

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 2007 (Unaudited)

These notes form an integral part of the financial statements.

The interim financial statements were authorised for issue by the directors on 12 November 2007.

1 General information

Golden Land Property 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 Road, Lumpini, Pathumwan, Bangkok.

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

The principle activities of the Company and its subsidiaries (together referred to as the “Group”) are property development and related services in Thailand. Details of the Company’s subsidiaries are as follows:

| | Type of business | Ownership of interest | |
|------------------------------|--|-----------------------|---------------------|
| | | 30 September 2007 | 31 December 2006 |
| | | (%) | |
| <i>Direct subsidiaries</i> | | | |
| 1 | Baan Chang Estate Co., Ltd. | 100 | 100 |
| 2 | Narayana Pavilion Co., Ltd. | 100 | 100 |
| 3 | United Homes Co., Ltd. | 100 | 100 |
| 4 | Golden Land Developments Co., Ltd. | 100 | 100 |
| 5 | Golden Land (Mayfair) Co., Ltd. | 100 | 100 |
| 6 | North Sathorn Realty Co., Ltd. | 100 | 100 |
| 7 | Ritz Village Co., Ltd. | 100 | 100 |
| 8 | Golden Land Polo Limited | 100 | 100 |
| 9 | Golden Land (Retail) Limited | 100 | 100 |
| | consultancy | | |
| 10 | Golden Land (Nichada Thani) Co., Ltd. | 100 | 100 |
| 11 | Grand Paradise Property Co., Ltd. | 100 | 100 |
| 12 | Golden Property Services Co., Ltd. | 100 | 100 |
| | managements | | |
| 13 | Golden Habitation Co., Ltd. | 100 | 100 |
| 14 | Sathorn Thong Co., Ltd. | 79 | 79 |
| 15 | S.R.E.F. (Managers) Co., Ltd. | 70 | 70 |
| 16 | Sathorn Supsin Co., Ltd. | 60 | 60 |
| | Residential building rental | | |
| <i>Indirect subsidiaries</i> | | | |
| 17 | Walker Homes Co., Ltd. (and 50% held by Narayana Pavilion Co., Ltd.) | 50 | 50 |
| 18 | MSGLE Property Company Limited (100% held by Golden Land Polo Limited) | - | - |
| 19 | Grand Mayfair Co., Ltd. (100% held by Golden Land (Mayfair) Co., Ltd.) | - | - |
| | Residential building rental | | |

Golden Land Property Development Public Company Limited and its Subsidiaries

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- (a) In February 2007, Grand Mayfair Co., Ltd, a subsidiary of Golden Land (Mayfair) Co., Ltd., was established with the authorised share capital of Baht 100,000.

At the Extraordinary Shareholders' Meeting of the subsidiary dated 23 April 2007, it was resolved to convert 1 share with par value of Baht 100 to 10 shares with par value of Baht 10. In addition, it was resolved to increase its share capital by 1.49 million shares with par value of Baht 10 and call for payment at 80% of the par value, all of which increased shares were allocated to Golden Land (Mayfair) Co., Ltd. As at 30 September 2007, Golden Land (Mayfair) Co., Ltd. owned 1,499,994 shares of the subsidiary or 100%.

- (b) In 1998, the Company wrote off its investments of Baht 12.3 million and Baht 10.0 million in two subsidiaries, Langsuan Land Co., Ltd. and Golden Gate Plaza Co., Ltd., respectively. The Company and its subsidiaries have no present or future obligations under guarantees or pledges of financial support provided for these two companies and the said subsidiaries are in the process of debt restructuring and are operating under severe long-term restrictions, which control must be lost for exclusion to occur. The financial statements of the two companies have not been included in the consolidated financial statements as at 30 September 2007 and 31 December 2006.
- (c) As at 30 September 2007 and 31 December 2006, there is a negative balance on minority as the minority shareholder has undertaken to bear its share of the capital deficiency of the invitee companies.

2 Basis of preparation of the 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 are prepared to provide an update on the financial statements for the year ended 31 December 2006. 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 2006.

The interim financial statements are presented in Thai Baht, rounded to the nearest thousand unless otherwise stated.

Accounting policies and methods of computation applied in the interim financial statements for the three-month and nine-month periods ended 30 September 2007 are consistent with those applied in the financial statements for the year ended 31 December 2006 except for the change in the accounting policy for investments in subsidiaries and associates in the financial statements of the Company, as more fully described in Note 19.

Golden Land Property Development Public Company Limited and its Subsidiaries
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3 Related party transactions and balances

Related parties are those parties linked to the Group and the Company by common shareholders or directors. Transactions with related 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. |
| Rental and service income | Based on agreed prices. |
| Consultancy 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 and in 2006: not exceeding 7.75 percent per annum. |
| Rental expense | Based on contractually agreed prices. |
| Utility expense | Based on contractually agreed prices. |
| Management fee expense | Based on contractually agreed prices. |
| Central charge expense | Based on agreed prices. |
| Professional fee expense | Based on agreed prices. |
| Guarantee from operation expense | Based on contractually agreed prices. |

Significant transactions for the three-month periods ended 30 September 2007 and 2006 with related parties are summarised as follows:

| | Consolidated | | Separate | |
|--|-----------------------------|------|-----------------------------|-------|
| | financial statements | | financial statements | |
| | 2007 | 2006 | 2007 | 2006 |
| | <i>(in million Baht)</i> | | | |
| Subsidiaries | | | | |
| Management fee income | - | - | 29.14 | 92.62 |
| Interest income | - | - | 10.84 | 11.45 |
| Dividend income | - | - | 1,790.00 | - |
| Interest expense | - | - | 10.37 | 0.59 |
| Rental expense | - | - | 5.33 | 5.67 |
| Utility expense | - | - | 0.86 | 0.52 |
| Management fee expense | - | - | 0.10 | 0.11 |
| Associates | | | | |
| Rental income | 7.00 | - | - | - |
| Service income | - | 0.55 | - | - |
| Consultancy service income | 40.00 | - | 50.00 | - |
| Other income | 2.25 | 1.12 | - | - |
| Share of gain from property fund dissolution | 0.22 | - | 22.77 | - |
| Rental expense | 33.03 | - | - | - |
| Jointly-controlled entities | | | | |
| Related companies | | | | |
| Rental and service income | 0.98 | - | - | - |
| Management fee expense | 2.54 | - | - | - |

