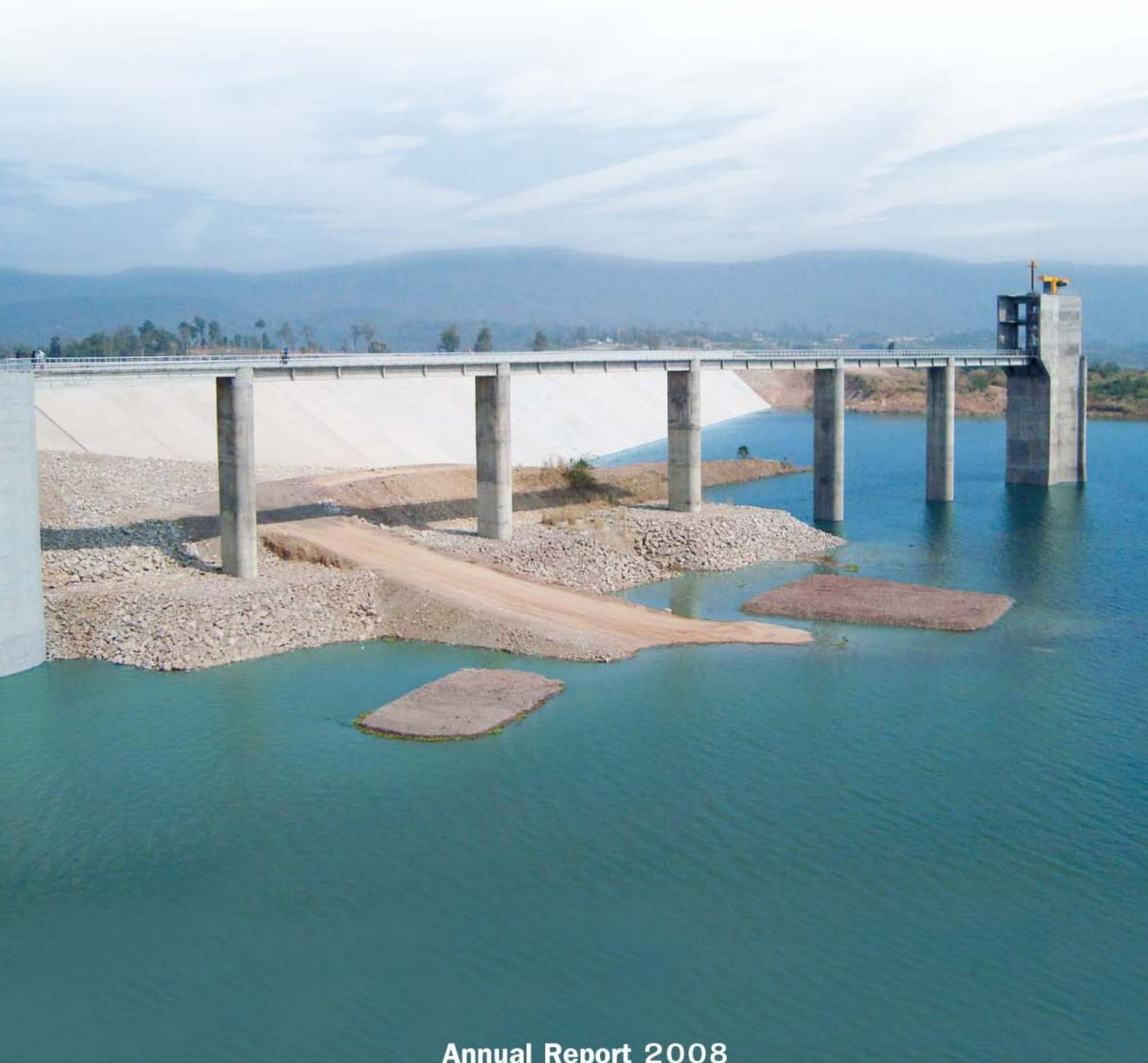




บริษัท เพาเวอร์-พี จำกัด (มหาชน)  
Power-P Public Company Limited



Annual Report 2008

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In 2008, company's important problems had already resolved almost every case, such as financial report. Now I am please to inform that our financial report can be released as usual and the legal case as we had to pay nearly Baht 200 million has dismissal by court and not to be appealed anymore. The Kwai Noi Dam directed to the H.M. though ness, has been involved by the company since the beginning of 2008. Although the rising of construction materials price such as steel, cement and oil etc. about 3 times of normal. The company devoted itself to solve every problem until this project is nearly finished. Even though we may loss but we can protect some money and get appreciation from owner and all partners.

On behalf of board of director, I am pleased to thank you to all of value shareholder, customer and business partnership, financial institution, Thai government, specific for Royal Irrigation Department, Ministry of Agriculture and associated individual that always kindly to support us. Finally, I am pleased to thank you to the director and all of staff that always working in responsibility and participate in develop our organization to continue our business rise and steady evermore.

A handwritten signature in black ink, appearing to be the name 'Sith Sithmongkol' in Thai script, followed by a long horizontal flourish.

(General Sith Sithmongkol)  
Chairman of the Board of Director



To Shareholders,

The Board of Directors of Power-P Public Company Limited has appointed three independent directors as the Audit Committee, namely, Gen. Sith Sithmongkol as the Chairman of the Audit Committee, Mr. Prawit Srisangnarm and Ms. Supawinee Nitchakaroon, each as a member of the committee

During the year 2008, the Audit Committee held eight joint meetings as meeting with chief executive total at seven times (In case of meeting with management the directors whose has any interest shall not joint meeting) for meetings attendance as per below details;

<u>Name of Audit Committee</u>	<u>Time of joint meetings / Total of meetings</u>
Gen. Sith Sithmongkol	8 / 8
Mr. Prawit Srisangnarm	8 / 8
Ms. Supawinee Nitchakaroon	6 / 8

The Audit Committee has been joint meetings with internal auditor, chief executive and the company auditor and independently performed its duties by the regulation of The Stock Exchange of Thailand and by the company's board of director appointed, which can be summarized as follows;

- Review the annual financial statements of the company for the year 2008, as well as the company's consolidated financial statements. It is the Audit Committee's view that the financial statements are in compliance with the generally accepted accounting standards and the company has sufficiently disclosed reliable related transactions.
- To establish appropriate and adequate internal control system under the present business environment, the Audit Committee reviewed and assessed such system and recommended that it needs improvement. The company has since begun to implement the necessary improvement to the system. The action was made to ensure that each individual department of the company has an appropriate work system
- Corporate with internal auditor for review and evaluate the operation and related system then report the result to the management for identify the issue or weak point in internal audit system and take it for internal audit system improvement's information to be more effective

The Audit Committee is fully committed to emphasize in the principle of Good Governance as its main to development the company in worthwhile also fully permit in the Corporate Governance as follow the regulation of The Stock Exchange of Thailand and Securities and Exchange Commission. In previously the Audit Committee has been consultation together with absolutely to share an opinion with the management to make the reliability of internal audit system and the Company's financial reports that would help the organization "value" in time.

On behalf of the Audit Committee,

(General Sith Sithmongkol)  
Chairman of the Audit Committee

### Company's Profile

Power-P PLC ("the Company") is engaged in construction consulting and contracting business, which head office located at 900/16 20<sup>th</sup> floor of the Thanasin Tower, Rama III Road, Bangpongpan, Yannawa Bangkok 10120. The Company's registration number is 0107536000455 (Bor Mor Chor 119), telephone number 0-2682-6366-7, 0-2682-6385-6 and fax number 0-2682-6393, 0-2682-6364

### Background

The Company was established on February 8, 1978 as a manufacturer and seller of prestressed concrete piles while foundation work services started in 1981. However, in 1992 the Company was listed on the Stock Exchange of Thailand ("SET") and became a public company with the name Power-P PLC in the following year. Since 1992, the Company began to diversify construction services towards other areas including the installation and building of electricity plants.

Nonetheless, the economic downturn in 1997 significantly affected the property industry which either triggered the slowdown or termination of most projects. As a result, the Company's performance had incurred subsequent losses between 1997 - 2001. The SET had posted "SP" on the Company and suspended trading on the Company's stocks and while transferring it to "REHABCO" sector. In 2001, the Company entered into the business rehabilitation process and the Central Bankruptcy Court appointed Power-P Planner Ltd. as the administrator of the rehabilitation process.

In 2004, the Company was able to successfully settle debts according to the rehabilitation plan, thus, initiated a subsequent termination of the plan by the Central Bankruptcy Court. On December 7, 2005 the Company re-entered into the SET under the Property Development Sector with a change in the trading abbreviation to "POWER".

Registered and paid-up capital (as of December 31, 2008)

Registered capital	Bt.	2,100,000,000	
Paid-up capital	Bt.	2,100,000,000	
Divided into:			
Ordinary shares		210,000,000	shares
Par value	Bt.	10	/share

### Information on related companies

#### Subsidiary company

- **J-Power Co., Ltd.**

J-Power Co., Ltd. was a subsidiary of the Company with 80.00% stake holding of Bt. 2.5 million paid-up capitals. J-Power Co., Ltd. was involved in the design and construction of factories and warehouses to accommodate new business ventures. Although, J-Power Co., Ltd. has currently ceased operations, its head office was located at 900/16 20<sup>th</sup> floor of the Thanasin Tower, Rama III Road, Bangpongpan, Yannawa Bangkok 10120. J-Power Co., Ltd. registration number was Bor Chor (2) 3188/2539, telephone number 0-2682-6366-7, 0-2682-6385-6 and fax number 0-2682-6393, 0-2682-6364

Registered and paid-up capital (as of December 31, 2008)

Registered capital	Bt.	10,000,000	
Paid-up capital	Bt.	2,500,000	
Divided into:			
Ordinary shares		250,000	shares
Par value	Bt.	10	/share

#### Other related company

- **Joint Venture with UBC Power**

UBC Power is a joint venture between the Company, Union Infartech Co., Ltd., Bangkok Motor Equipment Co., Ltd. and China International Water and Electric Corporation. Business objective is to bid for the construction of dam, associated buildings and other components under the Kwai-Noi Dam project in Wat Bot district, Phitsanulok, within the Irrigation Department, Agriculture and

Cooperatives Ministry valued at Bt. 3.588 billion. The Company holds 10.00% stake in the joint venture. UBC Power head office is located at 184/149-150 24<sup>th</sup> Fl., Forum Building, Ratchadaphisek Road, Huai Kwang, Bangkok 10320. Taxpayer ID number is 3031584631, telephone number 0-2-645-2683-5 and fax number 0-2645-2574

- **Joint Venture with Power-Nopawong**

Power-Nopawong is a joint venture between the Company and Nopawong Construction Co., Ltd. Business objective is to bid for the construction of Kasetsart University's 50 Years Mahavachiralongkorn building for Research and Agricultural Sciences valued at Bt. 157.17 million. The Company holds 49.00% stake in the joint venture. The head office is located 100 Moo 8, Tivanont Road, Bangpood, Pakkret, Nonthaburi 11120. Taxpayer ID number is 3031740518, telephone number 0-2964-5780-6 and fax number 0-2964-5792, 0-2583-7389

**References**

1) Registrar	Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand Building 62 Ratchadaphisek Road, Klongtoey, Bangkok 10110 Tel: 0-2229-2800 / Fax: 0-2359-1262-3
2) Auditor	Mr. Somchai Kurujitkosol CPA No.3277 S.K. Accountant Services Co., Ltd. 128/150-153 Phayathai Plaza Building, 14 <sup>th</sup> Floor, Phayathai Road, Thungphayathai, Ratchatavee Bangkok 10400
3) Legal Advisor	Thampisut Law Office Co., Ltd. 18 Soi Vibhawadi Rangsit 4, Vibhawadi Rangsit Road, Danmuang, Bangkok 10210
4) Internal Auditor	Audit House Co., Ltd. 19 Soi Ladprao 120, Ladprao Road, Wongtonglang, Bangkok 10310 Tel: 0-2530-6886, 0-2934-3489 Fax: 0-2934-0607

Financial Highlights

Unit: Thousand Baht

Item	Consolidated			The Company Only		
	2006	2007	2008	2006	2007	2008
<b>Financial Status</b>						
Current assets	67,573	38,720	48,646	27,716	9,231	21,789
Total assets	349,680	282,245	255,610	296,437	252,601	228,732
Current liabilities	116,945	69,848	56,588	46,645	26,252	14,257
Total liabilities	184,945	136,428	123,711	13,701	106,784	96,833
Shareholders' equity	165,736	145,817	131,899	164,736	145,817	131,899
<b>Operating Performance</b>						
Revenues from construction services	150,133	113,789	70,066	4,621	-	-
Construction Cost	149,674	114,116	69,867	4,488	-	-
Profit (Loss) Profit	459	(327)	199	133	-	-
Other revenues	15,238	11,932	11,964	15,093	11,769	12,381
Gain from Debt Restructuring	-	8,264	-	-	8,264	-
Gain from Sales of Fixed Assets	74,811	19,774	129	74,811	19,774	131
Administration Expenses	37,444	43,352	36,069	36,069	41,374	34,764
(Doubtful Debt) Reversal	117,468	9,179	(13,357)	115,605	17,719	(12,829)
Loss from Decline in Value of Inventory	-	5,523	-	-	1,153	-
Loss from Contract Terminate	10,093	-	-	-	-	-
Remuneration of Directors	1,860	2,230	2,840	1,860	2,230	2,840
Provision for Loss from Guarantee	7,858	-	-	7,858	-	-
(Provision of Investment in Subsidiary and Joint Ventures) Reversal	-	-	-	-	(3,104)	1,501
Interest Expenses	32,292	507	657	32,929	507	153
Corporate Income Tax	362	-	-	-	-	-
Net profit	(116,689)	(18,918)	(13,917)	(116,535)	(18,919)	(13,917)
<b>Proportion of cost per share (Unit : Baht)</b>						
Per share ratio (Unit: Baht)	0.78	0.69	0.63	0.78	0.69	0.63
Earnings per share before extraordinary item	(0.56)	(0.13)	(0.07)	(0.55)	(0.13)	(0.07)

Item	2006	2007	2008
<b>Financial Ratios</b>			
Liquidity ratio (time)	0.58	0.55	0.86
Gross profit margin (%)	0.31 %	(0.29 %)	0.28 %
Operating profit margin (%)	(35.06 %)	(18.33 %)	(18.93 %)
Net profit margin (%)	(48.66 %)	(13.00 %)	(19.86 %)
Return on equity (%)	N/A	N/A	N/A
Return on total assets (%)	(40.54 %)	(49.27 %)	(5.18 %)

Note: \* Excluding revenues from property rental

**Business Transaction Qualities of the company and subsidiaries**

Business Transaction Qualities has the following types:

- Power-P PLC runs the service business of contraction construction, providing consultant service and construction project administration both for government and private sector and also real estate development business.

**Service Business – Construction Contraction**

The company has the policy to operate on construction contraction on turnkey projects or acceptance to employment service from providing consultation and construction administration project in order to study its feasibilities of the project, base construction service, to operate brickwork until completion. The operation is in form of sub-contraction and/or joint-venturing in the joint-ventures such as construction to office building, housings until home fore residing as well as construction dams for agriculture in order to produce power generator base and work for water management and facilities.

**Target customers of the company are;**

- Private sector, real estate development companies, both registered in Stock Exchange of Thailand, general company limited and business owners.
- Government sector, the customer target are Royal Irrigation Department of Ministry of Agriculture and Cooperatives, Highways Department, National Housing, State Railway of Thailand, Electricity Generating Authority of Thailand and Provincial Electricity Authority.

**Real Estate Development Business**

The company realize on the opportunity to enter into the **Real Estate Development Business** for residing and office buildings both vertical and horizontal levels. Since the business is still growing and expand according to the economic situations as well as the government policies to activate the economic on real estate sector with facilities apparently.

**In year 2008, the company had important changing in conclusion as are follows:**

- Feb. 22, 2008 The Company has sent the Financial Report (amendment issue) with not providing Special Audit but transfer an ambiguous income to record in the account "suspension receive" (Liability) at total amount Baht 66.58 million in order that this amend Financial Report as prove by Karin Audit Co., Ltd. by Mr. Jessada Hangsapruak, CPA No.3759 and this report that present a comparison information of Financial Statement as compare between Financial Statement year 2003 with year 2004, and year 2005 with 2006 add to 1 issue. Then the Company has been withdraw an accusation as the Company file to the Central Administrative Court in the allegation of improperly dominate direction in order that revise the Financial Report and providing Special Audit with the Office of Securities And Exchange Commission.
- Apr. 22, 2008 The Stock Exchange of Thailand has put NC mark to the Company trading securities because have no any comments from the auditor to company Financial Report at 3 consecutive years, so the principal method to repair is the company shall have shareholders part more than Baht 300 million and get profit from ordinary business operation more than Baht 30 million within one year. The Company has been re-suppurate the Financial Report year 2004, 2005 and year 2006 (amendment issue) made up to the Financial Report year 2003 compare with year 2004, year 2004 compare with year 2005 and year 2005 compare with year 2006 total amount 3 issues by ANS Audit Co., Ltd. by Mr. Athiphong Athiphongsakul, CPA No.3500 informed new opinion on the auditor report.
- Jun. 23, 2008 The Company has announced to The Stock Exchange of Thailand the mentioned about on 12 May 2008 The Civil Court, South of Bangkok has the judgment to Company win an accuse in the allegation of the payment of advance money at total amount Baht 29.73 million with an interest at 7.5 percent per year to put together not over 4,946,710.18 Baht from P.Price Supply and Construction Co., Ltd.
- Sep. 8,2008 The Company has announced to The Stock Exchange of Thailand the mentioned about on 21 Aug 2008 The Civil Court, South of Bangkok has the judgment follow a compromise contract to Merce Engineering Co., Ltd. to pay advance money of total amount Baht 10.62 million with an interest by installment total 3 period as 3,539,628.21 Baht each.
- Sep. 16, 2008 The Company got an indicted in the allegation of do not settle the Financial Report with in due date unfinished lawsuits No.A.2952/2551 at The Criminal Court as the Company paid fine at 567,000 Baht therefore this case already finished as follow lawsuits No.A.3413/2551.
- Oct. 7, 2008 The Company has announced to The Stock Exchange of Thailand the mentioned about The Civil Court has judgment to dismiss a case as The Best Condominium Co., Ltd. indict to Company in the allegation of the equivocate of juristic act follow unfinished lawsuits No.5404/2548.
- Oct. 24, 2008 The resolution of the Extraordinary General Meeting 1/2008 as approve that the Board of Director to compromise with Mr. Leang Visawatheeranon LVC Development Co., Ltd. along with accept the money not less than Baht 33 million. In addition the resolution of the Extraordinary General Meeting 1/2008 as approve to off-set with the discount on shares capital total 761,800,000 Baht and the retaining deficit with accumulate total 1,192,382,965 Baht, so that new the company registered is 136,500,000 Baht or 210,000,000 shares Ordinary shares at 0.65 Baht each.
- Nov. 4, 2008 The Company has announced the compromise case with Mr. Leang Visawatheeranon as on 29 Oct 2008 the Company received cheque as settle payment in advance totally 6 issue at total amount Baht 34 million together with withdraw an accusation of criminal case between each other too.

**Vision of the Company**

We are the Contractor and Real Estate Developer who admittedly with works in good of quality, excellent way and make a top of satisfaction to customer.

**Mission of the Company**

1. To continually improve the quality of work and manage various resource to use in best value.
2. Having good manage of administrate under the principles of good governance.
3. Make a good relationship to all stakeholders since the company corporate, government section, shareholder and all partnership.
4. Preparation and flexibility for any markets' situation also make a strong point, find chance of business solution together with solve problem and weakness point of company in hastily.

**Target of the Company**

The company shall pass any difficulties also abilities to do the business among high competition situation until come to be leader of Contractor and Real Estate Developer Company together with good reward to all shareholders in worthwhile including responsibilities to compensate for society.

The Company only operates domestically in Thailand; hence, revenue structure is as follows;

(Unit: Bt. million)

The Company Only	2008		2007		2006	
	Revenue	%	Revenue	%	Revenue	%
<b>Main source of income</b>	-	-	-	-	-	-
Building material production	-	-	-	-	-	-
Prestressed concrete piles	-	-	-	-	-	-
Sale of prestressed concrete piles	-	-	-	-	-	-
Construction contracting service	-	-	-	-	-	-
Bored piles and cement injection	-	-	-	-	-	-
High-rise and general construction	-	-	-	-	4.62	100.0
Heavy lifting service	-	-	-	-	-	-
Consulting fees	-	-	-	-	-	-
Land and equipment rental	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	<b>4.62</b>	<b>100.0</b>

### Marketing Strategies

#### Construction standard and quality

The Company focuses on systematic operations with quality-check and control at all steps to ensure quality, safety, staff efficiency and on-time delivery with no impact to the community and environment.

#### Pricing

The Company adopts a market-based competitive pricing policy by taking into account raw material costs, labor wages and overheads. Meanwhile, profit margins are set according to company policy without concentrating on boosting sales through cutting prices as this will dampen profitability. Nonetheless, the Company focused on cost efficiency to create the best quality at a competitive price.

#### Target markets, from private to public sector

The Company aims to secure more government sector projects in order to reduce the risk of payment failure, in particular, infrastructure projects such as road construction, river bank protection, bridges and water drainage systems.

#### Management's competence

The management is highly experienced with expertise of more than 10 years, thus, ensuring client's confidence in quality and strength of the Company.

