

PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
REPORT AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 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 30 June 2007, the related consolidated statements of income for the three-month and six-month periods ended 30 June 2007 and 2006, and the consolidated statements of changes in shareholders' equity and cash flows for the six-month periods ended 30 June 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.

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. I have not performed any other audit procedures subsequent to the date of that report, except for the Company's restatement of the separate financial statements for the period of 2006 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.

Supachai Phanyawattano

Certified Public Accountant (Thailand) No.3930

Ernst & Young Office Limited

Bangkok : 9 August 2007

PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

(Unit : Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2007 (Unaudited but reviewed)	31 December 2006 (Audited)	30 June 2007 (Unaudited but reviewed)	31 December 2006 (Audited) (Restated)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		286,287	312,743	263,521	271,120
Trade accounts receivable, net	3	27,919	33,780	27,879	31,923
Advance to director	15	5,000	-	-	-
Project development costs, net	4	8,088,672	8,016,191	6,564,115	6,531,991
Other current assets					
Advances to contractors, net		33,705	70,393	33,705	70,393
Prepaid expenses		7,437	9,245	7,437	9,245
Others		12,084	9,404	8,029	5,211
TOTAL CURRENT ASSETS		8,461,104	8,451,756	6,904,686	6,919,883
NON-CURRENT ASSETS					
Restricted deposits		61,946	841	61,946	841
Loans to related companies and interest receivable, net	15	1,516	67,415	184,633	166,442
Investments in subsidiary companies	5	-	-	540,457	539,458
Investments in associated company	5	404,341	329,695	359,999	299,999
Other long-term investments, net		4,897	4,802	4,897	4,802
Land held for development, net	6	3,442,023	3,042,352	3,442,023	3,042,352
Advances for purchase of land	7	213,963	730,082	92,000	629,119
Property, plant and equipment, net	8	372,214	364,229	332,336	339,629
Leasehold rights, net		61,591	62,524	61,591	62,524
Leasehold rights awaiting sale, net		60,718	60,718	60,718	60,718
Other non-current assets					
Withholding tax deducted at source		61,954	39,027	60,817	38,659
Others		22,695	22,692	22,298	22,252
TOTAL NON-CURRENT ASSETS		4,707,858	4,724,377	5,223,715	5,206,795
TOTAL ASSETS		13,168,962	13,176,133	12,128,401	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	
		30 June 2007 (Unaudited but reviewed)	31 December 2006 (Audited)	30 June 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	393,000	280,406	363,000	280,406
Trade accounts payable		403,648	290,129	373,496	244,996
Amounts due to related company	15	-	-	878	1,738
Deposits and cash received in advance		265,492	280,635	265,052	266,000
Current portion of debentures	10	450,000	350,000	450,000	350,000
Current portion of long-term loans	12	992,480	940,892	992,480	940,892
Other current liabilities					
Current portion of liabilities under financial lease agreements		5,254	5,254	5,254	5,254
Accrued interest		33,679	43,071	33,420	42,717
Accrued expenses		82,512	69,643	78,434	59,293
Others		53,652	55,498	48,468	41,583
TOTAL CURRENT LIABILITIES		2,679,717	2,315,528	2,610,482	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		804,293	802,736	804,293	802,736
Long-term loans, net of current portion	12	3,200,846	3,168,022	2,573,200	2,527,597
Other non-current liabilities					
Liabilities under financial lease agreements, net of current portion		3,592	6,239	3,592	6,239
Deposits and cash received in advance for sublease agreement		61,125	63,077	61,125	63,077
Provision for unconverted debentures		69,644	46,533	69,645	46,533
TOTAL NON-CURRENT LIABILITIES		4,787,910	5,185,017	4,160,265	4,544,592
TOTAL LIABILITIES		7,467,627	7,500,545	6,770,747	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	
		30 June 2007 (Unaudited but reviewed)	31 December 2006 (Audited)	30 June 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		1	49	1	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		894,966	869,220	551,285	542,839
TOTAL SHAREHOLDERS' EQUITY		5,701,335	5,675,588	5,357,654	5,349,207
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		13,168,962	13,176,133	12,128,401	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 30 JUNE 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		1,078,157	901,181	973,208	807,941
Revenues from sales of residential condominium units		344,161	-	344,161	-
Other income					
Interest income		144	310	3,110	5,014
Revenues from forfeiture of down payments		2,051	2,872	1,939	2,698
Share of income from investments accounted					
for under equity method - associated company		286	-	-	-
Others		9,459	6,620	8,800	3,696
TOTAL REVENUES		1,434,258	910,983	1,331,218	819,349
EXPENSES					
Costs of sales of land and houses		760,591	616,247	693,659	555,009
Costs of sales of residential condominium units		243,713	-	243,713	-
Selling and administrative expenses		351,955	243,829	320,131	217,617
Share of loss from investments accounted					
for under equity method - associated company		-	1,616	-	-
TOTAL EXPENSES		1,356,259	861,692	1,257,503	772,626
INCOME BEFORE INTEREST EXPENSES AND					
CORPORATE INCOME TAX					
		77,999	49,291	73,715	46,723
INTEREST EXPENSES					
		(58,072)	(87,901)	(55,401)	(80,056)
CORPORATE INCOME TAX					
	16	(114)	(1)	-	-
NET INCOME (LOSS) FOR THE PERIOD		19,813	(38,611)	18,314	(33,333)
EARNINGS PER SHARE					
	17				
Basic earnings per share (Baht)					
Net income (loss)		0.0252	(0.0493)	0.0233	(0.0426)
Diluted earnings per share (Baht)					
Net income		0.0249		0.0229	

