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the directors on 16 February 2010.

1 General information

Preuksa Real Estate Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 979/83, SM Tower 27th floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok.

The Company was listed on the Stock Exchange of Thailand in December 2005.

The principal activity of the Company is sale of real estate in Thailand. Details of the Company’s subsidiaries are as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2009	2008
<i>Direct subsidiaries</i>				
Kaysorn Construction Company Limited	Home decoration / Construction	Thailand	99.99	99.93
Putthachart Estate Company Limited	Sale of real estate	Thailand	99.99	99.99
Phanalee Estate Company Limited	Sale of real estate	Thailand	99.99	99.99
Preuksa Oversea Company Limited	Investment	Thailand	99.99	99.99
Preuksa International Company Limited	Property development and construction	Thailand	99.99	-
<i>Indirect subsidiaries</i>				
Preuksa India Housing Private Limited	Property development and construction	India	100.00	-
Preuksa India Construction Private Limited	Property development and construction	India	100.00	-

2 Basis of preparation of the financial statements

The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The financial statements are prepared in accordance with Thai Accounting Standards (“TAS”) and Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) and with generally accepted accounting principles in Thailand.

On 15 May 2009, the FAP announced (Announcement No. 12/2009) the re-numbering of TAS to the same numbers as the International Accounting Standards (“IAS”) on which the TAS/TFRS are based.

Preuksa Real Estate Public Company Limited and its Subsidiaries
Notes to financial statements
For the years ended 31 December 2009 and 2008

The Group has adopted the following revised TAS/TFRS which were issued by the FAP during 2008 and 2009 and effective for annual accounting periods beginning on or after 1 January 2009:

TAS 36 (revised 2007)	Impairment of Assets
TFRS 5 (revised 2007)	Non-current Assets Held for Sale and Discontinued Operations (formerly TAS 54)

Framework for the Preparation and Presentation of Financial Statements (revised 2007) (effective on 26 June 2009)

The adoption of these revised TAS/TFRS does not have any material impact on the consolidated or separate financial statements.

The FAP has issued during 2009 a number of new and revised TAS which are not currently effective and have not been adopted in the preparation of these financial statements. These new and revised TAS are disclosed in note 33.

The financial statements are presented in Thai Baht, rounded in the notes to the financial statements to the nearest thousand unless otherwise stated. They are prepared on the historical cost basis except as stated in the accounting policies.

The preparation of financial statements in conformity with TAS and TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

3 Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”).

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Preuksa Real Estate Public Company Limited and its Subsidiaries
Notes to financial statements
For the years ended 31 December 2009 and 2008

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of income.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

Foreign entities

The assets and liabilities of foreign entities are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

The revenues and expenses of foreign entities are translated to Thai Baht at rates approximating the foreign exchange rates ruling at the dates of the transactions.

Foreign exchange differences arising on translation are recognised in a separate component of equity until disposal of the investments.

Where monetary items, in substance, form part of the Group's net investment in a foreign entity, foreign exchange differences arising on such monetary items and related hedges are recognised directly in a separate component of equity until disposal of the investment.

(c) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(d) Other accounts receivable

Other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(e) Property development projects

Development properties are those properties which are held with the intention of development and sale in the ordinary course of business. They are stated at the lower of cost plus, where appropriate, a portion of attributable profit and estimated net realisable value, net of progress billings. Net realisable value represents the estimated selling price less costs to be incurred in selling the properties.

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The cost of properties under development comprises specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding a development property are capitalised, on a specific identification basis, as part of the cost of the development property until the completion of development.

(f) *Investments*

Investments in subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method.

Investments in debt securities

Debt securities that the Group intends and is able to hold to maturity are stated at amortised cost less impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised by using the effective interest rate method over the period to maturity.

Debt securities other than those securities intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in the statement of income. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the statement of income. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in the statement of income.

The fair value of financial instruments classified as available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in the statement of income.

(g) *Property, plant and equipment*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation

Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvement	10 years
Building	20 years
Machinery and equipment	5, 10 years
Furniture, fixtures and office equipment	3, 5 years
Transportation	5 years

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No depreciation is provided on freehold land or assets under construction.

(h) Intangible assets

Software licenses

Software licenses that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses.

Software licenses are amortised in the statement of income on a straight-line basis for 10 years.

(i) Impairment

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

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

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. 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 largely 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 amortisation, if no impairment loss had been recognised.

(j) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of income over the period of the borrowings on an effective interest basis.

(k) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

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(l) Employee 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.

(m) Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(n) Revenue

Revenue from sale of real estate is recognised in the statement of income when the ownership of the real estate has been transferred.

Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in the statement of income in proportion to the stage of completion of the contract.

The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in the statement of income.

Interest and dividend income

Interest income is recognised in the statement of income as it accrues. Dividend income is recognised in the statement of income on the date the Group's right to receive payments is established.

Other income

Other income is recognised in the statement of income as it accrues.

(o) Expenses

Operating leases

Payments made under operating leases are recognised in the statement of income on a straight line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease payments made. Contingent rentals are charged to the statement of income for the accounting period in which they are incurred.

