

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 2008

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 2008, the related consolidated statements of income for the three-month and six-month periods ended 30 June 2008, and the consolidated statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 2008; and the separate financial statements of Property Perfect Public Company Limited for the same period. 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 review.

I conducted my review 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 review, 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.

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 2007 were audited in accordance with generally accepted auditing standards by another auditor of our firm who expressed an unqualified opinion on those statements but drew attention to change in accounting policy for recording investments in subsidiaries and associate in the separate financial statements from the equity method to the cost method, under his report dated 28 February 2008. The consolidated and separate balance sheets as at 31 December 2007, as presented herein for comparative purposes, formed an integral part of the financial statements which that auditor audited and reported on.

The consolidated statements of income for the three-month and six-month periods ended 30 June 2007, and the consolidated statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 2007 of Property Perfect Public Company Limited and its subsidiaries and the separate financial statements of Property Perfect Public Company Limited, as presented herein for comparative purposes, formed an integral part of the interim financial statements which were reviewed by the aforementioned auditor who reported, under his report dated 9 August 2007, that nothing had come to his attention that caused him to believe that those financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

Siraporn Ouaanunkun
Certified Public Accountant (Thailand) No.3844

Ernst & Young Office Limited
Bangkok: 8 August 2008

Property Perfect Public Company Limited and its subsidiaries

Balance sheets

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2008	31 December 2007	30 June 2008	31 December 2007
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		468,603	424,056	426,503	397,596
Trade accounts receivable, net	2	19,195	33,452	18,110	32,531
Account receivable - land		35,358	-	35,358	-
Project development costs, net	3	8,098,937	7,991,847	6,551,566	6,425,477
Other current assets					
Advances to contractors, net		31,780	32,917	31,780	32,917
Prepaid expenses		8,196	5,440	8,196	5,440
Others		13,174	14,449	6,432	11,388
Total current assets		8,675,243	8,502,161	7,077,945	6,905,349
Non-current assets					
Restricted deposits		43,499	226,123	43,499	226,123
Advances to related company	18	-	-	81,500	81,500
Loans to related companies and interest receivable	18	-	-	349,772	247,074
Account receivable - land		-	35,358	-	35,358
Investments in subsidiaries	4	-	-	541,057	541,057
Investment in associate	5	399,031	401,446	360,000	360,000
Other long-term investments, net	6	57,200	4,986	57,200	4,986
Land held for development, net	7	2,342,943	2,979,837	2,342,943	2,979,837
Advances for purchases of land	8	319,834	151,463	171,371	22,000
Property, plant and equipment, net	9	398,833	401,000	342,724	346,395
Leasehold rights, net		59,743	60,630	59,743	60,630
Leasehold rights awaiting sale, net	10	60,718	60,718	60,718	60,718
Other non-current assets					
Withholding tax deducted at source		96,267	61,287	92,808	57,330
Others		35,017	26,025	23,993	22,151
Total non-current assets		3,813,085	4,408,873	4,527,328	5,045,159
Total assets		12,488,328	12,911,034	11,605,273	11,950,508

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 2008	31 December 2007	30 June 2008	31 December 2007
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	11	118,018	321,641	118,018	306,641
Trade accounts payable		432,413	420,036	372,663	374,911
Debentures	12	-	450,000	-	450,000
Loan from other company		-	10,000	-	-
Creditors per rehabilitation plan	13	648,410	648,410	648,410	648,410
Current portion of long-term loans	14	22,307	462,996	10,829	458,126
Amounts due to related companies	18	-	-	80,799	80,977
Advance from director	18	80,000	80,000	-	-
Deposits and cash received in advance		167,693	218,593	164,006	216,462
Other current liabilities					
Current portion of liabilities under financial lease					
agreements		2,956	4,686	2,956	4,686
Accrued interest		20,626	33,717	20,544	33,146
Accrued expenses		86,141	116,819	79,716	104,665
Provision for loss arising from minimum					
revenue guarantee	6	35,500	-	35,500	-
Others		65,551	50,052	42,640	43,331
Total current liabilities		1,679,615	2,816,950	1,576,081	2,721,355
Non-current liabilities					
Unsubordinated convertible debentures -					
liability component	15	807,501	805,881	807,501	805,881
Long-term loans, net of current portion	14	3,470,319	3,044,557	3,083,748	2,548,833
Other non-current liabilities					
Liabilities under financial lease agreements, net					
of current portion		1,741	1,507	1,741	1,507
Deposits and cash received in advance					
for sublease agreement		59,084	61,076	59,084	61,076
Provision for unconverted debentures		119,246	93,865	119,246	93,865
Total non-current liabilities		4,457,891	4,006,886	4,071,320	3,511,162
Total liabilities		6,137,506	6,823,836	5,647,401	6,232,517

