

Golden Land Property Development Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2006 (Unaudited)

These notes form an integral part of the financial statements.

The interim financial statements were authorised for issue by the directors on 7 November 2006.

1 General information

Golden Land Development Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 153/3 Golden Pavilion Building, 8th Floor, Soi Mahardlekluang 1, Rajdamri Rd., Lumpini, Pathumwan, Bangkok.

The Company was listed on the Stock Exchange of Thailand on 17 June 1994.

The principal activities of the Company and its subsidiaries (together referred to as the “Group”) are property development.

2 Basis of preparation of financial statements

The interim financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (“TAS”) No. 41 *Interim Financial Reporting* including related interpretations and guidelines promulgated by the Federation of Accounting Professions, applicable rules and regulations of the Securities and Exchange Commission and with generally accepted accounting principles in Thailand.

The interim financial statements have been prepared to provide an update on the financial statements for the year ended 31 December 2005. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended 31 December 2005.

Accounting policies and methods of computation applied in the interim financial statements for each of the nine-month period ended 30 September 2006 are consistent with those applied in the financial statements for the year ended 31 December 2005.

The consolidated interim financial statements of the Company comprise the Company and its subsidiaries. Details of the Company’s subsidiaries are as follows:

		% Ownership of interest		
		30 September	31 December	
		2006	2005	
Type of business				
1	Baan Chang Estate Company Limited	Property development	100	100
2	Narayana Pavilion Company Limited	Office building rental	100	100
3	United Homes Company Limited	Property development	100	100
4	Golden Land Development Company Limited	Engineering consultancy	100	100
5	Golden Land (Mayfair) Company Limited	Residential building rental	100	100
6	North Sathorn Realty Company Limited	Property development	100	100
7	Ritz Village Company Limited	Property development	100	100
8	Golden Land Polo Company Limited	Property development	100	100
9	Golden Land (Retail) Company Limited	Property development consultancy	100	100

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		% Ownership of interest		
		30 September	31 December	
		2006	2005	
	Type of business			
10	Golden Land (Nichada Thani) Company Limited	Property development	100	100
11	Grand Paradise Property Company Limited	Property development	100	100
12	Golden Property Services Company Limited	Property development managements	100	100
13	Golden Habitation Company Limited	Property development	100	100
14	Golden Land Fund Two	Property Fund	90	90
15	Sathorn Thong Company Limited	Property development	79	79
16	S.R.E.F. (Manager) Company Limited	Fund advisor	70	70
17	Sathorn Supsin Company Limited	Residential building rental	60	60
18	Walker Homes Company Limited (and 50% held by Narayana Pavilion Company Limited)	Property development	50	50
19	MSGL Property Company Limited (100% held by Golden Land Polo Company Limited)	Property development	-	-

Significant intra-group transactions between the Company and its subsidiaries are eliminated from consolidation.

3 Related person and related party transactions and balances

Related person and parties are those person and parties linked to the Group and the Company by common shareholders or directors. Transactions with related person and parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

The pricing policies for particular types of transactions are explained further below:

	Pricing policies
Management fee income	Based on contractually agreed prices.
Service income	Based on contractually agreed prices.
Interest income	Average loan from bank rate and partly interest free.
Interest expense	Average loan from bank rate and partly interest free. For loan from related parties and minimum loan rate but not exceeding 15 percent per annum for loan from related person.
Rental expense	Based on contractually agreed prices.
Utility expense	Based on contractually agreed prices.

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Significant transactions for the three-month periods ended 30 September 2006 and 2005 with related parties are summarized as follows:

	Consolidated		The Company	
	2006	2005	2006	2005
	<i>(in million Baht)</i>			
Revenue				
Subsidiaries				
Management fee income	-	-	92.62	116.82
Interest income	-	-	11.45	11.95
Associate				
Service income	0.55	0.50	-	-
Expenses				
Subsidiaries				
Interest expense	-	-	0.59	0.50
Rental expense	-	-	5.00	5.00
Utility expense	-	-	0.43	0.50
Related person				
Interest expense	1.45	2.00	1.45	2.00

Significant transactions for the nine-month periods ended 30 September 2006 and 2005 with related parties are summarized as follows

	Consolidated		The Company	
	2006	2005	2006	2005
	<i>(in million Baht)</i>			
Revenue				
Subsidiaries				
Management fee income	-	-	259.44	233.42
Interest income	-	-	34.13	38.45
Associate				
Service income	1.63	1.70	-	-
Expenses				
Subsidiaries				
Interest expense	-	-	1.64	1.80
Rental expense	-	-	16.91	10.00
Utility expense	-	-	1.34	1.60
Related person				
Interest expense	4.84	6.50	4.84	6.50

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The Company has entered into service agreements with subsidiary companies (100% and 60% held by the Company) to provide service for general administration and management. The Company recorded management fee income amounting to Baht 259.44 million in the statement of income for the nine-month periods ended 30 September 2006 (30 September 2005 :233.42 million). Such transactions were eliminated from the consolidated financial statements.