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| | Consolidated | | Separate | |
|--------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | financial statements | financial statements | financial statements | financial statements |
| | 2007 | 2006 | 2007 | 2006 |
| | <i>(in million Baht)</i> | | | |
| Central charge expense | 1.26 | - | - | - |
| Professional fee expense | 2.98 | - | - | - |
| Interest expense | 4.03 | - | - | - |
| Related persons | | | | |
| Interest expense | 2.25 | 1.45 | 2.25 | 1.45 |
| Directors' remuneration | 0.06 | 0.08 | 0.06 | 0.08 |

Significant transactions for the nine-month periods ended 30 September 2007 and 2006 with related parties are summarised as follows:

| | Consolidated | | Separate | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | financial statements | financial statements | financial statements | financial statements |
| | 2007 | 2006 | 2007 | 2006 |
| | <i>(in million Baht)</i> | | | |
| Subsidiaries | | | | |
| Management fee income | - | - | 144.40 | 259.44 |
| Interest income | - | - | 29.51 | 34.13 |
| Dividend income | - | - | 1,790.00 | - |
| Other income | - | - | 4.94 | - |
| Interest expense | - | - | 19.12 | 1.64 |
| Rental expense | - | - | 16.08 | 17.58 |
| Utility expense | - | - | 2.27 | 1.43 |
| Management fee expense | - | - | 0.33 | 0.36 |
| Associates | | | | |
| Gain from sale of land and building under finance lease | 797.77 | - | - | - |
| Rental income | 7.00 | - | - | - |
| Service income | 0.21 | 1.63 | - | - |
| Consultancy service income | 40.00 | - | 50.00 | - |
| Dividend income | - | - | 1.35 | 10.76 |
| Other income | 7.94 | 1.12 | - | - |
| Share of gain from property fund dissolution | 0.22 | - | 22.77 | - |
| Guarantee from operation expense | 11.60 | - | - | - |
| Rental expense | 45.76 | - | - | - |
| Jointly-controlled entities | | | | |
| Related companies | | | | |
| Rental and service income | 5.20 | 1.71 | - | - |
| Management fee expense | 9.07 | 6.25 | - | - |
| Central charge expense | 3.81 | 1.80 | - | - |
| Professional fee expense | 8.62 | 5.51 | - | - |
| Interest expense | 12.73 | 9.56 | - | - |
| Related persons | | | | |
| Interest expense | 6.12 | 4.84 | 6.12 | 4.84 |
| Directors' remuneration | 0.53 | 0.41 | 0.53 | 0.41 |

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Balances as at 30 September 2007 and 31 December 2006 with related parties were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|---|--|---------------------|--|---------------------|
| | 30 September 2007 | 31 December 2006 | 30 September 2007 | 31 December 2006 |
| | <i>(in million Baht)</i> | | | |
| Other receivable | | | | |
| Associate | | | | |
| North Sathorn Hotel Co., Ltd. | 16.07 | - | - | - |
| Amounts due from related parties | | | | |
| Subsidiaries | | | | |
| United Homes Co., Ltd. | - | - | 2,261.51 | 2,431.39 |
| Walker Homes Co., Ltd. | - | - | 13.70 | 27.00 |
| Ritz Village Co., Ltd. | - | - | 171.62 | 136.34 |
| Golden Property Services Co., Ltd. | - | - | 0.43 | 0.43 |
| Sathorn Supsin Co., Ltd. | - | - | 26.51 | 19.26 |
| Sathorn Thong Co., Ltd. | - | - | 25.15 | 67.43 |
| North Sathorn Realty Co., Ltd. | - | - | 19.25 | 0.22 |
| Total | - | - | 2,518.17 | 2,682.07 |
| Less Allowance for doubtful accounts | - | - | (85.78) | (67.78) |
| Net | - | - | 2,432.39 | 2,614.29 |
| Long-term loans to related parties (including interest receivable) | | | | |
| Subsidiaries | | | | |
| Baan Chang Estate Co., Ltd. | - | - | 261.20 | 271.57 |
| United Homes Co., Ltd. | - | - | 307.46 | 73.02 |
| Golden Land Developments Co., Ltd. | - | - | - | 0.07 |
| Golden Land (Mayfair) Co., Ltd. | - | - | - | 720.80 |
| Ritz Village Co., Ltd. | - | - | 577.32 | 491.79 |
| Golden Land Polo Limited | - | - | 115.51 | 111.62 |
| Golden Land (Retail) Limited | - | - | 14.75 | 14.75 |
| Golden Land (Nichada Thani) Co., Ltd. | - | - | 1.66 | 2.40 |
| S.R.E.F. (Managers) Co., Ltd. | - | - | - | 0.18 |
| Sathorn Thong Co., Ltd. | - | - | - | 19.20 |
| Sathorn Supsin Co., Ltd. | - | - | 589.35 | 594.81 |
| Walker Homes Co., Ltd. | - | - | 16.18 | 12.83 |
| North Sathorn Realty Co., Ltd. | - | - | - | 70.76 |
| Grand Paradise Property Co., Ltd. | - | - | 26.37 | 0.03 |
| Golden Habitation Co., Ltd. | - | - | 232.52 | 0.66 |
| MSGL Property Company Limited | - | - | 9.20 | 9.20 |
| Narayana Pavilion Co., Ltd. | - | - | - | 0.04 |

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| | Consolidated financial statements | | Separate financial statements | |
|---|--|---------------------|--|---------------------|
| | 30 September 2007 | 31 December 2006 | 30 September 2007 | 31 December 2006 |
| Related person | - | 1.58 | - | 1.58 |
| Associates | | | | |
| Baan Jearanai Co., Ltd. (See note 3(a)) | 47.53 | 70.39 | 40.36 | 49.72 |
| North Sathorn Hotel Co., Ltd. | 0.01 | - | 0.01 | - |
| Others | - | 0.36 | - | 0.05 |
| Total | 47.54 | 72.33 | 2,191.89 | 2,445.08 |
| Less Allowance for doubtful accounts | (35.16) | (35.16) | (315.89) | (315.89) |
| Net | 12.38 | 37.17 | 1,876.00 | 2,129.19 |

