

Property Perfect Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2009 and 2008

Report of Independent Auditor

To the Shareholders of Property Perfect Public Company Limited

I have audited the accompanying consolidated balance sheets of Property Perfect Public Company Limited and its subsidiaries as at 31 December 2009 and 2008, the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended, and the separate financial statements of Property Perfect Public Company Limited for the same periods. These financial statements are the responsibility of the management of the Company and its subsidiaries as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Property Perfect Public Company Limited and its subsidiaries and of Property Perfect Public Company Limited as at 31 December 2009 and 2008, and the results of their operations, and cash flows for the years then ended in accordance with generally accepted accounting principles.

Siraporn Ouaanunkun
Certified Public Accountant (Thailand) No.3844

Ernst & Young Office Limited
Bangkok: 26 February 2010

Property Perfect Public Company Limited and its subsidiaries

Balance sheets

As at 31 December 2009 and 2008

(Unit: Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|------|-----------------------------------|-----------------------|-------------------------------|-----------------------|
| | | 2009 | 2008 | 2009 | 2008 |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | | 740,586,086 | 455,045,559 | 668,539,373 | 428,606,931 |
| Trade accounts receivable | | 41,293,226 | 44,096,309 | 37,265,493 | 40,481,559 |
| Less: Allowance for doubtful accounts | | (11,193,299) | (10,293,299) | (11,193,299) | (10,293,299) |
| Trade accounts receivable, net | 7 | 30,099,927 | 33,803,010 | 26,072,194 | 30,188,260 |
| Account receivable - land | 8 | 30,958,000 | 35,358,000 | 30,958,000 | 35,358,000 |
| Project development costs, net | 9 | 8,708,711,350 | 8,931,082,106 | 7,151,912,394 | 7,085,145,739 |
| Leasehold rights awaiting sale, net | 18 | - | - | 64,923,228 | 60,717,672 |
| Other current assets | | | | | |
| Advances to contractors, net | | 86,230,565 | 44,745,733 | 86,230,565 | 42,216,371 |
| Prepaid expenses | | 14,125,428 | 14,679,752 | 14,125,428 | 14,679,752 |
| Others | | 29,428,369 | 15,683,741 | 25,420,517 | 12,105,102 |
| Total current assets | | 9,640,139,725 | 9,530,397,901 | 8,068,181,699 | 7,709,017,827 |
| Non-current assets | | | | | |
| Restricted deposits | 10 | 1,448,880 | 8,857,942 | 1,448,880 | 8,857,942 |
| Advances to related company | 6 | - | - | 1,500,000 | 1,500,000 |
| Loans to related companies and interest recei | 6 | - | - | 792,040,997 | 412,052,946 |
| Investments in subsidiaries | 11 | - | - | 541,057,356 | 541,057,356 |
| Investment in associate | 12 | 419,736,574 | 416,738,479 | 359,999,240 | 359,999,240 |
| Other long-term investments, net | 13 | 53,726,160 | 51,695,442 | 53,726,160 | 51,695,442 |
| Land held for development, net | 14 | 3,623,641,774 | 1,860,368,585 | 2,713,863,099 | 1,585,301,544 |
| Advances for purchases of land | 15 | 128,775,752 | 476,159,648 | 79,020,752 | 388,904,213 |
| Property, plant and equipment, net | 16 | 341,693,881 | 400,586,425 | 290,676,270 | 347,716,575 |
| Leasehold rights, net | 17 | 117,805,081 | 119,566,744 | 52,881,853 | 58,849,072 |
| Other non-current assets | | | | | |
| Withholding tax deducted at source | | 37,088,340 | 40,932,044 | 36,715,792 | 36,715,792 |
| Deposit for purchase of shares | 11 | 60,000,000 | - | 60,000,000 | - |
| Others | | 52,688,129 | 27,569,334 | 48,176,865 | 23,379,946 |
| Total non-current assets | | 4,836,604,571 | 3,402,474,643 | 5,031,107,264 | 3,816,030,068 |
| Total assets | | 14,476,744,296 | 12,932,872,544 | 13,099,288,963 | 11,525,047,895 |

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

Property Perfect Public Company Limited and its subsidiaries

Balance sheets (continued)

As at 31 December 2009 and 2008

(Unit: Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|--|------|-----------------------------------|----------------------|-------------------------------|----------------------|
| | | 2009 | 2008 | 2009 | 2008 |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Short-term loans from financial institutions | 19 | - | 528,268,062 | - | 508,000,000 |
| Trade accounts payable | | 485,171,615 | 472,883,812 | 408,011,684 | 402,828,046 |
| Note payable | 20 | 355,000,000 | - | - | - |
| Loan from individual | 21 | - | 31,000,000 | - | - |
| Bills of exchange payable | 22 | 1,266,264,051 | - | 1,266,264,051 | - |
| Current portion of debentures | 23 | 187,150,000 | 462,150,000 | - | - |
| Creditors per rehabilitation plan | 24 | 37,037,390 | 265,633,156 | 37,037,390 | 265,633,156 |
| Unsubordinated convertible debentures - liabil | 25 | 812,558,417 | - | 812,558,417 | - |
| Current portion of long-term loans | 26 | 194,222,860 | 233,096,097 | 148,683,961 | 228,880,399 |
| Amounts due to related companies | 6 | - | - | 81,246,015 | 83,954,452 |
| Advance from director | 6 | 80,000,000 | 80,000,000 | - | - |
| Deposits and cash received in advance | 7 | 107,467,518 | 112,235,496 | 88,889,110 | 103,684,414 |
| Short-term provisions | 27 | 212,467,366 | 26,483,178 | 212,467,366 | 26,483,178 |
| Other current liabilities | | | | | |
| Accrued interest | | 16,055,682 | 22,933,411 | 14,803,034 | 17,406,514 |
| Accrued expenses | | 159,997,229 | 193,251,857 | 114,746,406 | 150,017,814 |
| Accrued corporate income tax | | 76,274,504 | - | 53,373,063 | - |
| Others | | 62,509,571 | 53,720,080 | 58,016,130 | 53,568,664 |
| Total current liabilities | | 4,052,176,203 | 2,481,655,149 | 3,296,096,627 | 1,840,456,637 |
| Non-current liabilities | | | | | |
| Unsubordinated convertible debentures - liabil | 25 | - | 809,153,899 | - | 809,153,899 |
| Debentures, net of current portion | 23 | 1,606,776,162 | - | 1,606,776,162 | - |
| Long-term loans, net of current portion | 26 | 1,942,916,047 | 2,721,339,526 | 1,716,346,538 | 2,336,094,030 |
| Deposits and cash received in advance | | | | | |
| for sublease agreement | | 54,783,437 | 57,712,083 | 54,783,437 | 57,712,083 |
| Long-term provisions | 27 | - | 159,782,083 | - | 159,782,083 |
| Total non-current liabilities | | 3,604,475,646 | 3,747,987,591 | 3,377,906,137 | 3,362,742,095 |
| Total liabilities | | 7,656,651,849 | 6,229,642,740 | 6,674,002,764 | 5,203,198,732 |

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

Property Perfect Public Company Limited and its subsidiaries

Balance sheets (continued)

As at 31 December 2009 and 2008

(Unit: Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|--|------|-----------------------------------|-----------------------|-------------------------------|-----------------------|
| | | 2009 | 2008 | 2009 | 2008 |
| Shareholders' equity | | | | | |
| Share capital | 28 | | | | |
| Registered | | | | | |
| 1,092,000,000 ordinary shares of Baht 6 each | | <u>6,552,000,000</u> | <u>6,552,000,000</u> | <u>6,552,000,000</u> | <u>6,552,000,000</u> |
| Issued and fully paid | | | | | |
| 787,721,620 ordinary shares of Baht 6 each | | 4,726,329,720 | 4,726,329,720 | 4,726,329,720 | 4,726,329,720 |
| Share discount | 29 | (44,093,444) | (44,093,444) | (44,093,444) | (44,093,444) |
| Share subscriptions received in advance | 29 | 25 | - | 25 | - |
| Unsubordinated convertible debentures - equi | 25 | 31,011,986 | 31,011,986 | 23,535,270 | 23,535,270 |
| Unrealised loss | | | | | |
| Revaluation deficit on changes in value of investment: | | (4,750,330) | (5,396,570) | (4,750,330) | (5,396,570) |
| Retained earnings | | | | | |
| Appropriated - statutory reserve | 30 | 179,100,000 | 159,100,000 | 179,100,000 | 159,100,000 |
| Unappropriated | | <u>1,937,950,688</u> | <u>1,837,858,815</u> | <u>1,545,164,958</u> | <u>1,462,374,187</u> |
| Equity attributable to the Company's shareholders | | 6,825,548,645 | 6,704,810,507 | 6,425,286,199 | 6,321,849,163 |
| Minority interest - equity attributable to | | | | | |
| minority shareholders of subsidiaries | | <u>(5,456,198)</u> | <u>(1,580,703)</u> | - | - |
| Total shareholders' equity | | <u>6,820,092,447</u> | <u>6,703,229,804</u> | <u>6,425,286,199</u> | <u>6,321,849,163</u> |
| Total liabilities and shareholders' equity | | <u>14,476,744,296</u> | <u>12,932,872,544</u> | <u>13,099,288,963</u> | <u>11,525,047,895</u> |
| | | - | - | - | - |

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

..... Director

Property Perfect Public Company Limited and its subsidiaries

Income statements

For the years ended 31 December 2009 and 2008

(Unit: Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|--|------|-----------------------------------|----------------------|-------------------------------|----------------------|
| | | 2009 | 2008 | 2009 | 2008 |
| Revenues | | | | | |
| Revenues from sales of land and houses | | 5,073,423,380 | 5,420,143,581 | 4,067,577,404 | 4,715,701,794 |
| Revenues from sales of residential condominium units | | 778,469,844 | 2,109,457,909 | 778,469,844 | 2,109,457,909 |
| Revenue from sale of land | | - | 8,644,000 | - | 8,644,000 |
| Other income | | | | | |
| Interest income | | 606,892 | 1,578,989 | 42,494,943 | 30,730,466 |
| Revenues from forfeiture of down payments | | 8,488,292 | 14,535,519 | 8,017,699 | 13,554,546 |
| Others | | 86,834,101 | 63,252,281 | 80,445,648 | 56,410,041 |
| Total revenues | | 5,947,822,509 | 7,617,612,279 | 4,977,005,538 | 6,934,498,756 |
| Expenses | | | | | |
| Cost of sales of land and houses | | 3,514,251,255 | 3,767,924,462 | 2,796,302,041 | 3,307,202,035 |
| Cost of sales of residential condominium units | | 551,946,601 | 1,395,411,661 | 551,946,601 | 1,395,411,661 |
| Cost of sale of land | | - | 6,589,828 | - | 6,589,828 |
| Selling expenses | | 262,386,598 | 398,904,663 | 236,867,700 | 363,181,650 |
| Administrative expenses | | 700,697,148 | 778,316,723 | 601,055,593 | 674,045,826 |
| Management benefit expenses | 6 | 71,497,059 | 66,876,730 | 56,235,043 | 53,088,203 |
| Loss arising from minimum revenue guarantee | 27 | 9,422,551 | 73,800,000 | 9,422,551 | 73,800,000 |
| Total expenses | | 5,110,201,212 | 6,487,824,067 | 4,251,829,529 | 5,873,319,203 |
| Income before share of income from investment in associate, | | | | | |
| finance cost and corporate income tax | | 837,621,297 | 1,129,788,212 | 725,176,009 | 1,061,179,553 |
| Share of income from investment in associate | 12 | 2,998,095 | 7,815,893 | - | - |
| Income before finance cost and corporate income tax | | 840,619,392 | 1,137,604,105 | 725,176,009 | 1,061,179,553 |
| Finance cost | | (286,591,111) | (272,035,652) | (230,722,567) | (231,064,340) |
| Income before corporate income tax | | 554,028,281 | 865,568,453 | 494,453,442 | 830,115,213 |
| Corporate income tax | | (154,276,756) | (63,002,412) | (108,127,524) | (31,846,488) |
| Net income for the year | | 399,751,525 | 802,566,041 | 386,325,918 | 798,268,725 |
| Net income (loss) attributable to: | | | | | |
| Equity holders of the parent | | 403,627,020 | 804,546,744 | 386,325,918 | 798,268,725 |
| Minority interests of the subsidiaries | | (3,875,495) | (1,980,703) | | |
| | | <u>399,751,525</u> | <u>802,566,041</u> | | |
| Earnings per share | | | | | |
| 32 | | | | | |
| Basic earnings per share | | | | | |
| Net income attributable to equity holders of the parent | | 0.512 | 1.021 | 0.490 | 1.013 |
| Diluted earnings per share | | | | | |
| Net income attributable to equity holders of the parent | | 0.507 | 0.957 | 0.485 | 0.951 |

