



**Invitation to
Annual General Meeting of Shareholders 2006**

Preuksa Real Estate Public Company Limited

Friday March 31, 2006

At 9.30 A.M.

**Four Seasons Hotel, Montathip Room, 1st Floor,
155 Ratchadamri Road, Bangkok, Thailand**

P.8 / 2549

March 14, 2006

Subject: Invitation to the Annual General Meeting of Shareholders 2006

To: Shareholders
Preuksa Real Estate Public Company Limited

Enclosures:

1. Duplicate of minutes of the Extraordinary General Meeting of Shareholders No. 3 / 2005
2. The Annual Report 2005 of Preuksa Real Estate Public Company Limited
3. Duplicate of financial statements for the year ended, December 31, 2005
4. Names and brief bio-data of retired directors and directors proposed to be re-elected for directorship
5. Particulars of director's remuneration
6. Name of auditor and particulars of auditing fees and names of subsidiaries engaging the same auditor
7. Particulars of meeting attendance documents or evidence
8. Map and routes to the meeting venue
9. 3 Types of Proxy Forms (Select one of the forms) and personal data of Proxy Holders

The Board of Directors of Preuksa Real Estate Public Company Limited resolved that the Annual General Meeting of Shareholders 2006 be held on Friday, March 31, 2006 at 9:30 a.m. at Montathip Room, 1 st floor, The Four Seasons Hotels and Resorts, 155 Rajadamri Road, Bangkok, 10330, Thailand, to consider the following agendas:

Agenda 1. To consider approving the Minutes of the Extraordinary General Meeting of Shareholders 3/2005 held on November 11, 2005

Board's Opinion The Shareholders' Meeting should approve the said minutes pursuant to the details in Enclosure 1.

To approve the minutes of the Extraordinary General Meeting of Shareholders 2005, the Shareholders' Meeting must pass a resolution with a majority vote of the shareholders attending the meeting and being entitled to vote.

Agenda 2. To acknowledge the Company's 2005 Operating Results

Board's Opinion The Company's 2005 operating results should be reported to the Shareholders' Meeting for acknowledgement pursuant to the details in Enclosure 2.

Agenda 3. To consider approving the financial statements for the year ended, December 31, 2005

Board's Opinion The Shareholders' Meeting should approve the financial statements for the year ended, December 31, 2005 which were reviewed by the Audit Committee and certified by the auditor pursuant to the details in Enclosure 3.

To approve the financial statements for the year ended, 2005, the Shareholders' Meeting must pass a resolution with a majority vote of the shareholders attending the meeting and being entitled to vote.

Agenda 4. To consider approving the 2005 profit appropriation and dividend payment

Board's Opinion In accordance to the policy of making dividend payments at a rate of not less than 30% of net profits after deduction of all legal reserves, the annual dividend payment for 2005 performance, approved by the Board of Directors in the meeting held on February 22, 2005, will be made at Baht 0.18 per share, totaling Baht 388,755,612. The payment will be made on April 21, 2006 to shareholders who are entitled to receive the dividend as listed in the share registration book when it is closed for the right to receive dividend on March 13, 2006 at 12.00 noon. Since making dividend payment of the Company from net profits with BOI privilege, shareholders who receive such dividend payment are exempted from income tax and the Company is not obligated to deduct withholding tax. Consequently, it is appropriate that the Shareholders' Meeting approve profit appropriation by legal requirement and such dividend payment for 2005 performance mentioned above.

To approve the financial statements for the year ended, 2005, the Shareholders' Meeting must pass a resolution with a majority vote of the shareholders attending the meeting and being entitled to vote.

Agenda 5. To consider election of directors and fixing the directors' remuneration for the year 2006

Board's Opinion At this Annual General Meeting of Shareholders 2006, there are 4 directors due to retire by drawing in accordance with Article 18 of the Company's Articles of Association, from the total existing number of 11 directors, namely (1) Mr.Narong Manavapat, (2) Mr.Prasert Taedullayasatit, (3) Mrs.Ratana Promsawad, and (4) Mr.Piya Prayong. As such, the Board of Directors, excluding the 4 directors who have interest on the matter, opened that the Shareholders' Meeting should re-elect the 4 retired directors as directors, since the Board viewed that such directors are experienced, knowledgeable, competent and appropriate to be elected as the Company's directors. (Bio-data details of such 4 directors appear in Enclosure 4)

To comply with good corporate governance principle, the shareholders should be informed that each of them has an equal right to nominate persons whom he deems qualified, knowledgeable and competent as their representatives to act as directors of the Company. The laws grant shareholders the right to consider and appoint any persons as directors. To appoint the directors in place of retired directors, the Shareholders' Meeting must pass a resolution in accordance with Article 17 of the Company's Articles of Association.

With regard to the directors' remuneration for the year 2006, the Board of Directors deem it appropriate to approve the amount not exceeding Baht 10.0 million as reviewed by the Board of Directors (details of which appear in Enclosure 5).

To approve such directors' remuneration, the Shareholders' Meeting must pass a resolution with a vote of not less than 2/3 of the total votes of the shareholders attending the meeting in accordance with Section 90 of the Public Limited Company Act B.E. 2535.

Agenda 6. To consider appointing the auditor and fixing the auditor's remuneration for the year 2006

Board's Opinion With the recommendation and election of the Audit Committee, the Shareholders' Meeting should appoint Miss Somboon Supasiripinyo (Certified No.3731), Miss Boonsri Chotpaiboonpun (Certified No.3756), or Mr. Veerachai Ratanajaratkul (Certified No. 4323), or Mr. Santi Pongjareanpit (Certified No.4623), of KPMG Phoomchai Audit Limited as the Company's auditor and should fix the remuneration for the year 2006 not exceeding Baht 3.14 million. (details of which appear in Enclosure 6)

To approve the appointment and the remuneration of the auditor, the Shareholders' Meeting must pass a resolution with a majority vote of the shareholders attending the meeting and being entitled to vote.

Agenda 7. Other business (if any)

Board's Opinion The Board of Directors deems it appropriate to include this agenda to allow the shareholders who wish to propose matters other than those determined by the Board of Directors to the meeting for consideration.

The Company has closed the register of shareholders book to determine the shareholders who are entitled to attend this Annual General Meeting of Shareholders 2006 and to receive dividend payment from Monday, March 13, 2006 at 12.00 noon onwards until the meeting is adjourned.

The shareholders are hereby invited to attend the said Annual General Meeting of Shareholders 2006 on the date, at the time and venue stated above. Any shareholders wishing to appoint a proxy to attend the meeting and vote on his / her / its behalf at the said meeting, please fill in and sign one of the attached proxy forms and return it together with the required supporting evidences (details of which appear in Enclosure 9) to the Company prior to the meeting date in the envelope enclosed with this invitation letter or present them at the documents checking point prior to commencement of the meeting on the meeting date.

In case that a proxy grantor and/or a proxy holder is (are) a business entity, the proxy must be granted such that the vote will be cast in accordance with a proxy grantor's intention.

Yours sincerely,

On behalf of the Board of Directors
Preuksa Real Estate Public Company Limited

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(Dr.Pisit Leeahtam)

Chairman

Investor Relations Department

Tel. 0-2576-0007 ext. 863

Fax. 0-2576-0007 ext. 762

**Minutes of the Extraordinary General Meeting of Shareholders No. 3/2005
of
Preuksa Real Estate Public Company Limited**

The Meeting was held on November 11, 2005, at 11.00, at No. 333/111 Laksi Plaza and Business Complex Building Tower 2, 10th floor, Viphavadeerangsit Road, Talad Bang Khen subdistrict, Laksi district, Bangkok . The Shareholders and proxy presented at the Meeting in total of 31 persons, equal to 1,700,000,000 shares, shall make a quorum. Dr. Phisit Leeeartham acts as the Chairman of the Meeting. The Meeting was preceded as the following agendas:

Agenda 1 To consider approving Minutes of the Extraordinary General Meeting of Shareholders No. 2/2005, held on October 19, 2005

The Chairman asked the Meeting to consider approving Minutes of the Extraordinary General Meeting of Shareholders No. 2/2005 held on October 19, 2005 as the copy sent to all shareholders.

Having considered the matter, the Meeting unanimously approved Minutes of the Extraordinary General Meeting of Shareholders No. 2/2005 held on October 19, 2005 as proposed by the Chairman.

Agenda 2 To consider approving the amendment of Minutes of the Extraordinary General Meeting of Shareholders No. [2]/2005 on April 22, 2005 in agenda 4 regarding to consider approving issuance and offering of warrants of the Company to directors and employees of the Company

The Chairman informed the Meeting that according to the approval to issue and offer warrants to the directors and employees of the Company which has been granted in the Extraordinary General Meeting of Shareholders No. [2]/2005 held on April 22, 2005, in the meantime, the Company has transferred some employees to be the employees of the subsidiary of the Company. However, the Company intends to issue and offer warrants to the directors and employees of the subsidiary of the Company, the consultants of the Company and the subsidiary of the Company also.