Movements during the nine-month periods ended 30 September 2007 and 2006 on long-term loans to related parties were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|---|--|--------------|--|-----------------|
| | 2007 | 2006 | 2007 | 2006 |
| | <i>(in million Baht)</i> | | | |
| Long-term loans to related parties | | | | |
| At 1 January | 72.33 | 70.63 | 2,445.08 | 2,724.93 |
| Increase | 10.94 | 0.40 | 1,209.33 | 359.77 |
| Decrease | (35.73) | (0.08) | (1,462.52) | (1,020.46) |
| At 30 September | 47.54 | 70.95 | 2,191.89 | 2,064.24 |

| | Consolidated financial statements | | Separate financial statements | |
|--|--|---------------------|--|---------------------|
| | 30 September 2007 | 31 December 2006 | 30 September 2007 | 31 December 2006 |
| | <i>(in million Baht)</i> | | | |
| Accounts payable | | | | |
| Associate | | | | |
| Gold Property Fund | 6.54 | - | - | - |
| Short-term loans from related persons | - | 116.50 | - | 116.50 |

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Movements during the nine-month periods ended 30 September 2007 and 2006 on short-term loans from related persons were as follows:

| | Consolidated | | Separate | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | financial statements | financial statements | financial statements | financial statements |
| | 2007 | 2006 | 2007 | 2006 |
| | <i>(in million Baht)</i> | | | |
| Short-term loans from related persons | | | | |
| At 1 January | 116.50 | 110.00 | 116.50 | 110.00 |
| Increase | - | - | - | - |
| Decrease | <u>(116.50)</u> | <u>(45.00)</u> | <u>(116.50)</u> | <u>(45.00)</u> |
| At 30 September | <u>-</u> | <u>65.00</u> | <u>-</u> | <u>65.00</u> |
| | | | | |
| | Consolidated | | Separate | |
| | financial statements | financial statements | financial statements | financial statements |
| | 30 September | 31 December | 30 September | 31 December |
| | 2007 | 2006 | 2007 | 2006 |
| | <i>(in million Baht)</i> | | | |
| Short-term loan from shareholder of subsidiary | | | | |
| Siam Holdings Co., Ltd. | <u>277.25</u> | <u>294.87</u> | <u>-</u> | <u>-</u> |
| | | | | |
| Accrued interest expense | | | | |
| Related party | | | | |
| Siam Holdings Co., Ltd. | <u>97.78</u> | <u>85.05</u> | <u>-</u> | <u>-</u> |
| | | | | |
| Accrued expense | | | | |
| Associate | | | | |
| Gold Property Fund | <u>6.73</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | | | | |
| Related party | | | | |
| Ascott International Management (Thailand) Limited | <u>2.45</u> | <u>4.59</u> | <u>-</u> | <u>-</u> |
| | | | | |
| Long-term loans from related parties | | | | |
| Subsidiaries | | | | |
| Narayana Pavilion Co., Ltd. | - | - | 247.01 | 324.98 |
| Golden Property Services Co., Ltd. | - | - | 0.04 | 0.08 |
| Sathorn Thong Co., Ltd. | - | - | 3.40 | 56.22 |
| United Homes Co., Ltd. | - | - | - | 940.22 |
| Golden Habitation Co., Ltd. | - | - | - | 4.95 |
| Golden Land (Mayfair) Co., Ltd. | - | - | 100.59 | - |
| Grand Mayfair Co., Ltd. | - | - | 0.19 | - |
| North Sathorn Realty Co., Ltd. | - | - | 630.49 | - |
| Associates | | | | |
| Baan Jearanai Co., Ltd. | 0.01 | - | - | - |
| North Sathorn Hotel Co., Ltd. | <u>0.02</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total | <u>0.03</u> | <u>-</u> | <u>981.72</u> | <u>1,326.45</u> |

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Movements during the nine-month periods ended 30 September 2007 and 2006 on long-term loans from related parties were as follows:

| | Consolidated | | Separate | |
|---|--------------------------|----------------------|----------------------|----------------------|
| | financial statements | financial statements | financial statements | financial statements |
| | 2007 | 2006 | 2007 | 2006 |
| | <i>(in million Baht)</i> | | | |
| Long-term loans from related parties | | | | |
| At 1 January | - | - | 1,326.45 | 566.34 |
| Increase | 0.03 | - | 2,459.48 | 416.52 |
| Decrease | - | - | (2,804.21) | (327.65) |
| At 30 September | 0.03 | - | 981.72 | 655.21 |

Significant agreements with related parties

- (a) 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 totalling Baht 35 million (net of allowance for doubtful accounts of Baht 25 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.

In the third quarter of 2007, the associated company repaid loans to the Company and the subsidiary in the total amount of Baht 22 million. However, as at 30 September 2007, the Company and the subsidiary had set up allowance for doubtful accounts of Baht 35 million (*31 December 2007: Baht 35 million*).

- (b) In the third quarter of 2006, a subsidiary entered into a loan agreement of Baht 250 million with a bank and mortgaged the leasehold land, construction and land lease agreements and transferring the credit loan facility with condition according to loan agreement between the Company and two subsidiaries within 45 days after the first drawdown date.

In January 2007, the addendum memorandum was made to reduce loan facilities from Baht 250 million to Baht 200 million and cancelled the contract condition of transferring the right with condition according to loan agreement between the Company and two subsidiaries.

- (c) A subsidiary company, Golden Land (Mayfair) Co., Ltd., entered into a land and building lease agreement with Gold Property Fund for a residential project and related business known as Mayfair Marriott Project for a period of 30 years commencing from 8 May 2007 to 7 May 2037. The Company holds 33% fund units in the Gold Property Fund. On the agreement date, the Fund paid rental for the leased assets of Baht 1,700 million to the subsidiary and the subsidiary agreed to lease the assets to the Fund for another lease period of 30 years. For consideration, the Fund paid a sum of Baht 258.80 million to the subsidiary. The appraisal values of leasehold right on the land and building by 2 independent appraisers are Baht 2,200 million and Baht 2,351 million. The subsidiary agreed to guarantee the rental of Mayfair Marriott Project to the Gold Property Fund of Baht 107.25 million for the period of 2007 and Baht 163.50 million per annum from the period of 2008 to 2011. The Company recorded a shortfall for the rental guarantee of Baht 63.65 million. The Fund has options to purchase the land and the building as follows;

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- Upon completion of 30 years lease term, the Fund exercises the right to purchase the leased assets in the amount of Baht 405 million.
- Upon completion of 60 years lease term, the Fund exercises the right to purchase the leased assets in the amount of Baht 984 million.

