

PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
REPORT AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 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 September 2007, the related consolidated income statements for the three-month and nine-month periods ended 30 September 2007 and 2006, and the consolidated statements of changes in shareholders' equity and cash flows for the nine-month periods ended 30 September 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 management 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's 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 purchases 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 : 13 November 2007

## PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## BALANCE SHEETS

(Unit : Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2007 (Unaudited but reviewed)	31 December 2006 (Audited)	30 September 2007 (Unaudited but reviewed)	31 December 2006 (Audited)  (Restated)
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents		187,000	312,743	163,733	271,120
Trade accounts receivable, net	3	27,328	33,780	27,236	31,923
Project development costs, net	4	7,850,719	8,016,191	6,415,939	6,531,991
Other current assets					
Advances to contractors, net		27,680	70,393	27,680	70,393
Advance to director	15	5,000	-	-	-
Prepaid expenses		8,629	9,245	8,629	9,245
Others		25,440	9,404	21,598	5,211
<b>TOTAL CURRENT ASSETS</b>		<b>8,131,796</b>	<b>8,451,756</b>	<b>6,664,815</b>	<b>6,919,883</b>
<b>NON-CURRENT ASSETS</b>					
Restricted deposits		131,600	841	131,600	841
Loans to related companies and interest receivable, net	15	1,016	67,415	200,915	166,442
Investments in subsidiary companies	5	-	-	540,457	539,458
Investments in associated company	5	409,864	329,695	359,999	299,999
Other long-term investments, net		4,957	4,802	4,957	4,802
Land held for development, net	6	3,321,297	3,042,352	3,321,297	3,042,352
Advances for purchases of land	7	233,363	730,082	98,500	629,119
Property, plant and equipment, net	8	387,105	364,229	334,758	339,629
Leasehold rights, net		61,110	62,524	61,110	62,524
Leasehold rights awaiting sale, net		60,718	60,718	60,718	60,718
Other non-current assets					
Withholding tax deducted at source		82,074	39,027	76,908	38,659
Others		25,149	22,692	24,200	22,252
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,718,253</b>	<b>4,724,377</b>	<b>5,215,419</b>	<b>5,206,795</b>
<b>TOTAL ASSETS</b>		<b>12,850,049</b>	<b>13,176,133</b>	<b>11,880,234</b>	<b>12,126,678</b>

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 September 2007 (Unaudited but reviewed)	31 December 2006 (Audited)	30 September 2007 (Unaudited but reviewed)	31 December 2006 (Audited)  (Restated)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Bank overdrafts and short-term loans from financial institutions	9	260,182	280,406	230,182	280,406
Trade accounts payable		501,908	290,129	464,305	244,996
Amounts due to related company	15	-	-	926	1,738
Deposits and cash received in advance		254,854	280,635	253,861	266,000
Current portion of debentures	10	450,000	350,000	450,000	350,000
Current portion of long-term loans	12	912,701	940,892	912,701	940,892
Other current liabilities					
Current portion of liabilities under financial lease agreements		5,308	5,254	5,308	5,254
Accrued interest		31,106	43,071	30,795	42,717
Accrued expenses		77,968	69,643	72,418	59,293
Others		44,029	55,498	37,527	41,583
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,538,056</b>	<b>2,315,528</b>	<b>2,458,023</b>	<b>2,232,879</b>
<b>NON-CURRENT LIABILITIES</b>					
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		805,083	802,736	805,083	802,736
Long-term loans, net of current portion	12	2,811,374	3,168,022	2,294,265	2,527,597
Other non-current liabilities					
Liabilities under financial lease agreements, net of current portion		3,113	6,239	3,113	6,239
Deposits and cash received in advance for sublease agreement		61,729	63,077	61,729	63,077
Provision for unconverted debentures		81,613	46,533	81,613	46,533
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>4,411,322</b>	<b>5,185,017</b>	<b>3,894,213</b>	<b>4,544,592</b>
<b>TOTAL LIABILITIES</b>		<b>6,949,378</b>	<b>7,500,545</b>	<b>6,352,236</b>	<b>6,777,471</b>