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

Property Perfect Public Company Limited and its subsidiaries

Cash flow statements

For the years ended 31 December 2009 and 2008

(Unit: Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|--|----------------------|--------------------------------------|----------------------|
| | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> |
| Cash flows from operating activities | | | | |
| Income before tax | 554,028,281 | 865,568,453 | 494,453,442 | 830,115,213 |
| Adjustments to reconcile income before tax to net cash provided by (paid from) operating activities: | | | | |
| Share of income from investment in associate | (2,998,095) | (7,815,893) | - | - |
| Depreciation and amortisation | 66,381,957 | 67,761,368 | 57,176,936 | 58,976,422 |
| Amortisation of prepaid expenses | 22,235,190 | 30,791,634 | 20,098,965 | 14,924,392 |
| Amortisation of premium on debentures | 3,404,517 | 3,272,503 | 3,404,517 | 3,272,503 |
| Provision for unconverted debentures | 57,067,834 | 51,976,915 | 57,067,834 | 51,976,915 |
| Amortisation of deferred debenture issuing costs | 2,376,162 | - | 2,376,162 | - |
| Rental received in advance recognition | (4,128,646) | (4,334,204) | (4,128,646) | (4,334,204) |
| Allowance for loss on impairment of investments (reve | (229,578) | 352,082 | (229,578) | 352,082 |
| Loss arising from minimum revenue guarantee | 9,422,551 | 73,800,000 | 9,422,551 | 73,800,000 |
| Loss on impairment of assets | 4,143,880 | - | 4,143,880 | - |
| Loss (gain) on sales of property, plant and equipment | (18,415,498) | 6,630,452 | (18,415,498) | 6,630,452 |
| Doubtful accounts | 900,000 | - | 900,000 | - |
| Dividend income | (5,240,888) | - | (5,240,888) | - |
| Interest income | (606,892) | (1,578,989) | (42,494,943) | (30,730,466) |
| Interest expenses | 178,957,075 | 192,290,335 | 138,043,527 | 171,712,724 |
| Income from operating activities before changes in operating assets and liabilities | 867,297,850 | 1,278,714,656 | 716,578,261 | 1,176,696,033 |
| Decrease (increase) in operating assets | | | | |
| Trade accounts receivable | 2,803,083 | (350,572) | 3,216,066 | 2,342,578 |
| Account receivable - land | 4,400,000 | - | 4,400,000 | - |
| Project development costs | 909,619,614 | 524,638,582 | 596,869,953 | 970,895,636 |
| Advances to contractors | (41,484,832) | (11,828,859) | (44,014,194) | (9,299,497) |
| Prepaid expenses | (21,680,866) | (40,031,254) | (19,544,641) | (24,164,012) |
| Other current assets | (13,744,628) | (1,234,942) | (13,315,415) | (717,120) |
| Other non-current assets | (25,118,795) | (1,544,035) | (24,796,917) | (1,228,869) |
| Increase (decrease) in operating liabilities | | | | |
| Trade accounts payable | 12,287,803 | 52,848,217 | 5,183,638 | 27,917,124 |
| Amounts due to related companies | - | - | (2,708,437) | 2,977,174 |
| Deposits and cash received in advance | (4,767,978) | (106,357,797) | (14,795,304) | (112,777,724) |
| Cash paid for minimum revenue guarantee | (40,366,736) | (13,568,415) | (40,366,736) | (13,568,415) |
| Other current liabilities | (20,138,711) | 53,042,948 | (28,779,010) | 30,149,562 |
| Cash from operating activities | 1,629,105,804 | 1,734,328,529 | 1,137,927,264 | 2,049,222,470 |
| Cash paid for interest expenses | (319,525,273) | (365,347,351) | (250,725,228) | (320,856,507) |
| Cash paid for corporate income tax | (80,053,101) | (97,461,068) | (54,754,461) | (68,562,280) |
| Cash received for interest income | 606,892 | 1,578,989 | - | 1,529,626 |
| Return of withholding tax | 3,459,197 | 57,329,685 | - | 57,329,685 |
| Net cash from operating activities | 1,233,593,519 | 1,330,428,784 | 832,447,575 | 1,718,662,994 |

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 years ended 31 December 2009 and 2008

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|--|----------------------|--------------------------------------|------------------------|
| | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> |
| Cash flows from investing activities | | | | |
| Decrease in restricted deposits | 7,409,062 | 217,265,217 | 7,409,062 | 217,265,217 |
| Decrease in advances to related company | - | - | - | 51,620,271 |
| Increase in loans to related companies | - | - | (350,992,429) | (129,911,998) |
| Cash received for interest income | - | - | 13,499,321 | 22,522,811 |
| Cash received for dividend income | 5,240,888 | - | 5,240,888 | - |
| Increase in deposit for purchase of shares | (60,000,000) | - | (60,000,000) | - |
| Increase in other long-term investments | (1,154,900) | (52,458,150) | (1,154,900) | (52,458,150) |
| Increase in land held for development | (1,487,097,620) | (88,787,146) | (1,278,141,421) | (88,787,146) |
| Increase in advances for purchases of land | (112,053,552) | (414,089,013) | (63,798,552) | (376,296,213) |
| Increase in leasehold rights | (1,449,432) | (1,438,452) | (1,449,432) | (1,438,452) |
| Increase in property, plant and equipment | (36,283,003) | (74,848,070) | (29,084,083) | (67,799,879) |
| Proceeds from sales of property, plant and equipment | 24,531,388 | 49,000 | 24,531,388 | 49,000 |
| Net cash used in investing activities | <u>(1,660,857,169)</u> | <u>(414,306,614)</u> | <u>(1,733,940,158)</u> | <u>(425,234,539)</u> |
| Cash flows from financing activities | | | | |
| Increase (decrease) in bank overdrafts and short-term loans | | | | |
| from financial institutions | (528,268,062) | 206,627,484 | (508,000,000) | 201,359,422 |
| Increase in note payable | 15,000,000 | - | - | - |
| Increase (decrease) in loans from individual/other comp | (31,000,000) | 21,000,000 | - | - |
| Increase in bills of exchange payable | 1,257,099,868 | - | 1,257,099,868 | - |
| Decrease in long-term loans | (817,296,716) | (553,117,950) | (699,943,930) | (441,984,819) |
| Increase (decrease) in debentures | 1,329,400,000 | 12,150,000 | 1,604,400,000 | (450,000,000) |
| Decrease in creditors per rehabilitation plan | (228,595,766) | (382,777,076) | (228,595,766) | (382,777,076) |
| Dividend paid | (283,535,147) | (189,014,648) | (283,535,147) | (189,014,648) |
| Net cash from (used in) financing activities | <u>712,804,177</u> | <u>(885,132,190)</u> | <u>1,141,425,025</u> | <u>(1,262,417,121)</u> |
| Net increase in cash and cash equivalents | <u>285,540,527</u> | <u>30,989,980</u> | <u>239,932,442</u> | <u>31,011,334</u> |
| Cash and cash equivalents at beginning of year | 455,045,559 | 424,055,579 | 428,606,931 | 397,595,597 |
| Cash and cash equivalents at end of year | <u>740,586,086</u> | <u>455,045,559</u> | <u>668,539,373</u> | <u>428,606,931</u> |
| | - | - | - | - |
| Supplemental cash flow information | | | | |
| Non-cash transactions | | | | |
| Transfer advances for purchases of land to project development | | | | |
| costs and land held for development | 459,437,448 | 89,392,000 | 373,682,013 | 9,392,000 |
| Transfer land held for development to project developi | 480,418,666 | 1,212,647,661 | 480,418,666 | 1,487,714,703 |
| Transfer property, plant and equipment to project | | | | |
| development costs | 21,898,776 | - | 21,898,776 | - |
| Transfer advances to related company to loans to | | | | |
| related companies | - | - | - | 28,379,729 |
| Issue promissory notes to pay land costs | 340,000,000 | - | - | - |

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 years ended 31 December 2009 and 2008

(Unit: Baht)

| Consolidated financial statements | | | | | | | | | | |
|---|--|----------------|--|---|--|--|----------------|--|--|---------------|
| | Equity attributable to the parent's shareholders | | | | | | | Minority interest - | | |
| | Unsubordinated | | | | | | | Total | equity attributable | |
| | Issued and fully paid share capital | Share discount | Share subscription received in advance | convertible debentures - equity component | revaluation deficit on changes in value of investments | Retained earnings Statutory reserve | Unappropriated | equity attributable to the parent's shareholders | to minority shareholders of subsidiaries | Total |
| Balance - as at 31 December 2007 | 4,724,947,164 | (42,713,192) | 1,938 | 23,535,270 | - | ##### | 1,262,326,719 | 6,087,197,899 | - | 6,087,197,899 |
| Expenses recognised directly in equity: | | | | | | | | | | |
| Investments in available-for-sale securities | | | | | | | | | | |
| Loss recognized in shareholders' equity | - | - | - | - | (5,396,570) | - | - | (5,396,570) | - | (5,396,570) |
| Net expenses recognised directly in equity | - | - | - | - | (5,396,570) | - | - | (5,396,570) | - | (5,396,570) |
| Net income (loss) for the year | - | - | - | - | - | - | 804,546,744 | 804,546,744 | (1,980,703) | 802,566,041 |
| Total income and expenses for the year | - | - | - | - | (5,396,570) | - | 804,546,744 | 799,150,174 | (1,980,703) | 797,169,471 |
| Dividend paid (Note 35) | - | - | - | - | - | - | (189,014,648) | (189,014,648) | - | (189,014,648) |
| Unappropriated retained earnings transferred to statutory reserve | - | - | - | - | - | 40,000,000 | (40,000,000) | - | - | - |
| Additional ordinary shares as a result of exercised warrants | 1,382,556 | (1,380,252) | (1,938) | - | - | - | - | 366 | - | 366 |
| Increase in unsubordinated convertible debentures - equity component | - | - | - | 7,476,716 | - | - | - | 7,476,716 | - | 7,476,716 |
| Minority interest - equity attributable to minority shareholders of subsidiaries | - | - | - | - | - | - | - | - | 400,000 | 400,000 |
| Balance - as at 31 December 2008 | 4,726,329,720 | (44,093,444) | - | 31,011,986 | (5,396,570) | ##### | 1,837,858,815 | 6,704,810,507 | (1,580,703) | 6,703,229,804 |
| Balance - as at 31 December 2008 | 4,726,329,720 | (44,093,444) | - | 31,011,986 | (5,396,570) | ##### | 1,837,858,815 | 6,704,810,507 | (1,580,703) | 6,703,229,804 |
| Income recognised directly in equity: | | | | | | | | | | |
| Investments in available-for-sale securities | | | | | | | | | | |
| Gain recognized in shareholders' equity | - | - | - | - | 646,240 | - | - | 646,240 | - | 646,240 |
| Net income recognised directly in equity | - | - | - | - | 646,240 | - | - | 646,240 | - | 646,240 |
| Net income (loss) for the year | - | - | - | - | - | - | 403,627,020 | 403,627,020 | (3,875,495) | 399,751,525 |
| Total income and expenses for the year | - | - | - | - | 646,240 | - | 403,627,020 | 404,273,260 | (3,875,495) | 400,397,765 |
| Dividend paid (Note 35) | - | - | - | - | - | - | (283,535,147) | (283,535,147) | - | (283,535,147) |
| Unappropriated retained earnings transferred to statutory reserve | - | - | - | - | - | 20,000,000 | (20,000,000) | - | - | - |
| Share subscriptions received in advance | - | - | 25 | - | - | - | - | 25 | - | 25 |
| Balance - as at 31 December 2009 | 4,726,329,720 | (44,093,444) | 25 | 31,011,986 | (4,750,330) | ##### | 1,937,950,688 | 6,825,548,645 | (5,456,198) | 6,820,092,447 |