Furthermore, Golden Land (Mayfair) Co., Ltd. agreed to provide the collaterals by mortgaging the leased assets and pledging the shares of Grand Mayfair Co., Ltd. to the Fund including guaranteed by the Company to perform under the agreements.

Furthermore, the Fund entered into an agreement to purchase furniture and equipment of Mayfair Marriott Project from Golden Land (Mayfair) Co., Ltd. in the amount of Baht 56 million.

- (d) A subsidiary company, Grand Mayfair Co., Ltd., entered into a land and building sublease agreement and a furniture and equipment lease agreement with Gold Property Fund for the operations of the Mayfair Marriott Project for a period of 16 years commencing from 8 May 2007 to 15 March 2023. The subsidiary agreed to pay the Fund a fixed rental in the amount of Baht 4 million per month and a variable rental on the operation results of the subsidiary. The Fund has an option to renew the agreement for further 10 years.

Other commitment

At 30 September 2007, the Company and its subsidiaries had provided guarantees to financial institutions for certain obligations and liabilities of its subsidiaries of Baht 8,132.47 million (*31 December 2006: Baht 6,122.47 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.

Others

- (a) As at 30 September 2007, interest on short-term loan from related person was charged at the minimum loan rate but not exceeding 7.75 percent per annum with the first repayment due on 30 November 2007 and the last repayment due on 30 December 2008. However, the Company repaid the short-term loan and interest for the whole amount in the third quarter of 2007.

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- (b) On 31 March 2006, the Company and two subsidiaries entered into agreements with North Sathorn Realty Co., Ltd. and United Homes Co., Ltd. to offset inter-company loans as follows:

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

Golden Land Property Development Public Company Limited
Outstanding Balance

| | |
|--|--------|
| Balance loan to North Sathorn Realty Co., Ltd. | 2.57 |
| Balance loan to United Homes Co., Ltd. | 241.18 |

- (c) During the year 2006, a subsidiary repaid a loan from the Company and a related company by transferring the ownership of 3 condominium units in the total amount of Baht 29.47 million to another company in order to pay for the unpaid share subscription to the Company and a related company.
- (d) The Company's Management Committee meeting on 29 December 2006 unanimously approved the following loan offsets:

| | <i>(in million Baht)</i> |
|--|--------------------------|
| - Loan to Walker Homes Co., Ltd. with loan to Ritz Village Co., Ltd. from Walker Homes Co., Ltd. | 135.82 |
| - Loan from North Sathorn Realty Co., Ltd. with loan to North Sathorn Realty Co., Ltd. | 11.32 |
| - Transferring loan to United Homes Co., Ltd. and loan to Ritz Village Co., Ltd. from North Sathorn Realty Co., Ltd. | 8.01 |

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(in million Baht)

- | | |
|--|-------|
| - Loan from Narayana Pavilion Co., Ltd. with loan from United Homes Co., Ltd. from Narayana Pavilion Co., Ltd. | 12.42 |
| - Loan from Sathorn Thong Co., Ltd. with loan from Narayana Pavilion Co., Ltd. from Sathorn Thong Co., Ltd. | 10.50 |
| - Loan to Ritz Village Co., Ltd. with loan from Ritz Village Co., Ltd. | 75.00 |
- (e) On 22 May 2006, the Investment Committee of Siam Real Estate Fund declared and paid 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 30 August 2006, the Investment Committee of Siam Real Estate Fund reduced its registered fund in the amount of Baht 12 million. The Company had received its 60% share of the said reduction, amounting to Baht 7.2 million.

On 22 January 2007, the Investment Committee of Siam Real Estate Fund declared a dividend of Baht 0.30 per unit to unit holders, a total of approximately Baht 2.24 million, of which the Company's share was approximately Baht 1.35 million; and passed to reduce its registration fund in the amount of Baht 30 million. The Company had received its 60% share of the reduction, amounting to Baht 18 million.

On 21 May 2007, the unitholders of Siam Real Estate Fund resolved for the dissolution of the Fund on 15 June 2007 and on 7 June 2007, the management company sent a letter notifying the Securities and Exchange Commission of the dissolution of the Fund.

The Fund was liquidated on 11 July 2007, and on 18 July 2007, the Fund's liquidator registered the dissolution with the Securities and Exchange Commission. Therefore, the Company received cash from the share of gain from the fund dissolution in the amount of Baht 22.77 million in the third quarter of 2007.

- (f) On 6 October 2006, the unit holders approved the dissolution of Golden Land Fund Two on 9 October 2006, and on 10 October 2006, the management company sent a letter notifying the Securities and Exchange Commission of the dissolution of the Fund.

The Fund was liquidated on 21 November 2006, and on 12 January 2007, the Fund's liquidator registered the dissolution with the Securities and Exchange Commission.

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- (g) In October 2006, Golden Land Fund Two, a subsidiary of the Company, entered into a transfer agreement with the Company under which the Company agreed to pay compensation for land lease to the Fund of Baht 696 million. The Company paid in October 2006.

The Company's Board of Directors' meeting held on 18 October 2006 resolved as follows:

- dissolution of the investment in the Golden Land Fund Two;
 - acceptance of 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; and
 - purchase of construction design of Polo project of MSGL Property Company Limited.
- (h) During the year 2005, a subsidiary reduced its authorised share capital to Baht 245,000,000, divided into 24,500,000 shares at the par value of Baht 10 per share by cancelling 25,500,000 ordinary shares of Baht 10 per share (comprising Baht 255,000,000) to be utilised as follows:
- 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 to pay up the remaining unpaid capital.
 - Baht 102,000,000 from the cancellation of 10,200,000 shares held by shareholder of Sathorn Supsin Co., Ltd. used as follows:
 - Baht 89,383,574 used to set-off such amount against the accumulation losses of Sathorn Supsin Co., Ltd.; and
 - Baht 12,616,426 repayable in cash to the shareholder of Sathorn Supsin Co., Ltd. to be granted to Sathorn Supsin Co., Ltd. as shareholders loan thereby increasing the total loan from the shareholder of Sathorn Supsin Co., Ltd.