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Financial costs

Interest expenses and similar costs are charged to the statement of income for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

(p) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4 Related party transactions and balances

Related parties are those parties linked to the Group and the Company by as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

Relationships with related parties that control or jointly control the Company or are being controlled or jointly controlled by the Company or have transactions with the Group were as follow:

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Name of entities	Country of incorporation/ nationality	Nature of relationships
Kaysorn Construction Company Limited	Thailand	Subsidiary, 99.99% shareholding
Putthachart Estate Company Limited	Thailand	Subsidiary, 99.99% shareholding
Phanalee Estate Company Limited	Thailand	Subsidiary, 99.99% shareholding
Preuksa Oversea Company Limited	Thailand	Subsidiary, 99.99% shareholding
Preuksa International Company Limited	Thailand	Subsidiary, 99.99% shareholding
Preuksa India Housing Private Limited	India	Subsidiary, 100.00% shareholding
Preuksa India Construction Private Limited	India	Subsidiary, 100.00% shareholding
Thongma Vijitpongpun	Thailand	Major shareholders, 10% or more shareholding, and a director

Transactions for the years ended 31 December 2009 and 2008 with the subsidiaries were as follows:

	Policy of pricing	Separate financial statements	
		2009	2008
		<i>(in thousand Baht)</i>	
Dividend income	Upon declaration	99,930	-
Sales of raw materials	Cost plus 5-10%	52,484	71,462
Receiving of services	Cost plus 5%	863,102	833,426
Interest income	MLR + 1%	22,495	35,498
Other income	Cost plus 5%	2,759	1,484
Interest expense	MMR	1,212	1,783

Balances as at 31 December 2009 and 2008 with the subsidiaries were as follows:

	Separate financial statements	
	2009	2008
	<i>(in thousand Baht)</i>	
<i>Receivable from subsidiaries</i>		
Phanalee Estate Co., Ltd.	115,368	101,253
Putthachart Estate Co., Ltd.	22,838	24,101
Kaysorn Construction Co., Ltd.	690	74,152
	<u>138,896</u>	<u>199,506</u>

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For the years ended 31 December 2009 and 2008

	Separate financial statements	
	2009	2008
	<i>(in thousand Baht)</i>	
<i>Short-term loans to subsidiaries</i>		
Putthachart Estate Co., Ltd.	124,370	115,291
Phanalee Estate Co., Ltd.	1,447	190,837
Preuksa India Housing Private Limited	512	-
Kaysorn Construction Co., Ltd.	182	22,543
	<u>126,511</u>	<u>328,671</u>
<i>Trade accounts payable</i>		
Kaysorn Construction Co., Ltd.	61,950	71,359
Putthachart Estate Co., Ltd.	11,379	-
Phanalee Estate Co., Ltd.	8,021	-
	<u>81,350</u>	<u>71,359</u>
<i>Short-term loans from subsidiary</i>		
Kaysorn Construction Co., Ltd.	<u>-</u>	<u>39,217</u>

Movements during the years ended 31 December 2009 and 2008 of short-term loans to subsidiaries were as follows:

	Separate financial statements	
	2009	2008
	<i>(in thousand Baht)</i>	
At 1 January	328,671	411,137
Increase	351,877	307,577
Decrease	(554,037)	(390,043)
At 31 December	<u>126,511</u>	<u>328,671</u>

Movements during the years ended 31 December 2009 and 2008 of short-term loans from subsidiaries were as follows:

	Separate financial statements	
	2009	2008
	<i>(in thousand Baht)</i>	
At 1 January	39,217	-
Increase	372,081	279,411
Decrease	(411,298)	(240,194)
At 31 December	<u>-</u>	<u>39,217</u>

Significant agreements with related parties

The Company entered into lease agreements covering office space (including related service charges) with a major shareholder and also a director of the Company, commencing October 2008 up to October 2010. The rental and service charges for the year ended 31 December 2009 amounted to approximately Baht 1.5 million (2008: Baht 0.1 million).

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For the years ended 31 December 2009 and 2008

During 2009, the subsidiaries have registered land not used in operations with a cumulative value at 31 December 2009 of Baht 45.8 million, which is subject to servitudes and restrictions to the projects of the Company for construction of the utilities of the projects with no time limit and for which the Company has received compensation of Baht 46.4 million.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Cash on hand	8,157	12,333	6,103	5,035
Cash at banks – current accounts	42,964	408,602	36,542	408,419
Cash at banks – savings accounts	327,331	189,087	251,806	83,842
Highly liquid short-term investments	182,223	676,571	658	456,127
Cheques on hand	282,253	237,097	264,236	219,402
Others	3,325	2,478	2,069	2,381
Total	846,253	1,526,168	561,414	1,175,206

Cash and cash equivalents of the Group and the Company as at 31 December 2009 and 2008 were denominated entirely in Thai Baht.

6 Assets used as collateral

Savings account and fixed deposits (totalling Baht 1.7 million as at 31 December 2009), property, plant and equipment (with net book value of Baht 802 million as at 31 December 2009), land not used in operations (with net book value of Baht 128 million as at 31 December 2009) and part of property development projects (land and structure thereon) are used as collateral for overdraft lines of Baht 158 million, loan lines from banks of Baht 7,829 million and letters of guarantee lines of Baht 3,513 million.

Savings account, fixed deposits and promissory note (totalling Baht 3 million as at 31 December 2008), property, plant and equipment (with net book value of Baht 854 million as at 31 December 2008), land not used in operations (with net book value of Baht 128 million as at 31 December 2009) and part of property development projects (land and structure thereon) are used as collateral for overdraft lines of Baht 159 million, loan lines from banks of Baht 8,397 million and letters of guarantee lines of Baht 3,871 million.

Property development projects (land and structure thereon) of the subsidiaries are used as collateral for loan lines from banks of Baht 598 million and letters of guarantee lines of Baht 779 million (31 December 2008: Baht 736 million and Baht 484 million, respectively).