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

PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

INCOME STATEMENTS

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 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		1,898,568	2,016,867	1,708,156	1,750,900
Revenues from sales of residential condominium units		489,530	-	489,530	-
Revenues from sale of land		10,913	-	10,913	-
Other income					
Interest income		592	316	5,639	10,749
Revenues from forfeiture of down payments		3,985	4,917	3,804	4,691
Share of income from investments accounted for under equity method - associated company		14,647	-	-	-
Others		18,213	18,411	16,446	13,227
TOTAL REVENUES		2,436,448	2,040,511	2,234,488	1,779,567
EXPENSES					
Costs of sales of land and houses		1,349,308	1,377,487	1,223,168	1,202,270
Costs of sales of residential condominium units		348,397	-	348,397	-
Costs of sale of land		9,821	-	9,821	-
Selling and administrative expenses		588,602	497,605	536,619	451,780
Share of loss from investments accounted for under equity method - associated company		-	10,046	-	-
TOTAL EXPENSES		2,296,128	1,885,138	2,118,005	1,654,050
INCOME BEFORE INTEREST EXPENSES AND CORPORATE INCOME TAX					
		140,320	155,373	116,483	125,517
INTEREST EXPENSES		(113,644)	(173,398)	(108,037)	(159,171)
CORPORATE INCOME TAX	16	(930)	(10,243)	-	-
NET INCOME (LOSS) FOR THE PERIOD		25,746	(28,268)	8,446	(33,654)
EARNINGS PER SHARE					
17					
Basic earnings per share (Baht)					
Net income (loss)		0.0327	(0.0361)	0.0107	(0.0430)
Diluted earnings per share (Baht)					
Net income		0.0323		0.0106	