- (i) The Company's subsidiary purchased 2 condominium units from Siam Real Estate Fund in the total amount of Baht 20.5 million and transferred the condominium unit ownership in March 2007.

- (j) At the Board of Directors' Meeting of the Company on 13 November 2006, it was resolved to establish Gold Property Fund (Type 1). It was offered for sale with the total fund size of the project not exceeding Baht 2,060 million divided into 206 million units of Baht 10 each. The fund was offered for sale to the public from 18 April 2007 to 26 April 2007 and received proceeds in May 2007.

The fund was approved by Securities and Exchange Commission in order to establish and manage Gold Property Fund on 4 May 2007.

Golden Land Property Development Public Company Limited and its Subsidiaries

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- (k) The Company entered into a joint venture agreement with a company in United Arab Emirates for hotel development of the Sathorn Square Project by having resolved to set up North Sathorn Hotel Co., Ltd. and hold 20% of its authorised share. The initial subscription of Baht 0.10 million will be called for payment afterwards North Sathorn Hotel Co., Ltd. will increase the capital to Baht 1,100 million by second subscription of Baht 1,099.90 million. The Company will retain the 20% proportion in the share capital of North Sathorn Hotel Co., Ltd. which was registered with Ministry of Commerce on 28 June 2007.

At the Extraordinary Shareholders' Meeting of North Sathorn Hotel Co., Ltd. dated 13 July 2007, it was resolved to increase its share capital from 1,000 shares to 11,000,000 shares with par value of Baht 100, of which increased shares were allocated to the Company for 2,199,000 shares. As at 30 September 2007, the Company owned 2,200,000 shares of the said company or 20%.

In August 2007, North Sathorn Hotel Co., Ltd. paid to North Sathorn Realty Co., Ltd. for the land sublease in the amount of Baht 988.60 million for the sublease period of 33 years and 2 months. In addition, North Sathorn Hotel Co., Ltd. paid to the Company for the consultancy service fee in the amount of Baht 50 million.

In addition, in August 2007, the Company entered into a development management agreement with North Sathorn Hotel Co., Ltd. to provide the development management service for the period from October 2007 to June 2011 in the total amount of Baht 75 million.

4 Current investments under commitments and deposit at banks under commitments

- (a) As at 30 September 2007, savings accounts of subsidiaries comprise escrow accounts opened for the purpose of receiving payments from customers under agreements to purchase and sell land and houses. Withdrawal from escrow accounts is to be made in accordance with the withdrawal conditions stipulated in the escrow agreements.

The subsidiaries have transferred their rights of claim over money in escrow accounts to certain banks to secure their loans.

- (b) As at 30 September 2007, the deposits at banks of the Company and its subsidiaries were pledged as a guarantee for the Company's debenture and to secure bank guarantees obtained from those banks.

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 2007 (Unaudited)

5 Trade accounts receivable and unbilled completed work

| | Consolidated financial statements | | Separate financial statements | |
|---|--|---------------------|--|---------------------|
| | 30 September 2007 | 31 December 2006 | 30 September 2007 | 31 December 2006 |
| | <i>(in million Baht)</i> | | | |
| Sales with signed agreements | 12,525.24 | 12,013.61 | - | - |
| Total project sales | 19,237.54 | 15,696.60 | - | - |
| Ratio of sales with signed agreements to total project sales (%) | 65.11 | 76.54 | - | - |

Trade accounts receivable and unbilled completed work as at 30 September 2007 and 31 December 2006 consisted of:

| | Consolidated financial statements | | Separate financial statements | |
|---|--|---------------------|--|---------------------|
| | 30 September 2007 | 31 December 2006 | 30 September 2007 | 31 December 2006 |
| | <i>(in million Baht)</i> | | | |
| Unbilled completed work | 1,583.15 | 1,026.20 | - | - |
| Accounts receivable, real estate | 51.38 | 56.71 | 18.31 | 18.31 |
| Rental and service receivable | 33.52 | 29.58 | 0.60 | 1.62 |
| Total | 1,668.05 | 1,112.49 | 18.91 | 19.93 |
| <i>Less</i> Allowance for doubtful accounts | (41.57) | (43.90) | (18.31) | (19.28) |
| Net | 1,626.48 | 1,068.59 | 0.60 | 0.65 |

Trade accounts receivable and unbilled completed work as at 30 September 2007 and 31 December 2006 classified by the aging of the receivable were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|---|--|---------------------|--|---------------------|
| | 30 September 2007 | 31 December 2006 | 30 September 2007 | 31 December 2006 |
| | <i>(in million Baht)</i> | | | |
| Accounts receivable, real estate | | | | |
| Over 1 - 3 months | 9.78 | 12.25 | - | - |
| Over 3 - 6 months | 2.48 | 1.67 | - | - |
| Over 6 - 12 months | 0.95 | 2.51 | - | - |
| Over 12 months | 38.17 | 40.28 | 18.31 | 18.31 |
| | 51.38 | 56.71 | 18.31 | 18.31 |
| Unbilled completed work | 1,583.15 | 1,026.20 | - | - |
| | 1,634.53 | 1,082.91 | 18.31 | 18.31 |
| Rental and service receivable | | | | |
| Over 1 - 3 months | 28.78 | 23.77 | 0.60 | 0.65 |
| Over 3 - 6 months | 0.07 | 0.30 | - | - |
| Over 6 - 12 months | - | 0.10 | - | - |
| Over 12 months | 4.67 | 5.41 | - | 0.97 |
| | 33.52 | 29.58 | 0.60 | 1.62 |
| Total | 1,668.05 | 1,112.49 | 18.91 | 19.93 |
| <i>Less</i> Allowance for doubtful accounts | (41.57) | (43.90) | (18.31) | (19.28) |
| Net | 1,626.48 | 1,068.59 | 0.60 | 0.65 |

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If the receivable is in default of payment for more than three months consecutively, the recognition of income would cease immediately with consideration given for setting up an allowance for doubtful accounts.

As at 30 September 2007, the Company and subsidiaries had 3 receivable in default of payment for which the recognition of income has ceased of Baht 2.19 million (*31 December 2006: 4 receivables of Baht 5.72 million*).

