

PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
REPORT AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2007 AND 2006

Review Report of Independent Auditor

To the Shareholders of Property Perfect Public Company Limited

I have reviewed the accompanying consolidated balance sheet of Property Perfect Public Company Limited and its subsidiaries as at 31 March 2007, the related consolidated statements of income, changes in shareholders' equity and cash flows for the three-month periods ended 31 March 2007 and 2006, and the separate financial statements of Property Perfect Public Company Limited for the same periods. These financial statements are the responsibility of the Company's managements as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my reviews.

I conducted my reviews in accordance with the auditing standard applicable to review engagements. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the Company and its subsidiaries' personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. I have not performed an audit and, accordingly, I do not express an audit opinion.

Based on my reviews, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

Without qualifying my review report on the financial statements, I draw attention to advances for purchase of land and transfer of ownership of land within the second quarter of the current year as discussed in Note 7 to the interim financial statements.

I have previously audited the consolidated financial statements of Property Perfect Public Company Limited and its subsidiaries and the separate financial statements of Property Perfect Public Company Limited for the year ended 31 December 2006 in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements, but drew attention to advances for purchase of land under my report dated 26 February 2007. The consolidated and separate balance sheets as at 31 December 2006, as presented herein for comparative purposes, formed an integral part of the financial statements which I audited and reported on. The Company has restated the separate financial statements to reflect the change in accounting policy for recording investments in subsidiary and associated companies from the equity method to the cost method as described in Note 2 to the interim financial statements. In my opinion, the adjustments made for the preparation of such statements are appropriate and have been properly applied. I have not performed any other audit procedures subsequent to the date of that report.

Supachai Phanyawattano

Certified Public Accountant (Thailand) No.3930

Ernst & Young Office Limited

Bangkok : 9 May 2007

PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

(Unit : Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2007 (Unaudited but reviewed)	31 December 2006 (Audited)	31 March 2007 (Unaudited but reviewed)	31 December 2006 (Audited) (Restated)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		180,321	312,743	172,865	271,120
Trade accounts receivable, net	3	35,107	33,780	35,022	31,923
Project development costs, net	4	7,700,685	8,016,191	6,164,618	6,531,991
Other current assets					
Advances to contractors, net		58,143	70,393	58,143	70,393
Prepaid expenses		9,484	9,245	9,484	9,245
Others		12,009	9,404	6,215	5,211
TOTAL CURRENT ASSETS		7,995,749	8,451,756	6,446,347	6,919,883
NON-CURRENT ASSETS					
Restricted deposits		841	841	841	841
Loans to related companies and interest receivable, net	15	2,016	67,415	109,124	166,442
Investments in subsidiary companies	5	-	-	539,458	539,458
Investments in associated company	5	404,056	329,695	359,999	299,999
Other long-term investments, net		4,804	4,802	4,804	4,802
Land held for development, net	6	3,430,974	3,042,352	3,430,974	3,042,352
Advances for purchase of land	7	730,247	730,082	628,284	629,119
Property, plant and equipment, net	8	365,355	364,229	337,370	339,629
Leasehold rights, net		62,062	62,524	62,062	62,524
Leasehold rights awaiting sale, net		60,718	60,718	60,718	60,718
Other non-current assets					
Withholding tax deducted at source		47,816	39,027	47,631	38,659
Others		22,655	22,692	22,305	22,252
TOTAL NON-CURRENT ASSETS		5,131,544	4,724,377	5,603,570	5,206,795
TOTAL ASSETS		13,127,293	13,176,133	12,049,917	12,126,678

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

PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS (Continued)