#### Create and maintain good relationship with designers and contractors

It is company policy to build good relationship with other designers and contractors to ensure strategic cooperation in bids.

#### One-stop service

The Company aims to give comprehensive services like feasibility study consulting, foundation works and project construction, thus, enabling client's convenience for monitor and budget control.

#### Target groups

At present, most of the clients are from the private sector but the Company intends to expand to the public sector in the future.

#### Product and service sourcing

- **Construction contract**

Construction contracts are mainly obtained through bidding or negotiations, based on bid announcements or contacts with new and old clients. Therefore, the Business Development department and strategic partners will work together in bid proposals or such negotiations.

However, bids for government projects are done through joint ventures so that the Company can benefit from the experience and reputation of these partners. For private sector projects, the Company will participate in the bids directly after which the Company will either subcontract completely or subcontract only the labor in the case that the Company is able to find building materials.

Should the Company handles the construction itself, without subcontracting, or via a joint venture, the material purchasing plan will be matched according to the type of project by buying from the manufacturer and/or domestic selling-agent. Nonetheless, the Company may choose to buy from abroad if the material is unavailable locally or should the Company receive a more attractive deal.

In addition, building material prices of some projects have been negotiated in advance, thus, enabling the supplier to adequately plan stock and deliver on time. As a result, the Company is not greatly affected by the shortage and volatile prices of raw materials.

For basic building materials such as piles, steel and concrete, the Company normally buys from a variety of manufacturers and selling-agents so to eliminate sole reliance with any specific supplier. The Company will mainly consider the conditions, quality and price.

## **Risk Factors**

The direct and indirect risks to the Company are as follows;

### **1. Risks from intense competition**

Currently, competition within the construction industry is becoming more intense due to the considerable increase in the number of contractors, more leading to price-cutting comprise of the recession economic situation of country on quarter 3 to effecting to diminish net profits of company.

In addition, the Company plans to offer high-quality services within the specified budget and timeframe with emphasis on developing and maintaining long-term relationship with both private and public sector clients for a chance of continually service in the future. This is done through offering consistent service which will reduce the risks from the competitive market.

### **2. Risks from volatility of material prices**

The main part of the bid calculation is the cost of materials. Therefore, price changes will directly affect the cost and profit of the business. However, the Company aims to reduce this risk by setting up MOU with the supplier in advance or set-up a fixed rate paid to subcontractors' right from the start of the bid. As a result, the Company will be able to control material costs and maintain profit margins to some extent. Besides, for government or state enterprise projects, the Company will be able to adjust prices in the event of higher material costs. For private projects, the Company can include in the contract an allowance for price alterations should material costs vary significantly.

### **3. Risks from reliance on subcontractors**

The Company has switched its business operations to become a consultant and construction contractor with more focus on the role of project provider, project bidder and construction supervisor. In order to enhance management flexibility, facilitate manpower control and cost management, the Company will hire the appropriate subcontractor, thus, leading to a reliance on such contractors. To reduce such risks, the Company had invested in a well-equipped and well-experienced contractor in 2005. Through forming a strategic alliance, such dependence on one particular contractor will be eliminated. The Company will be able to determine a fair and competitive compensation for subcontractors while maintaining good relationships with many contractors rather than a few.

### **4. Financial risk**

#### **Revenues**

Since the Company's revenue is earned from project to project not through a long-term agreement, the consistency of the cash flow will depend on the ability to win bids or be selected for each project type. Therefore, the Company intends to maintain its regular customer base through focusing on quality service, punctual delivery and securing client's confidence. Likewise, the Company's Project Development department will support the management with information about various potential bids. This includes developing services for target groups, expanding client's base to generate consistent projects for the Company and reduce risk of irregular source of revenue.

#### **Cash flow**

Construction contractors should have adequate cash flow for material purchasing, labor costs and collateral for commercial banks to issue such bid bonds and performance bonds guarantees. As a result, any changes in the payment period of the employer may affect cash flow. Therefore, to reduce such risks, each contract will include the financial projections of income and expenses of the project and assess cash flow adequacy. The Company will negotiate for stringent payment terms and always evaluate the financial status of the employer before taking the job. In addition, as the Company is listed on SET, the Company may raise funds through issuing various types of bonds to the public or private placement to meet the capital requirement of each project.

#### **Payment failure**

In the business of construction, there is a risk of payment failure or that payments are not paid on schedule. Since the payment should be made in accordance with construction progress, thus,

such risk will inevitably affect liquidity and cash flow of the Company. As a result, the Company will stringently select its clients, particularly those from the private sector, by assessing their financial status, operating performance, reputation, management profile and core target groups. For the government sector and state enterprises, the risks of payment failure are rather minimal but there are possibilities that payment will be delayed due to the complicated consideration and approval process. Therefore, to ensure successful operations, the Company will adequately balance the proportion between private and public sector projects while taking into account other influential factors.

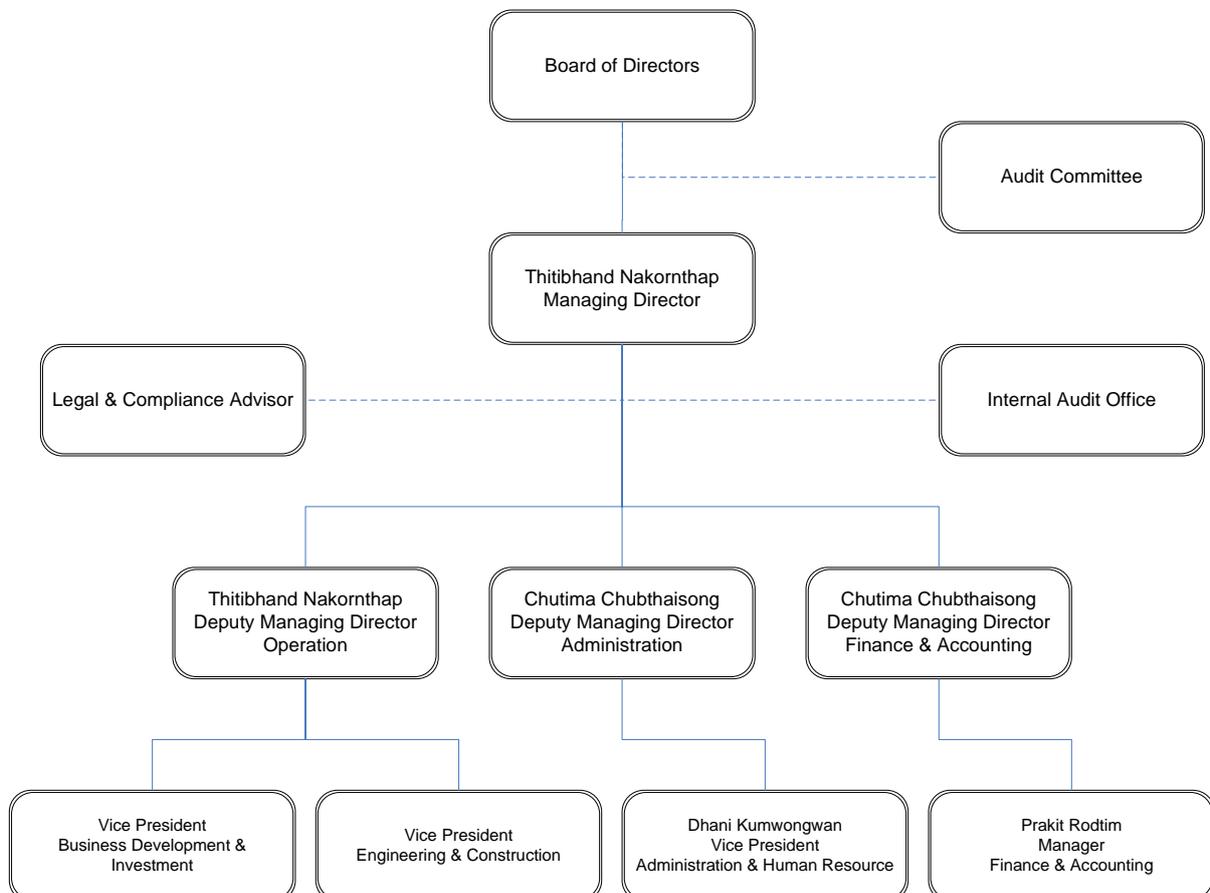
**Shareholder Structure**

Top 10 major shareholders as of 25 September 2008

<b>No.</b>	<b>Name</b>	<b>No. of shares</b>	<b>%</b>
1.	Mr. Komol Jongruengruangkij	17,600,000	8.381
2.	Mr. Khemmarath Osathaphan	9,868,400	4.699
3.	Mr. Torngbai Torngsukdee	8,250,000	3.929
4.	Mr. Kamol Lekwattananont	6,304,400	3.002
5.	Mr. Somchai Thamrongworaporn	4,840,000	2.305
6.	Mr. Warut Souiwattana	4,580,000	2.181
7.	Ms. Somkoun Vijitjinda	4,047,282	1.927
8.	Thai NVDR Co., Ltd.	3,163,300	1.506
9.	Bangkok Commercial Asset Management Co., Ltd.	3,032,564	1.444
10.	Pol.Maj.Gen. Charlie Paekanant	3,000,000	1.429
	<b>Total</b>	<b>64,685,946</b>	<b>30.803</b>

**Organization structure**

The structure of the organization as of 28 February 2009





As of 28 February 2009, the Company's Board of Director composed 6 members;

- |                   |              |   |
|-------------------|--------------|---|
| 1. General Sith   | Sithimongkol | Chairman of the Board of Director & Audit Committee |
| 2. Mr. Thitibhand | Nakornthap   | Director  |
| 3. Ms. Chutima    | Chubthaisong | Director  |
| 4. Mr. Prawit     | Srisangnarm  | Director & Audit Committee                          |
| 5. Ms. Supawinee  | Nitchakaroon | Director & Audit Committee                          |
| 6. Mr. Panupon    | Jittiwong    | Independent Director                                |

Ms. Chutima Chubthaisong acts as secretary to the Board of Director.

The following Company directors, namely Mr. Thitibhand Nakornthap and Ms. Chutima Chubthaisong are authorized to jointly sign with the Company's seal affixed.

**Scope of power and duties of the Board of Directors**

1. To perform duties in conformity with the laws, the Company's objectives and articles of association, the resolutions of the shareholders, and requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand, with integrity, prudence, and preservation of the Company's benefits.
2. To monitor and ensure the Company operates the business with code of ethics.
3. To map out operational policy, guidelines, plans and budget of the Company and oversee and supervise the committees and the management to perform their duties in line with the stipulated policy effectively and efficiently.
4. To make decisions on significant issues, e.g. business policy and plan, large-scale investment projects, management power, acquisition or disposal of assets, capital increase and capital decrease, business merger, other transactions required by the laws, etc.
5. To consider and set management structure and authority and set the remuneration for the board and committee members to be proposed for shareholder meeting's approval, as well as the remuneration for top executives of the Company.
6. To ensure key information, general information, and financial information of the Company are disclosed to shareholders, stakeholders, or general investors in an accurate and timely manner and in compliance with the law.
7. To put in place an effective and efficient accounting system, internal control system, risk management and follow-up systems, as well as review and assess the adequacy and appropriateness of those systems on a yearly basis.
8. To appoint and authorize committees or President or working groups to consider or perform any task as deemed proper by the Board of Directors.

The director with conflict of interest must not approve any transactions in which that director or the persons with conflict of interest have interest or may have conflict of interest with the Company and/or its subsidiaries.

Three members within the Audit Committee as of 28 February 2009 are as follows;

- |                  |              |   |
|------------------|--------------|---|
| 1. General Sith  | Sithimongkol | Chairman of Board of Director & Audit Committee |
| 2. Mr. Prawit    | Srisangnarm  | Director & Audit Committee                      |
| 3. Ms. Supawinee | Nitchakaroon | Director & Audit Committee                      |

Mr. Prakit Rodtim acts as secretary to the Audit Committee.

On 22 October 2008, the Board of Directors appointed Audit House Co., Ltd. as Internal Auditors and direct report to the Audit Committee every quarter.

**Scope of power and duties of the Audit Committee**

1. To review and ensure the Company's financial reports are accurate and adequately disclosed.
2. To ensure that the Company has suitable and efficient internal control and internal audit systems.
3. To review the operations of the Company and ensure that compliance with the securities and exchange law, regulations of the Stock Exchange of Thailand or laws governing the Company's business.
4. To select and nominate the auditor of the Company and propose the auditor fee.
5. To consider accurate disclosure of information in case there is a connected transaction or transaction that may involve conflict of interest.
6. To perform any other act assigned by the Board of Directors and approved by the Audit Committee.
7. To prepare a report on activities of the Audit Committee and disclose it in the annual report of the Company.

As of February 28<sup>th</sup>, 2009 the Company's management comprised 4 members;

- |    |                |              |  |
|----|----------------|--------------|--|
| 1. | Mr. Thitibhand | Nakornthap   | Managing Director                                  |
|    |                |              | Deputy Managing Director - Operation               |
| 2. | Ms. Chutima    | Chubthaisong | Deputy Managing Director - Management              |
|    |                |              | Deputy Managing Director - Finance & Accounting    |
| 3. | Mr. Dhani      | Kumwongwan   | Vice President - Administration and Human Resource |
| 4. | Mr. Prakrit    | Rodtim       | Manager - Finance & Accounting                     |

#### **Scope of power and duties of the Chief Executive Officer**

1. To map out policy, strategies, structure and power of business management and give advice on the business plans and the allocation of annual budget proposed by the management for further submission to the Board of Directors.
2. To monitor and supervise as well as carry out the businesses relating to general administration of the Company so as to achieve objectives and business plans set out by the Board of Directors.
3. To have power to perform any task and act as the Company's representative to outsiders regarding the businesses related and beneficial to the Company.
4. To have power to approve and delegate the power to approve the disbursement for procurement of assets and services in the interest of the Company. Such approval authority is for the normal transaction of the Company with a transaction limit of Bt. 100 million.
5. To consider and approve the action plans of each department and approve the requests from departments where approval authority higher than departmental authority is required.
6. To approve the appointment of advisors necessary for the Company's operations and in compliance with the requirements of the SEC and the SET.
7. To perform any other acts assigned by the Board of Directors case by case.
8. To authorize executives of the Company to perform one or several tasks as deemed expedient.

#### **Scope of power and duties of Managing Director**

1. To control and supervise the business operation and/or general administration of the Company to be in line with policy, plan, and budget approved by the Board of Directors and/or the Chief Executive Officer.
2. To be responsible for the preparation of strategic plans and annual budget to be proposed for approval by the Board of Directors and/or the Chief Executive Officer.
3. To have power to approve and delegate the power to approve the disbursement for procurement of assets and services in the interest of the Company. Such approval authority is for the normal transaction of the Company with a transaction limit of Bt. 10 million.
4. To have power to issue orders, regulations, notifications, and memorandums so as to have the operations carried out in compliance with the policy and in the interest of the Company as well as to maintain working regulations and disciplines within the organization.
5. To have power to perform any task and act as the Company's representative to outsiders regarding the businesses related and beneficial to the Company.
6. To have power, duties and responsibilities in management of the subsidiaries and all departments of the Company.
7. To be the Company's authorized person to manage the Company's business in conformity with the objectives, articles of association, policy, regulations, provisions, orders, resolutions of shareholders' meeting and/or resolutions of the Board of Directors and/or the Chief Executive Officer in all respects.

The power delegated to the Chief Executive Officer and the Managing Director or other persons as deemed fit by the Chief Executive Officer and the Managing Director shall not include the power and/or authorization to approve any transactions in which he himself or other persons may have interests or possible conflicts of interests with the Company or its subsidiaries. The approval of such transactions must be proposed to the Board of Directors and/or shareholders' meeting for consideration and approval in line with the articles of association of the Company or the relevant laws.

### **Selection of directors and management**

During year 2008 The Company has no nomination committee, though The Company has selection the Nomination Committee in the beginning of year 2009 as approval by The Board of Directors.

The former of raising the nomination committee is selection and nomination of persons to be appointed as the directors will be made based on knowledge, competence, and experience relating to the business. The directors must also meet the qualifications prescribed in Public Limited Companies Act B.E. 2535 and the relevant notifications of the SEC. The list of persons to be appointed as directors shall be proposed to the shareholders' meeting for consideration and approval in line with the process prescribed in the Company's articles of association, as follows;

- 1) The voting on director election shall be subject to a majority vote. Each shareholder shall have one share for one vote (1 share : 1 vote).
- 2) The shareholders shall vote on the election of directors one person at a time.
- 3) After the vote, the candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as directors in that order until all of the director positions are filled. Where the votes cast for candidates in descending order are tied, which would cause the number of directors to be exceeded, the chairman shall have a casting vote.

### **Audit Committee Charter**

The Audit Committee Charter that approved by The Board of Directors on 22<sup>nd</sup> of December 2008 (Amendment issue) and effective since 1<sup>st</sup> of January 2009 onward all about details as are follows;

#### **1) Objective**

An Audit Committee is an independent committee of a listed firm's Board of Directors and performs of management to the accurateness, completeness and credibility of the company's financial report together with adequacy of the firm's internal control system, compliance with regulation and other laws relevant to the company's business including do the director's report to present in the Company's annual report.

#### **2) Composition of Board and Qualifications**

- 2.1 The Audit Committee has not less than 3 members considering and appointing by the Board of Directors made up of Chairman of Audit Committee and Audit Committee members, so is an independent directors whose has qualifications are to be covered by the Securities and Exchange Commission (SEC)'s rules.
- 2.2 At least one member of the audit committee has knowledge and experience competent to verify in financial report.
- 2.3 The Audit committee who considering to appointment the appropriate person to perform in Audit Committee Secretary.

#### **3) Terms of Responsibility**

- 3.1 The Audit Committee has terms of responsibility at 3 years
- 3.2 The Audit Committee who retire by rotation may be re-electing to appointment in another term
- 3.3 In case a committee member resigns or is terminated before the expiration of his / her terms, the Board of Directors shall be appointing appropriate person who has fully qualification to complement of directors as terms remain
- 3.4 Audit Committee's shall be terminating when ceasing to be a director

#### **4) Audit committees' meeting**

- 4.1 Audit committees' meeting shall be appropriate to hold at least once time of each quarter
- 4.2 The number of audit committee whose attend to the meeting shall not less than half of all members that be made up to the quorum
- 4.3 The Audit Committee might invite the directors, the management, the auditor or any relating person in each agenda to joining to the meeting to consider certain matter as view proper

#### **5) Duties and responsibilities**

- 5.1 To review sufficiency, the Company's financial reporting by correctly

- 5.2 To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit or any other unit in charge of an internal audit
- 5.3 To review the Company's compliance with the law on securities and exchange, the Exchange's regulation and the laws relating to the Company's business
- 5.4 To considering, select and nominate an independent person to be the Company auditor, and to propose such person's remuneration to the Board of Director
- 5.5 To freely discuss significant matter with the Company auditor as private meeting at least once a year without the management team
- 5.6 To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the law and the Exchange's regulations, and are reasonable and for the highest benefit of the Company
- 5.7 To approval received comment by the internal audit charter or internal audit's regulations before present to the Board of Director to approve
- 5.8 To approve of internal audit plan, internal audit limitation and internal audit unit's allowance to ensure that the internal audit covered to the procedure of financial report as proper
- 5.9 To review the internal audit report and follow up main of issue as seek by the internal audit
- 5.10 To considering and review the Business morality covenant before recommend to the Board of Director to approve
- 5.11 To inquire of the Risk management policies and solution of Company risk management with the company management
- 5.12 To review together with management such as Management's Discussion and Analysis or MD&A as disclose in the Company's annual report
- 5.13 To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of information that assign by the Exchange
- 5.14 To inquire into the comment by the company auditor as found or suspected that director, manager or any person in management did infringement of the securities and exchange (issue No.4) 2008 the audit committee shall report to the Securities and Exchange and auditor within 30 days since date of received
- 5.15 To perform as any other matters as assigned by the Company's Board of Directors, with the approval by audit committee

## **6) Report**

- 6.1 The audit committee has the duty and the responsibility to report the operation of the committee to the board of directors when the board of directors' meeting
- 6.2 In any duties of audit committee, if found or suspected that there is a transaction or any of the following acts which may materially affect the Company's financial condition and operating results, the audit committee shall report it to the board of directors for rectification within the period of time that the audit committee think fit;
  - A) a transaction which causes a conflict of interest
  - B) any fraud, irregularity, or material defect in an internal control system
  - C) an infringement of the law on securities and exchange, the Exchange's regulations, or any law relating to the Company's business

If the Company's board of Directors or management fails to make a rectification within the period of time as the audit committee's view to proper, any of committee's members might report on the transaction or act under the first paragraph to the Office of the Securities and Exchange Commission or the Exchange

- 6.3 To prepare and disclose in the company's annual report, an audit committee's report which must signed by the audit committee's chairman and consist of at least the following information;
  - A) an opinion on the accuracy, completeness and creditability control system
  - B) an opinion on the adequacy of the Company's internal control system

- C) an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business
- D) an opinion on the suitability of an auditor
- E) an opinion on the transactions that may lead to conflicts of interests
- F) the number of the audit committee meetings, and the attendance of such meetings by each the committee member
- G) an opinion or overview comment received by the audit committee from its of duties in accordance with the charter
- H) other transactions which shall be know to the shareholders and general investor, subject to the scope of duties and responsibilities assigned by the Company's board of directors

## 7) Advisor

The Audit committee has the right to seek any information from independent professional advisors when necessary at the company's expense.

