

36 Years Deligated to Environmental Care

ANNUAL REPORT 2006
NAVA NAKORN PUBLIC COMPANY LIMITED

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Since the first day of securing deep root onto the ground, Nava Nakorn started growing into big tree with lots of extended branches, and became the first complete fully-integrated industrial estate of Thailand. Not stopping at that, Nava Nakorn intends to consistently developing while giving full attention to environment ensuring long lasting green surrounding under the principle of **“36 year of consistent development and safeguarding environment.”**





“Increasing Service Efficiency.
Upgrading Corporate Governance
Standard. Emphasizing on Changes
for Success and Sustainable
Stability to Becoming an Integral
Key Players in the Industrial
Development of Thailand”

More than 36 years, Nava Nakorn Public Company Limited has constantly supported and developed the industrial estates business. Today, we have successfully integrated the industrial estates with facilities such as efficient wastewater treatment and garbage disposal as well as Free Zone and Industrial zones for both large and small operators to keep up the pace of industrial development strategies and to be in line with the national investment directions.

Thailand's economic situation in 2006 was tainted with volatiled oil price, unrest in three Southern provinces, and the bearish conditions of capital market; Navanakorn Public Company Limited has somehow maintained satisfaction level on success operation results and growth with clear indication with the increasing of total revenue to 1,095.9 millions Baht or 239.4 millions Bath which is approximately 28% compared to 2005 resulted as follows the net profit increased to 240.9 millions Bath, a which 15.9 millions Baht or 7% increase from 2005; return on asset (ROA) grew to almost 9%. In 2005, the Company paid dividends of 116.2 millions Baht or 1.2 Baht per share to investors which is a considered to be a satisfactory dividend yield. The financial satiability has strictly maintained the proper policies regarding operations and risks without the use of financial tools in speculation for profits or for commerce.

The company realizes the major goals in operating business are to be responsible in cultivating benefits and contribute to the social development of the nation with clear and straightforward policy in sustaining industrial development and upholding high-quality ethic in terms of environment and business.

The company puts forth effort, time, and investment to conserve environment and dispose large amount of industrial waste and Navanakorn Industrial Estates have never had any environmental problem. Our business operates ethically including responsibility, transparency, honesty and morally aiming for good corporate governance to comply by the "Good Governance" policy as a listed company in the Stock Exchange of Thailand. The expansion of the company in regional area of Nakhorn Ratchasima is to create and stimulate jobs nationwide not only concentration in Bangkok but also in Metropolitan Areas.

Under the compelling force of economics and world society, the Company aims to develop industrial estates persistently as industrial estate is necessity and there are so much room of growth and expansion in the impending future. The company has well planned in all aspects to benefit all stakeholders, especially shareholders who would be beneficial in the form of dividend payment; therefore, the Company is striving to maintain the policy of paying 50% dividend out of net profit; and benefit in the form of company's growth.

On behalf of Directors, Management, and employees of the Company, I would like to express sincere gratitude to all who have been supportive to the Company's operation. With your supports coupled with our sincere effort, I strongly believe that the Company will move forward with stability to fulfill and accomplish our goals.

Gen. 
(Akaradej Sasiprapha)
Chairman





1 Gen. Akaradej Sasiprapha Chairman

Gen. Sasiprapha assumed the position of Chairman of Nava Nakorn in 2001. He is also Chairman of NEP Realty and Industry Public Company Limited. Previously, he acted as Director of Bangkok Metro Public Company Limited and Director of PTT Public Company Limited. Gen. Sasiprapha, 65, has a bachelor's degree in science from Chulachomklao Royal Military Academy. He also completed the Ranger Airborn Course from Fort Benning, Georgia, USA and graduated from the National Defense College.

2 Gen. Chainarong Noonpakdee Director, Chairman of the Executive Board

Gen. Noonpakdee took positions of Director and Chairman of the Executive Board of Nava Nakorn since 2001. He is also Director of NEP Realty and Industry Public Company Limited. Previously, he served as Military Chief of Staff, Director of the Expressway and Rapid Transit Authority of Thailand, Director of the New Bangkok International Airport Company Limited and Chairman of Thai Maritime Navigation Company Limited. Gen. Noonpakdee, 67, has a bachelor's degree in science from Chulachomklao Royal Military Academy. He also completed the Infantry Officer Advance Course from Fort Benning, Georgia, USA, education from the National Defense College and the Directors Certification Program of the Thai Institute of Directors (IOD).

3 Gen. Worapan Worasakyolthin Independent Director, Chairman of the Audit Committee

Gen. Worasakyolthin has served as Independent Director and Chairman of the Audit Committee since 2002. He is also Advisor of the Audit Committee of TOT Corporation Public Company Limited and Member of the Election Committee of Si Sa Ket Province. Prior to joining Nava Nakorn, he was Controller General of the Supreme Command Headquarters and Member of the Interrogation and Investigation Subcommittee of the Office of the National Counter Corruption Commission for 4 years. Gen. Worasakyolthin, 69, received a bachelors degree in science from Chulachomklao Royal Military Academy. He has also completed the Commu-nication & Electronics Staff Officer Course from the US Air Force, education from the National Defense College and the Directors Certification Program of the Thai Institute of Directors (IOD).



4 Pol. Gen. Somchai Vanichsenee Independent Director, Vice Chairman of the Executive Board

Pol. Gen. Vanichsenee was appointed Independent Director and Director of the Audit Committee since 2002. Previously, he was Deputy Commissioner-General of the Office of the National Police, Director of the Port Authority of Thailand, Director of the Government Lottery Office and Director of the Provincial Waterworks Authority. Pol. Gen. Vanichsenee, 65, earned a master's degree in public administration from Chulalongkorn University. He has also completed the Directors Certification Program of the Thai Institute of Directors (IOD).

5 Lt. Gen. Seekrin Singhaphan Independent Director, Director of the Audit Committee

Gen. Singhaphan was appointed Independent Director and Director of the Audit Committee of Nava Nakorn Public Company Limited in 2005. Lt. Gen. Singhaphan, 68, has a bachelor's degree in science from Chulachomkiao Royal Military Academy. He has completed the Attack and Parachuting Course from the Central Infantry College and the Battle and Psychology Course from the National War College, USA. Lt. Gen. Singhaphan also attended the Royal Thai Army Command and General Staff College and the National Defense College.

6 Mr. Pongpun Buranasiri Director, Chairman of the Remuneration Committee

Mr. Buranasiri has served as Director since 1991 and was Managing Director from 1997-2000. He also serves as Director of NEP Realty and Industry Public Company Limited. Mr. Buranasiri, 71, graduated from Thammasat University with a bachelor's degree in commerce and accounting. He has also completed the Directors Certification Program of the Thai Institute of Directors (IOD).



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7 Gen. Sommai Wichaworn Independent Director

Gen. Wichaworn assumed the position of Independent Director in 2002 and was appointed Executive Director in 2004. Gen. Wichaworn, 65, was educated at Chulachomklao Royal Military Academy where he earned a bachelor's degree in science and the National Defense College. He also completed the Director Certification Program of the Thai Institute of Directors (IOD).

8 Mr. Nipit Arunvongse Na Ayudhya Director, Managing Director

Mr. Arunvongse Na Ayudhya took the position of Managing Director at Nava Nakorn PCL. since 2001 and at the same time he has been a member of board of directors at Casa Co., Ltd, NEP Realty and Industry PCL, and Nava Nakorn Distribution Center Co., Ltd. At present, he is 46 years old. He earned his bachelor degree in Architecture from Minnesota University, USA, and a certificate of the Directors Certification Program from Thai Institute of Directors Association.

9 Mrs. Supanapa Attanan Independent Director, Director of the Audit Committee

Mrs. Attanan has served as Independent Director and Director of the Audit Committee since 2002. Previously, she was Advisor to the Board of the Ocean Securities and Finance Company Limited and Advisor of Siam Home Company Limited. Mrs. Attanan, 61, holds a bachelor's degree in Architecture from Chulalongkorn University.



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10 Mrs. Leena Charernsri Director, Director of the Remuneration Committee

Mrs. Charernsri has acted as Director since 2002. Currently, she is Deputy Permanent Secretary of the Ministry of Finance and Director of NEP Realty and Industry Public Company Limited. Mrs. Charernsri, 61, graduated from Thammasat University with a bachelor's degree in Accounting.

11 Varangkhana Devahastin Na Ayudhya Director

Miss Devahastin Na Ayudhya joined Nava Nakorn as the Director in 2006. She also holds the Managing Director position at Nava Nakorn Medical Company Limited. At present, she is 36 years old. She earned a bachelor degree from Hawaii Pacific University and a graduate degree from Sasin Graduate Institute of Business Administration of Chulalongkorn University majoring in Marketing.

12 Mrs. Suvalai Chandawanich Director

Mrs. Chandawanich was appointed Director of Nava Nakorn in 1971. She was Director of Accounting and Finance at the Company until 1995. Mrs. Chandawanich, 59, earned a bachelor's degree in Accounting from Thammasat University.



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13 Mrs. Perayalak Tangsunawan
 Director, Director of the
 Remuneration Committee,
 Deputy Managing Director

Mrs. Tangsunawan has served as Director since 2001 and also serves as Director of the Remuneration Committee. In 2002, she was appointed Deputy Managing Director of the Company. Before joining Nava Nakorn, she held the position of Commerce Specialist at the Department of Foreign Trade, the Ministry of Commerce. Mrs. Tangsunawan, 33, has a master's degree in business administration from New Hampshire College, USA.

14 Ms. Chuanpis Chaimuengvong
 Independent Director

Ms. Chaimuengvong assumed the position of Independent Director of Nava Nakorn Public Company Limited in 2005. She is also Governor of the National Housing Authority, Specialist in the Impaired Assets Subcommittee of the Thai Asset Management Corporation, Board Member of Thammasat Association under the Royal Patronage, Board Member of Thammasat Economics Association, and Chairman of Dindaeng Housing Community. Ms. Chaimuengvong, 60, has a master's degree in economics from Thammasat University and a bachelor's degree in law from Ramkhamhaeng University. She also attended the National Defense College, Class 41 (1998-1999).



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1 Gen. Chainarong Noonpakdee Director, Chairman of the Executive Board

Gen. Noonpakdee has acted as Director and Chairman of the Executive Board of Nava Nakorn since 2001. He is also Director of NEP Realty and Industry Public Company Limited. Previously, he served as Military Chief of Staff, Director of the Expressway and Rapid Transit Authority of Thailand, Director of the New Bangkok International Airport Company Limited and Chairman of Thai Maritime Navigation Company Limited. Gen. Noonpakdee, 67, has a bachelor's degree in science from Chulachomklao Royal Military Academy. He has also completed the Infantry Officer Advance Course from Fort Benning, Georgia, USA, education from the National Defense College and the Directors Certification Program of the Thai Institute of Directors (IOD).

2 Pol. Gen. Somchai Vanichsenee Independent Director, Vice Chairman of the Executive Board

Pol. Gen. Vanichsenee was appointed Independent Director and Director of the Audit Committee since 2002. Previously, he was Deputy Commissioner-General of the Office of the National Police, Director of the Port Authority of Thailand, Director of the Government Lottery Office and Director of the Provincial Waterworks Authority. Pol. Gen. Vanichsenee, 65, earned a master's degree in public administration from Chulalongkorn University. He has also completed the Directors Certification Program of the Thai Institute of Directors (IOD).



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3 Lt. Gen. Pornthep Thepayasuwan Executive Director

Lt. Gen. Thepayasuwan assumed the position of Executive Director of Nava Nakorn Public Company Limited in 2005. Previously, Lt. Gen. Thepayasuwan was Director of the Military Civil Works Department and Deputy Director of the Army Engineers Department. Lt. Gen. Thepayasuwan, 68, attended Chulachomklao Royal Military Academy where he earned a bachelor's degree in science and Royal Thai Army Command and General Staff College, Class 25.

4 ACM. Dr. Nopporn Chandawanich Executive Director

ACM. Dr. Chandawanich joined Nava Nakorn as Advisor in 1992 and was appointed Executive Director in 2004. He is also Director of the Provincial Waterworks Authority. Previously, he served as Director of the Airports Authority of Thailand, Chairman of the Audit Committee of the Airports Authority of Thailand, Executive Director of Thai Airways Public Company Limited and Chairman of the New Bangkok International Airport Company Limited (Suvarnabhumi Airport). ACM. Dr. Chandawanich, 64, graduated with a bachelor's degree in engineering mechanics from Michigan State University, USA.

5 Lt. Gen. Sukda Plodmeechai Executive Director

Lt. Gen. Sukda Plodmeechai assumed the Executive Director position at Nava Nakorn in 2006. He also holds positions of the First Corps Chief of Staff and the Deputy Commander of the Institute of Army Academy. Furthermore, he is an advisor to the Supreme Command Headquarters of the Royal Thai Army. At present, he is 69 years old. He graduated the 5 years coursework from Chulachomklao Royal Military Academy (CRMA 11) and graduated the Command and General Staff Officer Course from the Command and General Staff College, Class 50.



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1 Mr. Nipit Arunvongse- Na Ayudhya Managing Director

Mr. Arunvongse Na Ayudhya took the position of Managing Director at Nava Nakorn PCL. since 2001 and at the same time he has been a member of board of directors at Casa Co., Ltd, NEP Realty and Industry PCL, and Nava Nakorn Distribution Center Co., Ltd. At present, he is 46 years old. He earned his bachelor degree in Architecture from Minnesota University, USA, and a certificate of the Directors Certification Program from Thai Institute of Directors Association.

2 Mr. Seksit Charoensethasil Deputy Managing Director

Mr. Charoensethasil was appointed Advisor to the Board of Directors in 2003 and was subsequently appointed Deputy Managing Director in 2004. Prior to joining Nava Nakorn, he was Vice President of NEP Realty and Industry Public Company Limited. Mr. Charoensethasil, 52, earned a master's degree in business administration from Kasetsart University.

3 Mrs. Perayalak Tangsunawan Deputy Managing Director

Mrs. Tangsunawan has served as Director since 2001 and also served as Director of the Remuneration Committee. In 2002, she was appointed Deputy Managing Director of the Company. Before joining Nava Nakorn, she held the position of Commerce Specialist at the Department of Foreign Trade, the Ministry of Commerce. Mrs. Tangsunawan, 33, has a master's degree in business administration from New Hampshire College, USA.



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4 Gen. Taweesak Noonpakdee Deputy Managing Director

Gen. Taweesak Noonpakdee joined Nava Nakorn as Manager of the Water Supply Project (Pathumthani) in January 2006. Subsequently, in November 2006, Gen. Taweesak Noonpakdee was promoted to Deputy Managing Director. At present, he is 64 years old. He earned a bachelor degree from Chulachomklao Royal Military Academy; finished Engineer Equipment Officer Course from Fort Belvoir, Virginia, USA; graduated the Organizational Maintenance Officer Course from Fort Knok, Kentucky, USA; and completed the National Defense College of Thailand.

5 Mr. Huttajit Noonpakdee Assistant Managing Director

Mr. Noonpakdee assumed the position of Assistant Managing Director in 2005. Previously, he was Vice President of NEP Realty and Industry Public Company Limited. Mr. Noonpakdee, 45, has a master's degree in business administration from City University (Seattle), USA.

6 Mrs. Kalaya Hongsree Director of Accounting and Acting Director of Finance

Mrs. Hongsree joined Nava Nakorn in 1980 and was promoted to Assistant to the Vice President in 1990. In 1996, she was appointed Accounting and Finance Manager and was promoted to Director of Accounting and Acting Director of Finance in 2003. Mrs. Hongsree, 53, holds a bachelor's degree in accounting from Ramkhamhaeng University.



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7 Mr. Piyabuth Chuwong Director of Law Department

Mr. Chuwong joined Nava Nakorn in 1989. In 1996, he was appointed Assistant Administration Manager and was promoted to Director of Law Department in 2003. Mr. Chuwong, 41, holds a bachelor's degree in law from Ramkhamhaeng University and a Mini-MBA from the University of the Thai Chamber of Commerce. He also completed the Modern Managers Program (MMP) and Legal Officer Course from Chulalongkorn University.

8 Mr. Suthep Endoo Director of Human Resource

Mr. Endoo joined Nava Nakorn in 1989 and was appointed Acting Head of the Personnel Division in 1996. He was promoted to Assistant Director of Human Resource in 2003 and again in 2004 to Director of Human Resource. Mr. Endoo, 45, graduated from Sukhothai Thamathirat Open University with a bachelor's degree in education.

9 Mr. Narongrit Sammanuch Director of Purchasing

Mr. Sammanuch joined Nava Nakorn in 1989 and was promoted to Assistant Administration Manager in 1996. He was appointed Acting Director of Purchasing in 2003 and Director of Purchasing in 2004. Mr. Sammanuch, 41, has a bachelor's degree in law from Ramkhamhaeng University.



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10 Mr. Boonyapart Aroonroj
Director of Civil & Maintenance

Mr. Boonyapart Aroonroj took the position of Director of Development in 2007. Before joining Nava Nakorn, he was a civil engineer at an Engineer Consulting company. Currently, he is 36 years old and holds a bachelor degree in civil engineering from King Mongkut's Institute of Technology North Bangkok.

11 Mr. Sririchai Gaayii
Director of Budget and Acting Director of Internal Audit

Mr. Gaayii was appointed Assistant Director of Internal Audit in 2003 and promoted to Director of Budget and Acting Director of Internal Audit in 2004. Prior to joining Nava Nakorn, he was Accounting and Finance Manager of Amarin Plaza Public Company Limited. Mr. Gaayii, 50, received a bachelor's degree in accounting from the University of the Thai Chamber of Commerce.

12 Mr. Suthiporn Chandawanich
Director of Maintenance

Mr. Chandawanich was appointed Director of Maintenance in 2003. Mr. Chandawanich, 32, graduated with a bachelor's degree in mechanical engineering from Washington University at St. Louis, USA and a master's degree from Webster University at St. Louis, USA.



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13 Acting Sub. Lt. Pravit Kruttayuenyong Director of Information Technology

Acting Sub. Lt. Kruttayuenyong was appointed Director of Information Technology in 2003. Prior to joining Nava Nakorn, he was Assistant Manager of the Computer Department of Central Watson Company Limited. Acting Sub. Lt. Kruttayuenyong, 33, holds a bachelor's degree in computer science from Chandrakasem Rajabhat University and a Mini-MBA from the National Institute of Development Administration (NIDA).