6 Property development projects for sale - new projects

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

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7 Investments in subsidiaries and associates

Investments as at 30 September 2007 and 31 December 2006 and dividend income from those investments for the nine-month periods ended 30 September 2007 and 2006 were as follows:

| | Consolidated financial statements | | | | | | | | | | | |
|---|--|------------------------|-------------------------|------------------------|-------------------------|------------------------|-------------------------|------------------------|-------------------------|-------------------------|--|--|
| | Ownership interest | | Paid-up capital | | Cost method | | Equity method | | Dividend income | | | |
| | 30 September 2007 | 31 December 2006 | 30 September 2007 | 31 December 2006 | 30 September 2007 | 31 December 2006 | 30 September 2007 | 31 December 2006 | 30 September 2007 | 30 September 2006 | | |
| | (%) | | (in million Baht) | | | | | | | | | |
| Associates | | | | | | | | | | | | |
| 1 Baan Jearanai Co., Ltd. | 50.00 | 50.00 | 20.00 | 20.00 | 9.23 | 9.23 | - | - | - | - | | |
| 2 Siam Real Estate Fund | - | 60.00 | - | - | - | - | - | 39.19 | 1.35 | 10.76 | | |
| 3 Gold Property Fund | 33.00 | - | 2,060.00 | - | 680.00 | - | 693.53 | - | - | - | | |
| 4 North Sathorn Hotel Co., Ltd. | 20.00 | - | 1,100.00 | - | 220.00 | - | 219.89 | - | - | - | | |
| Total | | | 3,180.00 | 20.00 | 909.23 | 9.23 | 913.42 | 39.19 | 1.35 | 10.76 | | |
| <i>Less</i> Unrealised gain from sale of land and building under finance lease | | | | | | | (436.66) | - | | | | |
| Unrealised consultancy service income | | | | | | | (10.00) | - | | | | |
| Net investment | | | | | | | 466.76 | 39.19 | | | | |

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 2007 (Unaudited)

| | Separate financial statements | | | | | | | | |
|---|-------------------------------|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|----------------------|--|
| | Ownership interest | | Paid-up capital | | Cost method | | Dividend income | | |
| | 30 September 2007 | 31 December 2006 | 30 September 2007 | 31 December 2006 | 30 September 2007 | 31 December 2006 | 30 September 2007 | 30 September 2006 | |
| | (%) | | (in million Baht) | | | | | | |
| Subsidiaries | | | | | | | | | |
| 1 Baan Chang Estate Co., Ltd. | 100.00 | 100.00 | 30.00 | 30.00 | 30.00 | 30.00 | - | - | |
| 2 Narayana Pavilion Co., Ltd. | 100.00 | 100.00 | 475.00 | 475.00 | 475.22 | 475.22 | 280.00 | - | |
| 3 United Homes Co., Ltd. | 100.00 | 100.00 | 50.00 | 50.00 | 50.00 | 50.00 | 410.00 | - | |
| 4 Golden Land Developments Co., Ltd. | 100.00 | 100.00 | 1.00 | 1.00 | 1.00 | 1.00 | - | - | |
| 5 Golden Land (Mayfair) Co., Ltd. (including of Grand Mayfair Co., Ltd. - 100% holding) | 100.00 | 100.00 | 11.00 | 11.00 | 11.00 | 11.00 | 1,100.00 | - | |
| 6 North Sathorn Realty Co., Ltd. | 100.00 | 100.00 | 638.60 | 638.60 | 549.04 | 549.04 | - | - | |
| 7 Ritz Village Co., Ltd. | 100.00 | 100.00 | 1.00 | 1.00 | 1.00 | 1.00 | - | - | |
| 8 Golden Land Polo Limited (including of MSGL Property Company Limited - 100% holding) | 100.00 | 100.00 | 1.00 | 1.00 | 1.00 | 1.00 | - | - | |
| 9 Golden Land (Retail) Limited | 100.00 | 100.00 | 0.10 | 0.10 | 0.10 | 0.10 | - | - | |
| 10 Golden Land (Nichada Thani) Co., Ltd. | 100.00 | 100.00 | 1.00 | 1.00 | 1.00 | 1.00 | - | - | |
| 11 Grand Paradise Property Co., Ltd. | 100.00 | 100.00 | 1.00 | 1.00 | 1.00 | 1.00 | - | - | |
| 12 Golden Property Services Co., Ltd. | 100.00 | 100.00 | 1.00 | 1.00 | 1.00 | 1.00 | - | - | |
| 13 Golden Habitation Co., Ltd. | 100.00 | 100.00 | 5.00 | 5.00 | 5.00 | 5.00 | - | - | |
| 14 Sathorn Thong Co., Ltd. | 79.00 | 79.00 | 154.00 | 154.00 | 121.66 | 121.66 | - | - | |
| 15 S.R.E.F. (Managers) Co., Ltd. (See note 21) | 70.00 | 70.00 | 1.00 | 1.00 | 0.70 | 0.70 | - | - | |
| 16 Sathorn Supsin Co., Ltd. | 60.00 | 60.00 | 245.00 | 245.00 | 130.42 | 130.42 | - | - | |
| 17 Walker Homes Co., Ltd. (100% holding together with subsidiary) | 50.00 | 50.00 | 1.00 | 1.00 | 0.50 | 0.50 | - | - | |
| Associates | | | | | | | | | |
| 1 Baan Jearanai Co., Ltd. | 50.00 | 50.00 | 20.00 | 20.00 | 9.23 | 9.23 | - | - | |
| 2 Siam Real Estate Fund | - | 60.00 | - | - | - | - | 1.35 | 10.76 | |
| 3 Gold Property Fund | 33.00 | - | 2,060.00 | - | 680.00 | - | - | - | |
| 4 North Sathorn Hotel Co., Ltd. (See note 3(k)) | 20.00 | - | 1,100.00 | - | 220.00 | - | - | - | |
| Total | | | 4,796.70 | 1,636.70 | 2,288.87 | 1,388.87 | 1,791.35 | 10.76 | |
| Less Allowance for impairment of investment | | | | | (311.61) | (311.61) | | | |
| Net investment | | | | | 1,977.26 | 1,077.26 | | | |

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In May 2007, the Company invested in Gold Property Fund in the amount of Baht 680 million or 33% of the investment. Furthermore, the Company has mortgaged the investment unit certification of the fund to secure bank guarantees from financial institutions.