At each annual general meeting of shareholders, one-third of directors are due to retire by rotation. If the number of directors cannot be divided into three, the number closest to the one-third of directors due to retire by rotation in the first year shall apply. The number of directors due to retire in the second year after registration of the Company shall be made by drawing lots. In the following years, the directors who hold office the longest shall retire first and those who retire by rotation may be re-elected.

## Remuneration

1. Monetary remuneration to the directors  
In 2008, the Company paid remuneration to the Board of Directors total 2,840,000 Baht
2. Monetary remuneration to the management  
In 2008, the Company paid remuneration to the management total 6,758,850 Baht
3. Other remuneration  
- None -

The Board of Directors has been appointed Ms. Maneerat Kiattikhunpairoj to Company Secretary as responsible to counseling in Law and any Resolution that relevant to Company's business or the management and director needs to be informed, administer to the directors' activities and cooperation that to compliance with the resolution of directors and shareholders as permit in the Corporate Governance.

**Scope of power and duties of the Company Secretary**

1. To elementary advisor to directors and follow up that to made in straight proper as compliance with the articles of association of the Company or the relevant laws.
2. To arrange the Board of Directors' meeting and shareholders' meeting be in line with the articles of association of the Company or the relevant laws.
3. To record and report the Board of Directors' meeting and shareholders' meeting together with follow up that to made in resolution of meeting.
4. To attend the company to disclose information to the Institute that relevant to Company also to ensure that disclosing is compliance with them requirement.
5. To communicate and inform to General shareholders about their authority and Company's news.
6. To administer the Board of Directors' activities.

**1. Connected transactions with the persons who may have conflict of interest**

Based on the consolidated financial statements for the period ending 31 December 2008, the Company's connected transactions with related companies and/or parties with conflict of interest are as follows;

Related Company/Party	Relationship	Connected Transaction	Value of Transaction (Million Baht)	Necessity / Reason of Transaction
Joint venture with Power-Nopawong	Joint partner with the Company with some common directors	Service revenue	0.18	In year 2008, the Company provided accounting services, engineering support and project management as approved by the directors of Power-Nopawong, with a fee of Bt. 0.03 million starting from January 2008 till June 2008.
		Cash advance to Power-Nopawong	39.42	In the end of year 2008, the Company gave cash advance to Power-Nopawong to construct Kasetsart University's 50 Years Mahavachiralongkorn building in amount of Bt. 39.42 million.
Joint venture with UBC Power	Joint partner with the Company	Management of Project Service	6.57	During year 2008 the Company has service to management of Project as approve by the Board of directors of join venture UBC Power, with fee at 730,086.92 Bt / month for Feb – Aug 2008 and 365,043.46 Bt / month for Sep – Dec 2008
		Cash advance to UBC Power	7.11	In the end of year 2008 the Company gave cash advance to UBC Power to construct the Kwai-Noi embankment, Phitsanuloke at total amount Bt 7.11 million

**2. Approval measure or process for the connected transactions**

The Company has laid down approval measure and process for the connected transactions such that they shall be proposed for consideration and approval by the Board of Directors' meeting, which must also be attended by the Audit Committee members to join in such consideration and approval. Besides, such connected transactions shall comply with the law governing securities and securities exchange and the provisions, notifications, orders or requirements of the SET. The persons who may have conflict of interest in the connected transactions shall have no right to vote on such transactions.

**3. Policy or trends of future connected transactions**

For the connected transactions with related companies as shown in the table, most transactions concerned provision of services for assistance, support or convenience, with no great significance.

Nonetheless, if in the future it is necessary to perform any connected transaction with parties which may have conflict of interest, the Company has a policy to set out all conditions in line with the normal business practices and based on a market value comparable to prices of third parties. Besides, the connected transactions will be disclosed pursuant to the laws and regulations of the SEC and the SET. The connected transactions will be presented in notes to the financial statements duly reviewed and/or audited by the Company's auditor in accordance with the generally accepted accounting standards.

**Overview of past performance**

The Company was previously a manufacturer of construction materials and priestesses' concrete piles, and a provider of foundation construction and jet grouting service. However, in 2004 the Company succeeded in decreasing and increasing its capital as well as making loan repayment to its lenders as imposed in the business rehabilitation plan. As a result, the Central Bankruptcy Court had given an order to revoke the business rehabilitation in November 2004 which enabled the Company to acquire a new business partner. The Company's corporate structure and nature of business operation have been changed under the management of the new Board of Directors and management team which have a policy to focus on a contractor business by serving as a project consultant and provider of a one stop construction service (turnkey), ranging from the project feasibility study to the completion of project construction and hand-over to the clients.

**Past performance****• Revenues**

Total revenue of the Company in 2008 amounted to Bt. 82.16 million, a decrease from Bt. 153.76 million in 2007 to 46.57%. Core income came from construction service Bt. 70.07 million or 85.28% of total revenue, 38.42% decreased from 2007.

The company also had revenue from interest receivable and other income Bt.12.09 million or 14.72% of total revenue.

**• Operating costs**

The Company's total cost in 2008 amounted to Bt. 96.08 million or 116.94% of total revenue compared to Bt. 172.68 million in 2007, a decrease of 44.36%. Service costs in 2008 total Bt. 69.87 million compared to Bt. 114.12 million a decrease from 2007, selling and administrative expenses were Bt. 26.21 million, an increase from Bt. 58.56 million in the previous year. Adjustments from provision of bad debts were Bt. (13.35) million in 2008.

**• Net loss**

In 2008, the Company experienced net loss of Bt. 13.92 million or net loss per share 7 stang compared to Bt. 18.92 million or net loss per share 9 stang an increase from 2007. In order that the Company has an initial profit at Bt 0.20 million, loss in selling and administrative expenses of Bt. 14.12 million. In the previous year the Company has an initial loss at Bt 0.33 million, loss in selling and administrative expenses of Bt. 18.59 million became from loss in shot investment and the providing additional allowance for doubtful account for Management project of joint venture.

**Financial Status****• Assets**

In 2008, total assets were Bt. 255.61 million; decrease 9.44% compared to Bt. 282.24 million in 2007, Current assets total Bt. 48.65 million or 19.03% of total assets and non-current assets were Bt. 206.96 million or 80.97% of total assets. The significant reduction in assets came from bank deposit obligation amount Bt. 35.00 million or 13.69% of total assets and an increase of other account receivable amount Bt. 8.21 million or 3.21% of total assets.

**• Liabilities**

In 2008, total liabilities were Bt. 123.71 million, decrease 9.32% from Bt. 136.43 million in the previous year. Current liabilities were Bt. 56.59 million or 22.14% of total assets while non-current liabilities total Bt. 67.12 million or 26.26% of total assets. Liabilities were lower due to reduction of advance payment from constructor of joint venture amount Bt. 9.15 million or 3.58% of total assets

**Shareholders' equity**

The Company has complied with the rehabilitation plan in respect to capital decrease and increase as follows;

**- Capital decrease**

According to the order of the Central Bankruptcy Court dated December 22, 2003, the Company was allowed to decrease its registered capital to offset the accumulated loss as prescribed in the

business rehabilitation plan. As a result, the number of its common stocks was reduced from 21,000,000 shares to 10,500,000 shares, and the paid-up share capital from 21,000,000 shares to 10,500,000 shares with a par value of Bt. 10 each. The Company registered the capital decrease with the Ministry of Commerce on April 21, 2004.

- **Capital Increase**

According to the order of the Central Bankruptcy Court dated December 22, 2003, the Company was permitted to increase its registered capital as required in the business rehabilitation plan from 10,500,000 shares to 210,000,000 shares by issuing solely common stocks in the amount of 199,500,000 shares with par value of Bt. 10 each. The stocks were offered for sale in two groups as follows;

- The first group of 42 million shares with a par value of Bt. 10 each allocated to the existing creditors by means of a debt to equity swap at the price of Bt. 5 per share.
- The second group of 157.5 million shares with a par value of Bt. 10 each offered for sale to a new group of shareholder at the price of Bt. 3.8 per share.

The Company registered the capital increase with the Ministry of Commerce on July 21, 2004.

Regarding to the resolution of the Extraordinary General Meeting 1/2008 held on 24 Oct 2008 as the Meeting has approved to clear discount on shares at total amount 761,800,000 Baht and accumulated loss which remain of transferring by law total amount 1,192,382,965 Baht therefore the new authorized capital of company is 136,500,000.- or 210,000,000 shares Ordinary shares at Bath 0.65 each and approved to amend the Paragraph 4 of the Memorandum of Association of the Company in order to congruent with the capital reduction of the Company as the registration of Capital Reduction is on processing at Revenue Department.

The operations of decrease authorized capital of company year 2004 the discount on Ordinary share has been increase at Bt. 1,186.50 million in the meanwhile the Ordinary share excess account of Company at Bt. 424.70 million that cause the discount on Ordinary share of company in 2007 at total amount Bt. 761.80 million.

Latterly in year 2007 the company has been adjust the deficit accumulate selling move to year 2006 as acknowledge under construction cost of joint venture at amount Bt 2.30 million, adjust over construction record at amount Bt 2.55 million and adjust under expenses record at amount Bt 1 million.

In this respect, as of December 31, 2008 the Company had a total deficit accumulate at Bt 1,219.34 million cause the shareholders' equity at Bt 131.90 million as deficit accumulate increase from 2007 at Bt 13.92 million cause the shareholders' equity in the same rate.

### **Factors that may impact performance or financial status in the future**

In the business of construction, the ability to secure new projects and the amount of work-on-hand will ensure a systematic and consistent source of revenue for the Company, thus, enabling operational strength.

In 2008, the Company was faced with the cancellation of projects due to the project owner did not extend the time to operation. Therefore, operating performance has greatly deteriorated towards of 2008.

The management is not at-ease about the problem, thus, have made changes to policy and strategies. Rather than the main focus on private bids, the Company now looks to join investment as the joint venture style with small contractors that already have work-on-hand or those that have licenses/guarantees to operate as a first tier or second tier contractor. This will ensure that the ongoing projects will not be terminated or the incident of deferred payment as in the past. Nonetheless, these companies will support expansions in the construction industry in future.

## INDEPENDENT AUDITOR'S REPORT

## To the Shareholders and Board of Directors of POWER-P PUBLIC COMPANY LIMITED

1. I have audited the accompanying consolidated and the separate balance sheets as of December 31, 2008 and 2007 and the related consolidated and the separate statement of income, the consolidated and the separate statement of changes in shareholders' equity and the consolidated and the separate cash flow statements for the year then ended of POWER-P PUBLIC COMPANY LIMITED, its subsidiary company and joint ventures and the separate financial statement of POWER-P PUBLIC COMPANY LIMITED. These financial statements are the responsibility of the company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audit. The consolidated financial statements have combined financial statements of its subsidiary company and two joint ventures which were audited by other auditors. The financial statements of such its subsidiary company and joint venture which reflected total asset in amount of Baht 27.02 million (and/or equivalent to 9.77% of total assets of the consolidated financial statement as of December 31, 2008) and total revenue in amount of Baht 70.39 million (and/or equivalent to 85.68% of total revenue of the consolidated financial statement for the year ended on December 31, 2008.) The financial statements of such its subsidiary company and two joint ventures are audited by other auditors whereby I have been received the report which audit by other auditors. Moreover, my report which is involved with its subsidiary company and joint ventures which are combined in the consolidated financial statements has been regarded according to the audit report of other auditors.
2. Except for the matter raised in the 3 and 4 paragraph. I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.
3. In accordance with the mentioned in the note to the financial statements no. 30.2. I could not audited satisfied for revenue recognized in the financial statements of 2004 and the financial statements of quarter 1 of 2005, some obscure revenue transactions are recognized which may be incorrect revenue recognition according to generally accepted accounting principle. The company has adjusted to rectify such revenue recognized as suspended receivable amount reflected as non-current liability in the balance sheet in amount of Baht 66.58 million.
4. The Company has taken the financial statements of one joint venture to prepare the consolidated financial statements according to the proportion while there is proportion of investment participation of 10. However, the Company has offered the financial support by depositing money in the bank in form of bill of exchange as collateral to fully guarantee against letter of credit in the compliance according to the construction contract to the government sector. Moreover, it jointly guarantees credit line with the merchant bank to such joint venture which is complied with announcement of the Securities and Exchange Commission No. S.E.C. CHOR. (WOR) 29/2008 on the subject of guidance in the preparation of such consolidated financial statements were auditing by other auditor that qualified opinion to the financial statements since the joint venture prepares insufficient evidence document to the audit during restrict period. In addition, other auditor cannot apply any other auditing method to obtain sufficiently reliable evidence in respect of correctness and completeness in the following subject:
  - 4.1 The auditing to obtain by the sufficient evidence in respect of other accounts receivable as of December 31, 2008 in amount of Baht 82.12 million is account which used to record the discrepancy from repayment receipt and compensation of construction of pricing adjustment form. Moreover, when the joint venture requests to confirm the balance of deposit, liability and other debt burden which the joint venture incurred with the merchant bank, the merchant bank did not confirm the balance of Baht 82.12 million. The joint venture cannot find out evidence of sufficient auditing in the outstanding balance of such other accounts receivable.
  - 4.2 The auditing to obtain sufficient evidence in respect of obligation commitment and contingent liability as of December 31, 2008, the joint venture incurred with the correspondent bank since obligation commitment according to confirmation letter of bank deposit is reflected by balance of guarantee letter advance receivable equivalent to amount of Baht 110.09 million which is different from outstanding balance in the advance receivable account of construction fee that holds the outstanding balance equivalent to Baht 37.48 million. Although the joint venture will be able to find out cause of such discrepancy, the merchant bank still does not relax such obligation commitment. As a result, the joint venture still constitutes uncertainty in respect of obligation commitment and contingent liability from such matter.
  - 4.3 Given the auditing of advance repayable of subcontractor and performance guarantee account as of December 31, 2008, it is in amount of Baht 13.11 million and amount of Baht 19.91 million respectively. Moreover, value of obligation commitment according to the outstanding contract which has to repay to subcontractor as of December 31, 2008 since the Joint Venture will repay construction fee in each installment by balance deducted by advance repayable and performance guarantee while there are several transactions the deduction is not complied with specified in the contract mutually agreed.
  - 4.4 The joint venture constitutes expense cost of construction fee exceeding from that in the contract in some contract without the finding of the cause and cannot find out evidence of the construction cost payable in some contract from the date the construction is commenced to the termination date for the period of 2007. The construction cost that over repayable may cause the change of estimation of the gross profit rate and may cause the construction cost recorded according to the former estimation record too low that may be material.
5. Except for the matter I cannot auditing to obtain sufficient evidence in correctness and completeness as per mentioned in paragraph 3 and paragraph 4, the consolidated and the separate financial statements referred to above present fairly, in all material respects, the consolidated and the separate financial position as of December 31, 2008 and 2007, the results consolidated and the separate operations and the consolidated and the separate cash flow for the year then ended of POWER-P

PUBLIC COMPANY LIMITED, its subsidiary company and joint ventures and the separate financial statement of POWER-P PUBLIC COMPANY LIMITED in conformity with generally accepted accounting principles.

6. My opinion as aforementioned in paragraph 5 still remains unchanged, I wish to draw your attention as of following:
- 6.1 I have reported on April 4, 2008, that unable to express an opinion on these the consolidated and the separate financial position as of December 31, 2007, the results consolidated and the separate operations and the consolidated and the separate cash flow for the year then ended of POWER-P PUBLIC COMPANY LIMITED, its subsidiary company and joint ventures and the separate financial statement of POWER-P PUBLIC COMPANY LIMITED, since (1) I cannot audit to obtain sufficiently reliable evidence in respect of correctness in loans to one account receivable whom the Company and such account receivable performed compromised contract to the Civil Court on October 29, 2008, which comply with the resolution of the extra-ordinary shareholders meeting no. 1/2008 held on October 24, 2008, as a result, such prosecuted case is terminated in accordance with the mentioned in the note to the financial statements no. 28. (2) Uncertainty the Company is blamed at defendant in prosecuted case in respect of the contract default of concealed act in the prosecuted value of Baht 192 million. The Court of the first instance adjudicated to dismiss the case. In addition, the plaintiff did not appeal such case according to the period that received permission from the Appeal Court. As a result, such case is already terminated according to the mentioned in the note to the financial statements no. 31.1. (3) Uncertainty of the period extension of the contract from the delay of one joint venture project who receives the contract life extension from counter party remains. As a result, such uncertainty is terminated according to the mentioned in the note to the financial statements no. 25.2. Accordingly, my present report to such above the consolidated and the separate financial statements which reflected as comparison here is different from the report reflected in the previous report.
- 6.2 In accordance with the mentioned in the note to the financial statements no. 30.1. on the subject of special auditing of 2005, the auditor in special case holds the point in respect of relationship nature between the Company and engager and subcontractor including the policy of remuneration determination according to inter-contract. Appropriateness of data disclosure and accounting principle the Company applies so as to present transactions in the financial statements to comply with accounting standard is dependent on relationship nature between the Company and engager and related subcontractor which the Company disclosed such data in the note to the financial statements no. 25. Given transactions in respect of revenue recognition, the Company has adjusted to rectify such revenue recognition as suspended receivable as per mentioned in paragraph 3.

S.K. ACCOUNTANT SERVICES COMPANY LIMITED



(Somchai Kurujitkosol)

Authorized Auditor No.3277

Bangkok,  
March 2, 2009

**POWER-P PUBLIC COMPANY LIMITED, ITS SUBSIDIARY COMPANY AND JOINT VENTURES**  
**BALANCE SHEETS**  
**As of December 31, 2008 and 2007**

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2008	2007	2008	2007
	BAHT	BAHT	BAHT	BAHT
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalent Items (Note 8)	20,297,060.68	9,294,263.10	20,119,621.43	7,388,214.50
Temporary Investment (Note 9)	-	-	-	-
Accounts Receivable - Net				
Other Companies (Note 10)	-	6,572,443.50	-	-
Related Companies (Note 7.2 and 11)	-	-	-	-
Unbilled Completed Works - Net (Note 12 and 25)	4,189,395.36	6,225,730.56	-	-
Short-Term Loan, Accrued Interest Receivable and Advance to Subsidiary and Related Companies - Net (Note 7.2 and 7.3)	-	-	-	-
Inventories - Net (Note 13)	2,265,592.34	-	-	-
Advance Payment to Sub-contractors - Net (Note 14 and 25)	1,311,027.46	10,563,054.46	-	-
Advance Payment to Participants of Joint Venture (Note 7.4.2)	6,492,459.14	-	-	-
Advance Payment to Joint Venture (Note 7.4.4)	-	-	-	-
Other Current Assets				
Postdated Cheques (Note 28)	-	-	-	-
Withholding Tax	1,760,652.30	1,872,627.42	120,918.76	118,688.54
Other Account Receivable - Joint Venture (Note 7.4.3)	147,339.00	49,113.00	288,900.00	96,300.00
Other Account Receivable	8,211,881.01	-	-	-
Others (Note 15)	3,971,067.11	4,142,214.95	1,259,941.25	1,458,506.67
<b>Total Current Assets</b>	<b>48,646,474.40</b>	<b>38,719,446.99</b>	<b>21,789,381.44</b>	<b>9,061,709.71</b>
<b>NON - CURRENT ASSETS</b>				
Refundable Advance for Investment - Net (Note 28)	-	-	-	-
Leasehold Improvements and Equipment - Net (Note 17)	4,154,839.53	5,747,337.15	4,137,288.07	5,721,809.12
Land and Equipment Not Used for Operation - Net (Note 18)	18,295,909.94	18,364,918.30	18,292,561.99	18,292,561.99
Other Non - Current Assets				
Pledged Bank Deposit (Note 19)	179,447,050.31	214,447,022.00	179,447,050.31	214,447,022.00
Others	5,066,406.96	4,965,986.65	5,066,406.96	5,078,323.87
<b>Total Non - Current Assets</b>	<b>206,964,206.74</b>	<b>243,525,264.10</b>	<b>206,943,307.33</b>	<b>243,539,716.98</b>
<b>TOTAL ASSETS</b>	<b>255,610,681.14</b>	<b>282,244,711.09</b>	<b>228,732,688.77</b>	<b>252,601,426.69</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short - Term Loans				
from Financial Institutions	12,000,000.00	10,000,000.00	-	10,000,000.00
Accounts Payable				
Other Companies (Note 25)	4,326,645.21	965,839.19	-	-
Related Companies (Note 7.2)	3,669,227.27	3,669,227.27	-	-
Accrued Construction Cost	-	11,192,123.37	-	-
Current Portion of Liability Under Hire - Purchase Agreements	214,432.10	-	214,432.10	-
Advance Received from Participants of Joint Venture	3,437.26	554,876.50	-	-
Advances Received from Customers (Note 25)	3,748,271.86	12,897,259.44	-	-
Retention Payable (Note 25)	1,990,722.39	3,441,276.76	-	-
Current Liabilities				
Accrued Expenses	8,143,620.13	2,896,673.14	1,764,163.73	2,702,566.14
Account Payable for Fixed Assets	11,602,883.70	11,602,883.70	11,602,883.70	11,602,883.70
Liability from Contract Termination	10,092,508.36	10,092,508.36	-	-
Others	796,578.38	2,535,005.94	675,363.82	1,946,826.89
<b>Total Current Liabilities</b>	<b>56,588,326.66</b>	<b>69,847,673.67</b>	<b>14,256,843.35</b>	<b>26,252,276.73</b>
<b>NON - CURRENT LIABILITIES</b>				
Liability Under Hire - Purchase Agreements - Net	542,767.92	-	542,767.92	-
Provision Liabilities Investment in Subsidiary and Joint Ventures (Note 16)	-	-	15,453,490.94	13,952,112.54
Suspended Receivable	66,580,000.00	66,580,000.00	66,580,000.00	66,580,000.00
<b>Total Non - Current Liabilities</b>	<b>67,122,767.92</b>	<b>66,580,000.00</b>	<b>82,576,258.86</b>	<b>80,532,112.54</b>
<b>TOTAL LIABILITIES</b>	<b>123,711,094.58</b>	<b>136,427,673.67</b>	<b>96,833,102.21</b>	<b>106,784,389.27</b>