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 years ended 31 December 2009 and 2008

(Unit: Baht)

| | Separate financial statements | | | | | | | |
|---|-------------------------------|---------------------|------------------------|----------------------------------|--------------------------------------|--------------------|----------------|----------------------|
| | Unsubordinated | | | | | | | |
| | Issued and fully paid | | Share subscription: | convertible | Revaluation deficit | Retained earnings | | Total |
| | share capital | Share discount | received in advance | debentures - equity component | on changes in value of investment | Statutory reserve | Unappropriated | |
| Balance - as at 31 December 2007 | 4,724,947,164 | (42,713,192) | 1,938 | 23,535,270 | - | 119,100,000 | 893,120,110 | 5,717,991,290 |
| Expenses recognised directly in equity: | | | | | | | | |
| Investments in available-for-sale securities | | | | | | | | |
| Loss recognized in shareholders' equity | - | - | - | - | (5,396,570) | - | - | (5,396,570) |
| Net expenses recognised directly in equity | - | - | - | - | (5,396,570) | - | - | (5,396,570) |
| Net income for the year | - | - | - | - | - | - | 798,268,725 | 798,268,725 |
| Total income and expenses for the year | - | - | - | - | (5,396,570) | - | 798,268,725 | 792,872,155 |
| Dividend paid (Note 35) | - | - | - | - | - | - | (189,014,648) | (189,014,648) |
| Unappropriated retained earnings transferred | | | | | | | | |
| to statutory reserve | - | - | - | - | - | 40,000,000 | (40,000,000) | - |
| Additional ordinary shares as a result of | | | | | | | | |
| exercised warrants | 1,382,556 | (1,380,252) | (1,938) | - | - | - | - | 366 |
| Balance - as at 31 December 2008 | <u>4,726,329,720</u> | <u>(44,093,444)</u> | <u>-</u> | <u>23,535,270</u> | <u>(5,396,570)</u> | <u>159,100,000</u> | <u>#####</u> | <u>6,321,849,163</u> |
| Balance - as at 31 December 2008 | 4,726,329,720 | (44,093,444) | - | 23,535,270 | (5,396,570) | 159,100,000 | ##### | 6,321,849,163 |
| Income recognised directly in equity: | | | | | | | | |
| Investments in available-for-sale securities | | | | | | | | |
| Gain recognized in shareholders' equity | - | - | - | - | 646,240 | - | - | 646,240 |
| Net income recognised directly in equity | - | - | - | - | 646,240 | - | - | 646,240 |
| Net income for the year | - | - | - | - | - | - | 386,325,918 | 386,325,918 |
| Total income for the year | - | - | - | - | 646,240 | - | 386,325,918 | 386,972,158 |
| Dividend paid (Note 35) | - | - | - | - | - | - | (283,535,147) | (283,535,147) |
| Unappropriated retained earnings transferred | | | | | | | | |
| to statutory reserve | - | - | - | - | - | 20,000,000 | (20,000,000) | - |
| Share subscriptions received in advance | - | - | 25 | - | - | - | - | 25 |
| Balance - as at 31 December 2009 | <u>4,726,329,720</u> | <u>(44,093,444)</u> | <u>25</u> | <u>23,535,270</u> | <u>(4,750,330)</u> | <u>179,100,000</u> | <u>#####</u> | <u>6,425,286,199</u> |

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

Property Perfect Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the years ended 31 December 2009 and 2008

1. General 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.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 30 January 2009, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from such financial statements in Thai language.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of the Company (“the Company”) and the following subsidiary companies (“the subsidiaries”):

| Company's name | Nature of business | Country of incorporation | Percentage of shareholding | |
|--|----------------------|--------------------------|----------------------------|--------|
| | | | 2009 | 2008 |
| | | | % | % |
| Estate Perfect Company Limited | Property development | Thailand | 100.00 | 100.00 |
| Perfect Satellite Services Company Limited | Clubhouse management | Thailand | 99.98 | 99.98 |
| Bright Development Bangkok Company Limited | Property development | Thailand | 99.94 | 99.94 |
| Centrepoint Shopping Mall Company Limited | Property development | Thailand | 59.99 | 59.99 |

| Company's name | Assets as a percentage to the consolidated total assets as at 31 December | | Revenues as a percentage to the consolidated total revenues for the years ended 31 December | |
|--|---|-------------|---|-------------|
| | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> |
| | % | % | % | % |
| Estate Perfect Company Limited | 14.58 | 13.74 | 17.01 | 9.34 |
| Perfect Satellite Services Company Limited | 0.04 | 0.05 | - | - |
| Bright Development Bangkok Company Limited | 3.65 | 4.06 | - | - |
| Centrepoint Shopping Mall Company Limited | 0.05 | 0.02 | - | - |

- b) Subsidiaries are fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent significant accounting policies.
- d) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- e) Minority interests represent the portion of net income or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.
- f) On 12 November 2009, a meeting of the Company's Board of Directors passed a resolution to approve an increase in the registered share capital of Bright Development Bangkok Company Limited from Baht 1 million (10,000 ordinary shares with a par value of Baht 100 each) to Baht 500 million (5 million ordinary shares with a par value of Baht 100 each). The Company is to hold all shares. Currently, Bright Development Bangkok Company Limited is registering its share capital increase.
- 2.3 The separate financial statements, which present investments in subsidiaries and associate under the cost method, have been prepared solely for the benefit of the public.

3. Adoption of new accounting standards

In June 2009, the Federation of Accounting Professions issued Notification No. 12/2552, assigning new numbers to Thai Accounting Standards that match the corresponding International Accounting Standards. The numbers of Thai Accounting Standards as referred to in these financial statements reflect such change.

The Federation of Accounting Professions has issued Notification No. 86/2551 and 16/2552, mandating the use of new accounting standards, financial reporting standard and accounting treatment guidance as follows.

3.1 Accounting standards, financial reporting standard and accounting treatment guidance which are effective for the current year

Framework for the Preparation and Presentation of Financial Statements
(revised 2007)

TAS 36 (revised 2007) Impairment of Assets

TFRS 5 (revised 2007) Non-current Assets Held for Sale and Discontinued
Operations

Accounting Treatment Guidance for Leasehold Right

Accounting Treatment Guidance for Business Combination under Common Control

These accounting standards, financial reporting standard and accounting treatment guidance became effective for the financial statements for fiscal years beginning on or after 1 January 2009. The management has assessed the effect of these standards and believes that Accounting Treatment Guidance for Business Combination under Common Control is not relevant to the business of the Company, while Framework for Preparation and Presentation of Financial Statements (revised 2007), TAS 36 (revised 2007), TFRS 5 (revised 2007) and Accounting Treatment Guidance for Leasehold Right do not have any significant impact on the financial statements for the current year.

3.2 Accounting standards which are not effective for the current year

| | | <u>Effective date</u> |
|-----------------------|---|-----------------------|
| TAS 20 | Accounting for Government Grants and Disclosure of Government Assistance | 1 January 2012 |
| TAS 24 (revised 2007) | Related Party Disclosures | 1 January 2011 |
| TAS 40 | Investment Property | 1 January 2011 |

However, TAS 24 (revised 2007) and TAS 40 allow early adoption by the entity before the effective date.

The management of the Company has assessed the effect of these standards and believes that TAS 20 is not relevant to the business of the Company, while TAS 24 (revised 2007) and TAS 40 will not have any significant impact on the financial statements for the year in which it is initially applied.

4. Significant accounting policies

4.1 Revenues recognition

Revenues from sales of land and houses / residential condominium units / land

Revenues from sales of land and houses / residential condominium units / land are recognised as revenues when the ownership has been transferred to the buyer.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

4.2 Cost of sales of land and houses / residential condominium units / land

In determining the cost of sales of land and houses / residential condominium units / land, the anticipated total development costs (after recognizing 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 statement.

4.3 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.4 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

4.5 Project development costs

Project development costs are stated at cost less allowance for loss on diminution in value of projects.

Project development costs consist of the costs of land, land development, construction and related interest.

4.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.7 Advances for purchases of land

Advances for purchases of land will be recognised as part of land costs when the title to the related land is transferred to the Company and its subsidiaries.

4.8 Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the estimated useful lives:

| | | |
|--|-----------|-------|
| Office buildings and clubhouses | 10 and 20 | years |
| Furniture and equipment for offices and clubhouses | 5 | years |
| Motor vehicles | 5 | years |
| Others | 5 | years |

Depreciation is included in determining income.

No depreciation has been provided on land and construction in progress.

4.9 Leasehold rights and amortisation / Leasehold rights awaiting sale

Leasehold right is stated at cost less accumulated amortization and allowance for loss on impairment of assets (if any).

Amortisation of leasehold right is calculated by reference to its cost on a straight-line basis over the leasehold period.

Amortisation is included in determining income.

Leasehold rights awaiting sale is stated at the lower of cost and net realisable value.

4.10 Investments

- a) Investment in associate is accounted for in the consolidated financial statements using the equity method.
- b) Investments in subsidiaries and associate are accounted for in the separate financial statements using the cost method.
- c) Investments in available-for-sale securities are stated at fair value. Changes in the carrying amounts of securities are recorded as separate items in shareholders' equity until the securities are sold, when the changes are then included in determining income.
- d) Investments in non-marketable equity securities, which the Company classified as other investments, are stated at cost net of allowance for loss on impairment (if any).

4.11 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associate and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.12 Unsubordinated convertible debentures

Unsubordinated convertible debentures are classified into liability and equity components and these are presented separately in the balance sheets. In separately presenting such components, the Company determines the liability component by discounting the stream of future payments of principal and interest at the prevailing market rate, while the carrying amount of the equity component is determined by deducting the liability component from the total face value of the unsubordinated convertible debentures and amortising the difference over the life of the debentures.

4.13 Impairment of assets

At each reporting date, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the income statement.

4.14 Employee benefits

Salaries, wages, bonuses and contributions to the social security fund and provident fund are recognised as expenses when incurred.

4.15 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, they are probable that outflow of resources embodying economic benefits will be required to settle the obligation, and reliable estimate can be made of the amount of the obligation.

4.16 Income Tax

Income tax is provided in the accounts based on taxable profits determined in accordance with tax legislation.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. Significant judgments and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and longer-term volatility of financial instruments.

Impairment of equity investments

The Company treats available-for-sale investments and other investments as impaired when the management judges that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and salvage values of the Company's and its subsidiaries' plant and equipment and to review estimate useful lives and salvage values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Project development costs estimation

In recognising revenue from real estate sales, the Company and its subsidiaries need to estimate all project development costs, including land costs, land improvement costs, design costs, construction costs, and borrowing costs for construction. The management estimates these costs based on their business experience and revisit the estimation on a periodical basis or when the actual costs incurred significantly vary from the estimation.

Provision for unconverted debentures

In recording provision for unconverted debentures, the management projects the exercise of the rights to convert the debentures to ordinary shares based on the tenor of the debentures, the Company's market share price and current economic conditions. The estimation is reviewed whenever circumstances change.

Provision for loss arising from minimum revenue guarantee

In recording provision for loss arising from minimum revenue guarantees, the management estimates the cost of the expenses expected to be incurred as a result of providing minimum revenue guarantees based on the present value of the cash flows to be paid to the Fund, calculated on the basis of assumptions that are appropriate to the current operating results and circumstances of the Fund. The estimate is reviewed whenever circumstances changes.

Litigations

A subsidiary has contingent liabilities as a result of litigations. The subsidiary's management has used judgement to assess the results of the litigations and believes that no loss will result. Therefore no contingent liabilities are recorded as at the balance sheet date.