7 Current investments

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Current investments				
Short-term deposits at financial institutions	1,652	3,424	1,652	3,424
Debt securities available for sale	2,302,870	-	1,726,394	-
Total	2,304,522	3,424	1,728,046	3,424

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Movements during the years ended 31 December 2009 and 2008 of marketable debt securities were as follows:

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Current investments				
Available for sale securities				
At 1 January	-	-	-	-
Purchases during the year	17,569,682	-	14,419,176	-
Sales during the year	(15,267,347)	-	(12,693,058)	-
Valuation adjustment	535	-	276	-
At 31 December	2,302,870	-	1,726,394	-

8 Installment receivables

Ageing analyses for installment receivables were as follows:

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Overdue :				
Less than 3 months	42,037	34,601	39,068	32,575
3-6 months	11,282	3,209	10,887	2,575
6-12 months	6,025	486	6,000	310
Over 12 months	436	21	286	-
Total	59,780	38,317	56,241	35,460

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9 Property development projects

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Construction materials	173,943	344,219	155,722	316,101
Sample houses	407,759	479,366	378,026	435,514
Projects under development				
- land	5,904,317	5,354,932	5,571,384	4,912,078
- land improvements	297,989	359,221	243,386	309,489
- construction cost	1,388,731	1,996,408	1,258,660	1,700,987
- public utilities	507,023	434,629	416,467	357,955
- overhead costs	499,914	402,283	437,096	350,287
- interest costs	81,440	86,389	78,900	83,105
	8,679,414	8,633,862	8,005,893	7,713,901
Land, and land and houses for sale	1,864,344	2,314,908	1,747,452	2,070,416
Land held for development	2,247,883	1,016,744	1,872,477	1,011,214
Total	13,373,343	12,789,099	12,159,570	11,547,146
Less allowance for decline in value of property development projects	(171,406)	(167,160)	(165,543)	(163,499)
Net	13,201,937	12,621,939	11,994,027	11,383,647
<i>Number of projects under development:</i>				
Baan Preuksa	57	60	43	46
Preuksa Village	17	15	16	15
Passorn Project	12	13	12	13
Condominium	9	10	9	9
Total Projects	95	98	80	83

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10 Investment in subsidiaries

	Separate financial statements	
	2009	2008
	<i>(in thousand Baht)</i>	
At 1 January	275,997	100,997
Acquisitions	524,001	175,000
At 31 December	<u>799,998</u>	<u>275,997</u>

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Investment in subsidiaries as at 31 December 2009 and 2008, and dividend income from those investments for the years then ended were as follows:

	Separate financial statements							
	Ownership interest		Paid-up capital		Cost method		Dividend income	
	2009	2008	2009	2008	2009	2008	2009	2008
	(%)				(in thousand Baht)			
<i>Subsidiaries</i>								
Kaysorn Construction Co., Ltd.	99.99	99.93	100,000	1,000	99,999	999	99,930	-
Putthachart Estate Co., Ltd.	99.99	99.99	100,000	50,000	100,000	49,999	-	-
Phanalee Estate Co., Ltd.	99.99	99.99	200,000	200,000	199,999	199,999	-	-
Preuksa Oversea Co., Ltd.	99.99	99.99	200,000	25,000	200,000	25,000	-	-
Preuksa International Co., Ltd.	99.99	-	200,000	-	200,000	-	-	-
Total			800,000	276,000	799,998	275,997	99,930	-

On 12 September 2007, the subsidiary named Phanalee Estate Co., Ltd. registered to increase its authorised share capital from Baht 50 million (500,000 shares at Baht 100 par value) to Baht 200 million (2,000,000 shares at Baht 100 par value) with the Ministry of Commerce. As at 31 December 2008, these additional authorised shares had been paid up.

On 9 April 2009, the subsidiary named Kaysorn Construction Co., Ltd. registered to increase its authorised share capital from Baht 1 million (10,000 shares at Baht 100 par value) to Baht 100 million (1,000,000 shares at Baht 100 par value) with the Ministry of Commerce. As at 31 December 2009, these additional authorised shares had been paid up.

During year 2008, the Company invested in Preuksa Oversea Co., Ltd. (authorised share capital 1,000,000 shares at Baht 100 par value) amounting to Baht 25 million. On 16 June 2009, Preuksa Oversea Co., Ltd. registered to increase its authorised share capital from Baht 100 million (1,000,000 shares at Baht 100 par value) to Baht 200 million (2,000,000 shares at Baht 100 par value) with the Ministry of Commerce. As at 31 December 2009, these additional authorised shares had been paid up and the remainder of the initially authorised shares had been paid up.

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During year 2009, the Company invested in Preuksa International Co., Ltd. (authorised share capital 1,000,000 shares at Baht 100 par value) amounting to Baht 25 million. On 3 September 2009, Preuksa International Co., Ltd. registered to increase its authorised share capital from Baht 100 million (1,000,000 shares at Baht 100 par value) to Baht 500 million (5,000,000 shares at Baht 100 par value) with the Ministry of Commerce. As at 31 December 2009, there is additional paid-up shares amounting to Baht 175 million.

On 12 October 2009, the subsidiary named Putthachart Estate Co., Ltd. registered to increase its authorised share capital from Baht 50 million (500,000 shares at Baht 100 par value) to Baht 100 million (1,000,000 shares at Baht 100 par value) with the Ministry of Commerce. As at 31 December 2009, these additional authorised shares had been paid up.

Preuksa Real Estate Public Company Limited and its Subsidiaries

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11 Property, plant and equipment