(Unit : Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2007 (Unaudited but reviewed)	31 December 2006 (Audited)	31 March 2007 (Unaudited but reviewed)	31 December 2006 (Audited) (Restated)
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from financial institutions	9	560,406	280,406	530,406	280,406
Trade accounts payable		428,129	290,129	385,500	244,996
Amounts due to related company	15	-	-	978	1,738
Deposits and cash received in advance		302,384	280,635	302,084	266,000
Current portion of debentures	10	450,000	350,000	450,000	350,000
Current portion of long-term loans	12	1,141,300	940,892	1,141,300	940,892
Other current liabilities					
Current portion of liabilities under financial lease agreements		5,254	5,254	5,254	5,254
Accrued interest		26,231	43,071	26,080	42,717
Accrued expenses		57,245	69,643	43,899	59,293
Others		53,283	55,498	48,962	41,583
TOTAL CURRENT LIABILITIES		3,024,232	2,315,528	2,934,463	2,232,879
NON-CURRENT LIABILITIES					
Debentures, net of current portion	10	-	450,000	-	450,000
Creditors per rehabilitation plan	11	648,410	648,410	648,410	648,410
Unsubordinated convertible debentures - liability component		803,511	802,736	803,511	802,736
Long-term loans, net of current portion	12	2,844,895	3,168,022	2,199,470	2,527,597
Other non-current liabilities					
Liabilities under financial lease agreements, net of current portion		4,915	6,239	4,915	6,239
Deposits and cash received in advance for sublease agreement		61,856	63,077	61,856	63,077
Provision for unconverted debentures		57,953	46,533	57,953	46,533
TOTAL NON-CURRENT LIABILITIES		4,421,540	5,185,017	3,776,115	4,544,592
TOTAL LIABILITIES		7,445,772	7,500,545	6,710,578	6,777,471

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

PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS (Continued)

(Unit : Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2007 (Unaudited but reviewed)	31 December 2006 (Audited)	31 March 2007 (Unaudited but reviewed)	31 December 2006 (Audited) (Restated)
SHAREHOLDERS' EQUITY					
Share capital	13				
Registered					
1,035,594,196 ordinary shares of Baht 6 each		6,213,565	6,213,565	6,213,565	6,213,565
Issued and fully paid					
787,411,994 ordinary shares of Baht 6 each (31 December 2006: 782,555,715 ordinary shares of Baht 6 each)		4,724,472	4,695,334	4,724,472	4,695,334
Share discount	14	(42,239)	(13,150)	(42,239)	(13,150)
Share subscriptions received in advance		-	49	-	49
Unsubordinated convertible debentures - equity component		23,535	23,535	23,535	23,535
Retained earnings					
Appropriated - statutory reserve		100,600	100,600	100,600	100,600
Unappropriated		875,153	869,220	532,971	542,839
TOTAL SHAREHOLDERS' EQUITY		5,681,521	5,675,588	5,339,339	5,349,207
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		13,127,293	13,176,133	12,049,917	12,126,678
		0	0	0	0

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

.....

DIRECTORS

PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

INCOME STATEMENTS

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2007 AND 2006

(Unit : Thousand Baht, except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2007	2006	2007	2006 (Restated)
REVENUES					
Revenues from sales of land and houses		820,411	1,115,686	734,948	942,959
Revenues from sales of residential condominium units		145,369	-	145,369	-
Revenue from sale of land		10,913	-	10,913	-
Other income					
Interest income		448	2,379	2,529	8,107
Revenues from forfeiture of down payments		1,934	2,045	1,865	1,993
Share of income from investments accounted for under equity method - associated company	5	14,361	-	-	-
Others		8,754	9,419	7,646	7,159
TOTAL REVENUES		1,002,190	1,129,529	903,270	960,218
EXPENSES					
Costs of sales of land and houses		588,717	761,240	529,509	647,261
Costs of sales of residential condominium units		104,684	-	104,684	-
Cost of sale of land		9,821	-	9,821	-
Selling and administrative expenses		236,647	253,777	216,488	234,163
Share of loss from investments accounted for under equity method - associated company	5	-	8,430	-	-
TOTAL EXPENSES		939,869	1,023,447	860,502	881,424
INCOME BEFORE INTEREST EXPENSES AND					
CORPORATE INCOME TAX		62,321	106,082	42,768	78,794
INTEREST EXPENSES		(55,572)	(85,497)	(52,636)	(79,115)
CORPORATE INCOME TAX	16	(816)	(10,242)	-	-
NET INCOME (LOSS) FOR THE PERIOD		5,933	10,343	(9,868)	(321)
EARNINGS PER SHARE					
Basic earnings per share (Baht)					
Net income (loss)		0.0075	0.0132	(0.0125)	(0.0004)
Diluted earnings per share (Baht)					
Net income		0.0074	0.0130		