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 September 2007	31 December 2006	30 September 2007	31 December 2006
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)  (Restated)
<b>SHAREHOLDERS' EQUITY</b>					
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					
787,491,194 ordinary shares of Baht 6 each (31 December 2006: 782,555,715 ordinary shares of Baht 6 each)		4,724,947	4,695,334	4,724,947	4,695,334
Share discount	14	(42,713)	(13,150)	(42,713)	(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		1,094,302	869,220	721,629	542,839
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>5,900,671</b>	<b>5,675,588</b>	<b>5,527,998</b>	<b>5,349,207</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>12,850,049</b>	<b>13,176,133</b>	<b>11,880,234</b>	<b>12,126,678</b>
		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 SEPTEMBER 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)
<b>REVENUES</b>					
Revenues from sales of land and houses		1,294,874	904,006	1,086,843	751,811
Revenues from sales of residential condominium units		513,661	-	513,661	-
Other income					
Interest income		7	3	3,787	1,911
Revenues from forfeiture of down payments		2,427	1,198	2,045	1,004
Share of income from investments accounted for under equity method - associated company		5,522	-	-	-
Others		10,754	8,171	10,543	6,305
<b>TOTAL REVENUES</b>		<b>1,827,245</b>	<b>913,378</b>	<b>1,616,879</b>	<b>761,031</b>
<b>EXPENSES</b>					
Costs of sales of land and houses		891,013	622,770	751,475	517,181
Costs of sales of residential condominium units		361,301	-	361,301	-
Selling and administrative expenses		306,614	268,682	276,566	236,498
Share of loss from investments accounted for under equity method - associated company		-	6,297	-	-
<b>TOTAL EXPENSES</b>		<b>1,558,928</b>	<b>897,749</b>	<b>1,389,342</b>	<b>753,679</b>
<b>INCOME BEFORE INTEREST EXPENSES AND</b>					
CORPORATE INCOME TAX		268,317	15,629	227,537	7,352
INTEREST EXPENSES		(58,644)	(56,350)	(57,193)	(53,910)
CORPORATE INCOME TAX	16	(10,337)	(3,293)	-	-
<b>NET INCOME (LOSS) FOR THE PERIOD</b>		<b>199,336</b>	<b>(44,014)</b>	<b>170,344</b>	<b>(46,558)</b>
<b>EARNINGS PER SHARE</b>					
Basic earnings per share (Baht)					
Net income (loss)		0.2531	(0.0562)	0.2163	(0.0595)
Diluted earnings per share (Baht)					
Net income		0.2363		0.2051	

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

PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

INCOME STATEMENTS

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 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)
<b>REVENUES</b>					
Revenues from sales of land and houses		3,193,442	2,920,873	2,794,999	2,502,711
Revenues from sales of residential condominium units		1,003,191	-	1,003,191	-
Revenues from sale of land		10,913	-	10,913	-
Other income					
Interest income		599	319	9,426	12,660
Revenues from forfeiture of down payments		6,412	6,115	5,849	5,695
Share of income from investments accounted for under equity method - associated company		20,169	-	-	-
Others		28,967	26,582	26,989	19,532
<b>TOTAL REVENUES</b>		<b>4,263,693</b>	<b>2,953,889</b>	<b>3,851,367</b>	<b>2,540,598</b>
<b>EXPENSES</b>					
Costs of sales of land and houses		2,240,321	2,000,257	1,974,643	1,719,451
Cost of sales of residential condominium units		709,698	-	709,698	-
Cost of sale of land		9,821	-	9,821	-
Selling and administrative expenses		895,216	766,287	813,185	688,278
Share of loss from investments accounted for under equity method - associated company		-	16,343	-	-
<b>TOTAL EXPENSES</b>		<b>3,855,056</b>	<b>2,782,887</b>	<b>3,507,347</b>	<b>2,407,729</b>
<b>INCOME BEFORE INTEREST EXPENSES AND CORPORATE INCOME TAX</b>					
		408,637	171,002	344,020	132,869
<b>INTEREST EXPENSES</b>					
		(172,288)	(229,748)	(165,230)	(213,081)
<b>CORPORATE INCOME TAX</b>	16	(11,267)	(13,536)	-	-
<b>NET INCOME (LOSS) FOR THE PERIOD</b>		<b>225,082</b>	<b>(72,282)</b>	<b>178,790</b>	<b>(80,212)</b>
<b>EARNINGS PER SHARE</b>					
17					
Basic earnings per share (Baht)					
Net income (loss)		0.2858	(0.0924)	0.2271	(0.1025)
Diluted earnings per share (Baht)					
Net income		0.2826		0.2244	