14 Mr. Niphot Keowlek Director of Marketing

Mr. Keowlek assumed the position of Director of Marketing in 2004. Prior to joining Nava Nakorn, he was General Manager of Advanced Tech International Company Limited. Mr. Keowlek, 44, graduated with a bachelor's degree in economics from Ramkhamhaeng University.

15 Mr. Jetabutra Chantakorn Director of Sales

Mr. Chantakorn assumed the position of Director of Sales in 2004. Prior to joining Nava Nakorn, he was Sales and Marketing Manager of Kabinburi Industrial Estate and Project Manager (Engineer) of Fasco Manufacturing Company Limited (Australia). Mr. Chantakorn, 38, graduated with a bachelor's degree in mechanical engineering from the Royal Melbourne Institute of Technology University (R.M.I.T.) and Advance Technology in Manufacturing Engineering from Monash University, Australia.



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16 Ms. Anocha Sasiprapha Director of Investor Relations

Ms. Sasiprapha was appointed Director of Investor Relations in 2004. Ms. Sasiprapha, 31, holds a bachelor's degree in business administration from Strayer University, Washington D.C., USA and M.Sc. Economics with reference to the Asia Pacific Region from the School of Oriental and African Studies (SOAS), University of London, the United Kingdom.

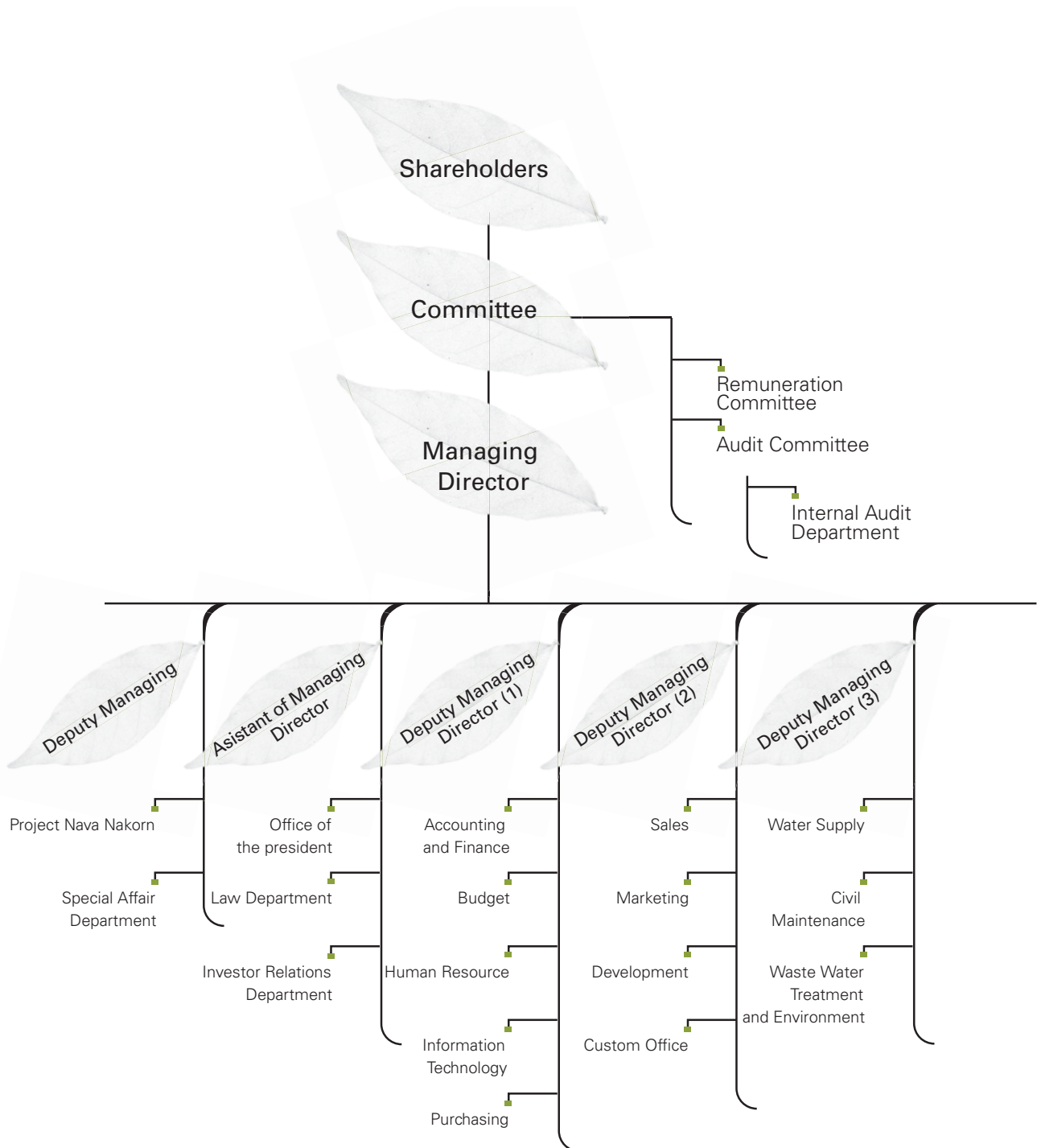
17 Mr. Surasee Hangrisuwan Project Manager Nava Nakorn 2 (Nakhon Ratchasima)

Mr. Hangrisuwan assumed the position of Government Affairs Coordinator in 2004. In the same year, he was appointed Project Manager Nava Nakorn 2 (Nakhonratchasima). He also serves as Advisor to the General District Administration, Nakhonratchasima Province. Mr. Hangrisuwan is 46 years of age.

18 Mr. Veerachai Chutimakorn Director of Environment Department

Mr. Chutimakorn assumed the position of Director of Environment Department in 2005. In 2004, he was the Environmental Department of Nava Nakorn central waste water treatment plant. Mr. Chutimakorn, 44, earned a bachelor's degree in education from Prince of Songkla University and a Mini-MBA from the University of the Thai Chamber of Commerce.

Organization Chart



Dear Shareholders,

The Board of Directors of Nava Nakorn Public Company Limited had appointed members of the Audit Committee in 2002. At present, the Audit Committee comprises of three independent directors, namely

1. Gen. Worapan Worasakyothin Chairman of the Audit Committee
2. Lt. Gen. Seekrin Singhaphan Director of the Audit Committee
3. Khunying Supanapa Attanan Director of the Audit Committee

Every member of the Audit Committee is not a member of the Company's management or employees. The duties and responsibilities of the Audit Committee cover rules and regulations as outlined especially for the Audit Committee which is in compliance with the Stock Exchange of Thailand's regulation. The Audit Committee reports to the Board of Directors of the results as followed:

1. Review all quarter and annual financial statements of the year 2005 as to ensure accuracy and adequacy; and to ascertain that the financial statements are prepared according to the International Accounting Standards.
2. Review the preparation process and the disclose of the financial statements for its accuracy and merit including review connecting transactions to ensure that the Company complies entirely with the Stock Exchange of Thailand's rules and regulation as well as customary business practices.
3. Recommend and approve yearly internal audit plan which prepared under the consideration of existing risks as well as amend the plan when new circumstance of risks arises.
4. Review the internal auditing process and implementation in order to ensure efficiency, accuracy, and adequacy for compliance with existing laws, regulations, and rules of the relevant governmental bodies and the Company's regulation.
5. Review the objectives and results of internal audit practice as well as evaluate for accuracy and efficiency including sufficiency of budget and human resources in performing the internal audit tasks.
6. Create confidence in and confirm the independence of the internal auditor and external auditor.

7. Review independency of internal auditor as well as capacity in performing the internal auditing functions that comply with international standards and follow up any necessary amendments of the reports and confirm that the direction of the Audit Committee has been followed and there is sufficient internal audit operation to adequately control potential risks.
8. In 2006, approved hiring KPMG Phoomchai Audit Ltd., the Stock Exchange of Thailand's certified auditor, as the Company's external auditor like in 2005. The performance of KPMG Phoomchai Audit Ltd. as the Company's external auditor in the past is satisfactory as KPMG Phoomchai has decent methodical financial and accounting report systems in preparing the Company's financial statements accurately.
9. Together with the Management, consider hiring the Company's external auditor for the fiscal year 2007 and determine annual fee and later to get approval from the Board of Directors and shareholders.
10. In 2006, considered hiring S.K. Accountant Service Co., Ltd. as the Company's internal auditor like in the year 2005. S.K. Accountant Service Co., Ltd. has expertise and independence in auditing and has provided recommendations which have been beneficial to the Company.
11. In 2005, the Audit Committee had convened the total of 11 meetings to consider financial statements received from the external auditors and reports of the internal auditors department; and to perform regular management function of the internal audit department.

All through the year 2005, the Audit Committee has carefully examined the Company's monitoring systems and financial reporting system. Thus, the Audit Committee would like to certify here that Nava Nakorn PCL. has good corporate governance as well as efficient internal audit systems without any material flaws.



(Gen. Worapan Worasakyothin)
Chairman of the Audit Committee

March 20th, 2007

Good Governance

Nava Nakorn Public Company Limited (Nava Nakorn or the Company) has always been giving great emphasis on corporate good governance. The Company has been following rules and policies prescribed by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC), all along. As it can be seen in that the Company has always ensured and strengthened the standard of good governance in the company. Nava Nakorn strives to uphold greater and more stringent governance standards than that recommended by the Stock Exchange of Thailand and the SEC. In 2006, Nava Nakorn PCL. is rated by the SEC to have the score in the range of 70 -79 or "Good" in the SEC efforts to classify each listed company's endeavor to uphold good corporate governance. The result of the evaluation is published in the Corporate Governance Report of Thai Listed Companies 2006 prepared by the Thai Institute of Directors Association under the support and guideline of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Being rated as having "Good" corporate governance standard by the Thai Institute of Directors Association is the apparent evidence demonstrating the Board of Directors and the management team of Nava Nakorn have been striving toward superior standards of good corporate governance continually. Nevertheless, the Board of Directors are standing on the solid ground that at Nava Nakorn, we will continue strengthening quality and standard of our good corporate governance practice ceaselessly.

Nava Nakorn PCL. has always been followed the guidelines and policies of good governance recommended by the Stock Exchange of Thailand the Securities and Exchange Commission in outlining direction and benchmarking our good governance practices. In that each of the members of the Board of Directors is advocating and embracing upon The Code of Best Practice for Directors of Listed Companies which is prescribed by the Stock

Exchange of Thailand as the guideline for listed company management practice. Furthermore, the Board of Directors, all endorse and follow all the 15 principles and guidelines in improving good corporate governance for Thai listed companies written by the Stock Exchange of Thailand as the company utmost management standards and guidelines in order to create accountability, transparency, and efficiency of our management. Not only that, the Board of Directors are also striving towards increasing confidence amongst shareholders, investors, and all stakeholders of the merit of the Company.

Accordingly, the Board of Directors as to conform with the policy of good corporate governance, have published the Company written policy of good corporate governance and always disclose it together with the Company Annual Report to shareholders on a yearly basis. The Company written policy of good corporate governance covers the following guiding principles as followed:

1. Rights and Equitable Treatment of Shareholders and Stakeholders
2. Organization Structure of the Board of Directors including Roles, Responsibilities, Independence of the Board Members
3. Disclosure of Information and Transparency According to the Guidelines of the Stock Exchange of Thailand
4. Risk Management and Controls
5. Business Ethics
6. Others

Nava Nakorn is endorsing upon "Rights and Equitable Treatment" of each individual shareholders; and thus, the Board of Directors always manage to facilitate the Annual General Meeting in order to enhance participation of the shareholders. Each of the shareholders is free to express opinion as well as ask questions on every resolution in the Annual General Meeting. Furthermore, the Board of Directors has done to ascertain that every pieces of relevant information is accessible. These are done to ensure that the decision of each resolution proposed is arrived at carefully, righteously, and transparently.



As for impartiality, the Board of Directors control and manage that information dissemination is done accurately, timely, and transparently. To do that, the Company introduced Investor Relations Department in order to perform the function and acts as liaison and information disseminator between the Company and investors, shareholders-retail and institutions-, analysts, as well as governmental body. Besides disclosing all relevant financial information, the Company also discloses other relevant information completely, timely, and transparently through the easy accessible mode of dissemination which is the Company website on a regular basis.

Besides maintaining good corporate governance toward the benefit of the Company shareholders, the Company has stringent guidelines, policies, and processes of procurement activities to ensure transparency and efficiency. Each of the major procurement must be approved by the Audit Committees and Board of Directors in the Board meetings. The connecting transaction is especially received special care and attention in the procurement process and later propose to the shareholder meeting for approval. In addition, the Company aware of the rights of stakeholders including those of customers, management, employees, business partners, shareholder or investors, independent auditors, public sector, local communities where the Company operates. Nava Nakorn complies strictly with the legal bindings in order to guarantee that those rights are protected and upheld. In addition, the Company has been taking good care of environment and local community. This year, 2007, Nava Nakorn will celebrate 36th anniversary; and thus, initiates corporate social responsibility projects in order to give back to local community, society, and the nature-environment.

All in all, the maximum benefits of the Company and shareholders, the Company determines that the Board of Directors comprises those who have leadership and vision. Furthermore, it is necessary that the Company allows independence when it comes to decision making process. Roles and responsibilities of the Board of Directors and the Management are clearly separated and defined.



In the same vein, the roles and responsibilities of the Board of Directors to the shareholders are clearly defined. The Company laid out roles and responsibilities of the Management which ensures independency from the Board of Directors in order to prevent conflict of interests and to resolve any issue of conflict of interests in a careful, honest, and reasonable under the guideline of good business ethic.

The Management strives to lay out business operation policy which enhances the highest business ethical standards and supports the formulation of "The Code of Ethics and The Statement of Business Conduct." In addition, the Company makes sure that all the Board of Directors, the Management, and employees are aware of the Company's "The Code of Ethics and The Statement of Business Conduct" and uphold to the Code with utmost sincerity.

Moreover, in order to comply with the Stock Exchange of Thailand's rules and regulations as well as to balance the power of Directors, the Company establishes that there must be at least 3 independent directors in the Board of Directors. Out of 14 directors in the Board, the Company has maintained 3 independent directors. Audit Committee is appointed and those who are in the committee are being carefully selected through the stringent selection process. The members of the Audit Committee are to have honesty and knowledgeable in performing auditing function for the benefits of shareholders. The Director of Remuneration is determined according to the guidelines that the Stock Exchange of Thailand has laid out. That is the Director as well as the Management Remunerations is determined by the Remuneration Committee where the remuneration policy as well as the amount of compensation and remuneration have to be disclosed clearly in the Annual Report. In compliance with the regulation of the SEC, Nava Nakorn maintains that the Chairman of the Board is neither in the Executive Members nor taking the role of Managing Director so as to ensure the balance of power.

In addition, the Company lays out that there must be the Board meeting every month in order to oversee that the business is operated accordingly to the principle and direction given. The Board of Directors also prepares the report which explains their responsibilities and financial reports which presents along with the Audit Committee's Report in the Annual Report. Besides, as to review the Company's business operation and finance, the Board of Directors established the internal audit control and process; and separately set up the Internal Audit department. The Internal Audit department regularly reviews the Company's financial control systems and checks the compliance controls. There is risk management. It is that the Company pays much attention to the important signals of irregularities and thus established the Internal Audit department as a separate body to oversee and perform the function.



In 2006, Nava Nakorn Public Company Limited's performance is quite satisfactory as it can be seen in that the revenue increased for 27.95 percent from 856.57 millions Baht in 2005 to 1,095.99 millions Baht in 2006. Service Revenue accounted for 417.47 millions Baht and revenue from selling land in Pathumthani, Free Zone, and Korat projects amounted to 652.17 millions Baht. Rental income accounted for 9.35 millions Baht and other income accounted for 17.01 million Baht. For profit, it grew from 224.98 millions Baht in 2005 to 240.91 in 2006 or about 7.08 percent. However, the Company incurred direct expense of 512.45 millions Baht, a 37.86 millions Baht increased; while administrative expense was 245.75 millions Baht or a 69.78 millions Baht increased from previous year. The increased was from planning and designing to develop future property projects. Furthermore, the Company donated a plot of land in Nava Nakorn Industrial Estate Nakonratchasima Project to Provincial Electric Authority of Thailand or PEA worth 10 millions Baht to allow them to set up a substation inside the Estate besides other donations and social benefits. Nevertheless, the management team gives full significant attention in managing cost as well as maintaining facilities systems and roadways continually. The Company had always been developing other land plots such as Free Zone and Nava Nakorn Industrial Estate Nakonratchasima for future sales.

As to stabilize revenue stream, the management team deems that the increasing of service revenue (electric, water, waste water treatment, and other services) in relation to the total revenue would generate regular recurring income as well as good profit incessantly. Nava Nakorn thus aimed at increasing service revenue and rental income. At present the ratio of service revenue and rental income is at 38.94 percent and land sale revenue is at 49.50 percent. The target ratio is service revenue of 60 percent and land sale revenue of 40 percent. This is the underlying reason of the Water Supply Project which will increase service revenue as the project's capacity in supplying water for industrial use in the year 1 to 4 will add extra 45,000 cubic meters per day and in year 5 will add 60,000 cubic meters more per day. The maximum capacity is at 90,000 cubic meters per day which allows us to cut cost of water supply and eliminate the well water use while gradually decreasing the portion of water supply from the Provincial Waterworks Authority of Thailand (PWA). This increased in capacity would allow the Company to accommodate increased demand of water



supply from addition of new factories and expansion of existing factories as well as from gradually increasing in the number of residents in the area. Thus, operating profit and service rendering profit would increase accordingly.

In 2006, revenue from service and rental decreased from 428.75 millions Baht in 2005 to 426.82 millions Baht in 2006 or a decrease of 0.45 percent. In 2005, the Company received insurance cash from Tostem amounted to 23.12 millions Baht. Thus if not accounting that specific revenue, in 2006 revenue from service and rental would be increasing at 5.35 percent, from 405.13 millions Baht (without Tostem's insurance cash) in 2005 to 426.82 millions Baht in 2006. In that Nava Nakorn did not increase per unit cost at any rate. The increase in real revenue from service was from more volume usage which evidently reflecting continual growth.