The Chairman proposed the Meeting to consider approving to amend the aforesaid Minutes of the Meeting of Shareholders to be as follows,

“Approve the Company to issue and offer warrants to the directors, employees and consultants of the Company and/or its subsidiary (“Warrants”) as details stated in the attachment”“

In this regard, the Meeting still appoints the Board of directors of the Company and/or the Managing director and/or the person appointed by the Board of directors or Managing director to be the authorized person as stated in Agenda 4 of the Minutes of the Extraordinary General Meeting of Shareholders No. 2/2005 held on April 22, 2005.

Having considered the matter, the Meeting unanimously resolved the amendment of Agenda 4 of the Minutes of the Extraordinary General Meeting of Shareholders No. 2/2548 held on April 22, 2005 to be the issuance and offering warrants to the directors, employees and consultants of the Company and/or its subsidiary as proposed by the Chairman.

Agenda 3 To consider approving the amendments of Minutes of the Extraordinary General Meeting of Shareholders No. 2/2005 dated April 22, 2005 in agenda 5 regarding to consider approving increase the capital of the Company.

The Chairman informed the Meeting that according to the Minutes of Extraordinary General Meeting of Shareholders No. 2/2005 held on April 22, 2005 in agenda 5 which the Meeting approved the allocation of newly issued shares of the Company in the amount of 532,500,000 shares with a par value 1 baht per share as follows:

1. 65,000,000 newly shares to deserved for warrants exercising of the Company which the Company will issue such warrants and offer to directors and employees of the Company which the meeting already approved in agenda 4 above.
2. 425,000,000 newly shares to public
3. 42,500,000 newly shares to over- allotment agent

And the meeting approved the amendments of Minutes of the Extraordinary General Meeting of Shareholders No. 2/2005 in agenda 4 regarding to issue and offer warrants to directors and employees of the Company which has been amended to issue and offer warrants of the Company to directors and employees of the Company and/or its subsidiary.

Thus, to be compliance with the amendment of the afore agenda, the Chairman proposed the meeting to consider approving the amendment of Minutes of the Extraordinary General Meeting of Shareholders No. 2/2005 held on April 22, 2005 in agenda 5 in part of newly shares allocation in the amount of 65,000,000 shares. In this regard, the allocation of newly issued shares of the Company in those amount of which the Company will issue and offer to directors and employees as follows:

- “1. to allocate of newly issued shares in the amount of 65,000,000 shares to deserve for warrants exercising of the Company which the Company will issue and offer to directors, employees and the Company’s consultant and/or the Company’s subsidiary the details appeared in agenda 4 above”

Having considered the matter, the Meeting unanimously resolved the amendments of Minutes of Extraordinary General Meeting of Shareholders No. 2/2005 held on April 22, 2005 in agenda 5, as proposed by the Chairman.

Agenda 4 Other Matters (if any)

-None-

The Meeting adjourned at 12.00

Signed _____

(Dr. Phisit Leeeartham)

Chairman

**Preuksa Real Estate Public Company Limited
(formerly Preuksa Real Estate Company Limited)
and its Subsidiary**

Annual financial statements
and
Audit report of Certified Public Accountant

For the years ended
31 December 2005 and 2004

Audit report of Certified Public Accountant

To the shareholders of Preuksa Real Estate Public Company Limited
(formerly Preuksa Real Estate Company Limited)

I have audited the consolidated balance sheet of Preuksa Real Estate Public Company Limited and its subsidiary as at 31 December 2005, and the related consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended. I have also audited the balance sheets of Preuksa Real Estate Public Company Limited as at 31 December 2005 and 2004, and the related statements of income, changes in shareholders' equity and cash flows for the years then ended. The Company's management is responsible for the correctness and completeness of the 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 audits 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 financial statements referred to above present fairly, in all material respects, the financial position of Preuksa Real Estate Public Company Limited and its subsidiary as at 31 December 2005, and the results of their operations and their cash flows for the year then ended; and the financial position of Preuksa Real Estate Public Company Limited as at 31 December 2005 and 2004, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

(Pisit Chiwaruangroch)
Certified Public Accountant
Registration No. 2803

KPMG Poomchai Audit Ltd.
Bangkok
22 February 2006

Preuksa Real Estate Public Company Limited
(formerly Preuksa Real Estate Company Limited) and its Subsidiary
Balance sheets
As at 31 December 2005 and 2004

Assets	Note	Consolidated	The Company	
		2005	2005	2004
			(in Baht)	
Current assets				
Cash and cash equivalents	5	1,433,677,619	1,429,336,956	136,763,064
Current investments in savings account, fixed deposits and promissory note	6	45,817,797	45,817,797	19,437,053
Installment receivables		7,732,100	7,732,100	3,488,800
Receivable from subsidiary	4	-	155,298	-
Short-term loans to subsidiary	4	-	15,875,905	-
Inventories	6, 7	6,775,242,825	6,753,822,761	7,489,955,274
Deposits for purchase of land		203,516,207	203,516,207	20,313,875
Other current assets		44,970,942	44,967,082	49,390,665
Total current assets		8,510,957,490	8,501,224,106	7,719,348,731
Non-current assets				
Investment in subsidiary accounted for using the equity method	8	-	8,630,938	-
Property, plant and equipment, net	6, 9	1,150,388,755	1,150,351,740	1,037,343,313
Land not used in operations	6, 20	127,829,591	127,829,591	-
Other non-current assets, net		53,659,579	48,135,042	26,568,528
Total non-current assets		1,331,877,925	1,334,947,311	1,063,911,841
Total assets		9,842,835,415	9,836,171,417	8,783,260,572

The accompanying notes are an integral part of these financial statements

Preuksa Real Estate Public Company Limited
(formerly Preuksa Real Estate Company Limited) and its Subsidiary
Balance sheets
As at 31 December 2005 and 2004

Liabilities and shareholders' equity	Note	Consolidated	The Company	
		2005	2005	2004
			(in Baht)	
Current liabilities				
Bank overdrafts and short-term loans				
from financial institutions	6, 10	670,875,467	670,863,673	1,072,250,272
Trade accounts payable		345,128,190	344,491,118	365,578,000
Payables for purchase of land		-	-	476,004,304
Current portion of long-term loans	6, 11	799,755,642	799,755,642	270,231,328
Current portion of long-term debentures	12	300,000,000	300,000,000	100,000,000
Customers' deposits		288,991,284	288,991,284	309,020,858
Current tax payable		236,224,502	230,515,711	91,493,382
Other current liabilities		82,125,894	81,825,599	90,191,001
Total current liabilities		2,723,100,979	2,716,443,027	2,774,769,145
Non-current liabilities				
Long-term loans	6, 11	849,872,122	849,872,122	1,928,344,667
Long-term debentures	12	-	-	300,000,000
Total non-current liabilities		849,872,122	849,872,122	2,228,344,667
Total liabilities		3,572,973,101	3,566,315,149	5,003,113,812

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Preuksa Real Estate Public Company Limited
(formerly Preuksa Real Estate Company Limited) and its Subsidiary
Balance sheets
As at 31 December 2005 and 2004

Liabilities and shareholders' equity	<i>Note</i>	Consolidated	The Company	
		2005	2005	2004
			<i>(in Baht)</i>	
<i>Shareholders' equity</i>				
Share capital				
Authorised share capital	13	2,232,500,000	2,232,500,000	1,700,000,000
Issued and paid-up share capital	13	2,125,000,000	2,125,000,000	1,700,000,000
Share premium	13	1,257,290,234	1,257,290,234	-
Retained earnings				
- Legal reserve	13	223,250,000	223,250,000	138,800,000
- Unappropriated		2,664,316,034	2,664,316,034	1,941,346,760
Total equity of the Company's shareholders		6,269,856,268	6,269,856,268	3,780,146,760
Minority interest		6,046	-	-
Total shareholders' equity		6,269,862,314	6,269,856,268	3,780,146,760
Total liabilities and shareholders' equity		9,842,835,415	9,836,171,417	8,783,260,572

The accompanying notes are an integral part of these financial statements

Preuksa Real Estate Public Company Limited
(formerly Preuksa Real Estate Company Limited) and its Subsidiary
Statements of income
For the years ended 31 December 2005 and 2004