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

PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

CASH FLOW STATEMENTS

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 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	25,746	(28,268)	8,446	(33,654)
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	(14,647)	10,046	-	-
Depreciation and amortisation	23,357	20,717	22,279	19,702
Amortisation of prepaid expense	6,616	6,658	6,616	6,658
Amortisation of premium on debentures	1,557	1,497	1,557	1,497
Provision for unconverted debentures	23,112	21,041	23,112	21,041
Rental received in advance recognition	(1,952)	(1,752)	(1,952)	(1,752)
Loss on impairment of investments	(95)	32	(95)	32
Doubtful debt	-	1,415	-	1,415
Loss on impairment of asset	4,080	-	4,080	-
Loss on disposals of property, plant and equipment	6,095	224	6,095	224
Income from operating activities before changes in operating assets and liabilities	73,869	31,610	70,138	15,163
Decrease (increase) in operating assets				
Trade accounts receivable	5,861	(13,684)	4,044	(14,966)
Amounts due from related companies	-	-	-	1,274
Advance to director	(5,000)	-	-	-
Project development costs	122,804	414,556	163,161	464,381
Advances to contractors	36,688	(70,416)	36,688	(70,416)
Withholding tax deducted at source	(22,927)	(20,493)	(22,159)	(17,628)
Prepaid expenses	(4,808)	(10,248)	(4,809)	(10,248)
Interest receivable	8,908	(4,721)	3,818	13,306
Other current assets	(2,680)	9,798	(2,818)	13,391
Other non-current assets	(3)	419	(44)	(144)
Increase (decrease) in operating liabilities				
Trade accounts payable	113,520	(51,304)	128,501	(51,953)
Amounts due to related company	-	-	(861)	234
Deposits and cash received in advance	(15,143)	76,350	(948)	74,600
Accrued interest	(9,392)	(1,393)	(9,297)	(1,403)
Other current liabilities	11,023	(70,687)	25,028	(73,340)
Net cash provided from operating activities	312,720	289,787	390,442	342,251

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

PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

CASH FLOW STATEMENTS (Continued)

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2007 AND 2006

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006 (Restated)
Cash flows from investing activities :				
Increase in restricted deposits	(61,105)	-	(61,105)	-
Decrease (increase) in loans to related companies	56,991	28,000	(22,009)	223,963
Increase in investments in associated company	(60,000)	-	(60,000)	-
Increase in land held for development	(21,917)	(103,250)	(21,917)	(65,717)
Increase in advances for purchase of land	(61,000)	(24,382)	(40,000)	(10,382)
Increase in property, plant and equipment, net	(36,037)	(31,556)	(19,681)	(29,789)
Increase in leasehold rights, net	(659)	(659)	(659)	(659)
Cash received from disposals of property, plant and equipment	192	2	192	2
Net cash provided from (used in) investing activities	<u>(183,535)</u>	<u>(131,845)</u>	<u>(225,179)</u>	<u>117,418</u>
Cash flows from financing activities :				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	112,594	(75,000)	82,594	(75,000)
Increase (decrease) in long-term loans	84,412	(102,537)	97,191	(409,169)
Decrease in debentures	(350,000)	-	(350,000)	-
Decrease in liabilities under financial lease agreements	(2,647)	(2,647)	(2,647)	(2,647)
Dividend paid	-	(273,887)	-	(273,887)
Net cash used in financing activities	<u>(155,641)</u>	<u>(454,071)</u>	<u>(172,862)</u>	<u>(760,703)</u>
Net decrease in cash and cash equivalents	(26,456)	(296,129)	(7,599)	(301,034)
Cash and cash equivalents as at beginning of period	312,743	502,801	271,120	482,968
Cash and cash equivalents as at end of period	<u>286,287</u>	<u>206,672</u>	<u>263,521</u>	<u>181,934</u>
	-	-	-	-
Supplemental cash flows information :				
Cash paid during the period for				
Interest expenses (included interest expenses capitalised to land cost)	236,527	204,527	211,958	190,310
Corporate income tax and withholding tax deducted at source	32,199	20,493	22,159	17,628
Non-cash transactions				
Transfer advances for purchase of land to project development costs and land held for development	573,039	51,144	573,039	35,944
Transfer land held for development to project development costs	-	89,466	-	89,466
Transfer project development costs to land held for development	377,754	-	377,754	-
Transfer advances to other company to land held for development	-	19,663	-	19,663

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

(UNAUDITED BUT REVIEWED)

PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2007 AND 2006

(Unit : Thousand Baht)