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

PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

CASH FLOW STATEMENTS

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2007 AND 2006

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006 (Restated)
Cash flows from operating activities :				
Net income (loss) for the period	5,933	10,343	(9,868)	(321)
Adjustments to reconcile net income (loss) to net cash provided by (paid from) operating activities :				
Share of loss (income) from investments accounted for under equity method - associated company	(14,361)	8,430	-	-
Depreciation and amortisation	11,584	10,154	11,052	9,662
Amortisation of prepaid expense	3,348	3,443	3,348	3,443
Amortisation of premium on debentures	775	745	775	745
Provision for unconverted debentures	11,420	10,397	11,420	10,397
Rental received in advance recognition	(1,222)	(872)	(1,222)	(872)
Reversal of allowance for loss on impairment of investments	(2)	(16)	(2)	(16)
Loss on sales of property, plant and equipment	-	1	-	1
Income from operating activities before changes in operating assets and liabilities	17,475	42,625	15,503	23,039
Decrease (increase) in operating assets				
Trade accounts receivable	(1,327)	(6,534)	(3,099)	(7,617)
Amounts due from related companies	-	-	-	1,174
Project development costs	(61,413)	222,685	(9,546)	229,412
Advances to contractors	12,250	(71,005)	12,250	(71,005)
Withholding tax deducted at source	(8,789)	(11,209)	(8,972)	(9,468)
Prepaid expenses	(3,587)	(9,492)	(3,587)	(9,492)
Interest receivable	8,908	(2,373)	6,827	(8,106)
Other current assets	(2,605)	5,563	(1,004)	8,150
Other non-current assets	37	30	(53)	201
Increase (decrease) in operating liabilities				
Trade accounts payable	138,000	49,014	140,505	43,411
Amounts due to related company	-	-	(760)	990
Deposits and cash received in advance	21,749	34,305	36,084	35,779
Accrued interest	(16,840)	(30,803)	(16,637)	(30,739)
Other current liabilities	(14,613)	(54,533)	(8,015)	(65,530)
Net cash provided from operating activities	89,245	168,273	159,496	140,199

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

PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2007 AND 2006

(Unit : Thousand Baht)

Consolidated financial statements

	Issued and paid share capital	Share discount	Share subscriptions	Unsubordinated	Retained earnings		Total
			received in advance	convertible debentures - equity component	Statutory reserve	Unappropriated	
Balance - as at 1 January 2006	4,695,210	(13,026)	-	23,535	100,000	1,131,714	5,937,433
Net income for the period	-	-	-	-	-	10,343	10,343
Balance - as at 31 March 2006	<u>4,695,210</u>	<u>(13,026)</u>	<u>-</u>	<u>23,535</u>	<u>100,000</u>	<u>1,142,057</u>	<u>5,947,776</u>
Balance - as at 1 January 2007	4,695,334	(13,150)	49	23,535	100,600	869,220	5,675,588
Additional ordinary shares as a result of warrants exercise	29,138	(29,089)	(49)	-	-	-	-
Net income for the period	-	-	-	-	-	5,933	5,933
Balance - as at 31 March 2007	<u>4,724,472</u>	<u>(42,239)</u>	<u>-</u>	<u>23,535</u>	<u>100,600</u>	<u>875,153</u>	<u>5,681,521</u>

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

PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)
FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2007 AND 2006
(Unit : Thousand Baht)

Separate financial statements

	Issued and paid share capital	Share discount	Share subscriptions	Unsubordinated	Retained earnings		Total (Restated)
			received in advance	convertible debentures - equity component	Statutory reserve	Unappropriated (Restated)	
Balance - as at 1 January 2006 - as previously reported	4,695,210	(13,026)	-	23,535	100,000	1,131,714	5,937,433
Cumulative effect of the change in accounting policy for recording investments in subsidiary and associated companies (Note 2)	-	-	-	-	-	(304,436)	(304,436)
Balance - as at 1 January 2006 - as restated	4,695,210	(13,026)	-	23,535	100,000	827,278	5,632,997
Net loss for the period, as restated	-	-	-	-	-	(321)	(321)
Balance - as at 31 March 2006 - as restated	4,695,210	(13,026)	-	23,535	100,000	826,957	5,632,676
Balance - as at 1 January 2007 - as previously reported	4,695,334	(13,150)	49	23,535	100,600	869,220	5,675,588
Cumulative effect of the change in accounting policy for recording investments in subsidiary and associated companies (Note 2)	-	-	-	-	-	(326,381)	(326,381)
Balance - as at 1 January 2007 - as restated	4,695,334	(13,150)	49	23,535	100,600	542,839	5,349,207
Additional ordinary shares as a result of warrants exercise	29,138	(29,089)	(49)	-	-	-	-
Net loss for the period	-	-	-	-	-	(9,868)	(9,868)
Balance - as at 31 March 2007	4,724,472	(42,239)	-	23,535	100,600	532,971	5,339,339

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

PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2007 AND 2006

1. GENERAL INFORMATION

1.1 Corporate information

Property Perfect Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the property development and its registered address is 100/1 Vorasombat Building, 17th Floor, Rama 9 Road, Huaykwang, Bangkok.