At the same time, the Company's revenue from land sale increased from 420.58 millions Baht in 2005 to 652.17 millions Baht in 2006 or about 55.06 percent increase. It was due to realization of revenue from selling big plots of land such as from Ticon amounted 215.38 millions Baht, Giffarine 23.00 millions Baht, Nippon 32.40 millions Baht, Nidec of 70.00 millions Baht, and Big C of 155.13 millions Baht.

In term of new development of land in Nava Nakorn Pathumthani, in 2006, the Company started developing Premium Zone of 350 rais in the Northern part of the Estate which will en-compound factories, warehouses, and containers yards as to accommodate expansions of existing and new clients of Nava Nakorn.

Furthermore, the Company also planned to develop commercial and residential buildings. The area of 55 rais adjacent to Phaholyothin Road will be developed for the commercial and residential purposes as to accommodate population growth within the Estate which at present there are about 200,000. It would also to accommodate expansion of Pathumthani community in the North which houses many large academic institutions, as well as to accommodate the economic expansion.



Besides, Nava Nakorn aimed at increasing land sale in Nava Nakorn Industrial Estate Nakonratchasima in 2007 for the maximum benefit of the shareholders. The Management team already gave the direction to the Sales Department to emphasize the selling of land plots in Nava Nakorn Industrial Estate Nakonratchasima. In that, the Marketing Department is working hand in hand to attract new investors and targets to the Nakonratchasima project through variety of marketing strategies and tactics.

In term of the Company's financial status, at present the Company has total asset amounted 3,069.65 millions Baht, an increase of 747.56 millions Baht or about 32.19 percent from previous year. The current asset was at 2,199.35 millions Baht, an increase of 1.87 percent. Non-current asset was at 870.30 millions Baht, an increase of 18.75 percent. In 2006, the Company had investment in bill of exchange pledged as collateral amounted 155.12 millions Baht, which is added to the increase of the Company's asset. While, an increase in property, plant, and equipment rose from 141.31 millions Baht in 2005 to 693.37 millions Baht in 2006 adding more to the increase in the total asset. This increase in property, plant, and equipment consisted of addition of rental land plot amounted to 32.54 millions Baht and the development of Water Supply Project amounted to 450 millions Baht.

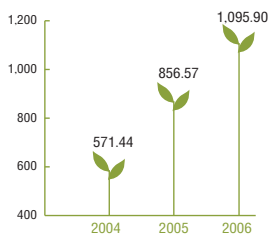
In term of the Company's liabilities, the total liabilities were 1,221.91 millions Baht, an increase of 562.67 millions Baht or 85.35 percent increase. This was due partly from advanced receipts from Lotus amounted 184.79 millions Baht. In term of the total liabilities, long-term borrowings also increased from 497.93 millions Baht in 2005 to 843.63 millions Baht in 2006 which was equivalent to 345.69 millions Baht increase or 69.43 percent from previous year. Part of the long-term borrowings was from loans for the Water Supply Project amounted to 266.72 millions Baht; for Premium Zone amounted to 252 millions Baht. The Company's liquidity had decreased due to a lowering of Current Ratio from 13.73 in 2005 to 5.91 in 2006. The Operation Margin also declined from 36.06 percent in 2005 to 30.82 percent in 2006. Additionally, the Net Profit Margin reduced from 26.27 percent in 2005 to 21.98 percent in 2006. Altogether, the operating result caused the Book Value Per Share to increase from 1.72 Baht in 2005 to 1.91 Baht in 2006.

The Management strives at best to sustain stability and effectiveness in generating future profits for the Company in order to maintain growth rate and returns to the shareholders.

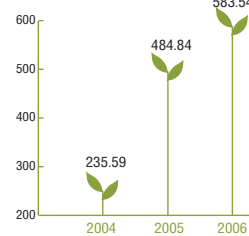
Baht Million

	2006	2005	2004
Financial Report			
Revenues from Sales	652.17	420.58	182.38
Revenues from Service	417.47	421.93	372.68
Total Revenues	1,095.90	856.57	571.44
Gross Profit	583.54	484.84	235.59
Net Earnings (Loss)	240.91	224.98	80.33
Total Assets	3,069.65	2,322.09	2,092.72
Total Liabilities	1,221.91	659.24	599.30
Total Shareholders' Equity	1,847.74	1,662.85	1,493.42

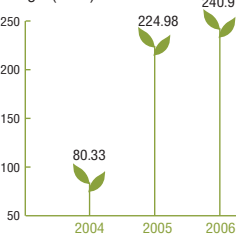
Total Revenues



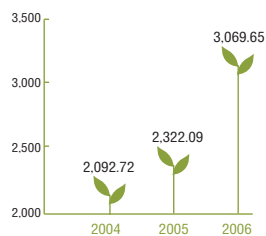
Gross Profit



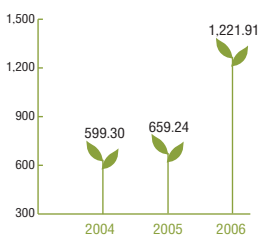
Net Earnings (Loss)



Total Assets



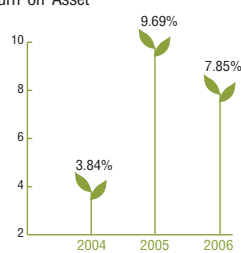
Total Liabilities



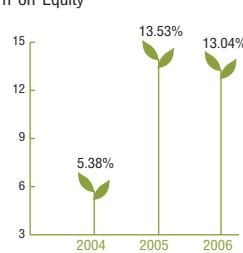
Baht Million

	2006	2005	2004
Financial Ratio			
Return on Asset	7.85%	9.69%	3.84%
Return on Equity	13.04%	13.53%	5.38%
Debt Equity Ratio	0.66	0.40	0.40
Earnings (Loss) per share (Baht)	0.25	0.23	0.09
Par Value (Baht)	1.00	1.00	1.00
Book Value per share (Baht)	1.91	1.72	1.61

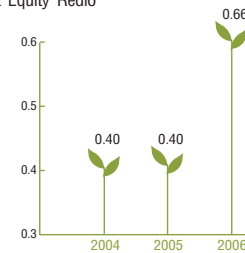
Return on Asset



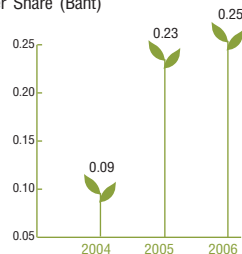
Return on Equity



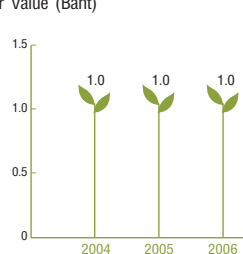
Debt Equity Ratio



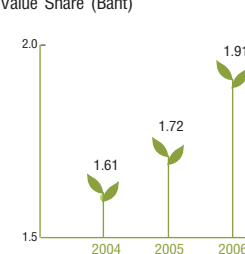
Earnings (Loss) per Share (Baht)



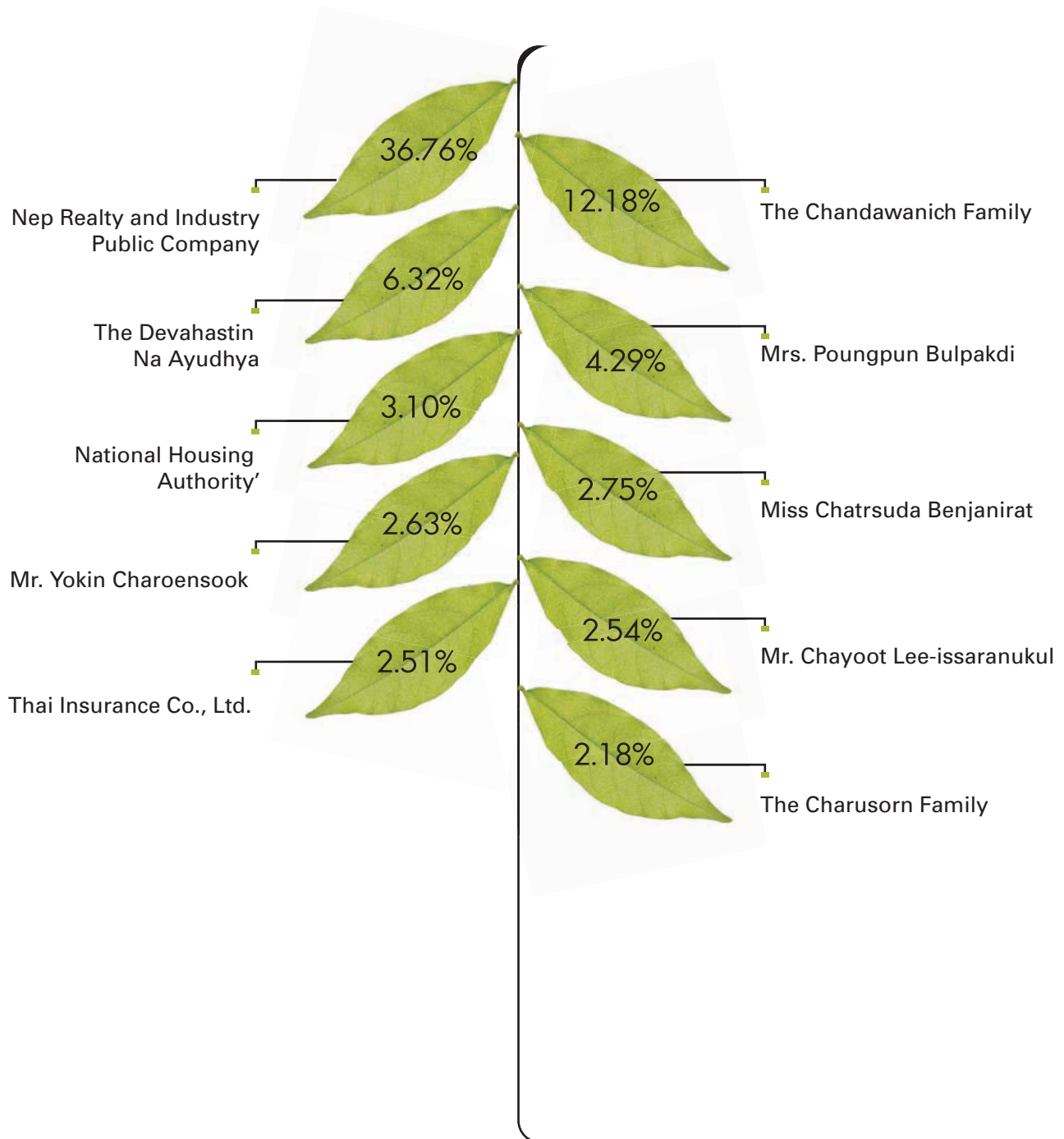
Par Value (Baht)



Book Value Share (Baht)



Shareholding Structure



Shareholders

Top Ten of Shareholders (As of December 31, 2006)

No.	Names	Holding	
		Number of Shareholder	%
1.	Nep Realty and Industry Public Company	355,950,000	36.76
2.	The Chandawanich Family	117,931,450	12.18
3.	The Devahastin Na Ayudhya	61,245,250	6.32
4.	Mrs. Pongpun Bulpakdi	41,582,000	4.29
5.	National Housing Authority'	30,000,000	3.10
6.	Miss Chatrsuda Benjanirat	26,602,100	2.75
7.	Mr. Yokin Charoensook	25,529,200	2.63
8.	Mr. Chayoot Lee-issaranukul	24,652,800	2.54
9.	Thai Insurance Co., Ltd.	24,365,400	2.51
10.	The Charusorn Family	21,144,00	2.18
	Total	729,002,200	75.26

Shareholding of Executive

The Board of Directors of Nava Nakorn Public Company Limited

No.	Name-Last Name	Title	Number of Shares	%
1	Gen. Akaradeja Sasiprapha	Chairman	10,900,000	1.12
2	Gen. Chainarong Noonpakdee	Director and Chairman of the Executive Board	1,000,000	0.1
3	Gen. Worapan Worasakyothin	Independent Director and Chairman of the Audit Committee	500,000	0.05
4	Pol.Gen. Somchai Vanichsenee	Independent Director and Vice Chairman of the Executive Board	1,000,000	0.1
5	Lt.Gen. Seekrin Singhaphan	Independent Director and Director of the Audit Committee	0	
6	Mr. Pongpun Buranasiri	Director and Chairman of the Remuneration Committee	0	
7	Gen. Sommai Wichawana	Director	0	
8	Mr. Nipit Arunwongse Na Ayudhya	Director and Managing Director	1,000,000	0.1
9	Mrs. Supanapa Attanand	Independent Director and Director of the Audit Committee	0	
10	Mrs. Leena Charernsri	Director and Director of the Remuneration Committee	0	
11	Mrs. Varangkhan Thephussadin Na Ayudhya	Director	12,275,250	1.27
12	Mrs. Suwalai Chandhawanich	Director	2,490,000	0.26
13	Mrs. Peerayaluk Tangsunawan	Director, Director of the Remuneration Committee and Deputy Managing Director	9,357,250	0.97
14	Mrs. Chuanpis Chaimueanwong	Director	0	
15	Mr. Seksith Charoensethasilpa	Deputy Managing Director	0	
16	Gen. Thaweesak Noonpakdee	Deputy Managing Director	0	

Advisors to the Board of Directors

No.	Name-Last Name	Title	Number of Shares	%
1	Gen.Somthat Attanand	Advisor to the Board of Directors	0	
2	Gen.Boonlert Keawprasith	Advisor to the Board of Directors	0	
3	Gen.Aumpol Tumthong	Advisor to the Board of Directors	35,000	0.003
4	Gen. Wicha Siritham	Advisor to the Board of Directors	0	
5	Gen.Chinnawarn Srisukwattana	Advisor to the Board of Directors	0	
6	Lt.Gen Kamol Sawasdhikosan	Advisor to the Board of Directors	0	
7	Mr. Suchart Phisithawanich	Advisor to the Board of Directors	0	
8	Col.Sakdhinand Arayakul	Advisor to the Board of Directors	0	
9	Mr. Wattana Yukpan	Advisor to the Board of Directors	0	

Executive Board of Directors

No.	Name-Last Name	Title	Number of Shares	%
1	Gen. Chainarong Noonpakdee	Chairman of the Executive Board	1,000,000	0.1
2	Pol.Gen. Somchai Vanichsenee	Vice Chairman of the Executive Board	1,000,000	0.1
3	Lt.Gen. Phornthep Thepphayasuwan	Executive Director	0	
4	Acm.Dr. Nopphorn Chandhawanich	Executive Director	0	
5	Lt.Gen. Sukda Plodmeechai	Executive Director	0	

Committee Board

No.	Name-Last Name	Title	Number of Shares	%
1	Gen. Sangeum Sawangkharat	Committee	0	
2	Lt.Gen. Chirapath Malai	Committee	0	

The Management

No.	Name-Last Name	Title	Number of Shares	%
1	Mr. Huttajit Noonpakdee	Assistant Managing Director	0	
2	Mrs. Kalaya Hongsree	Vice President of Accounting Department and Acting Director of Finance Department	0	
3	Mr. Piyabuth Chuwong	Vice President of Law Department	0	
4	Mr. Suthep Endoo	Vice President of Human Resources Department	0	
5	Mr. Narongrit Sammanuch	Vice President of Purchasing Department	0	
6	Mr. Sririchai Gaayii	Vice President of Budget Department	0	
7	Mr. Suthiporn Chandawanich	Vice President of Business Development Department	8,606,250	0.86
8	Acting Sub.Lt. Pravit Kruttayuenyong	Vice President of Information Technology	0	
9	Mr. Niphot Keowlek	Vice President of Marketing Department	0	
10	Mr. Jetabutra Chantakorn	Vice President of Sales Department	0	
11	Ms. Anocha Sasiprapha	Vice President of Investor Relations Department	0	
12	Mr. Surasee Hangsrisuwan	Vice President and Project Manager-Nava Nakorn 2 (Nakorn Ratchasima)	0	
13	Mr. Veerachai Chutimakorn	Vice President of Maintenance Department	0	
14	Mr. Boonyapart Aroonroj	Vice President of Development	0	

Risk Factors

1.1 Business Risks

a.) Risks Related to Finding More Raw Land to Develop for Sale

Nava Nakorn Public Company Limited is doing industrial estate property development. The Company started out with the first industrial estate in Pathumthani province, on Phaholyothin Road, Klongnueng District. The first industrial estate, in Pathumthani province, is located so close to Bangkok and thus there is so much demand for industrial land. Since the demand for land is high, the Company land bank is shrinking gradually. Furthermore, area around the estate is becoming more developed since there are large numbers of population who came here in the form of labor pool. The area becomes one of the biggest towns with population about 200,000 and the number is still growing. Thus, the expansion of residential area is continually growing in parallel with industrial area. This in turn entails certain risks to the company. It is the risks related to an effort to find more raw land for development into both industrial and residential area. It is that the price of land has been increasing and limitations in term of location since the new raw land must situate adjacent to the existing industrial estate and must be large enough for development. Thus, the Company is affected by these facts, for Pathumthani estate. However, the estate in Nakhonratchasima has sufficient land area available for sale at present. Only residential area for expatriates of those companies who have located their factories in our Nakhonratchasima estate is not yet available. Yet, the companies who have just located their factories in our Nakhonratchasima estates asked that Nava Nakorn helps them find proper residential areas for their expatriates.

At present, the Company has land available in the industrial zone in Pathumthani province around 623 rais and in Nakhonratchasima province about 1,322 rais. However, the Company has always expanded our estates and always tried to acquire more lands. Furthermore, the Company has pursued many property development possibilities as well as performed relevant feasibility studies of potential projects in order to find ways to increase revenue and diversify the key business.

b) Legal Risks: Related to Pathumthani Province's New Zoning Requirement

Since the government of Pathumthani Province zoning laws which enacted in 1997 would expire in June 2004, the government is in the process of enacting the new law regarding to zoning requirement. This new zoning law prescribes that area in the distance of 200 meter away from the Chaingrak Noi Canal (North of the existing Pathumthani estate) is defined as green area. And thus there is limitation on the use of the land for commercial use. It is that part of the areas in the Northern part of Pathumthani estate covers about 50 rais or about 5% of available land (total available land area is at 623 rais) is classified as green area. Thus, the Company had discussed with the Pathumthani Provincial Zoning Authority to find way to amend the zoning regulation before enacting and officially announcing to the public starting the legal binding of this new zoning regulation. However, if the Pathumthani Provincial Zoning Authority would not amend the new zoning regulation and the area in effect of the legal binding of zoning regulation, the Company will face restriction on commercializing the effected areas, making the area land cost higher than it should be. Although when the new zoning regulation enacted and officially announced of its legal binding, if the local government zoning authority deems that the circumstances and environment have changed in certain ways, it could propose to the Zoning Committee to amend the regulation or details of the zoning. However, the Company believes that we would be allowed relaxation on the regulation and thus does not have to classify that areas as green area which we are allow commercializing the specified land area. It is because the specified area can be commercialized in order to generate jobs and income to the population and benefits the country as a whole. In addition, presently the Company has allocated certain areas about 287 rais or about 4.68% of the total estate area as green area and dedicated it for public used.