8 Property development projects for sale

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

9 Land and leasehold land held for development

- (a) In 2006, a property fund and a subsidiary have "Leasehold land held for development" with a combined book value of Baht 782 million. During the year 2006, the new plan for Bangkok was announced. The professional appraisal value under the "Market comparable approach" is Baht 788 million.
- (b) During the year 1996, North Sathorn Realty Co., Ltd., a subsidiary, entered into a land lease agreement with the Crown Property Bureau. The former lessee was the Russian Embassy, which cancelled the land lease agreement with the landlord in order that the landlord could transfer the leasehold right to the subsidiary. The subsidiary agreed to pay any expenses incurred in moving the embassy office to a new location. Total expenses incurred by the subsidiary were Baht 745 million, consisting of leasehold costs, other related expenses and capitalised interest. The Company has recorded "Excess of net book value of the subsidiary over investment cost" of Baht 156 million, by netting the acquisition cost of such leasehold right and presented as "Leasehold right" in the consolidated financial statements. Under the land lease agreement, the subsidiary must transfer ownership of the building and structures thereon to the landlord upon completion of construction work. On 7 October 2002, the subsidiary renewed the lease agreements for a period of 34 years. However, on 15 November 2004, an addendum was made to the lease agreements between the subsidiary and the Crown Property Bureau, of which the substance is the deferral of rental payment by 2 years and the extension of the term of the agreements to 36 years, ending October 2038. In January 2007, the said subsidiary cancelled the said lease agreement and entered into a new lease agreement with the Crown Property Bureau for a period of 33 years and 9 months (ending October 2040).
- (c) The Company and its subsidiaries have mortgaged most of their land and leasehold rights to secure loans and overdrafts from financial institutions.

10 Property development projects for rent

The Company and its subsidiaries have mortgaged most of land and buildings for rent thereon with financial institutions to secure loan from financial institutions and bank overdraft of its subsidiaries.

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11 Other non - current assets

In 1998, the Company entered into an agreement with a company to sell its investment in 2.5 million ordinary shares of Rajadamri Land Co., Ltd. with a par value of Baht 10 each, for a total consideration of Baht 12 million. The Company has received Baht 2 million of the total consideration and the purchaser has defaulted on payment of the remaining balance of Baht 10 million. The Company has recorded such receivable as "Other receivables" in the balance sheets as at 30 September 2007 and 31 December 2006, and recorded an allowance for doubtful debt in full amount.

12 Interest-bearing liabilities

- (a) The Company and its subsidiaries' bank overdrafts and short-term loans from financial institutions carry interest at the minimum loan rate plus/minus a certain percentage per annum, and are due for repayment within one year.
- (b) The Company and its subsidiaries' long-term loans from financial institutions carry interest at the minimum loan rate plus/minus a certain percentage per annum.

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.

- (c) 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 Company brought letter of guarantee issued by commercial bank as collateral for the above debentures. Letter of guarantee has deposited money at bank in the amount of Baht 3 million as a guarantee.
- (d) 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 ten-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.

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13 Provision for litigation losses

As at 30 September 2007 and 31 December 2006, the following significant litigation had been filed against the Company and its subsidiaries:

- (a) The House Committee on Consumer Protection filed lawsuits against the Company and a related company, seeking the return of deposits received of Baht 123.32 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 claims with a value of Baht 22.69 million, the cases are being heard by the court of first instance; and
 - For claims with a value of Baht 4.7 million, the cases are being heard by the appeals court; and
 - For claims with a value of Baht 95.93 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 as all the outstanding 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.
- (b) The customers of a related company have filed lawsuits against the Company and that related company, suing for compensation of Baht 12.67 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 claims with a value of Baht 1.04 million, the cases are being heard by the court of first instance; and
 - For claims with a value of Baht 11.63 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 as all the outstanding 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 liabilities based on the sales value plus interest at the rate of 7.5 percent per annum. As at 30 September 2007, the Company had placed a collateral deposit with the court of Baht 25 million which is presented as other non-current assets.

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14 Share capital

| | <i>Par value (in Baht)</i> | 30 September 2007 | | 31 December 2006 | |
|--------------------------------------|--------------------------------|--|------------------------|----------------------|------------------------|
| | | Number | Baht | Number | Baht |
| | | <i>(in million share /in million Baht)</i> | | | |
| <i>Authorised</i> | | | | | |
| Beginning balance at period/year | 10.00 | 708.78 | 7,087.82 | 708.78 | 7,087.82 |
| Reduction in share capital | 10.00 | - | - | (76.30) | (763.00) |
| Creation of new shares | 10.00 | - | - | 76.30 | 763.00 |
| Ending balance at period/year | 10.00 | <u>708.78</u> | <u>7,087.82</u> | <u>708.78</u> | <u>7,087.82</u> |
| <i>Issued and paid-up</i> | | | | | |
| Beginning balance at period/year | 10.00 | 630.08 | 6,300.82 | 630.08 | 6,300.82 |
| Ending balance at period/year | 10.00 | <u>630.08</u> | <u>6,300.82</u> | <u>630.08</u> | <u>6,300.82</u> |

At the Extraordinary Shareholders' Meeting of the Company on 21 December 2006 and the Board of Directors' Meeting on 13 November 2006, it was resolved to:

- Decrease the authorised capital of the Company from Baht 7,087.82 million to Baht 6,324.82 million by canceling 76.30 million authorised unissued shares (in the amount of Baht 763 million).
- Increase the authorised capital of the Company from Baht 6,324.82 million to Baht 7,087.82 million by creating 76.30 million new ordinary shares at a par value of 10 each, totaling Baht 763 million to provide for rights under the warrants issued to directors of the Company entitling the holders to purchase ordinary shares of the Company.

15 Warrants

Balance of unexercised warrants as at 30 September 2007 was as follows:

| Warrants unexercised 1 January 2007 | Units | | Warrants unexercised at 30 September 2007 | Exercise by Cash or Debt/ Equity Conversion | Expiry date |
|-------------------------------------|---------------------------|--------------------|---|---|-----------------------------|
| | Warrants issued | Warrants cancelled | | | |
| | <i>(in million units)</i> | | | <i>(Baht/share)</i> | |
| (a) | 2.40 | - (0.40) | 2.00 | 10 | 20 January 2008 |
| (b) | 47.25 | - | 47.25 | 10 | 5 years after issuance date |
| | <u>49.65</u> | | <u>49.25</u> | | |

- On 21 January 2003, the Company issued 28.18 million warrants units to staff of the Company free of charge. These warrants mature in 2008 with an exercise price of Baht 10, with one warrant entitling the holder to purchase one ordinary share in the Company.