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

## PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## CASH FLOW STATEMENTS

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2007 AND 2006

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006 (Restated)
<b>Cash flows from operating activities :</b>				
Net income (loss) for the period	225,082	(72,282)	178,790	(80,212)
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	(20,169)	16,343	-	-
Depreciation and amortisation	35,039	31,400	33,424	29,844
Amortisation of prepaid expenses	10,953	8,659	10,953	8,659
Amortisation of premium on debentures	2,347	2,256	2,347	2,256
Provision for unconverted debentures	35,080	31,938	35,080	31,938
Rental received in advance recognition	(2,548)	(2,668)	(2,548)	(2,668)
Loss on impairment of investments (Reversal)	(155)	16	(155)	16
Doubtful debts	-	941	-	941
Loss on impairment of asset	4,080	-	4,080	-
Loss on disposals of property, plant and equipment	6,105	214	6,105	214
Income (loss) from operating activities before changes in operating assets and liabilities	295,814	16,817	268,076	(9,012)
Decrease (increase) in operating assets				
Trade accounts receivable	6,452	(2,743)	4,687	(5,922)
Amounts due from related companies	-	-	-	1,278
Project development costs	506,607	453,640	457,187	497,503
Advances to contractors	42,713	(69,782)	42,713	(69,781)
Advance to director	(5,000)	-	-	-
Withholding tax deducted at source	(43,047)	(25,099)	(38,249)	(25,467)
Prepaid expenses	(10,337)	(13,297)	(10,338)	(13,297)
Interest receivable	8,908	-	37	16,117
Other current assets	(16,036)	6,457	(16,386)	6,690
Other non-current assets	(2,457)	(737)	(1,949)	(1,149)
Increase (decrease) in operating liabilities				
Trade accounts payable	211,779	(13,045)	219,309	(9,586)
Amounts due to related company	-	-	(812)	1,088
Deposits and cash received in advance	(25,781)	161,798	(12,139)	158,185
Accrued interest	(11,965)	(37,718)	(11,922)	(37,885)
Other current liabilities	(2,931)	(70,369)	8,282	(62,671)
Net cash provided from operating activities	954,719	405,922	908,496	446,091

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 NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2007 AND 2006