1.2 Basis for preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standards Pronouncement No. 41 “Interim financial statements”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the balance sheets, and the income statements, the statements of changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

1.3 Basis of consolidation

These consolidated financial statements included the financial statements of Property Perfect Public Company Limited and its subsidiaries (“the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2006. There have been no changes in the composition of the Group during the current period.

1.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and method of computation as were used for the financial statements for the year ended 31 December 2006, except for the change in the accounting policy for recording investments in subsidiary and associated companies in the separate financial statements from the equity method to the cost method, as described in Note 2 to the interim financial statements and have the additional accounting policies as follows.

- a) Revenues from sales of residential condominium units are recognised as revenue when the ownership has been transferred to the buyer.

- b) In determining the costs of sales of residential condominium units, the anticipated total development costs (after recognising the costs incurred to date) are attributed to units already sold on the basis of the salable area and then recognised as costs in the income statements.

2. CHANGE IN ACCOUNTING POLICY FOR RECORDING INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES IN THE SEPARATE FINANCIAL STATEMENTS

During the current period, the Company changed its accounting policy for recording investments in subsidiary and associated companies in the separate financial statements from the equity method to the cost method, in compliance with Notification No. 26/2006 regarding Accounting Standard No. 44 “Consolidated Financial Statements and Accounting for Investments in Subsidiaries” (Amendment No. 1), issued by the Federation of Accounting Professions, under which investments in subsidiaries, jointly controlled entities and associates are to be presented in the separate financial statements under the cost method rather than the equity method.

In this regard, the Company has restated the previous period’s separate financial statements as though the investments in the subsidiary and associated companies had originally been recorded using the cost method. The change has the effect of decreasing net income in the separate income statements for the three-month periods ended 31 March 2007 and 2006 by Baht 15.8 million (Baht 0.02 per share) and Baht 10.7 million (Baht 0.01 per share), respectively. The cumulative effect of the change in accounting policy has been presented under the heading of “Cumulative effect of the change in accounting policy for recording investments in subsidiary and associated companies” in the separate statements of changes in shareholders’ equity.

Such change in accounting policy affects only the accounts related to investments in subsidiary and associated companies in the Company’s separate financial statements, with no effect to the consolidated financial statements.

3. TRADE ACCOUNTS RECEIVABLE

As at 31 March 2007 and 31 December 2006, trade accounts receivable were classified by aging as follows:-

	(Unit : Thousand Baht)				
	Consolidated financial statements				
	As at 31 March 2007				
	Less than 3 months	3 – 6 months	6 –12 months	Over 12 months	Total
Accounts receivable - installments	20,035	4,815	2,127	864	27,841
Accounts receivable at transfer date	525	3,485	800	13,497	18,307
Total	20,560	8,300	2,927	14,361	46,148
Less : Allowance for doubtful debts	-	-	-	(11,041)	(11,041)
Trade accounts receivable, net	20,560	8,300	2,927	3,320	35,107

(Unit : Thousand Baht)

Consolidated financial statements					
As at 31 December 2006 (Audited)					
	Less than 3 months	3 - 6 months	6 -12 months	Over 12 months	Total
Accounts receivable - installments	13,302	2,837	6,985	2,770	25,894
Accounts receivable at transfer date	3,930	-	1,600	13,397	18,927
Total	17,232	2,837	8,585	16,167	44,821
Less : Allowance for doubtful debts	-	-	-	(11,041)	(11,041)
Trade accounts receivable, net	17,232	2,837	8,585	5,126	33,780

(Unit : Thousand Baht)

Separate financial statements					
As at 31 March 2007					
	Less than 3 months	3 - 6 months	6 -12 months	Over 12 months	Total
Accounts receivable - installments	20,035	4,815	2,127	864	27,841
Accounts receivable at transfer date	525	3,400	800	13,497	18,222
Total	20,560	8,215	2,927	14,361	46,063
Less : Allowance for doubtful debts	-	-	-	(11,041)	(11,041)
Trade accounts receivable, net	20,560	8,215	2,927	3,320	35,022