1.2 Property Development-Operation Risks: Regarding the Facilities Service Operation

The Company also services certain facilities to clients in the industrial estates both industrial and residential clients. The services include water, wastewater treatment, trash collection, and community services. Revenue from supplying water is the Company's major service revenue. The Company acquires water from two sources at present which are well water and purchasing tap water directly from the Provincial Waterworks Authority (PWA). The proportion of well water and tap water supplies from PWA is at 20:80. Nevertheless, the cost of well water supply is higher than a mere purchasing directly from PWA. This makes the Company's average cost of water supply service higher at present. However, it is the new policy of government to cut down on the use of well water supply and thus the government is gradually eliminating well water use licensing that was issued to private sector in order to protect environment in the form of collapsing of land. The Pathumthani Industrial Estate locates in the area where the problem of land collapse is critical. Sooner the Company will need to eventually reduce the use of well water and the Company might not able to renew the well water permit. Thus, the Company opted to find new source of water supply and now in the process of sourcing water supply from Chao Praya River for industrial use. Currently, the Company has set up water supply station which located by Song Phi Nong Temple in Baan Ngiew Sub-District, SamKhok District, Pathumthani province. There are water pipes lining up from Chao Praya River in the distance of 8 kilometer from the water supply station through Highway 3309 adjoining KhokTa Keow Canal and went underground during Highway 347 (U-Dorn Ratthaya Expressway), via Prem Prachakorn Tai Canal, Thailand Expressway Authority's Railway, Ta Klong Canal, connecting to the industrial water supply processing plant which is located in the Nava Nakorn Pathumthani Industrial Estate.

Furthermore, the Company has policies in controlling areas in the estates to be free from pollutions deriving from industrial and residential communities and limiting effects to the environment to its minimum. The Company has been complying with standards, rules, and regulations stipulated by governmental agencies which governs all the environmental issues including defining waste water standard. In that the Company has to acquire effective machine and equipment to measure and treat waste water. This could add to the higher cost of servicing these types of facilities.

Furthermore, from the above mentioned issues, certain factories which require high usage of water in their production might incur higher costs as well. There is thus a chance that they might move their production line factories to other areas where water supply is cheaper and new investors might not invest in Nava Nakorn Estate just because of a mere fact of higher facilities costs. Yet, the Company believes that the issues of higher supply costs would not affect the Company as much since most of the factories who located in the estate are in the light sector which does not require large volume of water in their production line. In addition, Nava Nakorn can collect other service fees from industrial as well as residential clients at the new level of fee according to the real cost incurred if necessary. The Company can also outsource certain functions that deem to us as non-core and unprofitable if manage internally in order to eliminate unnecessary expenditures and control costs as well as risks.

1.3 Financial Risks: Cost of Funds

Since the Company requires large investment in developing land and facilities, and it has to be long-term source of funds, thus it might make the cost of funds higher than usual. If any project's progress is slower than normal schedule, it would increase risk in term of higher cost of funds. However, the Company has a policy of strict discipline in regarding to financial issues and also a guiding principle of maintaining Debt/Equity Ratio to be at 0.6

A vibrant rainbow arches across a blue sky over a flat, green landscape. The rainbow is the central focus, with its colors clearly visible. The sky is a deep blue with some light clouds. The ground is a mix of green grass and brown earth, suggesting a rural or agricultural setting. The overall scene is peaceful and scenic.

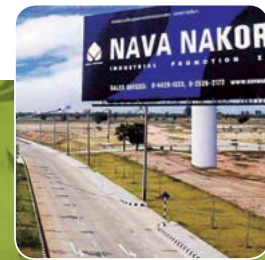
Nava Nakorn, the model of quality city in the golden location, with complete infrastructure and facilities systems, serviced by experienced management team.



Nava Nakorn Public Company Limited was established on 26th of March 1971 with the registered and paid-up capital of 10 millions Baht to operate business of industrial estate development-Nava Nakorn Industrial Estates-with complete infrastructures and facilities as the first model of industrial estate in Thailand. Nava Nakorn started out with the land area about 5,000 rais on Phaholyothin Road by 46th kilometer in Klongnueng Sub-district, Klongluang District, Pathumthani Province. The total current area is 6,355 rais.

In 2002, the Company expanded operation into new area at Soong Nern District, Nakornratchasima Province under the name of “Nava Nakorn Industrial Estate (Nakornratchasima)” with the approximate area of 1,903 rais. Land in both Estates can be classified by its nature of use as followed;

- ▶ **Industrial Zone** which means areas for industrial activities.
- ▶ **Commercial and Residential Zones** which means zones that are developed into commercialized use such as department stores, hospital, commercial banks, postal offices, and small shops; and for residential purposes such as dormitories, flats, condominiums, and residential houses.
- ▶ **Infrastructure Systems and Green Zones** which means areas dedicated for infrastructures and greenery including electrical systems, water systems, waste water systems, waste disposal systems, telephone systems, roadways, drainages, health centers, sport fields, parks, lakes, and playgrounds.



In addition, “Nava Nakorn Industrial Estate (Nakornratchasima)” is located in the Board of Investment (BOI) Zone 3 which entitles the highest privileges from the BOI.

Furthermore, in 2006 the Company started constructing Industrial Water Processing Plant in Nava Nakorn Industrial Estate Pathumthani on the total 39 rais of land. This Industrial Water Processing Plant is the new source of water supply which will eventually replace the use of well water source. The maximum capacity of this plant is at 75,000 cubic meters per day and expected to start supplying water to the clients in the estate within June 2007. However, the plant production capacity is scheduled for three phases as followed:

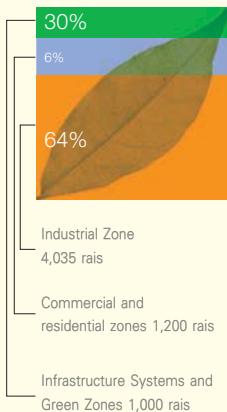
- Phase 1 (Year 1-5): Maximum capacity is at 45,000 cubic meters per day
- Phase 2 (Year 6-14): Maximum capacity is at 60,000 cubic meters per day
- Phase 3 (Year 15-25): Maximum capacity is at 75,000 cubic meters per day

Since the Company has been expanding continually, the Company also has raised more capital and changed of shareholder structure gradually. Initially, the total registered and paid-up capital was at 10 millions Baht; in 1974, the registered and paid-up capital was raised to 100 millions Baht; and in 1975, the Company raised more capital again with the registered and paid-up capital at 222.37 millions Baht. The money raised was used in investing in infrastructure development and acquiring more land.

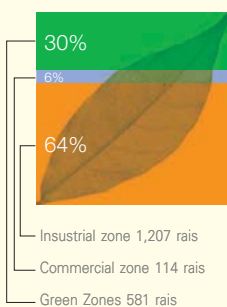
In 2002, the Company registered to become a Public Company on 31st of October. And in May 2004, the Company offered the total of 20,000,000 common shares to the public and this raised the registered and paid-up capital to 927,110,000 Baht. Later on 14th of May 2004, the Company’s shares were listed on the Stock Exchange of Thailand.

In 2005, the Company offered additional common stocks to existing directors and employees (ESOP) and this raised the Company’s registered and paid-up capital further to 968,394,000 Baht. On 25th of April 2005, the 2005th Annual General Meeting of shareholders passed the resolution to issue 48,419,700 units of free warrants with maturity of 5 years to existing shareholders at a ratio of 2 existing common shares for 1 unit of warrant. (A fraction of a share shall be deleted). The warrants can be converted into new common share at a 1:1 ratio (except if there

**Total Area
Nava Nakorn Industrial Estate
(Pathumthani)**



**Total Area
Nava Nakorn Industrial Estate
(Nakhonratchasima)**



is a revision to the existing right) at an exercise price of 10.00 Baht per share. The shareholders' meeting also passed a resolution to increase an additional 48,419,700 shares for the future exercise of the warrants. Consequently, the Company's total registered and paid-up capital was raised to 1,452,591,000 Baht.

On 14th of June 2006, the Company had split the par value from 10 Baht to 1 Baht per share. Thus, the exercise price of the existing warrants (NNCL-W1) is changed from 10 Baht to 1 Baht per share per 1 common stock. The first exercisable date was on 29th of December of 2006. The warrant holders could exercise their warrants for common shares of the Company at the ratio of 1 unit of warrant for 1 unit of common stock at the exercise price of 1 Baht per share. There were the total of 21,450,300 Baht of warrants exercised on the first exercised date and thus the registered and paid-up capital was raised from 968,394,000 Baht to 989,844,300 Baht.



Nature of Business

Nava Nakorn Public Company Limited operates Industrial Estate Property Development since 1971. The main purpose is to develop industrial land for sales whilst supply others relevant facilities and infrastructure to the clients as well. The nature of business can be classified as followed:

- ▶ Development of Industrial Land for Sale
- ▶ Servicing of facilities and infrastructure

Development of Industrial Land for Sale

Currently, Nava Nakorn Public Company Limited operates Industrial Estates in 2 best locations. The first one developed is Nava Nakorn Industrial Estate Pathumthani which located on Phaholyothin Road at the 46th Kilometer in Pathumthani Province. Nava Nakorn Industrial Estate Pathumthani is the first and most completed and fully-integrated estate in Thailand. The other location is Nava Nakorn Industrial Estate Nakonratchasima which is located on Mittr-Phab Road at 231st Kilometer in Soong Nern District, Nakonratchasima Province (the second biggest city in Thailand) and the details of both Estates are as followed:

1. Nava Nakorn Industrial Estate Pathumthani

It is located on Phaholyothin Road at the 46th Kilometer, Klongnueng Sub-district, Klongluang District, Pathumthani Province with the total area of 6,355 rais and in the BOI Zone 1 privileges. The Estate is developed into the following Zones:

▶ Industrial Zone:

Approximately 4,035 rais. The Company has continually developed and expanded the area for sale and the Zone can be divided into 4 Zones. And in 2006, the Company had acquired more land in addition in order to develop for sales in phases. It is expected the area will be ready for sale in 2007. At present, there are approximately 381 rais as available salable area in this zone.

► **Commercial and Residential Zone:**

The Company allocated certain areas as the Commercial as well as Residential Zones on the approximate area of 1,200 rais. The development is done plots by plots according the suitability of each plot. At present, there are approximately 227 rais as available salable area in these zones.

► **Free Zone**

The Company has designated the area approximately 120 rais on the Northeastern part of the Pathumthani Estate as Free Zone (FZ). Those who are investing in this Free Zone can receive special tax privileges. At present, there are approximately 42 rais as available salable area in these zones.

2. Nava Nakorn Industrial Estate Nakonratchasima

It is located on Mitr-Phab Road at 231st Kilometer in Na-Klang Sub-district, Soong Nern District, and Nakonratchasima Province with the total area about 1,903 rais. The Estate situates in the highest privileges BOI Zone 3 and the detail of the area usage is as followed:

Nava Nakorn Industrial Estate Nakonratchasima

	Phase 1 (Rais)	Phase 2 (Rais)	Phase 3 (Rais)	Phase 4 (Rais)	Total
	539-0-06	157-1-71.1	328-0-80	297-1-93.7	1322-0-50.8
Industrial Zone	424-3-0	157-1-71.2	328-0-81	297-1-93.8	1207-3-44.8
Commercial Zone	114-1-60				114-1-60
Facilities Systems	242-0-43	34-2-44.8	41- 2- 86.8	101-0-93.5	419-2-68.5
Green Zone	47-3-78.8	12-0-85.4	43-1-40.3	68-0-64	161-2-58.5
Total Project Area	820-0-27.8	204-2-1.3	413-0-71	456-3-41.6	1903-1-77.8

The Company has already developed and been selling the Phase 1. At present, about 227-3-72 rais of the Industrial Zone in Phase 1 was sold and occupied by industrial clients. Phase 1 Industrial Zone area is now left available for sale 197-1-02 rais. However, the Commercial Zone is not yet sold to anyone.

Servicing of facilities and infrastructure

The Company is the sole service provider of facilities and infrastructure to clients in the Estates. Of the total Company's annually revenue, about 56 percent comes from this facilities servicing. Servicing of facilities to clients can be classified into 4 types as followed:

1. Water Usage Fees

The Company supplies water to clients both in industrial and residential areas in the Nava Nakorn Industrial Estates. The Company collects water usage fees according to the monthly volume usage in the Industrial Zone. The calculation is done by multiplying the volume usage with per unit usage rate which is fixed.

For Residential Zone, the Company uses progressive rate where the volume usage is multiplied by progressive usage rate. That is if the household consumes less water, the household will pay the smaller per unit usage rate; while the household that consumes more water will have to pay at the larger per unit usage rate accordingly.

Furthermore, the Company also collects monthly water meter maintenance fee which is calculated according to the water consumption as well. The service revenue from supplying water amounts to approximately 70 percent of the total service revenue.

2. Waste Water Usage Fees

The Company collects waste water usage fee only from the clients in the Industrial Zone. The volume of total monthly water consumption is used as a base in the calculation of waste water usage. Eighty percent of the each monthly water consumption is counted as waste water. Then this figure is multiplied by the waste water treatment rate per unit which is a fixed rate to generate the waste water treatment fee.

However, the Company has set standards for waste water quality that operators may release from their factories. The Company will measure the waste water quality of each factory and if any operator released waste water that has quality below the standard, the Company will charge a higher rate for treatment of the waste water. The rate, also a fixed rate, is approximately 2-6 times higher than the standard waste water treatment rate. In 2006, there are 27 factories out of 215 factories that released waste water with standard lower than the predetermined standard. Yet, the Company designated our Waste Water Treatment to follow the results and try to correct the problem continually. In case, it is the first time that the operator released waste water at a lower quality, the Company will send out a notification informing the operator to correct the released waste water quality within 15 days. Then the Company will re-check for the second time to see if the released waste water quality is still below the predetermined standard, the Company will collect fee which was determined earlier and might as well stop the waste water treatment service for this operator. Nevertheless, the revenue from waste water treatment is accounted for about 15 percent of the total service revenue.

3. Community Service Fees

The Company collects community service fees in both Industrial and Residential Zones. Community service fee in the Industrial Zone is based on the area of land used multiplied by the community service rate per month which is a fixed rate. With regards to the Residential Zone, the Company separates residents into different categories such as department stores, commercial building, houses, flats, and dormitories.

The Company collects monthly community service fee from each group depending on their rate, which is also a fixed rate. In addition, the Company also collects public utilities installment fees in



the project area such as service fees for installment of mobile phone relay base, ATMs, and public telephones. Community service fee accounts for approximately 10 percent of the total service revenue.

4. Industrial Waste Collection Fees

The Company collects industrial waste collection fee in only the Industrial Zone. The volume of industrial waste collected is then multiplied by service fee per drum (200 liters) which is a fixed rate. For the Residential Zone, the Company is not yet collecting any service fee for waste collection service as the residents have been in the Estate for a long time already. The industrial waste collection fee accounts for about 5 percent of the total service revenue the Company earned.



Overall Business Operations of the Company, Subsidiaries, Associated Companies, and Related Companies

Nava Nakorn Public Company Limited ("The Company") operates real estate development business which concentrates on developing of industrial estate projects. The Company is a subsidiary of NEP Realty and Industry Public Company Limited ("Major Company") which manufactures and distributes packaging products from jute and plastic. At present, NEP Realty and Industry Public Company Limited holds 355,950,000 of the Company's common stocks or about 36.76 percent of the Company registered and paid-up capital.



Currently, the Company does not hold any investment in associated company or subsidiary. The Company only has investments in related companies which operate businesses related to the Company's major business or supporting the service provided to residents and operators in the Company's industrial promotion zones. Details are as followed:

Nava Nakorn International Guard Company Limited

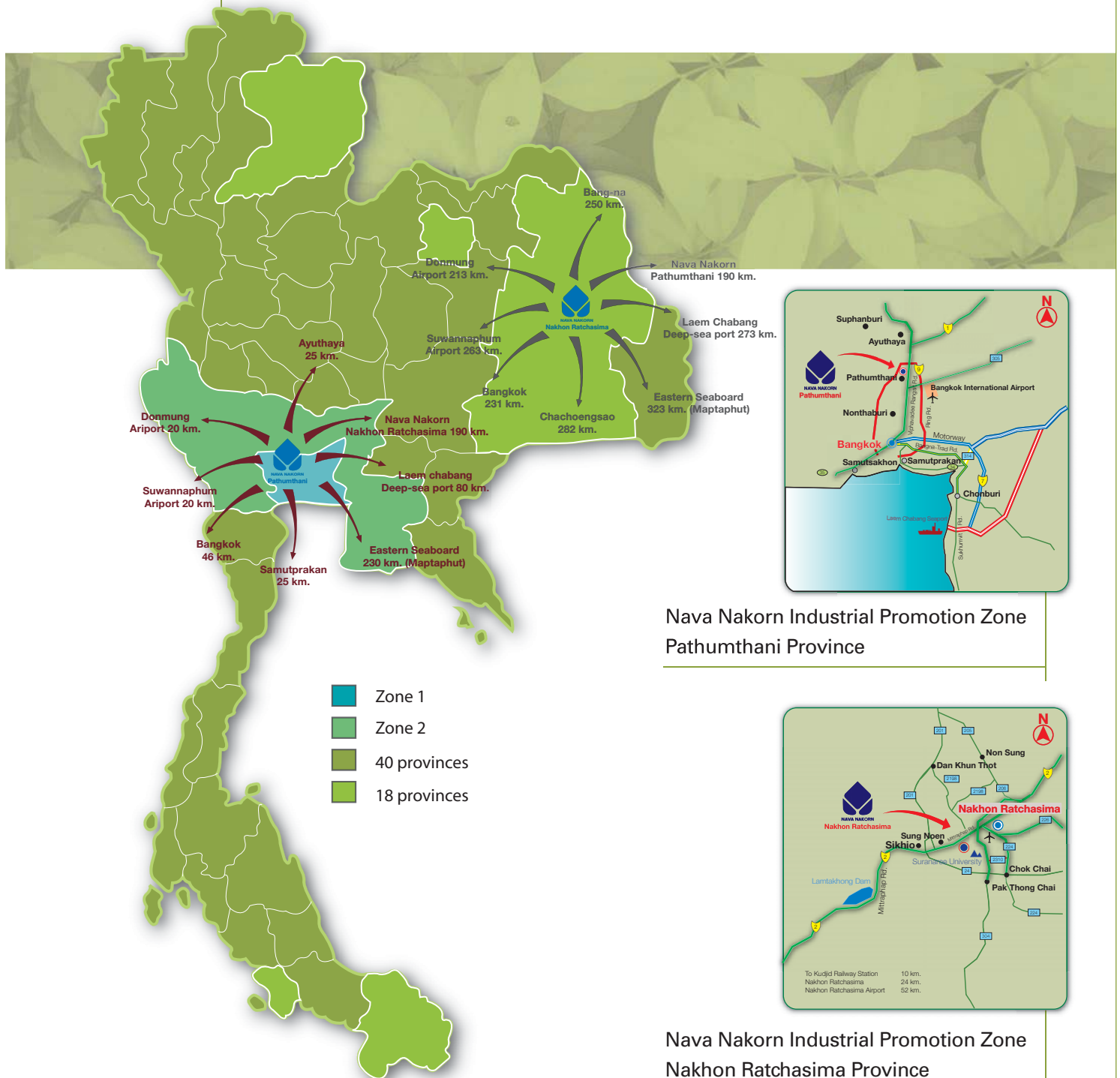
Established in October 2001, Nava Nakorn International Guard Company Limited operates a security business in Nava Nakorn Industrial Estate Pathumthani with current registered and paid-up capital of 5 millions Baht. And at the end of 2002, the Company held 100 percent of the total registered and paid-up capital.