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 2008 (Unaudited but reviewed)	31 December 2007 (Audited)	30 June 2008 (Unaudited but reviewed)	31 December 2007 (Audited)
Shareholders' equity					
Share capital	16				
Registered					
1,035,594,196 ordinary shares of Baht 6 each		<u>6,213,565</u>	<u>6,213,565</u>	<u>6,213,565</u>	<u>6,213,565</u>
Issued and fully paid					
787,685,020 ordinary shares of Baht 6 each					
(31 December 2007: 787,491,194 ordinary shares of Baht 6 each)		4,726,110	4,724,947	4,726,110	4,724,947
Share discount	17	(43,874)	(42,713)	(43,874)	(42,713)
Share subscriptions received in advance	17	-	2	-	2
Unsubordinated convertible debentures - equity component	15	23,535	23,535	23,535	23,535
Unrealised gain on change in value of investments in available-for-sale securities		181	-	181	-
Retained earnings					
Appropriated - statutory reserve		119,100	119,100	119,100	119,100
Unappropriated		<u>1,525,770</u>	<u>1,262,327</u>	<u>1,132,820</u>	<u>893,120</u>
Total shareholders' equity		<u>6,350,822</u>	<u>6,087,198</u>	<u>5,957,872</u>	<u>5,717,991</u>
Total liabilities and shareholders' equity		<u>12,488,328</u>	<u>12,911,034</u>	<u>11,605,273</u>	<u>11,950,508</u>
		-	-	-	-

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

----- Directors

(Unaudited but reviewed)

Property Perfect Public Company Limited and its subsidiaries

Income statements

For the three-month periods ended 30 June 2008 and 2007

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

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues					
Revenues from sales of land and houses		1,302,311	1,078,157	1,112,910	973,208
Revenues from sales of residential condominium units		529,426	344,161	529,426	344,161
Revenue from sale of land		7,119	-	7,119	-
Other income					
Interest income		335	144	7,134	3,110
Revenues from forfeiture of down payments		5,120	2,051	4,832	1,939
Share of income from investment in associate		1,636	286	-	-
Others		15,833	9,459	12,601	8,800
Total revenues		1,861,780	1,434,258	1,674,022	1,331,218
Expenses					
Costs of sales of land and houses		878,645	760,591	756,203	693,659
Costs of sales of residential condominium units		345,961	243,713	345,961	243,713
Cost of sale of land		3,500	-	3,500	-
Selling and administrative expenses		283,831	351,955	246,904	320,131
Total expenses		1,511,937	1,356,259	1,352,568	1,257,503
Income before interest expenses and corporate income tax					
corporate income tax		349,843	77,999	321,454	73,715
Interest expenses		(43,441)	(58,072)	(42,595)	(55,401)
Corporate income tax	20	(11,645)	(114)	-	-
Net income for the period		294,757	19,813	278,859	18,314
Earnings per share					
	21				
Basic earnings per share (Baht)					
Net income		<u>0.37</u>	<u>0.03</u>	<u>0.36</u>	<u>0.02</u>
Diluted earnings per share (Baht)					
Net income		<u>0.34</u>	<u>0.02</u>	<u>0.32</u>	<u>0.02</u>

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

(Unaudited but reviewed)

Property Perfect Public Company Limited and its subsidiaries**Income statements****For the six-month periods ended 30 June 2008 and 2007**

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

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
Revenues					
Revenues from sales of land and houses		2,844,515	1,898,568	2,504,692	1,708,156
Revenues from sales of residential condominium units		1,024,209	489,530	1,024,209	489,530
Revenue from sale of land		7,119	10,913	7,119	10,913
Other income					
Interest income		1,131	592	13,600	5,639
Revenues from forfeiture of down payments		8,637	3,985	8,089	3,804
Share of income from investment in associate		-	14,647	-	-
Others		32,937	18,213	27,997	16,446
Total revenues		3,918,548	2,436,448	3,585,706	2,234,488
Expenses					
Costs of sales of land and houses		2,047,125	1,349,308	1,823,268	1,223,168
Costs of sales of residential condominium units		674,777	348,397	674,777	348,397
Cost of sale of land		3,500	9,821	3,500	9,821
Selling and administrative expenses		590,788	588,602	526,975	536,619
Loss arising from minimum revenue guarantee	6	35,500	-	35,500	-
Share of loss from investment in associate		2,415	-	-	-
Total expenses		3,354,105	2,296,128	3,064,020	2,118,005
Income before interest expenses and corporate income tax					
Interest expenses		(94,465)	(113,644)	(92,971)	(108,037)
Corporate income tax	20	(17,520)	(930)	-	-
Net income for the period		452,458	25,746	428,715	8,446
Earnings per share					
Basic earnings per share (Baht)					
Net income	21	0.57	0.03	0.54	0.01
Diluted earnings per share (Baht)					
Net income		0.53	0.03	0.51	0.01

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

(Unaudited but reviewed)