Consolidated financial statements

	Issued and fully paid		Share subscriptions	Unsubordinated	Retained earnings		Total
	share capital	Share discount	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
Dividend paid	-	-	-	-	-	(273,887)	(273,887)
Net loss for the period	-	-	-	-	-	(28,268)	(28,268)
Balance - as at 30 June 2006	<u>4,695,210</u>	<u>(13,026)</u>	<u>-</u>	<u>23,535</u>	<u>100,000</u>	<u>829,559</u>	<u>5,635,278</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)	-	-	-	-
Share subscriptions received in advance	-	-	1	-	-	-	1
Net income for the period	-	-	-	-	-	25,746	25,746
Balance - as at 30 June 2007	<u>4,724,472</u>	<u>(42,239)</u>	<u>1</u>	<u>23,535</u>	<u>100,600</u>	<u>894,966</u>	<u>5,701,335</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 SIX-MONTH PERIODS ENDED 30 JUNE 2007 AND 2006

(Unit : Thousand Baht)

Separate financial statements

	Issued and fully paid		Share subscriptions	Unsubordinated	Retained earnings		Total (Restated)
	share capital	Share discount	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
Dividend paid	-	-	-	-	-	(273,887)	(273,887)
Net loss for the period, as restated	-	-	-	-	-	(33,654)	(33,654)
Balance - as at 30 June 2006 - as restated	4,695,210	(13,026)	-	23,535	100,000	519,737	5,325,456
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)	-	-	-	-
Share subscriptions received in advance	-	-	1	-	-	-	1
Net income for the period	-	-	-	-	-	8,446	8,446
Balance - as at 30 June 2007	4,724,472	(42,239)	1	23,535	100,600	551,285	5,357,654

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 AND SIX-MONTH PERIODS ENDED 30 JUNE 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 Thai Accounting Standard 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 was a change in the composition of the Group during the current period, with the Company establishing a new subsidiary, Bright Development Bangkok Company Limited, engaged in the property development business, with a share capital of Baht 1 million (10,000 ordinary shares with a value of Baht 100 each). The subsidiary is 99.94 percent owned by the Company.

1.4 Adoption of new accounting standards during the period

The Federation of Accounting Professions (FAP) has issued Notification No. 9/2550 regarding Thai Accounting Standards (TAS), which was announced in the Royal Gazette. This Notification mandates the use of the following Thai Accounting Standards (Revised 2007) in place of the previous versions, which are cancelled.

TAS 25	Cash Flow Statements
TAS 33	Borrowing Costs
TAS 44	Consolidated Financial Statements and Separate Financial Statements
TAS 45	Investments in Associates
TAS 46	Interests in Joint Ventures
TAS 49	Construction Contracts

a) Thai Accounting Standards effective for the current year

Thai Accounting Standards No. 44, 45 and 46 become effective for the financial statements for fiscal years beginning on or after 1 January 2007. During the first quarter of the current year, the Company changed its accounting policy for recording investments in subsidiary and associated companies in the separate financial statements in order to comply with the revised Thai Accounting Standards No. 44 and 45, as discussed in Note 2 to the interim financial statements.

b) Thai Accounting Standards not effective for the current year

Thai Accounting Standards No. 25, 33 and 49 will become effective for the financial statements for fiscal years beginning on or after 1 January 2008. However, the management has assessed the effect of these revised accounting standards and believes that they will not significantly impact on the financial statements for the year in which they are initially applied.