Balances as at 30 September 2006 and 31 December 2005 with related parties are as follows:

	Consolidated		The Company	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005
	<i>(in million Baht)</i>			
Amounts due from related parties				
<i>Subsidiaries</i>				
United Homes Co., Ltd.	-	-	2,387.12	2,140.08
Walker Homes Co., Ltd.	-	-	27.00	27.00
Ritz Village Co., Ltd.	-	-	116.51	87.86
Golden Property Services Co., Ltd.	-	-	0.43	1.28
Sathorn Supsin Co., Ltd.	-	-	19.26	19.26
Sathorn Thong Co., Ltd.	-	-	67.42	67.42
Total	-	-	2,617.74	2,342.90
<i>Less allowance for doubtful accounts</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(11.79)</i>
Total	-	-	2,617.74	2,331.11
Loans to related parties				
(including interest receivable)				
<i>Subsidiaries</i>				
Baan Chang Estate Co., Ltd.	-	-	270.57	279.13
United Homes Co., Ltd.	-	-	66.94	204.88
Golden Land Development Co., Ltd.	-	-	0.07	0.07
Golden Land (Mayfair) Co., Ltd.	-	-	742.81	838.66
Ritz Village Co., Ltd.	-	-	1.63	1.52
Golden Land Polo Co., Ltd.	-	-	110.30	106.19
Golden Land (Retail) Co., Ltd.	-	-	14.75	14.75
Golden Land (Nichada Thani) Co., Ltd.	-	-	2.40	2.39
S.R.E.F. (Manager) Co., Ltd.	-	-	0.18	0.01
Sathorn Thong Co., Ltd.	-	-	19.20	19.20
Sathorn Supsin Co., Ltd.	-	-	606.33	631.15
Walker Homes Co., Ltd.	-	-	146.49	141.11
North Sathorn Realty Co., Ltd.	-	-	22.33	426.73
Grand Paradise Property Co., Ltd.	-	-	0.04	0.03
Golden Habitation Co., Ltd.	-	-	0.66	0.35
MSGL Property Co., Ltd.	-	-	9.20	9.20
Narayana Pavilion Co., Ltd.	-	-	0.04	-
Golden land Fund Two	-	-	0.60	-
<i>Associates</i>				
Baan Jiaranai Co., Ltd.	70.39	70.26	49.64	49.51
Others	0.56	0.37	0.06	0.05
Total	70.95	70.63	2,064.24	2,724.93
<i>Less allowance for doubtful accounts</i>	<i>(32.00)</i>	<i>(25.00)</i>	<i>(357.53)</i>	<i>(223.91)</i>
Total	38.95	45.63	1,706.71	2,501.02

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Movements during the nine-month periods ended 30 September on loans from related parties are as follows:

	Consolidated		The Company	
	2006	2005	2006	2005
	<i>(in million Baht)</i>			
Loans and advances to related parties				
At 1 January	70.63	168.11	2,724.93	3,731.44
Increase	0.32	1.89	359.77	161.48
Decrease	-	(99.40)	(1,020.46)	(944.15)
At 30 September	70.95	70.60	2,064.24	2,948.77
Short-term loan from minority interest of subsidiary				
Siam Holdings Co., Ltd	308.07	334.96	-	-
Accrued interest				
Siam Holdings Co., Ltd	80.00	65.38	-	-
Long-term loans from related parties				
Amounts due to related parties				
<i>Subsidiaries</i>				
Narayana Pavilion Co., Ltd.	-	-	90.54	74.17
Golden Land (Mayfair) Co., Ltd.	-	-	-	3.00
Sathorn Supsin Co., Ltd.	-	-	2.90	2.92
Golden Property Services Co., Ltd.	-	-	0.04	0.07
Total	-	-	93.48	80.16
Long-term loans and advances from related parties (including interest payable)				
<i>Subsidiaries</i>				
Narayana Pavilion Co., Ltd.	-	-	289.87	305.37
Sathorn Thong Co., Ltd.	-	-	66.12	63.47
United Homes Co., Ltd.	-	-	166.16	-
Ritz Village Co., Ltd.	-	-	116.91	32.55
North Sathorn Realty Co., Ltd.	-	-	11.20	160.00
Golden Habitation Co., Ltd	-	-	4.95	4.95
<i>Related person</i>	65.00	110.00	65.00	110.00
Total	65.00	110.00	720.21	676.34
Less current portion of long-term loan	(60.00)	(60.00)	(60.00)	(60.00)
Total	5.00	50.00	660.21	616.34
Total	5.00	50.00	753.69	696.50