Property Perfect Public Company Limited and its subsidiaries**Cash flow statements****For the six-month periods ended 30 June 2008 and 2007**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Cash flows from operating activities				
Net income before tax	469,978	26,676	428,715	8,446
Adjustments to reconcile net income to net cash provided by (paid from) operating activities				
Share of loss (income) from investment in associate	2,415	(14,647)	-	-
Depreciation and amortisation	33,396	23,357	29,298	22,279
Amortisation of prepaid expense	6,653	6,616	6,654	6,616
Amortisation of premium on debentures	1,620	1,557	1,620	1,557
Provision for unconverted debentures	25,381	23,112	25,381	23,112
Rental received in advance recognition	(1,763)	(1,952)	(1,763)	(1,952)
Allowance for loss on impairment of investments (reversal)	110	(95)	110	(95)
Loss arising from minimum revenue guarantee	35,500	-	35,500	-
Loss on impairment of asset	-	4,080	-	4,080
Loss on sales of property, plant and equipment	219	6,095	219	6,095
Interest expenses	94,465	113,644	92,971	108,037
Income from operating activities before changes in operating assets and liabilities	667,974	188,443	618,705	178,175
Decrease (increase) in operating assets				
Trade accounts receivable	14,257	5,861	14,421	4,044
Advance to director	-	(5,000)	-	-
Project development costs	707,228	211,329	673,618	232,820
Advances to contractors	1,136	36,688	1,136	36,688
Prepaid expenses	(9,410)	(4,808)	(9,410)	(4,809)
Other current assets	1,275	6,228	(7,553)	1,000
Other non-current assets	(9,088)	(3)	(1,842)	(44)
Increase (decrease) in operating liabilities				
Trade accounts payable	12,377	113,520	(2,248)	128,501
Amounts due to related company	-	-	(178)	(861)
Deposits and cash received in advance	(50,900)	(15,143)	(52,456)	(948)
Other current liabilities	(30,395)	18,503	(27,372)	24,165
Cash from operating activities	1,304,454	555,618	1,206,821	598,731
Cash paid for interest expenses	(184,078)	(236,527)	(167,578)	(211,958)
Cash paid for corporate income tax	(39,012)	(32,199)	(35,478)	(22,159)
Net cash provided from operating activities	1,081,364	286,892	1,003,765	364,614

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

(Unaudited but reviewed)

Property Perfect Public Company Limited and its subsidiaries**Cash flow statements (continued)****For the six-month periods ended 30 June 2008 and 2007**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Cash flows from investing activities				
Decrease (increase) in restricted deposits	182,624	(61,105)	182,624	(61,105)
Decrease (increase) in loans to related companies	-	56,991	(90,189)	(22,009)
Increase in investment in associate	-	(60,000)	-	(60,000)
Increase in other long-term investments	(52,143)	-	(52,143)	-
Decrease (increase) in land held for development	(86,675)	3,252	(86,675)	3,252
Increase in advances for purchases of land	(177,763)	(61,000)	(158,763)	(40,000)
Increase in property, plant and equipment	(33,802)	(36,037)	(28,199)	(19,681)
Proceeds from sales of property, plant and equipment	2	192	2	192
Net cash used in investing activities	(167,757)	(157,707)	(233,343)	(199,351)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	(203,623)	112,594	(188,623)	82,594
Decrease in loan from other company	(10,000)	-	-	-
Increase (decrease) in long-term loans	(14,927)	84,412	87,618	97,191
Decrease in debentures	(450,000)	(350,000)	(450,000)	(350,000)
Decrease in liabilities under financial lease agreements	(1,495)	(2,647)	(1,495)	(2,647)
Dividend paid	(189,015)	-	(189,015)	-
Net cash used in financing activities	(869,060)	(155,641)	(741,515)	(172,862)
Net increase (decrease) in cash and cash equivalents	44,547	(26,456)	28,907	(7,599)
Cash and cash equivalents as at beginning of period	424,056	312,743	397,596	271,120
Cash and cash equivalents as at end of period	468,603	286,287	426,503	263,521
	-	-	-	-
Supplemental cash flow information				
Non-cash transactions				
Transfer advances for purchases of land to project development costs and land held for development	9,392	573,039	9,392	573,039
Transfer land held for development to project development costs	729,851	-	729,851	-
Transfer project development costs to land held for development	-	377,754	-	377,754

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 six-month periods ended 30 June 2008 and 2007

(Unit: Thousand Baht)

Consolidated financial statements								
	Issued and paid	Share discount	Share subscriptions	Unsubordinated	Unrealised gain on	Retained earnings		Total
	share capital		received	convertible debentures -	change in value of	Statutory reserve	Unappropriated	
			in advance	equity component	investments in			
					available-for-sale securities			
Balance - as at 31 December 2006	4,695,334	(13,150)	49	23,535	-	100,600	869,220	5,675,588
Additional ordinary shares as a result								
of warrants exercised	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>-</u>	<u>100,600</u>	<u>894,966</u>	<u>5,701,335</u>
Balance - as at 31 December 2007	4,724,947	(42,713)	2	23,535	-	119,100	1,262,327	6,087,198
Additional ordinary shares as a result								
of warrants exercised	1,163	(1,161)	(2)	-	-	-	-	-
Unrealised gain of investment	-	-	-	-	181	-	-	181
Dividend paid (Note 19)	-	-	-	-	-	-	(189,015)	(189,015)
Net income for the period	-	-	-	-	-	-	452,458	452,458
Balance - as at 30 June 2008	<u>4,726,110</u>	<u>(43,874)</u>	<u>-</u>	<u>23,535</u>	<u>181</u>	<u>119,100</u>	<u>1,525,770</u>	<u>6,350,822</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 2008 and 2007

(Unit: Thousand Baht)