	<i>Note</i>	Consolidated	The Company	
		2005	2005	2004
			<i>(in Baht)</i>	
Revenues				
Revenue from sale of real estate		7,620,788,176	7,582,360,139	4,868,150,577
Share of profit from investment in subsidiary accounted for using the equity method		-	7,631,638	-
Other income		14,101,202	14,574,682	3,338,356
Total revenues		7,634,889,378	7,604,566,459	4,871,488,933
Expenses				
Cost of sale of real estate		4,972,736,745	4,949,561,847	2,990,119,345
Selling and administrative expenses		923,734,646	922,300,941	719,699,659
Total expenses		5,896,471,391	5,871,862,788	3,709,819,004
Profit before interest and income tax expenses		1,738,417,987	1,732,703,671	1,161,669,929
Interest expense	14	87,926,839	87,926,839	45,890,377
Income tax expense		378,116,526	372,407,556	185,576,121
Profit after income tax expense		1,272,374,622	1,272,369,276	930,203,431
Net profit of minority interest		(5,346)	-	-
Net profit		1,272,369,276	1,272,369,276	930,203,431
Earnings per share				
Basic	15	0.73	0.73	0.64
Diluted	15	0.73	0.73	0.64

The accompanying notes are an integral part of these financial statements

Preuksa Real Estate Public Company Limited
(formerly Preuksa Real Estate Company Limited) and its Subsidiary
Statements of changes in shareholders' equity
For the years ended 31 December 2005 and 2004

		Consolidated						
		Issued and paid-up		Retained earnings		Total equity of the Company	Minority	Total
Note	share capital	Share premium	Legal reserve	Unappropriated	shareholders	interest	equity	
				(in Baht)				
Balance at 1 January 2005	1,700,000,000	-	138,800,000	1,941,346,760	3,780,146,760	-	3,780,146,760	
Capital increase	13	425,000,000	1,257,290,234	-	-	1,682,290,234	-	1,682,290,234
Investment of minority interest		-	-	-	-	-	700	700
Net profit		-	-	-	1,272,369,276	1,272,369,276	5,346	1,272,374,622
Dividends	16	-	-	-	(464,950,002)	(464,950,002)	-	(464,950,002)
Appropriation for legal reserve		-	-	84,450,000	(84,450,000)	-	-	-
Balance at 31 December 2005		2,125,000,000	1,257,290,234	223,250,000	2,664,316,034	6,269,856,268	6,046	6,269,862,314

The accompanying notes are an integral part of these financial statements

Preuksa Real Estate Public Company Limited
(formerly Preuksa Real Estate Company Limited) and its subsidiary
Statements of changes in shareholders' equity
For the years ended 31 December 2005 and 2004

		The Company				
		Issued and paid-up share capital	Share premium	Retained earnings	Total Shareholders' equity	
	Note			Legal reserve (in Baht)	Unappropriated	
Balance at 1 January 2004		1,388,000,000	-	92,000,000	1,377,183,329	2,857,183,329
Capital increase	13	312,000,000	-	-	-	312,000,000
Net profit		-	-	-	930,203,431	930,203,431
Dividends	16	-	-	-	(319,240,000)	(319,240,000)
Appropriation for legal reserve		-	-	46,800,000	(46,800,000)	-
Balance at 31 December 2004		1,700,000,000	-	138,800,000	1,941,346,760	3,780,146,760
Capital increase	13	425,000,000	1,257,290,234	-	-	1,682,290,234
Net profit		-	-	-	1,272,369,276	1,272,369,276
Dividends	16	-	-	-	(464,950,002)	(464,950,002)
Appropriation for legal reserve		-	-	84,450,000	(84,450,000)	-
Balance at 31 December 2005		2,125,000,000	1,257,290,234	223,250,000	2,664,316,034	6,269,856,268

The accompanying notes are an integral part of these financial statements

Preuksa Real Estate Public Company Limited
(formerly Preuksa Real Estate Company Limited) and its Subsidiary
Statements of cash flows
For the years ended 31 December 2005 and 2004

	Consolidated	The Company	
	2005	2005	2004
	<i>(in Baht)</i>		
<i>Cash flows from operating activities</i>			
Net profit	1,272,369,276	1,272,369,276	930,203,431
Adjustments for			
Allowance for decline in value of inventories (reversal)	(932,096)	(932,096)	29,932,096
Depreciation and amortisation	93,605,575	93,605,389	40,399,857
Loss on disposal of property and equipment	651,618	651,618	961,416
Net profit of minority interest	5,346	-	-
Share of profit from investment in subsidiary accounted for using the equity method	-	(7,631,638)	-
Interest expense (including portion capitalised as part of construction costs)	158,508,208	158,508,208	113,757,902
Income tax expense	378,116,526	372,407,556	185,576,121
Profit provided by operating activities before changes in operating assets and liabilities	1,902,324,453	1,888,978,313	1,300,830,823
<i>Decrease (increase) in operating assets</i>			
Installment receivables	(4,243,300)	(4,243,300)	1,511,900
Receivable from subsidiary	-	(155,298)	-
Inventories	731,991,762	753,411,826	(3,164,094,379)
Deposits for purchase of land	(183,202,332)	(183,202,332)	69,581,444
Other current assets	4,419,723	4,423,583	(19,098,276)
Other non-current assets	(31,195,237)	(25,670,700)	(24,573,525)
<i>Increase (decrease) in operating liabilities</i>			
Trade accounts payable	(20,449,810)	(21,086,882)	134,171,981
Payables for purchase of land	(476,004,304)	(476,004,304)	(87,570,545)
Customers' deposits	(20,029,574)	(20,029,574)	42,575,858
Income tax paid	(233,385,406)	(233,385,227)	(146,833,543)
Other current liabilities	(6,190,277)	(6,490,572)	21,177,609
Net cash provided by (used in) operating activities	1,664,035,698	1,676,545,533	(1,872,320,653)

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

Preuksa Real Estate Public Company Limited
(formerly Preuksa Real Estate Company Limited) and its Subsidiary
Statements of cash flows
For the years ended 31 December 2005 and 2004

	Consolidated	The Company	
	2005	2005	2004
		<i>(in Baht)</i>	
<i>Cash flows from investing activities</i>			
Decrease (increase) in current investments in savings account, fixed deposits and promissory note	(26,380,744)	(26,380,744)	35,291,935
Increase in short-term loans to subsidiary	-	(50,994,963)	-
Decrease in short-term loans to subsidiary	-	35,119,058	-
Increase in property, plant and equipment	(354,779,627)	(354,742,426)	(583,835,642)
Increase in investment in subsidiary	-	(999,300)	-
Proceed from disposal of property and equipment	7,404,370	7,404,370	1,265,658
Net cash used in investing activities	(373,756,001)	(390,594,005)	(547,278,049)
<i>Cash flows from financing activities</i>			
Increase in bank overdrafts and short-term loans from financial institutions	(401,374,805)	-401,386,599	1,575,402,179
Decrease in loan from director	-	-	(8,383,821)
Proceeds from long-term loans	1,426,099,872	1,426,099,872	1,012,089,849
Proceeds from capital increase, net of related expenses	1,682,290,234	1,682,290,234	312,000,000
Repayment of long-term loans	(1,975,048,103)	-1,975,048,103	(116,791,736)
Repayment of debentures	(100,000,000)	-100,000,000	(100,000,000)
Investment of minority interest	700	-	-
Interest paid	(160,383,038)	(160,383,038)	(113,291,839)
Dividends paid	(464,950,002)	(464,950,002)	(319,240,000)
Net cash provided by financing activities	6,634,858	6,622,364	2,241,784,632
Net increase (decrease) in cash and cash equivalents	1,296,914,555	1,292,573,892	(177,814,070)
Cash and cash equivalents at beginning of year	136,763,064	136,763,064	314,577,134
Cash and cash equivalents at end of year	1,433,677,619	1,429,336,956	136,763,064

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

Preuksa Real Estate Public Company Limited
(formerly Preuksa Real Estate Company Limited) and its Subsidiary
Notes to financial statements
For the years ended 31 December 2005 and 2004

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Preuksa Real Estate Public Company Limited
(formerly Preuksa Real Estate Company Limited) and its Subsidiary
Notes to financial statements
For the years ended 31 December 2005 and 2004

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the directors on 22 February 2006.

1 General information

Preuksa Real Estate Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 333/111, Building 2, 10th floor, Laksi Plaza & Business Complex Office, Vibhavadee-Rangsit Road, Talad Bangkhen, Laksi, Bangkok.

The Company was listed on the Stock Exchange of Thailand on 6 December 2005.

The principal activity of the Company is sale of real estate in Thailand. The principal activity of the subsidiary is provision of home decoration services in Thailand

The number of staff at the end of 2005 and 2004, and the staff costs for the years 2005 and 2004 of the Company and its subsidiary (together referred to as “the Group”) were as follows:

	2005	2004
Number of staff (including temporary staff)		
The Company	1,947	1,937
The Subsidiary	8	-
Total	1,955	1,937
Staff costs (in million Baht)		
The Company	460	397
The Subsidiary	1	-
Total	461	397

2 Basis of preparation of 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”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) and with generally accepted accounting principles in Thailand.