1.5 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. Furthermore, there are 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 first quarter of the current year, 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 Accounting Standard No. 44 (Revised 2007) regarding “Consolidated Financial Statements and Separate Financial Statements”, under which investments in subsidiaries, jointly controlled entities and associates are to be presented in the separate financial statements under the cost 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 and six-month periods ended 30 June 2007 by Baht 1.5 million (Baht 0.002 per share) and Baht 17.3 million (Baht 0.02 per share), respectively (2006: net loss decreasing by Baht 5.3 million (Baht 0.01 per share) and increasing by Baht 5.4 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 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 30 June 2007 and 31 December 2006, trade accounts receivable were classified by aging as follows:

(Unit : Thousand Baht)

	Consolidated financial statements				
	As at 30 June 2007				
	Less than 3 months	3 - 6 months	6 - 12 months	Over 12 months	Total
Accounts receivable - installments	10,123	4,653	4,411	818	20,005
Accounts receivable at transfer date	718	500	3,440	11,246	15,904
Total	10,841	5,153	7,851	12,064	35,909
Less : Allowance for doubtful debts	-	-	-	(7,990)	(7,990)
Trade accounts receivable, net	10,841	5,153	7,851	4,074	27,919

(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 30 June 2007					
Less than 3 months	3 - 6 months	6 - 12 months	Over 12 months	Total	
Accounts receivable - installments	10,123	4,653	4,411	818	20,005
Accounts receivable at transfer date	718	500	3,400	11,246	15,864
Total	10,841	5,153	7,811	12,064	35,869
Less : Allowance for doubtful debts	-	-	-	(7,990)	(7,990)
Trade accounts receivable, net	10,841	5,153	7,811	4,074	27,879

(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	
	30 June 2007	31 December 2006	30 June 2007	31 December 2006
		(Audited)		(Audited)
Land costs	11,652,526	11,386,761	10,447,023	10,189,758
Development costs	5,752,012	5,513,646	5,311,374	5,114,206
Construction costs	14,199,228	12,989,928	13,326,158	12,214,790
Capitalised interest	3,882,911	3,816,335	3,646,070	3,598,360
Total	35,486,677	33,706,670	32,730,625	31,117,114
Less : Transferred to cost of sales	(25,796,204)	(24,087,392)	(24,574,566)	(22,991,894)
Transferred to settle debt under rehabilitation plan	(1,524,192)	(1,524,192)	(1,524,192)	(1,524,192)
	8,166,281	8,095,086	6,631,867	6,601,028
Less : Allowance for loss on diminution in value of projects	(77,609)	(78,895)	(67,752)	(69,037)
Project development costs, net	8,088,672	8,016,191	6,564,115	6,531,991

The Company and its subsidiary's project land and construction thereon with a net book value of Baht 7,226.7 million as at 30 June 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	
	30 June 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
Bright Development Bangkok Company Limited	999	-
	540,457	539,458

On 30 April 2007, a meeting of the Company's Board of Directors passed the resolution to establish a new subsidiary, Bright Development Bangkok Company Limited, engaged in the property development business, with a share capital of Baht 1 million (10,000 ordinary shares with a par value of Baht 100 each) of which 99.94 percent is held by the Company.

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	Equity method		Cost method	
	30 June 2007	31 December 2006	30 June 2007	31 December 2006
		(Audited)		(Audited) (Restated)
<u>Associated company</u>				
Krungthep Land Public Company Limited	404,341	329,695	359,999	299,999
	404,341	329,695	359,999	299,999

On 18 January 2007, a meeting of the Company's Board of Directors passed the resolution to approve the purchase of additional ordinary shares of Krungthep Land Public Company Limited amounting to Baht 60 million (6,000,000 ordinary shares with a par value 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	
	30 June 2007	31 December 2006	30 June 2007	31 December 2006
		(Audited)		(Audited)
Land costs	4,881,964	4,565,870	4,881,964	4,565,870
Development costs	191,807	118,648	191,807	118,648
Construction costs	17,449	17,449	17,449	17,449
Capitalised interest	672,036	661,618	672,036	661,618
Total	5,763,256	5,363,585	5,763,256	5,363,585
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)
	3,569,374	3,169,703	3,569,374	3,169,703
Less : Allowance for loss on impairment	(127,351)	(127,351)	(127,351)	(127,351)
Land held for development, net	3,442,023	3,042,352	3,442,023	3,042,352