Separate financial statements

	Issued and paid		Share subscriptions	Unsubordinated	Unrealised gain on	Retained earnings		Total
	share capital	Share discount	received in advance	convertible debentures - equity component	change in value of investments in available-for-sale securities	Statutory reserve	Unappropriated	
Balance - as at 31 December 2006	4,695,334	(13,150)	49	23,535	-	100,600	542,839	5,349,207
Additional ordinary shares as a result of warrants exercised	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	<u>4,724,472</u>	<u>(42,239)</u>	<u>1</u>	<u>23,535</u>	<u>-</u>	<u>100,600</u>	<u>551,285</u>	<u>5,357,654</u>
Balance - as at 31 December 2007	4,724,947	(42,713)	2	23,535	-	119,100	893,120	5,717,991
Additional ordinary shares as a result of warrants exercised	1,163	(1,161)	(2)	-	-	-	-	-
Unrealised gain of investment	-	-	-	-	181	-	-	181
Dividend paid (Note 19)	-	-	-	-	-	-	(189,015)	(189,015)
Net income for the period	-	-	-	-	-	-	428,715	428,715
Balance - as at 30 June 2008	<u>4,726,110</u>	<u>(43,874)</u>	<u>-</u>	<u>23,535</u>	<u>181</u>	<u>119,100</u>	<u>1,132,820</u>	<u>5,957,872</u>

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 2008 and 2007

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 (revised 2007) “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 2007. There have been no changes in the composition of the Group during the current period.

1.4 Accounting standards which are effective for the current year

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

These accounting standards become effective for the financial statements for fiscal years beginning on or after 1 January 2008. The management has assessed the effect of these accounting standards and believes that TAS 43 and TAS 49 are not relevant to the business of the Company, whereas TAS 25, TAS 29, TAS 31, TAS 33, TAS 35, TAS 39, TAS 41 and TAS 51 do not have any significant impact on the financial statements for the current period.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2007, except these described below.

- a) Investments in available-for-sale securities are stated at fair value. Changes in the carrying amounts of securities are recorded as a separate item in shareholders' equity until the securities are sold, when the changes are then included in determining income.
- b) There are changes in the estimate useful lives of clubhouses as discussed in Note 9 to the interim financial statements.

2. Trade accounts receivable

As at 30 June 2008 and 31 December 2007, trade accounts receivable were classified by aging as follows:

(Unit: Thousand Baht)

Consolidated financial statements					
As at 30 June 2008					
	Less than 3 months	3 - 6 months	6 - 12 months	Over 12 months	Total
Accounts receivable - installments	10,020	1,960	1,401	2,000	15,381
Accounts receivable at transfer date	32	-	1,106	12,369	13,507
Total	10,052	1,960	2,507	14,369	28,888
Less: Allowance for doubtful debts	-	-	-	(9,693)	(9,693)
Trade accounts receivable, net	10,052	1,960	2,507	4,676	19,195

(Unit: Thousand Baht)

Consolidated financial statements					
As at 31 December 2007 (Audited)					
	Less than 3 months	3 - 6 months	6 - 12 months	Over 12 months	Total
Accounts receivable - installments	14,296	2,786	6,632	1,706	25,420
Accounts receivable at transfer date	250	3,306	900	13,369	17,825
Total	14,546	6,092	7,532	15,075	43,245
Less: Allowance for doubtful debts	-	-	-	(9,793)	(9,793)
Trade accounts receivable, net	14,546	6,092	7,532	5,282	33,452

(Unit: Thousand Baht)

Separate financial statements					
As at 30 June 2008					
	Less than 3 months	3 - 6 months	6 - 12 months	Over 12 months	Total
Accounts receivable - installments	9,025	1,870	1,401	2,000	14,296
Accounts receivable at transfer date	32	-	1,106	12,369	13,507
Total	9,057	1,870	2,507	14,369	27,803
Less: Allowance for doubtful debts	-	-	-	(9,693)	(9,693)
Trade accounts receivable, net	9,057	1,870	2,507	4,676	18,110

(Unit: Thousand Baht)

	Separate financial statements				Total
	As at 31 December 2007 (Audited)				
	Less than 3 months	3 - 6 months	6 -12 months	Over 12 months	
Accounts receivable - installments	13,575	2,586	6,632	1,706	24,499
Accounts receivable at transfer date	250	3,306	900	13,369	17,825
Total	13,825	5,892	7,532	15,075	42,324
Less: Allowance for doubtful debts	-	-	-	(9,793)	(9,793)
Trade accounts receivable, net	13,825	5,892	7,532	5,282	32,531

3. Project development costs

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
		(Audited)		(Audited)
Land costs	19,389,314	18,274,376	17,484,794	16,421,693
Construction costs	17,336,316	15,707,543	16,261,372	14,771,007
Capitalised interest	4,181,164	4,049,126	3,912,390	3,794,964
Total	40,906,794	38,031,045	37,658,556	34,987,664
Less: Transferred to costs of sales	(31,216,947)	(28,444,570)	(29,525,938)	(26,977,417)
Transferred to settle debt under rehabilitation plan	(1,524,192)	(1,524,192)	(1,524,192)	(1,524,192)
	8,165,655	8,062,283	6,608,426	6,486,055
Less: Allowance for loss on diminution in value of projects	(66,718)	(70,436)	(56,860)	(60,578)
Project development costs, net	8,098,937	7,991,847	6,551,566	6,425,477

Movements in the allowance for loss on diminution in value of projects during the six-month period ended 30 June 2008 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2008	(70,436)	(60,578)
Less: Allowance reversed during the period upon revenue recognition	3,718	3,718
Balance as at 30 June 2008	(66,718)	(56,860)

The Company and its subsidiary's project land and construction thereon with a net book value of Baht 6,978.2 million as at 30 June 2008 (31 December 2007: Baht 6,537.8 million), have been mortgaged with financial institutions as collateral for short-term loans and long-term loans and as guarantees for public utilities.

During the six-month period ended 30 June 2008, the Company transferred land held for development to project development costs amounting to Baht 729.9 million.