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In 2005, the Group adopted the following new TAS which are relevant to its operations:

TAS 52 Events after the Balance Sheet Date

TAS 53 Provisions, Contingent Liabilities and Contingent Assets

The adoption of these new TAS has no material effect on the financial statements.

The financial statements are presented in Thai Baht. They are prepared on the historical cost basis except for inventories (stated at the lower of cost and net realisable value) and investment in subsidiary in the separate financial statements of the Company (accounted for using the equity method).

The preparation of financial statements in conformity with TAS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The consolidated financial statements relate to the Company and its subsidiary, Kaysorn Construction Co., Ltd. (incorporated in Thailand on 2 February 2005) representing 99.93% ownership interest (together referred to as ‘the Group’). Significant intra-group transaction between the Company and its subsidiary are eliminated in consolidation.

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3 Significant accounting policies

(a) Basis of consolidation

Subsidiaries

Subsidiaries are those companies controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company 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.

(b) Cash and cash equivalents

Cash and cash equivalents 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.

(c) Inventories

Sample houses and club houses, project under development, land, and land and houses for sale and land held for development are stated at the lower of cost and net realizable value.

Projects under development are stated at individually identified cost, including borrowing costs capitalised, aggregate cost of development, materials and supplies, wages and other direct expenses and any allowance considered necessary by the management.

Construction materials, excluding those that are self - manufactured, are stated at the lower of cost (first-in, first-out method) and net realisable value.

Self - manufactured construction materials are stated at the lower of standard cost, which approximates current production cost, and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

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(d) Investments

Investments in subsidiaries

Investments in subsidiaries, in the separate financial statements of the Company, are accounted for using the equity 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.

(e) 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:

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

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

(f) Impairment

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

An impairment loss is recognised whenever 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.

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Calculation of recoverable amount

The recoverable amount of assets is the greater of the asset's 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 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.

(g) Trade accounts payable

Trade accounts payable are stated at cost.

(h) Revenue

Revenue from sale of real estate is recognized in the statement of income when the ownership of the real estate is transferred.

(i) Expenses

Interest expense and similar costs are charged to the statement of income in the period in which they are incurred, except to the extent that they are capitalized 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.

(j) Income tax

Income tax on the profit or loss for the year is current tax. Income tax is recognised in the statement of income.

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

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4 Transactions and balances with subsidiary

Transactions of the Company for the year ended 31 December 2005 with its subsidiary were as follows:

	Policy of pricing	The Company <i>(in thousand Baht)</i>
Interest income	Market rate	491

Balances as at 31 December 2005 with the subsidiary are as follows:

	The Company <i>(in thousand Baht)</i>
Receivable from subsidiary	155
Short-term loans to subsidiary (interest at 5.75% p.a.)	15,876

Movements during the year on short-term loans to subsidiary are as follows:

	The Company <i>(in thousand Baht)</i>
Balance as at 1 January 2005	-
Increase	50,995
Decrease	35,119
Balance at 31 December 2005	15,876

5 Cash and cash equivalents

	Consolidated 2005	The Company 2005 <i>(in thousand Baht)</i>	2004
Cash at banks and on hand	206,124	201,783	136,763
Short-term investments in debt securities	1,227,554	1,227,554	-
Total	1,433,678	1,429,337	136,763

6 Assets used as collateral

Savings account, fixed deposits and promissory note (Baht 46 million as at 31 December 2005), property, plant and equipment (with net book value of Baht 896 million), land not used in operations (with net book value of Baht 128 million) and part of inventories (land and structure thereon) are used as collateral for overdraft lines of Baht 54 million, loan lines from banks of Baht 5,995 million and letters of guarantee lines of Baht 1,786 million.

7 Inventories

8 Investment in subsidiary accounted for using the equity method

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9 Property, plant and equipment, net

	Consolidated							
	Land	Building	Machinery and equipment	Furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Public utility	Transportation equipment	Construction in progress and machinery and equipment under installation	Total
<i>Cost</i>								
Balance at 1 January								
2005	383,086	-	148,288	74,070	16,741	87,148	512,562	1,221,895
Additions	9	-	33,524	13,618	-	19,029	288,599	354,779
Transfers, net	(73,100)	324,364	403,580	2,737	-	33	(785,444)	(127,830)
Disposals	(13,168)	-	(10,612)	(1,547)	-	(632)	(1,335)	(27,294)
Balance at 31								
December 2005	296,827	324,364	574,780	88,878	16,741	105,578	14,382	1,421,550
<i>Accumulated depreciation</i>								
Balance at 1 January								
2005	-	-	107,947	32,540	16,741	27,324	-	184,552
Depreciation charge for the year	-	13,579	44,591	13,525	-	17,806	-	89,501
Transfers, net	-	-	(376)	350	-	26	-	-
Disposals	-	-	(1,509)	(1,300)	-	(82)	-	(2,891)
Balance at 31								
December 2005	-	13,579	150,653	45,115	16,741	45,074	-	271,162
<i>Net book value</i>								
At 31 December 2005	296,827	310,785	424,127	43,763	-	60,504	14,382	1,150,388

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	The Company							Total
	Land	Building	Machinery and equipment	Furniture, fixtures and office equipment	Public utility	Transportation equipment	Construction in progress and machinery and equipment under installation	
	<i>(in thousand Baht)</i>							
Cost								
Balance at 1 January 2004	383,086	-	138,058	55,252	16,741	65,597	-	658,734
Additions	-	-	25,944	22,317	-	23,013	512,562	583,836
Disposals	-	-	15,714	3,499	-	1,462	-	20,675
Balance at 31 December 2004	383,086	-	148,288	74,070	16,741	87,148	512,562	1,221,895
Additions	9	-	33,524	13,581	-	19,029	288,599	354,742
Transfers, net	(73,100)	324,364	403,580	2,737	-	33	(785,444)	(127,830)
Disposals	(13,168)	-	(10,612)	(1,547)	-	(632)	(1,335)	(27,294)
Balance at 31 December 2005	296,827	324,364	574,780	88,841	16,741	105,578	14,382	1,421,513

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	The Company						Construction in progress and machinery equipment under installation	Total
	Land	Building	Machinery and equipment	Furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Public utility	Transportation equipment		
Accumulated depreciation								
Balance at 1 January 2004	-	-	114,775	24,540	14,572	12,762	-	166,649
Depreciation charge for the year	-	-	7,860	11,290	2,169	15,031	-	36,350
Disposals	-	-	14,688	3,290	-	469	-	18,447
Balance at 31 December 2004	-	-	107,947	32,540	16,741	27,324	-	184,552
Depreciation charge for the year	-	13,579	44,591	13,525	-	17,806	-	89,501
Transfers, net	-	-	(376)	350	-	26	-	-
Disposals	-	-	(1,509)	(1,300)	-	(82)	-	(2,891)
Balance at 31 December 2005	-	13,579	150,653	45,115	16,741	45,074	-	271,162
Net book value								
At 31 December 2004	383,086	-	40,341	41,530	-	59,824	512,562	1,037,343
At 31 December 2005	296,827	310,785	424,127	43,726	-	60,504	14,382	1,150,351

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The gross carrying amount of fully depreciated property, plant and equipment of the Company that is still in use amounted to Baht 134.2 million and Baht 130.1 million as at 31 December 2005 and 2004 respectively.

There is no fully depreciated property and equipment of the subsidiary as at 31 December 2005.

10 Bank overdrafts and short-term loans from financial institutions

	Consolidated	The Company	
	2005	2005	2004
		<i>(in thousand Baht)</i>	
Bank overdrafts	2,396	2,385	984
Promissory notes	570,200	570,200	200,000
Short-term loans	98,279	98,279	871,266
Total	670,875	670,864	1,072,250

The above liabilities bear interest at market rates.

11 Long-term loans

	Consolidated	The Company	
	2005	2005	2004
		<i>(in thousand Baht)</i>	
Secured loans - Thai Baht	1,000,983	1,000,983	1,756,573
Unsecured loans - Thai Baht	648,645	648,645	442,003
Total	1,649,628	1,649,628	2,198,576

The period to maturity of long-term is as follows:

	Consolidated	The Company	
	2005	2005	2004
		<i>(in thousand Baht)</i>	
Within one year	799,756	799,756	270,231
After one year but within five years	849,872	849,872	1,928,345
Total	1,649,628	1,649,628	2,198,576

The above long-term loans represent loans from local financial institution and interest at market rate.

Secured loans of Baht 228 million as at 31 December 2005 are guaranteed by a director of the Company.