	Consolidated financial statements							
	Land and land improvement	Building	Machinery and equipment	Furniture, fixtures and office equipment (in thousand Baht)	Public utility	Transportation equipment	Construction in progress and machinery and equipment under installation	Total
Cost								
At 1 January 2008	321,561	428,901	724,173	130,158	16,741	106,816	14,183	1,742,533
Additions	7,577	13,262	186,937	39,747	-	13,038	134,392	394,953
Transfers, net	3,069	84,099	35,570	807	-	77	(123,622)	-
Disposals	-	-	(28,162)	(11,659)	-	(10,731)	-	(50,552)
Allowance for impairment	-	-	(617)	-	-	-	-	(617)
At 31 December 2008 and 1 January 2009	332,207	526,262	917,901	159,053	16,741	109,200	24,953	2,086,317
Additions	-	-	43,819	32,576	-	2,327	60,431	139,153
Transfers, net	708	4,137	30,798	4,583	-	-	(47,009)	(6,783)
Disposals	-	-	(29,412)	(6,934)	-	(27,201)	-	(63,547)
Allowance for impairment	(31,006)	(88,437)	(2,479)	-	-	-	-	(121,922)
At 31 December 2009	301,909	441,962	960,627	189,278	16,741	84,326	38,375	2,033,218
Accumulated depreciation								
At 1 January 2008	138	54,488	214,232	71,383	16,741	71,415	-	428,397
Depreciation charge for the year	250	23,682	110,240	27,887	-	18,680	-	180,739
Disposals	-	-	(9,924)	(9,497)	-	(9,312)	-	(28,733)
At 31 December 2008 and 1 January 2009	388	78,170	314,548	89,773	16,741	80,783	-	580,403
Depreciation charge for the year	393	26,382	135,084	31,881	-	10,896	-	204,636
Disposals	-	-	(21,314)	(5,194)	-	(24,493)	-	(51,001)
At 31 December 2009	781	104,552	428,318	116,460	16,741	67,186	-	734,038
Net book value								
At 31 December 2008	331,819	448,092	603,353	69,280	-	28,417	24,953	1,505,914
At 31 December 2009	301,128	337,410	532,309	72,818	-	17,140	38,375	1,299,180

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	Separate financial statements						Construction in progress and machinery and equipment under installation	Total
	Land and land improvement	Building	Machinery and equipment	Furniture, fixtures and office equipment (in thousand Baht)	Public utility	Transportation equipment		
Cost								
At 1 January 2008	321,561	428,901	714,956	127,831	16,741	106,662	13,043	1,729,695
Additions	7,577	13,262	95,139	33,263	-	5,772	134,329	289,342
Transfers, net	3,069	84,099	34,430	807	-	77	(122,482)	-
Disposals	-	-	(28,075)	(11,659)	-	(10,696)	-	(50,430)
Allowance for impairment	-	-	(617)	-	-	-	-	(617)
At 31 December 2008 and 1 January 2009	332,207	526,262	815,833	150,242	16,741	101,815	24,890	1,967,990
Additions	-	-	32,419	28,512	-	1,917	57,357	120,205
Transfers, net	708	4,137	31,345	4,037	-	-	(46,945)	(6,718)
Disposals	-	-	(29,189)	(6,537)	-	(27,201)	-	(62,927)
Allowance for impairment	(31,006)	(88,437)	(2,479)	-	-	-	-	(121,922)
At 31 December 2009	301,909	441,962	847,929	176,254	16,741	76,531	35,302	1,896,628
Accumulated depreciation								
At 1 January 2008	138	54,488	213,919	71,240	16,741	71,408	-	427,934
Depreciation charge for the year	250	23,682	98,217	26,591	-	17,612	-	166,352
Disposals	-	-	(9,911)	(9,496)	-	(9,311)	-	(28,718)
At 31 December 2008 and 1 January 2009	388	78,170	302,225	88,335	16,741	79,709	-	565,568
Depreciation charge for the year	393	26,382	114,387	29,176	-	9,396	-	179,734
Disposals	-	-	(21,256)	(5,040)	-	(24,493)	-	(50,789)
At 31 December 2009	781	104,552	395,356	112,471	16,741	64,612	-	694,513
Net book value								
At 31 December 2008	331,819	448,092	513,608	61,907	-	22,106	24,890	1,402,422
At 31 December 2009	301,128	337,410	452,573	63,783	-	11,919	35,302	1,202,115

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The gross carrying amount of fully depreciated plant and equipment of the Company that was still in use as at 31 December 2009 amounted to Baht 135 million (2008: Baht 104 million).

12 Land not used in operations

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Land not used in operations	173,765	127,829	127,829	127,829
Less allowance for impairment	(45,895)	-	-	-
Net	127,870	127,829	127,829	127,829

13 Deferred tax assets

Movements in deferred tax assets during the year were as follows:

	Consolidated financial statement		
	As at 1 January 2009	Charged / (credited) to Statement of income (Note 25) <i>(in thousand Baht)</i>	As at 31 December 2009
<i>Deferred tax assets</i>			
Property development projects	56,118	(1,870)	57,988
Property, plant and equipment	419	(30,333)	30,752
Land not used in operations	-	(13,219)	13,219
Employee benefits	5,555	(3,953)	9,508
Customers' deposits	51,042	(11,342)	62,384
Others	2,642	(472)	3,114
Loss carry forward	1,187	1,187	-
Total	116,963	(60,002)	176,965

	Consolidated financial statement		
	As at 1 January 2008	Charged / (credited) to Statement of income (Note 25) <i>(in thousand Baht)</i>	As at 31 December 2008
<i>Deferred tax asset</i>			
Property development projects	24,860	(31,258)	56,118
Deposits for purchase of land	2,020	2,020	-
Employee benefits	3,588	(1,967)	5,555
Other current liabilities	1,002	(570)	1,572
Customers' deposits	14,343	(36,699)	51,042
Others	533	(956)	1,489
Loss carry forward	2,207	1,020	1,187
Total	48,553	(68,410)	116,963

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For the years ended 31 December 2009 and 2008

	Separate financial statement		
	As at 1 January 2009	Charged / (credited) to Statement of income (Note 25) (in thousand Baht)	As at 31 December 2009
Deferred tax assets			
Property development projects	34,991	(5,286)	40,277
Property, plant and equipment	419	(30,333)	30,752
Employee benefits	5,183	(3,705)	8,888
Customers' deposits	48,297	(12,665)	60,962
Others	1,655	(1,459)	3,114
Total	90,545	(53,448)	143,993