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

**POWER-P PUBLIC COMPANY LIMITED, ITS SUBSIDIARY COMPANY AND JOINT VENTURES**  
**BALANCE SHEETS**  
As of December 31, 2008 and 2007

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2008	2007	2008	2007
	BAHT	BAHT	BAHT	BAHT
<b>SHAREHOLDERS' EQUITY</b>				
Share Capital (Note 20)				
Authorized Shares Capital				
210 million Ordinary Shares at Baht 10 each	2,100,000,000.00	2,100,000,000.00	2,100,000,000.00	2,100,000,000.00
Issued and Paid-up Share Capital				
210 million Ordinary Shares at Baht 10 each	2,100,000,000.00	2,100,000,000.00	2,100,000,000.00	2,100,000,000.00
Discount on Ordinary Shares	(761,800,000.00)	(761,800,000.00)	(761,800,000.00)	(761,800,000.00)
Retained Earnings (Deficit)				
Appropriated for Legal Reserve	13,044,389.47	13,044,389.47	13,044,389.47	13,044,389.47
Unappropriated	(1,219,344,802.91)	(1,205,427,352.05)	(1,219,344,802.91)	(1,205,427,352.05)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>131,899,586.56</b>	<b>145,817,037.42</b>	<b>131,899,586.56</b>	<b>145,817,037.42</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>255,610,681.14</b>	<b>282,244,711.09</b>	<b>228,732,688.77</b>	<b>252,601,426.69</b>

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

**POWER-P PUBLIC COMPANY LIMITED, ITS SUBSIDIARY COMPANY AND JOINT VENTURES**  
**STATEMENT OF INCOME**  
As of December 31, 2008 and 2007

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2008	2007	2008	2007
	BAHT	BAHT	BAHT	BAHT
Revenues from Construction Services (Note 25)	70,065,840.59	113,788,435.49	-	-
Cost of Construction (Note 25)	(69,866,923.41)	(114,116,383.84)	-	-
<b>PROFIT (LOSS) PROFIT</b>	<b>198,917.18</b>	<b>(327,948.35)</b>	<b>-</b>	<b>-</b>
Other Income	11,963,745.50	11,931,889.61	12,381,317.39	11,769,170.67
Gain from Debt Restructuring (Note 22)	-	8,264,015.33	-	8,264,015.33
Gain from Sales of Fixed Assets	128,560.39	19,774,323.42	130,840.12	19,774,323.42
Administration Expenses	(36,068,469.44)	(46,644,952.79)	(34,764,205.60)	(41,373,812.26)
(Doubtful Debt) Reversal	13,357,188.24	(9,179,046.16)	12,828,837.81	(17,719,080.59)
Director's Remuneration (Note 23)	(2,840,000.00)	(2,230,000.00)	(2,840,000.00)	(2,230,000.00)
(Provision of Investment in Subsidiary and Joint Ventures) Reversal	-	-	(1,501,378.40)	3,103,664.49
Interest Expenses	(657,392.73)	(506,793.95)	(152,862.18)	(506,793.95)
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>(13,917,450.86)</b>	<b>(18,918,512.89)</b>	<b>(13,917,450.86)</b>	<b>(18,918,512.89)</b>
<b>BASIC EARNINGS PER SHARE OF POWER-P PUBLIC COMPANY LIMITED</b>	<b>(0.07)</b>	<b>(0.09)</b>	<b>(0.07)</b>	<b>(0.09)</b>

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

**POWER-P PUBLIC COMPANY LIMITED, ITS SUBSIDIARY COMPANY AND JOINT VENTURES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

For the year ended on December 31, 2008 and 2007

**CONSOLIDATED FINANCIAL STATEMENTS**

	Issued and		Discount		Retained Earnings (Deficit)		Total
	Paid-up		on Ordinary		Legal Reserve		
	Share Capital	Shares	Unappropriated				
	BAHT	BAHT	BAHT	BAHT	BAHT	BAHT	BAHT
Balance as of December 31, 2007 (Before Adjustment)	2,100,000,000.00	(761,800,000.00)		13,044,389.47	(1,186,202,703.46)	165,041,686.01	
Adjusted Transactions from Error Correction (Note 4)	-	-		-	(306,135.70)	(306,135.70)	
Balance as of December 31, 2006 (After Adjustment)	2,100,000,000.00	(761,800,000.00)		13,044,389.47	(1,186,508,839.16)	164,735,550.31	
Profit (Loss) for the Period	-	-		-	(18,918,512.89)	(18,918,512.89)	
Balance as of December 31, 2007	2,100,000,000.00	(761,800,000.00)		13,044,389.47	(1,205,427,352.05)	145,817,037.42	
Profit (Loss) for the Period	-	-		-	(13,917,450.86)	(13,917,450.86)	
Balance as of December 31, 2008	2,100,000,000.00	(761,800,000.00)		13,044,389.47	(1,219,344,802.91)	131,899,586.56	

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

**POWER-P PUBLIC COMPANY LIMITED, ITS SUBSIDIARY COMPANY AND JOINT VENTURES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

For the year ended on December 31, 2008 and 2007

**SEPARATE FINANCIAL STATEMENTS**

	Issued and Paid-up Share Capital		Discount on Ordinary Shares		Retained Earnings (Deficit)		Total
	BAHT		BAHT		BAHT	BAHT	
Balance as of December 31, 2007 (Before Adjustment)	2,100,000,000.00		(761,800,000.00)		13,044,389.47	(1,186,202,703.46)	165,041,686.01
Cumulative Effect of the Change in Accounting Policy	-		-		-	(2,303,550.43)	(2,303,550.43)
Adjusted Transactions from Error Correction (Note 4)						1,997,414.73	1,997,414.73
Balance as of December 31, 2007 (After Adjustment)	2,100,000,000.00		(761,800,000.00)		13,044,389.47	(1,186,508,839.16)	164,735,550.31
Profit (Loss) for the Period	-		-		-	(18,918,512.89)	(18,918,512.89)
Balance as of December 31, 2007	2,100,000,000.00		(761,800,000.00)		13,044,389.47	(1,205,427,352.05)	145,817,037.42
Profit (Loss) for the Period	-		-		-	(13,917,450.86)	(13,917,450.86)
Balance as of December 31, 2008	2,100,000,000.00		(761,800,000.00)		13,044,389.47	(1,219,344,802.91)	131,899,586.56

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

**POWER-P PUBLIC COMPANY LIMITED, ITS SUBSIDIARY COMPANY AND JOINT VENTURES**  
**STATEMENT OF INCOME**  
**For the year ended on December 31, 2008 and 2007**

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2008	2007	2008	2007
	BAHT	BAHT	BAHT	BAHT
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit (Loss) for the Period	(13,917,450.86)	(18,918,512.89)	(13,917,450.86)	(18,918,512.89)
Adjustment to Net Profit (Loss) for				
Cash Received (Paid) from Operations				
Depreciation - Assets Use in Operation	2,808,064.89	2,559,841.38	2,795,921.92	2,548,164.38
Depreciation - Assets Not Use in Operation	25,513.68	26,183.07	-	-
Doubtful Debt (Reversal)	(13,357,188.24)	9,179,046.16	(12,828,837.81)	17,719,080.59
Unrealized Loss on Trading Securities	7,074,000.00	-	7,074,000.00	-
Loss from Impairment in Trading Securities	770,000.00	-	770,000.00	-
Loss from Decline in Value of Inventory	-	5,522,500.76	-	1,152,900.00
Loss from Unclaimed Refunds Withholding Tax	140,526.18	-	-	-
Reversal Loss from Impairment of Assets	-	(737,782.19)	-	(737,782.19)
Interest Income	(5,712,677.06)	(8,999,412.81)	(5,434,803.12)	(8,989,765.82)
Gain from Sales of Fixed Assets	(128,560.39)	(19,774,323.42)	(130,840.12)	(19,774,323.42)
Gain on Reversal of Liabilities	-	(1,819,930.19)	-	(1,819,930.19)
Gain from Debt Restructuring	-	(8,264,015.33)	-	(8,264,015.33)
Provision of Investment in Subsidiary and Joint Ventures (Reversal)	-	-	1,501,378.40	(3,103,664.49)
Amortized Interest Expenses of Hire Purchase	32,506.02	178,010.38	32,506.02	178,010.38
Interest Expenses	624,886.71	328,783.57	120,356.16	328,783.57
Profit (Loss) from Operating Activities Before Changes				
in Operating Assets and Liabilities	(21,640,379.07)	(40,719,611.51)	(20,017,769.41)	(39,681,055.41)
(Increase) Decrease in Accounts Receivable	6,593,925.10	1,588,030.88	21,481.61	8,160,474.38
(Increase) Decrease in Accounts Receivable - Related Companies	-	282,452.70	-	282,452.70
(Increase) Decrease in Unbilled Completed Works	2,036,335.20	437,610.05	-	(396,921.29)
(Increase) Decrease in Inventories	(2,265,592.34)	(3,502,500.76)	-	867,100.00
(Increase) Decrease in Advance Payments to Sub-contractors	9,252,027.00	14,212,108.77	-	-
(Increase) Decrease in Advance Payment to Participants of Joint Venture	(6,492,459.14)	-	-	-
(Increase) Decrease in Advance Payment to Joint Venture	(148,362.31)	(8,920,128.16)	(213,380.35)	(17,346,682.67)
(Increase) Decrease in Other Accounts Receivable-the Joint Venture	(4,316,668.20)	-	(192,600.00)	-
(Increase) Decrease in Other Accounts Receivable	(8,211,881.01)	-	-	-
(Increase) Decrease in Other Current Assets	348,262.29	(1,190,996.53)	(4,580,848.11)	(268,546.99)
(Increase) Decrease in Retention Receivable	-	13,250,853.39	-	-
(Increase) Decrease in Other Non-Current Assets	(327,916.91)	70,550.71	(158,000.00)	159,717.20
<b>CASH FLOW FROM OPERATING ACTIVITIES (CONTINUE)</b>				
Increase (Decrease) in Accounts Payable	3,360,806.02	(1,225,867.69)	-	(2,150,010.59)
Increase (Decrease) in Accrued Construction Costs	(11,192,123.37)	(376,758.41)	-	(2,402,130.51)
Increase (Decrease) in Advance Received from Participants of Joint Venture	(551,439.24)	(930,808.97)	-	-
Increase (Decrease) in Advances Received from Customers	(9,148,987.58)	(14,093,819.82)	-	-
Increase (Decrease) in Retention Payable	(1,450,554.37)	(9,952,018.88)	-	-
Increase (Decrease) in Accrued Expenses	5,223,448.68	679,542.52	(938,402.41)	606,528.03
Increase (Decrease) in Other Current Liabilities	(1,738,427.56)	(2,779,266.99)	(1,271,463.07)	-
Cash Received from Withholding Tax	723,708.81	9,272,727.25	-	8,603,215.02
Cash Payment for Corporate Income Tax	(818,752.13)	(1,065,327.00)	(120,918.76)	(118,688.54)
<b>NET CASH PROVIDED (USED) FROM OPERATING ACTIVITIES</b>	<b>(40,765,030.13)</b>	<b>(44,963,228.45)</b>	<b>(27,471,900.50)</b>	<b>(43,684,548.67)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Cash Payment for Investment in Temporary Investment	(7,844,000.00)	-	(7,844,000.00)	-
Cash Payment in Short-Term Loan to Subsidiary Company	-	-	-	(900,000.00)
Cash Received from Refundable for Investment	18,000,000.00	-	18,000,000.00	-
(Increase) Decrease in Pledged Bank Deposit	34,999,971.69	(35,000,000.00)	34,999,971.69	(35,000,000.00)
Cash Received from Interest Income	5,532,062.62	10,738,676.77	5,523,558.65	10,729,029.78
Cash Payment for Purchased of Fixed Assets	(323,818.27)	(941,784.84)	(319,651.87)	(941,784.84)
Cash Received from Sales of Fixed Assets	172,056.07	96,589,361.42	130,841.12	96,589,361.42
<b>NET CASH PROVIDED (USED) FROM INVESTING ACTIVITIES</b>	<b>50,536,272.11</b>	<b>71,386,253.35</b>	<b>50,490,719.59</b>	<b>70,476,606.36</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Increase (Decrease) in Short - Term Loans from Financial Institutions	2,000,000.00	(10,970,717.19)	(10,000,000.00)	(10,970,717.19)
Cash Payment for Interest Expenses				
Loans from Financial Institutions	(601,388.40)	(344,186.75)	(120,356.16)	(344,186.75)
Cash Received from Short-Term Loans from Director	-	2,100,000.00	-	2,100,000.00
Cash Payment for Short-Term Loans from Director	-	(10,420,000.00)	-	(8,450,000.00)
Cash Payment for Liability Under Hire - Purchase Agreement	(167,056.00)	(2,051,165.93)	(167,056.00)	(2,051,165.93)
<b>NET CASH PROVIDED (USED) FROM FINANCING ACTIVITIES</b>	<b>1,231,555.60</b>	<b>(21,686,069.87)</b>	<b>(10,287,412.16)</b>	<b>(19,716,069.87)</b>
<b>Cash and Cash Equivalent Items Increase(Decrease) - Net</b>	<b>11,002,797.58</b>	<b>4,736,955.03</b>	<b>12,731,406.93</b>	<b>7,075,987.82</b>
<b>Cash and Cash Equivalent Items at the Beginning of the Period</b>	<b>(Note 8) 9,294,263.10</b>	<b>4,557,308.07</b>	<b>7,388,214.50</b>	<b>312,226.68</b>
<b>Cash and Cash Equivalent Items at the Ending of the Period</b>	<b>(Note 8) 20,297,060.68</b>	<b>9,294,263.10</b>	<b>20,119,621.43</b>	<b>7,388,214.50</b>

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

**POWER – P PUBLIC COMPANY LIMITED, SUBSIDIARY AND JOINT VENTURE  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2008 AND 2007**

**1. General Information**

Power-P Public Company Limited was incorporated has registered in accordance with provision of the Civil and Commercial Code on February 8, 1978 and converted to be Public Company Limited on June 11, 1993. The office is located at 900/16, 20<sup>th</sup> floor, Thanasin Tower, Rama III Road, Bangpongpan, Yanawa, Bangkok.

The Company was providing construction services, project consultation and renting assets.

The consolidated financial statements as of December 31, 2008, one joint venture does not have employees and expenses with respect to employees since such joint venture jointly exploits employees with the Company while there is no inter-remuneration.

**2. Basis of Financial Statement Preparation**

2.1 The Company had prepared the financial statements in accordance with Thai Accounting Standards including related interpretations and guidelines promulgated by the Federation of Accounting Professions and with generally accepted accounting principles in Thailand and in accordance with the determination of the office of the Securities and Exchange Commission on the subject of preparation and presentation of the financial reports.

2.2 The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies.

2.3 In order to prepare the financial statements to comply with generally accepted accounting standards, the Company's management had to make some estimates and suppositions which may have an effect on the amount shown for revenues, expenses, assets and liabilities and also on the disclosures concerning assets and contingent liabilities, therefore the actual result may differ from the estimated amount.

2.4 For the convenience of the user, and English translation of the consolidated and the separate financial statements has been prepared from the statutory financial statements that are issued in the Thai language.

2.5 The Company reclassified some items in our financial statements for comparison purpose in order to be in line with the present accounting items and it has not any affected our net profit or shareholders' equities.

**3. Adoption of Accounting Standards (Revised Version) and New Accounting Standards**

3.1 Accounting Standards (Revised Version) and New Accounting Standards which are effective for the current year.

TAS 25 (Revised 2007)	Cash Flow Statements
TAS 29 (Revised 2007)	Leases
TAS 31 (Revised 2007)	Inventories
TAS 33 (Revised 2007)	Borrowing Costs
TAS 35 (Revised 2007)	Presentation of Financial Statements
TAS 39 (Revised 2007)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 41 (Revised 2007)	Interim Financial Statements
TAS 43 (Revised 2007)	Business Combination
TAS 49 (Revised 2007)	Construction Contracts
TAS 51	Intangible Assets

The adoption of these new and revised TAS does not have any material impact on the financial statements of the Company.

3.2 Accounting Standards (Revised Version) which are not effective for the current year

TAS 36 (Revised 2007)	Impairment of Asset
TAS 54 (Revised 2007)	Non-current Asset Held for Sale and Discontinued Operations

These accounting standards will become effective for the financial statements for fiscal years beginning on or after 1 January 2009. The management has assessed the effect of these revised accounting standards and believes that they will not have any significant impact on the financial statements for the year in which they are initially applied.

**4. Adjusted Transactions from Correction an Error**

4.1 In 2007, the joint venture constitutes the proportionate to 10%. Retroactive adjustment of the financial statements since the joint venture constitutes under-stated estimation of construction cost from the event that the joint venture incompletely collects data of task value according to the contract. As a result, construction cost recognized in 2006 and 2005 which recorded according to the percentage of completion of construction is under-stated recognized. The joint venture corrects error by retroactive re-adjustment of the 2006 financial statements. As a result, which consolidated financial statements and separate financial statements has to beginning retained deficit of 2007, increased by Baht 2.30 million.

4.2 In 2007, the Company corrects error from the event that the Company recorded under-stated work in construction and recognized over-stated cost of construction by amount of Baht 3.00 million. The Company corrects error by retroactive re-adjustment of the 2006 financial statements. As a result, which consolidated financial statements and separate financial statements has to beginning retained deficit of 2007, decreased by Baht 3.00 million.

4.3 In 2007, the Company corrects error from the event that the Company did not recognize expense and accrued expense by amount of Baht 1.00 million. The Company corrects error by retroactive re-adjustment of the 2006 financial statements. As a result, which consolidated financial statements and separate financial statements has to against beginning retained deficit of 2007, increased by Baht 1.00 million.

**5. Summary of Significant Accounting Policies**

5.1 Recognition of Revenues

- Revenue from construction services is recognized according to proportion of completed task. Revenue already recognized but not yet due to call for repayment according to the contract is reflected as "Unbilled Completed Work" in balance sheet.
- Revenue on the project consultation is recognized based on contract.

- Revenue from interest receivable is recognized in accordance with the period of time and computed from the accrued principle balance.

**5.2 Recognition of Expenses**

- Construction cost according to construction contract is recorded according to percentage of completion task of estimated cost.

Construction cost appropriated into cost but not yet due for repayment according to contract is reflected as "Cost not yet due for repayment" in balance sheet.

Construction cost actually incurred but not yet appropriated into cost in the service rendered in the statement of income is reflected as "work in progress" in balance sheet.

- Expenses are recognized on an accrual basis.

**5.3 Cash and Cash Equivalent Items**

Cash and cash equivalent include saving accounts, current accounts and fixed accounts not exceeding 3 months, with not obligations.

**5.4 Investment**

Investment in trading securities is determined at fair value, which is based on the latest bid price on the Stock Exchange of Thailand of the last working day of the year as quoted. Change in carrying the amount of securities is recorded as gain or loss on revaluation of investment in marketable securities in the income statements.

The weighted average method is used for computation of the cost of investments.

**5.5 Accounts Receivable, Other Accounts Receivable and Allowance for Doubtful Debt**

Accounts receivable and other accounts receivable are valued at net realizable value. For the allowance for doubtful debt considers from those accounts receivable which are likely to be uncollectible.

**5.6 Inventories**

Inventories are valued at cost under FIFO method or net realizable value whichever is lower.

**5.7 Investment in Subsidiary Company**

Investment in subsidiary company is recorded by cost method and also adjusted the allowance for impairment.

**5.8 Participating profit (loss) in joint venture**

The Company's interests in jointly controlled entities are accounted for by cost method in the separate financial statements and by proportionate consolidation in the consolidated financial statements. The Company combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements. The Company recognizes the portion of gains or losses on the sale of assets by the Company to the joint venture that it is attributable to the other ventures.

The Company does not recognizes its share of profits or losses from the joint venture that result from the purchase of assets by the Company from the joint venture until it resells the assets to an independent party. However, if a loss on the transaction provides evidence of a reduction in the net realizable value of current assets or an impairment loss, the loss is recognised immediately.

A list of the Company's principal joint ventures is set out in Note 7.5.

**5.9 Leasehold Improvement and Equipment**

Leasehold improvement and equipment are recorded at cost on the transaction date after deduction of accumulated depreciation and depreciation calculated on a straight-line method over their approximate useful life as follows:

	<u>Years</u>
Leasehold Improvement	5
Machinery	10
Equipment and Tool	5
Furniture, Fixture and Office Equipment	5
Vehicles	5

No depreciation is provided for land.

Depreciation of asset is aggregately reflected in the computation of result of operation.