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006 (Restated)
<b>Cash flows from investing activities :</b>				
Increase in restricted deposits	(130,759)	(500)	(130,759)	(500)
Decrease (increase) in loans to related companies	57,491	28,000	(34,509)	223,489
Increase in investments in associated company	(60,000)	-	(60,000)	-
Increase in land held for development	(47,041)	(174,493)	(47,041)	(120,546)
Increase in advances for purchases of land	(80,400)	(76,984)	(46,500)	(34,985)
Increase in property, plant and equipment, net	(61,811)	(64,761)	(32,449)	(60,096)
Cash received from disposals of property, plant and equipment	193	17	193	17
Net cash provided from (used in) investing activities	(322,327)	(288,721)	(351,065)	7,379
<b>Cash flows from financing activities :</b>				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	(20,224)	55,007	(50,224)	55,007
Increase (decrease) in long-term loans	(384,839)	510,158	(261,522)	173,087
Decrease in debentures	(350,000)	(750,000)	(350,000)	(750,000)
Decrease in liabilities under financial lease agreements	(3,072)	(3,970)	(3,072)	(3,970)
Dividend paid	-	(273,887)	-	(273,887)
Net cash used in financing activities	(758,135)	(462,692)	(664,818)	(799,763)
Net decrease in cash and cash equivalents	(125,743)	(345,491)	(107,387)	(346,293)
Cash and cash equivalents at beginning of period	312,743	502,801	271,120	482,968
Cash and cash equivalents at end of period	187,000	157,310	163,733	136,675
	-	-	-	-
<b>Supplemental cash flow information :</b>				
Cash paid during the period for				
Interest expenses (included interest expenses capitalised to land cost)	341,610	339,616	306,634	325,399
Corporate income tax and withholding tax deducted at source	64,049	33,958	38,249	25,467
Non-cash transactions				
Transfer advances for purchases of land to project development costs and land held for development	573,039	216,073	573,039	200,873
Transfer land held for development to project development costs	-	89,466	-	89,466
Transfer project development costs to land held for development	231,069	-	231,069	-
Transfer advances to other company to land held for development	-	183,501	-	183,501

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 NINE-MONTH PERIODS ENDED 30 SEPTEMBER 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	
<b>Balance - as at 1 January 2006</b>	4,695,210	(13,026)	-	23,535	100,000	1,131,714	5,937,433
Additional ordinary shares as a result of warrant exercise	124	(124)	-	-	-	-	-
Dividend paid	-	-	-	-	-	(273,887)	(273,887)
Net loss for the period	-	-	-	-	-	(72,282)	(72,282)
<b>Balance - as at 30 September 2006</b>	<u>4,695,334</u>	<u>(13,150)</u>	<u>-</u>	<u>23,535</u>	<u>100,000</u>	<u>785,545</u>	<u>5,591,264</u>
<b>Balance - as at 1 January 2007</b>	4,695,334	(13,150)	49	23,535	100,600	869,220	5,675,588
Additional ordinary shares as a result of warrant exercise	29,613	(29,563)	(49)	-	-	-	1
Net income for the period	-	-	-	-	-	225,082	225,082
<b>Balance - as at 30 September 2007</b>	<u>4,724,947</u>	<u>(42,713)</u>	<u>-</u>	<u>23,535</u>	<u>100,600</u>	<u>1,094,302</u>	<u>5,900,671</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 NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2007 AND 2006  
(Unit : Thousand Baht)

**Separate 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	
						(Restated)	(Restated)
<b>Balance - as at 1 January 2006 - as previously reported</b>	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)
<b>Balance - as at 1 January 2006 - as restated</b>	4,695,210	(13,026)	-	23,535	100,000	827,278	5,632,997
Additional ordinary shares as a result of warrant exercise	124	(124)	-	-	-	-	-
Dividend paid	-	-	-	-	-	(273,887)	(273,887)
Net loss for the period, as restated	-	-	-	-	-	(80,212)	(80,212)
<b>Balance - as at 30 September 2006 - as restated</b>	4,695,334	(13,150)	-	23,535	100,000	473,179	5,278,898
<b>Balance - as at 1 January 2007 - as previously reported</b>	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)
<b>Balance - as at 1 January 2007 - as restated</b>	4,695,334	(13,150)	49	23,535	100,600	542,839	5,349,207
Additional ordinary shares as a result of warrant exercise	29,613	(29,563)	(49)	-	-	-	1
Net income for the period	-	-	-	-	-	178,790	178,790
<b>Balance - as at 30 September 2007</b>	4,724,947	(42,713)	-	23,535	100,600	721,629	5,527,998

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 NINE-MONTH PERIODS ENDED 30 SEPTEMBER 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 second quarter of the current year, 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**

The Federation of Accounting Professions (FAP) has issued Notifications No. 9/2550 and 38/2550 regarding Thai Accounting Standards, and these have been published in the Royal Gazette. The Notifications mandates the use of the following Thai Accounting Standards (Revised 2007) in place of the previous versions, which are cancelled.