However, in March 2003, the Company decided to sell the 40,500 shares of Nava Nakorn International Guard Company Limited or about 81.00 percent of the total registered and paid-up capital to an external party since the Nava Nakorn International Guard Company Limited had been continually operating at a loss. Furthermore, the Company does not have knowledge in the business. Thus, the Company, at present, holds only 19.00 percent of the total registered and paid-up capital of Nava Nakorn International Guard Company Limited.

Nava Nakorn Distribution Center Company Limited

Established in 1989, Nava Nakorn Distribution Center Company Limited operates warehouses services to companies in the Nava Nakorn Industrial Estate Pathumthani. At present, Nava Nakorn Distribution Center Company Limited's registered and paid-up capital is at 180.00 millions Baht and the Company holds 10.78 of the total registered and paid-up capital.

Nava Nakorn Industrial Promotion Zone Pathumthani Province and Nakhon Ratchasima Province



Nava Nakorn Industrial Promotion Zone Pathumthani Province

Nava Nakorn Industrial Promotion Zone Nakhon Ratchasima Province

Nava Nakorn Industrial Estate Pathumthani

Nava Nakorn Industrial Estate established since 1971. It is the very first industrial estate in Thailand located in strategic position on Phaholyothin Road (Highway Number 1). Besides it situates on the most convenience location, the site is yet the gate to the North and Northeastern parts of Thailand which are the areas populated with large pool of labors.

Nava Nakorn Industrial Estate Pathumthani is a mere 46 kilometer away from Bangkok and only 20 kilometer away from Don Muang Airport. There are connecting roadways with Ut-tra-Pi-Muk Expressway (Don Muang Toll Road) and thus it takes only 45 minutes from Bangkok to the site and it is only 5 kilometer away from Outer Ring Highway. Thus, commuting to and from the site is very convenient. Transporting shipments of products to various destinations is very convenient as well since the site is only 80 kilometer away from Laem Cha-bang Deep Sea Port. At present, Nava Nakorn Industrial Estate Pathumthani has received trust from more than 190 companies whose factories located inside Nava Nakorn Industrial Estate Pathumthani. Furthermore, Nava Nakorn Industrial Estate Pathumthani is in the special Board of Investment (BOI)'s privileges Zone 1. It is the closest to Bangkok and Don Muang Airport. Nava Nakorn Industrial Estate Pathumthani also has Free Zone where operators who import raw material for producing the end products that will be later exported can enjoy great benefits. Altogether, it makes Nava Nakorn Industrial Estate Pathumthani the center of various types of industries including electronics industry, auto parts industry, and food industry.

Nava Nakorn Industrial Estate Pathumthani was designed with fully-integrated complete infrastructures and facilities. More than that, we have after sales services in terms of residential area and other amenities for investors' conveniences.

Land

Land	YES	NO	Area	Remark
Land Total	●		6,500 Rai	
Land Privilege	●		BOI Zone 1 / Free Zone	
Land ownership (free hold)	●		By BOI privilege	
Land Available	●		350 Rai	Premium Zone & Free Zone
GIZ (Premium Zone)	●		271 Rai	5.5 Million Baht / Rai
Free Zone	●		42 Rai	4.5 Million Baht / Rai
Maintenance Fee	●		General Zone	600 Baht / Rai / Month
			Free Zone	1,200 Baht / Rai / Month

Infrastructure

Land	YES	NO	Source	Capacity
Water Supply	●		water for industrial project	capacity 120,000 cm ³ / Day
				Supply 19.6 cm ³ / Rai / Day
Power Supply	●		3 Sub stations (PEA)	capacity 285 MVA.
				Supply 22 KV. and 115 KV.
Waste Water Treatment	●		Activated Sludge System	26,000 cm ³ / Day
Flood Prevention	●		Bund and V-ditch	2.5 M. height around the project
Natural Gas	●		Provided by PTT	
Solid Waste	●		Provided by Nava Nakorn	
Security System	●		Guard and CCTV 24 Hr.	
Telecommunication	●		CAT, TOT, True, TT&T, all	
			Moblie systems	

Privileges from BOI (Zone 1)

1. Corporate Income Tax Exemption for 3 years
2. Reduction of Import Duties on Machinery for 50 percent
3. Import Duties Exemption on Raw Materials or Essential Input/Parts of Production for Re-export



Privileges from Custom Office

1. Import Duties Exemption on Machinery, Raw Materials or Essential Input/Parts of the Industrial Production Line
2. Import Duties Exemption on Re-exports
3. Value Added Tax (VAT) Exemption
4. Exemption on excise tax, alcohol tax, and stamp duties
5. No Quota on the Export
6. No Specific Duration of Privileges

Total Area: 6,485 Rais

- Ownership right: Buyers have the freehold right on land ownership
- First Year of Development: 1971
- Minimum Land Plot for Sale: Industrial Zone- 4 rais or 6,400 sq.m.
- Minimum Land Plot for Sale: Free Zone - 2 rais or 3,200 sq.m.
- Community Fee: Industrial Zone – 600 Baht per rai;
Free Zone – 1,200 Baht per rai



Infrastructures and Facilities

Roads

- Can be divided into 11 types according to the width of roadways. The width of roadways is ranging from 9-32 meters and connected making a network of roads. The main road is 6 lanes, secondary road is 4 lanes, and small road is 2 lanes. There are either asphaltic concrete or steel reinforced concrete.

Water Systems

- Operated by Provincial Waterworks Authority or PWA and Water for Industrial Use Project by Nava Nakorn

Electrical Systems

- Substation with 285 MVA with 115 KV and 22 KV transmission capacities

Natural Gas Systems

- Pipelines systems and supply of natural gas from PTT PCL.

Telecommunication Systems

- Telephone network with more than 5,000 phone numbers
- Complete cellular telephones relay bases for all systems and ISDN and high speed leased lines

Waste Water Treatment Systems

- Nava Nakorn Industrial Estate received the permit from Department of Industrial Works, Ministry of Industry, to build the central waste water treatment plant. This central waste water treatment plant is classified as the number 101 plant by the Department of Industrial Works. The plant is to collect waste water from industrial and commercial communities to treat it till the quality of the waste water meets the standards set by Ministry of Industry. The waste water system used the "Extended Aeration Activated Sludge" which work around the clock, 24 hours. It is very effective system and can handle the maximum capacity of 26,000 cubic meter of waste water per day. On average, there are currently 22,000 cubic meter of waste water flowing into our waste water system or about 84% of the maximum capacity. It can be said that the waste water treatment at Nava Nakorn has been operating effectively.

Furthermore, the Company controls the quality of waste water released from factories in the Estate before emit into the central waste water pipe. The Company requires that the quality of waste water to be released from factories must meet the Company's standard. In a case, where the quality of waste water to be released into the central waste water pipe is worse than the Company's standard, the Company requires that specific factory treat the waste water as to preliminary eliminate



pollutants and make it up to the standard set by the Company before the waste water is released into the central waste water pipe.

In 2007, the Company has a plan to expand the capacity of our waste water treatment plant in order to accommodate expansion inside the Nava Nakorn Industrial Estate Pathumthani. The Company aims at using more advanced and effective technologies.

Waste Water Discharge Systems

- Waste water discharge system in Nava Nakorn Industrial Estate is a closed system where it is separated from rain water drainage system which is an opened U-drain system. The width of waste water discharge pipes varies from 150 up to 1,000 millimeter which can discharge and accommodate waste water from various activities in the Estate from industrial, residential, and commercial areas. The waste water discharge system composes of 51 waste water substations around the Estate's pipelines which take waste water to the central waste water treatment plant.

Flood Prevention Systems

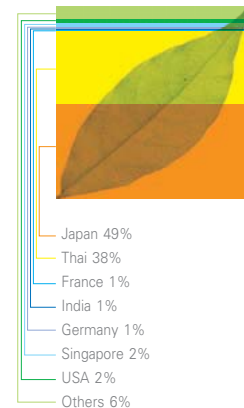
- Nava Nakorn Industrial Estate has the following flood prevention systems

Soil Embankment : With 3 meter base and 2.50 meter tall, this soil embankment embraces all the whole Nava Nakorn Industrial Project, and it prevents water to flow into the Estate, especially during rainy season.

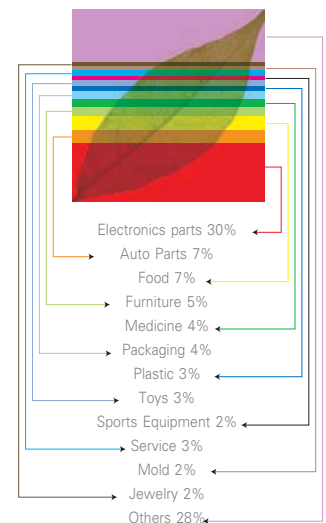
Drainage Canal : Inside Nava Nakorn Industrial Estate, there is a man-made canal to accommodate water in the area of 300 rais which can hold 1,200,000 cubic meter of water. In rainy season, it can hold rainfall sufficiently. Water will be later released to outside the Estate from the flood prevention-water pump substations.

Flood Prevention-Water Pump Substations : Comprises of 1 flood prevention-water pump substation in North and another 2 in the South of the Estate. The combined capacity is 734,400 cubic meter per day. Additionally, there are 3 temporary water pump substations in the East of the Estate which has capacity of 144,000 cubic meter per day. Thus the total combined capacity of water pumps is 878,000 cubic meter per day. It is sufficient to accommodate releasing rainfall out of the Estate. To illustrate, during August to November 2005, there was big flooding crisis in the Central part of Thailand including Nakonsawan, U-Thai-Thani, Chainat, Singburi, Ang-Thong, Ayudhya, Pathumthani, and Nontaburi provinces due

Investment in Nava Nakorn Industrial Estate



Clients Business in Nava Nakorn Industrial Estate



to water in the Chao Pra Ya River was overflowing, yet Nava Nakorn Industrial Estate managed to escape the big flooding problem even though the Estate is only 8 kilometer away from the Chao Pra Ya River, the major flooding area. It was because the Company managed to watch out the situation and always well prepared. In addition, the Company always strengthens the soil embankment and acquires additional equipments and pumps to prepare for the situation. Not only that, the Company also cleaned up the canal inside the Estate so the canal is deep enough to hold large volume of water every year. Thus, Nava Nakorn Industrial Estate does not have flooding problems like others in the area.

Waste Disposal Systems

- Both hazardous waste and waste from production line are managed by GENCO Company Limited and Better World Green Company Limited where clients can select which company to use
- Community trash is collected by local government authority

Security Systems

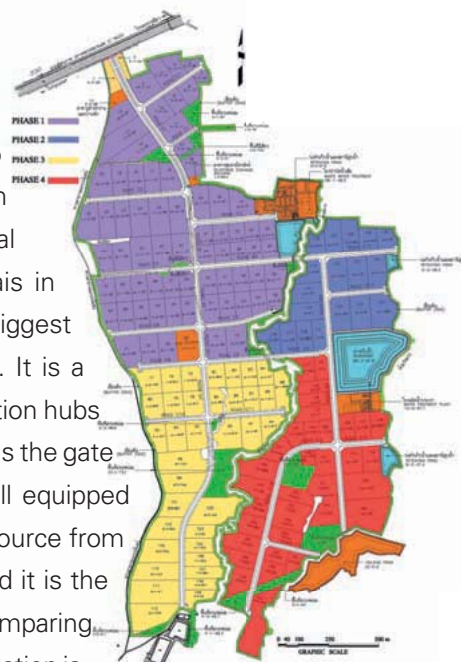
- There are always security guards, 24 hours, in action
- There is a police substation in the Estate

Nava Nakorn Industrial Estate (Pathumthani)

Strengths	Opportunities
Location: Close to Bangkok , Airport, and Port of Klong Toey	Expansion of the city thus making the Estate the closest to the city
Complete infrastructures and facilities	As Pathumthani is now designated as the logistic hub for North and Northeast of Thailand thus it could be developed into accommodating the logistic hubs
Large community/abundant labor pool	
Low land price when comparing to nearby area	
	Sustained governmental policy to support long term industrial sector
Weaknesses	Threats
Older estate/ established long time ago and thus harder to create order/discipline	Uncertain direction from the government in determining industrial zones
Lots of traffics	The area is in the tight environmental control regarding well water usage and waste water discharge
Disorderly community	
Part of facilities are not well maintained	
Fewer available area for sales which does not accommodate long-term business plan	

Nava Nakorn Industrial Estate Nakonratchasima

Nava Nakorn Public Company Limited expanded into Nakonratchasima province under the name of Nava Nakorn Industrial Estate Nakonratchasima which is a new industrial estate built in 2005 on the total land area about 2,000 rai in Soongnern District, Nakonratchasima province, the second biggest province in Thailand with more than 2,500,000 populations. It is a mere 231 kilometers away from Bangkok. It is the transportation hubs with connecting roadways to Northeast part of Thailand and it is the gate to Indo-China via car, train, and airplane. The location is well equipped with basic infrastructures and facilities including raw water source from Lam-Ta-Khong Dam, and Kok-Kraud electrical substation. And it is the hub of skilled labor force where minimum wage is lower in comparing with Bangkok Greater Metropolitan Area. Furthermore, this location is in the BOI Zone 3 privilege area. Thus it is the prime area for investors.



Total Area

Land	YES	NO	Area	Note
Total Area	●		1,903 rai	
Privilege	●		BOI Zone 3	
Freehold	●		BOI Privilege	
Land available	●		1,315 rai	Industrial Zone
Phase 1	●		532 rai	1.45 Million Baht / rai
Phase 2	●		157 rai	Under construction
Phase 3	●		328 rai	Under construction
Phase 4	●		297 rai	Under construction
Community Fee	●		General Industry	700 Baht / rai / month

Infrastructure Systems

Infrastructure Systems	YES	NO	Source	Capacity
Water Systems	●		Water Supply Project	3,000 cm ³ / day or avg.7 cm ³ / rai / day
Electric Systems	●		Sub - station	100 MVA. Transmission 22 kv and 115 kv
Waste Water Treatment Systems	●		Activated Sludge System	8,000 cm ³ / day
Flood Prevention Systems	●		Soil Embankment and V-ditch	2.5 meter around the site an V-ditch
Waste Disposal Systems	●		Nava Nakorn PCL	
Security Systems	●		Security Guards and CCTV around the Estate	
Communication Systems	●		TT&T, All Mobile System	

Privilege from BOI (Zone 3)

1. Corporate Income Tax Exemption for 8 years
2. Reduction in corporate tax on net profit from the investment 50% from the normal rate for 5 years
3. Import Duties Exemption Machinery
4. Import Duties Exemption on Raw Materials or Essential Input/Parts of Production for Re-export for 5 years
5. Electrical transmission and water supply transport cost could be deducted by 2 times for the period of 10 years

Infrastructures and Facilities

Roads

- The main road is 6 lanes, secondary road is 4 lanes, and small road is 2 lanes. They are steel reinforced concrete.

Water Systems

- Operated by Provincial Waterworks Authority or PWA and there a 54 rais reservoir (1,000,000 cubic meters)

Electrical Systems

- Substation with 2*5 MVA with 115 KV and 22 KV transmission capacities

Telecommunication Systems

- Telephone network with more than 100 lines
- Complete cellular telephones relay bases for all systems and ISDN and high speed leased lines

Waste Water Treatment Systems

- The waste water system used the "Activated Sludge" which can handle the maximum capacity of 6,700 cubic meter of waste water per day.

Rainfall Drainage and Flood Prevention Systems

- Nava Nakorn Industrial Estate is in the area higher than the highway
- There is V-ditch rainfall drainage pipe and also soil embankment around the Estate
- The location is about 200 meter above sea levels and there are water barrier and water pump substations around the Estate

Nava Nakorn Industrial Estate (Nakonratchasima)

Strengths	Opportunities
Location: Close to the heart of Korat city, only 20 kilometers away	Sustained governmental policy to support long term industrial sector
Complete infrastructures and facilities and with abundant water source	Developmental plan with cohesive members among nearby provinces
Large community/abundant labor pool	
Nakonratchasima is a province with capacity to turn into the Gate to Indo-China	
Special privileges from BOI Zone 3	
Weaknesses	Threats
It is located far away from port city and logistics hubs	Uncertain direction from the government in determining industrial zones
It is in the area where drought is possible	
There is no clear guideline in determining pricing on services and products	
Not enough facilities to accommodate or to attract investors	

Waste Disposal Systems

- Both hazardous and non-hazardous wastes are managed by GENCO Company Limited and Better World Green Company Limited where clients can select which company to use
- Community trash is collected by designated staff

Security Systems

- There are always security guards, 24 hours, in action
- There is CCTV in important points around the area

Free Zone

Nava Nakorn Public Company Limited's Free Zone is encompassing 188 rais in the Nava Nakorn Industrial Estate Pathumthani which already received permission from the Custom Department.