Expenditure in respect of improvement, life renewal or asset improvement which causes the present replacement price of asset increased materially will be included as cost of asset. For repair and maintenance is recognized as expense in the incurred accounting period.

Gain or loss from disposal of property and equipment is computed from discrepancy between net cash received and book value and recognized as other revenue or other expense in the statement of income.

**5.10 Impairment**

The carrying amounts of the Company'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. Impairment with cost, if assets exceed its recoverable amount, the Company will recognize an impairment loss in the statement of income.

Calculation of recoverable amount

- The recoverable amount 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 amortization, if no impairment loss had been recognized. All reversals of impairment losses are recognized in the statement of income.

5.11 Leased Contract

The contract of leased asset carried the risk and owner remuneration is mainly transferred to lesser will be classified as financial leased contract. The contract of financial lease is recorded as capital expenditure by fair value of leased asset or present value of minimum amount which has to repay in accordance with the leased contract whichever amount is lower. The amount which has to repay in each time is divided as liability portion and financial expenditure so that fixed interest rate over outstanding overdue liability of obligation burden in accordance with the financial leased contract will be recorded as long term liability. Interest payable will be recorded in the statement of income throughout the leased contract life. Asset which acquired by financial leased contract will be depreciated in accordance with the estimated useful life of those assets.

Leases not transferring a significant portion of the risks and rewards of ownership to the lease are classified as operating leases. Payments made under operating leases are charged to the statement of income on a straight-line basis over the period of the lease.

5.12 Account Payable and Others Payable

Accounts payable and others payable were shown in cost method.

5.13 Financial Instruments

Financial assets carried on the balance sheet include cash and cash at bank, investment, accounts receivable, financial liabilities carried on the balance sheet include account payable and loans. Related accounting policies of financial assets and liabilities were disclosed in each related section.

5.14 Provisions

The Company recognized in the balance sheet when the Company 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 where the company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

5.15 Employees Benefit

The company is recognized salary, wage, bonus, social security fund and staff provident fund are expense on date the transaction occur.

5.16 Basic Earnings (Loss) per Share

Basic earnings (loss) per share of the company are calculated by dividing the net earnings (loss) for the period by the weighted average number of issued and paid up ordinary shares. The Company do not calculate the diluted earnings (loss) per share because there are no common share equivalents.

5.17 The appropriation of retained earnings

The appropriation of retained earnings is attributable to the Public Company Act B.E. 2535 (1992). The Company will appropriate retained earnings when it is approved at the shareholders' meeting.

**6. Basis of the Consolidated Financial Statements Preparation**

6.1 The basic of consolidated financial statements were prepared according to the assembly of only subsidiary company under control of Power-P Public Company Limited. After writing off balances and inter-transactions, Power-P Public Company Limited held the shares in subsidiary company according to the following rate:

Subsidiary	Category	Operated domestically	Percentage of Shareholdings		Shareholdings
			As of December 31, 2008	As of December 31, 2007	
J – Power Company Limited (Stopped operation)	Design and Subcontractor	Thailand	80%	80%	Common Director

6.2 The consolidated financial statements combine accounting transactions of joint venture that the Company is joint venturer in such entity. As of December 31, 2008 and 2007, the Company signed in the contract of joint venture as follows:

Joint Venture	Category	Type of Joint Venture	Portion of Interest As of		Ending of Account Period	Country of Registration
			December 31, 2008	December 31, 2007		
Joint Venture UBC Power	Dam construction	Mutually controlled entity	10%	10%	December 31	Thailand
Joint Venture Power-Noppawong	Building construction	Mutually controlled entity	49%	49%	December 31	Thailand

Continued operation of the joint venture Power-Noppawong as of December 31, 2008 and 2007, the joint venture constitutes deficit result of operation by amount of Baht 58.56 million and Baht 58.27 million respectively. In addition, there is current liability higher than current asset by amount of Baht 58.56 million and Baht 58.53 million respectively. In addition, main liability is damage result from the cancellation of accrued contract by amount of Baht 20.60 million equally for 2 years. Furthermore, advance receivable from joint venturer company by amount of Baht 39.53 and Baht 39.42 million respectively. Given the event that the engager of joint venture cancelled the project construction engagement contract. Since the joint venture incompletely operates the construction according to the time schedule in the contract, such situation is material uncertainty as ceased that results in substantial doubt in respect of weather the joint venture may not be able to continue its operation. Moreover, the auditor of the joint venture disclaimed opinion to the financial statements for the year ended on December 31, 2008.

Apart from this, it may incur damage from the event that the joint venture cannot comply with subcontractor contract. As of December 31, 2008, the joint venture constitutes obligation commitment which has to repay to subcontractor remaining according to the contract by estimate amount of Baht 62.38 million. As a result, there is uncertainty in respect of damage which may incurred that the joint venture has to repay to subcontractor from the event that the project ceased its operation. However, it is dependent on damage value the subcontractor may claim which cannot be measured of damage incurred.

In the preparation of the consolidated financial statements prepared according to the proportion in both joint ventures which combined in the consolidated financial statements as follows:

	Proportionate Consolidated Financial Statements As of	
	December 31, 2008 Baht	December 31, 2007 Baht
<b>Assets</b>		
Current Assets	26,901,766.40	29,366,545.49
Non Current Assets	20,896.42	155,461.03
Total assets	26,922,662.82	29,522,006.52
<b>Liabilities</b>		
Current Liabilities	59,346,542.64	59,926,161.68
Total Liabilities	59,346,542.64	59,926,161.68
Portion of joint venturer	(32,423,879.82)	(30,404,155.16)
Revenues from Construction Services	70,065,840.59	113,788,435.49
Cost of Construction	(69,866,923.41)	(114,116,383.84)
Profit (Loss) Profit	198,917.18	(327,948.35)
Other Income	325,413.82	130,769.27
Administrative Expenses	(2,039,525.12)	(5,277,526.72)
Interest Expenses	(504,530.55)	-
Profit (Loss) for the Period	(2,019,724.67)	(5,474,705.80)

- 6.3 The accounting period ended of the subsidiary company and joint venture are the same as the POWER-P PUBLIC COMPANY LIMITED.
- 6.4 Accounting policy for the subsidiary company and joint venture will utilize the same policy as the POWER-P PUBLIC COMPANY LIMITED.
- 6.5 In preparation of consolidated financial statements, the Company eliminated inter-assets and liability and inter-transactions as the subsidiary company.
- 6.6 In preparation of consolidated financial statements, the Company eliminated inter-assets and liability, and inter-transactions as the joint venture according to the proportion in joint ventures.

**7. Transactions with Related Parties**

The Company had significant business transactions with subsidiary companies, joint venture and related persons. Such transactions, which have been concluded on commercial terms and bases agreed upon between the Company, subsidiary companies, joint venture and related persons and are in ordinary course of business are summarized below:

**7.1 Inter-Revenues and Expenses**

	Pricing Policy	Consolidated Financial Statements For the year ended on December 31, 2008		Separate Financial Statements For the year ended on December 31, 2007	
		2008 Baht	2007 Baht	2008 Baht	2007 Baht
<b>Transaction business with joint venture</b> (write off from the Consolidated Financial Statements to the Company's portion)					
Other Income	Prices in accordance with the contract	6,005,504.04	183,600.00	6,750,782.27	360,000.00

**7.2 Outstanding Balances with Former Related Companies and Related Person**

**7.2.1 Outstanding Balances with Former Related Companies**

Outstanding balances with former related companies (before capital restructuring) as of December 31, 2008 and 2007 as follows:

	Consolidated Financial Statements As of		Separate Financial Statements As of	
	December 31, 2008 Baht	December 31, 2007 Baht	December 31, 2008 Baht	December 31, 2007 Baht
<b>Accounts Receivable-Former Related Companies</b>				
Mongkol Home & Land Co., Ltd.	27,532,272.89	27,532,272.89	27,532,272.89	27,532,272.89
Power Wood Co., Ltd.	116,757.55	116,757.55	116,757.55	116,757.55
P-Group Holding Co., Ltd.	162,096.50	162,096.50	162,096.50	162,096.50
Power Telecom Co., Ltd.	350,084.32	350,084.32	350,084.32	350,084.32
P.T. Engineering Service (1988) Co., Ltd.	455,806.00	455,806.00	455,806.00	455,806.00
Amornphan-Bonithai Co., Ltd.	116,526,391.74	116,526,391.74	116,526,391.74	116,526,391.74
Total	145,143,409.00	145,143,409.00	145,143,409.00	145,143,409.00
<b>Less Allowance for Doubtful Accounts</b>				
Mongkol Home & Land Co., Ltd.	(27,532,272.89)	(27,532,272.89)	(27,532,272.89)	(27,532,272.89)
Power Wood Co., Ltd.	(116,757.55)	(116,757.55)	(116,757.55)	(116,757.55)

	Consolidated Financial Statements		Separate Financial Statements	
	As of December 31, 2008 Baht	As of December 31, 2007 Baht	As of December 31, 2008 Baht	As of December 31, 2007 Baht
P-Group Holding Co., Ltd.	(162,096.50)	(162,096.50)	(162,096.50)	(162,096.50)
Power Telecom Co., Ltd.	(350,084.32)	(350,084.32)	(350,084.32)	(350,084.32)
P.T. Engineering Service (1988) Co., Ltd.	(455,806.00)	(455,806.00)	(455,806.00)	(455,806.00)
Amornphan-Bonithai Co., Ltd.	(116,526,391.74)	(116,526,391.74)	(116,526,391.74)	(116,526,391.74)
Total	(145,143,409.00)	(145,143,409.00)	(145,143,409.00)	(145,143,409.00)
Net	-	-	-	-
<b>Short-Term Loans, Accrued Interest Receivable and Advance Payment</b>				
Power Wood Co., Ltd.	16,366,534.06	16,366,534.06	16,366,534.06	16,366,534.06
Less Allowance for Doubtful Accounts	(16,366,534.06)	(16,366,534.06)	(16,366,534.06)	(16,366,534.06)
Net	-	-	-	-
P-Group Holding Co., Ltd.	238,250,000.00	238,250,000.00	238,250,000.00	238,250,000.00
Less Allowance for Doubtful Accounts	(238,250,000.00)	(238,250,000.00)	(238,250,000.00)	(238,250,000.00)
Net	-	-	-	-
Power Telecom Co., Ltd.	3,805,473.00	3,805,473.00	2,799,988.00	2,799,988.00
Less Allowance for Doubtful Accounts	(3,805,473.00)	(3,805,473.00)	(2,799,988.00)	(2,799,988.00)
Net	-	-	-	-

For the year ended on December 31, 2008 and 2007, short-term loans, accrued interest receivable and advance payment to former related companies were not movement transaction.

There is no interest charged for short - term loans and advance payment above.

	Consolidated Financial Statements		Separate Financial Statements	
	As of December 31, 2008 Baht	As of December 31, 2007 Baht	As of December 31, 2008 Baht	As of December 31, 2007 Baht
<b>Accounts Payable-Former Related Company</b>				
O.U.B. Construction Co., Ltd.	3,669,227.27	3,669,227.27	-	-

### 7.2.2 Outstanding Balances with Former Person

	Consolidated Financial Statements		Separate Financial Statements	
	As of December 31, 2008 Baht	As of December 31, 2007 Baht	As of December 31, 2008 Baht	As of December 31, 2007 Baht
<b>Short-Term Loans-Former Director</b>				
Mr. Rachasak Susaewi	-	-	-	-

For the year ended on December 31, 2008, loans from director were not movement transaction.

For the year ended on December 31, 2007, the movement of loans from director was as follows:

	Consolidated Financial Statements			
	As of December 31, 2007 Baht	Increase Baht	Decrease Baht	As of December 31, 2008 Baht
Mr. Rachasak Susaewi	8,320,000.00	2,100,000.00	(10,420,000.00)	-
Total	8,320,000.00	2,100,000.00	(10,420,000.00)	-

	Separate Financial Statements			
	As of December 31, 2007 Baht	Increase Baht	Decrease Baht	As of December 31, 2008 Baht
Mr. Rachasak Susaewi	6,350,000.00	2,100,000.00	(8,450,000.00)	-
Total	6,350,000.00	2,100,000.00	(8,450,000.00)	-

As of December 31, 2007, loan from director was loan in the form of contract with is no interest charged.

### 7.3 Outstanding Balances with Subsidiary Company

Outstanding balances with subsidiary company as of December 31, 2008 and 2007 as follow:

	Consolidated Financial Statements		Separate Financial Statements	
	As of December 31, 2008 Baht	As of December 31, 2007 Baht	As of December 31, 2008 Baht	As of December 31, 2007 Baht
Advance Payment to Subsidiary Company	-	-	900,000.00	900,000.00
J - Power Company	-	-	(900,000.00)	(900,000.00)
Less Allowance for Doubtful Accounts	-	-	-	-
Net	-	-	-	-

There is no interest charged for advance payment above.

### 7.4 Outstanding Balances with Participants of Joint Venture and the Joint Venture

Outstanding balances with participants of joint venture and the joint venture as of December 31, 2008 and 2007 as follow:

#### 7.4.1 Loans and Interest Receivables to Participants of Joint Ventures

	Consolidated Financial Statements		Separate Financial Statements	
	As of December 31, 2008 Baht	As of December 31, 2007 Baht	As of December 31, 2008 Baht	As of December 31, 2007 Baht
Union Infratech Co., Ltd.	56,762,415.70	56,762,415.70	56,762,415.70	56,762,415.70
Less Allowance for Doubtful Accounts	(56,762,415.70)	(56,762,415.70)	(56,762,415.70)	(56,762,415.70)
Net	-	-	-	-

For the year ended on December 31, 2008 and 2007, loans and interest receivables to participants of joint ventures were not movement transaction.

As of December 31, 2008 and 2007 loan to Union Infratech Co., Ltd. for the bidding of the construction work of the Joint Venture UBC Power in accordance with the agreement with the Royal Irrigation Department. In addition, the construction agreement is secured by bill of exchange of the Company amounting to Baht 179.45 million as in Note 19.

#### 7.4.2 Advance Payment to Participants of Joint Venture

	Consolidated Financial Statements		Separate Financial Statements	
	As of December 31, 2008	As of December 31, 2007	As of December 31, 2008	As of December 31, 2007
	Baht	Baht	Baht	Baht
Union Infratech Co., Ltd.	6,492,459.14	-	-	-

#### 7.4.3 Other Accounts Receivable-the Joint Venture

	Consolidated Financial Statements		Separate Financial Statements	
	As of December 31, 2008	As of December 31, 2007	As of December 31, 2008	As of December 31, 2007
	Baht	Baht	Baht	Baht
Joint Venture UBC Power	4,218,442.20	-	4,687,158.00	-
Joint Venture Power-Noppawong	147,339.00	49,113.00	288,900.00	96,300.00
Total	4,365,781.20	49,113.00	4,976,058.00	96,300.00
Less Allowance for Doubtful Accounts	(4,218,442.20)	-	(4,687,158.00)	-
Net	147,339.00	49,113.00	288,900.00	96,300.00

#### 7.4.4 Advance Payment to the Joint Venture

	Consolidated Financial Statements		Separate Financial Statements	
	As of December 31, 2008	As of December 31, 2007	As of December 31, 2008	As of December 31, 2007
	Baht	Baht	Baht	Baht
Joint Venture UBC Power	6,396,595.54	6,305,353.23	7,107,328.38	7,005,948.03
Joint Venture Power - Noppawong	20,159,859.70	20,102,739.70	39,529,136.67	39,417,136.67
Total	26,556,455.24	26,408,092.93	46,636,465.05	46,423,084.70
Less Allowance for Doubtful Accounts	(26,556,455.24)	(26,408,092.93)	(46,636,465.05)	(46,423,084.70)
Net	-	-	-	-

#### 7.5 Relationship

Subsidiary Company	Relationship
J-Power Co., Ltd.	Subsidiary by direct shareholding
<u>Former Related Companies</u>	
Mongkol Home & Land Co., Ltd.	Former shareholding
Amornphan-Bonithai Co., Ltd.	Former shareholding and former common director
Power Wood Co., Ltd.	Former shareholding and former common director
P-Group Holding Co., Ltd.	Former shareholding and former common director
Power Telecom Co., Ltd.	Former shareholding and former common director
P.T.Engineering Service (1988) Co., Ltd.	Former shareholding and former common director
O.U.B. Construction Co., Ltd.	Former shareholding and former common director
<u>Joint Venture</u>	
The Joint Venture UBC Power	Participants of Joint Venture
The Joint Venture Power-Noppawong	Participants of Joint Venture
Union Infratech Co., Ltd.	Participants of Joint Venture in the Joint Venture UBC Power

#### 8. Cash and Cash Equivalent Items

Consisted of:

	Consolidated Financial Statements		Separate Financial Statements	
	As of December 31, 2008	As of December 31, 2007	As of December 31, 2008	As of December 31, 2007
	Baht	Baht	Baht	Baht
Cash	21,232.06	32,324.39	20,000.00	25,296.00
Bank Deposit – Current Accounts	188,612.38	263,523.79	65,669.44	142,310.32
Bank Deposit – Saving Accounts	7,087,216.24	8,998,414.92	7,033,951.99	7,220,608.18
Fixed Deposits 3 months	13,000,000.00	-	13,000,000.00	-
Total	20,297,060.68	9,294,263.10	20,119,621.43	7,388,214.50

#### 9. Temporary Investment

Consisted of:

	Consolidated Financial Statements		Separate Financial Statements	
	As of December 31, 2008	As of December 31, 2007	As of December 31, 2008	As of December 31, 2007
	Baht	Baht	Baht	Baht
Trading Securities in the Marketable Security				
Type Trading				
Cost	7,844,000.00	-	7,844,000.00	-
Less Unrealized Loss on Temporary Investments Valuation	(7,074,000.00)	-	(7,074,000.00)	-
Fair Value	770,000.00	-	770,000.00	-
Less Loss on Impairment of Temporary Investment valuation	(770,000.00)	-	(770,000.00)	-
Total	-	-	-	-

#### 10. Accounts Receivable - Net

Consisted of:

	Consolidated Financial Statements		Separate Financial Statements	
	As of December 31, 2008	As of December 31, 2007	As of December 31, 2008	As of December 31, 2007
	Baht	Baht	Baht	Baht
Accounts Receivable classified by age are as follows:				
Over Due				
1-3 Months	-	6,572,443.50	-	-
Over 12 Months	126,646,173.99	126,646,173.99	126,646,173.99	126,646,173.99
Total	126,646,173.99	133,218,617.49	126,646,173.99	126,646,173.99
Cheque Returned	46,036,586.91	46,036,586.91	46,036,586.91	46,036,586.91
Retention Receivable	12,878,254.19	12,878,254.19	12,878,254.19	12,878,254.19

	Consolidated Financial Statements		Separate Financial Statements	
	As of December 31, 2008 Baht	As of December 31, 2007 Baht	As of December 31, 2008 Baht	As of December 31, 2007 Baht
Total	185,561,015.09	192,133,458.59	185,561,015.09	185,561,015.09
Less Allowance for Doubtful Debt	(185,561,015.09)	(185,561,015.09)	(185,561,015.09)	(185,561,015.09)
Net	-	6,572,443.50	-	-

**11. Accounts Receivable Related Companies - Net**

Consisted of:

	Consolidated Financial Statements		Separate Financial Statements	
	As of December 31, 2008 Baht	As of December 31, 2007 Baht	As of December 31, 2008 Baht	As of December 31, 2007 Baht
Accounts receivable classified by age are as follows :				
Over Due				
Over 12 Months	145,143,409.00	145,143,409.00	145,143,409.00	145,143,409.00
Less Allowance for Doubtful Debt	(145,143,409.00)	(145,143,409.00)	(145,143,409.00)	(145,143,409.00)
Net	-	-	-	-

**12. Unbilled Completed Works - Net**

Consisted of:

	Consolidated Financial Statements		Separate Financial Statements	
	As of December 31, 2008 Baht	As of December 31, 2007 Baht	As of December 31, 2008 Baht	As of December 31, 2007 Baht
Joint Venture (The Company's portion)				
Contract value	407,389,609.79	407,389,609.79	407,389,609.79	407,389,609.79
Revenue from service rendered which recognized				
- Revenue from service rendered which recognized Until beginning year	278,722,696.73	179,455,958.71	278,722,696.73	179,455,958.71
- Revenue from service rendered which recognized During the year	52,814,444.80	99,266,738.02	52,814,444.80	99,266,738.02
Total Revenue from service rendered which recognized	331,537,141.53	278,722,696.73	331,537,141.53	278,722,696.73
Less Installment called for collection from engager	(320,323,023.85)	(265,472,243.85)	(320,323,023.85)	(265,472,243.85)
Less Allowance for Doubtful Debt	(7,024,722.32)	(7,024,722.32)	(7,024,722.32)	(7,024,722.32)
Unbilled Completed Works - Net	4,189,395.36	6,225,730.56	4,189,395.36	6,225,730.56

As of December 31, 2008 and 2007, unbilled completed works called for collection is incurred from estimation of revenue from construction services rendered and cost of construction according to the proportion of completed task which determined by above such construction project manager.