The above land held for development, of which the net book value as at 30 June 2007 was Baht 2,357.7 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	
	30 June 2007	31 December 2006	30 June 2007	31 December 2006
		(Audited)		(Audited)
Balance-beginning of period	730,082	851,104	629,119	800,441
Increase during the period	61,000	111,915	40,000	44,915
Title of plots of land transferred during the period	(573,039)	(232,937)	(573,039)	(216,237)
	218,043	730,082	96,080	629,119
Less : Forfeiture of advance	(4,080)	-	(4,080)	-
Balance-end of period	213,963	730,082	92,000	629,119

As at 30 June 2007, the Company and its subsidiary are contracted to purchase and to sell land amounting to Baht 692.8 million (Separate financial statements : Baht 457.5 million).

Approximately Baht 196.0 million (Separate financial statements : Baht 80.0 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 agents on behalf of the Company and its subsidiary.

The remaining advance, amounting to approximately Baht 18.0 million (Separate financial statements : Baht 12.0 million), have been paid to agents 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.

8. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment account during the six-month period ended 30 June 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	36,037	19,681
Disposals during period - net	(6,287)	(6,287)
Depreciation for period	(21,765)	(20,687)
Net book value as at 30 June 2007	<u>372,214</u>	<u>332,336</u>

The Company has mortgaged land with a total net book value as at 30 June 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

	(Unit : Thousand Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>30 June 2007</u>	<u>31 December 2006</u>	<u>30 June 2007</u>	<u>31 December 2006</u>
		(Audited)		(Audited)
Bank overdrafts	30,000	30,406	30,000	30,406
Short-term loans from financial institutions	363,000	250,000	353,000	250,000
Total	<u>393,000</u>	<u>280,406</u>	<u>363,000</u>	<u>280,406</u>

During the six-month period ended 30 June 2007, the Company and its subsidiary entered into short-term loan agreements with three 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) and secured by the mortgage of parts of the Company's project land and construction thereon. Currently, the Company repaid the facility in full amount.
- A facility of Baht 133 million, subject to interest at a rate tied to the minimum loan rate (MLR). 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) 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>30 June 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 six-month period ended 30 June 2007, the Company made payment of secured debentures 2/2004#3 amounting to Baht 350 million and redeemed land from mortgage.

The meeting of the Company's Board of Directors No. 4/2007 held on 30 April 2007 passed the resolution to issue and offer not more than Baht 462,150,000 of 12-month secured debentures of a new subsidiary, Bright Development Bangkok Company Limited to an overseas investor. The debentures bear interest at the minimum loan rate (MLR) plus 2 percent 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.

Bright Development Bangkok Company Limited is waiting for approval of the offer of the debentures from the office of the Securities and Exchange Commission.

11. CREDITORS PER REHABILITATION PLAN

(Unit : Thousand Baht)

	Consolidated and Separate financial statements	
	<u>30 June 2007</u>	<u>31 December 2006</u> (Audited)
Down payments and deposits payable	144	144
Secured creditors	132,335	132,335
Unsecured creditors	<u>515,931</u>	<u>515,931</u>
Total	<u><u>648,410</u></u>	<u><u>648,410</u></u>

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).

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	
	<u>30 June 2007</u>	<u>31 December 2006</u> (Audited)	<u>30 June 2007</u>	<u>31 December 2006</u> (Audited)
Long-term loans	4,193.3	4,108.9	3,565.7	3,468.5
Less: Current portion	<u>(992.5)</u>	<u>(940.9)</u>	<u>(992.5)</u>	<u>(940.9)</u>
Long-term loans - net of current portion	<u><u>3,200.8</u></u>	<u><u>3,168.0</u></u>	<u><u>2,573.2</u></u>	<u><u>2,527.6</u></u>

Movements in the long-term loans account during the six-month period ended 30 June 2007 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2007	4,108.9	3,468.5
Add: Additional borrowings	1,303.9	1,203.9
Less: Repayment	<u>(1,219.5)</u>	<u>(1,106.7)</u>
Balance as at 30 June 2007	<u><u>4,193.3</u></u>	<u><u>3,565.7</u></u>