Free Zone is designated for industrial and commercial purposes as well as for other uses in order to create ease for operators in the export and import business. The operation in the Free Zone is counted as operation done outside the Kingdom of Thailand and thus outside the reach of Custom Office of Thailand and thus products or raw materials which imported from overseas or from domestic source when transported to or outside the Free Zone will receive special legal privileges.

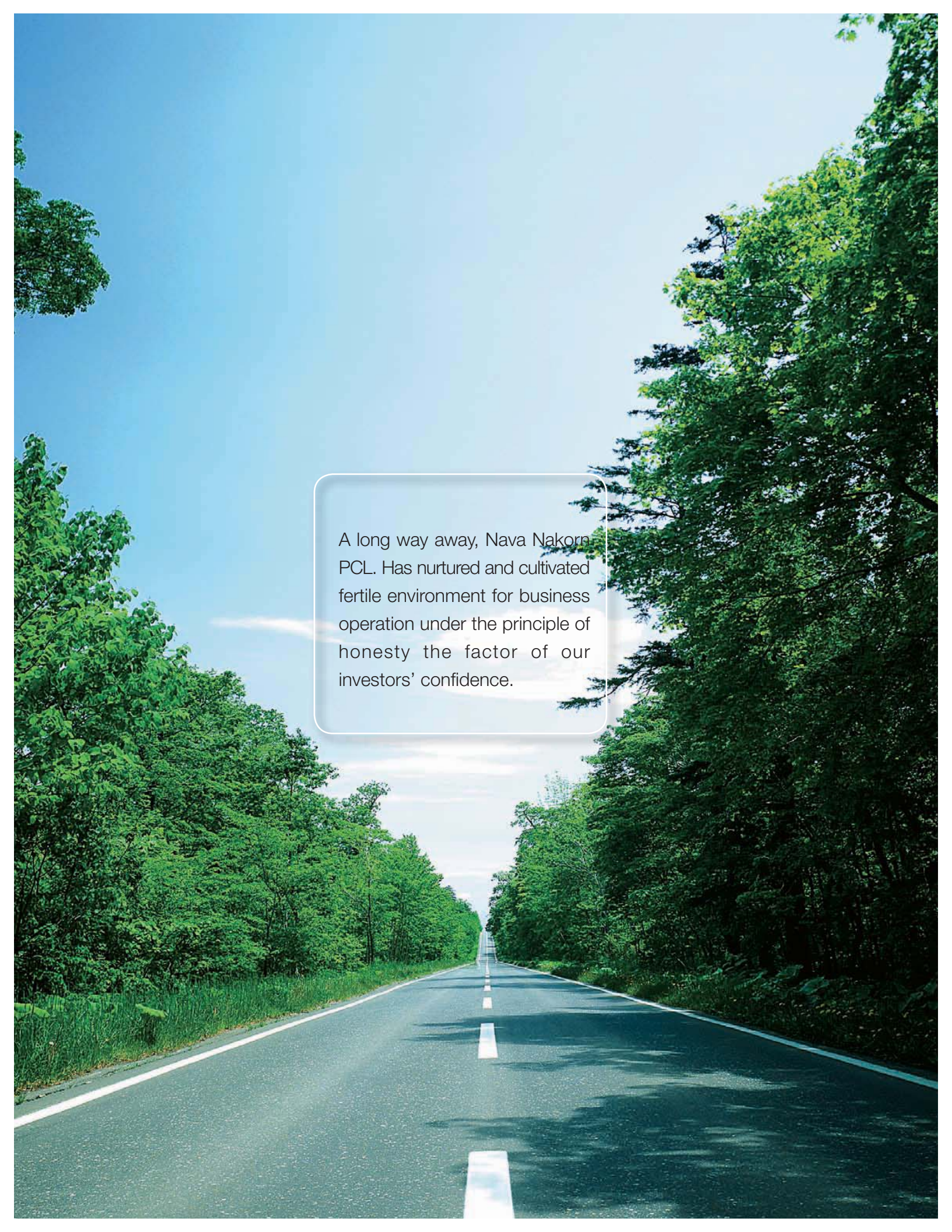
Location

- Nava Nakorn Industrial Estate Pathumthani
- 46 km. From Bangkok
- 20 km. From Don Muang Airport
- 230 km. From Map-Ta-Put Deep Sea Port
- 55 km. From Port of Klong Toey
- 80 km. From Suvarnabhumi International Airport



Special Privileges of Free Zone

1. Import Duties Exemption on Machinery, Raw Materials or Essential Input/Parts of the Industrial Production Line from import products and products that transferred from other Free Zones
2. Value Added Tax (VAT) Exemption and exemption on excise tax, alcohol tax, stamp duties for products imported or transferred to produce inside the Free Zone
3. Value Added Tax (VAT) Exemption for products acquired domestically which brought into the Free Zone
4. Import Duties Exemption on Re-exports
5. Free from governmental standard control or similar regulation for the products on the imports that transferred to the Free Zone for production, mixed, assembled, packaging, or other operation for re-export
6. Import duties exemption for damaged material or left over parts and loss from bringing that equipment if still within the regulation
7. Redemption on export duties from various legal exemptions
8. Custom Office inside the Estate to assist with speed and ease in regarding to Custom matters
9. Complete with infrastructures, facilities, and many amenities



A long way away, Nava Nakorn PCL. Has nurtured and cultivated fertile environment for business operation under the principle of honesty the factor of our investors' confidence.

To the Shareholders of Nava Nakorn Public Company Limited

I have audited the accompanying balance sheet of Nava Nakorn Public Company Limited as at 31 December 2006, and the related statements of income, changes in shareholders' equity and cash flows for the year then ended. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audit. The financial statements of Nava Nakorn Public Company Limited for the year ended 31 December 2005, which are presented for comparative purposes, were audited by another auditor whose report dated 22 February 2006 expressed an unqualified opinion on those statements.

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.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nava Nakorn Public Company Limited as at 31 December 2006, and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.



(Charoen Phosamritlert)
Certified Public Accountant
Registration No. 4068

KPMG Phoomchai Audit Ltd.
Bangkok
20 February 2007

Balance sheets

Nava Nakorn Public Company Limited For the years ended 31 December 2006 and 2005

(in Baht)	Note	2006	2005
Assets			
Current assets			
Cash and cash equivalents	5	169,470,496	211,158,261
Current investments in treasury bills (interest rates ranging from 2.98% to 3.42% per annum)		-	50,000,000
Trade accounts receivable	4, 6	42,492,210	34,922,681
Unbilled service income		13,942,063	14,105,384
Development costs of real estate projects	7	1,948,070,410	1,846,702,403
Other current assets	4	25,373,159	2,034,742
Total current assets		2,199,348,338	2,158,923,471
Non-current assets			
Investment in bill of exchange pledged as collateral (interest rate at 4.75% per annum)	8	155,130,000	-
Long-term investments	9	20,593,347	20,593,347
Property, plant and equipment	10	693,367,933	141,305,814
Other non-current assets		1,209,965	1,268,132
Total non-current assets		870,301,245	163,167,293
Total assets		3,069,649,583	2,322,090,764

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

Balance sheets

Nava Nakorn Public Company Limited For the years ended 31 December 2006 and 2005



(in Baht)	Note	2006	2005
Liabilities and shareholders' equity			
Current liabilities			
Overdrafts	11	1,769,077	-
Trade accounts payable	4, 12	31,689,353	26,625,017
Current portion of hire-purchase liabilities	11	3,561,143	3,583,834
Income tax payable		35,692,595	51,461,932
Other current liabilities	13	299,370,481	75,594,104
Total current liabilities		372,082,649	157,264,887
Non-current liabilities			
Long-term borrowings from financial institutions	11	843,626,069	497,933,657
Hire-purchase liabilities	11	6,196,619	4,040,705
Total non-current liabilities		849,822,688	501,974,362
Total liabilities		1,221,905,337	659,239,249
Shareholders' equity			
Share capital	14		
Authorised share capital		1,452,591,000	1,452,591,000
Issued and paid-up share capital		968,394,000	968,394,000
Proceeds from exercise of warrants	14	21,450,300	-
Share premium	15	283,563,867	283,563,867
Retained earnings			
Appropriated			
Legal reserve	15	53,577,862	41,532,164
Unappropriated		520,758,217	369,361,484
Total shareholders' equity		1,847,744,246	1,662,851,515
Total liabilities and shareholders' equity		3,069,649,583	2,322,090,764

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

Statements of income

Nava Nakorn Public Company Limited For the years ended 31 December 2006 and 2005

(in Baht)	Note	2006	2005
Revenues			
Revenue from sale of real estate development projects	4, 23	652,165,166	420,582,054
Revenue from rendering of services	4, 23	417,465,087	421,926,022
Rental income		9,353,231	6,828,732
Other income	4	17,005,775	7,232,164
Total revenues		1,095,989,259	856,568,972
Expenses			
Cost of sale of real estate development projects	7	166,484,902	72,111,232
Direct cost of rendering of services	4, 17	345,969,013	299,617,238
Selling and administrative expenses	4,18	230,594,655	162,330,194
Directors' remuneration	4	15,155,406	13,638,753
Total expenses		758,203,976	547,697,417
Profit before interest and income tax expenses		337,785,283	308,871,555
Interest expense	20	7,134,194	5,684,117
Income tax expense	21	89,737,138	78,204,441
Net profit		240,913,951	224,982,997
Earnings per share	22		
Basic earnings per share		0.25	0.23
Diluted earnings per share		0.20	0.23

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

Statements of changes in shareholders' equity

Nava Nakorn Public Company Limited For the years ended 31 December 2006 and 2005



(in Baht)	Note	Issued and	Proceeds from	Share premium	Retained earnings		Total equity
		paid-up share capital	exercise of warrants		Legal reserve	shareholders' Unappropriated	
Balance at 1 January 2005		927,110,000	-	283,563,867	30,283,014	252,467,037	1,493,423,918
Net profit		-	-	-	-	224,982,997	224,982,997
Issue of share capital	14	41,284,000	-	-	-	-	41,284,000
Legal reserve	15	-	-	-	11,249,150	(11,249,150)	-
Dividends	24	-	-	-	-	(96,839,400)	(96,839,400)
Balance at 31 December 2005		968,394,000	-	283,563,867	41,532,164	369,361,484	1,662,851,515
Net profit		-	-	-	-	240,913,951	240,913,951
Proceeds from exercise of warrants	14	-	21,450,300	-	-	-	21,450,300
Legal reserve	15	-	-	-	12,045,698	(12,045,698)	-
Dividends	24	-	-	-	-	(77,471,520)	(77,471,520)
Balance at 31 December 2006		968,394,000	21,450,300	283,563,867	53,577,862	520,758,217	1,847,744,246

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

Statements of cash flows

Nava Nakorn Public Company Limited For the years ended 31 December 2006 and 2005

(in Baht)	Note	2006	2005
Cash flows from operating activities			
Net profit		240,913,951	224,982,997
Adjustments for			
Allowance (reversal of allowance) for doubtful accounts		60,127	(1,098,247)
Donation of land	7	10,354,234	-
Depreciation charges	10	40,368,348	35,871,805
Interest income		(904,048)	(1,180,073)
Dividend income	4, 9	(3,782,298)	(2,860,969)
Interest expense	20	7,134,194	5,684,117
Write-off property, plant and equipment		3,571	663,879
Gain on sale of property, plant and equipment		(148,598)	(624,343)
Income tax expense		89,737,138	78,204,441
		383,736,619	339,643,607
Changes in operating assets and liabilities			
Trade accounts receivable		(7,629,656)	5,981,757
Unbilled service income		163,321	(2,186,634)
Development costs of real estate projects		(181,993,390)	(254,304,024)
Other current assets		(19,556,119)	872,693
Other non-current assets		58,167	(105,141)
Trade accounts payable		5,064,336	(45,411,257)
Other current liabilities		204,206,960	23,050,111
		384,050,238	67,541,112
Income tax paid		(105,506,475)	(28,045,542)
Net cash provided by operating activities		278,543,763	39,495,570

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

(in Baht)	Note	2006	2005
Cash flows from investing activities			
Interest received		904,048	1,180,073
Dividends received		-	2,860,969
Decrease (increase) in current investments in treasury bills		50,000,000	(50,000,000)
Increase in investment in bill of exchange pledged as collateral		(155,130,000)	-
Proceeds from sale of property, plant and equipment		148,596	645,794
Purchase of property, plant and equipment		(459,954,144)	(66,285,147)
Net cash used in investing activities		(564,031,500)	(111,598,311)
Cash flows from financing activities			
Interest paid		(44,052,824)	(28,742,967)
Dividends paid	24	(77,471,520)	(96,839,400)
Overdrafts		1,769,077	(2,120,568)
Repayment of hire-purchase liabilities		(3,587,473)	(5,092,746)
Proceeds from borrowings	11	583,440,000	191,405,000
Repayment of borrowings	11	(237,747,588)	(157,163,887)
Proceeds from issue of ordinary shares	14	-	41,284,000
Proceeds from exercise of warrants	14	21,450,300	-
Net cash provided by (used in) financing activities		243,799,972	(57,270,568)
Net decrease in cash and cash equivalents		(41,687,765)	(129,373,309)
Cash and cash equivalents at beginning of year		211,158,261	340,531,570
Cash and cash equivalents at end of year	5	169,470,496	211,158,261
Supplemental disclosures of cash flows information:			
Property, plant and equipment purchased during the years are detailed as follows:			
Total purchase of property, plant and equipment during the year	10	491,111,451	71,286,491
Less - payables on property, plant and equipment purchased by entering into hire-purchase contracts		(5,720,696)	(4,496,700)
- payables on purchase of property, plant and equipment		(19,384,959)	(504,644)
- capitalised interest		(6,051,652)	-
Purchase of property, plant and equipment paid by cash		459,954,144	66,285,147

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

1. General information

Nava Nakorn Public Company Limited, the “Company”, is incorporated in Thailand and has its registered head office and branch offices as follows:

- Head office : 999 Moo 13, Phaholyothin Road, Tambol Klong Nueng, Amphur Klong Luang, Phatumthani 12120, Thailand
- 1st branch office : 83 C.B. House Building, Amnuaysongkram Road, Kwang Tanonnakornchaisi, Khet Dusit, Bangkok 10300, Thailand
- 2nd branch office : 999 Mittraphap Road (Km. 231) Moo 1, Tambol Naklang, Amphur Soongnuen, Nakhon Ratchasima 30170, Thailand

The Company was listed on the Stock Exchange of Thailand on 31 October 2003.

The major shareholder of the Company during the financial year was NEP Realty and Industry Public Company Limited (incorporated in Thailand).

The principal activities of the Company are development of property and industrial estate projects for trading and lease, and providing utilities and other facilities services in the industrial estates.

2. Basis of preparation of the financial statements

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

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

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

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

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

3. Significant accounting policies

(a) Cash and cash equivalents

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

Investment in bill of exchange that has a restriction on use is presented separately in the account "Investment in bill of exchange pledged as collateral" under the caption "Non-current assets" in the balance sheet.

(b) Trade and other accounts receivable

Trade and other accounts receivable (including balances with related parties) are stated at their invoice value less allowance for doubtful accounts.

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

(c) Development costs of real estate projects

Development costs of real estate projects are stated at the lower of specifically identified cost and net realisable value.

Development costs of real estate projects comprise costs of land and direct expenses incurred on projects, including interest expense on borrowings for acquisition of land and the related development costs of real estate projects.

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

(d) Investments

Investments in equity securities

Equity securities which are not marketable and whose fair values cannot be reliably measured are stated at cost less impairment losses.

Disposal of investments

If the Company disposes of part of its holdings of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(e) Property, plant and equipment

Owned assets

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

Operating leases for which the Company acts as lessor

Where the Company retains the principal risks and rewards of ownership of the asset, the contract is considered an operating lease.

The asset held under an operating lease is presented as "Property, plant and equipment" and stated at cost less accumulated depreciation and impairment losses.

Depreciation

Depreciation is charged to the statement of income on a straight line basis over the estimated useful lives of each part of an item of assets. The estimated useful lives are as follows:

Buildings and temporary construction	1 and 20	years
Utilities systems	5	years
Machinery and equipment	5	years
Furniture, fixtures and office equipment	5	years
Transportation equipment	5	years

No depreciation is provided on land and assets under construction and installation.

(f) 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 assets' recoverable amounts are estimated.

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

Calculation of recoverable amount

The recoverable amount is the greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value

of money and the risks specific to the asset. For an asset that does not generate cash inflows 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, if no impairment loss had been recognised.

(g) Interest-bearing liabilities

Interest-bearing liabilities are stated at cost.

(h) Trade and other accounts payable

Trade and other accounts payable (including balances with related parties) are stated at cost.

(i) Provisions

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

(j) Revenues

Revenue excludes value added taxes or other sales taxes and is arrived at after deduction of trade discounts.

Revenue from sale of real estate development projects

As soon as the outcome of a real estate development project can be estimated reliably, contract revenue and expenses are recognised in the statement of income in proportion to the installment payment, including among other conditions:

- finalized sales agreements; and
- non-refundable deposit has been received from customers of at least 20% of the value of each sales agreement; and
- the approved initial development and construction are at a minimum of 10% complete (as measured by construction costs incurred compared to budgeted construction costs).

Revenue from rendering of services and rental income

Revenue from rendering of services is recognised as services are provided.

Rental income from operating lease is all attributable to minimum lease payments and is recognised in the statement of income on a straight line basis over the term of the lease.

Other income

Interest and other income are recognised in the statement of income on the accrual basis. Dividend income is recognised in the statement of income on the date the Company's right to receive payments is established which in the case of quoted securities is usually the ex-dividend date.

(k) Expenses

Operating leases

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

Other expenses

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

(l) Income tax

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

4. Related party transactions and balances

Related parties are those parties linked to the Company by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or at contractually agreed prices.