	Separate financial statement		
	As at 1 January 2008	Charged / (credited) to Statement of income (Note 25) (in thousand Baht)	As at 31 December 2008
Deferred tax asset			
Property development projects	11,490	(23,501)	34,991
Deposits for purchase of land	2,020	2,020	-
Employee benefits	3,447	(1,736)	5,183
Other current liabilities	1,002	(570)	1,572
Customers' deposits	12,601	(35,696)	48,297
Others	533	31	502
Total	31,093	(59,452)	90,545

14 Intangible assets

	Consolidated financial statements Software licenses (in thousand Baht)
Cost	
At 1 January 2008	78,367
Additions	26,796
At 31 December 2008 and 1 January 2009	105,163
Additions	18,890
At 31 December 2009	124,053
Accumulated amortisation	
At 1 January 2008	17,313
Amortisation charge for the year	9,020
At 31 December 2008 and 1 January 2009	26,333
Amortisation charge for the year	10,992
At 31 December 2009	37,325
Net book value	
At 31 December 2008	78,830
At 31 December 2009	86,728

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For the years ended 31 December 2009 and 2008

	Separate financial statements Software licenses (in thousand Baht)
Cost	
At 1 January 2008	65,632
Additions	26,206
At 31 December 2008 and 1 January 2009	91,838
Additions	16,739
At 31 December 2009	108,577
Accumulated amortisation	
At 1 January 2008	15,382
Amortisation charge for the year	7,744
At 31 December 2008 and 1 January 2009	23,126
Amortisation charge for the year	9,532
At 31 December 2009	32,658
Net book value	
At 31 December 2008	68,712
At 31 December 2009	75,919

15 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	(in thousand Baht)			
Current				
Short-term loans from financial institutions				
Unsecured	-	1,993,108	-	1,845,108
Current portion of long-term debentures				
Unsecured	600,000	400,000	600,000	400,000
Short-term loans from subsidiary				
Unsecured	-	-	-	39,217
	<u>600,000</u>	<u>2,393,108</u>	<u>600,000</u>	<u>2,284,325</u>
Non-current				
Long-term loans from financial institutions				
Secured	30	606,657	20	583,056
Long-term debentures				
Unsecured	1,500,000	600,000	1,500,000	600,000
	<u>1,500,030</u>	<u>1,206,657</u>	<u>1,500,020</u>	<u>1,183,056</u>
Total	<u>2,100,030</u>	<u>3,599,765</u>	<u>2,100,020</u>	<u>3,467,381</u>

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Loans from financial institutions bear interest at market rates.

Certain loans contain restrictions on financial ratios, debt to equity ratio and payment of dividends.

At the annual general meeting of the shareholders of the Company held on 9 April 2007, 11 April 2008 and 9 April 2009, the shareholders approved the Issuance and Offer for Sale of Debt Securities to decrease the financial cost of the Company and to provide an alternative source of funds for project development. The maximum amount of Debt Securities must not exceed Baht 6,500 million.

On 29 January 2009, the Company issued unsubordinated and unsecured debentures of Baht 1,500 million (1,500,000 units at Baht 1,000). The debentures bear interest at 5.25% per annum for the period of 1 year and 6 months after the issuance date and 5.75% per annum for the remaining period until the maturity date, payable quarterly. The debentures mature in 2012.

In August 2007, the Company issued unsubordinated and unsecured debentures of Baht 600 million (600,000 units at Baht 1,000) and Baht 400 million (400,000 units at Baht 1,000). The debentures bear interest at 4.91% and 4.68% per annum, respectively, payable semi-annually. The debentures mature as follows:

	Consolidated and Separate financial statements	
	2009	2008
Maturity date	<i>(in thousand Baht)</i>	
August 2009	-	400,000
August 2010	600,000	600,000
Total	600,000	1,000,000

16 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Accrued for property development projects	184,477	14,104	139,449	-
Accrued for public utility	160,300	145,655	146,747	139,312
Accrued bonus	160,656	112,201	138,053	94,607
Retention	81,373	43,725	48,909	32,703
Accrued interest expense	25,592	18,913	25,592	18,913
Withholding tax deducted at source	27,689	19,836	26,411	18,258
Others	284,103	135,951	260,215	127,333
Total	924,190	490,385	785,376	431,126

Preuksa Real Estate Public Company Limited and its Subsidiaries

Notes to financial statements

For the years ended 31 December 2009 and 2008

17 Employee benefits

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

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Present value of unfunded obligation	<u>40,999</u>	<u>30,841</u>	<u>38,796</u>	<u>29,475</u>
Expense recognised in profit or loss for the year ended 31 December				
Current service cost	9,111	8,803	8,321	8,040
Interest cost	<u>1,047</u>	<u>745</u>	<u>1,000</u>	<u>725</u>
Total	<u>10,158</u>	<u>9,548</u>	<u>9,321</u>	<u>8,765</u>
Principal actuarial assumptions				
Discount rate (%)	3.5	3.5	3.5	3.5
Future salary increase (%)				
Employees	5 and 8	5 and 8	5 and 8	5 and 8
Daily wage staffs	3.5 and 5	3.5 and 5	3.5 and 5	3.5 and 5
Retirement age (year old)	60	60	60	60

18 Share capital, warrants, share premium and legal reserve

Share capital, ordinary shares

	Par value per share (in Baht)	Number	2009 Baht (thousand shares / thousand Baht)	2008 Number Baht
Authorised				
At 1 January				
ordinary shares	1	2,255,753	2,255,753	2,255,753
Reduction of shares	1	<u>(31,000)</u>	<u>(31,000)</u>	<u>-</u>
At 31 December				
ordinary shares	1	<u>2,224,753</u>	<u>2,224,753</u>	<u>2,255,753</u>
Issued and paid up				
At 1 January				
ordinary shares	1	2,191,394	2,191,394	2,180,178
Exercise of warrants	1	<u>15,418</u>	<u>15,418</u>	<u>11,216</u>
At 31 December				
ordinary shares	1	<u>2,206,812</u>	<u>2,206,812</u>	<u>2,191,394</u>

At the annual general shareholders' meeting held on 9 April 2009, the shareholders approved a decrease of the Company's authorised share capital from Baht 2,255,753,400 (2,255,753,400 ordinary shares with Baht 1 par value) to Baht 2,224,753,400 (2,224,753,400 ordinary shares with Baht 1 par value). The Company registered the decrease in authorised share capital with the Ministry of Commerce on 23 April 2009.