During the six-month period ended 30 June 2008, the Company and its subsidiary included borrowing costs of Baht 75.5 million as cost of "Project development costs" (Separate financial statements: Baht 60.9 million). Interest is charged at rate of 5.9 - 7.8 percent per annum.

4. Investments in subsidiaries

These represent investments in ordinary shares in the following subsidiaries.

	(Unit: Thousand Baht)	
Company's name	Separate financial statements	
	Cost	
	30 June 2008	31 December 2007
		(Audited)
Estate Perfect Company Limited	538,459	538,459
Perfect Satellite Services Company Limited	999	999
Bright Development Bangkok Company Limited	999	999
Centrepoint Shopping Mall Company Limited	600	600
Total	541,057	541,057

5. Investment in associate

This represents investment in ordinary shares in the following associate.

(Unit: Thousand Baht)

Company's name	Consolidated		Separate	
	financial statements		financial statements	
	Equity method		Cost method	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
		(Audited)		(Audited)
Krungthep Land Public Company Limited	399,031	401,446	360,000	360,000
Total	<u>399,031</u>	<u>401,446</u>	<u>360,000</u>	<u>360,000</u>

In accordance with a resolution of the Extraordinary General Meeting of Shareholders No. 1/2008 held on 14 January 2008, on 31 January 2008 Krungthep Land Public Company Limited ("Krungthep Land") issued and offered 188,806 units of 5-year, name-registered, unsecured convertible debentures with a face value of USD 100 or a total value of USD 18,880,600, to the overseas company. In accordance with the conditions of the convertible debentures, Krungthep Land is to pay interest semi-annually at a rate of not exceeding 3% per annum or a dividend yield (whichever is higher) only in years in which Krungthep Land declares a dividend based on the conditions of the convertible debentures and mature on 31 January 2013. They are convertible upon the listing of Krungthep Land's shares on the Stock Exchange of Thailand or MAI, or one year from the issue date (whichever is earlier), at a conversion price of Baht 13.85 per ordinary share, on a quarterly basis. If no interest payment is made until the maturity date, Krungthep Land is to redeem the outstanding convertible debentures at a price equal to 1.311651 times the baht equivalent of the face value, with such redemption subject to change dependent upon the interest payment made during the life of the debentures.

6. Other long-term investments - available-for-sale securities

On 28 February 2008, the Company entered into an agreement to transfer the Company's properties to Property Perfect Property Fund ("The Fund"), for a total consideration of Baht 510 million. The Company invested Baht 32.1 million in the Fund (2,991,500 units at a price of Baht 10 each, 90,000 units at a price of Baht 10.20 and 128,900 units at a price of Bath 10.17 each), representing 6.17 percent of its registered capital, and classified it as investments in available-for-sale securities.

Under the agreement, the Company agrees to guarantee the minimum revenue of the Fund (rental and service revenues before deducting expenses) at Baht 55 million for a period of five years, expiring on 31 December 2012. However, the amount of guaranteed revenue depends on the ratio of the value of the outstanding properties to the value of the properties in which the Fund initially invested, as determined by an appraisal company for the purpose of the initial investment. The Company has estimated provision for loss from such guarantee at the present value of the cash flows which it expects to pay to the Fund, a total of Baht 35.5 million, and recorded it as a separate item under the heading of “Loss arising from minimum revenue guarantee” in the income statements for the six-month period ended 30 June 2008.

During the current quarter, the Company invested approximately Baht 20.0 million (2,105,200 units at a price of Baht 9.50 each) in Quality Hospitality Leasehold Property Fund, representing 1.05 percent of its registered capital and classified it as investments in available-for-sale securities.

7. Land held for development

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	30 June 2008	31 December 2007
		(Audited)
Land costs	4,078,043	4,702,911
Construction costs	17,449	17,449
Capitalised interest	572,184	627,467
Total	4,667,676	5,347,827
Less: Transferred to costs of sales	(505,319)	(548,576)
Transferred to restructure debt	(1,540,946)	(1,540,946)
Transferred to settle debt under rehabilitation plan	(151,117)	(151,117)
	2,470,294	3,107,188
Less: Allowance for loss on impairment	(127,351)	(127,351)
Land held for development, net	2,342,943	2,979,837

The above land held for development, of which the net book value as at 30 June 2008 was Baht 1,066.6 million (31 December 2007: Baht 2,057.9 million), has been mortgaged with financial institutions as collateral for short-term loans, long-term loans and as guarantees for public utilities.

During the six-month period ended 30 June 2008, the Company transferred land held for development to project development costs amounting to Baht 729.9 million.

8. Advances for purchases of land

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Balance as at 1 January 2008	151,463	22,000
Increase during the period	177,763	158,763
Title of plots of land transferred during the period	(9,392)	(9,392)
Balance as at 30 June 2008	<u>319,834</u>	<u>171,371</u>

As at 30 June 2008, the Company and its subsidiaries were contracted to purchase and to sell land amounting to Baht 1,919.5 million (Separate financial statements: Baht 1,356.9 million).

Approximately Baht 282.0 million (Separate financial statements: Baht 147.0 million) of the above balance represented advances paid to landowners by the Company and its subsidiaries under agreements to purchase and to sell land already signed with the landowners by agents acting on behalf of the Company and its subsidiaries.

The remaining advances, amounting to approximately Baht 37.8 million (Separate financial statements: Baht 24.4 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 landowners.

9. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2008 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Net book value as at 1 January 2008	401,000	346,395
Acquisitions during period - at cost	33,802	28,199
Disposals during period - net	(223)	(221)
Transfer to project development costs	(3,952)	(3,952)
Depreciation for period	<u>(31,794)</u>	<u>(27,697)</u>
Net book value as at 30 June 2008	<u>398,833</u>	<u>342,724</u>

During the six-month period ended 30 June 2008, the Company and its subsidiary changed the estimate useful lives of clubhouses from 20 years to 10 years in order to reflect their estimated useful lives. The changes have the effect of decreasing net income in the consolidated financial statements for the three-month and six-month periods ended 30 June 2008 by approximately Baht 3.8 million and Baht 7.4 million, respectively (Separate financial statements: Baht 3.3 million and Baht 6.5 million, respectively).

10. Leasehold rights awaiting sale

On 25 December 2007, the Company entered into an agreement to transfer leasehold rights to a subsidiary, with a contract value of Baht 200 million, of which Baht 80 million was paid on the contract date. The remaining balances are to be paid by the subsidiary on the date the transfer of leasehold rights is registered, and no later than 28 February 2008.

Subsequently, on 29 January 2008, the Company entered into an amended agreement to transfer leasehold rights to the subsidiary, whereby it is to make the remaining payment to the Company on the date the transfer of leasehold rights is registered, and no later than 30 June 2008. However, the Company did not transfer leasehold rights to the subsidiary.

11. Bank overdrafts and short-term loans from financial institutions

	Interest rate (percent per annum)	Consolidated		(Unit: Million Baht)	
		financial statements		Separate	
		30 June 2008	31 December 2007 (Audited)	30 June 2008	31 December 2007 (Audited)
Bank overdrafts	MOR	-	30	-	30
Short-term loans from financial institutions	MMR, MLR, MLR-1	118	292	118	277
Total		118	322	118	307

During the six-month period ended 30 June 2008, the Company entered into a short-term loan agreement with a financial institution. Detail of the loan is as follow.

- A facility of Baht 200 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 is redeemed from mortgage, at a rate of not less than 65 percent of the selling price. Any remaining balance is to be repaid within February 2009.

The loan agreements contain normal covenants relating to various matters as required in the normal course of business.

12. Debentures

The Annual General Meeting of the Company's shareholders held on 30 April 2008 passed a resolution to approve the issue and offer of not more than Baht 2,000 million secured or unsecured debentures and/or the equivalent in another currency, as detailed below.

- Term : Not over 5 years from the issue date
- Offering : To local investors by a way of public offering and/or private placement and/or to overseas investors and/or local institutional investors in one or several tranches
- Redemption : Debentureholders and the Company may or may not have early redemption rights, as stipulated in the prospectus for each tranche of debentures
- Interest rate : Depends on the state of the market when the debentures are issued and offered, or as stipulated in the prospectus for each tranche of debentures

However, the Company's Board of Directors or authorized persons have the authority to stipulate details regarding the debentures.

Currently, the Company is preparing the details to file an application to offer and issue the debentures with the Office of the Securities and Exchange Commission.

During the six-month period ended 30 June 2008, the Company made payment of secured debentures amounting to Baht 450 million and redeemed land from mortgage.

13. Creditors per rehabilitation plan

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	30 June 2008	31 December 2007
		(Audited)
Down payments and deposits	144	144
Secured creditors	132,335	132,335
Unsecured creditors	515,931	515,931
Total	<u>648,410</u>	<u>648,410</u>

As stipulated in the rehabilitation plan, the Company has 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.

14. Long-term loans

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate financial statements	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
		(Audited)		(Audited)
Long-term loans	3,492.6	3,507.6	3,094.5	3,006.9
Less: Current portion	(22.3)	(463.0)	(10.8)	(458.1)
Long-term loans - net of current portion	<u>3,470.3</u>	<u>3,044.6</u>	<u>3,083.7</u>	<u>2,548.8</u>

Movements in the long-term loans account during the six-month period ended 30 June 2008 are summarised below.

	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2008	3,507.6	3,006.9
Add: Additional borrowings	2,158.3	2,010.2
Less: Repayment	(2,173.3)	(1,922.6)
Balance as at 30 June 2008	<u>3,492.6</u>	<u>3,094.5</u>

During the six-month period ended 30 June 2008, the Company and its subsidiary entered into new loan agreements with two financial institutions. Details of the new loans are as follows:

The Company

- A facility of Baht 160 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 June 2008, the outstanding balance of this loan was approximately Baht 160 million.
- A facility of Baht 481 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 65 percent of the selling price. Any remaining balance is to be repaid within May 2013. As at 30 June 2008, the outstanding balance of this loan was approximately Baht 293 million.

- A facility of Baht 1,578 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 80 percent of the selling price. Any remaining balance is to be repaid within May 2013. As at 30 June 2008, the outstanding balance of this loan was approximately Baht 481 million.

The subsidiary

- A facility of Baht 15 million, subject to interest at a rate tied to the minimum loan rate (MLR), is secured by guarantees provided by the Company and its subsidiary's director and the mortgage of part of the Company's project land and construction thereon. It is to be repaid principal and interest is to be made in 21 installments of at least Baht 785,000 each, with full settlement to be made within December 2009. As at 30 June 2008, the outstanding balance of this loan was approximately Baht 13 million.