Certain loans contain certain restrictions on financial ratios, payment of dividends and shareholders' structure.

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12 Long-term debentures

In September 2003, the Company issued unsubordinated and unsecured debentures of Baht 500 million (500,000 units at Baht 1,000). The debentures bear interest at 3.2% per annum, payable semi-annually. The debentures mature as follows:

Maturity date	Consolidated	The Company	
	2005	2005	2004
		<i>(in thousand Baht)</i>	
September 1, 2005	-	-	100,000
September 1, 2006	300,000	300,000	300,000
Total	300,000	300,000	400,000

13 Share capital, warrants, share premium and legal reserve

Share capital, ordinary shares

	Par value <i>(in Baht)</i>	Number	<i>Baht</i>
Authorised			
At 1 January and 31 December 2004	100	<u>17,000,000</u>	<u>1,700,000,000</u>
Change of par value from Baht 100 per share to Baht 1 per share	1	1,700,000,000	1,700,000,000
Creation of new shares	1	<u>532,500,000</u>	<u>532,000,000</u>
At 31 December 2005	1	<u>2,232,500,000</u>	<u>2,232,500,000</u>
Issued and paid-up			
At 1 January 2004			
Fully paid	100	6,600,000	660,000,000
70% paid-up	100	<u>10,400,000</u>	<u>728,000,000</u>
		17,000,000	1,388,000,000
30% paid-up during 2004		-	312,000,000
At 31 December 2004	100	<u>17,000,000</u>	<u>1,700,000,000</u>
Change of par value from Baht 100 per share to Baht 1 per share	1	1,700,000,000	1,700,000,000
Issue of new shares	1	<u>425,000,000</u>	<u>425,000,000</u>
At 31 December 2005	1	<u>2,125,000,000</u>	<u>2,125,000,000</u>

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Capital increase under Civil and Commercial Code

At extraordinary shareholders' meetings held on 1 November 2002 and 20 November 2002, the shareholders approved an increase in authorised share capital from Baht 660 million (6.6 million common shares at Baht 100 par value) to Baht 1,700 million (17 million common shares at Baht 100 par value). The Company registered the increase in authorised share capital with the Ministry of Commerce on 26 November 2002.

The Company called-up the increases in paid-up capital of Baht 260 million, Baht 468 million and Baht 312 million in 2002, 2003 and 2004, respectively.

Capital increase under Public Company Act

At extraordinary shareholders' meeting held on 22 April 2005, the shareholders approved:

- (a) A change of the par value of the shares from Baht 100 per share to Baht 1 per share (resulting in a change in the authorised share capital from 17,000,000 ordinary shares to 1,700,000,000 ordinary shares).
- (b) An increase of the Company's authorised share capital from Baht 1,700,000,000 (1,700,000,000 ordinary shares with Baht 1 par value) to Baht 2,232,500,000 (2,232,500,000 ordinary shares with Baht 1 par value) by creating 532,500,000 new ordinary shares.
- (c) Allotment of 532,500,000 newly issued ordinary shares as follows:
 - 425,000,000 ordinary shares, by public offering.
 - 42,500,000 ordinary shares, for any over-allotment option.
 - 65,000,000 ordinary shares to accommodate the exercise right of the warrants.

The Company registered the change in par value and the increase in the authorised share capital with the Ministry of Commerce on 27 April 2005.

On 25 and 28 November 2005, the Company offered their new ordinary shares of 425,000,000 ordinary shares to the public at Baht 4.10 per share. Therefore, on 1 December 2005, paid-up share capital of the Company has been increased by Baht 425,000,000 and its premium on share has been increased by Baht 1,257,290,234 (net of listing expenses of its shares with the SET and related expenses). The Company registered the increase in the issued and paid-up share capital with the Ministry of Commerce on December 1, 2005.

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The Over-allotment option

During the public offering on 25 and 28 November 2005, the Lead underwriter and over-allotment agent allotted the over-allotted shares of 42,500,000 ordinary shares but this could be cover by purchasing through the SET by 7,746,600 shares. Therefore, the shares for the over-allotment option have been used by 34,753,400 shares. The Company registered the increase in the issued and paid-up share capital with the Ministry of Commerce on 9 January 2006. (See Note 23)

Warrants

On 28 November 2005, the Company issued 64,401,500 units of free and non-transferable warrants exercisable to the ordinary shares of the Company to its directors, employees, and advisors of the Company and its subsidiary. The warrants have 4 years term from 1 December 2005 and maturity on 30 November 2009. The exercise ratio is one unit of warrant for one ordinary share (Baht 1 par value) at Baht 1 per share.

Within the exercise period, the holders of warrants shall be entitled to exercise their right to purchase the newly-issued ordinary shares of the Company on a semi-annual basis, except the last exercise when the right could be exercised within the maturity date of the warrants. The warrant holders shall have the right to exercise for purchasing the ordinary shares in a number not exceeding one-eighth or 12.5% of the total number of the warrants allotted by the Company. However, if the warrant holders can not exercise the right to purchase the ordinary shares up to one-eighth of the total number of the warrants allotted by the Company, such the warrant holders may apply the remaining warrants in the subsequent exercising of right.

The first exercise date is 30 June 2006 and the last exercise date is 30 November 2009.

As at 31 December 2005, there were 64,023,300 units of warrants that can be exercised for ordinary shares.

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Share premium

The share premium account is set up under the provisions of Section 51 of the Public Companies Act B.E. 2535, which 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”). The account is not available for dividend distribution.

Legal reserve

The legal reserve is set up under the provisions of 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.

14 Interest expense

	Consolidated	The Company	
	2005	2005	2004
	<i>(in thousand Baht)</i>		
Interest paid and payable to financial institutions	158,508	158,508	113,947
Less portion capitalised			
as part of construction costs	70,582	70,582	68,057
Net	87,926	87,926	45,890

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15 Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 31 December 2005 was based on the profit attributable to ordinary shareholders of Baht 1,272,369,276 (2004: Baht 930,203,431) and the weighted average number of ordinary shares outstanding during the year ended 31 December 2005 of 1,736,095,890 (2004: 1,453,572,600 shares).

The weighted average number of ordinary shares outstanding during the year ended 31 December 2005 and 2004 was calculated as follows:

	Consolidated	The Company	
	2005	2005	2004
Issued ordinary shares at 1 January (equivalent to Baht 1 par value)	1,700,000,000	1,700,000,000	1,388,000,000
Effect of paid-up shares during 2004 and shares issued during 2005	36,095,890	36,095,890	65,572,600
Weighted average number of ordinary shares at 31 December	<u>1,736,095,890</u>	<u>1,736,095,890</u>	<u>1,453,572,600</u>

Diluted earnings per share

The calculation of diluted earnings per share at 31 December 2005 was based on profit attributable to ordinary shareholders of Baht 1,272,369,276 (2004: Baht 930,203,431) and the weighted average number of ordinary shares outstanding during the year ended 31 December 2005 (adjusted for the effect of all dilutive potential ordinary shares) of 1,740,327,513. (2004: 1,453,572,600).

The weighted average number of ordinary shares (diluted) outstanding during the year ended 31 December 2005 and 2004 was calculated as follows:

	Consolidated	The Company	
	2005	2005	2004
Weighted average number of ordinary shares at 31 December	1,736,095,890	1,736,095,890	1,453,572,600
Effect of diluted equivalent ordinary shares-warrants	4,231,623	4,231,623	-
Weight average number of ordinary shares (diluted) at 31 December	<u>1,740,327,513</u>	<u>1,740,327,513</u>	<u>1,453,572,600</u>

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16 Dividends

At an ordinary shareholders' meeting on April 16, 2004, the shareholders approved the payment of dividends of Baht 319.2 million (Baht 23.00 per share for 6,600,000 fully paid shares and Baht 16.10 per share for 10,400,000 partially (70%) paid-up shares) from profits relating solely to business operations benefiting from the privileges under the Investment Promotion Act.

At an ordinary shareholders' meeting held on 6 April 2005, the shareholders approved payment of dividends of Baht 465.0 million (17,000,000 shares at Baht 27.35 per share) from profits relating solely to business operations benefiting from the privileges under the Investment Promotion Act.

17 Promotional privileges

By virtue of the Investment Promotion Act, the Company has been granted certain privileges for 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). The principal privilege is the exemption from corporate income tax for a period of 5 years from the start of business operations related to their privileges. The promotional privileges will expire in various periods up to 25 October 2010.

As a Company benefiting from the above privileges, the Company must comply with certain conditions and restrictions.

18 Provident fund

The Group has joined contributory provident funds for its 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 4% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

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19 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 to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

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, long-term loans, and long-term debentures approximate their fair values because these financial instruments bear interest at market rates.