6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

| | Consolidated | | Separate | | Pricing policy |
|---|----------------------|----------------------|----------------------|----------------------|------------------------|
| | financial statements | financial statements | financial statements | financial statements | |
| | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> | |
| <u>Transactions with subsidiaries</u> | | | | | |
| (Eliminated from the consolidated financial statements) | | | | | |
| Interest income | - | - | 41.9 | 29.2 | 8.34 - 9.37% per annum |
| Clubhouse management expenses | - | - | 11.4 | 10.5 | By agreement |

The balances of the accounts as at 31 December 2009 and 2008 between the Company and those related companies are as follows:

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|-------------|----------------------|-------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> |
| <u>Advances to related company</u> | | | | |
| Bright Development Bangkok Company Limited | - | - | 1,500 | 1,500 |
| Advances to related company | - | - | 1,500 | 1,500 |
| <u>Loans to related companies and interest receivable</u> | | | | |
| Loans to subsidiaries | | | | |
| Estate Perfect Company Limited | - | - | 311,606 | 298,713 |
| Bright Development Bangkok Company Limited | - | - | 428,294 | 100,294 |
| Centrepoint Shopping Mall Company Limited | - | - | 15,200 | 5,100 |
| | - | - | 755,100 | 404,107 |
| Interest receivable | | | | |
| Estate Perfect Company Limited | - | - | 5,308 | 3,271 |
| Bright Development Bangkok Company Limited | - | - | 30,768 | 4,616 |
| Centrepoint Shopping Mall Company Limited | - | - | 865 | 59 |
| | - | - | 36,941 | 7,946 |
| Loans to related companies and interest receivable | - | - | 792,041 | 412,053 |
| <u>Amounts due to related companies</u> | | | | |
| Perfect Satellite Services Company Limited | - | - | 1,246 | 1,065 |
| Centrepoint Shopping Mall Company Limited | - | - | 80,000 | 80,000 |
| Bright Development Bangkok Company Limited | - | - | - | 2,889 |
| Amounts due to related companies | - | - | 81,246 | 83,954 |
| <u>Advance from director</u> | | | | |
| Director | 80,000 | 80,000 | - | - |
| Advance from director | 80,000 | 80,000 | - | - |

During the year 2009, movements of loans to related companies were as follow:

| | (Unit: Thousand Baht) | | | |
|--|-----------------------|-----------------|-----------|------------------|
| | Balance as at | During the year | | Balance as at |
| | 1 January 2009 | Increase | Decrease | 31 December 2009 |
| <i>Subsidiaries</i> | | | | |
| Estate Perfect Company Limited | 298,713 | 433,000 | (420,107) | 311,606 |
| Bright Development Bangkok Company Limited | 100,294 | 328,000 | - | 428,294 |
| Centrepoint Shopping Mall Company Limited | 5,100 | 10,100 | - | 15,200 |

Directors' and management's benefits

In 2009 the Company and its subsidiaries paid salaries, bonuses, meeting allowances and gratuities to their directors and management totaling Baht 71.5 million (Separate financial statements: Baht 56.2 million) (2008: Baht 66.9 million (Separate financial statements: Baht 53.1 million)).

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 36.4 a) to the financial statements.

7. Trade accounts receivable / Deposits and cash received in advance

Trade accounts receivable balances as at 31 December 2009 and 2008 are detailed below.

| | (Unit: Baht) | | | |
|--|-----------------------------------|------------------|-------------------------------|------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> |
| Total value of contracts signed | 55,019,352,991 | 49,187,840,012 | 50,691,609,835 | 45,984,494,128 |
| Percentage of total project sale value | 59.13 | 65.60 | 60.39 | 68.11 |
| Installments due | 53,042,354,574 | 47,195,229,327 | 49,115,224,716 | 44,283,972,772 |
| Less: Cash received | (53,001,061,348) | (47,151,133,018) | (49,077,959,223) | (44,243,491,213) |
| Installments receivable | 41,293,226 | 44,096,309 | 37,265,493 | 40,481,559 |
| Less: Allowance for doubtful debts | (11,193,299) | (10,293,299) | (11,193,299) | (10,293,299) |
| Installments receivable, net | 30,099,927 | 33,803,010 | 26,072,194 | 30,188,260 |

Deposits and cash received in advance as at 31 December 2009 and 2008 are detailed below.

| | (Unit: Baht) | | | |
|---------------------------------------|-----------------------------------|------------------|-------------------------------|------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> |
| Installments due | 53,042,354,574 | 47,195,229,327 | 49,115,224,716 | 44,283,972,772 |
| Less: Accumulated sale recognition | (52,934,887,056) | (47,082,993,831) | (49,026,335,606) | (44,180,288,358) |
| Deposits and cash received in advance | 107,467,518 | 112,235,496 | 88,889,110 | 103,684,414 |

As at 31 December 2009 and 2008, trade accounts receivable were classified by aging as follows.

(Unit: Baht)

| Consolidated financial statements | | | | | |
|--------------------------------------|-----------------------|-----------------|-----------------|-------------------|--------------|
| As at 31 December 2009 | | | | | |
| | Less than 3 months | 3 - 6 months | 6 -12 months | Over 12 months | Total |
| Accounts receivable - installments | 13,022,427 | 2,290,000 | 4,695,000 | 6,891,500 | 26,898,927 |
| Accounts receivable at transfer date | 2,398,400 | - | 900,000 | 11,095,899 | 14,394,299 |
| Total | 15,420,827 | 2,290,000 | 5,595,000 | 17,987,399 | 41,293,226 |
| Less: Allowance for doubtful debts | - | - | (900,000) | (10,293,299) | (11,193,299) |
| Trade accounts receivable, net | 15,420,827 | 2,290,000 | 4,695,000 | 7,694,100 | 30,099,927 |

(Unit: Baht)

| Consolidated financial statements | | | | | |
|--------------------------------------|-----------------------|-----------------|-----------------|-------------------|--------------|
| As at 31 December 2008 | | | | | |
| | Less than 3 months | 3 - 6 months | 6 -12 months | Over 12 months | Total |
| Accounts receivable - installments | 15,035,892 | 5,369,818 | 6,108,500 | 2,496,200 | 29,010,410 |
| Accounts receivable at transfer date | 3,740,000 | 50,000 | 50,000 | 11,245,899 | 15,085,899 |
| Total | 18,775,892 | 5,419,818 | 6,158,500 | 13,742,099 | 44,096,309 |
| Less: Allowance for doubtful debts | - | - | - | (10,293,299) | (10,293,299) |
| Trade accounts receivable, net | 18,775,892 | 5,419,818 | 6,158,500 | 3,448,800 | 33,803,010 |

(Unit: Baht)

| Separate financial statements | | | | | |
|--------------------------------------|-----------------------|-----------------|-----------------|-------------------|--------------|
| As at 31 December 2009 | | | | | |
| | Less than 3 months | 3 - 6 months | 6 -12 months | Over 12 months | Total |
| Accounts receivable - installments | 10,568,694 | 1,647,000 | 4,030,000 | 6,875,500 | 23,121,194 |
| Accounts receivable at transfer date | 2,198,400 | - | 900,000 | 11,045,899 | 14,144,299 |
| Total | 12,767,094 | 1,647,000 | 4,930,000 | 17,921,399 | 37,265,493 |
| Less: Allowance for doubtful debts | - | - | (900,000) | (10,293,299) | (11,193,299) |
| Trade accounts receivable, net | 12,767,094 | 1,647,000 | 4,030,000 | 7,628,100 | 26,072,194 |

(Unit: Baht)

| Separate financial statements | | | | | |
|--------------------------------------|-----------------------|-----------------|-----------------|-------------------|--------------|
| As at 31 December 2008 | | | | | |
| | Less than 3 months | 3 - 6 months | 6 -12 months | Over 12 months | Total |
| Accounts receivable - installments | 12,341,142 | 5,249,818 | 6,108,500 | 2,496,200 | 26,195,660 |
| Accounts receivable at transfer date | 3,040,000 | - | - | 11,245,899 | 14,285,899 |
| Total | 15,381,142 | 5,249,818 | 6,108,500 | 13,742,099 | 40,481,559 |
| Less: Allowance for doubtful debts | - | - | - | (10,293,299) | (10,293,299) |
| Trade accounts receivable, net | 15,381,142 | 5,249,818 | 6,108,500 | 3,448,800 | 30,188,260 |

8. Account receivable - land

The account receivable was to be paid in installments, with the first installment due on 30 April 2009 and full settlement due within December 2009. However, the debtor requested postponement of payment, such that it would be made in two installments, with the first installment amounting to Baht 4.4 million (the Company received this on 6 November 2009) and the second installment, comprising the balance, to be paid within December 2009. On 11 February 2010, the debtor submitted its equity restructuring plan to the Company and requested further postponement of payment, to within May 2010. The Company approved the postponement of payment and believed that no loss will result.

9. Project development costs

| | (Unit: Baht) | | | |
|--|-----------------------------------|-----------------------|-------------------------------|-----------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> |
| Land costs | 15,236,926,057 | 14,217,301,525 | 13,655,486,115 | 12,635,861,583 |
| Development costs | 7,456,774,142 | 6,960,773,362 | 6,800,930,425 | 6,343,427,661 |
| Construction costs | 21,018,135,721 | 18,832,022,136 | 19,349,106,061 | 17,529,694,014 |
| Capitalised interest | 4,493,432,497 | 4,351,344,294 | 4,187,264,425 | 4,068,788,471 |
| Total | 48,205,268,417 | 44,361,441,317 | 43,992,787,026 | 40,577,771,729 |
| Less: Transferred to cost of sales | (37,898,910,477) | (33,821,534,282) | (35,247,874,548) | (31,892,897,573) |
| Transferred to settle debt under rehabilitation plan | (1,524,192,396) | (1,524,192,396) | (1,524,192,396) | (1,524,192,396) |
| | 8,782,165,544 | 9,015,714,639 | 7,220,720,082 | 7,160,681,760 |
| Less: Allowance for loss on diminution in value of projects | (73,454,194) | (84,632,533) | (68,807,688) | (75,536,021) |
| Project development costs, net | 8,708,711,350 | 8,931,082,106 | 7,151,912,394 | 7,085,145,739 |

On 9 September 2009, the Company entered into an agreement to purchase and to sell land with a university at a price of Baht 900 million (having cancelled the previous agreement to purchase and to sell dated 9 April 2009). Under the agreement, the Company must construct a road in accordance with details in the agreement, establish an education fund amounting to Baht 20 million for the university and comply with conditions stipulated in the agreement. In addition, the Company is to be liable for a fine if the Company defaults on the agreement. Currently, the Company is complying with conditions stipulated in the agreement and preparing to transfer ownership of the land to the university.

The Company's and its subsidiaries' project land and construction thereon with a net book value of Baht 6,435.1 million as at 31 December 2009 (2008: Baht 8,352.7 million), have been mortgaged with financial institutions as collateral for credit facilities, guarantees and debentures.

During the current year, the Company and its subsidiary transferred land held for development to project development costs amounting to Baht 480.4 million (Separate financial statements: Baht 480.4 million).

During the current year, the Company and its subsidiary included borrowing costs of Baht 142.1 million as cost of "Project development costs" (Separate financial statements: Baht 118.5 million) (2008: Baht 162.3 million (Separate financial statements: Baht 133.9 million)). Interest is charged at rate of 5.0 - 7.3% per annum (2008: 5.8 - 7.8% per annum).

10. Restricted deposits

These represent fixed deposits pledged with the banks to secure credit facilities.

11. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Baht)

| Company's name | Separate financial statements | | | |
|--|-------------------------------|-------------|-------------|-------------|
| | Paid-up capital | | Cost | |
| | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> |
| | Million | | | |
| Estate Perfect Company Limited | 1,000 | 1,000 | 538,459,056 | 538,459,056 |
| Perfect Satellite Services Company Limited | 1 | 1 | 999,400 | 999,400 |
| Bright Development Bangkok Company Limited | 1 | 1 | 999,400 | 999,400 |
| Centrepoint Shopping Mall Company Limited | 1 | 1 | 599,500 | 599,500 |
| Total | | | 541,057,356 | 541,057,356 |

The ordinary shares of Bright Development Bangkok Company Limited have been pledged with a financial institution as collateral for debentures.

On 22 December 2009, the Company entered into the purchase and sale of share agreement with shareholders of a company (“the seller”), in order to purchase all 6 million shares of that company for a total consideration of Baht 484 million. The Company paid a deposit of Baht 60 million and will pay the balance in the manner detailed below.