(Unit : Thousand Baht)

Separate financial statements					
As at 31 December 2006 (Audited)					
	Less than 3 months	3 - 6 months	6 -12 months	Over 12 months	Total
Accounts receivable - installments	12,059	2,753	6,985	2,770	24,567
Accounts receivable at transfer date	3,400	-	1,600	13,397	18,397
Total	15,459	2,753	8,585	16,167	42,964
Less : Allowance for doubtful debts	-	-	-	(11,041)	(11,041)
Trade accounts receivable, net	15,459	2,753	8,585	5,126	31,923

4. PROJECT DEVELOPMENT COSTS

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2007	31 December 2006	31 March 2007	31 December 2006
		(Audited)		(Audited)
Land costs	11,076,684	11,386,761	9,874,681	10,189,758
Development costs	5,604,763	5,513,646	5,179,884	5,114,206
Construction costs	13,571,938	12,989,928	12,725,538	12,214,790
Capitalised interest	3,841,001	3,816,335	3,613,652	3,598,360
Total	34,094,386	33,706,670	31,393,755	31,117,114
Less : Transferred to cost of sales	(24,790,998)	(24,087,392)	(23,636,292)	(22,991,894)
Transferred to settle debt under rehabilitation plan	(1,524,192)	(1,524,192)	(1,524,192)	(1,524,192)
	7,779,196	8,095,086	6,233,271	6,601,028
Less : Allowance for loss on diminution in value of projects	(78,511)	(78,895)	(68,653)	(69,037)
Project development costs, net	7,700,685	8,016,191	6,164,618	6,531,991

The Company and its subsidiary's project land and construction thereon with a net book value of Baht 6,484.3 million as at 31 March 2007 (31 December 2006 : Baht 6,569.8 million), have been mortgaged with banks and financial institutions as collateral for short-term loans and long-term loans.

5. INVESTMENTS IN SUBSIDIARY COMPANIES/ASSOCIATED COMPANY

These represent investments in ordinary shares in the following subsidiary and associated companies.

(Unit : Thousand Baht)

	Separate financial statements	
	Cost method	
	31 March 2007	31 December 2006
		(Audited)
		(Restated)
<u>Subsidiary companies</u>		
Estate Perfect Company Limited	538,459	538,459
Perfect Satellite Services Company Limited	999	999
	539,458	539,458

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	Equity method		Cost method	
	31 March 2007	31 December 2006	31 March 2007	31 December 2006
		(Audited)		(Audited) (Restated)
Associated company				
Krungthep Land Public Company Limited	404,056	329,695	359,999	299,999
	<u>404,056</u>	<u>329,695</u>	<u>359,999</u>	<u>299,999</u>

On 18 January 2007, a meeting of the Company's Board of Directors passed the resolution approving the purchase of additional ordinary shares of Krungthep Land Public Company Limited amounting to Baht 60 million (6,000,000 ordinary shares of Baht 10 each) in order to maintain the Company's existing shareholding structure.

6. LAND HELD FOR DEVELOPMENT

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2007	31 December 2006	31 March 2007	31 December 2006
		(Audited)		(Audited)
Land costs	4,881,964	4,565,870	4,881,964	4,565,870
Development costs	191,176	118,648	191,176	118,648
Construction costs	17,449	17,449	17,449	17,449
Capitalised interest	661,618	661,618	661,618	661,618
Total	<u>5,752,207</u>	<u>5,363,585</u>	<u>5,752,207</u>	<u>5,363,585</u>
Less : Transferred to cost of sales	(501,819)	(501,819)	(501,819)	(501,819)
Transferred to restructure debt	(1,540,946)	(1,540,946)	(1,540,946)	(1,540,946)
Transferred to settle debt under rehabilitation plan	(151,117)	(151,117)	(151,117)	(151,117)
	<u>3,558,325</u>	<u>3,169,703</u>	<u>3,558,325</u>	<u>3,169,703</u>
Less : Allowance for loss on impairment	(127,351)	(127,351)	(127,351)	(127,351)
Land held for development, net	<u><u>3,430,974</u></u>	<u><u>3,042,352</u></u>	<u><u>3,430,974</u></u>	<u><u>3,042,352</u></u>

The above land held for development, of which the net book value as at 31 March 2007 was Baht 2,311.4 million (31 December 2006 : Baht 1,910.8 million), has been mortgaged with banks and financial institutions as collateral for short-term loans, debentures, long-term loans and as guarantees for public utilities works.