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20 Lease agreements

- (a) The Company entered into an agreement to lease a piece of land (book value amounting to Baht 128 million as at 31 December 2005) to Kaysorn Restaurant Co., Ltd., a related company (a major shareholder of Kaysorn Restaurant Co.,Ltd. is the major shareholder and also a director of the Company) for 3 years commencing from July 2003. Rental income for the year ended 31 December 2004 amounted to Baht 240,000. The related company terminated the agreement in the three-month period ended March 31, 2005. As at 31 December 2005, this land is presented under “land not used in operations” in the balance sheet.
- (b) 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 January 2006. The rental and service charges for the year ended 31 December 2005 and 2004 amounted to approximately Baht 10.6 million.
- (c) The Company entered into a lease agreement covering office space (including service charges) with a major shareholder and also a director of the Company, for one year commencing April 2005, with annual rental and service charges of Baht 1.8 million.
- (d) The subsidiary entered into a lease agreement covering office space (including service changes with a major shareholder and also a director of the company for one year commencing October 2005, with annual rental and service changes of Baht 48,000.

21 Commitments and contingent liabilities

As at 31 December 2005, the Company:

- (a) had outstanding commitments to purchase land of Baht 916.1 million.
- (b) had outstanding commitments for the development and construction of the Company’s projects of Baht 192.0 million.
- (c) was contingently liable for letters of guarantee issued by certain local banks totalling Baht 802.3 million to certain government agencies.

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22 Change of the Company's status and name

At an extraordinary shareholders' meetings held on 17 and 22 April 2005, the shareholders approved a change of the Company's status to be a public company.

At an extraordinary shareholders' meeting held on 22 April 2005, the shareholders passed a resolution to change the Company's name to "Preuksa Real Estate Public Company Limited".

The Company registered the change of the Company's status and name with the Ministry of Commerce on 27 April 2005.

23 Event after the balance sheet date

In January 2006, the Company issued 34,753,400 ordinary shares at Baht 4.10 increasing its issued and paid-up share capital by Baht 34,753,400 and share premium by Baht 104,305,119 (net of related expenses). The Company registered the increase in the issued and paid-up share capital with the Ministry of Commerce on 9 January 2006.

24 Reclassification of accounts

Certain accounts in the 2004 financial statements have been reclassified to conform with the presentation in the 2005 financial statements.

25 Others

Sales with signed contracts and total project sales as at 31 December 2005 and 2004, were as follows:

	Consolidated	The Company	
	2005	2005	2004
		<i>(in million Baht)</i>	
Sales with signed contracts	<u>30,856</u>	<u>30,301</u>	<u>22,873</u>
Total project sales	<u>34,262</u>	<u>33,764</u>	<u>25,509</u>
The ratio of sales with signed contracts against total project sales (%)	<u>90.06</u>	<u>89.74</u>	<u>89.67</u>

Name Mr. Narong Manavapat

Age 54 years

Nationality Thai

Educational Background - Bachelor Degree in Engineering,
Prince of Songkla University

Current Position - Director/Executive Director/
Deputy Managing Director (Construction)
Preuksa Real Estate Public Company Limited

Working Experience - Director/Executive Director/
Vice Executive Chairman (Operation)
K-Tech Real Estate Public Company Limited

- Director/Executive Director
Philip Holzman (Thai) Co., Ltd

- Project Manager
Thai Airways International Public Company Limited

Director Training Course - Director Certification Program (DCP)

2005 Performance - Consider, consult and handle constructions operation
-

Number of meetings attended

- Number of Board of Directors' meetings	11
Attended the meeting*	1

(*Appointed director on October 19, 2005)

Name Mr.Prasert Taedullayasatit
Age 37 years
Nationality Thai

Educational Background - Master Degree in Business Administration
(Marketing, Finance)
Chulalongkorn University

Current Position - Director/Executive Director/
Executive Vice President (Business Development)
Preuksa Real Estate Public Company Limited

Working Experience - Director/Executive Director/
Executive Vice President (Business Development)
Lalin Property Public Company Limited

Director Training Course
- Director Certification Program (DCP)
- Director Accreditation Program (DAP)

2005 Performance - Consider, consult and handle marketing and sales operation
-

Number of meetings attended
- Number of Board of Directors' meetings 11
Attended the meeting** 11

(**Appointed director on March 31, 2005)

Name Mrs.Rattana Promsawad
Age 43 years
Nationality Thai

Educational Background - Bachelor Degree in Law
Chulalongkorn University

Current Position - Director/Executive Director/ Financial Consultant
Preuksa Real Estate Public Company Limited

Working Experience - Manager (Finance Department)
Preuksa Real Estate Co., Ltd.

Director Training Course
- Director Certification Program (DCP)
- Finance for Non-Finance Director (FN)

2005 Performance - Financial Consulting
-

Number of meetings attended
- Number of Board of Directors' meetings 11
Attended the meeting 11

Name Mr.Piya Prayong
Age 34 years
Nationality Thai

Educational Backgrounds - Bachelor Degree in Engineering
Kasetsart University

Current Position - Director/Executive Director/
Executive Vice President (Townhouse Construction)
Preuksa Real Estate Public Company Limited

Working Experience - Manager (Construction Department)
Preuksa Real Estate Co., Ltd.

Director Training Course
- Director Certification Program (DCP)

2005 Performance - Consider, consult and handle constructions operation
(Townhouses)

Number of meetings attended
- Number of Board of Directors' meetings 11
Attended the meeting 11

The Board of Directors of Preuksa Real Estate Public Company Limited at the meeting No.1/2006 held on February 22, 2006 considered and approved the directors' remuneration and bonus for the year 2006, for the Board of Directors, Audit Committees, Risk Management Committees, Nomination and Compensation Committees and Corporate Governance Committees, at a total amount of not exceeding Baht 10,000,000. Details are as follows:

1. Independent Directors	Baht 4,800,000
2. Audit Committee	Baht 1,680,000
3. Risk Management Committee	Baht 240,000
4. Nominating and Remunerating Committee	Baht 160,000
5. Corporate Governance Committee	Baht 120,000
6. Bonus	Baht 3,000,000

Note Only Independent Directors are offered certain directors' remuneration and bonus whereas Directors who are executives will not receive any of the remuneration and bonus.

With the recommendation and election of the Audit Committee, the Board of Directors of Preuksa Real Estate Public Company Limited at the meeting No.1/2006 held on February 22, 2006 resolved to appoint KPMG Poomchai Audit Ltd to be the Company's auditor for the fiscal year 2006 with an audit fee of not exceeding Baht 3,140,000. Details are as follows:

1. Name list of auditors from KPMG Poomchai Audit Ltd are as below:

- | | | |
|-----------------|----------------|-------------------|
| 1. Miss Sonboon | Supasiripinyo | Certified No.3731 |
| 2. Miss Boonsri | Chotpaiboonpun | Certified No.3756 |
| 3. Mr.Veerachai | Ratanajaratkul | Certified No.4323 |
| 4. Mr.Santi | Pongjareanpit | Certified No.4623 |

2. Auditing fees will not exceed an amount of Baht 3,140,000 as following details:

- | | |
|---|----------------|
| 1. Yearly financial statements auditing fee | Baht 1,800,000 |
| (Same as 2005 Rate) | |
| 2. Quarterly financial statements auditing fee | Baht 1,050,000 |
| (A decrease of Baht 150,000) | |
| 3. Yearly consolidated financial statements auditing fee | Baht 140,000 |
| (A decrease of Baht 10,000) | |
| 4. Quarterly consolidated financial statements auditing fee | Baht 150,000 |
| (A decrease of Baht 90,000) | |

In addition, KPMG Poomchai Audit Ltd is appointed as the Company's only subsidiary, namely, Gaysorn Construction Co., Ltd 's auditor,

Documents or Evidence Showing an Identity of the Shareholders or a Representative of the Shareholders Entitled to Attend the Meeting and Conditions for Proxy Granting and Voting

In order to create confidence to shareholders, investors and all relevant parties, as well as to have transparency and justification in the meeting of shareholders and for the benefit of the shareholders, as a tendency for future practice, the Company deems it appropriate to verify documents and evidence of the shareholders or a representative of the shareholders entitled to attend the meeting. In this regard, the Company hereby reserves its right to waive any of these requirements for some of the shareholders or a representative of the shareholders entitled to attend the meeting on a case by case basis at the Company's sole discretion.

In the case that any shareholders register to attend the meeting after the Chairman declares the meeting open according to the timetable stipulated in the invitation letter, the Company would reserve the right to restrict that such shareholders refrain from voting for the agenda that had been considered and the voting result had already been announced. Such shareholders are able to provide their votes only on the remaining agendas.