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On 30 January 2009, the holders of 5,169,900 warrants exercised options to purchase 5,169,900 ordinary shares at an exercise price of Baht 1 each, resulting in an increase in the issued and paid-up share capital from Baht 2,191,394,200 to Baht 2,196,564,100. The Company registered the increase in the issued and paid-up share capital with the Ministry of Commerce on 5 February 2009.

On 31 July 2009, the holders of 5,086,500 warrants exercised options to purchase 5,086,500 ordinary shares at an exercise price of Baht 1 each, resulting in an increase in the issued and paid-up share capital from Baht 2,196,564,100 to Baht 2,201,650,600. The Company registered the increase in the issued and paid-up share capital with the Ministry of Commerce on 7 August 2009.

On 30 November 2009, the holders of 5,161,400 warrants exercised options to purchase 5,161,400 ordinary shares at an exercise price of Baht 1 each, resulting in an increase in the issued and paid-up share capital from Baht 2,201,650,600 to Baht 2,206,812,000. The Company registered the increase in the issued and paid-up share capital with the Ministry of Commerce on 4 December 2009.

On 31 January 2008, the holders of 5,774,500 warrants exercised options to purchase 5,774,500 ordinary shares at an exercise price of Baht 1 each, resulting in an increase in the issued and paid-up share capital from Baht 2,180,178,200 to Baht 2,185,952,700. The Company registered the increase in the issued and paid-up share capital with the Ministry of Commerce on 6 February 2008.

On 31 July 2008, the holders of 5,441,500 warrants exercised options to purchase 5,441,500 ordinary shares at an exercise price of Baht 1 each, resulting in an increase in the issued and paid-up share capital from Baht 2,185,952,700 to Baht 2,191,394,200. The Company registered the increase in the issued and paid-up share capital with the Ministry of Commerce on 8 August 2008.

Warrants

On 28 November 2005, the Company issued 64,401,500 units of free and non-transferable warrants exercisable to purchase the newly-issued ordinary shares of the Company, to its directors, employees, and advisors of the Company and its subsidiary. The warrants have a 4 year-term from 1 December 2005 and mature on 30 November 2009. The first exercise date was 30 June 2006 and the last exercise date is 30 November 2009. The exercise ratio is one warrant to one ordinary share at an exercise cost of Baht 1 per share.

From the Resolution of Board of Directors' Meeting No. 1/2007 dated 22 February 2007, the Meeting acknowledged the alteration of the exercise date of warrants, representing the right to purchase the newly issued shares of the Company from the last business day of June and December of each year to the last business day of July and January of each year, whereas other conditions remain the same. The first exercise date following this change was 31 July 2007 and the final exercise date is 30 November 2009.

During the exercise period, the holders of warrants are entitled to exercise their right to purchase shares on a semi-annual basis, except the last exercise when the right can be exercised within the maturity date of the warrants. The warrant holders have the right to purchase shares in an amount not exceeding one-eighth (12.5%) of the total number of the warrants allotted by the Company. However, if the warrant holder fails to purchase the full 12.5% of the shares on an exercise date, he may purchase the remaining shares on any subsequent exercise date.

During the years 2009 and 2008, the holders of 15,417,800 warrants and 11,216,000 warrants, respectively, exercised their options to purchase 15,417,800 and 11,216,000 ordinary shares of Baht 1 per share.

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For the years ended 31 December 2009 and 2008

During the years 2009 and 2008, there were cancellations of 471,600 warrants and 2,447,400 warrants, respectively, from employees who had resigned from the Company.

As at 31 December 2009, there were no outstanding warrants that can be exercised for purchase of ordinary shares in the Company (2008: 15,889,400 warrants).

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

19 Segment information

Business segments

Management considers that the Group operates in a single line of business, namely real-estate business, and has, therefore, only one major business segment.

Geographic segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographic location of customers. Segment assets are based on the geographical location of the assets.

The followings are the main geographical locations:

<i>Segment 1</i>	Thailand
<i>Segment 2</i>	India

Geographical segment results financial position

	Segment 1		Segment 2		Total	
	2009	2008	2009	2008	2009	2008
	<i>(in million Baht)</i>					
<i>Revenue</i>						
Revenue from external customers	18,966	12,969	-	-	18,966	12,969
<i>Segment assets</i>						
Cash and cash equivalents	683	1,526	163	-	846	1,526
Property development projects	13,041	12,622	161	-	13,202	12,622
Property, plant and equipments	1,295	1,506	4	-	1,299	1,506

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20 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
Sales promotion	443	274	414	251
Advertising expenses	322	411	299	383
Special business tax	21	79	19	74
Transfer fee	5	21	5	19
Other	18	6	17	6
Total	809	791	754	733

21 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
Personnel expenses	684	469	643	445
Allowance for impairment loss on assets	170	109	123	105
Professional Fee	142	91	134	88
Rent	66	46	55	37
Repair	65	41	62	41
Depreciation and amortisation	55	41	51	39
Utilities	73	33	70	33
Other	322	186	292	170
Total	1,577	1,016	1,430	958

22 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
Management				
Wages and salaries	34	34	34	34
Contribution to defined contribution plans	1	1	1	1
Other-bonus and welfare	17	16	17	16
Total	52	51	52	51
Other employees				
Wages and salaries	646	506	530	432
Contribution to defined contribution plans	16	13	13	11
Other-bonus and welfare	471	296	370	241
Total	1,133	815	913	684

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The defined contribution plans comprise provident funds established by companies in the Group for their employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at 4% of their basic salaries and by the Group at rates ranging from 4% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Managers.