7. ADVANCES FOR PURCHASE OF LAND

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2007	31 December 2006	31 March 2007	31 December 2006
		(Audited)		(Audited)
Balance-beginning of period	730,082	851,104	629,119	800,441
Increase during the period	1,000	111,915	-	44,915
Title of plots of land transferred during the period	(835)	(232,937)	(835)	(216,237)
Balance-end of period	730,247	730,082	628,284	629,119

As at 31 March 2007, the Company and its subsidiary are contracted to purchase and to sell land amounting to Baht 1,285.1 million (Separate financial statements : Baht 1,049.8 million).

Approximately Baht 140.0 million (Separate financial statements : Baht 44.1 million) of the above balance represents advance paid to landowners by the Company and its subsidiary under agreements to purchase and to sell land already signed with the landowners by an agent on behalf of the Company and its subsidiary and approximately Baht 572.2 million (Separate financial statements : Baht 572.2 million) were paid to a landowner. The land purchases were approved by the rehabilitation plan administrator. The landowner has mortgaged the land to secure the Company's long-term loans from bank. The Company will completely register the transfer of ownership of land within the second quarter of the current year.

The remaining advance, amounting to approximately Baht 18.0 million (Separate financial statements : Baht 12.0 million), have been paid to an agent in acquiring land and agreements to purchase and to sell land are still in the process of being signed with landowner.

The outstanding balance of such advances will be recognised as part of land costs when the title to the related land is transferred to the Company and its subsidiary.

Advances for purchase of land, amounting to approximately Baht 136.2 million (Separate financial statements : Baht 43.2 million) were paid under agreements to purchase and to sell land totaling Baht 694.5 million (Separate financial statements : Baht 468.8 million). The Company and its subsidiary were obliged to pay the remaining land costs of Baht 558.3 million (Separate financial statements : Baht 425.6 million) within May 2007, but are currently in the process of negotiating a postponement of such payment and agreeing penalties with the sellers of land.

8. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment account during the three-month period ended 31 March 2007 are summarised below.

	(Unit: Thousand Baht)	
	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Net book value as at 1 January 2007	364,229	339,629
Acquisitions during period - at cost	11,903	8,002
Depreciation for period	<u>(10,777)</u>	<u>(10,261)</u>
Net book value as at 31 March 2007	<u><u>365,355</u></u>	<u><u>337,370</u></u>

The Company has mortgaged land thereon with a total net book value as at 31 March 2007 of Baht 22.2 million (31 December 2006 : Baht 22.2 million) as collateral for long-term credit facilities granted by commercial banks.

9. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

During the three-month period ended 31 March 2007, the Company and its subsidiary entered into short-term loan agreements with two financial institutions. Details of the loans are as follows.

The Company

- A facility of Baht 250 million, subject to interest at a rate tied to the minimum loan rate (MLR) per annum and secured by the mortgage of parts of the Company's project land and construction thereon. Loan is to be repaid within August 2007.

Its subsidiary

- A facility of Baht 30 million, subject to interest at a rate tied to the minimum loan rate (MLR) per annum and secured by guarantees provided by the Company and the Company's director and the mortgage of parts of the Company's project land and construction thereon. It is to be repaid each time collateral is redeemed from mortgage. If the Company is unable to redeem collateral, repayment is to be made in monthly installments of Baht 5 million, commencing September 2007, with any remaining balance to be repaid in March 2008.

10. DEBENTURES/CURRENT PORTION OF DEBENTURES

(Unit : Thousand Baht)

	Consolidated and Separate financial statements	
	<u>31 March 2007</u>	<u>31 December 2006</u> (Audited)
Secured debentures 2/2004# 3	-	350,000
Secured debentures 1/2006	450,000	450,000
Total	450,000	800,000
Less : Current portion of debentures	(450,000)	(350,000)
Debentures, net of current portion	-	450,000

The Company has mortgaged parts of the Company's land as collateral for debentures as discussed in Note 6 to the interim financial statements.

During the three-month period ended 31 March 2007, the Company made payment of secured debentures 2/2004#3 amounting to Baht 350 million and redeemed land from mortgage.