- a) Cash of Baht 254 million, to be paid within the transfer date
- b) Promissory notes totaling Baht 170 million, with Baht 50 million to be paid within June 2010 and Baht 120 million to be paid within March 2011

Subsequently on 27 January 2010, the Company entered into a memorandum of amendment of the purchase and sale of share agreement with the seller. Such company is to increase its registered share capital from Baht 600 million (6 million ordinary shares with a par value of Baht 100 each) to Baht 1,000 million (10 million ordinary shares with a par value of Baht 100 each) by issuing new shares to the existing shareholders. The Company is to purchase all 10 million shares for a total consideration of Baht 507 million. The Company and the seller agreed to transfer ownership of the shares within 26 February 2010.

12. Investment in associate

12.1 Details of associate:

(Unit: Baht)

| Company's name | Nature of business | Country of incorporation | Consolidated financial statements | | | | | |
|---------------------------------------|----------------------|--------------------------|-----------------------------------|--------------------|---|--------------------|--|------------------|
| | | | Shareholding percentage | | Carrying amounts based on equity method | | Share of income from investment in associate during the year | |
| | | | <u>2009</u> (%) | <u>2008</u> (%) | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> |
| Krungthep Land Public Company Limited | Property development | Thailand | 20.22 | 20.22 | 419,736,574 | 416,738,479 | 2,998,095 | 7,815,893 |
| Total | | | | | <u>419,736,574</u> | <u>416,738,479</u> | <u>2,998,095</u> | <u>7,815,893</u> |

(Unit: Baht)

| Company's name | Nature of business | Country of incorporation | Separate financial statements | | | |
|---------------------------------------|----------------------|--------------------------|-------------------------------|--------------------|--------------------|--------------------|
| | | | Shareholding percentage | | Cost | |
| | | | <u>2009</u> (%) | <u>2008</u> (%) | <u>2009</u> | <u>2008</u> |
| Krungthep Land Public Company Limited | Property development | Thailand | 20.22 | 20.22 | <u>359,999,240</u> | <u>359,999,240</u> |
| Total | | | | | <u>359,999,240</u> | <u>359,999,240</u> |

12.2 Summarised financial information of associate

Financial information of the associated company is summarised below:

(Unit: Million Baht)

| Company's name | Paid-up capital | | Total assets | | Total liabilities | | Total revenues | | Net income for | |
|-----------------------|-----------------|-------------|--------------|-------------|-------------------|-------------|----------------|-------------|-----------------|-------------|
| | as at 31 | | as at | | as at | | for the years | | the years ended | |
| | December | | 31 December | | 31 December | | ended | | 31 December | |
| | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> |
| Krungthep Land Public | 1,780 | 1,780 | 7,800 | 6,496 | 4,990 | 3,847 | 2,106 | 1,974 | 96 | 123 |
| Company Limited | | | | | | | | | | |

The Company recorded share of income from investment in associate after adjusting the associate's income, since there are differences in accounting policies in relation to the recognition of revenue from residential condominium units.

In accordance with a resolution of the Extraordinary General Meeting of Shareholders No. 1/2009 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.

13. Other long-term investments

| | (Unit: Baht) | |
|---|--|-------------------|
| | Consolidated and separate financial statements | |
| | <u>2009</u> | <u>2008</u> |
| Available-for-sale securities | | |
| Investments in property funds | 53,613,050 | 52,458,150 |
| Less: Allowance for change in value | (4,750,330) | (5,396,570) |
| | <u>48,862,720</u> | <u>47,061,580</u> |
| Trading securities | | |
| Domestic marketable equity securities | 1,800,000 | 1,800,000 |
| Less: Allowance for change in value | (1,211,560) | (1,441,138) |
| | <u>588,440</u> | <u>358,862</u> |
| Other investment | | |
| Domestic non-marketable equity security | 4,275,000 | 4,275,000 |
| | <u>4,275,000</u> | <u>4,275,000</u> |
| Other long-term investments, net | <u>53,726,160</u> | <u>51,695,442</u> |

14. Land held for development

| | (Unit: Baht) | | | |
|--|-----------------------------------|----------------------|-------------------------------|----------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> |
| Land costs | 5,147,311,175 | 3,403,987,764 | 4,239,195,435 | 3,128,920,723 |
| Development costs | 118,096,031 | 98,123,248 | 116,433,096 | 98,123,248 |
| Construction costs | 17,449,523 | 17,472,528 | 17,449,523 | 17,472,528 |
| Capitalised interest | 487,540,431 | 487,540,431 | 487,540,431 | 487,540,431 |
| Total | <u>5,770,397,160</u> | <u>4,007,123,971</u> | <u>4,860,618,485</u> | <u>3,732,056,930</u> |
| Less: Transferred to cost of sales | (350,701,624) | (350,701,624) | (350,701,624) | (350,701,624) |
| Transferred to restructure debt | (1,540,946,166) | (1,540,946,166) | (1,540,946,166) | (1,540,946,166) |
| Transferred to settle debt under rehabilitation plan | (151,117,368) | (151,117,368) | (151,117,368) | (151,117,368) |
| | <u>3,727,632,002</u> | <u>1,964,358,813</u> | <u>2,817,853,327</u> | <u>1,689,291,772</u> |
| Less: Allowance for loss on impairment | (103,990,228) | (103,990,228) | (103,990,228) | (103,990,228) |
| Land held for development, net | <u>3,623,641,774</u> | <u>1,860,368,585</u> | <u>2,713,863,099</u> | <u>1,585,301,544</u> |

The land held for development with a net book value of Baht 2,491.7 million as at 31 December 2009 (2008: Baht 680.8 million) has been mortgaged with the financial institutions as collateral for credit facilities, guarantees and debentures.

During the current year, the Company and its subsidiary transferred land held for development to project development costs amounting to Baht 480.4 million (Separate financial statements: Baht 480.4 million).

15. Advances for purchases of land

| | (Unit: Baht) | | | |
|------------------------------------|----------------------|---------------------|----------------------|--------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> |
| Balance as at 31 December 2008 | 476,159,648 | 151,462,635 | 388,904,213 | 22,000,000 |
| Increase during the year | 112,053,552 | 414,089,013 | 63,798,552 | 376,296,213 |
| Title of plots of land transferred | | | | |
| during the year | <u>(459,437,448)</u> | <u>(89,392,000)</u> | <u>(373,682,013)</u> | <u>(9,392,000)</u> |
| Balance as at 31 December 2009 | <u>128,775,752</u> | <u>476,159,648</u> | <u>79,020,752</u> | <u>388,904,213</u> |

Approximately Baht 92.0 million (Separate financial statements: Baht 70.9 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, the Company and its subsidiary.

The remaining advances, amounting to approximately Baht 36.8 million (Separate financial statements: Baht 8.1 million), have been paid to agents in acquiring land (Baht 1.1 million paid to an agent who is a management of the Company) and agreements to purchase and to sell land are still in the process of being signed with the landowners.

As at 31 December 2009, the Company and its subsidiaries were contracted to purchase and to sell land amounting to Baht 452.4 million (Separate financial statements: Baht 332.1 million).

16. Property, plant and equipment

(Unit: Baht)

Consolidated financial statements

| | Land | Office buildings and clubhouses | Furniture and equipment for offices and clubhouses | Motor vehicles | Construction in progress | Others | Total |
|--|------------|---------------------------------|--|----------------|--------------------------|------------|--------------|
| Cost | | | | | | | |
| 31 December 2008 | 61,106,629 | 264,554,272 | 166,309,241 | 34,497,129 | 56,437,092 | 39,177,053 | 622,081,416 |
| Additions | - | - | 13,571,443 | 5,799,998 | 16,522,659 | 388,903 | 36,283,003 |
| Transfer from (to) project development costs | - | - | 3,066,746 | - | (24,965,522) | - | (21,898,776) |
| Disposals | (500,000) | (10,049,130) | (3,812,906) | (510,000) | - | - | (14,872,036) |
| Transfer in (out) | - | 28,545,992 | 3,118,352 | - | (32,578,254) | 913,910 | - |
| 31 December 2009 | 60,606,629 | 283,051,134 | 182,252,876 | 39,787,127 | 15,415,975 | 40,479,866 | 621,593,607 |
| Accumulated depreciation | | | | | | | |
| 31 December 2008 | - | 64,530,643 | 97,954,755 | 27,269,253 | - | 31,740,340 | 221,494,991 |
| Depreciation for the year | - | 29,294,517 | 25,236,581 | 5,764,866 | - | 2,874,898 | 63,170,862 |
| Depreciation on disposals | - | (6,004,980) | (2,395,028) | (509,999) | - | - | (8,910,007) |
| 31 December 2009 | - | 87,820,180 | 120,796,308 | 32,524,120 | - | 34,615,238 | 275,755,846 |
| Allowance for impairment | | | | | | | |
| 31 December 2008 | - | - | - | - | - | - | - |
| Increase during the year | 1,112,160 | 3,031,720 | - | - | - | - | 4,143,880 |
| 31 December 2009 | 1,112,160 | 3,031,720 | - | - | - | - | 4,143,880 |
| Net book value | | | | | | | |
| 31 December 2008 | 61,106,629 | 200,023,629 | 68,354,486 | 7,227,876 | 56,437,092 | 7,436,713 | 400,586,425 |
| 31 December 2009 | 59,494,469 | 192,199,234 | 61,456,568 | 7,263,007 | 15,415,975 | 5,864,628 | 341,693,881 |
| Depreciation for the years as included in administrative expenses | | | | | | | |
| 2008 | | | | | | | 64,631,476 |
| 2009 | | | | | | | 63,170,862 |

(Unit: Baht)

Separate financial statements

| | Land | Office buildings and clubhouses | Furniture and equipment for offices and clubhouses | Motor vehicles | Construction in progress | Others | Total |
|--|------------|---------------------------------|--|----------------|--------------------------|------------|--------------|
| Cost | | | | | | | |
| 31 December 2008 | 61,106,629 | 222,202,048 | 141,884,551 | 33,063,941 | 56,437,090 | 31,369,919 | 546,064,178 |
| Additions | - | - | 12,806,077 | 899,998 | 15,268,008 | 110,000 | 29,084,083 |
| Transfer from (to) project development costs | - | - | 3,066,746 | - | (24,965,522) | - | (21,898,776) |
| Disposals | (500,000) | (6,982,384) | (7,002,380) | (510,000) | - | - | (14,994,764) |
| Transfer in (out) | - | 28,545,991 | 3,118,352 | - | (32,578,253) | 913,910 | - |
| 31 December 2009 | 60,606,629 | 243,765,655 | 153,873,346 | 33,453,939 | 14,161,323 | 32,393,829 | 538,254,721 |
| Accumulated depreciation | | | | | | | |
| 31 December 2008 | - | 58,329,447 | 89,668,891 | 26,365,938 | - | 23,983,327 | 198,347,603 |
| Depreciation for the year | - | 25,371,351 | 20,604,054 | 5,285,330 | - | 2,705,106 | 53,965,841 |
| Depreciation on disposals | - | (6,004,980) | (2,363,895) | (509,998) | - | - | (8,878,873) |
| 31 December 2009 | - | 77,695,818 | 107,909,050 | 31,141,270 | - | 26,688,433 | 243,434,571 |
| Allowance for impairment | | | | | | | |
| 31 December 2008 | - | - | - | - | - | - | - |
| Increase during the year | 1,112,160 | 3,031,720 | - | - | - | - | 4,143,880 |
| 31 December 2009 | 1,112,160 | 3,031,720 | - | - | - | - | 4,143,880 |
| Net book value | | | | | | | |
| 31 December 2008 | 61,106,629 | 163,872,601 | 52,215,660 | 6,698,003 | 56,437,090 | 7,386,592 | 347,716,575 |
| 31 December 2009 | 59,949,469 | 163,038,117 | 45,964,296 | 2,312,669 | 14,161,323 | 5,705,396 | 290,676,270 |
| Depreciation for the years as included in administrative expenses | | | | | | | |
| 2008 | | | | | | | 55,846,530 |
| 2009 | | | | | | | 53,965,841 |

As at 31 December 2009, certain plant and equipment items had been fully depreciated but were still in use. The original cost of those assets amounted to approximately Baht 105.4 million (2008: Baht 66.6 million) (Separate financial statements: Baht 94.3 million (2008: Baht 57.8 million)).

During the year 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 year ended 31 December 2008 by approximately Baht 14.8 million (Separate financial statements: Baht 13.1 million).