The pricing policies for particular types of transactions are explained further below:

	Pricing Policies
Revenue from sale of real estate development projects	General market price
Revenue from rendering of services	General market price
Security service expenses	Negotiable price
Fuel expenses	General market price

Significant transactions for the years ended 31 December 2006 and 2005 with related parties were summarised as follows:

(in thousand Baht)	2006	2005
Revenues		
Revenue from sale of real estate development projects		
• Nava Nakorn Distribution Centre Co., Ltd.	-	14,606
Revenue from rendering of services		
• Nava Nakorn Medicare Co., Ltd.	2,117	1,623
• Nava Nakorn Distribution Centre Co., Ltd.	1,634	926
• Nava Nakorn Energy and Environ Co., Ltd.	84	95
Total	3,835	2,644
Dividend income		
• Nava Nakorn Distribution Centre Co., Ltd.	3,782	2,861
Expenses		
Security service expenses		
• Navanakorn International Guard Co., Ltd.	23,945	23,445
Fuel expenses		
• Nava Nakorn Energy and Environ Co., Ltd.	3,365	3,079
Directors' remuneration	15,155	13,639

Balances as at 31 December 2006 and 2005 with related parties were as follows:

(in thousand Baht)	2006	2005
Trade accounts receivable		
• Nava Nakorn Medicare Co., Ltd.	561	819
• Nava Nakorn Distribution Centre Co., Ltd.	99	106
• Nava Nakorn Energy and Environ Co., Ltd.	4	10
Total	664	935
Other account receivable		
• Nava Nakorn Distribution Centre Co., Ltd.	3,782	-
Trade accounts payable		
• Navanakorn International Guard Co., Ltd.	2,135	2,075
• Nava Nakorn Eney and Environ Co., Ltd.	-	605
Total	2,135	2,680

5. Cash and cash equivalents

(in thousand Baht)	2006	2005
Cash at financial institutions and on hand	396	1,745
Call deposits	169,074	209,413
Total	169,470	211,158

6. Trade accounts receivable

(in thousand Baht)	Note	2006	2005
Trade accounts receivable from related parties	4	664	935
Trade accounts receivable from other parties		47,033	39,133
Less allowance for doubtful accounts		(5,205)	(5,145)
Net		42,492	34,923

(in thousand Baht)	2006	2005
Within credit term	37,220	29,768
Overdue:		
Less than 3 months	5,803	4,473
3 - 6 months	71	1,187
6 - 12 months	57	354
Over 12 months	4,546	4,286
Total	47,697	40,068
Less allowance for doubtful accounts	(5,205)	(5,145)
Net	42,492	34,923

The normal credit term granted by the Company is 30 days.

7. Development costs of real estate projects

(in thousand Baht)	2006	2005
Developed land available for sales		
<i>Nava Nakorn Industrial Promotion Zone Project (Pathumthanee Province)</i>		
Cost of land	420,908	508,633
Project development costs	52,226	57,976
Capitalised interest	59,037	70,805
Total	532,171	637,414
<i>Duty Free Zone Project (Pathumthanee Province)</i>		
Cost of land	47,795	85,739
Project development costs	54,006	104,790
Capitalised interest	8,887	9,291
Total	110,688	199,820
Land under development		
<i>Premium Zone Project (Pathumthanee Province)</i>		
Cost of land	297,060	-
Project development costs	746	-
Capitalised interest	8,346	-
Total	306,152	-

Notes to the financial statements

Nava Nakorn Public Company Limited For the years ended 31 December 2006 and 2005

*Nava Nakorn Industrial Promotion Zone Project
(Nakhon Ratchasima Province)*

Cost of land	575,803	608,391
Project development costs	356,456	352,456
Capitalised interest	66,800	48,621
Total	999,059	1,009,468
Grand total	1,948,070	1,846,702

Movements during the years ended 31 December 2006 and 2005 were as follows:

(in thousand Baht)	2006	2005
Balance at 1 January	1,846,702	1,569,227
Purchase of land for development projects	297,060	55,917
Project development costs	51,419	270,498
Capitalised interest	31,051	23,171
Sale of developed land available for sales and land under development completely developed during the year	(166,485)	(72,111)
Transfer of land used for the water production and trading for industrial project to asset in the account "Property, plant and equipment"	(91,988)	-
Donation of land to a state enterprise	(10,354)	-
Transfer of land held under an operating lease to asset in the account "Property, plant and equipment"	(9,335)	-
Balance at 31 December	1,948,070	1,846,702

The Company did not provide impairment losses of developed land available for sales in the financial statements for the year ended 31 December 2006 because the net realisable value of the developed land is higher than its costs. In addition, the Company has the approved plans to increase the value and future benefits on the developed land, such as: (a) to allocate land for operating lease, (b) to construct the water production and trading for industrial project, (c) to construct the apartments, etc.

As at 31 December 2006 the Company mortgaged certain plots of its developed land available for sales, and land under development and public utilities, with the carrying value of Baht 1,323.5 million (2005: Baht 1,223.3 million), as collateral for credit facilities obtained from local financial institutions.

8. Investment in bill of exchange pledged as collateral

As at 31 December 2006 the Company pledged its bill of exchange with a local financial institution amounting to Baht 155.1 million (2005: nil) as collateral for a letter of guarantee issued by the financial institution in favor of a customer relating to the sale of a plot of land to the customer.

9. Long-term investments

	Country of registration	Type of business	Relationship	Paid-up capital		Ownership interest		Investment amount		Dividend income	
				2006	2005	2006	2005	2006	2005	2006	2005
				(in thousand Baht)		(%)		(in thousand Baht)			
Cost											
Nava Nakorn Distribution Centre Co., Ltd.	Thailand	Transportation services	Shareholder	180,000	180,000	10.78	10.78	19,396	19,396	3,782	2,861
The Bangkok Club Co., Ltd.	Thailand	Trading of food and beverage	Shareholder	450,000	450,000	0.11	0.11	1,000	1,000	-	-
Navanakorn International Guard Co., Ltd.	Thailand	Security services	Shareholder	6,300	5,000	15.08	19.00	871	871	-	-
Total								21,267	21,267	3,782	2,861
Less impairment losses								(674)	(674)	-	-
Net								20,593	20,593	3,782	2,861

10. Property, plant and equipment

	Land held under operating lease	Land	Buildings and temporary construction	Utilities systems	Machinery and equipment	Furniture, fixtures and office equipment	Transportation equipment	Assets construction and installation	Total
	(in thousand Baht)								
Cost									
At 1 January 2005	-	-	18,529	216,260	17,209	38,314	63,792	3,035	357,139
Additions	-	2,301	-	25,028	3,757	7,936	8,185	24,080	71,287
Transfers	-	-	-	-	-	1,080	-	(1,080)	-
Disposals	-	-	-	-	(56)	-	(2,672)	-	(2,728)
Write-off	-	-	(1,121)	(93)	(200)	(3,006)	-	-	(4,420)
At 31 December 2005	-	2,301	17,408	241,195	20,710	44,324	69,305	26,035	421,278
Additions	23,200	-	397	22,195	5,448	6,199	8,717	424,955	491,111
Transfers	9,335	91,988	281	5,417	215	252	-	(6,165)	101,323
Disposals	-	-	-	(1,299)	-	-	(758)	-	(2,057)
Write-off	-	-	-	-	(12)	(406)	-	-	(418)
At 31 December 2006	32,535	94,289	18,086	267,508	26,361	50,369	77,264	444,825	1,011,237
Accumulated depreciation									
At 1 January 2005	-	-	(8,880)	(159,178)	(11,848)	(30,604)	(40,053)	-	(250,563)
Depreciation charge for the year	-	-	(768)	(19,423)	(2,047)	(3,382)	(10,252)	-	(35,872)
Disposals	-	-	-	-	35	-	2,672	-	2,707
Write-off	-	-	524	92	200	2,940	-	-	3,756
At 31 December 2005	-	-	(9,124)	(178,509)	(13,660)	(31,046)	(47,633)	-	(279,972)
Depreciation charge for the year	-	-	(815)	(21,802)	(2,717)	(4,391)	(10,643)	-	(40,368)
Disposals	-	-	-	1,299	-	-	758	-	2,057
Write-off	-	-	-	-	12	402	-	-	414
At 31 December 2006	-	-	(9,939)	(199,012)	(16,365)	(35,035)	(57,518)	-	(317,869)
Net book value									
At 31 December 2005	-	2,301	8,284	62,686	7,050	13,278	21,672	26,035	141,306
At 31 December 2006	32,535	94,289	8,147	68,496	9,996	15,334	19,746	444,825	693,368

Assets under construction and installation as at 31 December 2006 were principally related to the construction of water production and trading for industrial project, and utilities systems.

As at 31 December 2006 the Company mortgaged plots of land used for the water production and trading for industrial project, with the carrying value of Baht 92 million (2005: nil), as collateral for credit facilities obtained from a local financial institution.

The gross carrying amounts of building, utilities systems, transportation equipment and equipment items totaling Baht 217 million were fully depreciated as at 31 December 2006 (2005: Baht 190.2 million) but these items are still in active use.

The net book value of transportation equipment purchased under hire-purchase contracts as at 31 December 2006 amounted to Baht 15 million (2005: Baht 12.1 million). The ownership of the transportation equipment will be transferred to the Company when the Company pays the last installment.

11. Interest-bearing liabilities

(in thousand Baht)	Note	2006	2005
Current			
Overdrafts (interest at the rates of minimum overdraft rate (MOR) less 0.5% and 1%) - secured	7, 10	1,769	-
Current portion of hire-purchase liabilities		3,561	3,584
Total current		5,330	3,584
Non-current			
Long-term borrowings from financial institutions - secured	7, 10	843,626	497,934
Hire-purchase liabilities		6,197	4,041
Total non-current		849,823	501,975
Total		855,153	505,559

The periods to maturity of interest-bearing liabilities, excluding hire-purchase liabilities, as at 31 December 2006 and 2005 were as follows:

(in thousand Baht)	2006	2005
Within one year	1,769	-
After one year but within five years	324,403	497,934
Over five years	519,223	-
Total	845,395	497,934

Long-term borrowings from financial institutions

The Company has 5 borrowing agreements with local financial institutions. Details are as follows:

Borrowing agreements	Approved credit line (in million Baht)	Interest rate per annum (%)	
The first agreement (for restructuring of short-term to long-term borrowing))	340.0	Minimum loan rate less 0.5%	Within 30 September 2008
The second agreement (for financing costs of land and development costs of Duty Free Zone Project (Pathumthanee Province))	236.5	Minimum loan rate less 0.5%	Within 13 November 2007 (The Company and settled this loan in the first quarter of 2006.)
The third agreement (for financing costs of land and development costs of Nava Nakorn Industrial Promotion Zone (Nakhon Ratchasima Province))	480.0	Minimum loan rate	Within 13 November 2008
The fourth agreement (for construction costs of water production and trading for industrial project (Pathumthanee Province))	550.0	Minimum loan rate less 1.5% for the first 18 months and minimum loan rate less 1% for the following 78 months	Within 31 December 2013
The fifth agreement (for financing costs of land and development costs of Premium Zone Project (Pathumthanee Province))	400.0	Minimum loan rate less 0.5%	Within 17 June 2012

The outstanding balances of the above borrowing agreements as at 31 December 2006 and 2005 were as follows:

(in thousand Baht)	2006	2005
The first borrowing agreement	71,829	215,343
The second borrowing agreement	-	63,986
The third borrowing agreement	252,574	218,605
The fourth borrowing agreement	266,723	-
The fifth borrowing agreement	252,500	-
Total	843,626	497,934

Movements of long-term borrowings during the years ended 31 December 2006 and 2005 were as follows:

(in thousand Baht)	2006	2005
At 1 January	497,934	463,693
Increases	583,440	191,405
Decreases	(237,748)	(157,164)
At 31 December	843,626	497,934

Secured long-term borrowings from financial institutions as at 31 December 2006 and 2005 were secured on the following assets:

(in thousand Baht)	Note	2006	2005
Developed land available for sales		580,861	572,992
Land under developed and public utilities		742,660	650,261
Total	7	1,323,521	1,223,253
Land used for the water production and trading for industrial project	10	91,988	-
Grand total		1,415,509	1,223,253

As at 31 December 2006 the Company had unutilised credit facilities totaling Baht 1,237 million (2005: Baht 510 million).

Hire-purchase liabilities

Hire-purchase liabilities as at 31 December 2006 and 2005 were payable as follows:

(in thousand Baht)	2006			2005		
	Principal	Interest	Payments	Principal	Interest	Payments
Within one year	3,561	426	3,987	3,584	418	4,002
After one year but within five years	6,197	640	6,837	4,041	535	4,576
Total	9,758	1,066	10,824	7,625	953	8,578

The Company entered into hire-purchase contracts with local financial institutions to purchase transportation equipment with interest rates ranging from 3% to 5% per annum in 2006 (2005: rates ranging from 3% to 5% per annum); and repayable by monthly installments ending in various periods (the last installment is ending in May 2011).

12. Trade accounts payable

(in thousand Baht)	Note	2006	2005
Trade accounts payable to related parties	4	2,135	2,680
Trade accounts payable to other parties		29,554	23,945
Total		31,689	26,625

13. Other current liabilities

(in thousand Baht)	2006	2005
Advance receipts from customers	198,316	9,359
Accrued operating expenses	39,456	16,148
Accrued bonus	23,688	21,159
Retention payable to contractors	21,744	14,683
Retention payable to customers for utilities	7,841	6,231
Other	8,325	8,014
Total	299,370	75,594

14. Share capital

	Par value (in Baht)	2006		2005	
		Number of shares	Baht (in thousand)	Number of shares	Baht
Authorised					
At 1 January					
ordinary shares	10	145,259	1,452,591	97,300	973,000
• Reduction in par value from Baht 10 to Baht 1		1,307,332	-	-	-
Reduction in share capital	10	-	-	(461)	(4,606)
Creation of new ordinary shares	10	-	-	48,420	484,197
At 31 December					
• ordinary shares	10	-	-	145,259	1,452,591
• ordinary shares	1	1,452,591	1,452,591	-	-
Issued and paid-up					
At 1 January					
ordinary shares	10	96,839	968,394	92,711	927,110
• Reduction in par value from Baht 10 to Baht 1		871,555	-	-	-
Issue of new ordinary shares	10	-	-	4,128	41,284
At 31 December					
• ordinary shares	10	-	-	96,839	968,394
• ordinary shares	1	968,394	968,394	-	-

At the extraordinary shareholders' meeting of the Company, held on 24 August 2004, the Company's shareholders approved the increase of the registered authorised capital of 4,589,000 ordinary shares for offering to the Company's directors, consultants and employees ("right holders") by increase the registered authorised capital from Baht 927.11 million (divided into 92,711,000 ordinary shares at Baht 10 par value) to Baht 973 million (divided into 97,300,000 ordinary shares at Baht 10 par value). The Company registered the increase in the registered authorised capital with the Ministry of Commerce on 3 September 2004. Subsequently on 1 November 2004 the Company submitted a registration statement to the Office of Securities Exchange Commission of Thailand for offering of the ordinary shares to the right holders.

During the first quarter of 2005 the right holders exercised their rights to purchase the increase in ordinary shares amounting to Baht 41.284 million (divided into 4,128,400 ordinary shares at Baht 10 par value) and the Company registered the increase in the registered authorised capital for a portion of exercised rights with the Ministry of Commerce on 9 March 2005. As a result, the issued and paid-up share capital were Baht 968.394 million (divided into 96,839,400 ordinary shares at Baht 10 par value). Subsequently on 18 March 2005 the Stock Exchange of Thailand issued an order accepting the 4,128,400 ordinary shares as registered securities. The remaining 460,600 ordinary shares were approved by the Board of Directors not to be reallocated.

At the ordinary shareholders' meeting of the Company, held on 25 April 2005, the Company's shareholders passed the following significant resolutions:

- (a) Approved the decrease of the registered authorised capital from Baht 973 million (divided into 97,300,000 ordinary shares at Baht 10 par value) to Baht 968.394 million (divided into 96,839,400 ordinary shares at Baht 10 par value) by cancelling the remaining ordinary shares, which had been registered for issuance and offering to the Company's directors, consultants and employees of Baht 4.606 million (divided into 460,600 ordinary shares at Baht 10 par value). The Company registered the decrease in registered authorised capital with the Ministry of Commerce on 4 May 2005.
- (b) Approved the issuance and allotment of warrants, specifying name and transferable category to be issued to the Company's existing shareholders of 48,419,700 units at the price of Baht 0 (zero) per unit. The warrants have maturity of 5 years from the issuance date and have conditions for exercising as follows:

Exercising ratio	:	1 warrant per 1 ordinary share
Exercising price	:	Baht 10 per 1 ordinary share
Exercising period	:	Year one - do not exercise
		Year 2 to year 5 - all warrants can be exercised
- (c) Approved the increase of the registered authorised capital from Baht 968.394 million (divided into 96,839,400 ordinary shares at Baht 10 par value) to Baht 1,452.591 million (divided into 145,259,100 ordinary shares at Baht 10 par value) to reserve for the exercise of warrants by the existing shareholders. The Company registered the increase in registered authorised capital with the Ministry of Commerce on 4 May 2005.
- (d) Approved the allocation of the increase in the registered authorised capital of 48,419,700 ordinary shares at Baht 10 par value to reserve for the issuance and allotment of warrants by the existing shareholders in the future.

On 14 October 2005 the Company sold 48,419,694 units of the warrants, specifying name and transferable category to the Company's existing shareholders. The remaining 6 units of warrants, which were not sold, were cancelled on 27 October 2005. Subsequently on 14 November 2005, the Stock Exchange of Thailand issued an order accepting the 48,419,694 units of warrants as registered securities.

The warrant holders can exercise the right to purchase the Company's ordinary shares every 3 months (every 30 of March, June, September and December) commencing from the first date of purchase of the ordinary shares. (The first exercising date is on 30 December 2006.)

At the extraordinary shareholders' meeting of the Company, held on 30 May 2006, the Company's shareholders passed the following significant resolutions:

- (a) Approved the change in par value of the Company's registered authorised capital from Baht 10 per share to Baht 1 per share. As a result, the number of registered authorised capital was changed from 145,259,100 ordinary shares to 1,452,591,000 ordinary shares. The Company registered the change in par value and number of registered authorised capital with the Ministry of Commerce on 5 June 2006.
- (b) Approved the increase of the Company's warrants from 48,419,694 units to 484,196,940 units and change of the exercising price from 1 unit of warrant has right to purchase 1 ordinary share at Baht 10 per share to 1 unit of warrant has right to purchase 1 ordinary share at Baht 1 per share.