Documents or Evidence Required from the Shareholder and the Proxy

1. Natural Person

1.1 *Thai nationality*

- (a) Shareholder attending the Meeting is required to present any of the following: personal identity card, government official card, state enterprise identity card, passport or any identity card issued by a government agency with shareholder's photo.
- (b) In case of granting a proxy, a proxy is required to deliver the following documents to the Company:
 - 1.1.1 Proxy form (as attached with invitation letter) with complete contents and authorized signatures, fixed with Baht 20 duty stamp.
 - 1.1.2 Certified copy of personal identity card, as specified in (a), of a grantor.
 - 1.1.3 Certified copy of personal identity card, as specified in (a), of a proxy.

1.2 *Foreigner*

- (a) Shareholder attending the Meeting is required to present any of the following: personal identity card, government official card, state enterprise identity card, passport or any identity card issued by a government agency with shareholder's photo.
- (b) In case of granting a proxy, a proxy is required to deliver the following documents to the Company:
 - 1.2.1 Proxy form (as attached with invitation letter) with completed information and authorized signatures, fixed with Baht 20 duty stamp.
 - 1.2.2 Certified copy of personal identity card, as specified in (a), of a grantor. The copy must be ratified by one of the followings: Royal Thai Embassy, Royal Thai Consulate, a Notary Public, or other person legally authorized by the local law.
 - 1.2.3 Certified copy of personal identity card, as specified in (a), of a proxy.

2. Juristic Person

2.1 *Juristic person registered in Thailand*

A Proxy is required to deliver the following documents to the Company:

- 2.1.1 Proxy form (as attached with invitation letter) with complete information and authorized signatures, fixed with Baht 20 duty stamp.
- 2.1.2 Copy of document specifying person(s) authorized to grant a proxy, certified by authorized person(s).
- 2.1.3 Certified copy of personal identity card, as specified in (a), of authorized person(s) granting a proxy.
- 2.1.4 Copy of the Company affidavit or evidence stating juristic person status, certified by authorized person(s).
- 2.1.5 Certified copy of personal identity card, as specified in (a), of a proxy.

2.2 *Juristic person registered in other countries*

- 2.2.1 Proxy form (as attached with invitation letter) with complete information and authorized signatures, fixed with Baht 20 duty stamp.
- 2.2.2 Copy of document specifying persons(s) authorized to grant a proxy, certified by authorized person(s).

- 2.2.3 Certified copy of personal identity card, as specified in 1.2 (a), of authorized person(s) granting a proxy.
- 2.2.4 Copy of the Company affidavit or evidence stating juristic person, certified by authorized person(s).
- 2.2.5 Documents mentioned in 2.2.1-2.2.4 must be ratified by one of the following: Royal Thai Embassy, Royal Thai Consulate, a Notary Public, or other person legally authorized by the local law.
- 2.2.6 Certified copy of personal identity card, as specified in 1.2 (a), of a proxy.
- 2.2.7 Any document which is written in other languages is required to be translated in English and certified by authorized persons (s) for the correctness of such translation.

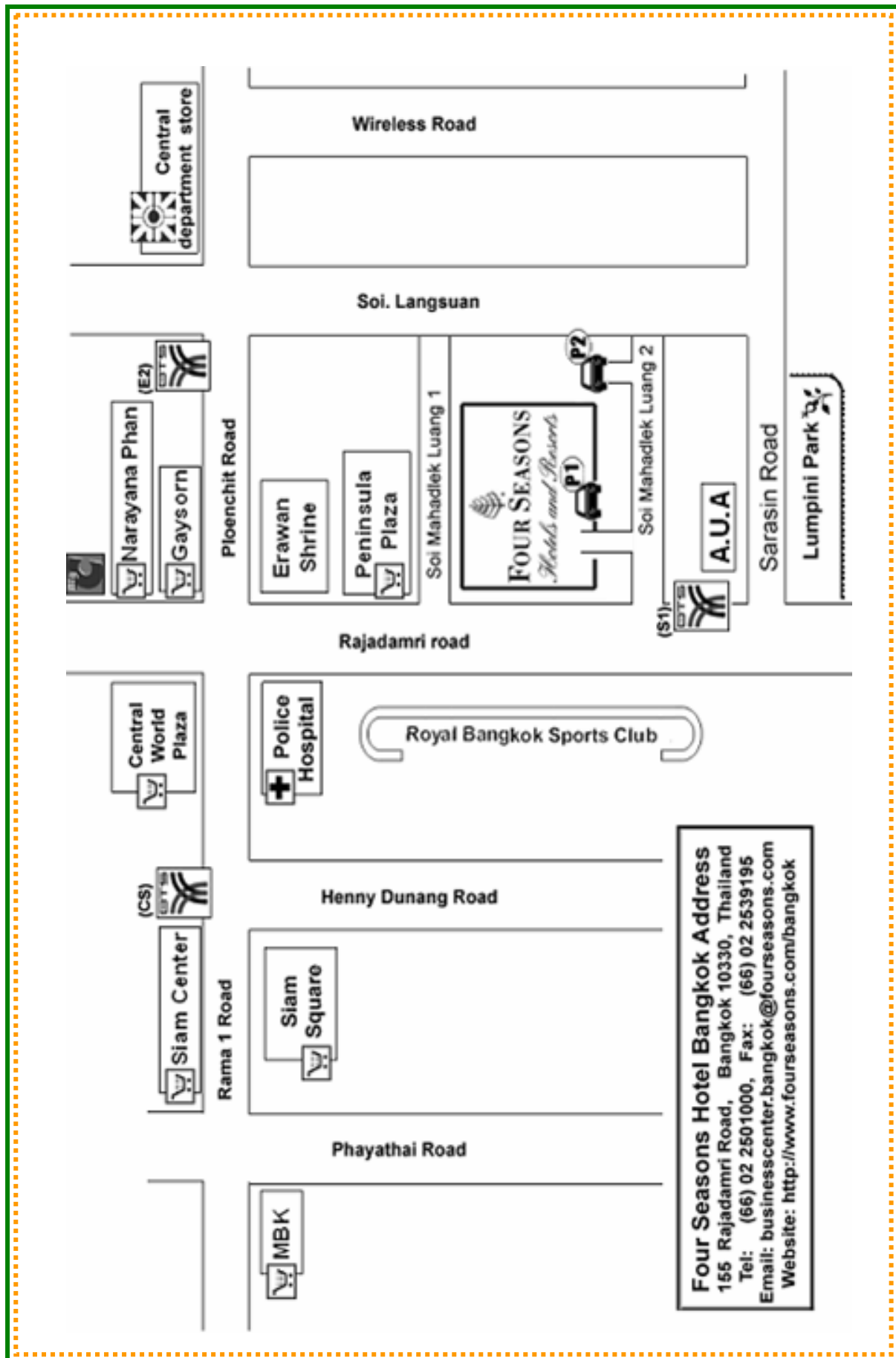
The shareholders or the proxy may register and submit documents or evidence for inspection at the place of the meeting on March 31, 2006 from 09.00 a.m. onwards. In case of granting a proxy, especially by foreign shareholders or foreign corporations, the proxy is recommended to register and submit document or evidence at the beginning of registration for proper document inspection.

Should there be any change of the shareholder or the proxy's suffix, first name, or family name, please present evidence of the change at the registration.

Condition for Proxy Granting and Voting

According to the notice issued by the Department of Business Development, Ministry of Commerce regarding authorization of any person as a proxy to attend and vote at the shareholders meeting, the shareholder may grant the power to a proxy for all of the shares holding or grant only portion of the shares less than the number of shares holding. The grantor shall authorize the proxy to vote in accordance with the proxy's intention or to be in accordance with the grantor's intention. In case that the proxy grantor and/or the proxy holder is (are) a business entity, the proxy must be granted such that the vote will be cast in accordance with the proxy grantor's intention.

The shareholder appointing a proxy must authorize only one proxy to attend and vote at the meeting. In one agenda, the amount of vote shall be split to "agree", "disagree", or "abstain". For casting a vote, one share is equal to one vote and the vote shall be made by using the voting card provided at the registration and the voting result for each agenda shall be announced at the meeting for transparency and verifiable purpose. The Company also authorized an independent person to verify the voting result in the meeting.



Proxy Form (A)
(Simple and Non-complicated Form)



Written at _____

Date _____

(1) I/We _____ Nationality _____
Residing at No. _____ Road _____ Sub-district _____
District _____ Province/Country _____ Postal Code _____

(2) Being a shareholder of Preuksa Real Estate Public Company Limited ("the Company") holding shares at the total amount of _____ shares.