17. Leasehold rights

| | Consolidated | | Separate | |
|--|----------------------|----------------------|----------------------|----------------------|
| | financial statements | | financial statements | |
| | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> |
| Leasehold rights - cost | 346,767,125 | 345,317,693 | 346,767,125 | 345,317,693 |
| Less: Accumulated amortisation | <u>(39,118,147)</u> | <u>(35,907,052)</u> | <u>(39,118,147)</u> | <u>(35,907,052)</u> |
| | 307,648,978 | 309,410,641 | 307,648,978 | 309,410,641 |
| Less: Allowance for loss on impairment | <u>(189,843,897)</u> | <u>(189,843,897)</u> | <u>(189,843,897)</u> | <u>(189,843,897)</u> |
| | 117,805,081 | 119,566,744 | 117,805,081 | 119,566,744 |
| Transfer to leasehold rights awaiting sale, net (Note 18) | <u>-</u> | <u>-</u> | <u>(64,923,228)</u> | <u>(60,717,672)</u> |
| Leasehold rights, net | <u>117,805,081</u> | <u>119,566,744</u> | <u>52,881,853</u> | <u>58,849,072</u> |
| Amortisation for the years as included in administrative expenses | <u>3,211,095</u> | <u>3,129,892</u> | <u>3,211,095</u> | <u>3,129,892</u> |

The outstanding balance comprises leasehold rights to approximately 11 rai of land, of which the Company subleased 4 rai for the remainder of the lease period. The sublessee made an advance payment and paid annual rental at rates stipulated in the contract. The Company recognises the advance lease payment over the period of the sublease contract.

18. 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.

On 27 June 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 September 2009. On 26 June 2009, the agreement has been amended to extend the settlement date to be no later than 31 December 2009.

On 22 January 2010, a meeting of the Company's Board of Directors passed a resolution to cancel the above agreement, return Baht 80 million to a director of the subsidiary and approve transfer of the leasehold rights by the Company (after the purchase of the subsidiary's shares, as discussed in Note 40 a) to the financial statements) at a price of Baht 70 million.

19. Short-term loans from financial institutions

The short-term loans are subject to interest at rates tied to the minimum loan rate (MLR) and the minimum overdraft rate (MOR) and are secured by the guarantee of the Company, the Company's director and the mortgage of part of the Company's project land and construction.

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

20. Note payable

A subsidiary issued promissory notes to pay land costs and other expenses to a land owner, who is a land broker. The promissory notes are due, no later than 4 March 2010 and have no interest charges, and are avaled by a financial institution. The aval is secured by a guarantee provided by the Company and the mortgage of the subsidiary's project land.

21. Loans from individual

The loans are subject to interest at a rate of 8% per annum and are payable on demand.

22. Bills of exchange payable

On 14 August 2009 and 12 November 2009, a meeting of the Company's Board of Directors passed resolutions to approve the issue of not more than Baht 2,000 million bills of exchange. The bills of exchange are subject to interest at a rate of 4.5 - 5.0% per annum and are to be repaid within June to September 2010.

23. Debentures

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|-------------------------------------|----------------------|------------------|----------------------|-------------|
| | financial statements | | financial statements | |
| | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> |
| Secured debentures - Subsidiary | 187,150 | 462,150 | - | - |
| Secured debentures 1/2009 | 506,776 | - | 506,776 | - |
| Secured debentures 2/2009#1 | 300,000 | - | 300,000 | - |
| Secured debentures 2/2009#2 | 800,000 | - | 800,000 | - |
| Total | <u>1,793,926</u> | <u>462,150</u> | <u>1,606,776</u> | <u>-</u> |
| Less: Current portion | <u>(187,150)</u> | <u>(462,150)</u> | <u>-</u> | <u>-</u> |
| Debentures - net of current portion | <u>1,606,776</u> | <u>-</u> | <u>1,606,776</u> | <u>-</u> |

The Company

The Annual General Meeting of the Company's shareholders held on 21 June 2006 and 30 April 2008 passed resolutions to approve the issue and offer of not more than Baht 3,200 million secured or unsecured debentures. The details are as follows:

- On 3 June 2009, the Company issued and offered 520,000 secured debentures with a par value of Baht 1,000 each, or a total value of Baht 520 million. The debentures mature on 3 June 2012, bear interest at a rate of 6% per annum and are secured by the mortgage of parts of the Company's project land and construction and a guarantee provided by a financial institution for debentures of Baht 260 million.
- On 14 August 2009, the Company issued and offered 300,000 secured debentures#1 with a par value of Baht 1,000 each, or a total value of Baht 300 million. The debentures mature on 14 February 2011, bear interest at a rate of 4.85% per annum and are secured by the mortgage of parts of the Company's project land and construction.
- On 14 August 2009, the Company issued and offered 800,000 secured debentures#2 with a par value of Baht 1,000 each, or a total value of Baht 800 million. The debentures mature on 14 August 2012, bear interest at a rate of 6% per annum and are secured by the mortgage of parts of the Company's project land and construction.

The subsidiary

On 18 August 2008, Bright Development Bangkok Company Limited ("Bright"), a subsidiary, issued and offered 462,150 secured debentures with a par value of Baht 1,000 each, or a total value of Baht 462,150,000 to a financial institution, as previously approved by the Extraordinary General Meeting of shareholders held on 15 May 2007. The debentures mature on 28 November 2008, bear interest at a rate of THBFIX plus 5.55256% per annum and are secured by a guarantee provided by the Company, the mortgage of parts of the Company and Bright's project land and construction and the pledge of ordinary shares of Bright held by the Company.

On 27 May 2009, Bright entered into an amendment to the agreement with a financial institution, amending the details of the debentures, so that the debentures are to be paid in installments, are to be paid in full within February 2010, and bear interest at a rate of THBFIX plus 8.55256% per annum until November 2009 and interest at a rate of THBFIX plus 10.05256% per annum during December 2009 and February 2010. Currently, Bright is preparing to settle the debentures.

Under the debenture agreement, there are normal covenants relating to various matters as required in the normal course of business.

24. Creditors per rehabilitation plan

During the current year, the Company made payments to creditors per rehabilitation plan for a total of Baht 229 million. The Company is in the process of arranging for the creditors to receive settlement of the remaining amount of Baht 37 million.

25. Unsubordinated convertible debentures

In accordance with a resolution of the Extraordinary General Meeting of shareholders held on 19 September 2005, on 25 November 2005, the Company issued and offered 200,000 unsubordinated convertible debentures with a par value of USD 100 each, or a total value of USD 20 million, to an overseas company. The debentures have been convertible since 25 May 2007, mature in 25 November 2010, and bear interest at a rate of 3.50% per annum. The conversion price is Baht 6.25 per ordinary share, and the debentures are convertible in a ratio of 1 debenture per 658.4 ordinary shares. Those debentures which are not converted will be redeemed at USD 131.60 per unit, using a stipulated exchange rate of Baht 41.15 per USD. The Company recorded the provision for debentures which are not converted over the life of debentures and presented it as a separate item under the heading "Provisions" in balance sheet as discussed in Note 27 to the financial statements.

Under the Company's debenture agreement, there are normal covenants relating to various matters as required in the normal course of business.

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:

- a) 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 as discussed above).
- b) 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% per annum

Conversion price : Not less than 110% 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 has not issued and offered these unsubordinated convertible debentures.

26. Long-term loans

The Company

Long-term loans consist of loans granted by five financial institutions under the following credit facilities.

| | Balance | | Interest rate | Repayment period | Security |
|-------------------------------------|----------------|-------|--|--|--|
| | 2009 | 2008 | | | |
| | (Million Baht) | | | | |
| 1) A facility of Baht 464 million | 113.1 | 232.8 | Interest at a rate tied to the minimum loan rate (MLR) | Repaying each time a plot of land with house is redeemed from mortgage, at a rate of not less than 65% of the selling price, which is not to be less than the amount informed to the bank. Any remaining balance is to be repaid within February 2010. | The guarantee of the Company's director and the mortgage of part of the Company's project land and construction. |
| 2) A facility of Baht 1,186 million | 17.3 | 230.8 | Interest at a rate tied to the minimum loan rate (MLR) | Repaying each time a plot of land with house is redeemed from mortgage, at a rate of 65% of the selling price, which is not to be less than the amount informed to the bank. Any remaining balance is to be repaid within April 2011. | The guarantee of other company and the Company's director and the mortgage of part of the Company's project land and construction and the shares in the Company held by a shareholder and shares of other company. |
| 3) A facility of Baht 722 million | - | 228.9 | Interest at a rate tied to the minimum loan rate (MLR) | Repaying each time a plot of land with house is redeemed from mortgage, at a rate of not less than 70% of the selling price, which is not to be less than the amount informed to the bank. The Company made payments in full in 2009. | The guarantee of the Company's director and the mortgage of part of the Company's project land and construction. |
| 4) A facility of Baht 1,501 million | 160.9 | 421.3 | Interest at a rate tied to the minimum loan rate (MLR) | Repaying each time a plot of land with townhouse is redeemed from mortgage, at a rate of not less than 80% of the selling price. Any remaining balance is to be repaid within June 2013. | The mortgage of part of the Company's project land and construction. |
| 5) A facility of Baht 1,280 million | - | 93.6 | Interest at a rate tied to the minimum loan rate (MLR) | Repaying each time condominium unit is redeemed from mortgage, at a rate of 65% of the selling price, which is not to be less than the amount informed to the bank. Any remaining balance is to be repaid within July 2010. The Company made payments in full in 2009. | The mortgage of part of the Company's project land and construction. |

| | Balance | | Interest rate | Repayment period | Security |
|--------------------------------------|----------------|-------|--|--|--|
| | 2009 | 2008 | | | |
| | (Million Baht) | | | | |
| 6) A facility of Baht 550 million | - | 137.5 | Interest at a rate tied to the minimum loan rate (MLR) | Repaying each time a plot of land with house is redeemed from mortgage, at a rate of not less than 72% of the selling price, which is not to be less than the amount informed to the bank. Any remaining balance is to be repaid within May 2011. The Company made payments in full in 2009. | The guarantee of the Company's director and the mortgage of part of the Company's project land and construction. |
| 7) A facility of Baht 430 million | - | 91.4 | Interest at a rate tied to the minimum loan rate (MLR) | Repaying each time a plot of land with house is redeemed from mortgage, at a rate of 75% of the selling price, which is not to be less than the amount informed to the bank. Any remaining balance is to be repaid within April 2010. The Company made payments in full in 2009. | The guarantee of the mortgage of part of the Company's project land and construction. |
| 8) A facility of Baht 160 million | 20.7 | 160.0 | Interest at a rate tied to the minimum loan rate (MLR) | Repaying each time a plot of land with house is redeemed from mortgage, at a rate of 75% of the selling price, which is not to be less than the amount informed to the bank. Any remaining balance is to be repaid within May 2011. | The guarantee of Company's director and the mortgage of part of the Company's project land and construction. |
| 9) A facility of Baht 481 million | 305.3 | 334.1 | Interest at a rate tied to the minimum loan rate (MLR) | Repaying each time a plot of land with house is redeemed from mortgage, at a rate of not less than 65% of the selling price, which is not to be less than the amount informed to the bank. Any remaining balance is to be repaid within May 2013. | The guarantee of the mortgage of part of the Company's project land and construction. |
| 10) A facility of Baht 1,578 million | 389.7 | 555.7 | Interest at a rate tied to the minimum loan rate (MLR) | Repaying each time a plot of land with house is redeemed from mortgage, at a rate of not less than 80% of the selling price. Any remaining is to be repaid within June 2013. | The guarantee of the mortgage of part of the Company's project land and construction. |
| 11) A facility of Baht 201 million | 35.5 | 78.8 | Interest at a rate tied to the minimum loan rate (MLR) | Repaying each time a plot of land with house is redeemed from mortgage, at a rate of 70% of the selling price, which is not to be less than the amount informed to the bank. Any remaining balance is to be repaid within February 2010. | The guarantee of the mortgage of part of the Company's project land and construction. |