The loan agreements contain normal covenants relating to various matters as required in the normal course of business, including payment of a dividend.

15. Unsubordinated convertible debentures

The Extraordinary General Meeting of the Company's shareholders No.1/2008, held on 20 June 2008, passed a resolution regarding unsubordinated convertible debentures, as follows:

- Approved the cancellation of the issue and offer of the USD 15 million unsubordinated convertible debentures as previously approved by the Extraordinary General Meeting of the Company's shareholders No.1/2005 held on 19 September 2005 (The Company was approved to issue and offer USD 35 million unsubordinated convertible debentures which were issued by USD 20 million).
- Approved the issue and offer of not more than USD 30 million of unsubordinated convertible debentures, or the equivalent of not more than Baht 1,000 million, as detailed below.

Term	: Not over 5 years from the issue date
Unit price	: USD 100,000
Interest rate	: Not over 5 percent per annum
Conversion price	: Not less than 110 percent of average closing price of the Company's shares during the 7 - 15 consecutive working days before the offer date, and not less than Baht 6.50 per share
Allocation method	: To overseas institutional investors or local institutional investors

However, the Company's management is authorised to stipulate or amend details of the method and conditions of the issue and offer of the unsubordinated convertible debentures, such as offering price, conversion price, unit price, interest rate, exercise period, termination date of conversion and redemption price.

Currently, the Company's management is considering the details of the issue and offer of these unsubordinated convertible debentures.

16. Share capital

The Extraordinary General Meeting of the Company's shareholders No.1/2008 held on 20 June 2008 passed the following resolutions with respect to share capital:

- a) Approved the cancellation of 39,000,000 ordinary shares reserved for the exercise of warrants issued to directors and/or employees of the Company (ESOP).
- b) Approved the cancellation of 65,000,000 ordinary shares reserved for the conversion to ordinary shares of the convertible debentures as discussed in Note 15 a) to the interim financial statements.
- c) Approved the reduction of the registered share capital from Baht 6,213,565,176 (1,035,594,196 ordinary shares at a par value of Baht 6 each) to Baht 5,589,565,176 (931,594,196 ordinary shares at a par value of Baht 6 each) by canceling 104,000,000 ordinary authorised but unissued shares with a par value of Baht 6 each, a total of Baht 624 million, previously reserved to accommodate the exercise of warrants and the conversion to ordinary shares of convertible debentures as discussed in a) and b). The Company registered the reduction of its registered share capital with the Ministry of Commerce on 1 July 2008.
- d) Approved the increase of the Company's registered and issued capital by Baht 5,589,565,176 (931,594,196 ordinary shares at a par value of Baht 6 each) to Baht 6,552,000,000 (1,092,000,000 ordinary shares at a par value of Baht 6 each), to be reserved for the conversion to ordinary shares of convertible debentures, as discussed in Note 15 b) to the interim financial statements. The Company registered the increase of its capital with the Ministry of Commerce on 2 July 2008.

As at 30 June 2008, the Company's issued and fully paid share capital has increased to Baht 4,726,110,120 (787,685,020 ordinary shares of Baht 6 each), with Baht 1,162,956 (193,826 ordinary shares of Baht 6 each) of this being the result of the exercise of warrants in December 2007. The Company registered the corresponding increase in its capital with the Ministry of Commerce on 8 January 2008.

Subsequently, the Company registered an increase in its capital of Baht 366 (36,600 ordinary shares of Baht 6 each) with the Ministry of Commerce on 8 July 2008, being the result of the exercise of the warrants as discussed in Note 17 to the interim financial statements.

17. Warrants

In December 2007, the Company received advance subscription of Baht 0.01 per share to 193,826 of the additional ordinary shares arising from the exercise of the warrants, a total of Baht 1,938. The Company registered the resulting increase of Baht 1,162,956 in its capital with the Ministry of Commerce on 8 January 2008, resulting in share discount totaling Baht 43,874,210.

In June 2008, the Company received advance subscription of Baht 0.01 per share to 36,600 of the additional ordinary shares arising from the exercise of the warrants, a total of Baht 366. The Company registered the resulting increase of Baht 219,600 in its capital with the Ministry of Commerce on 8 July 2008. As at 30 June 2008, there were a total of 8,872,576 outstanding unexercised warrants.

18. 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 periods ended 30 June		For the six-month periods ended 30 June		
	2008	2007	2008	2007	
<u>Transactions with subsidiaries</u>					
Interest income	6.8	3.0	12.5	5.1	8.34 percent per annum
Club house management expense	2.3	2.1	4.5	4.3	Contract prices
<u>Transaction with directors</u>					
Directors' pension	10.0	-	10.0	-	Approved by the Annual General Meeting of the Company's shareholders

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
		(Audited)		(Audited)
<u>Advances to related company</u>				
Bright Development Bangkok Company Limited	-	-	81,500	81,500
Advances to related company	-	-	81,500	81,500
<u>Loans to related companies and interest receivable</u>				
<u>Loans to related companies</u>				
Estate Perfect Company Limited	-	-	293,690	241,453
Bright Development Bangkok Company Limited	-	-	42,314	4,362
	-	-	336,004	245,815
<u>Interest receivable</u>				
Estate Perfect Company Limited	-		12,752	1,250
Bright Development Bangkok Company Limited	-	-	1,016	9
	-	-	13,768	1,259
Loans to related companies and interest receivable	-	-	349,772	247,074
<u>Amounts due to related companies</u>				
Perfect Satellite Services Company Limited	-	-	799	977
Centrepont Shopping Mall Company Limited	-	-	80,000	80,000
Amounts due to related companies	-	-	80,799	80,977
<u>Advance from director</u>				
Director	80,000	80,000	-	-
Advance from director	80,000	80,000	-	-