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Movements during the nine-month periods ended 30 September on loans from related parties are as follows:

	Consolidated		The Company	
	2006	2005	2006	2005
	<i>(in million Baht)</i>			
Loan and advances from related parties				
At 1 January	110.00	170.47	676.34	601.73
Increase	-	-	416.52	248.91
Decrease	<u>(45.00)</u>	<u>(45.47)</u>	<u>(372.65)</u>	<u>(77.13)</u>
At 30 September	<u>65.00</u>	<u>125.00</u>	<u>720.21</u>	<u>773.51</u>

- 3.1 On 31 December 2002, the Company and a subsidiary entered into a settlement agreement with an associated company under which the associated company agreed to settle loans totaling Baht 35 million (net of allowance for doubtful accounts of Baht 32 million) with the Company and the subsidiary by transferring ownership of its condominium units. However, the associated company has not yet transferred the ownership of condominium units to the Company and the subsidiary. The Company expected to sale some condominium units in the fourth quarter of 2006.
- 3.2 Interest on long-term loan from related person was charged at the minimum loan rate but not exceeding 15 percent per annum, and is payable in 60 monthly installments, with the first repayment due on 30 December 2002 and the last repayment due on 30 December 2007.
- 3.3 On 31 March 2006, the Company and two subsidiaries entered into agreements in order to offset the loan to North Sathorn Realty Co., Ltd. amounting to Baht 243.75 million and loan to United Homes Co., Ltd. amounting to Baht 241.18 million for paying loan from the Company. The Company had loan to North Sathorn Realty Co., Ltd. amounting to Baht 2.57 million after offset the said loan as follows:

<u>Golden Land Property Development Public Company Limited</u>	<i>(in million Baht)</i>
Loan to North Sathorn Realty Co., Ltd.	403.75
Loan from North Sathorn Realty Co., Ltd.	<u>(160.00)</u>
Balance loan to North Sathorn Realty Co., Ltd.	<u>243.75</u>
<u>North Sathorn Realty Co., Ltd.</u>	
Loan to United Homes Co., Ltd.	241.20
Loan from United Homes Co., Ltd.	<u>(0.02)</u>
Balance loan to United Homes Co., Ltd.	<u>241.18</u>
<u>Offsetting Balance</u>	
Balance loan to North Sathorn Realty Co., Ltd.	243.75
Balance loan to United Homes Co., Ltd.	<u>(241.18)</u>
Net balance loan to North Sathorn Realty Co., Ltd.	<u>2.57</u>

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Trade accounts, notes receivable and unbilled completed work, net consisted of:

	Consolidated		The Company	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005
	<i>(in million Baht)</i>			
Notes receivable	20.27	-	-	-
Unbilled completed work	772.01	779.64	-	-
Rental and service receivables	27.61	26.93	2.17	4.07
Installment accounts receivable	56.12	59.66	18.31	18.31
Total trade accounts, notes receivable and unbilled completed work	876.01	866.23	20.48	22.38
<i>Less allowance for doubtful accounts</i>	<i>(43.99)</i>	<i>(42.48)</i>	<i>(19.28)</i>	<i>(19.28)</i>
Net	832.02	823.75	1.20	3.10

If the receivable has been in default of payment for more than three months consecutively, the recognition of income will be ceased immediately and consideration given to setting up a provision for doubtful debt.

As at 30 September 2006, the Company has 3 receivables in default of payment for which the recognition of income has ceased in the amount of Baht 4.66 million (*31 December 2005: 7 receivables in the amount of Baht 17.38 million*).

Trade accounts, notes receivable and unbilled completed work, net classified by the aging of the receivable were as follows:

	Consolidated		The Company	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005
	<i>(in million Baht)</i>			
Notes receivable	20.27	-	-	-
Unbilled completed work	772.01	779.64	-	-
Over 1 - 3 months	38.33	39.47	1.20	2.81
Over 3 - 6 months	1.12	4.45	-	0.12
Over 6 - 12 months	2.02	0.65	-	0.63
Over 12 months	42.26	42.02	19.28	18.82
<i>Less allowance for doubtful accounts</i>	<i>(43.99)</i>	<i>(42.48)</i>	<i>(19.28)</i>	<i>(19.28)</i>
Net	832.02	823.75	1.20	3.10

6 Property development projects for sale - new projects

The subsidiaries have mortgaged land, including present and future structures thereon, with financial institutions to secure their bank loans and bank guarantees. In addition, the subsidiaries have transferred the ownership of certain land to the purchaser in accordance with the agreements to purchase and sell. If the purchaser breaches the conditions of the agreements, the purchaser will have to transfer the ownership of the land back to the subsidiaries.