**a) Thai Accounting Standards (revised version) which are effective for the current year**

TAS 44	Consolidated Financial Statements and Separate Financial Statements
TAS 45	Investments in Associates
TAS 46	Interests in Joint Ventures

These accounting standards 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 (revised version) which are not effective for the current year**

TAS 25	Cash Flow Statements
TAS 33	Borrowing Costs
TAS 35	Presentation of Financial Statements
TAS 39	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 41	Interim Financial Reporting
TAS 49	Construction Contracts

These accounting standards will become effective for the financial statements for fiscal years beginning on or after 1 January 2008. The management has assessed the effect of these revised accounting standards and believes that they will not have any significant impact on the financial statements for the year in which they are initially applied.

**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 nine-month periods ended 30 September 2007 by Baht 29.0 million (Baht 0.04 per share) and Baht 46.3 million (Baht 0.06 per share), respectively (2006: net loss increasing by Baht 2.5 million (Baht 0.003 per share) and Baht 7.9 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 September 2007 and 31 December 2006, trade accounts receivable were classified by aging as follows:

(Unit : Thousand Baht)

	Consolidated financial statements				
	As at 30 September 2007				
	Less than 3 months	3 - 6 months	6 - 12 months	Over 12 months	Total
Accounts receivable - installments	5,211	3,486	7,051	1,167	16,915
Accounts receivable at transfer date	3,306	618	3,410	11,069	18,403
Total	8,517	4,104	10,461	12,236	35,318
Less : Allowance for doubtful debts	-	-	-	(7,990)	(7,990)
Trade accounts receivable, net	8,517	4,104	10,461	4,246	27,328

(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 September 2007					
	Less than 3 months	3 - 6 months	6 - 12 months	Over 12 months	Total
Accounts receivable - installments	5,129	3,486	7,051	1,167	16,833
Accounts receivable at transfer date	3,306	618	3,400	11,069	18,393
Total	8,435	4,104	10,451	12,236	35,226
Less : Allowance for doubtful debts	-	-	-	(7,990)	(7,990)
Trade accounts receivable, net	8,435	4,104	10,451	4,246	27,236

(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 September 2007	31 December 2006	30 September 2007	31 December 2006
		(Audited)		(Audited)
Land costs	11,756,977	11,386,761	10,561,375	10,189,758
Development costs	5,892,422	5,513,646	5,422,001	5,114,206
Construction costs	14,903,007	12,989,928	14,009,066	12,214,790
Capitalised interest	3,948,632	3,816,335	3,702,782	3,598,360
Total	36,501,038	33,706,670	33,695,224	31,117,114
Less : Transferred to costs of sales	(27,052,515)	(24,087,392)	(25,691,339)	(22,991,894)
Transferred to settle debt under rehabilitation plan	(1,524,192)	(1,524,192)	(1,524,192)	(1,524,192)
	7,924,331	8,095,086	6,479,693	6,601,028
Less : Allowance for loss on diminution in value of projects	(73,612)	(78,895)	(63,754)	(69,037)
Project development costs, net	7,850,719	8,016,191	6,415,939	6,531,991

The Company and its subsidiary's project land and construction thereon with a net book value of Baht 7,216.7 million as at 30 September 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 September 2007	31 December 2006
		(Audited)
		(Restated)
<b><u>Subsidiary companies</u></b>		
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 a 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 September 2007	31 December 2006	30 September 2007	31 December 2006
		(Audited)		(Audited) (Restated)
<b><u>Associated company</u></b>				
Krungthep Land Public Company Limited	409,864	329,695	359,999	299,999
	<u>409,864</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 a 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

	Consolidated financial statements		Separate financial statements	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
		(Audited)		(Audited)
Land costs	4,768,174	4,565,870	4,768,174	4,565,870
Development costs	169,815	118,648	169,815	118,648
Construction costs	17,449	17,449	17,449	17,449
Capitalised interest	687,092	661,618	687,092	661,618
Total	5,642,530	5,363,585	5,642,530	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)
	3,448,648	3,169,703	3,448,648	3,169,703
Less : Allowance for loss on impairment	(127,351)	(127,351)	(127,351)	(127,351)
Land held for development, net	<u>3,321,297</u>	<u>3,042,352</u>	<u>3,321,297</u>	<u>3,042,352</u>