During the six-month period ended 30 June 2008, movements of loans to related companies were as follow:

	(Unit: Thousand Baht)		
	Balance as at	During the period	Balance as at
	1 January 2008	Increase	30 June 2008
Subsidiaries			
Estate Perfect Company Limited	241,453	52,237	293,690
Bright Development Bangkok Company Limited	4,362	37,952	42,314

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 22.3 a) to the interim financial statements.

19. Dividends

The Annual General Meeting of the Company's shareholders held on 30 April 2008 passed a resolution to approve payment of a dividend of Baht 0.24 per share, a total of Baht 189.0 million, in respect of the year 2007 income.

20. 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 2008, since the Company has tax loss brought forward from previous years over its net income for the year 2008.

21. Reconciliation of diluted earnings per share

	Consolidated financial statements					
	For the three-month periods ended 30 June					
	Net income		Weighted average number of ordinary shares		Earnings per share	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share						
Net income	294,757	19,813	787,686	787,414	0.37	0.03
Effect of dilutive potential ordinary shares						
Warrants 8,872,576 units (2007: 9,103,202 units)	-	-	8,890	9,153		
Unsubordinated convertible debentures	<u>20,834</u>	<u>-</u>	<u>131,680</u>	<u>-</u>		
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>315,591</u>	<u>19,813</u>	<u>928,256</u>	<u>796,567</u>	<u>0.34</u>	<u>0.02</u>

Separate financial statements						
For the three-month periods ended 30 June						
		Weighted average number of ordinary shares		Earnings per share		
Net income						
<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht	
Basic earnings per share						
Net income	278,859	18,314	787,686	787,414	0.36	0.02
Effect of dilutive potential ordinary shares						
Warrants 8,872,576 units (2007: 9,103,202 units)	-	-	8,890	9,153		
Unsubordinated convertible debentures	<u>20,834</u>	<u>-</u>	<u>131,680</u>	<u>-</u>		
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>299,693</u>	<u>18,314</u>	<u>928,256</u>	<u>796,567</u>	<u>0.32</u>	<u>0.02</u>

Consolidated financial statements						
For the six-month periods ended 30 June						
		Weighted average number of ordinary shares		Earnings per share		
Net income						
<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht	
Basic earnings per share						
Net income	452,458	25,746	787,685	787,413	0.57	0.03
Effect of dilutive potential ordinary shares						
Warrants 8,872,576 units (2007: 9,103,202 units)	-	-	8,889	9,154		
Unsubordinated convertible debentures	<u>41,364</u>	<u>-</u>	<u>131,680</u>	<u>-</u>		
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>493,822</u>	<u>25,746</u>	<u>928,254</u>	<u>796,567</u>	<u>0.53</u>	<u>0.03</u>

	Separate financial statements					
	For the six-month periods ended 30 June					
	Net income		Weighted average number of ordinary shares		Earnings per share	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share						
Net income	428,715	8,446	787,685	787,413	0.54	0.01
Effect of dilutive potential ordinary shares						
Warrants 8,872,576 units (2007: 9,103,202 units)	-	-	8,889	9,154		
Unsubordinated convertible debentures	<u>41,364</u>	-	<u>131,680</u>	-		
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>470,079</u>	<u>8,446</u>	<u>928,254</u>	<u>796,567</u>	<u>0.51</u>	<u>0.01</u>

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.

22. Commitments and contingent liabilities

22.1 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 900.6 million.
- b) The Company and its subsidiary had the outstanding capital commitments in respect of purchases of land of approximately Baht 1,677.5 million.
- c) The Company had the outstanding capital commitment in respect of land lease for real estate development amounting to approximately Baht 21.5 million.
- 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.

22.2 Operating lease commitments

- a) The Company and its subsidiaries had the outstanding commitments in respect of office rental and various service contracts as detailed below.

	<u>Million Baht</u>
Payable within:	
1 year	26.7
Over 1 year	21.5

- b) The Company and its subsidiary had the outstanding commitments in respect of advertising board rental contracts as detailed below.

	<u>Million Baht</u>
Payable within:	
1 year	14.5
Over 1 year	0.6

22.3 Guarantees

- a) The Company has guaranteed bank credit facilities of its subsidiary amounting to Baht 960 million.
- b) As at 30 June 2008, there were outstanding bank guarantees in respect of public utilities of approximately Baht 271 million issued by the banks on behalf of the Company and its subsidiary.
- c) As at 30 June 2008, there was an outstanding letter of guarantee issued by a bank on behalf of the Company to guarantee minimum revenue of the Fund of Baht 55 million per year for a period of 5 years, ending on 31 December 2012.

23. Financial information by segment

The Company's 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 and assets as reflected in these financial statements pertain to the aforementioned industry segment and geographic area.

24. Reclassification

Certain amounts in the financial statements for the prior period have been reclassified to conform to the current period's classification, with no effect to previously reported net income or shareholders' equity.

25. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised director on 8 August 2008.