11. CREDITORS PER REHABILITATION PLAN

(Unit : Thousand Baht)

	Consolidated and Separate financial statements	
	<u>31 March 2007</u>	<u>31 December 2006</u> (Audited)
Down payments and deposits payable	144	144
Secured creditors	132,335	132,335
Unsecured creditors	515,931	515,931
Total	648,410	648,410

As stipulated in the rehabilitation plan, the Company will be able to repay creditors per rehabilitation plan within October 2008, with interest being charged at a rate tied to the minimum loan rate (MLR) per annum.

Some creditors per rehabilitation of approximately Baht 422.4 million are shareholders of the Company and approximately Baht 8.9 million are shareholders who are directors of the Company.

12. LONG-TERM LOANS

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2007	31 December 2006	31 March 2007	31 December 2006
		(Audited)		(Audited)
Long-term loans	3,986.2	4,108.9	3,340.8	3,468.5
Less: Current portion	(1,141.3)	(940.9)	(1,141.3)	(940.9)
Long-term loans - net of current portion	<u>2,844.9</u>	<u>3,168.0</u>	<u>2,199.5</u>	<u>2,527.6</u>

Movements in the long-term loans account during the three-month period ended 31 March 2007 are summarised below.

(Unit: Million Baht)

	Consolidated financial	Separate financial
	statements	statements
Balance as at 1 January 2007	4,108.9	3,468.5
Add: Additional borrowings	363.5	305.8
Less: Repayment	(486.2)	(433.5)
Balance as at 31 March 2007	<u>3,986.2</u>	<u>3,340.8</u>

13. SHARE CAPITAL

As at 31 March 2007, the Company's issued and paid share capital has increased to Baht 4,724,471,964 (787,411,994 ordinary shares of Baht 6 each), with totaling Baht 29,137,674 (4,856,279 ordinary shares of Baht 6 each) being the result of the exercise of warrants in December 2006. The Company registered increases in its capital with the Ministry of Commerce on 11 January 2007.

14. WARRANTS

In December 2006, the Company received advance subscription of Baht 0.01 per share to 4,856,279 of the additional ordinary shares arising from the exercise of the warrants, a total of Baht 48,563. The Company registered the resulting increase of Baht 29,137,674 in its capital with the Ministry of Commerce on 11 January 2007, resulting in share discount totaling Baht 42,238,785. As at 31 March 2007, there were a total of 9,182,202 outstanding unexercised warrants.

15. RELATED PARTY TRANSACTIONS

During the periods, the Company and its subsidiaries had significant business transactions with related parties, which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between the Company and those companies. Below is a summary of those transactions.

(Unit : Million Baht)

	Separate financial statements		Transfer pricing policy
	For the three-month periods ended 31 March		
	2007	2006	
Transactions with subsidiaries			
Interest income	2.1	5.7	4 to 8 percent per annum
Club house management expenses	2.2	3.0	Contract prices

The outstanding balances of the above transactions are shown as separate items in the balance sheets as follows: -

	(Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2007	31 December 2006	31 March 2007	31 December 2006
		(Audited)		(Audited)
Loans to related company and interest receivable				
Loans to subsidiary company				
Estate Perfect Company Limited	-	-	100,376	94,376
	-	-	100,376	94,376
Interest receivable from subsidiary company				
Estate Perfect Company Limited	-	-	6,732	4,651
Loans and interest receivable from subsidiary company	-	-	107,108	99,027
Loans to associated company				
Krungthep Land Public Company Limited	-	56,091	-	56,091
	-	56,091	-	56,091
Interest receivable from associated company				
Krungthep Land Public Company Limited	-	66,211	-	66,211
Less : Allowance for doubtful debts	-	(57,303)	-	(57,303)
	-	8,908	-	8,908
Loans and interest receivable form associated company, net	-	64,999	-	64,999
Loans to related company				
Real Service Company Limited	1,898	2,298	1,898	2,298
	1,898	2,298	1,898	2,298

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2007	31 December 2006	31 March 2007	31 December 2006
	(Audited)		(Audited)	
Interest receivable from related company				
Real Service Company Limited	2,612	2,612	2,612	2,612
Less : Allowance for doubtful debts	(2,494)	(2,494)	(2,454)	(2,494)
	118	118	118	118
Loans and interest receivable from related company, net	2,016	2,416	2,016	2,416
Loans to related companies and interest receivable, net	2,016	67,415	109,124	166,442
<u>Amounts due to related company</u>				
Perfect Satellite Services Company Limited	-	-	978	1,738
Amounts due to related company	-	-	978	1,738