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7 Investments accounted for using the equity method

Investments accounted for using the equity method as at 30 September 2006 and 31 December 2005 is as follows:

	Ownership interest		Paid-up capital		Consolidated Cost method		Equity method		Deficit on investments	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005	30 September 2006	31 December 2005	30 September 2006	31 December 2005	30 September 2006	31 December 2005
	(<i>%</i>)						<i>(in million Baht)</i>			
<i>Associates</i>										
1 Baan Jiaranai Company Limited	50.00	50.00	20.00	20.00	9.23	9.23	-	-	(7.00)	-
2 Siam Real Estate Fund	60.00	60.00	-	-	-	-	36.52	55.16	-	-
Total			20.00	20.00	9.23	9.23	36.52	55.16	(7.00)	-
<i>Less Allowance for doubtful accounts on accounts receivable from and loans to related parties</i>									(7.00)	-
Total									-	-

	Ownership interest		Paid-up capital		The Company Cost method		Equity method		Deficit on investments	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005	30 September 2006	31 December 2005	30 September 2006	31 December 2005	30 September 2006	31 December 2005
	(<i>%</i>)						<i>(in million Baht)</i>			
<i>Subsidiaries</i>										
1 Baan Chang Estate Company Limited	100.00	100.00	30.00	30.00	30.00	30.00	-	-	(65.94)	(60.30)
2 Narayana Pavilion Company Limited	100.00	100.00	475.00	475.00	475.22	475.22	814.52	819.62	-	-
3 United Homes Company Limited	100.00	100.00	50.00	50.00	50.00	50.00	491.03	419.76	-	-
4 Golden Land Development Company Limited	100.00	100.00	1.00	1.00	1.00	1.00	0.70	0.65	-	-
5 Golden Land (Mayfair) Company Limited	100.00	100.00	11.00	11.00	11.00	11.00	-	-	(17.39)	(37.95)
6 North Sathorn Realty Company Limited	100.00	100.00	638.60	638.60	549.04	549.04	653.22	492.44	-	-
7 Ritz Village Company Limited	100.00	100.00	1.00	1.00	1.00	1.00	1.29	4.96	-	-

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	Ownership interest		Paid-up capital		The Company Cost method		Equity method		Deficit on investments	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
	(%)				(in million Baht)					
Subsidiaries (continued)										
8 Golden Land Polo Company Limited (including of MSGL Property Company Limited - 100% holding)	100.00	100.00	1.00	1.00	1.00	1.00	-	-	(32.17)	(27.92)
9 Golden Land (Retail) Company Limited	100.00	100.00	0.10	0.10	0.10	0.10	-	-	(14.57)	(14.55)
10 Golden Land (Nichada Thani) Company Limited	100.00	100.00	1.00	1.00	1.00	1.00	-	-	(0.96)	(1.57)
11 Grand Paradise Property Company Limited	100.00	100.00	1.00	1.00	1.00	1.00	-	-	(26.07)	(21.33)
12 Golden Property Services Company Limited	100.00	100.00	1.00	1.00	1.00	1.00	4.18	3.38	-	-
13 Golden Habitation Company Limited	100.00	100.00	5.00	5.00	5.00	5.00	-	-	(25.95)	(17.09)
14 Sathorn Thong Company Limited	79.00	79.00	154.00	154.00	121.66	121.66	-	-	(12.76)	(13.82)
15 S.R.E.F. (Manager) Company Limited	70.00	70.00	1.00	1.00	0.70	0.70	0.33	0.27	-	-
16 Sathorn Supsin Company Limited	60.00	60.00	245.00	500.00	130.42	269.46	-	44.63	(129.17)	-
17 Walker Homes Company Limited (100% holding together with subsidiary)	50.00	50.00	1.00	1.00	0.50	0.50	-	-	(63.59)	(62.22)
18 Golden Land Fund Two	90.50	90.50	709.80	709.80	709.80	709.80	626.98	629.11	-	-
Associates										
1 Baan Jiaranai Company Limited (See note 7.6)	50.00	50.00	20.00	20.00	9.23	9.23	-	-	(7.00)	-
2 Siam Real Estate Fund	60.00	60.00	-	-	-	-	36.52	55.16	-	-
Total			<u>2,346.50</u>	<u>2,601.50</u>	<u>2,098.67</u>	<u>2,237.71</u>	<u>2,628.77</u>	<u>2,469.98</u>	<u>(395.57)</u>	<u>(256.75)</u>
<i>Less Allowance for doubtful accounts on accounts receivable from and loans to related parties</i>									<u>(339.65)</u>	<u>(218.72)</u>
Total									<u>(55.92)</u>	<u>(38.03)</u>

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- 7.1 On 22 May 2006, Meeting No. 4/2006 of the Investment Committee of Siam Real Estate Fund approved the payment of dividend of Baht 2 per unit to unit holders, a total of approximately Baht 17.94 million, of which the Company's share was approximately Baht 10.76 million on 14 June 2006.