**13. Inventories - Net**

Consisted of:

	Consolidated Financial Statements		Separate Financial Statements	
	As of December 31, 2008 Baht	As of December 31, 2007 Baht	As of December 31, 2008 Baht	As of December 31, 2007 Baht
Work in Process	19,548,202.01	17,282,609.67	12,913,008.91	12,913,008.91
Raw Materials and Supplies	1,126,483.28	1,126,483.28	1,126,483.28	1,126,483.28
Total	20,674,685.29	18,409,092.95	14,039,492.19	14,039,492.19
Less Allowance for Declining in Value of Inventories	(18,409,092.95)	(18,409,092.95)	(14,039,492.19)	(14,039,492.19)
Net	2,265,592.34	-	-	-

**14. Advance Payments to Subcontractors - Net**

Consisted of:

	Consolidated Financial Statements		Separate Financial Statements	
	As of December 31, 2008 Baht	As of December 31, 2007 Baht	As of December 31, 2008 Baht	As of December 31, 2007 Baht
P.Prize Supplies & Construction Co., Ltd.	100,000,000.00	100,000,000.00	100,000,000.00	100,000,000.00
Partial payment	(36,391,941.20)	(36,391,941.20)	(36,391,941.20)	(36,391,941.20)
Settled with debt	(33,880,967.32)	(33,880,967.32)	(33,880,967.32)	(33,880,967.32)
Total	29,727,091.48	29,727,091.48	29,727,091.48	29,727,091.48
Less Allowance for Doubtful Debt	(29,727,091.48)	(29,727,091.48)	(29,727,091.48)	(29,727,091.48)
Net	-	-	-	-
Modern group Co.,Ltd.	549,668.35	549,668.35	549,668.35	549,668.35
Less Allowance for Doubtful Debt	(549,668.35)	(549,668.35)	(549,668.35)	(549,668.35)
Net	-	-	-	-
Merge Engineering Co., Ltd.	10,618,884.65	10,618,884.65	10,618,884.65	10,618,884.65
Less Allowance for Doubtful Debt	(10,618,884.65)	(10,618,884.65)	(10,618,884.65)	(10,618,884.65)
Net	-	-	-	-
Noppawong Construction Co.,Ltd.	194,530.46	194,530.46	194,530.46	194,530.46
Less Allowance for Doubtful Debt	(194,530.46)	(194,530.46)	(194,530.46)	(194,530.46)
Net	-	-	-	-
Subcontractors of joint venture UBC Power	1,311,027.46	10,563,054.46	-	-
Subcontractors of joint venture Power-Noppawong	2,045,252.60	2,045,252.60	-	-
Less Allowance for Doubtful Debt	(2,045,252.60)	(2,045,252.60)	-	-
Net	-	-	-	-
Total	1,311,027.46	10,563,054.46	-	-

**14.1 Advance Payment to Subcontractors - P.Prize Supplies & Construction Co., Ltd.**

On March 15, 2005, the Company has entered into the subcontract agreement with P.Prize Supplies & Construction Co., Ltd., (Mongkol Harbour Gas Store Project) while such project has cancelled the contract since June 13, 2005. The Company management therefore, fully provided the allowance for advance payment in the financial statements.

On January 30, 2008, the Company filed this receivable claim for the return of advance payment to subcontractor of P.Prize and Construction Co., Ltd. amount of Bath 29.73 million and later on May 12, 2008, the South Bangkok Civil Court has adjudicated such case that P.Prize and Construction Co., Ltd. repay amount of Baht 29.73 million with interest at the rate of 7.50% since November 12, 2005 until settlement to the Company until the prosecuted date i.e. January 30, 2008 that must not exceed the amount of Baht 4.95 million. In the same day, the Company requests the Court to issue compulsory so that P.Prize Supplies and Construction Co., Ltd. is acknowledged about the adjudication. Moreover, on May 19, 2008, the Court has adjudicated to close the case enforcement bill.

On July 14, 2008, the Court has adjudicated that the defendant repays debt according to the adjudication within 30 days commenced from the date the case enforcement bill is closed. However, the P.Prize Supplies and Construction Co., Ltd. still have not repaid debt to the Company. Later on November 17, 2008, the Company has filed the petition requesting the Court to order the appointment of custodian officer in order to proceed with the confiscation of the asset of such company to sell at auction in order to repay debt to the Company.

**14.2 Advance Payment to Subcontractors - Merge Engineering Co., Ltd.**

On December 9, 2005, the Company has entered into the subcontract agreement with Merge Engineering Company Limited (Merge) (Friendship village and garden project) the company has to pay advance for 15% of the Contract value in amount of Baht 12.38 million to Merge and this advance is secured by the Merge's parcel of land (appraised value at Baht 1 million) and register form. However, the mortgage of this land has not been registered with Land Department as of October 27, 2006. Such project has delayed construction due to the Company purpose so as to review construction plan to comply with marketing direction and wait to see direction of Thailand. Presently, such project has been cancelled. In addition, the Company acknowledged cancellation of subcontractor contract to Merge Engineering Co., Ltd. on May 30, 2007. However, The Company management therefore, fully provided the allowance for advance payment in the financial statements.

On December 21, 2007, the Company filed this receivable claim for the return of advance payment to subcontractor of Merge Engineering Company Limited amount of 10.62 million and later on August 21, 2008, Merge Engineering Company Limited requests to perform compromised contract to the Court with the consent that will repay money to the Company by amount of Baht 10.62 million. It is repayable into 3 installments by Baht 3.54 million per installment. The first installment is repayable on October 21, 2008. If it defaults of debt repayment in any installment, it is regarded that it defaults for debt repayment in the whole outstanding amount. Moreover, it consents that the Company charges interest in the rate of 15% per annum of outstanding principle balance that overdue to the Company commenced from the defaulted date forwards. However, when it arrives at the schedule of debt repayment according to the compromised contract for the first installment, the Merge Engineering Co., Ltd. did not comply with the compromised contract. Later on November 17, 2008, the Company filed the petition to request the Court to order the appointment of custodian officer in order to proceed with the confiscation of asset of such company to sell at auction in order to repay debt to the Company.

**14.3 Advance Payment to Subcontractors - Modern Group Co., Ltd.**

On March 16, 2005, the Company has entered into the subcontract agreement with Modern Group Co., Ltd. (TAI BAAN Project) later on August 19, 2005, the Company sent the letter to such subcontractor so as to suspend construction. Later on July 26, 2006, the Company sent the letter to such company so as to request to repay advance payable of construction equivalent to amount received from the Company in amount of Baht 0.57 million to the Company. It is consented that damage which may have from cancellation of contract is deducted. It is allowed that such Company including Ornuma and Chai Prakarn Karn Kor Sang Co., Ltd., another subcontractor of such project acknowledge damage which may have to the Company within 15 days. However, as of presently, the Company still has not received acknowledgement of damage from both companies.

On January 24, 2007, the Company's lawyer submitted the notice to such receivable requesting receivable to repay Baht 0.57 million together with interest at the rate of 7.50% since July 26, 2006 until settlement date within 7 days from the receiving date, otherwise the Company will perform the legal process.

**15. Other Current Assets**

Consisted of:

	Consolidated Financial Statements		Separate Financial Statements	
	As of December 31, 2008 Baht	As of December 31, 2007 Baht	As of December 31, 2008 Baht	As of December 31, 2007 Baht
Accounts Receivable Revenue Department	2,300,323.64	1,103,626.30	570,767.59	396,915.61
Input vat not yet due	601,371.66	1,418,742.65	1,442.45	63,567.14
Accrued Interest	567,776.43	387,161.99	298,406.46	387,161.99
Prepaid Expenses	425,780.23	384,146.20	389,324.75	384,146.20
Others	75,815.15	848,537.81	-	226,715.73
Total	3,971,067.11	4,142,214.95	1,259,941.25	1,458,506.67

**16. Investment in Subsidiary Company and Joint Ventures-Net**

As of December 31, 2008 and 2007, The Company had investment in its subsidiary company as follows:

Company Name	Issued and Paid-up Share		Percentage of Shareholding		Cost Method	
	As of December 31, 2008 Baht	As of December 31, 2007 Baht	As of December 31, 2008 %	As of December 31, 2007 %	As of December 31, 2008 Baht	As of December 31, 2007 Baht
<u>Subsidiary Company</u>						
J-Power Co., Ltd.	2,500,000.00	2,500,000.00	80	80	2,000,000.00	2,000,000.00
Less : Allowance for Impairment of Investment					(2,000,000.00)	(2,000,000.00)
Net					-	-
<u>Joint Venture</u>						
Joint Venture UBC Power			10	10	-	-
Joint Venture Power-Noppawong			49	49	-	-
					-	-
<u>Provision Liabilities Investment in Subsidiary Company and Joint Ventures</u>						
J-Power Co., Ltd.					3,578,336.72	3,562,949.39
Joint venture UBC Power					2,552,089.34	1,151,432.59
Joint venture Power-Noppawong					9,323,064.88	9,237,730.56
Total					15,453,490.94	13,952,112.54

In accordance with the separate financial statements, the Company estimates liability from investment in J-Power Co., Ltd., UBC Power Joint Venture and Power-Noppawong Joint Venture since the subsidiary company and such joint ventures constitute negative shareholders equity. Moreover, the Company still provides financial support to such subsidiary and joint ventures.

The financial statements of J-Power Co., Ltd. which is subsidiary are audited by other auditor while the total asset of the subsidiary company constitutes Baht 92,890.55 (equivalent to 0.04 of consolidated asset) and constitutes net loss by amount of Baht (15,387.33) (equivalent to 0.22 of net consolidated loss).

The financial statements of UBC Power Joint Venture are audited by other auditor while the total asset of the joint venture to the Company's portion constitutes Baht 25,906,525.61 (equivalent to 9.37 of consolidated asset) and constitutes net loss to the Company's portion by amount of Baht (1,879,510.59) (equivalent to 26.58 of net consolidated loss).

The financial statements of Power-Nopawong Joint Venture are audited by other auditor while the total asset of the joint venture to the Company's portion constitutes Baht 1,016,137.21 (equivalent to 0.37 of consolidated asset) and constitutes net loss to the Company's portion by amount of Baht (140,214.08) (equivalent to 1.98 of net consolidated loss).

**17. Leasehold Improvement and Equipment-Net**

Consisted of:

	Consolidated Financial Statements			Balance As of December 31, 2008 Baht
	Balance As of December 31, 2007 Baht	Purchase / Transfer in Baht	Sale/ Transfer out Baht	
<b>Cost</b>				
Leasehold Improvement	4,708,600.00	-	-	4,708,600.00
Tools and Equipment	12,920.23	4,166.40	-	17,086.63
Furniture and Office Equipment	11,539,696.77	22,401.87	-	11,562,098.64
Vehicles	4,120,500.00	1,189,000.00	(391,000.00)	4,918,500.00
<b>Total Cost</b>	<b>20,381,717.00</b>	<b>1,215,568.27</b>	<b>(391,000.00)</b>	<b>21,206,285.27</b>
<b>Accumulated Depreciation</b>				
Leasehold Improvement	(2,787,071.92)	(929,179.00)	-	(3,716,250.92)
Tools and Equipment	(7,245.30)	(3,049.64)	-	(10,294.94)
Furniture and Office Equipment	(9,448,038.25)	(972,904.73)	-	(10,420,942.98)
Vehicles	(2,392,024.38)	(902,931.52)	390,999.00	(2,903,956.90)
<b>Total Accumulated depreciation</b>	<b>(14,634,379.85)</b>	<b>(2,808,064.89)</b>	<b>390,999.00</b>	<b>(17,051,445.74)</b>
<b>Net</b>	<b>5,747,337.15</b>			<b>4,154,839.53</b>

Depreciation appear in the statement of income  
For the year ended on December 31, 2008  
For the year ended on December 31, 2007

2,808,064.89  
2,559,841.38

	Separate Financial Statements			Balance As of December 31, 2008 Baht
	Balance As of December 31, 2007 Baht	Purchase / Transfer in Baht	Sale/ Transfer out Baht	
<b>Cost</b>				
Leasehold Improvement	4,645,900.00	-	-	4,645,900.00
Furniture and Office Equipment	10,885,341.64	22,401.87	-	10,907,743.51
Vehicles	4,120,500.00	1,189,000.00	(391,000.00)	4,918,500.00
<b>Total Cost</b>	<b>19,651,741.64</b>	<b>1,211,401.87</b>	<b>(391,000.00)</b>	<b>20,472,143.51</b>
<b>Accumulated Depreciation</b>				
Leasehold Improvement	(2,724,372.92)	(929,179.00)	-	(3,653,551.92)
Furniture and Office Equipment	(8,813,535.22)	(963,811.40)	-	(9,777,346.62)
Vehicles	(2,392,024.38)	(902,931.52)	390,999.00	(2,903,956.90)
<b>Total Accumulated depreciation</b>	<b>(13,929,932.52)</b>	<b>(2,795,921.92)</b>	<b>390,999.00</b>	<b>(16,334,855.44)</b>
<b>Net</b>	<b>5,721,809.12</b>			<b>4,137,288.07</b>

Depreciation appear in the statement of income  
For the year ended on December 31, 2008  
For the year ended on December 31, 2007

2,795,921.92  
2,548,164.38

- Consolidated Financial Statements

For the year ended on December 31, 2008, the vehicles of the Company, subsidiary company and joint ventures increased from liability under hire purchase contract in the amount of Baht 0.89 million.

As of December 31, 2008 and 2007, the Company, subsidiary company and joint ventures had assets which fully depreciated with the cost value of Baht 6.88 million. The net book value is Baht 142 and the cost value of Baht 6.69 million. The net book value is Baht 138.

- Separate Financial Statements

For the year ended on December 31, 2008, the vehicles of the Company increased from liability under hire purchase contract in the amount of Baht 0.89 million.

As of December 31, 2008 and 2007, the Company had assets which fully depreciated with the cost value of Baht 6.20 million. The net book value is Baht 139 and the cost value of Baht 6.02 million. The net book value is Baht 135.

**18. Land and Equipment Not Use in Operation-Net**

Consisted of:

	Consolidated Financial Statements			Balance As of December 31, 2008 Baht
	Balance As of December 31, 2007 Baht	Purchase / Transfer in Baht	Sale/ Transfer out Baht	
<b>Cost</b>				
Land	18,292,561.99	-	-	18,292,561.99
Machinery	142,720,063.00	-	-	142,720,063.00
Tools and Equipment	49,276,855.46	-	-	49,276,855.46
Furniture and Office Equipment	130,920.21	-	(122,500.00)	8,420.21
<b>Total Cost</b>	<b>210,420,400.66</b>	<b>-</b>	<b>(122,500.00)</b>	<b>210,297,900.66</b>
<b>Accumulated Depreciation</b>				
Machinery	(137,608,263.84)	-	-	(137,608,263.84)
Tools and Equipment	(49,229,015.83)	-	-	(49,229,015.83)
Furniture and Office Equipment	(58,563.90)	(25,513.68)	79,005.32	(5,072.26)
<b>Total Accumulated depreciation</b>	<b>(186,895,843.57)</b>	<b>(25,513.68)</b>	<b>79,005.32</b>	<b>(186,842,351.93)</b>

	Consolidated Financial Statements			Balance As of December 31, 2008 Baht
	Balance As of December 31, 2007 Baht	Purchase / Transfer in Baht	Sale/ Transfer out Baht	
<b>Less</b> Allowance for Impairment	(5,159,638.79)	-	-	(5,159,638.79)
<b>Net</b>	<b>18,364,918.30</b>			<b>18,295,909.94</b>
Depreciation appear in the statement of income				25,513.68
For the year ended on December 31, 2008				26,183.07
For the year ended on December 31, 2007				

	Separate Financial Statements			Balance As of December 31, 2008 Baht
	Balance As of December 31, 2007 Baht	Purchase / Transfer in Baht	Sale/ Transfer out Baht	
<b>Cost</b>				
Land	18,292,561.99	-	-	18,292,561.99
Tools and Equipment	142,720,063.00	-	-	142,720,063.00
Furniture and Office Equipment	49,276,855.46	-	-	49,276,855.46
<b>Total Cost</b>	<b>210,289,480.45</b>			<b>210,289,480.45</b>
<b>Accumulated Depreciation</b>				
Tools and Equipment	(137,608,263.84)	-	-	(137,608,263.84)
Furniture and Office Equipment	(49,229,015.83)	-	-	(49,229,015.83)
<b>Total Accumulated depreciation</b>	<b>(186,837,279.67)</b>			<b>(186,837,279.67)</b>
<b>Less</b> Allowance for Impairment	(5,159,638.79)	-	-	(5,159,638.79)
<b>Net</b>	<b>18,292,561.99</b>			<b>18,292,561.99</b>
Depreciation appear in the statement of income				-
For the year ended on December 31, 2008				-
For the year ended on December 31, 2007				-

**19. Pledged Bank Deposits**

As of December 31, 2008 and 2007, the Company pledged bank deposit as collateral against issuance of letter of bank guarantee so as to use as guarantee against letter of guarantee in compliance with construction contract Kwae Noi Dam Project in amount of Baht 179.45 million equally for 2 years while the interest of fixed deposit can be withdrawn.

On November 26, 2004, the merchant banks issued letter of guarantee to the government unit in the status of engager of UBC Power Joint Venture by amount of Baht 179.45 million. The Company fully pledged bank deposit fixed account of the Company. Later on March 10, 2008, the Company redeemed letter of guarantee with such bank and deposit money with merchant bank issue as bill of exchange life of 3 months with interest at the rate of 3.00%, the merchant banks issued letter of guarantee to the government replace former issue amount of Baht 179.45 million and UBC Power Joint Venture received the credit facility Bill of Exchange and Promissory Note in amount of Baht 120 million. The Company brought Bill of Exchange pledged shared with Union Infratech Co., Ltd., (Participant of Joint Venture) and board of directors of Union Infratech Co., Ltd., (Participant of Joint Venture) to shared pledged by guarantee.

As of December 31, 2007, given bank deposit in amount of Baht 35 million, the Company pledged as collateral against the credit line of letter of guarantee, credit line of aval and credit line of promissory note.

**20. Share Capital**

	Value Per Shares Baht	2008		2007	
		Number of Shares	Amount Baht	Number of Shares	Amount Baht
<b>Authorized Share Capital</b>					
As of January 1					
- Ordinary Shares	10.00	210,000,000	2,100,000,000.00	210,000,000	2,100,000,000.00
<b>As of December 31</b>					
- Ordinary Shares	<b>10.00</b>	<b>210,000,000</b>	<b>2,100,000,000.00</b>	<b>210,000,000</b>	<b>2,100,000,000.00</b>
<b>Issued and Paid – Up Share Capital</b>					
As of January 1					
- Ordinary Shares	10.00	210,000,000	2,100,000,000.00	210,000,000	2,100,000,000.00
<b>As of December 31</b>					
- Ordinary Shares	<b>10.00</b>	<b>210,000,000</b>	<b>2,100,000,000.00</b>	<b>210,000,000</b>	<b>2,100,000,000.00</b>

**21. Capital Reduction and Transferred for Legal Reserve**

In accordance with the extra-ordinary shareholders meeting no. 1/2008 held on October 24, 2008, it is unanimously resolved to approve that legal reserve is transferred in amount of Baht 13.04 million so as to compensate accumulated loss. Moreover, registered capital is reduced from Baht 2,100.00 million to Baht 136.50 million by reducing par value of ordinary shares from Baht 10.00 per share to Baht 0.65 per share. Such capital reduction does not have the capital return to the shareholders but it is capital reduction so as to reduce discount of ordinary shares value in amount of Baht 761.80 million and delete the whole amount of accumulated losses. Presently, the Company is under the procedure of such capital reduction.

**22. Gain from Debt Restructuring**

On December 27, 2006, the Company and bank signed the debt restructuring contract while there is debt value as of November 30, 2006 in total amount of Baht 373.50 million which is composed of:

Loan Type	Principal	Accrued Interest (Penalty Rate)	Total
1. Bank Overdrafts	30,000,000.00	907,854.33	30,907,854.33
2. Term Loan	259,780,945.89	14,786,161.49	274,567,107.38
3. Promissory Note	30,000,000.00	1,169,452.08	31,169,452.08
4. Letter of Guarantee	36,855,000.00	-	36,855,000.00
<b>Total</b>	<b>356,635,945.89</b>	<b>16,863,467.90</b>	<b>373,499,413.79</b>

As mentioned in the agreement, the Company agrees to transfer its land located at Bangna to the bank with the agreed price of Baht 331 million. The Company has the option to buyback such plots of land within 1 year from the transferring

date with the transferred price plus carrying cost. The carrying cost is interest at the rate, which is not less than MLR plus 1% per annum, of the transferred price since the date of transfer.

On December 28, 2006, the Company transferred such land to the bank as mentioned above. Thus, the Company recognized gain on disposal of fixed assets amount of Baht 70 million in the fourth quarter of the year 2006. (cost value of land amount of Baht 243 million, and involved expenses of Baht 18 million).

On February 16, 2007, the Company has entered into the sale agreement of land located at North Park Project to ACK Realty Co., Ltd. with selling price of Baht 97 million. As mentioned in the agreement, the Company agrees to pay the commission to Golden Wealth Co., Ltd. of 0.75% of selling price. On February 26, 2007, the Company has transferred such land to the buyer and recognized gain on disposal of fixed assets of Baht 14 million in the financial statement for the first quarter of the year 2007, cost value of land amount of Baht 77 million, and involved expenses of Baht 6 million. On February 27, 2007, the Company withdrawn letter of guarantee (line 4) together with promissory note of Baht 18 million (the transferred expenses of land located at Bangna). From the event that the bank already approved advance payable of expense in the asset transfer in replacement of the Company with the bank.

As the Company is able to fulfill all conditions mentioned in the above loan restructuring agreement, The Company recognized gain from debt restructuring of Baht 8 million in the first quarter of the year 2007.