The above land held for development, of which the net book value as at 30 September 2007 was Baht 2,058.7 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
Balance as at 1 January 2007	730,082	629,119
Increase during the period	80,400	46,500
Title of plots of land transferred during the period	(573,039)	(573,039)
	237,443	102,580
Less : Forfeiture of advance	(4,080)	(4,080)
Balance as at 30 September 2007	233,363	98,500

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

Approximately Baht 208.9 million (Separate financial statements : Baht 80.0 million) of the above balance represented advances paid to landowners by the Company and its subsidiary under agreements to purchase and to sell land already signed with the landowners by agents acting on behalf of the Company and its subsidiary.

The remaining advances, amounting to approximately Baht 24.5 million (Separate financial statements : Baht 18.5 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 nine-month period ended 30 September 2007 are summarised below.

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
<b>Net book value as at 1 January 2007</b>	364,229	339,629
Acquisitions during period - at cost	61,811	32,449
Disposals during period - net	(6,298)	(6,298)
Depreciation for period	(32,637)	(31,022)
<b>Net book value as at 30 September 2007</b>	<u>387,105</u>	<u>334,758</u>

The Company has mortgaged land with a total net book value as at 30 September 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 September 2007</u>	<u>31 December 2006</u>	<u>30 September 2007</u>	<u>31 December 2006</u>
		(Audited)		(Audited)
Bank overdrafts	30,182	30,406	30,182	30,406
Short-term loans from financial institutions	230,000	250,000	200,000	250,000
<b>Total</b>	<u>260,182</u>	<u>280,406</u>	<u>230,182</u>	<u>280,406</u>

During the nine-month period ended 30 September 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), is 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 is subject to interest at a rate tied to the minimum loan rate (MLR). Currently, the Company repaid the facility in full amount.

### **Its subsidiary**

- A facility of Baht 30 million, subject to interest at a rate tied to the minimum loan rate (MLR), is 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 October 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 September 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 first quarter of the current year, 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 a rate tied to the minimum loan rate (MLR) 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.

The office of the Securities and Exchange Commission approved the offer to sell debentures of Bright Development Bangkok Company Limited.

## 11. CREDITORS PER REHABILITATION PLAN

(Unit : Thousand Baht)

	Consolidated and Separate financial statements	
	<u>30 September 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 September 2007</u>	<u>31 December 2006</u> (Audited)	<u>30 September 2007</u>	<u>31 December 2006</u> (Audited)
Long-term loans	3,724.1	4,108.9	3,207.0	3,468.5
Less: Current portion	<u>(912.7)</u>	<u>(940.9)</u>	<u>(912.7)</u>	<u>(940.9)</u>
Long-term loans - net of current portion	<u><u>2,811.4</u></u>	<u><u>3,168.0</u></u>	<u><u>2,294.3</u></u>	<u><u>2,527.6</u></u>

Movements in the long-term loans account during the nine-month period ended 30 September 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	2,126.3	2,009.1
Less: Repayment	<u>(2,511.1)</u>	<u>(2,270.6)</u>
Balance as at 30 September 2007	<u><u>3,724.1</u></u>	<u><u>3,207.0</u></u>

During the nine-month period ended 30 September 2007, the Company entered into new loan agreements with two commercial banks. Details 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), is 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 September 2007, the outstanding balance of these loans was approximately Baht 24.8 million.
- A facility of Baht 430 million, subject to interest at a rate tied to the minimum loan rate (MLR), is 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 September 2007, the outstanding balance of these loans was approximately Baht 181.7 million.
- A facility of Baht 628 million, subject to interest at a rate tied to the minimum loan rate (MLR), is 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 September 2007, the outstanding balance of these loans was approximately Baht 254.3 million.
- A facility of Baht 1,280 million, subject to interest at a rate tied to the minimum loan rate (MLR), is secured by the mortgage of part of the Company's project land and construction thereon. It is to be repaid each time a condominium unit is redeemed from mortgage, at a rate of not less than 65 percent of selling price. Any remaining balance is to be repaid within July 2010. As at 30 September 2007, the outstanding balance of these loans was approximately Baht 276.7 million.