On 30 August 2006, Meeting No.6/2006 of the Investment Committee of Siam Real Estate Fund, a resolution was passed to reduce its registration fund in the amount of Baht 12 million. The Company had received the said decreased fund of Baht 7.2 million.

- 7.2 In July 2005, a subsidiary of the Company agreed to terminate their joint investment contract with a company and that company will transfer all of its shares in MSGL Property Co., Ltd. to a subsidiary. As a result of this termination the subsidiary has control over MSGL Property Co., Ltd. and the status of MSGL Property Co., Ltd. has thus changed from an associated company of the subsidiary to a wholly-owned subsidiary of a subsidiary. As at 30 September 2006, the subsidiary and its co-investor are in the process of transferring such shares.

- 7.3 In 1998, the Company wrote off its investments of Baht 12.3 million and Baht 10.0 million in two subsidiaries, Langsuan Land Company Limited and Golden Gate Plaza Company Limited, respectively. The Company and its subsidiaries have no present or future obligations under guarantees or pledges of financial support provided for these two companies. Furthermore, these subsidiaries are in the process of debt restructuring and are operating under severe long-term restrictions, which significantly impair their ability to transfer funds to the Company. The financial statements of the two companies have not been included in the consolidated financial statements as of 30 September 2006 and 31 December 2005.

- 7.4 On 4 February 2005, Meeting No. 1/2005 of the Investment Committee of Siam Real Estate Fund approved the payment of a dividend of Baht 1 per unit to the unit holders, or a total of approximately Baht 15.6 million, of which the Company's share was approximately Baht 9.4 million. Furthermore, the Investment Committee Meeting approved the reduction of its capital by Baht 75 million. On 18 July 2005, Siam Real Estate Fund has returned such capital reduction to its unit holders. In proportion to its equity, the Company received return of capital of Baht 45 million.

During the year 2005, the agreement to purchase investment units between the Company and MS Thai Investment partner, Inc. was terminated, and as a result the Company has control over Golden Land Fund Two. The Company therefore presents Golden Land Fund Two as a subsidiary and its financial statements are included in the consolidated financial statements of the Company. Furthermore, as a result of this termination the Company has recorded loss amounting to approximately Baht 51 million from writing off interest receivable from MS Thai Investment partner, Inc. in the statements of income of 2005 and loss amounting to Baht 46 million from writing off "excess of cost of investment over net book value of the subsidiary" has been recorded in the consolidated statements of income of 2005, under "Loss from impairment and write-off of assets" since it may not generate future benefits.

- 7.5 During the nine-month period ended 30 September 2006, the subsidiaries did not declare any dividend payment.
- 7.6 According to the Shareholders' Meeting of an associate held on 15 June 2006, it was unanimously resolved to change the board of directors to the new team of directors who are the directors of the Company. However, the Shareholders' Meeting of the associate held on 2 November 2006, it was unanimously resolved to change the board of directors to certain ex- director of the associate.

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8 Property development projects for sale, net

The Company and its subsidiaries have mortgaged most of land, including most present and future structures thereon, to secure bank overdraft and loans from financial institutions of the Company and its subsidiaries.

9 Land and leasehold land held for future development, net

9.1 A property fund, which is a subsidiary, and a subsidiary have “Leasehold land held for future development” with a combined book value of Baht 782 million which consisted of cost of leasehold land of Baht 695 million and design expenses, fee and other costs of Baht 87 million.

However, in the second quarter of 2006, the new plan for Bangkok was announced. The Company requested an appraiser to appraise the said leasehold land. The appraisal value is Baht 788 million by Market Comparable Approach (See note 19).

9.2 The Company and its subsidiaries have mortgaged most of land and leasehold rights to secure loans from financial institutions of the Company and its subsidiaries.

10 Bank overdrafts and short-term loans from financial institutions

The Company and its subsidiaries had short-term loan from banks with interest rate at the minimum loan rate plus/minus a certain percentage per annum, and are due for repayment within one year.

11 Long-term loans from financial institutions

For most of the loans, repayment of principal is generally due whenever a plot of land is redeemed from mortgage, at the rates stipulated in the loan agreements, with the remaining balance to be repaid within a specific timeframe.

The loan agreements contain covenants and restrictions on the Company and its subsidiaries imposed by the lenders, related to such matters as the maintenance of a debt to equity ratio, merger or consolidation with or into any other corporations, investment in securities, share capital reduction or dividend payments, and guarantee of any other person, among others.

The Company and its subsidiaries have mortgaged most of their freehold land, leasehold land and the constructions thereon (both present and future construction) with banks and subsidiaries have transferred part of right to receive moneys in escrow accounts to certain banks to secure their loans.