On 14 June 2006 the Stock Exchange of Thailand issued an order accepting the Company's change in par value and number of registered authorised capital including the increase of the Company's warrants and change of the exercising price.

On 29 December 2006 the warrant holders exercised their rights of 21,450,300 units to purchase the Company's ordinary shares. As a result, the Company received money from this exercise amounting to Baht 21.5 million. The Company subsequently registered the change of issue and paid-up share capital from Baht 968,394,000 to Baht 989,844,300 with the Ministry of Commerce on 11 January 2007. Later on 17 January 2007 the Stock Exchange of Thailand issued an order accepting the increase of the Company's ordinary shares from the exercising warrants to be registered securities. The Company separately presented the money receipt from this exercise as "Proceeds from exercise of warrants" under the caption "Shareholders' equity" in the balance sheet.

As at 31 December 2006 the remaining of unexercised warrants were 462,746,640 units (2005: 484,196,940 units).

15. Reserves

Share premium

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

Legal reserve

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

The Company appropriated Baht 12 million as legal reserve for the year ended 31 December 2006 (2005: Baht 11.2 million).

16. Segment information

Segment information is presented in respect of the Company's business and geographic segments. The primary format, geographic segments, is based on the Company's management and internal reporting structures.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise income relating to interest and dividends, and the related common assets, common liabilities and directors' remuneration.

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

Geographical segment results

(in thousand Baht)	Pathumthanee Province		Nakhon Ratchasima Province		Total	
	2006	2005	2006	2005	2006	2005
Revenue from sale of real estate development projects	579,297	420,582	72,868	-	652,165	420,582
Revenue from rendering of services	417,188	421,926	277	-	417,465	421,926
Rental income	9,353	6,829	-	-	9,353	6,829
Total allocated revenues	1,005,838	849,337	73,145	-	1,078,983	849,337
Unallocated other income	-	-	-	-	17,006	7,232
Total revenues	1,005,838	849,337	73,145	-	1,095,989	856,569

(in thousand Baht)	Pathumthanee Province		Nakhon Ratchasima Province		Total	
	2006	2005	2006	2005	2006	2005
Cost of sale of real estate development projects	(104,234)	(72,111)	(62,251)	-	(166,485)	(72,111)
Direct cost of rendering of services	(344,610)	(299,617)	(1,359)	-	(345,969)	(299,617)
Selling and administrative expenses	(208,260)	(158,184)	(22,335)	(4,146)	(230,595)	(162,330)
Total allocated expenses	(657,104)	(529,912)	(85,945)	(4,146)	(743,049)	(534,058)
Unallocated directors' remuneration	-	-	-	-	(15,155)	(13,639)
Total expenses	(657,104)	(529,912)	(85,945)	(4,146)	(758,204)	(547,697)
Profit (loss) before interest and income tax expenses	348,734	319,425	(12,800)	(4,146)	337,785	308,872
Interest expense	(7,134)	(5,684)	-	-	(7,134)	(5,684)
Income tax expense	(89,737)	(78,205)	-	-	(89,737)	(78,205)
Net profit (loss)	251,863	235,536	(12,800)	(4,146)	240,914	224,983

Geographical segment financial position

(in thousand Baht)	Pathumthanee Province		Nakhon Ratchasima Province		Total	
	2006	2005	2006	2005	2006	2005
Development costs of real estate projects	949,011	1,009,468	999,059	837,234	1,948,070	1,846,702
Property, plant and equipment	644,120	133,162	49,248	8,144	693,368	141,306
Unallocated assets	-	-	-	-	428,212	334,083
Total assets	1,593,131	1,142,630	1,048,307	845,378	3,069,650	2,322,091
Long-term borrowings	591,052	279,329	252,574	218,605	843,626	497,934
Unallocated liabilities	-	-	-	-	378,279	161,305
Total liabilities	591,052	279,329	252,574	218,605	1,221,905	659,239
Capital expenditure	448,564	69,466	42,547	1,821	491,111	71,287
Depreciation charges	39,607	35,796	761	76	40,368	35,872

17. Direct cost of rendering of services

(in thousand Baht)	2006	2005
Water expenses	193,233	162,013
Garbage treatment expenses	29,079	26,481
Electricity expenses	27,743	22,332
Depreciation charges	24,810	21,686
Security guard expenses	24,053	24,629
Personnel expenses	16,638	15,152
Repair and maintenance expenses	15,329	14,000
Other	15,084	13,324
Total	345,969	299,617

18. Selling and administrative expenses

(in thousand Baht)	2006	2005
Personnel expenses	69,793	59,003
Selling expenses	59,574	39,332
Depreciation charges	15,558	14,186
Consulting fees	8,199	9,196
Entertainment expenses	6,852	6,393
Traveling expenses	6,848	5,870
Donation	6,477	3,572
Rental fees	3,860	3,852
Operating fees	3,382	4,002
Other	50,052	16,924
Total	230,595	162,330

19. Personnel expenses

(in thousand Baht)	2006	2005
Salaries, wages and other benefits	79,020	68,035
Contributions to provident fund	2,731	2,356
Other	4,680	3,764
Total	86,431	74,155
	(number of employees)	
Number of employees as at 31 December	182	57

The Company has established a contributory provident fund for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at the rate of 5% of their basic salaries and by the Company of 6% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

20. Interest expense

(in thousand Baht)	2006	2005
Interest paid and payable to financial institutions	44,237	28,855
Finance costs capitalised to real estate project development costs and assets under construction and installation	(37,103)	(23,171)
Interest expense charged to statement of income	7,134	5,684

Finance costs for real estate project development costs and assets under construction and installation have been capitalised during the year 2006 at the average rate of 0.58% per annum (2005: 0.45% per annum).

21. Income tax expense

Royal Decree No. 387 B.E. 2544 dated 5 September 2001 grants companies listed on the Stock Exchange of Thailand after 6 September 2001 a reduction in the corporate income tax rate from 30% to 25% for taxable profit for the 5 consecutive accounting periods begins on or after the enactment. The Company was listed on the Stock Exchange of Thailand on 31 October 2003, which was the day after the Royal Decree came into force and the Company has successfully complied with the rules, procedures and conditions identified therein. The Company has, accordingly, calculated income tax on its taxable profit for the years ended 31 December 2006 and 2005 at the 25% corporate income tax rate.

22. Earnings per share

The Company has restated the number of weighted average ordinary shares used in the computation of basic earnings per share for the year ended 31 December 2005 by adjusting to give effect to the splitting of the ordinary shares assuming the share split occurred on 1 January 2005. As a result, basic earnings per share for the year ended 31 December 2005 was changed from Baht 2.34 per share (using 96,081,584 ordinary shares) to Baht 0.23 per share (using 960,815,841 ordinary shares). This was made in order to reflect the change in number of the issued ordinary shares.

Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2006 was based on the net profit attributable to ordinary shareholders of Baht 240.9 million (2005: Baht 225 million) and the weighted average number of ordinary shares outstanding during the year ended 31 December 2006 of 968,394,000 shares (2005: 960,815,841 shares).

The weighted average number of ordinary shares is calculated as follows:

(in shares)	2006	2005
Number of issued ordinary shares at 1 January	968,394,000	927,110,000
Effect of number of ordinary shares issued during the period	-	33,705,841
Weighted average number of ordinary shares at 31 December	968,394,000	960,815,841

Diluted earnings per share

The calculation of diluted earnings per share for the year ended 31 December 2006 was based on the net profit attributable to ordinary shareholders of Baht 240.9 million (2005: Baht 225 million) and the weighted average number of ordinary shares (diluted) outstanding during the year ended 31 December 2006 of 1,178,474,124 shares (2005: 960,815,841 shares).

The weighted average number of ordinary shares (diluted) is calculated as follows:

(in shares)	2006	2005
Weighted average number of ordinary shares (basic)	968,394,000	960,815,841
Effect of conversion of warrants	210,080,124	-
Weighted average number of ordinary shares (diluted)	1,178,474,124	960,815,841

As at 31 December 2005 the Company did not calculate diluted earnings per share because the exercising price of the Company's warrants was higher than the fair value of ordinary shares, which was calculated from the average price of the ordinary shares trading in the Stock Exchange of Thailand during that period.

	Registered par value before the change in par value (in Baht)
Exercising price of warrants	10
Fair value of ordinary shares	9.35

23. Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act B.E. 2520, the Company has been granted privileges by the Board of Investment relating to the real estate and industrial estate development projects (Nakhon Ratchasima Province). The privileges granted include:

- (a) an exemption from payment of import duty on machinery approved by the Board of Investment;
- (b) an exemption from payment of corporate income tax on net profit of the promoted business for certain periods and conditions stipulated in the promotional certificate;
- (c) a permission to deduct double the actual costs of transportation, electricity and water supply for a period of 5 years from the start of the promoted business;
- (d) a permission to deduct 25% of installation costs or construction costs of assets necessary for the Company's operations besides a deduction of their normal depreciation; and
- (f) an exemption to include the dividend income from the promoted business in the computation of corporate income tax throughout the period the Company being granted such exemption.

As a promoted company, the Company must comply with certain conditions and restrictions provided for in the promotional certificate.

The Company's revenues from the sale of real estate development projects and the rendering of services classified under the promoted and non-promoted businesses for the years ended 31 December 2006 and 2005 were as follows:

(in thousand Baht)	2006	2005
Revenue from sale of real estate development projects		
• Promoted business	72,868	-
• Non-promoted business	579,297	420,582
Total	652,165	420,582
Revenue from rendering of services		
• Promoted business	277	-
• Non-promoted business	417,188	421,926
Total	417,465	421,926
Grand total	1,069,630	842,508

24. Dividends

(in thousand Baht)	2006	2005
Interim dividends	-	38,736
Annual dividends	77,472	58,103
Total	77,472	96,839

At the ordinary shareholders' meeting of the Company, held on 25 April 2005, dividends of Baht 0.6 per share for 96,839,400 ordinary shares were approved from net profit for the year ended 31 December 2004 (total sum of Baht 58.1 million). The dividends were paid to the Company's shareholders in May 2005.

At the board of directors' meeting of the Company, held on 7 September 2005, interim dividends of Baht 0.4 per share for 96,839,400 ordinary shares were approved from net profit for the seven-month period ended 31 July 2005 (total sum of Baht 38.7 million), which was subsequently acknowledged by the Company's shareholders on 22 September 2005. The interim dividend was paid to the Company's shareholders in October 2005.

At the ordinary shareholders' meeting of the Company, held on 25 April 2006, dividends of Baht 0.8 per share for 96,839,400 ordinary shares were approved from net profit for the year ended 31 December 2005 (total sum of Baht 77.5 million). The dividends were paid to the Company's shareholders in May 2006.

25. Financial instruments

Financial risk management policies

The Company is exposed to normal business risks from changes in market interest rates and from non-performance of contractual obligations by counterparties. The Company does not issue derivative financial instruments for speculative or trading purposes and all the Company's business transactions incurred in Thailand.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's operations and its cash flows. The Company is primarily exposed to interest rate risk from its variable rate overdrafts and borrowings due to change in interest rates. The management believes that the interest rate risk is not significant because the overdrafts and borrowings bear interest at market rates.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Company as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Company sets up an allowance for doubtful accounts in respect of all debts which are expected to be uncollectible.

Liquidity risk

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

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. In determining the fair value of its financial assets and liabilities, the Company takes into account its current circumstances and the costs that would be incurred to exchange or settle the underlying financial instrument.

Cash and cash equivalents, trade accounts receivable, trade accounts payable and short-term borrowings - the carrying amount approximates the fair value due to the relatively short-term maturity.

Long-term borrowings - the carrying amount approximates the fair value due to the borrowings bearing interest at floating rates.

Hire-purchase liabilities - the carrying amount approximates the fair value estimated from the current market rates available for hire-purchase liabilities with a similar maturity profile.

26. Commitments

(a) Capital commitments

(in million Baht)	2006	2005
Contracted but not provided for (mainly represents contracts for construction costs of water production and trading for industrial project, and real estate development projects)	396.8	126.7
Authorised but not contracted for		
• Construction costs of water production and trading for industrial project	202.5	923.9
• Purchase of land for real estate development projects	18.1	315.1
Total	617.4	1,365.7

(b) Non-cancellable operating lease commitments

(in million Baht)	2006	2005
Within one year	2.8	3.3
After one year but within five years	1.2	7.4
After five years	6.2	3.2
Total	10.2	13.9

The Company has lease agreements covering office space and land for periods of 3 years and 30 years, which will expire in 2007 and 2036 respectively.

(c) As at 31 December 2006 the Company had commitments under service agreements with local companies totaling Baht 38.4 million (2005: Baht 25.6 million).

27. Contingent liabilities

As at 31 December 2006 Company was contingently liable for letters of guarantee issued by local financial institutions in favor of government agencies and state enterprises, and a customer totaling Baht 216.4 million (2005: Baht 78.6 million).

28. Operating lease for which the Company acts as lessor

Future minimum lease payments receivable under an non-cancellable operating lease is detailed as follows:

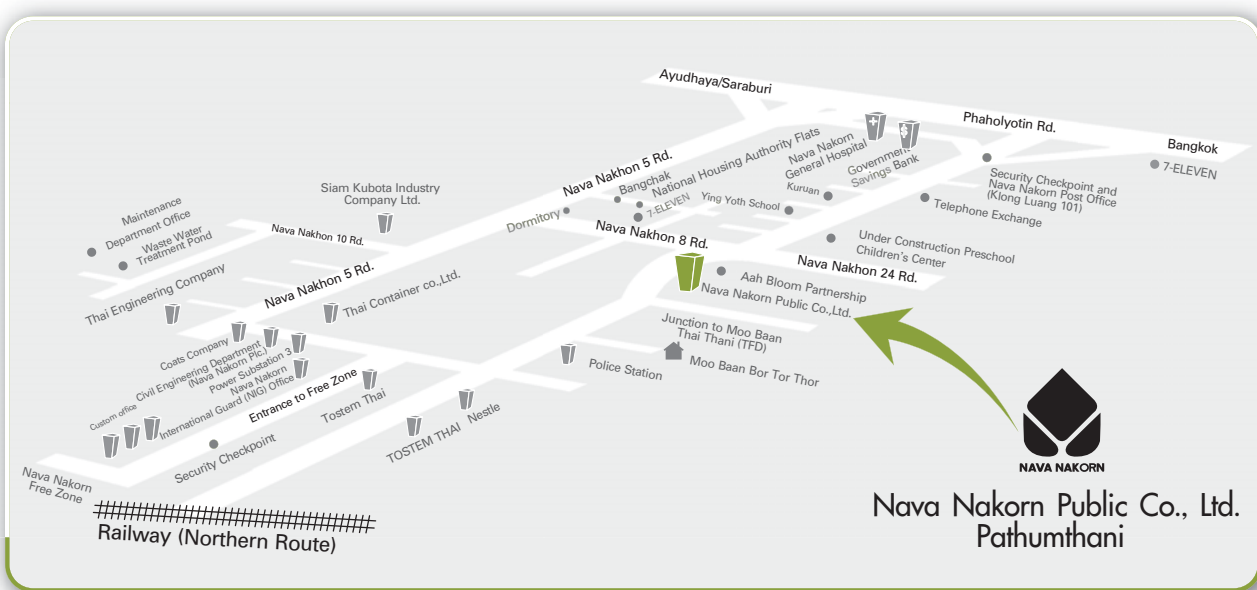
(in million Baht)	2006	2005
Within one year	7.0	-
After one year but within five years	54.5	-
After five years	348.0	-
Total	409.5	-

29. Event after the balance sheet date

On 15 January 2007 the Company obtained additional credit facilities from a local financial institution for financing construction costs of water production and trading for industrial project (Pathumthanee Province) totaling Baht 50 million.

30. Reclassification of accounts

Certain accounts in the 2005 financial statements have been reclassified to conform with the presentation in the 2006 financial statements.

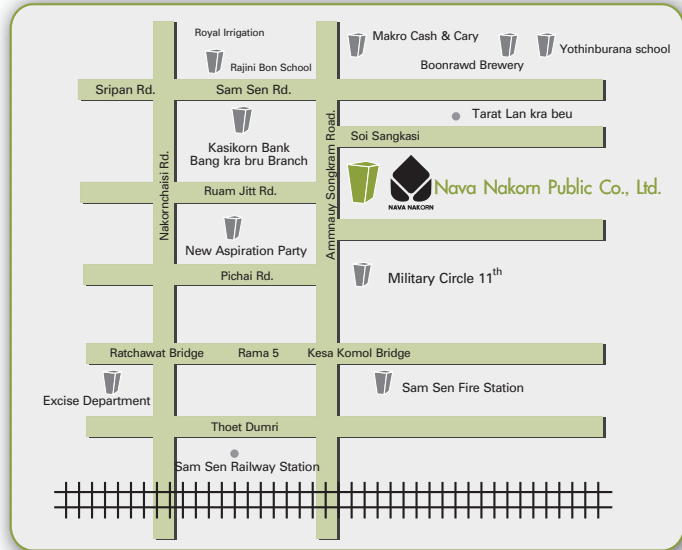


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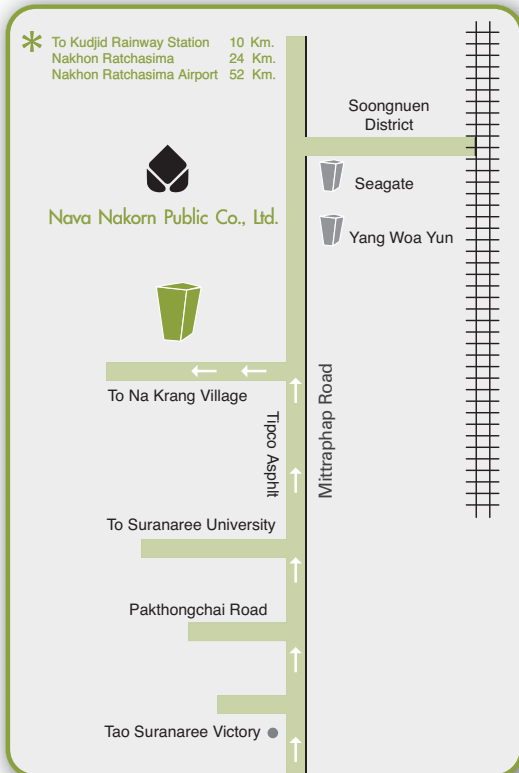
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