During the six-month period ended 30 June 2007, the Company entered into new loan agreements with two commercial banks. Detail of the new loans are as follows:

- A facility of Baht 130 million subject to interest at a rate tied to the minimum loan rate (MLR) and secured by guarantee provided by the mortgage of part of the Company's project land and construction thereon. It is to be repaid each time a plot of land with house is redeemed from mortgage, at a rate of not less than 70 percent of the selling price. Any remaining balance is to be repaid within May 2009. As at 30 June 2007, the outstanding balance of these loans was approximately Baht 43.8 million.
- A facility of Baht 430 million subject to interest at a rate tied to the minimum loan rate (MLR) and secured by the mortgage of part of the Company's project land and construction thereon. It is to be repaid each time a plot of land with house is redeemed from mortgage, at a rate of not less than 75 percent of the selling price. Any remaining balance is to be repaid within April 2010. As at 30 June 2007, the outstanding balance of these loans was approximately Baht 194.0 million.
- A facility of Baht 628 million subject to interest at a rate tied to the minimum loan rate (MLR) and secured by guarantee provided by the Company's director and the mortgage of part of the Company's project land and construction thereon. It is to be repaid each time a plot of land with house is redeemed from mortgage, at a rate of not less than 75 percent of the selling price. Any remaining balance is to be repaid within May 2011. As at 30 June 2007, the outstanding balance of these loans was approximately Baht 337.0 million.

Under the Company's loan agreements, there are normal covenants relating to various matters on behalf of the normal business.

13. SHARE CAPITAL

As at 30 June 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.

Subsequently, the Company registered an increase in its capital of Baht 475,200 (79,200 ordinary shares of Baht 6 each) with the Ministry of Commerce on 11 July 2007, being the result of the exercise of the warrants discussed in Note 14 to the interim financial statements.

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.

In June 2007, the Company received advance subscription of Baht 0.01 per share to 79,200 of the additional ordinary shares arising from the exercise of the warrants, a total of Baht 792. The Company registered the resulting increase of Baht 475,200 in its capital with the Ministry of Commerce on 11 July 2007. As at 30 June 2007, there were a total of 9,103,002 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				Pricing policy
	For the three-month periods		For the six-month periods		
	ended 30 June		ended 30 June		
	2007	2006	2007	2006	
Transactions with subsidiaries					
Interest income	3.0	4.8	5.1	10.5	7 - 9 percent per annum
Club house management expense	2.1	3.1	4.3	6.2	By agreement

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	
	30 June 2007	31 December 2006	30 June 2007	31 December 2006
	(Audited)		(Audited)	
Advance to director				
Director	5,000	-	-	-
Advance to director	5,000	-	-	-

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2007	31 December 2006 (Audited)	30 June 2007	31 December 2006 (Audited)
<u>Loans to related companies and interest receivable</u>				
Loans to subsidiary company				
Estate Perfect Company Limited	-	-	173,376	94,376
	-	-	173,376	94,376
Interest receivable from subsidiary company				
Estate Perfect Company Limited	-	-	9,741	4,651
Loans and interest receivable from subsidiary company				
	-	-	183,117	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	1,398	2,298	1,398	2,298
	1,398	2,298	1,398	2,298
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)	(2,494)	(2,494)
	118	118	118	118
Loans and interest receivable from related company, net				
	1,516	2,416	1,516	2,416
Loans to related companies and interest receivable, net	1,516	67,415	184,633	166,442
<u>Amounts due to related company</u>				
Perfect Satellite Services Company Limited	-	-	878	1,738
Amounts due to related company	-	-	878	1,738

During the six-month period ended 30 June 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	30 June 2007
<i>Subsidiary</i>				
Estate Perfect Company Limited	94,376	79,000	-	173,376
<i>Associated company</i>				
Krungthep Land Public Company Limited	56,091	-	(56,091)	-
<i>Related company</i>				
Real Service Company Limited	2,298	-	(900)	1,398

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

Interim corporate income tax of its subsidiaries were calculated on income before income tax 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.