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12 Debentures

- 12.1 On 20 August 2003, the Company issued Baht 1,100 million of unsubordinated, amortising, 5-year, secured debentures (1.1 million units with a face value of Baht 1,000 each) maturing on 20 August 2008 and bearing interest at a fixed rate of 3.2 percent per annum, payable every quarter. Principal is scheduled for repayment in eleven installments, with ten installments of Baht 99 million each to be paid quarterly, commencing 20 February 2006, and the final installment of Baht 110 million to be paid on 20 August 2008. The conditions of the issuance of the above debentures stipulate certain significant covenants with which the Company must comply throughout the life of the debentures. These related to matters such as the maintenance of a debt to equity ratio, a ratio of collateral value to total debt outstanding under the debentures, and a dividend payment ratio, among others. The subsidiary has mortgaged its land and construction thereon as collateral against the above debentures.
- 12.2 On 29 April 2005, the Annual General Meeting of the Company's shareholders passed resolutions approving action by the Company in respect of several matters, with the significant resolutions being approval of the issue and offer of up to Baht 3,000 million of 10-year debentures through a public offering and/or private placements and/or offer to local investors and/or offer to foreign investors. Details and conditions are to be determined at the discretion of the Company's Board of directors. At present, the Company has not yet proceeded.

13 Share subscription payable - subsidiary

According to the minutes of the Extraordinary General Meeting of Sathorn Supsin Company Limited Shareholders' Meeting held on 19 October 2005 and 15 November 2005, a resolution was passed to reduce its registered capital to Baht 245,000,000, divided into 24,500,000 shares at the par value of Baht 10 per share by reducing 25,500,000 ordinary shares of Baht 10 per share (comprising Baht 255,000,000) to be utilized as follows:

1. Baht 61,200,000 out of the Baht 153,000,000 from the cancellation of 15,300,000 shares held by Golden Land Property Development Public Company Limited be used to pay up the remaining unpaid capital.
2. Baht 102,000,000 from the cancellation of 10,200,000 shares held by minority interest of Sathorn Supsin Company Limited be used as follows:
 - Baht 89,383,571 be used to set-off such amount against the accumulation losses of Sathorn Supsin Company Limited; and
 - Baht 12,616,429 repayable in cash to the minority interest of Sathorn Supsin Company Limited to be granted to Sathorn Supsin Company Limited as shareholders loan thereby increasing the total loan from the minority interest of Sathorn Supsin Company Limited.

The said subsidiary had registered its decrease share capital of Baht 255 million on 29 June 2006 and offset as follows:

	<i>(in million Baht)</i>
Decrease share capital	255.00
Less Subscription share payable	(153.00)
Deficit	(89.38)
Outstanding balance of short-term loan from minority interest of subsidiary	12.62

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14 Segment information

Segment information is presented in respect of the Group's primary format, business segments based on the Group's management and internal reporting structure.

Segment revenue and results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest and dividend income and corporate expenses.

Business segments

The Group comprises the following main business segments:

<i>Segment 1</i>	Real estate business
<i>Segment 2</i>	Golf course business
<i>Segment 3</i>	Rental and service business
<i>Segment 4</i>	Management service business
<i>Segment 5</i>	Others

Geographic segments

Management considers that the Group operates in a single geographic area, namely in Thailand, and has, therefore, only one major geographic segment.

Segment revenue and results for the three-month periods ended 30 September are as follows:

	2006	2005
	<i>(in million Baht)</i>	
<i>Segment revenue</i>		
Real estate business	832.80	663.53
Golf Course business	5.23	4.71
Rental and service business	127.26	109.72
Management service business	92.62	116.89
Other segment	5.00	17.10
Eliminations	(100.61)	(125.00)
Total	<u>962.30</u>	<u>786.95</u>
	2006	2005
	<i>(in million Baht)</i>	
<i>Segment results</i>		
Real estate business	249.45	265.40
Golf course business	4.03	3.33
Rental and service business	(9.21)	47.93
Management service business	-	0.10
Other segment	5.00	17.11
Total	<u>249.27</u>	<u>333.87</u>

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Segment revenue and results for the nine-month periods ended 30 September are as follows:

	2006	2005
	<i>(in million Baht)</i>	
<i>Segment revenue</i>		
Real estate business	2,399.39	1,485.36
Golf course business	15.17	15.71
Rental and service business	343.79	289.10
Management service business	259.44	233.51
Other segment	30.48	65.39
Eliminations	<u>(285.53)</u>	<u>(269.79)</u>
Total	<u>2,762.74</u>	<u>1,819.28</u>
	2006	2005
	<i>(in million Baht)</i>	
<i>Segment results</i>		
Real estate business	874.14	588.43
Golf course business	10.87	11.45
Rental and service business	92.27	109.06
Management service business	-	0.10
Other segment	30.48	47.56
Total	<u>1,007.76</u>	<u>756.60</u>