| | Balance | | Interest rate | Repayment period | Security |
|---|-----------------------|-----------------------|---|--|---|
| | 2009 | 2008 | | | |
| | (Million Baht) | | | | |
| 12) A facility of Baht 317 million | 78.7 | - | Interest at a rate 7.00 - 7.25% per annum | Repaying each time a plot of land with house is redeemed from mortgage, at a rate of not less than 70% of the selling price, which is not to be less than the amount informed to the bank. Any remaining balance is to be repaid within January 2012. | The guarantee of the mortgage of part of the Company's project land and construction. |
| 13) A facility of Baht 1,000 million | 168.9 | - | Interest at a rate tied to the minimum loan rate (MLR) | Repaying each time a plot of condominium from mortgage, at a rate of not less than 70% of the selling price, which is not to be less than the amount informed to the bank. Any remaining balance is to be repaid within June 2012. | The guarantee of the mortgage of part of the Company's project land and construction. |
| 14) A facility of Baht 820 million | 235.0 | - | Interest at a rate tied to the minimum loan rate (MLR) | Repaying each time a plot of land with house is redeemed from mortgage, at a rate of not less than 70% of the selling price, which is not to be less than the amount informed to the bank. Any remaining balance is to be repaid within December 2014. | The guarantee of the mortgage of part of the Company's project land and construction. |
| 15) A facility of Baht 358 million | 246.4 | - | Interest at a rate 7.0% per annum | Repaying each time a plot of land with house is redeemed from mortgage, at a rate of not less than 70% of the selling price, which is not to be less than the amount informed to the bank. Any remaining balance is to be repaid within April 2013. | The guarantee of the mortgage of part of the Company's project land and construction. |
| 16) A facility of Baht 360 million | 93.5 | - | Interest at a rate tied to the minimum loan rate (MLR) | Repaying each time a plot of land with townhouse is redeemed from mortgage, at a rate of not less than 70% of the selling price, which is not to be less than the amount informed to the bank. Any remaining balance is to be repaid within July 2012. | The guarantee of the mortgage of part of the Company's project land and construction. |
| Total | <u>1,865.0</u> | <u>2,564.9</u> | | | |
| Less: Current portion | <u>(148.7)</u> | <u>(228.9)</u> | | | |
| Long-term loans - net of current portion | <u><u>1,716.3</u></u> | <u><u>2,336.0</u></u> | | | |

The subsidiary

Long-term loans consist of loans granted by three financial institutions under the following credit facilities.

| | Balance | | Interest rate | Repayment period | Security |
|--|----------------|--------------|--|---|--|
| | 2009 | 2008 | | | |
| | (Million Baht) | | | | |
| 1) A facility of Baht 328 million | 35.6 | 268.6 | Interest at a rate tied to the minimum loan rate (MLR) | Repaying each time a plot of land with house is redeemed from mortgage, at a rate of not less than 70% of the selling price, which is not to be less than the amount informed to the bank. Any remaining balance is to be repaid within March 2010. | The guarantee of the Company and its subsidiary's director and the mortgage of part of its subsidiary's project land and construction. |
| 2) A facility of Baht 382 million | - | 116.7 | Interest at a rate tied to the minimum loan rate (MLR) | Repaying each time a plot of land with house is redeemed from mortgage, at a rate of not less than 60% of the selling price, which is not to be less than the amount informed to the bank. Any remaining balance is to be repaid within April 2010. The subsidiary made payments in full in 2009. | The guarantee of the Company and its subsidiary's director and the mortgage of part of its subsidiary's project land and construction. |
| 3) A facility of Baht 15 million | - | 4.2 | Interest at a rate tied to the minimum loan rate (MLR) | Repaying principal and interest is to be made in 21 installments of at least Baht 785,000 each. The subsidiary made payments in full in 2009. | The guarantee of the Company and its subsidiary's director and the mortgage of part of the Company's project land and construction. |
| 4) A facility of Baht 720 million | 220.0 | - | Interest at a rate tied to the minimum loan rate (MLR) | Repaying each time a plot of land with house is redeemed from mortgage, at a rate of 70% of the selling price, which is not to be less than the amount informed to the bank. Any remaining balance is to be repaid within September 2013. | The guarantee of the Company and the mortgage of part of its subsidiary's project land and construction. |
| 5) A facility of Baht 19.7 million | 16.5 | - | Interest at a rate tied to the minimum loan rate (MLR) | Repaying principal and interest is to be made in installments of at least Baht 900,000 each, with full settlement to be made within September 2011. | The guarantee of the Company and the mortgage of part of its subsidiary's project land and construction. |
| Total | 272.1 | 389.5 | | | |
| Less: Current portion | (45.5) | (4.2) | | | |
| Long-term loans - net of current portion | <u>226.6</u> | <u>385.3</u> | | | |

The outstanding long-term loans are as follows:

| | (Unit: Million Baht) | | | |
|--|----------------------|----------------|----------------------|----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> |
| Long-term loans | 2,137.1 | 2,954.4 | 1,865.0 | 2,564.9 |
| Less: Current portion | (194.2) | (233.1) | (148.7) | (228.9) |
| Long-term loans - net of current portion | <u>1,942.9</u> | <u>2,721.3</u> | <u>1,716.3</u> | <u>2,336.0</u> |

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

As at 31 December 2009, the long-term credit facilities of the Company and its subsidiary which have not been drawn down amounted to Baht 3,917.8 million.

27. Provisions

These comprise the following:

| | (Unit: Baht) | |
|---|---------------------------|--------------------|
| | Consolidated and separate | |
| | financial statements | |
| | <u>2009</u> | <u>2008</u> |
| Short-term provisions | | |
| Provision for loss arising from minimum revenue guarantee | 9,557,897 | 26,483,178 |
| Provision for unconverted debentures | 202,909,469 | - |
| | <u>212,467,366</u> | <u>26,483,178</u> |
| | (Unit: Baht) | |
| | Consolidated and separate | |
| | financial statements | |
| | <u>2009</u> | <u>2008</u> |
| Long-term provisions | | |
| Provision for loss arising from minimum revenue guarantee | - | 13,940,447 |
| Provision for unconverted debentures | - | 145,841,636 |
| | <u>-</u> | <u>159,782,083</u> |

Movements in provision account during the year ended 31 December 2009 are summarised below.

| | (Unit: Baht) | |
|--|---|----------------------|
| | Consolidated and separate financial statements | |
| | Short term provisions | Long term provisions |
| Balance as at 1 January 2009 | 26,483,178 | 159,782,083 |
| Additional provision for loss arising from minimum revenue guarantee during the year | 9,422,551 | - |
| Adjust accrued expenses | 78,456 | - |
| Adjust provision for loss arising from minimum revenue guarantee from long-term to short-term | 13,940,448 | (13,940,448) |
| Additional provision for unconverted debentures according to the life of the debentures during the year | - | 57,067,834 |
| Adjust provision for unconverted debentures from long-term to short-term | 202,909,467 | (202,909,469) |
| Total | 252,834,102 | - |
| Less: Paid for minimum revenue guarantee | (40,366,736) | - |
| Balance as at 31 December 2009 | 212,467,366 | - |

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. Under the agreement, the Company agrees to guarantee minimum annual revenue for the Fund (rental and service revenues before deducting expenses) of Baht 55 million for a period of five years, expiring on 31 December 2012. The guaranteed payment is due within 31 January and 31 July of each year in accordance with conditions as stipulated in the agreement. 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. In 2008, the Company 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 73.8 million, and in 2009, the Company revised provision for loss from such guarantee by Baht 9.4 million and recorded them as separate items under the heading of "Loss arising from minimum revenue guarantee" in the income statements.

28. 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 25 a) to the 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 25 b) to the financial statements. The Company registered the increase of its capital with the Ministry of Commerce on 2 July 2008.

As at 31 December 2008, the Company's issued and fully paid share capital has increased to Baht 4,726,329,720 (787,721,620 ordinary shares of Baht 6 each), with Baht 1,382,556 (230,426 ordinary shares of Baht 6 each) of this being the result of the exercise of warrants in December 2007 and June 2008. The Company registered the corresponding increase in its capital with the Ministry of Commerce on 8 January 2008 and 8 July 2008.

Subsequently, the Company registered an increase in its capital of Baht 15,000 (2,500 ordinary shares of Baht 6 each) with the Ministry of Commerce on 11 January 2010, being the result of the exercise of the warrants as discussed in Note 29 to the financial statements.

29. Warrants

| | Units |
|------------------------------------|-----------|
| Outstanding as at 31 December 2008 | 8,872,576 |
| Exercised during the year | (2,500) |
| Outstanding as at 31 December 2009 | 8,870,076 |

The warrants are to be exercisable in a ratio of 1 warrant to 1 new ordinary share at an exercise price of Baht 0.01 per share and have an exercise period of 10 years from the issue date, 7 November 2002, with stipulated exercise dates of the end of the second and the fourth quarter of each year.

The Extraordinary General Meeting of the Company's shareholders No.1/2008 held on 20 June 2008 passed to approve the cancellation of 39 million ordinary shares reserved for the exercise of warrants issued to directors and/or employees of the Company (ESOP).

In December 2007 and June 2008, the Company received advance subscription of Baht 0.01 per share to 230,426 of the additional ordinary shares arising from the exercise of the warrants, a total of Baht 2,304. The Company registered the resulting increase of Baht 1,382,556 in its capital with the Ministry of Commerce on 8 January 2008 and 8 July 2008, resulting in share discount totaling Baht 44,093,444.

In December 2009, the Company received advance subscription of Baht 0.01 per share to 2,500 of the additional ordinary shares arising from the exercise of the warrants, a total of Baht 25. The Company registered the resulting increase of Baht 15,000 in its capital with the Ministry of Commerce on 11 January 2010.

30. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

31. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Baht)

| | Consolidated | | Separate | |
|---|----------------------|---------------|----------------------|---------------|
| | financial statements | | financial statements | |
| | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> |
| Salaries, wages and other employee benefits | 354,952,860 | 384,577,851 | 298,613,287 | 324,110,611 |
| Depreciation and amortisation | 63,017,000 | 67,761,368 | 57,176,936 | 58,976,422 |
| Rental expenses | 24,659,535 | 23,840,531 | 19,900,653 | 19,358,596 |
| Specific business tax and transfer fees | 6,852,456 | 74,097,269 | 5,711,150 | 68,805,738 |
| Marketing expenses | 234,882,562 | 294,714,725 | 206,634,296 | 268,781,269 |
| Project management expenses | 137,735,628 | 156,424,239 | 120,801,582 | 138,825,256 |
| Loss arising from minimum revenue guarantee | 9,422,551 | 73,800,000 | 9,422,551 | 73,800,000 |
| Real estate development during the year | 5,465,012,086 | 4,827,401,202 | 4,425,100,899 | 3,840,439,231 |
| Changes in real estate projects | (1,540,902,433) | 180,233,686 | (1,195,328,210) | 734,867,361 |
| Finance cost | 428,679,312 | 434,326,714 | 349,198,521 | 364,961,272 |

32. Earnings per share

Basic earnings per share is calculated by dividing net income for the year by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing net income for the year by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic and diluted earnings per share:

(Unit: Baht)

| | Consolidated financial statements | | | | | |
|---|-----------------------------------|--------------------|---|--------------------|-----------------------|-------------|
| | Net income | | Weighted average number of ordinary shares | | Earnings per share | |
| | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> |
| Basic earnings per share | | | | | | |
| Net income attributable to equity holders of the parent | 403,627,020 | 804,546,744 | 787,721,634 | 787,703,620 | 0.512 | 1.021 |
| Effect of dilutive potential ordinary shares | | | | | | |
| Warrants 8,870,076 units (2008: 8,872,576 units) | - | - | 8,846,962 | 8,867,662 | | |
| Unsubordinated convertible debentures | - | 84,133,336 | - | 131,680,000 | | |
| Diluted earnings per share | | | | | | |
| Net income of ordinary shareholders assuming the conversion of dilutive potential ordinary shares | <u>403,627,020</u> | <u>888,680,080</u> | <u>796,568,596</u> | <u>928,251,282</u> | 0.507 | 0.957 |

(Unit: Baht)

| | Separate financial statements | | | | | |
|---|-------------------------------|--------------------|---|--------------------|-----------------------|-------------|
| | Net income | | Weighted average number of ordinary shares | | Earnings per share | |
| | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> |
| Basic earnings per share | | | | | | |
| Net income attributable to equity holders of the parent | 386,325,918 | 798,268,725 | 787,721,634 | 787,703,620 | 0.490 | 1.013 |
| Effect of dilutive potential ordinary shares | | | | | | |
| Warrants 8,870,076 units (2008: 8,872,576 units) | - | - | 8,846,962 | 8,867,662 | | |
| Unsubordinated convertible debentures | - | 84,133,336 | - | 131,680,000 | | |
| Diluted earnings per share | | | | | | |
| Net income of ordinary shareholders assuming the conversion of dilutive potential ordinary shares | <u>386,325,918</u> | <u>882,402,061</u> | <u>796,568,596</u> | <u>928,251,282</u> | 0.485 | 0.951 |

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 year ended 31 December 2009, 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 year ended 31 December 2009.