(3) I/We hereby would like to appoint

() 1. _____ Age _____ years

Residing at _____

() 2. Prof. Dr. Trungjai Buranasomphob, Independent Director Age 63 years

Residing at 19/385 Soi 13, Sukhumvit Road, Wattana District, Bangkok

to be my/our proxy to attend and vote on my/our behalf at the Annual General Meeting of Shareholders 2006 on Friday, March 31, 2006 at 9.30 hrs. at Montathip Room 1, 1st floor, Four Seasons Hotel, 155 Ratchadamri Road, Bangkok 10330, Thailand or other date, time and place as may be postponed or changed.

Any acts performed by the proxy in this meeting shall be deemed as the actions performed by myself/ourselves in all respects.

Signed _____ Grantor

(_____)

Date.....

Signed _____ Proxy

(_____)

Date.....

Remarks

1. The shareholder appointing the proxy must authorize only one proxy to attend and vote at the meeting and may not split the number of shares to many proxies for splitting votes.
2. The shareholder may grant the power to the proxy for all of the shares holding or grant only a portion of the shares less than the number of shares holding. The amount of vote granted shall be clearly specified.
3. The shareholder is entitled to split the votes to "agree", "disagree" or "abstain".



Proxy Form (B)
(Explicit Form)

Written at _____

Date _____

(1) I/We _____ Nationality _____
Residing at No. _____ Road _____ Sub-district _____
District _____ Province/Country _____ Postal Code _____

(2) Being a shareholder of Preuksa Real Estate Public Company Limited ("the Company") holding shares at the total amount of _____ shares and being entitled to vote with the number of _____ votes.

(3) I/We hereby appoint

() 1. _____ Age _____ years
Residing at _____

() 2. Prof. Dr. Trungjai Buranasomphob, Independent Director Age 63 years
Residing at 19/385 Soi 13, Sukhumvit Road, Wattana District, Bangkok

to be my/our proxy to attend and vote on my/our behalf at the Annual General Meeting of Shareholders 2006 on Friday, March 31, 2006 at 9.30 hrs. at Montathip Room 1, 1st floor, Four Seasons Hotel, 155 Ratchadamri Road, Bangkok 10330, Thailand or other date, time and place as may be postponed or changed.

(4) The total number of votes I/we grant to my/our proxy to attend this meeting and vote therein is as follows:

☐ equal to all of the number of shares held by me/us and is entitled to vote pursuant to Clause (2)

☐ a part of () _____ ordinary shares and is entitled to vote _____ votes
being a total number of _____ votes.

(5) I/We hereby grant my/our proxy to vote on my/our behalf in this meeting as follows:

☐ (a) The proxy is entitled to consider and vote on my/our behalf as appropriate in all respects.

☐ (b) The proxy shall vote according to my/our intention as follows:

Agenda 1 To consider adopting the Minutes of the Extraordinary General Meeting of Shareholders 3/2005 held on November 11, 2005.

☐ Agree _____ votes ☐ Disagree _____ votes ☐ Abstain _____ votes

Agenda 2 To acknowledge the Report of the Company's 2005 Operating Results.

☐ Acknowledge

Agenda 3 To consider approving the Financial Statements for the year ended, December 31, 2005.

☐ Agree _____ votes ☐ Disagree _____ votes ☐ Abstain _____ votes

Agenda 4 To consider approving the 2005 profit appropriation and dividend payment

☐ Agree _____ votes ☐ Disagree _____ votes ☐ Abstain _____ votes

Agenda 5 To consider election of directors and fixing the directors' remuneration for the year 2006

Directors' Remuneration for the Year 2006

☐ Agree _____ votes ☐ Disagree _____ votes ☐ Abstain _____ votes

Appointment of Directors

☐ Agree to the appointment of those retired directors _____ votes ☐ Disagree _____ votes
☐ Abstain _____ votes

☐ Agree to the appointment of certain directors as follows:

1. Mr. Narong Manavapat

☐ Agree _____ votes ☐ Disagree _____ votes ☐ Abstain _____ votes

2. Mr. Prasert Taedullayasatit

☐ Agree _____ votes ☐ Disagree _____ votes ☐ Abstain _____ votes

3. Mrs. Rattana Promsawad

☐ Agree _____ votes ☐ Disagree _____ votes ☐ Abstain _____ votes

4. Mr. Piya Prayong

☐ Agree _____ votes ☐ Disagree _____ votes ☐ Abstain _____ votes

Agenda 6 To consider appointing the auditor and fixing the auditor's remuneration for the year 2006

☐ Agree _____ votes ☐ Disagree _____ votes ☐ Abstain _____ votes

Agenda 7 Other business (if any)

☐ Agree _____ votes ☐ Disagree _____ votes ☐ Abstain _____ votes

(6) Other statements or evidence (if any) of the proxy _____

(7) In case I/We did not specify my/our voting intention in any agenda, or not clearly specified or in case the meeting considers or passes resolutions in any matters other than those specified above, including in case there is any amendment or addition to any fact, the proxy shall have the right to consider and vote on my/our behalf as he/she may deem appropriate in all respects.

Any acts performed by the proxy in this meeting shall be deemed as the actions performed by myself/ourselves in all respects.

Signed _____ Grantor

(_____)

Signed _____ Proxy

(_____)

Remarks

1. The shareholder appointing the proxy must authorize only one proxy to attend and vote at the meeting and may not split the number of shares to many proxies for splitting votes.

2. The shareholder may grant the power to the proxy for all of the shares specified in Clause (2) or grant only a portion of the shares less than those specified in Clause (2) to the proxy.

3. The proxy is entitled to split the votes. In this regard, if the statement exceeds those specified above, it can be specified in the continued list of proxy as attached.

4. For the agenda of electing directors, the vote may be made for the whole proposed directors or certain directors.

5. If there is any rule or regulation requiring the proxy to make any statement or provide any evidence, such as the case that the proxy has interest in any matter which he/she attends and votes at the meeting, he/she may mark the statement or provide evidence by specifying in Clause (6).

Proxy Form as defined by Department of Business Development, Ministry of Commerce

The continued list of proxy (Form B)

The proxy granted on behalf of the shareholder of Preuksa Real Estate Public Company Limited

For the Annual General Meeting of Shareholders 2006 held on Friday, March 31, 2006 at 9.30 hrs. at Montathip Room 1, 1st floor, Four Seasons Hotel, 155 Ratchadamri Road, Bangkok 10330, Thailand or other date, time and place as may be postponed or changed.

.....

Agenda _____ **Subject** _____

☐ Agree _____ votes

☐ Disagree _____ votes

☐ Abstain _____ votes

Agenda _____ **Subject** _____

☐ Agree _____ votes

☐ Disagree _____ votes

☐ Abstain _____ votes

Agenda _____ **Subject** _____

☐ Agree _____ votes

☐ Disagree _____ votes

☐ Abstain _____ votes

I/we hereby certify that the statements in this continued list of proxy are correct, complete and true in all respects.

Signed _____ Grantor

(_____)

Date

Signed _____ Proxy

(_____)

Date

Affix
20 Baht
Duty
Stamp

Proxy Form (C)
(Requirement Adding Form)

Written at _____
Date _____

(1) I/We _____ Nationality _____
Residing at No. _____ Road _____ Sub-district _____
District _____ Province/Country _____ Postal Code _____

(2) Being a shareholder of Preuksa Real Estate Public Company Limited ("the Company") holding shares at the total amount of _____ shares.

(3) I/We hereby would like to appoint

() 1. _____ Age _____ years
Residing at _____

() 2. Prof. Dr. Trungjai Buranasomphob, Independent Director Age 63 years
Residing at 19/385 Soi 13, Sukhumvit Road, Wattana District, Bangkok

to be my/our proxy to attend and vote on my/our behalf at the Annual General Meeting of Shareholders 2006 on Friday, March 31, 2006 at 9.30 hrs. at Montathip Room 1, 1st floor, Four Seasons Hotel, 155 Ratchadamri Road, Bangkok 10330, Thailand or other date, time and place as may be postponed or changed.

(4) The total number of votes I/we assign to the proxy to attend and vote on my/our behalf in this meeting is _____ votes

(5) In this meeting I/we assign the proxy to vote as the following details:

Any acts performed by the proxy in this meeting shall be deemed as the actions performed by myself/ourselves in all respects.

Signed _____ Grantor

(_____)

Signed _____ Proxy

(_____)

Remarks

1. In case where the statement exceeds those specified in Clause (5) or other items, or additional details required other than those specified above, such information shall be specified in accordance with the grantor's intention as deemed appropriate.

2. The shareholder appointing the proxy must authorize only on proxy to attend and vote at the meeting and may not split the number of shares to many proxies for splitting votes.

3. The shareholder may grant the power to the proxy for all of the shares specified in Clause (2) or grant only a portion of the shares less than those specified in Clause (2) to the proxy. The amount of vote granted shall be clearly specified in Clause (4).

4. The shareholder is entitled to split the votes to "agree", "disagree" or "abstain".