The financial information in the consolidated balance sheets as at 30 September 2006 and 31 December 2005 is as follows:

	2006	2005
	<i>(in million Baht)</i>	
<i>Property development projects for rent and property, plant and equipment, net</i>		
Real estate business	4.99	5.73
Golf course business	101.80	97.80
Rental and service business	3,398.08	3,470.40
<i>Other assets</i>		
Eliminations	<u>(9,506.49)</u>	<u>(9,716.94)</u>
Total	<u>12,189.94</u>	<u>13,328.77</u>

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15 Warrants

The Company issued warrants as follows:

28,183,335 warrants allocated to the employees of the Company free of charge. These warrants mature in 2008 and have an exercise price of Baht 10, with one warrant entitling the holder to purchase one ordinary share.

Balance of unexercised warrants is as follows:

Warrants unexercised 1 January 2006	Warrants issued (canceled)	Unit Warrants exercised	Warrants unexercised at 30 September 2006	Exercise by cash or debt/ Equity conversion (Baht/share)	Expiry date
18,405,556	(16,005,556)	-	2,400,000	10	20 January 2008

16 Earnings (loss) per share

Basic earnings (loss) per share

The calculation of basic earnings (loss) per share for the nine-month periods ended 30 September 2006 was based on the profit (loss) attributable to ordinary shareholders of Baht 215.77 million (2005: Baht (60.29) million) and the weighted average number of shares outstanding during the nine-month period ended 30 September 2006 of 630,082,069 (2005: 630,082,069), calculated as follows:

Profit (loss) attributable to ordinary shareholders

	Consolidated		The Company	
	30 September 2006	30 September 2005	30 September 2006	30 September 2005
Net profit (loss) for the period (in million Baht)	215.77	(60.29)	215.77	(60.29)
Issued ordinary shares (in thousand shares)	630,082	630,082	630,082	630,082
Basic earnings (loss) per share (in Baht)	0.34	(0.10)	0.34	(0.10)

17 Commitments

As at 30 September 2006, the Company and its subsidiaries had the following outstanding commitments:

17.1 The Company has outstanding commitments totaling approximately Baht 52 million in respect of the uncalled portion of share capital in its investment in a subsidiary. (31 December 2005: Baht 52 million)

17.2 As at 30 September 2006, the Company and its subsidiaries had outstanding bank guarantees of Baht 208.21 million in the consolidated financial statements and Baht 6.07 million in the Company's financial statements (31 December 2005: Baht 269.47 million and Baht 6.07 million) respectively, which were issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of their business.

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- 17.3 As at 30 September 2006, the Company and its subsidiaries have provided guarantees to financial institutions against certain obligations of its subsidiaries of Baht 5,773.67 million (*31 December 2005: Baht 4,402 million*). Generally, the guarantees are effective so long as the underlying obligations have not yet been discharged by those subsidiaries. No fee is charged for the provision of these guarantees.
- 17.4 As at 30 September 2006, the subsidiaries have outstanding commitments totaling approximately Baht 2,245.33 million, USD 0.85 million, and SGD 3,000 (*31 December 2005: Baht 2,694 million*) with respect to design and construction contracts.
- 17.5 As at 30 September 2006, a subsidiary has outstanding commitment totaling approximately Baht 0.89 million with respect to security service contract.
- 17.6 A subsidiary entered into agreements with a foundation to lease land on which to develop residential building for rent, for periods of 50 years, commencing 5 October 2003. Future rental payments required under these lease agreements are as follow:

Payment due	(in million Baht)
Within 1 year	8.68
In 2 nd to 5 th year	20.25
After 5 th year	238.22
Total	267.15

At the end of the lease period the lessor agrees to extend the lease period for another 10 years. Rental payables in the future total Baht 94.4 million.

- 17.7 A subsidiary entered into agreements with the Privy Purse Bureau, to lease land on which to develop office building for rent, for periods of 30 years, commencing 1 September 1992. Future rental payments required under these lease agreements are as follow:

Payment due	(in million Baht)
Within 1 year	2.38
In 2 nd to 5 th year	10.80
After 5 th year	42.83
Total	56.01

- 17.8 A subsidiary entered into agreements with the Crown Property Bureau to lease land for the development of office building and residential building, for a period of 36 years (ending October 2038). Future minimum rental payments required under these lease agreements are as follow:

Payment due	(in million Baht)
Within 1 year	67.75
In 2 nd to 5 th year	216.15
After 5 th year	1,350.00
Total	1,633.90

Furthermore, the lessor agrees to grant the subsidiary the option to renew these lease agreements for two further periods of ten years each, under the conditions, covenants and with the rental fees as stipulated in the agreement.