33. 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.

34. Provident fund

The Company, its subsidiary and their employees have jointly established provident funds in accordance with the Provident Fund Act B.E. 2530. The Company, its subsidiary and their employees contributed to the fund monthly at the rate of 3 - 10% of basic salary. The fund, which is managed by Kasikorn Asset Management will be paid to employees upon termination in accordance with the fund rules. During the current year, the Company and its subsidiary contributed Baht 16.5 million (2008: Baht 15.5 million) (Separate financial statements: Baht 13.8 million (2008: Baht 13.1 million)) to the fund.

35. Dividends

| | <u>Approved by</u> | <u>Total dividends</u> | <u>Dividend per share</u> |
|-------------------------|---|---------------------------|---------------------------|
| Final dividend for 2007 | Annual General Meeting of the shareholders on 30 April 2008 | <u>Baht 189.0 million</u> | <u>Baht 0.24</u> |
| Final dividend for 2008 | Annual General Meeting of the shareholders on 30 April 2009 | <u>Baht 283.5 million</u> | <u>Baht 0.36</u> |

36. Commitments and contingent liabilities

36.1 Capital commitments

- a) The Company and its subsidiary had outstanding commitments of approximately Baht 2,047.2 million 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.
- b) The Company and its subsidiary had outstanding capital commitments of approximately Baht 360.4 million in respect of purchases of land.
- c) The subsidiary had outstanding capital commitments of approximately Baht 16.8 million in respect of land lease for real estate development.
- d) The subsidiary had outstanding commitments of approximately Baht 14.0 million in respect of a design contract for a shopping center and office project.

- e) The Company had an outstanding commitment in respect of a contract to construct no fewer than 1,000 residential units using a prefabrication system, and if the Company assigns the contractor to build fewer than 1,000 units, it must pay compensation of an amount stipulated in contract.

36.2 Operating lease commitments

The Company and its subsidiary have entered into several lease agreements in respect of the lease of land, vehicles, advertising board, office space and various services. The terms of the agreements are generally between 1 and 5 years. Operating lease agreements are non-cancellable.

As at 31 December 2009, future minimum lease payments required under these non-cancellable operating lease contracts were as follows.

| | <u>Million Baht</u> |
|------------------|---------------------|
| Payable within: | |
| Less than 1 year | 52.6 |
| 2 to 5 years | 24.0 |

During the year 2009, the Company and its subsidiaries recognised rental expenses of Baht 24.7 million (Separate financial statements: Baht 19.9 million).

36.3 Long-term service commitments

The Company has entered into clubhouse management agreements with its subsidiary. Under the conditions of these agreements, the Company is to pay monthly service fees as stipulated in the agreements. The fees for the year 2009 amounted to approximately Baht 11.4 million.

36.4 Guarantees

- a) The Company has guaranteed debentures and bank credit facilities of its subsidiaries amounting to Baht 2,594.4 million.
- b) As at 31 December 2009, there were outstanding bank guarantees of approximately Baht 861.5 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. These included letters of guarantee amounting to Baht 601.5 million to guarantee the public utilities and Baht 260 million to guarantee the debentures.
- c) As at 31 December 2009, 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.

37. Litigations

Outstanding litigations as at 31 December 2009 are detailed below.

- a) A contractor has sued a subsidiary for payment of outstanding construction fees amounting to approximately Baht 7.5 million. However, the subsidiary has countersued the contractor for Baht 8.4 million since the construction fees that the subsidiary paid were for more work than the contractor performed for the subsidiary. The court dismissed the lawsuit brought against the subsidiary but the plaintiff appealed this order. Currently, the lawsuit is being considered by the appeals court. However, the subsidiary believes that it will suffer no significant loss as a result of this litigation.
- b) A subsidiary has been sued by a customer seeking compensation of approximately Baht 7.7 million for infringement of the plaintiff's rights. The court of first instance dismissed the lawsuit brought against the subsidiary but the plaintiff appealed this order. Currently, the lawsuit is being considered by the appeals court. However, the subsidiary believes that it will suffer no significant loss as a result of this litigation.

38. Financial instruments

38.1 Financial risk management

The Company's and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No.32 "Financial Instruments: Disclosure and Presentations", principally consist of the following.

| <u>Financial assets</u> | <u>Financial liabilities</u> |
|------------------------------------|--|
| - Cash and cash equivalents | - Trade accounts payable |
| - Trade accounts receivable, net | - Note payable |
| - Account receivable - land | - Bills of exchange payable |
| - Advances to related company | - Creditors per rehabilitation plan |
| - Loans to related companies, net | - Amounts due to related companies |
| - Other long-term investments, net | - Advance from director |
| - Advances for purchases of land | - Deposits and cash received in advance |
| - Deposit for purchase of shares | - Unsubordinated convertible debentures |
| | - Debentures |
| | - Long-term loans |
| | - Deposits and cash received in advance for sublease agreement |

The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable, account receivable - land and loans. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentration of credit risk involved the real estate business since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade accounts receivable, account receivable - land and loans as stated in the balance sheet.

Interest rate risk

The Company and its subsidiaries are exposed to interest rate risk relating primarily to their cash at banks, note payable, bills of exchange payable, creditor per rehabilitation plan, debentures, unsubordinated convertible debentures and long-term loans. However, since most of the Company's and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2009 classified by type of interest rates are summarised in the table below on the maturity date or, the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

| | Consolidated financial statements | | | | | | Interest rate (% p.a.) |
|---|-----------------------------------|----------------|-----------------|------------------------------|-------------------------|---------|---------------------------|
| | Fixed interest rates | | | Floating interest rate | Non-interest bearing | Total | |
| | Within 1 year | 1 - 5 years | Over 5 years | | | | |
| Financial assets | | | | | | | |
| Cash and cash equivalents | - | - | - | 739.3 | 1.3 | 740.6 | 0.125% - 2.00% |
| Trade accounts receivable, net | - | - | - | - | 30.1 | 31.1 | - |
| Account receivable - land | - | - | - | - | 31.0 | 31.0 | - |
| Advances to contractors, net | - | - | - | - | 86.2 | 86.2 | - |
| Other long-term investments, net | - | - | - | - | 53.7 | 53.7 | - |
| Advances for purchases of land | - | - | - | - | 128.8 | 128.8 | - |
| Deposit for purchase of shares | - | - | - | - | 60.0 | 60.0 | - |
| | - | - | - | 739.3 | 391.1 | 1,130.4 | |
| Financial liabilities | | | | | | | |
| Trade accounts payable | - | - | - | - | 485.1 | 485.1 | - |
| Note payable | - | - | - | - | 355.0 | 355.0 | - |
| Bills of exchange payable | 1,266.0 | - | - | - | - | 1,266.0 | 4.00% - 5.00% |
| Creditor per rehabilitation plan | - | - | - | - | 37.0 | 37.0 | - |
| Advance from director | - | - | - | - | 80.0 | 80.0 | - |
| Deposits and cash received in advance | - | - | - | - | 107.5 | 107.5 | - |
| Unsubordinated convertible debentures | 812.6 | - | - | - | - | 812.6 | 9.56% |
| Debentures | - | 1,606.8 | - | 187.2 | - | 1,794.0 | 4.85% - 10.31% |
| Long-term loans | - | - | - | 2,137.1 | - | 2,137.1 | MLR |
| Deposits and cash received in advance for sublease agreement | - | - | - | - | 54.8 | 54.8 | - |
| | 2,078.6 | 1,606.8 | - | 2,324.3 | 1,119.4 | 7,129.1 | |

(Unit: Million Baht)

| | Separate financial statements | | | | | | Interest rate (% p.a.) |
|---|-------------------------------|---------|---------|----------|--------------|---------|---------------------------|
| | Fixed interest rates | | | Floating | | Total | |
| | Within | 1 - 5 | Over | interest | Non-interest | | |
| | 1 year | years | 5 years | rate | bearing | | |
| Financial assets | | | | | | | |
| Cash and cash equivalents | - | - | - | 667.2 | 1.3 | 668.5 | 0.125% - 2.00% |
| Trade accounts receivable, net | - | - | - | - | 26.1 | 26.1 | - |
| Account receivable - land | - | - | - | - | 31.0 | 31.0 | - |
| Advances to contractors, net | - | - | - | - | 86.2 | 86.2 | - |
| Loans to related companies, net | - | - | - | 755.1 | - | 755.1 | 8.49% - 9.37% |
| Other long-term investments, net | - | - | - | - | 53.7 | 53.7 | - |
| Advances for purchases of land | - | - | - | - | 79.0 | 79.0 | - |
| Deposit for purchase of shares | - | - | - | - | 60.0 | 60.0 | - |
| | - | - | - | 1,422.3 | 337.3 | 1,759.6 | |
| Financial liabilities | | | | | | | |
| Trade accounts payable | - | - | - | - | 408.0 | 408.0 | - |
| Bills of exchange payable | 1,266.0 | - | - | - | - | 1,266.0 | 4.00% - 5.00% |
| Creditor per rehabilitation plan | - | - | - | - | 37.0 | 37.0 | - |
| Amounts due to related companies | - | - | - | - | 81.2 | 81.2 | - |
| Deposits and cash received in advance | - | - | - | - | 88.9 | 88.9 | - |
| Unsubordinated convertible debentures | 812.6 | - | - | - | - | 812.6 | 9.56% |
| Debentures | - | 1,606.8 | - | - | - | 1,606.8 | 4.85% - 6.00% |
| Long-term loans | - | - | - | 1,865.0 | - | 1,865.0 | MLR |
| Deposits and cash received in advance for sublease agreement | - | - | - | - | 54.8 | 54.8 | - |
| | 2,078.6 | 1,606.8 | - | 1,865.0 | 669.9 | 6,220.3 | |

38.2 Fair value of financial instruments

Since the majority of the Company's and its subsidiaries' financial assets and liabilities are short-term or have interest rates close to the market rates, the fair values of these financial assets and liabilities are not expected to differ materially from the amounts presented in the balance sheets.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

39. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the balance sheet as at 31 December 2009, the Group's debt-to-equity ratio was 1.1:1 (2008: 0.9:1) and the Company's was 1.0:1 (2008: 0.8:1).

40. Subsequent events

On 22 January and 26 February 2010, meetings of the Company's Board of Directors passed the following significant resolutions:

- a) Approve the purchase of the remaining shares of Centrepoint Shopping Mall Company Limited held by a company, for a total consideration of Baht 400,000 (4,000 ordinary shares with a value of Baht 100 each) This will increase the Company's shareholding in Centrepoint Shopping Mall Company Limited from 59.99% to 99.99% as a result.
- b) Approve an increase in the registered share capital of Centrepoint Shopping Mall Company Limited from Baht 1 million (10,000 ordinary shares with a par value of Baht 100 each) to Baht 500 million (5 million ordinary shares with a par value of Baht 100 each).
- c) Approve an increase in the registered share capital of Estate Perfect Company Limited from Baht 1,000 million (100 million ordinary shares with a par value of Baht 10 each) to Baht 1,200 million (120 million ordinary shares with a par value of Baht 10 each). Estate Perfect Company Limited will settle the Company's loans with cash received from the share capital increased.
- d) Approved the proposal of the payment of a dividend of Baht 0.25 per share, totaling Baht 196.9 million in respect of the year 2009 income.
- e) Approve the issue and offer of secured debentures, in an amount not exceeding Baht 4,000 million, having maturity of not more than 5 years.

41. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 26 February 2010.