**23. Directors' Remuneration**

Remuneration paid to directors was that under Section 90 of Public Company Act which did not include salaries and related benefits paid to executive directors.

**24. Expenses by nature**

Consisted of:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended on		For the year ended on	
	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
	Baht	Baht	Baht	Baht
Employee Benefit Expenses	9,681,471.12	13,784,813.48	9,643,768.12	13,690,750.58
Depreciation	2,833,578.57	2,586,024.45	2,795,921.92	2,548,164.38
Doubtful Debt (Reversal)	(13,357,188.24)	9,179,046.16	(12,828,837.81)	17,719,080.59
Rent	2,706,228.00	3,357,011.40	2,706,228.00	3,357,011.40
Loss from Decline in Value of Inventory	-	5,522,500.76	-	5,522,500.76
Unrealized Loss on Trading Securities	7,074,000.00	-	7,074,000.00	-
Loss from Impairment in Trading Securities	770,000.00	-	770,000.00	-
Directors' Remunerations	2,840,000.00	2,230,000.00	2,840,000.00	2,230,000.00
Other Expenses	13,003,191.75	21,394,602.70	13,275,665.96	13,151,720.65
Total	25,551,281.20	58,053,998.95	26,276,746.19	58,219,228.36

**25. Revenue and Cost of the Construction Contract and Transactions with Major Customer and Supplies**

Revenue and cost of the construction contracts and the outstanding balance for the financial statements for the years ended on December 31, 2008 and 2007 as follows:

Relationship and pricing policy

Company	Relationships	Pricing Policy
Monkhol Harbour Co., Ltd.	No common shareholder, no common directorship and no control or significant influence	Cost plus profit
The Best Condominium Co., Ltd.	No common shareholder, no common directorship and no control or significant influence.	Cost plus profit
P.Prize Supplies & Construction Co., Ltd.	No common shareholder, no common directorship and no control or significant influence.	At agreed price
Onuma & Chaipakarn Construction Co.,Ltd.	No common shareholder, no common directorship and no control or significant influence.	At agreed price
Noppawong Contruction Co., Ltd.	No common shareholder, no common directorship and no control or significant influence.	At agreed price

Total actively operating projects for the year ended on December 31, 2008 and 2007 are as follows:

Project	Note	Revenue from Construction Services		Cost of Construction	
		For the year ended on		For the year ended on	
		December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
Joint Venture (The Company's portion)					
Kwae Noi Dam project		70.07	113.79	69.87	114.12
(Joint Venture UBC Power)	25.2	70.07	113.79	69.87	114.12

Balance as of December 31, 2008

Project	Note	(Unit:Million Baht)				
		Unbilled Completed Works	Advance Payment to Subcontractors	Account Payables	Advance from Subcontractors	Retention Payables
Joint Venture (The Company's portion)						
Research and Development Building project						
(Joint Venture Power-Noppawong)						
Less: Allowance for Doubtful Accounts	25.1	7.04	2.05	0.09	-	-
Net		(7.04)	(2.05)	-	-	-
Kwae Noi Dam project						
(Joint Venture UBC Power)						
Total	25.2	4.19	1.31	4.23	3.75	1.99
Grand total		4.19	1.31	4.32	3.75	1.99
Balance as of December 31, 2007						
Joint Venture (The Company's portion)						
Research and Development Building project						
(Joint Venture Power-Noppawong)						
Less: Allowance for Doubtful Accounts	25.1	7.04	2.05	0.09	-	-
Net		(7.04)	(2.05)	-	-	-
Kwae Noi Dam project UBC Power						
(Joint Venture UBC Power)						
Total	25.2	6.23	10.56	0.87	12.90	3.44
Grand total		6.23	10.56	0.96	12.90	3.44

**25.1 Research and Development Building Project (Joint Venture Power-Noppawong)**

On March 31, 2005, the Joint Venture has entered into the construction agreement with Kasetsart University, with totaling amount of Baht 157.17 million and complete within September 1, 2006.

On October 1, 2005, the Joint Venture has entered into the subcontract agreement with M.K.K. Construction Co., Ltd. amounting to Baht 71.47 million and complete within August 31, 2006.

On June 15, 2007, the hirer issued the letter to the Joint Venture to terminate the agreement and hold the guarantee by claiming the guarantor bank. The hirer also plans to hire new supplier to complete the project and the Joint Venture was claimed for the budget incremental.

On June 26, 2007, the guarantor bank issued the letter to the Joint Venture informed that the bank had paid the hirer the guaranteed of Baht 7.86 million.

On January 28, 2008, the hirer filed the lawsuit to the Central Administration Court to claim the Company and Noppawong Construction Co., Ltd. totaling Baht 20.60 million together with interest rate 7.50% per annum from the lawsuit filing date until the settlement date.

The Joint Venture recorded the loss from such case amounting to Baht 20.60 million (The Company only: 10.09 million), and also provided fully allowance for unbilled receivable from this project of Baht 14.33 million (the Company only: 7.02 million). Moreover, the Company fully provided allowance for advance to Joint Venture Power-Noppawong of Baht 39.53 million, since the Company considered that the Joint Venture might be unable to repay this amount. Note 7.4.4

On March 5, 2008, the Joint Venture filed the verbal and objected prosecution against the Central Governor Court. Presently, the case is being the consideration of the Central Governor Court.

**25.2 Kwae Noi Dam Project (Joint Venture UBC Power)**

On November 26, 2004, the Joint Venture has entered into the dam construction agreement with Royal Irrigation Department. The total project amount is Baht 3,354 million (excluded VAT) and the parties plan to complete within 1,110 days. Since the starting date to date, the Company has entered into nine subcontract agreements with the entire amount of Baht 3,310 million (excluded VAT). The major subcontractor is Union Infratech Co., Ltd. with total amount of subcontract of Baht 2,083.39 million.

As of December 31, 2008, such project comprises accumulated progress in 93.80% or equivalent to value of recognized revenue accumulated in total amount of Baht 3,146.16 million. The Joint Venture constructs the project according to the contract more delayed than the former plan equivalent to 22.18% and more delay than the new adjusted plan equivalent to 3.89%. On May 5, 2006, June 3, 2006, October 30, 2006 and November 10, 2006, the Joint Venture issued the letter to reserve the right to extend the period of compliance with the contract and there is new adjustment of the plan. In accordance with the contract, the Joint Venture has to completely construct for the whole project within February 8, 2008. Up to presently, the construction has not been completed. According to the contract, the Joint Venture comprises burden that has to repay fine fee of delay and expense in the job control the engager has to sub-engage another controller by the aggregate amount of Baht 3.69 million daily to engager commenced from the date determined to be completed according to the contract including the collateral of compliance with such contract by another amount 179.45 million. That the Company pledged bill of exchange may be confiscated according to such contract if such Joint Venture cannot comply with the contract. However, on May 15, 2007, the Cabinet is resolved to consent with the help support to the construction entrepreneur according to the Ministry of Finance offered. It is allowed to extend the contract life by another 180 days for the construction that there is signature in the contract and still obtain obligation which is the engagement contract still under the operation and has not yet final examined acceptance in the period of flood only in the province zone there is announcement of emergency flood zone. Moreover, the Joint Venture has filed petition to receive help to the counter party sector and the Joint Ventured received approval to extend the contract life to terminate the contract on August 6, 2008. Later on June 17, 2008, the Cabinet is resolved to consent with the help support to the construction entrepreneur according to the Ministry of Finance offered. It is allowed to extend the contract life by another 180 days for the construction that there is signature in the contract and still obtain obligation which is the engagement contract still under the operation. Moreover, the Joint Venture has filed petition to receive help to the counter party sector and the Joint Ventured received approval to extend the contract life to terminate the contract on February 2, 2009. Later on January 12, 2009, the joint venture has entered the rectification contract in addition to the contract of Royal Irrigation Department by the Royal Irrigation Department approves to extend the contract life by another 90 days to terminate on May 3, 2009.

**26. Segment Information**

The Company's operations involve a single industry segment in construction service, and carried on a single geographic area in Thailand. As a result, all of the revenues, operating profits and assets are reflected in these financial statements pertain to the aforementioned industry segment and geographic area.

**27. Financial Instruments**

**27.1 Risk Management Policies**

The company does not constitute any policy related to financial instruments so as for trading or speculating.

**27.2 Risks from Interest Rates**

Interest rate risk arises from the fluctuation of interest rates in the future which will affect operations and cash flow of the company, which the company had assets and liabilities instruments to hedge against this risk as follows:

	Consolidated Financial Statements			
	December 31, 2008 Amount of Baht	December 31, 2007 Baht	December 31, 2008 Interest Rate per annum %	December 31, 2007 %
Promissory Note	12,000,000.00	10,000,000.00	4.00	5.75

	Separate Financial Statements			
	December 31, 2008 Amount of Baht	December 31, 2007 Baht	December 31, 2008 Interest Rate per annum %	December 31, 2007 %
Promissory Note	-	10,000,000.00	-	5.75

27.3 Credit risk

The Company is exposed to credit risks mainly relating to their trade accounts receivable, loan to and advancement for the Joint Venture and a participated entity of the Joint Venture and the transaction with major customers and suppliers. However, the management has policies to provide adequate allowances for any possible losses that might be incurred in connection with their receivables.

27.4 Fair Value

As most of the financial assets and liabilities are of short term nature and long term loans which have an interest at market rate, thus management of the Company and subsidiaries believe that the book value of such financial assets and liabilities does not differ significantly from the fair value.

28. Share Purchase Agreement and Agreement Termination

On October 27, 2005 the Company entered into share purchase agreement to purchase common share of L.V.C Development Co., Ltd. at 100%, the Company agreed to pay for the shares as follows:

	Baht
Within October 31, 2005	60,000,000.00
Within January 31, 2006	35,000,000.00
Within October 31, 2006	24,994,000.00
Total	119,994,000.00

As of March 31, 2006 and December 31, 2005, the Company paid advance for investment of Baht 95 million and Baht 60 million respectively, which is in accordance with such agreement 60,000 shares of L.V.C Development Co., Ltd. have been transferred to the Company but have not yet changed or added the authorized directors.

On May 11, 2006, the Company and former shareholders (share sellers) have entered into the memorandum for cancellation of share purchase agreement. Both parties agree to terminate share purchase agreement dated October 27, 2005, and share sellers agree to repay the advance payment amount of Baht 95 million with interest at MLR rate (Siam City Bank) plus 0.25% per annum, or MLR plus 2% per annum for default period (if any). The repayment schedules in amount of Baht 95 million are as follow:

Date	Amount (Baht)	Cash received
June 30, 2006	7,000,000.00	June 30, 2006
July 30, 2006	7,000,000.00	Default
August 30, 2006	7,000,000.00	Default
September 30, 2006	7,000,000.00	Default
October 30, 2006	7,000,000.00	Default
November 30, 2006	7,000,000.00	Default
December 11, 2006	8,000,000.00	Default
January 11, 2007	9,000,000.00	Default
February 11, 2007	9,000,000.00	Default
March 11, 2007	9,000,000.00	Default
April 11, 2007	9,000,000.00	Default
May 11, 2007	9,000,000.00	Default
Total	95,000,000.00	

The due installments have been defaulted. The Company, therefore, does not record interest income in statement of income for the quarter ended on March 31, 2006 and also provides allowance for doubtful of Baht 35 million. Calculated from remaining amount to Baht 88 million deducted with the valuation of collateral of Baht 53 million. The valuation of Baht 53 million is average from 5 following methods and the methods are according to the report of an independent valuer, DS Prudential Management Co., Ltd. dated April 20, 2006, which is Baht 888.05 per share have calculate are as follows:

1) Book Value Method	443.58	Baht / Share
2) Adjusted Book Value Method	686.46	Baht / Share
3) Price per Earning Method	1,087.18	Baht / Share
4) Price per Book Value Method	780.70	Baht / Share
5) Discounted Cash Flow Method	1,442.34	Baht / Share

According to the said report, the necessary information have been gathered and considered as one of criteria to the result of share valuation such as and nature of business, expected future benefit, risk factors, financial position, company profile, company structure. An independent valuer also expresses the opinion for the reasonable price of this share should be between Baht 443.58 to Baht 1,442.34 per share. The Company, therefore, using the average of the above 5 methods, which is Baht 888.05 per share to calculate the collateral valuation.

On March 21, 2007, the Company lawyer's Company sent notice to former shareholders to request collection of outstanding loans amount of Baht 88 million and accrued interest within 15 days from the receiving date, otherwise the Company will perform the legal process.

On April 5, 2007, the lawyer of the mentioned receivables has sent the argument letter to the Company's lawyer to declare that share purchasing agreement dated October 27, 2005 is not correspondence to the fact, but all former shareholders of the said

company and the Company agree that such agreement is made from the requirement of the Company for the public disclose purpose only, and do not have intention to make any obligation to both parties. The agreement that both parties agree to is the share purchasing dated February 17, 2006, which the former shareholders received from the Company only Baht 50 million. Latter, both parties unwill to continue such share purchasing and agree to enter into the termination agreement with repayment schedules on May 11, 2006. The receivable, as one of the former shareholder and grantee of the other 6 former shareholders, has signed on the mentioned termination agreement with mislead in the significant facts. The said former shareholders have requested the Company to correct such errors, but they have not been performed. The termination letter is to terminate the share purchasing agreement dated February 17, 2006, not the share purchasing agreement dated October 27, 2005. In addition, the receivables agree to repay loan amount of only Baht 50 million, which is equal to the amount received by receivables, not Baht 88 million, and Baht 7 million has been repaid remaining amount of Bath 43 million. The Company has disclosed to the Office of the Securities and Exchange Commission (SEC) and also to press that such former shareholders own the Company of Baht 95 million, which is not true. This cause damaged to the reputation of such company, and has been monitored including been denied for additional credit line by financial institutions. Such former shareholder has informed the Company to correct such disclosure, but it has not been performed according to the letter dated November 6, 2006. The Company infringes and caused receivables to order the bank to suspend the 11 cheques from 12 cheques. The total of 12 cheques issued by such receivable to the Company, only 1st to 7th cheques are for returning the Company as the share purchasing is terminated, but 8th to 12th cheques and also cheques that the Company issued to such receivable is for swap purpose only. Such receivables agree to repay such loan to the Company after the Company correct such information submitted to SEC and press, and agree to swap 5 cheques issued by each party.

On April 9, 2007 and June 6, 2007, the Company files to the Court in the allegation of or default of according to The Act of Default from Cheque cheques of capital Baht 63 million and Baht 18 million, respectively. Given both cases, the Court accepted the prosecution under the consideration by appointment and called defendant for investigating verdict on February 19, 2008.

On April 18, 2007, the Company has filed this case to the Civil Court regarding the infringement and claim for damage of Baht 197.60 million.

Since the information above is not up to date, the Company provided additional allowance for doubtful accounts of Baht 53 million to be equal of the principal amount in the second quarter of the year 2006.

Later on October 29, 2008, the Company and such case of account receivable performs compromised contract to the Civil Court by consenting the repayment to the Company by amount of Baht 34 million. Repayment is divided into 6 installments. The first installment is Baht 8 million. The 2nd to the 5th installments are Baht 5 million per installment. Moreover, the 6th installment is Baht 6 million per installment. The first installment is repayable on the date the compromised contract is performed. If any debt installment is defaulted, it is regarded that every installment repayment is defaulted and consented that the Company charges interest in the rate of 7.5% per annum of the outstanding principle balance that accrued to the Company commenced from the defaulted date forwards and also consented that the plaintiff is immediately enforceable which comply with the resolution of the extra-ordinary shareholders meeting no.1/2008 held on October 24, 2008. Moreover, on the date of the compromised contract performance, the Company received post dated cheques by number of 6 versions in amount of Baht 34 million from such account receivable. However, the Company has received the first installment repayment on October 29, 2008 Therefore, in quarte 4 of 2008, the Company recorded to recognize the refund of doubtful debt in amount of Baht 18 million in the statement of income and on the same date, the Company filed the discharge of prosecution in the Criminal Case with such account receivable. As a result, such case is terminated.

As of December 31, 2008, the Company constitutes 3 post dated cheques receivable from such account receivable by amount of Baht 16 million.

**29. Obligation Commitment and Contingent Liability**

29.1 Apart from this, liability according to reflected in the balance sheet the Company, subsidiary company and joint venture (computing according to the proportion of the Company) still constitute obligation commitment and contingent liability as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
	Million Baht	Million Baht	Million Baht	Million Baht
Letter of Guarantee	223.67	242.15	179.45	179.45

29.2 As of December 31, 2008 and 2007, the Company comprises obligation commitment which will have to repay leased fee in the future under the contract of office building lease and contract of central service fee. Such contracts hold the contract life of 1 year equally for 2 years. There are the leased fee value and service which have to repay until the contracts are matured by amount of Baht 1.80 million equally for 2 years.

29.3 As of of December 31, 2008 and 2007, the Company, subsidiary company and joint venture comprise obligation commitment from the construction engagement contract with the government sector and the several domestic companies according to the contract value of Baht 20.80 million and Baht 73.61 million respectively.

29.4 As of December 31, 2008 and 2007, the Company, subsidiary company and joint venture comprises obligation commitment from the subcontractor contract with several subcontractors in value according to the contract in total of Baht 20.72 million and Baht 73.34 million respectively.

29.5 The Company pledged by guarantor against the credit facilities of the with Joint Venture is Union Infratech Co., Ltd. for received credit line of bill of exchange and promissory note for the Joint Venture UBC Power for the construction Kwae Noi Dam project in amount of Baht 120 million.

29.6 The Company had an obligation resulted from the project run by Joint Venture Power-Noppawong was terminated and the hirer filed the lawsuit to the Court in the amount of Baht 20.60 million, and the Company fully provided on its proportion of Baht 10.09 million. However, the Company has an obligation if the participant of Joint Venture is unable to pay its proportion.

**30. Special Audit**

**30.1 Year 2005**

On June 9, 2005, the Securities and Exchange Commission ("S.E.C.") issued a letter No. S.E.C. CHOR 1161/2005 ordering the Company to arrange to have an auditor to perform a special audit on the uncertain transactions. The special audit had been arranged according to the instruction of the S.E.C. report dated August 30, 2005. These can be summarized as follows:

Project consulting service Income for Silver Heritage Co., Ltd. and The Best Condominium Co., Ltd. for the amount of Baht 29 million as in Note 30.2

	<u>Point of doubt</u>	<u>Special auditor's notice</u>
1	The reasonableness of the project consulting service income for the above 2 projects	<ul style="list-style-type: none"> <li>- Due to the unreachable information of the Company's subcontractor, the auditor cannot conclude the reasonability of the project consulting service income. However, the price is still lower than the professional consulting service income calculated based on the normal practice of The Association of Siamese Architects under Royal Patronage.</li> <li>- The auditor cannot verify whether the source of the money really came from the customer or not.</li> <li>- In addition, the auditor also mentioned that the Company may have relationship with the customers. Furthermore, some of the directors in both the customers' and subcontractors' company are the same persons. This is the reason that the Company was able to get these projects. In addition, the Company performed the work while the customers were in payment default. Last invoice was dated December 20, 2004 while the work was delivered in January 2005 which did not conformed to the construction agreement.</li> </ul>
	<p><b><u>The Company's response to this point</u></b></p> <p>The transaction occurred during the rehabilitation process managed by the plan administration which was under the scope of the Company's main businesses. The Company has had no common shareholder or director or any significant influence or ability to control over the Company's customer and subcontractor of this project. All the above points of doubt are the customer business which is out of the Company's control.</p>	
2	The authorized person who signs the project consulting contracts of Silver Heritage Co., Ltd. and The Best Condominium Co., Ltd. are the same person. Additionally, the database of the Ministry of Commerce Thailand as of March 31, 2005, said person is not an authorized person.	<ul style="list-style-type: none"> <li>- The auditor found that the person who signs the contract is the authorized person based on the company's affidavit. In addition, the director of the Best Condominium Co., Ltd. had made to changes from the initial person to another person and then back to the initial person.</li> </ul>
	<p><b><u>The Company's response to this point</u></b></p> <p>The transaction occurred during the rehabilitation process managed by the plan administration which was under the scope of the Company's main businesses. The Company has had no common shareholder or director or any significant influence or ability to control over the Company's customer and subcontractor of this project. All the above points of doubt are the customer business which is out of the Company's control.</p>	

Rental income of machine from Thai Nippon Concrete Co., Ltd. crane rental to Super Lift Service Co., Ltd. for the amount of Baht 12.48 million as in Note 30.2 and land lease for HD Intertrade Co., Ltd. as in Note 30.2

	<u>Point of doubt</u>	<u>Special auditor' notice</u>
1	Rental income of machine from Thai Nippon Concrete Co., Ltd. and crane rental to Super Lift Service Co., Ltd.	<ul style="list-style-type: none"> <li>- The Company had rental income several times throughout the year over the last accounting period, although, the Company's main business is not in renting machines.</li> <li>- The work schedule of machine and crane of the Company's customer was found that the working days were only 5-10 days while the rental contract was for 6 months period.</li> <li>- The auditor cannot verify the actual use of the machine and the crane of the Company.</li> </ul>

	Point of doubt	Special auditor's notice
		- The auditor cannot verify whether source of the money really came from the customer or not.
	<b>The Company's response to this point</b>	
	The transaction occurred during the rehabilitation process managed by the plan administration which was under the scope of the Company's main businesses. The Company has had no common shareholder or director or any significant influence or ability to control over the Company's customer and subcontractor of this project. All the above points of doubt are the customer business which is out of the Company's control.	
2	Land rental income from HD Intertrade Co., Ltd.	- According to the observation of the condition of land, the auditor found that there might be nobody using this land during the lease period (August – December 2004). - The lessee's financial statements for the year 2004 did not record the rental expenses. - Auditor cannot audit whether the source of the money is really came from the lessee or not.
	<b>The Company's response to this point</b>	
	The transaction occurred during the rehabilitation process managed by the plan administration which was under the scope of the Company's main businesses. The Company has had no common shareholder or director or any significant influence or ability to control over the Company's customer and subcontractor of this project. All the above points of doubt are the customer business which is out of the Company's control.	