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- 17.9 A subsidiary which is a property fund entered into agreements with the Crown Property Bureau to lease land for the development of a property project, for a period of 33 years (ending March 2035). Future rental payments required under these lease agreements are as follow:

Payment due	(in million Baht)
Within 1 year	130.63
In 2 nd to 5 th year	154.90
After 5 th year	1,510.48
Total	1,796.01

Furthermore, the lessor agrees to grant the property fund the option to renew these lease agreements for two further periods of ten years each, under the conditions, covenants and with the rental fees as stipulated in the agreement (See note 19).

- 17.10 Two subsidiaries have entered into management and royalty agreements with two companies, whereby those companies will provide assistance with the management of serviced apartment projects of the subsidiaries and permit the subsidiaries to use certain trademarks. The agreements are effective from the dates that projects commence for a 20 year period, with options to extend for further periods of ten years. The subsidiaries are to pay various fees at a percentage of the gross revenues and/or net operating profits of the projects, as stated in the agreements.

18 Litigation

As at 30 September 2006, the following significant litigation had been filed against the Company and its subsidiaries

- 18.1 The House Committee on Consumer Protection filed lawsuits against the Company and a related company, seeking the return of deposits totaling Baht 113 million on the grounds that the Company and the related company advertised and invited the public to purchase condominium units in a project of the related company, as a result of which the related company received deposits from customers, but the related company was not able to construct the condominium units and transfer ownership to the customers.

- For cases with claims valued at approximately Baht 17 million, the cases are being heard by the court of first instance and
- For the cases with claims of approximately Baht 96 million, the appeals court judged the Company jointly liable for payment, together with interest at the rate of 7.5 percent per annum, calculated from the latest date that project customers made payment in some cases and from the date that the customers filed suit with the courts in other cases until such time all the outstandings have been paid, same as the decision of first instance. The Company has petitioned the decisions of the appeals court and the lawsuits are currently being heard by the Supreme Court.

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18.2 The customers of a related company have filed lawsuits against the Company and that related company, suing for compensation totaling Baht 14 million on the grounds that they paid deposits for buildings in a project of that related company but the related company was not able to construct and transfer the condominiums to them.

- For the cases with claims of approximately Baht 3.6 million, the cases are being heard by the court of first instance.
- For the cases with claims of approximately Baht 10.7 million the court of first instance judged that the Company is liability jointly liable for payment, together with interest at the rate of 7.5 percent per annum, calculated from the latest date that project customers made payment in some cases and from the date that the customers filed suit with the courts in other cases until such time all the outstandings have been paid. The Company has appealed the decisions of the court of first instance and the lawsuits are currently being heard by the appeals court.

The Company has made provision for these liabilities from Notes 18.1 and 18.2 based on the cases value plus interest at the rate of 7.5 percent per annum, calculated from the date stipulated in the judgment which valued at approximately Baht 173 million. In the second quarter of 2006, the Company had paid deposit to the court as collateral in the amount of Baht 8 million which is presented as a deposit.

19 Events after the balance sheet date

- 19.1 On 5 October 2006, Golden Land Fund Two (Fund), a subsidiary of the Company had entered into transfer agreement with the Company, which agreed to pay compensation for land lease to the Fund of Baht 696 million, and the Company had to deposit for leasehold right by 6 October 2006, of Baht 3.20 million which the Fund had already received. On the deposit date, the Company agreed to acknowledge all of the obligations which incurred with lease agreement between the Fund and the Crown Property Bureau dated 20 September 2002, such as rental expenses, accrued rental (if any), additional rental expense, tax expense, other fees, and other expenses (if any). However, all obligation right in land lease will be transferred to the Company when the Fund has received the remaining amount of Baht 692.80 million that the Company had already paid the remaining amount on 16 October 2006.
- 19.2 According to the Company's meeting of the Board of Directors held on 18 October 2006 had resolved the dissolution of the investment in the Golden Land Fund Two The said Fund had dissolved and liquidated. Moreover, the Company should accept the Crown Property Bureau's offer to exchange the lease right for the Soi Polo site with a lease right for a plot of land on Rama IV Road for development in an amount equivalent to its book value total of Baht 696 million. The Company had resolved to purchase construction design of Polo project of subsidiary of Baht 87 million to use for Rama IV Road project at Baht 92 million.
- 19.3 On 18 October 2006, the Company had entered into a termination of the land lease agreement, which was transferred from Golden Land Fund Two, with the Crown Property Bureau. According to a termination of the land lease agreement identified that both parties didn't concern for compensation or any expense unless the other expenses as stated in the agreement.

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20 Reclassification of accounts

Certain accounts in the 2005 interim financial statements have been reclassified to conform with the presentation in the 2006 interim financial statements.