No interim corporate income tax was payable for the three-month and six-month periods ended 30 June 2007, since the Company had tax loss brought forward from previous years over its net income for the period.

17. RECONCILIATION OF DILUTED EARNINGS PER SHARE

	Consolidated financial statements					
	For the three-month periods ended 30 June					
	Net income (loss)		Weighted average number of ordinary shares		Earnings per share	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht	
Basic earnings per share						
Net income (loss)	19,183	<u>(38,611)</u>	787,414	<u>782,535</u>	0.0252	(0.0493)
Effect of dilutive potential ordinary shares						
Warrants 9,103,202 units (2006 : 14,038,481 units)	-	<u>9,153</u>				
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>19,183</u>	<u>796,567</u>		0.0249		

		Separate financial statements								
		For the three-month periods ended 30 June								
		Weighted average number of ordinary shares				Earnings per share				
Net income (loss)		2007		2006		2007		2006		
Thousand Baht		Thousand Baht		Thousand shares		Thousand shares		Baht Baht		
		(Restated)						(Restated)		
Basic earnings per share										
Net income (loss)		18,314	<u>(33,333)</u>	787,414	<u>782,535</u>	0.0233	(0.0426)			
Effect of dilutive potential ordinary shares										
Warrants 9,103,202 units (2006 : 14,038,481 units)		-		9,153						
Diluted earnings per share										
Net income of ordinary shareholders assuming the conversion of dilutive potential ordinary shares		<u>18,314</u>		<u>796,567</u>	0.0229					

		Consolidated financial statements								
		For the six-month periods ended 30 June								
		Weighted average number of ordinary shares				Earnings per share				
Net income (loss)		2007		2006		2007		2006		
Thousand Baht		Thousand Baht		Thousand shares		Thousand shares		Baht Baht		
Basic earnings per share										
Net income (loss)		25,746	<u>(28,268)</u>	787,413	<u>782,535</u>	0.0327	(0.0361)			
Effect of dilutive potential ordinary shares										
Warrants 9,103,202 units (2006 : 14,038,481 units)		-		9,154						
Diluted earnings per share										
Net income of ordinary shareholders assuming the conversion of dilutive potential ordinary shares		<u>25,746</u>		<u>795,567</u>	0.0323					

Separate financial statements						
For the six-month periods ended 30 June						
Net income (loss)		Weighted average number of ordinary shares		Earnings per share		
<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht	
	(Restated)				(Restated)	
Basic earnings per share						
Net income (loss)	8,446	<u>(33,654)</u>	787,413	<u>782,535</u>	0.0107	(0.0430)
Effect of dilutive potential ordinary shares						
Warrants 9,103,202 units						
(2006 : 14,038,481 units)	-		<u>9,154</u>			
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>8,446</u>		<u>796,567</u>	0.0106		

Since the conversion to ordinary shares of the unsubordinated convertible debentures would increase earnings per share in the consolidated and separate financial statements for the three-month and six-month periods ended 30 June 2007. Therefore the Company has not assumed conversion of unsubordinated convertible debentures in calculation of diluted earnings per share in the consolidated and separate financial statements for the three-month and six-month periods ended 30 June 2007.

In addition, the conversion to ordinary shares of the warrants and unsubordinated convertible debentures would decrease loss per share in the consolidated and separate financial statements for the three-month and six-month periods ended 30 June 2006. Therefore the Company has not assumed conversion of warrants and unsubordinated convertible debentures in calculation of diluted earnings per share in the consolidated and separate financial statements for the three-month and six-month periods ended 30 June 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 1,444.2 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 496.8 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 19.3 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 21.7 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 243.2 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. 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 loss 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 loss or shareholders' equity other than from the change in accounting policy.

21. APPROVAL OF FINANCIAL STATEMENTS

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