The revenue recognition in the first quarter of 2005 for the amount of Baht 57.84 million which SEC ordered the Company to assess the percentage of completion as of March 31, 2005, by an independent valuation company as in Note 30.2

	Point of doubt	Special auditor's notice
1	The revenue recognition in the first quarter of 2005.	- It may conclude that the Company has a close relationship with the Company's customers and subcontractors in terms of having a significant influence/ or ability to control considering the substance rather than legal form. This may cause unusual transactions where the pricing policy may not represent the normal business price. The Company may not determine the contract income and cost of subcontractor at fair price. The company should consider disclosing the information regarding its relationship with these related parties, pricing policy and amount of transaction in accordance with the Accounting Standard No.47.  - Most of the contracts between the Company and the Company's customer and subcontractor have no security. Additionally, on some projects the Company paid an advance to the subcontractor, but the Company had not yet received the advance payment from the customer. Furthermore, the advance payment paid to the subcontractor is higher than the advance payment received from the customer.
	<b>The Company's response to this point</b>	
	See Note 25	

Advance payment to joint venture project

	Point of doubt	Special auditor's notice
1	<b>The Joint Venture UBC Power</b>  As of June 30, 2005 and March 31, 2005, the Company made an advance payment to Union Infratech Co., Ltd. the participant of the Joint Venture UBC Power amounted to Baht 48.10 million. As of December 31, 2004, the balance was Baht 143.10 million.	- The Company made an advance payment to another participant in a large amount which did not pass to the Joint Venture. An auditor cannot audit the payments made by this participant.  - Only the Company has made advance payments to the project while the Company's has only a 10% portion of interest.  - The bank statement of the participants did not show the cash in from the Company and also did not record the cash received in the accounting book.  - The auditor cannot audit the source of money which the participant repaid to the Company, and also cannot audit whether this advance payment was spent for the Joint venture's project.
	<b>The Company's response to this point</b>	
	The Company sees a benefit and a chance to make a profit and increase marketability to be a joint venture for the future to contact with the government or for bidding the government projects by themselves. Furthermore, the Joint Venture will lead to other projects for the Company.	
2	The Joint Venture Power-Nopawong amounted to Baht 10 million.	- The Company made payment to the other company which the internal memo said that this transaction is a loan to the other company for working capital. However, the supporting documents said that other company assigned the Company's director to receive this money for the repayment of personal liability of such company's director.
	<b>The Company's response to this point</b>	
	To protect the benefit of the investors, the Company got a promissory note from the other company as a guarantee. The Company does not have to propose to lend.	

30.2 Year 2006

On November 8, 2006, the Securities Exchange Committee (S.E.C.) orders that the Company rectify the financial statements in the agenda in respect of revenue recognition in the financial statements for the year 2004 in amount of Baht 10.50 million. The auditing of the S.E.C. is reflected by the reliable evidence as to whether the Company did not provide such service which revenue cannot be recognized in the financial statements for the year 2004 according to generally accepted accounting principle. In addition, S.E.C. orders that the Company arrange auditors to proceed with special examination for the some transactions of revenue recognition which are not obvious that may be incorrect revenue

recognition according to generally accepted accounting principle. In accordance with the minute of the board of directors meeting no.18/2007 dated on November 21, 2007 and minute of the extra-ordinary shareholders meeting no.1/2007 held on December 11, 2007, the meetings are resolved that the Company rectify the revenue recognition which ordered to rectify. Moreover, some obscure revenue transactions are recognized which may be incorrect revenue recognition according to generally accepted accounting principle of revenue recognized in the financial statements of 2004. In addition, the financial statements of quarter 1 of 2005 are suspended receivable amount reflected as non-current liability in the balance sheet in amount of Baht 66.58 million. Any procedure in respect of such suspended receivable amount will have to be received by approval only from the shareholders meeting to proceed.

On March 21, 2007, the Company has submit its filing to the Central Governance Court in order to withdraw the order of S.E.C. and the minute of the board of directors meeting on February 8, 2008, the meeting is resolved to withdraw such filing. Later on February 20, 2008, the Company filed petition to withdraw prosecution to the Central Governance Court and the Central Governance Court permits the prosecuted withdrawal and discharges the case out of files on February 26, 2008.

On March 20, 2008, the Securities Exchange Committee (S.E.C.) acknowledged the relaxed letter that the Company does not have to proceed with special audit from the event that the Company preceded with rectified adjustment of the financial statements in respect of revenue recognition as suspended account receivable in the 2004 financial statements and quarter 1 of 2005 financial statements.

### **31. Lawsuit**

31.1 On November 30, 2005 the Company has been named as a defendant in the civil court case No.5404/2005 between The Best Condominium Co., Ltd. (the plaintiff) and the Company (the first defendant) regarding the breach of the contract, concealed act and been claimed for a damage of Baht 192,246,704. The Company has appointed the attorney and submitted the statement to defend the case that the Company did not perform any concealed act and the plaint is not clear.

On August 15, 2008, the Court of the first instance adjudicated to dismiss the case. Later on November 13, 2008, the plaintiff has submitted the letter to the Appeal Court for request the expansion of the period to lodge an appeal which the appeal court has consented expand on December 13, 2008. When it arrives at the termination date to extend the appeal period, the plaintiff did not file appeal to the Appeal Court according to the period that received permission. Therefore, such case is terminated. Later on January 19, 2009, the Company filed petition to request to issue the important note reflecting that the case is finalized to the Civil Court since it does not appear that the plaintiff has no longer filed the appeal of adjudication.

31.2 On October 15, 2008, the Company is defendant in the black case no.4005/2008 of the Criminal Court between The Best Condominium Co., Ltd., plaintiff and Power-P Public Co., Ltd., the second defendant in charge of or on the fault of document forgery and application of forged document to examine witness that is false and provision of false evidence. The Company appointed the lawyer to file the plea and fight the case in the point that the Company did not forge document nor used the forged document nor examined the false evidence nor testified the false witnesses. Later on January 20, 2009, the Company received the compromised letter of the disputation from the Criminal Court while it appoints for the disputation compromise on February 13, 2009.

31.3 On December 4, 2008, the Company becomes as defendant in the black number case no. 8596/2008 of the Civil Court between C W E (Thailand) Co., Ltd., the plaintiff with Power-P Public Co., Ltd., second defendant in the charge of breach of engagement trading contract, claiming for damage of Baht 3,273,001.75. Presently, it is under the petition filing to compromise.

### **32. Approval of the Financial Statements**

The financial statements have been approved to issue by the Company's board of directors on March 2, 2009.

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Under the management of the current team of directors, it is company policy to conform to the 15 codes of practice of good governance as laid out by the SET as follows;

**1) Policy on corporate governance**

The Board of Directors is strongly determined to adhere to the principles of good corporate governance in order to enable investors and the general public to acknowledge and examine the Company's operation, with emphasis placed on internal control and internal audit systems, business operation transparency, adequate disclosure of information to all parties concerned both internal and external. Moreover, the Board of Directors will run the Company prudently by taking into account the business risk at all times.

In addition, it is company policy that directors should take the Director Accreditation Program – DAP, arranged by the Institute of Directors, in order to establish the responsibilities and roles of directors also the company always sending the officer to training as SET issue.

**2) Right of shareholders**

The Company has policy to give importance to the right of all shareholders on an equitable basis such as disclosure of key information and progress on operational performance to shareholders on a regular basis through the SET. In case where the resolution from the shareholder meeting is required, the Company will send an invitation letter, details of meeting agenda and meeting documents to its shareholders in advance. Minutes of the shareholders' meeting will be prepared for shareholders' inspection.

**3) Right of stakeholders**

The Company pays attention to all stakeholder groups including customers, creditors, competitors, shareholders, the Company's employees, and the community so as to ensure their basic rights are protected and taken care of in accordance with the provisions of the laws and other relevant rules and regulations.

**4) Shareholders' meeting**

The Company arranged shareholders' meeting in a proper manner pursuant to the Public Limited Companies Act B.E. 2535 and the rules and regulations of the SET. The Company provided adequate information and appropriate time for consideration and gave equal opportunities for the shareholders to express their opinions and raise any question at the meeting, according to the agenda and the issues presented to the meeting. Shareholders will be provided with a proxy form to authorize the Audit Committee members as their proxy in case the shareholders are not able to attend the meeting.

**5) Leadership and vision**

The Board of Directors is responsible for determining strategies, targets, business plans, and budgets of the Company. The Board also supervises and ensures that the management operates business effectively and efficiently in line with the Company's plans and budget set out to bring in optimal benefits to the Company as well as the shareholders.

**6) Conflict of interest**

The Company has laid down policy on the making of the transactions that may involve conflict of interest, which are required to obtain approval in writing from the Board of Directors and/or the shareholders' meeting in strict conformity to the criteria and procedure prescribed by the SET. Furthermore, the Company established the policy and rules to prevent the directors, executives and related persons from using internal information for their own benefit and to ensure complete disclosure of information in the notes to financial statement, annual report, and annual registration form (Form 56-1) for the benefits of the Company and the shareholders.

**7) Business ethics**

The Company has realized the importance of business ethics. Therefore, it has set out policy on code of business ethics and instructed its directors, executives, and employees to adhere to and apply the said policy as a guideline for performing duties with integrity, honesty, and responsibility to the stakeholders, the shareholders, and all concerned parties at all times. This is to build up organizational cultures of social-responsibility awareness.

**8) Balance of non-executive directors**

At present, the Board of Directors consists of 6 members, as follows;

- Directors holding executive positions 2
- Directors not holding executive positions -
- Independent directors 4

Therefore, the Company has the number of directors not holding executive positions and independent directors, equaling 66.67% of the total members of the Board of Directors, hence being able to check and balance the administrative power.

**9) Consolidation and segregation of position**

The Board Chairman has no relationship with and is not the same person as the President so as to segregate the policy-making and overseeing duties from the day-to-day operations. Moreover, the scope of power and duties of each committee is clearly set out to prevent any of the directors or the executives from having unlimited power and to enhance the review on the business operation.

**10) Remuneration for directors and executives**

The Company has policy to determine the remuneration to be compatible with that of similar businesses and commensurate with the duties and responsibilities assigned. Moreover, the remuneration is high enough to attract and retain the directors and the executives with required qualifications and has been consistent with the shareholders' resolution.

**11) Board of Directors' meeting**

The Company arranged and proceeds with the Board of Directors' meeting in line with the Company's articles of association, the law governing public limited companies, and rules and regulations of the SET. Minutes of the meeting is also taken in writing to report the results of the meeting and those having been certified by the Board shall be kept and made available for the Board's and the concerned parties' inspection.

In 2008, the Company held the Board of directors' meeting at 17 times with attendance of directors as follows;

	<u>Name of Director</u>		<u>Attendance</u>	<u>Absence</u>	<u>Note</u>	
1.	Mr. Paiboon	Chorchaitis	5	2	Meetings from Jan - Apr	= 7
2.	Gen. Sith	Sithimongkol	17	0	Meetings from Jan - Dec	= 17
3.	Mr. Numpon	Ngurnnumchoke	17	0	Meetings from Jan - Dec	= 17
4.	Ms. Chutima	Chubthaisong	17	0	Meetings from Jan - Dec	= 17
5.	Mr. Panupon	Jitthiwong	14	3	Meetings from Jan - Dec	= 17
6.	Mr. Prawit	Srisangnarm	16	1	Meetings from Jan - Dec	= 17
7.	Ms. Supawinee	Nitchakaroon	11	6	Meetings from Jan - Dec	= 17

In 2008, the Company held the Audit Committees' meeting at 8 times with attendance of directors as follows;

	<u>Name of Director</u>		<u>Attendance</u>	<u>Absence</u>	<u>Note</u>	
1.	Gen. Sith	Sithimongkol	8	0	Meetings from Jan - Dec	= 8
2.	Mr. Prawit	Srisangnarm	8	0	Meetings from Jan - Dec	= 8
3.	Ms. Supawinee	Nitchakaroon	6	2	Meetings from Jan - Dec	= 8

**12) Committees**

The Company did not set up any committees. Nevertheless, in January 2010, the Audit Committee was set up, with the qualifications, duties and responsibilities of the committee members specified in line with the notifications of the SET.

**13) Internal control and audit system**

The Company has given importance to the efficient internal control system at both executive and operational levels. Therefore, it has clearly determined in writing the scope of duties and responsibilities of the Board of Directors, the Audit Committee, and the President and recruited internal audit officers to work for and report directly to the Audit Committee to be the main mechanism in strengthening the internal control and audit system.

**14) Report of the Board of Directors**

The Company appointed the Audit Committee to be responsible for financial report on the Company's operational performance from 2004 onwards so as to ensure such report is accurate, complete, and released within the time specified in the articles of association, relevant rules and regulations.

**15) Investor relations**

The Company has policy to disclose essential information of the Company and its subsidiaries through various media stipulated by the SET in an accurate, complete, honest, reliable, regular, and timely manner. At present, the Company's Business and Investment Promotion Department has been assigned to be responsible for communications with shareholders, analysts, investors, and the interested persons. In this regard, they can request information of the Company and its subsidiaries at telephone no. 0-2682-6404 ext. 212 or fax no. 0-2682- 6393 contact person is Ms.Duangporn Likhitmaharoek

**Policy and measures to prevent executives from the leaking internal information**

The Company has set out policy and measures to prevent executives from the use of internal information of the Company and its subsidiaries for personal or others' benefits as follows;

- The Company has policy to have its directors take training course arranged by the IOD to enable them to realize the roles, duties and responsibilities of the directors of listed companies. As of December 31, 2005, there were seven directors having passed the training. Moreover, executives of various departments are notified of their duty to report their securities holding and of the penalties imposed on failure to do so according to the SEC Act B.E. 2535 and the rules, regulations and provisions of the SET.
- The Company will notify its directors, executives, and auditors of their roles and responsibilities in reporting the securities holding and any change in securities holding in the Company of themselves and their spouse and minor child to the SEC pursuant to Section 59 of the SEC Act B.E. 2535 and the penalties under Section 275 of the SEC Act B.E. 2535.
- The Company has policy to prevent its directors and executives from the use of material inside information of the Company and its subsidiaries which have not yet been disclosed to the general public for their own or other's benefits. Moreover, the directors, executives, and employees working in the departments that have access to inside information are not allowed to trade the Company's securities for a period of one month prior to the disclosure of financial statements to the public. Any violations shall be regarded as performing duties against the Company's policy and thus being subject to serious disciplinary penalties and to the penalties under Sections 241 and 242 of the SEC Act B.E. 2535. Specifically, the violator shall be imprisoned for not over two years or imposed a fine of not over two times of the benefits received or to be received by the persons violating the regulations, but not lower than Bt. 500,000 or both imprisoned and fined, and the benefits from such violation shall be delivered to the SEC.

**Industrial situation and competition**

In December of year 2007 the governments in Thailand which come from general election cause to improve Thai economics as price of agriculture product such as rice and tapioca come to rise in the beginning of year 2008. Unfortunately both of local and international investor feel falter to invest in Thailand because the political situation as sequent demonstration and change cabinet many time as well.

In the meanwhile world economic condition was decline in financial and industries face loss problem specific in United State and Europe, this economic crisis extend around the world also have an effect on Thai economy as show in business profits on quarter 4 report the most Thai companies loss at all.

As calculate be in deficit for GNP (Gross National Product), unemployment, exporting etc. all realization to difficulty in construction industry and real estate as they businesses need the progressive of country in majority. Even though Thai government in present try to release many measure to cope with deteriorate of business in year 2009 but it must be accepted that this problem is hard to be solve.

For all abovementioned Power-P Public Company Limited who concern about the trouble in business, we beware of every job as not accept the project is to be risk and not attend to under price competition building to save our company out of cost. At the same time we commit the project to finish in shortly together with find new partnership to make our organization be strengthen and clear every difficult in previously.

As our company not face with liquidity problem or the project risk to be loss in currently therefore we will use this critical situation to develop our competition potential by improve our human resource and management for business recovery in the future.

**Board of Directors' Report on Adequacy  
and Appropriateness of the Company's Internal Control**

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The Audit Committee has performed the assigned tasks in such matter which the management also follow by the scope of power and duties of the Audit Committee together with performed its duties by the regulation of The Stock Exchange of Thailand such as to review the Company's financial report and ensure that the Company has suitable and efficient internal control and internal audit systems to processing the business, have verity the connecting transaction together with review of Risk Management and consider to appointment the company auditor.

For commencing an internal control system the Audit Committees and Auditor have compliance opinion as the company has suitable and sufficiently of internal control system also not found the weakness point in subject matter as risk factor to effect to process of business



(General Sith Sithtimongkol)  
Chairman of the Board of Director &  
Chairman of the Audit Committee

**Profile of Management and Authorized Persons of the Company (as of February 28<sup>th</sup>, 2009)**

Name /Position	Age	Education / Institute	Shareholding In Power-P	Family relationship with executives	Work experience over the past five years			
					Period	Position	Company / Organization	Type of business
General Sith Sithimongkol Chairman of the Board of Director Chairman of the Audit Committee	64	Chulachomklao Royal Military Academy Thepsatri Rajabhat University Director Accreditation Program (DAP) 66/20074	-	-	1995 1989 - 1996 1996 2007 - Present	Assistant Ministry of Defense Royal Aide-De-Camp Department Royal Military Academy Special Cadet Chairman / Chairman of Audit Committee	Power-P Public Company Limited	Construction Contractor
Mr. Thitiband Nakornthap Managing Director Having authority to sign on behalf of the Company	46	Bachelor School of General Studies Columbia University, USA	-	-	1989 - 1991 1991 - 1992 1992 2003 - Present 2009	Marketing Manager Assistant secretary General, Sammakhee-tham Party Advisor Ministry of Commerce Managing Director Managing Director	BangPa-In Industrial Estate Co.,Ltd. Solasofew Co.,Ltd. Power-P Public Company Limited	Construction Contractor
Ms. Chutima Chubthaisong Deputy Managing Director Having authority to sign on behalf of the Company	35	Master of Business Administration Kasetsart University Bachelor of Accountancy Ramkumhaeng University	-	-	2003 - 2004 2004 - 2005 2005 - 2007 2007 - Present	Assistant Manager Finance & Accounting Manager Finance & Accounting Deputy Managing Director Financial Deputy Managing Director	MCI+Draka Cable (Thailand) Co., Ltd. Andres & Houser (Thailand) Co., Ltd. Chromalloy (Thailand) Ltd. Power-P Public Company Limited	Construction Contractor
Mr. Prawit Srisangnarm	43	Master of Real Estate Business Thammasart University Master of Business Management National Institute of Development Administration Bachelor of Public Administration Chulalongkorn University	-	-	1997 - 2005 2005 - Present 2007 - Present	Assistant Director, Accounting Manager, Financial Director Director Director & Audit Committee	Dhipaya Insurance Company Chalearn Industrial Company Power-P Public Company Limited	Construction Contractor

**Profile of Management and Authorized Persons of the Company (as of February 28<sup>th</sup> , 2009)**

Name /Position	Age	Education / Institute	Shareholding In Power-P	Family relationship with executives	Work experience over the past five years			Type of business
					Period	Position	Company / Organization	
Ms. Supawinee Nitchakaroon Member of Audit Committee	36	Bachelor of Mass Communication Bangkok University	-	-	1996 - 2000 2000 - Present 2007 - Present	Assistant Manager - Marketing Marketing Manager Director & Audit Committee	High Pressure Steel Pipe Co., Ltd. Delta Metal (Thailand) Co., Ltd. Power-P Public Company Limited	Construction Contractor
Mr. Panupon Jithiwong Independent Director	40	Bachelor of Human Sciences University of the Thai Chamber of Commerce	-	-	1997 - Present 2007 - Present	Director & Audit Committee	Mark & Mac Co., Ltd. Power-P Public Company Limited	Construction Contractor
Mr. Dhani Kumwongwan Vice President Administration & Human Resource	49	MBA (Management) Kasetsart University B. Eng (Civil) Chulalongkorn University BBA Construction Management Sukhothai Thammatrail University			1999 - 2003 2003 - 2004 2004 - 2005 2005 - present	Vice President Administration Project Manager Project Manager Vice President Administration & HR	Navanakorn PLC Siam City Corporation Co., Ltd. Power Line Engineering PLC Power-P Public Company Limited	Construction Contractor
Mr. Prakrit Rodtim Manager – Finance & Accounting	43	Bachelor of Business Administration & Accountancy Ramkumhaeng University	-	-	1999 - 2007 2007 - Present	Manager - Accounting & HR Manager - Finance & Accounting	TPC Concrete Co., Ltd. Power-P Public Company Limited	Manufacture and distribute ready concrete Construction Contractor



**P** บริษัท เพาเวอร์-พี จำกัด (มหาชน)  
**POWER** Power-P Public Company Limited

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