During the three-month period ended 31 March 2007, movements of loans to related companies were as follow: -

(Unit : Thousand Baht)

	Balance as at	During the period		Balance as at
	1 January 2007	Increase	Decrease	31 March 2007
<i>Subsidiary</i>				
Estate Perfect Company Limited	94,376	6,000	-	100,376
<i>Associated company</i>				
Krungthep Land Public Company Limited	56,091	-	(56,091)	-
<i>Related company</i>				
Real Service Company Limited	2,298	-	(400)	1,898

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 18.3 to the interim financial statements.

16. CORPORATE INCOME TAX

Corporate income tax of its subsidiaries were calculated on income for the period, after adding back expenses and deducting income which are disallowable for tax computation purposes, using the estimated effective tax rate for the year.

After adjustment as discussed in Note 2 to the interim financial statements, the conversion to ordinary shares of the warrants and unsubordinated convertible debentures would decrease loss per share in the separate financial statements for the three-month periods ended 31 March 2007 and 2006. Therefore the Company has not assumed conversion of warrants and unsubordinated convertible debentures in calculation of diluted earnings per share in the separate financial statements for the three-month periods ended 31 March 2007 and 2006.

18. COMMITMENTS AND CONTINGENT LIABILITIES

18.1 Capital commitments

- a) The Company and its subsidiary had the outstanding commitments in respect of construction contracts of land and houses projects and residential condominium units of which the Company and its subsidiary had already entered into contracts with subcontractors of approximately Baht 1,580.8 million (31 December 2006 : Baht 1,787.4 million).
- b) The Company and its subsidiary had the outstanding capital commitments in respect of purchase of land of approximately Baht 572.9 million (31 December 2006 : Baht 573.8 million).
- c) The Company had the outstanding commitment in respect of a contract to construct no fewer than 300 residential units using a Prefabrication System, and if the Company assigns the contractor to build fewer than 300 units, it must pay compensation of an amount stipulated in contract.

18.2 Operating lease commitments

- a) The Company had the outstanding commitments in respect of office rental contracts and various service contracts of approximately Baht 22.8 million (31 December 2006 : Baht 23.3 million).
- b) The Company and its subsidiary had the outstanding commitments in respect of advertising board rental contracts of approximately Baht 21.1 million (31 December 2006 : Baht 27.0 million).

18.3 Guarantees

- a) The Company has guaranteed bank credit facilities of its subsidiary and associated companies amounting to Baht 1,431 million and Baht 30 million, respectively (31 December 2006 : Baht 1,401 million and Baht 30 million, respectively).

- b) There were outstanding bank guarantees of approximately Baht 433.8 million (31 December 2006 : Baht 376.7 million) issued by the banks on behalf of the Company and its subsidiary in respect of certain performance bonds as required in the normal course of business.

19. FINANCIAL INFORMATION BY SEGMENT

The Company and its subsidiaries' operations involve principally a single industry segment, property development, and are carried on in the single geographic area of Thailand. As a result, all of the revenues, operating income (loss) and assets as reflected in these financial statements pertain to the aforementioned industry segment and geographic area.

20. SUBSEQUENT EVENTS

The meeting of the Company's Board of Directors No. 4/2007 held on 30 April 2007 passed the following significant resolutions:-

- a) Establish a new subsidiary, Bright Development Company Limited, engaged in the property development business, with a share capital of Baht 1 million (10,000 ordinary share with a par value of Baht 100) of which 99.93 percent is held by the Company.
- b) Issue and offer not more than Baht 463,150,000 of 12-month secured debentures of Bright Development Company Limited to an overseas investor. The debentures bear interest at the minimum loan rate (MLR) plus 2 percent per annum and are secured by a guarantee provided by the Company, the mortgage of parts of the Company and the above subsidiary's project land and construction, and the pledge of the ordinary shares of the above subsidiary held by the Company.

21. RECLASSIFICATION

In addition to the change in accounting policy as mentioned in Note 2 to the interim financial statements, which affects the previously reported net income and shareholders' equity, certain other amounts in the financial statements for the prior period have been reclassified to conform to the current period's classification, but with no effect to previously reported net income or shareholders' equity other than from the change in accounting policy.

22. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's authorised director on 9 May 2007.