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

The Company requested extensions of the term of loans of Baht 483.8 million, which came due during the current period, from the bank, which agreed to extend the loans by 6 months. Of this extended loans, Baht 296.4 million is a bridging loan of a project delayed to develop, which is to be converted to a project loan when the Company submits the project development plan to the bank.

### 13. SHARE CAPITAL

As at 30 September 2007, the Company's issued and fully paid share capital has increased to Baht 4,724,947,164 (787,491,194 ordinary shares of Baht 6 each), with totaling Baht 29,612,874 (4,935,479 ordinary shares of Baht 6 each) being the result of the exercise of warrants in December 2006 and June 2007. The Company registered increases in its capital with the Ministry of Commerce on 11 January 2007 and 11 July 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.

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, resulting in share discount totaling Baht 42,713,193. As at 30 September 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 and individuals, which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between the Company and those companies and individuals. Below is a summary of those transactions.

(Unit : Million Baht)

	Separate financial statements				Pricing policy
	For the three-month		For the nine-month		
	periods ended 30 September	periods ended 30 September	periods ended 30 September	periods ended 30 September	
	2007	2006	2007	2006	
<b><u>Transactions with subsidiaries</u></b>					
Interest income	3.7	2.0	8.9	12.5	7 - 9 percent per annum
Club house management expense	2.0	2.2	6.4	8.4	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 September 2007	31 December 2006	30 September 2007	31 December 2006
	(Audited)		(Audited)	
<u>Advance to director</u>				
Director	5,000	-	-	-
Advance to director	5,000	-	-	-
<u>Loans to related companies and interest receivable</u>				
<b>Loans to subsidiary company</b>				
Estate Perfect Company Limited	-	-	186,376	94,376
	-	-	186,376	94,376
<b>Interest receivable from subsidiary company</b>				
Estate Perfect Company Limited	-	-	13,523	4,651
<b>Loans and interest receivable from subsidiary company</b>				
	-	-	<b>199,899</b>	<b>99,027</b>
<b>Loans to associated company</b>				
Krungthep Land Public Company Limited	-	56,091	-	56,091
	-	56,091	-	56,091
<b>Interest receivable from associated company</b>				
Krungthep Land Public Company Limited	-	66,211	-	66,211
Less : Allowance for doubtful debts	-	(57,303)	-	(57,303)
	-	8,908	-	8,908
<b>Loans and interest receivable form associated company, net</b>				
	-	<b>64,999</b>	-	<b>64,999</b>
<b>Loans to related company</b>				
Real Service Company Limited	898	2,298	898	2,298
	898	2,298	898	2,298
<b>Interest receivable from related company</b>				
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
<b>Loans and interest receivable from related company, net</b>				
	<b>1,016</b>	<b>2,416</b>	<b>1,016</b>	<b>2,416</b>
Loans to related companies and interest receivable, net	1,016	67,415	200,915	166,442
<u>Amounts due to related company</u>				
Perfect Satellite Services Company Limited	-	-	926	1,738
Amounts due to related company	-	-	926	1,738

During the nine-month period ended 30 September 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 September 2007
<i><b>Subsidiary</b></i>				
Estate Perfect Company Limited	94,376	92,000	-	186,376
<i><b>Associated company</b></i>				
Krungthep Land Public Company Limited	56,091	-	(56,091)	-
<i><b>Related company</b></i>				
Real Service Company Limited	2,298	-	(1,400)	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**