23 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
Changes in land, and land and houses for sale and projects under development	423	(4,817)	31	(4,050)
Raw materials and consumables used	6,591	9,106	6,089	7,725
Employee benefit expenses	1,185	866	965	735
Depreciation and amortisation expense	216	190	189	174

24 Finance costs

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Interest paid and payable to Subsidiaries	-	-	1,212	1,783
Financial institutions	193,608	133,291	187,490	124,082
Less capitalised as part of construction costs	(146,555)	(75,898)	(144,320)	(72,108)
Net	47,053	57,393	44,382	53,757

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25 Income tax expense

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2009	2008	2009	2008
		<i>(in thousand Baht)</i>			
<i>Current tax expense</i>					
Current year		1,228,535	724,153	1,056,085	574,049
Under provided in prior years		8,673	3,579	7,857	3,660
		1,237,208	727,732	1,063,942	577,709
<i>Deferred tax expense</i>	13				
Movements in temporary different		(61,189)	(69,430)	(53,448)	(59,452)
Benefit of tax losses recognised		1,187	1,020	-	-
		(60,002)	(68,410)	(53,448)	(59,452)
Total		1,177,206	659,322	1,010,494	518,257

		Consolidated financial statements			
		2009	2008		
		<i>(in thousand Baht)</i>		<i>(in thousand Baht)</i>	
	<i>Rate (%)</i>			<i>Rate (%)</i>	
Profit before tax		4,799,039			3,032,691
Income tax using the Thai corporation tax rate	30	1,439,712		30	909,891
Income tax reduction		(217,583)			(125,102)
Income not subject to tax		(99,432)			(144,221)
Expenses not deductible for tax purposes		18,904			11,760
Eliminated income		31,923			6,847
Under provided in prior years		8,673			3,579
Other		(4,991)			(3,432)
Total	25	1,177,206		22	659,322

		Separate financial statements			
		2009	2008		
		<i>(in thousand Baht)</i>		<i>(in thousand Baht)</i>	
	<i>Rate (%)</i>			<i>Rate (%)</i>	
Profit before tax		4,351,659			2,496,582
Income tax using the Thai corporation tax rate	30	1,305,498		30	748,975
Income tax reduction		(217,583)			(124,829)
Income not subject to tax		(99,214)			(116,082)
Expenses not deductible for tax purposes		17,437			9,922
Under provided in prior years		7,857			3,660
Other		(3,501)			(3,389)
Total	23	1,010,494		21	518,257

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Income tax reduction

Royal Decree No. 387 B.E. 2544 dated 5 September 2001 grants companies listed on the Stock Exchange of Thailand a reduction in the corporate income tax rate from 30% to 25% for taxable profit for the five consecutive accounting periods beginning on or after enactment.

26 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2009 and 2008 were based on the profit for the years attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand share / in thousand Baht)</i>			
Profit attributable to equity holders of the Company (basic)	<u>3,621,816</u>	<u>2,373,266</u>	<u>3,341,165</u>	<u>1,978,325</u>
Number of ordinary shares at 1 January	2,191,394	2,180,178	2,191,394	2,180,178
Effect of shares issued during year	<u>7,358</u>	<u>7,591</u>	<u>7,358</u>	<u>7,591</u>
Weighted average number of ordinary shares outstanding (basic)	<u>2,198,752</u>	<u>2,187,769</u>	<u>2,198,752</u>	<u>2,187,769</u>
Earnings per share (basic) (in Baht)	<u>1.65</u>	<u>1.08</u>	<u>1.52</u>	<u>0.90</u>

Diluted earnings per share

The calculations of diluted earnings per share for the years ended 31 December 2009 and 2008 were based on the profit for the years attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the years after adjusting for the effects of all dilutive potential ordinary shares as follows:

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	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand share / in thousand Baht)</i>			
Profit attributable to equity holders of the Company (diluted)	<u>3,621,816</u>	<u>2,373,266</u>	<u>3,341,165</u>	<u>1,978,325</u>
Weighted average number of ordinary shares outstanding (basic)	2,198,752	2,187,769	2,198,752	2,187,769
Effect of diluted equivalent ordinary shares-warrants	<u>7,184</u>	<u>17,063</u>	<u>7,184</u>	<u>17,063</u>
Weighted average number of ordinary shares outstanding (diluted)	<u>2,205,936</u>	<u>2,204,832</u>	<u>2,205,936</u>	<u>2,204,832</u>
Earnings per share (diluted) (in Baht)	<u>1.64</u>	<u>1.08</u>	<u>1.51</u>	<u>0.90</u>

27 Promotional privileges

By virtue of the provisions of the Investment Promotion Act of B.E. 2520, the Group has been granted privileges by the Board of Investment relating to developing a housing project for persons who have low or middle income (where the usable area in each unit shall not be less than 31 square meters and the contracted sale amount is less than Baht 600,000).

On 10 June 2009, the Board of Investment adds a new condition in respect to pricing for projects located in zone 1 requiring that any apartment building must have area per unit of at least 28 square meters and with a maximum selling price of Baht 1 million (including land cost) and any town house or detached house, area per unit must not be less than 70-square meters with a maximum selling price of Baht 1.2 million (including land cost).

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 up to 10 December 2014.