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 nine-month periods ended 30 September 2007, since the Company has 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 September					
		Weighted average number of				Earnings per share	
Net income (loss)		ordinary shares					
<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>		
Thousand	Thousand	Thousand	Thousand	Baht	Baht		
Baht	Baht	shares	shares				
<b>Basic earnings per share</b>							
Net income (loss)	199,336	<u>(44,014)</u>	787,491	<u>782,556</u>	0.2531	<u>(0.0562)</u>	
<b>Effect of dilutive potential ordinary shares</b>							
Warrants 9,103,002 units							
(2006 : 14,038,481 units)	-		9,079				
Unsubordinated convertible debentures	<u>20,019</u>		<u>131,680</u>				
<b>Diluted earnings per share</b>							
Net income of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>219,355</u>		<u>928,250</u>		0.2363		
		Separate financial statements					
		For the three-month periods ended 30 September					
		Weighted average number of				Earnings per share	
Net income (loss)		ordinary shares					
<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>		
Thousand	Thousand	Thousand	Thousand	Baht	Baht		
Baht	Baht	shares	shares				
					(Restated)		
<b>Basic earnings per share</b>							
Net income (loss)	170,344	<u>(46,558)</u>	787,491	<u>782,556</u>	0.2163	<u>(0.0595)</u>	
<b>Effect of dilutive potential ordinary shares</b>							
Warrants 9,103,002 units							
(2006 : 14,038,481 units)	-		9,079				
Unsubordinated convertible debentures	<u>20,019</u>		<u>131,680</u>				
<b>Diluted earnings per share</b>							
Net income of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>190,363</u>		<u>928,250</u>		0.2051		

Consolidated financial statements							
For the nine-month periods ended 30 September							
		Weighted		Earnings per share			
Net income (loss)		average number of					
		ordinary shares					
<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>		
Thousand	Thousand	Thousand	Thousand	Baht	Baht		
Baht	Baht	shares	shares				
<b>Basic earnings per share</b>							
Net income (loss)		225,082	<u>(72,282)</u>	787,439	<u>782,542</u>	0.2858	<u>(0.0924)</u>
<b>Effect of dilutive potential ordinary shares</b>							
Warrants 9,103,002 units							
(2006 : 14,038,481 units)		-	<u>9,129</u>				
<b>Diluted earnings per share</b>							
Net income of ordinary shareholders assuming the conversion of dilutive potential ordinary shares		<u>225,082</u>	<u>796,568</u>			0.2826	

Separate financial statements							
For the nine-month periods ended 30 September							
		Weighted		Earnings per share			
Net income (loss)		average number of					
		ordinary shares					
<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>		
Thousand	Thousand	Thousand	Thousand	Baht	Baht		
Baht	Baht	shares	shares				
		(Restated)		(Restated)			
<b>Basic earnings per share</b>							
Net income (loss)		178,790	<u>(80,212)</u>	787,439	<u>782,542</u>	0.2271	<u>(0.1025)</u>
<b>Effect of dilutive potential ordinary shares</b>							
Warrants 9,103,002 units							
(2006 : 14,038,481 units)		-	<u>9,129</u>				
<b>Diluted earnings per share</b>							
Net income of ordinary shareholders assuming the conversion of dilutive potential ordinary shares		<u>178,790</u>	<u>796,568</u>			0.2244	

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 nine-month period ended 30 September 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 nine-month period ended 30 September 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 nine-month periods ended 30 September 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 nine-month periods ended 30 September 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 house projects and residential condominium units of which the Company and its subsidiary had already entered into contracts with subcontractors of approximately Baht 1,309.7 million (31 December 2006 : Baht 1,787.4 million).
- b) The Company and its subsidiary had the outstanding capital commitments in respect of purchases of land of approximately Baht 536.8 million (31 December 2006 : Baht 573.8 million).
- c) The Company had the outstanding capital commitment in respect of land lease for real estate development amounting to approximately Baht 23.5 million (31 December 2006 : Nil).
- d) 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 and its subsidiary had the outstanding commitments in respect of office rental contracts and various service contracts of approximately Baht 20.8 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 16.8 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 322.8 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. 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 13 November 2007.