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

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Notes to financial statements

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28 Dividends

At the annual general meeting of the shareholders of the Company held on 9 April 2009, the shareholders approved the appropriation of dividends of Baht 0.33 per share, amounting to Baht 724.9 million from net profit relating solely to business operations benefiting from the privileges under the Investment Promotion Act of year 2008. The dividend was paid to shareholders during 2009.

At the annual general meeting of the shareholders of the Company held on 11 April 2008, the shareholders approved the appropriation of dividends of Baht 0.22 per share, amounting to Baht 480.9 million from net profit relating solely to business operations benefiting from the privileges under the Investment Promotion Act of year 2007. The dividend was paid to shareholders during 2008.

29 Financial instruments

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. Management believes that the interest rate risk is minimal. Hence, the Group does not hedge such risk.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Determination of Fair values

The Group uses the following method and assumptions in estimating the fair values of financial instruments.

Cash and cash equivalents, and current investments in savings account, fixed deposits and promissory note, and receivables and payables approximate their fair values due to the relative short-term maturity of these financial instruments.

Bank overdrafts and short-term loans from financial institutions, and long-term loans approximate their fair values because these financial instruments bear interest at market rates.

As at 31 December 2009, the carrying and fair value of the long-term debentures amounted to Baht 2,100 million and Baht 2,146 million, respectively (2008: Baht 1,000 million and Baht 1,024 million, respectively). The fair value is calculated based on the present value of future principal and interest cash flows discounted at the market rate of interest for similar liabilities at the reporting date.

Capital management

The primary objectives of the Company and its subsidiaries' capital management are to maintain their ability to continue as a going concern and to maintain an appropriate capital structure. In addition, the Company has to maintain debt to equity ratio as stipulated in loan facility agreements.

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For the years ended 31 December 2009 and 2008

As at 31 December 2009, debt to equity ratio in the consolidated financial statements is 0.16:1 (the separate financial statements: debt to equity ratio is 0.17:1) as conditions stipulated in loan facility agreements.

30 Lease agreements

- (a) The Company entered into lease agreements covering office space (including related service charges) for 3 years. These agreements will expire in various periods up to November 2012. The rental and service charges for the year ended 31 December 2009 amounted to approximately Baht 12.8 million (2008: Baht 11.0 million).
- (b) The subsidiaries have entered into lease agreements covering office space (including related service charges) for 3 years. These agreements will expire in various periods up to November 2010. The rental and service charges for the year ended 31 December 2009 amounted to Baht 7.0 million (2008: Baht 7.0 million).

31 Commitments and contingent liabilities

As at 31 December 2009 and 2008, the Company and its subsidiaries had the following outstanding commitments and contingent liabilities:

- (a) The Company had outstanding commitments to purchase land of Baht 3,303 million (2008: Baht 742 million).
- (b) The Company and its subsidiaries had outstanding commitments for the development and construction of the Company's projects of Baht 118 million (2008: Baht 130 million).
- (c) The Company and its subsidiaries had outstanding commitments for the service agreement and professional fee of the Company of Baht 22 million (2008: Baht 11 million).
- (d) The Company and its subsidiaries were contingently liable for letters of guarantee issued by certain local banks totalling Baht 1,869 million to certain government agencies (2008: Baht 1,683 million).
- (e) The Company was contingently liable as a guarantor of overdraft lines of Baht 65 million, loan lines from banks of Baht 598 million and letters of guarantee lines of Baht 829 million of the subsidiaries (2008: Baht 40 million, Baht 736 and Baht 834 million, respectively).

32 Others

Sales with signed contracts and total project sales as at 31 December 2009 and 2008 were as follows:

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
Sales with signed contracts	<u>90,146</u>	<u>67,371</u>	<u>85,094</u>	<u>64,158</u>
Total project sales	<u>97,895</u>	<u>76,835</u>	<u>92,108</u>	<u>72,327</u>
The ratio of sales with signed contracts against total project sales (%)	<u>92.08</u>	<u>87.68</u>	<u>92.39</u>	<u>88.71</u>

Preuksa Real Estate Public Company Limited and its Subsidiaries

Notes to financial statements

For the years ended 31 December 2009 and 2008

33 Thai Accounting Standards (TAS) not yet adopted

The Group has not adopted the following new and revised TAS that have been issued as of the reporting date but are not yet effective. The new and revised TAS are anticipated to become effective for annual financial periods beginning on or after 1 January in the year indicated.

TAS	Topic	Year effective
TAS 20	Accounting for Government Grants and Disclosures of Government Assistance	2012
TAS 24 (revised 2007)	Related Party Disclosures	2011
TAS 40	Investment Property	2011

Management is presently considering the potential impact of adopting and initial application of these new and revised TAS on the consolidated and separate financial statements.

34 Reclassification of accounts

Certain accounts in the 2008 financial statements have been reclassified to conform to the presentation in the 2009 financial statements.

	2008					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass. (in thousand Baht)	Before reclass.	Reclass.	After reclass.
Balance sheet						
Intangible asset	-	78,831	78,831	-	68,713	68,713
Other non-current assets	114,5	(78,831)	35,671	99,698	(68,713)	30,985
		<u>-</u>			<u>-</u>	
Statement of income						
Selling and administrative expenses	1,887,063	(1,887,063)	-	1,765,465	(1,765,465)	-
Interest expense	28,199	(28,199)	-	29,982	(29,982)	-
Selling expenses	-	790,981	790,981	-	732,644	732,644
Administrative expenses	-	1,016,012	1,016,012	-	958,171	958,171
Management benefit expenses	-	50,876	50,876	-	50,876	50,876
Finance costs	-	57,393	57,393	-	53,756	53,756
		<u>-</u>			<u>-</u>	

The reclassifications have been made to comply with the classification set out in the Pronouncement of the Department of Business Development *Re: Determination of items in the financial statements B.E. 2552* dated 30 January 2009 and because management considers that the separate presentation of intangible asset from other non-current assets is more appropriate.