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- (b) At the Extraordinary Shareholders' Meeting of the Company on 21 December 2006 and the Board of Directors' Meeting on 13 November 2006, it was resolved to:
- Issue and offer 47.25 million units of warrants to purchase the Company's ordinary shares to directors of the Company (ESOP).
 - Allocate warrants to the Company's directors who are eligible for warrants exceeding 5% of the total ESOP.
 - Allot 47.25 million new ordinary shares at par of Baht 10 to reserve for the exercise of warrants offered to the Company's directors and approve to allot 29.05 million new ordinary shares by private placement. The offering price, subscription period, conditions and other details of the private placement allotment are to be determined by the Board of Directors.

16 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> | Rental and service business |
| <i>Segment 3</i> | Golf course business |
| <i>Segment 4</i> | Management service business |
| <i>Segment 6</i> | Consultancy 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.

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Revenue and results, based on business segments, in the consolidated financial statements for the three-month and nine-month periods ended 30 September 2007 and 2006 were as follows:

| | Three-month periods ended 30 September | | Nine-month periods ended 30 September | |
|--|---|---------------|--|-----------------|
| | 2007 | 2006 | 2007 | 2006 |
| | <i>(in million Baht)</i> | | | |
| Segment revenue | | | | |
| Real estate business | 520.85 | 832.80 | 1,761.13 | 2,399.39 |
| Rental and service business | 149.55 | 126.06 | 399.02 | 358.43 |
| Golf course business | 4.65 | 5.23 | 18.98 | 15.17 |
| Management service business | 29.13 | 92.62 | 144.40 | 259.44 |
| Consultancy service business | 50.00 | - | 50.00 | - |
| Other segment | 22.07 | 6.20 | 56.00 | 15.84 |
| Gain from sale of land and building under finance lease | - | - | 1,203.07 | - |
| Eliminations | (59.71) | (100.61) | (605.53) | (285.53) |
| Total | 716.54 | 962.30 | 3,027.07 | 2,762.74 |
| Segment results | | | | |
| Real estate business | 195.37 | 244.04 | 631.72 | 874.14 |
| Rental and service business | 26.26 | 29.31 | 101.31 | 106.91 |
| Golf course business | 3.73 | 4.03 | 14.87 | 10.87 |
| Consultancy service business | 40.00 | - | 40.00 | - |
| Other segment | 11.56 | 6.20 | 40.55 | 15.84 |
| Gain from sale of land and building under finance lease | - | - | 797.77 | - |
| Total | 276.92 | 283.58 | 1,626.22 | 1,007.76 |

17 Basic earnings per share

The calculation of basic earnings per share for the three-month period ended 30 September 2007 was based on the profit attributable to ordinary shareholders of Baht 59.54 million in the consolidated financial statements and Baht 1,826.88 million in the separate financial statements (2006: Baht 50.00 million and Baht 17.12 million, respectively) and the number of shares outstanding and paid up throughout the three-month period ended 30 September 2007 of 630.08 million shares (2006: 630.08 million shares).

The calculation of basic earnings per share for the nine-month period ended 30 September 2007 was based on the profit attributable to ordinary shareholders of Baht 938.71 million in the consolidated financial statements and Baht 1,825.50 million in the separate financial statements (2006: Baht 215.77 million and Baht 49.55 million, respectively) and the number of shares outstanding and paid up throughout the nine-month period ended 30 September 2007 of 630.08 million shares (2006: 630.08 million shares).

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18 Dividends

At the minute of Board of Directors meeting of Golden Land (Mayfair) Co., Ltd., held on 24 August 2007 approved the appropriation of dividends of Baht 1,000 per share, amounting to Baht 1,100 million. The dividend was paid to shareholders in the third quarter 2007.

At the minute of Board of Directors meeting of United Homes Co., Ltd., held on 24 August 2007 approved the appropriation of dividends of Baht 82 per share, amounting to Baht 410 million. The dividend was paid to shareholders in the third quarter 2007.

At the minute of Board of Directors meeting of Narayana Pavilion Co., Ltd., held on 24 August 2007 approved the appropriation of dividends of Baht 58.95 per share, amounting to Baht 280 million. The dividend was paid to shareholders in the third quarter 2007.

19 Change in accounting policy

The following change of accounting policy by the Company has no effect on the consolidated financial statements of the Group.

Until 31 December 2006, the Company accounted for investments in subsidiary companies and associates in its financial statements using the equity method.

During 2007, the FAP issued the following new TAS which are effective for accounting periods beginning on or after 1 January 2007:

TAS 44 (revised 2007) *Consolidated and Separate Financial Statements*

TAS 45 (revised 2007) *Investment in Associates*

TAS 46 (revised 2007) *Interest in joint Ventures*

These new TAS require a parent company which has investments in a subsidiary company, an entity under joint control, or an associate company, which are not classified as a "held for sale" investment, to record such investment in accordance with either the cost method or with the recognition and measurement basis for financial instruments (when an announcement is made), instead of the equity method currently used.

Starting from 1 January 2007, the Company has, accordingly, changed its accounting policy for its investments in subsidiaries and associate companies in its financial statements from the equity method to the cost method. The change in accounting policy has been applied retrospectively, and the 2006 separate financial statements, which are included in the Company's 2007 interim financial statements for comparative purposes, have been restated accordingly.

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The effects of the change in accounting policy on the Company's interim 2007 and 2006 are as follows:

| | 2007 | 2006 |
|---|--------------------------|------------------------|
| | <i>(in million Baht)</i> | |
| Balance sheet at 1 January | | |
| Decrease in retained earnings | <u>(955.90)</u> | <u>(665.25)</u> |
| Decrease in investment in subsidiaries and associates | <u>(955.90)</u> | <u>(665.25)</u> |
| Statement of income for the three-month period ended 30 September 2006 | | |
| Decrease in share of profits from investments accounted for using the equity method | | <u>(32.88)</u> |
| Decrease in earnings per share (Baht) | | <u>(0.05)</u> |
| Statement of income for the nine-month period ended 30 September 2006 | | |
| Decrease in share of profits from investments accounted for using the equity method | | <u>(166.21)</u> |
| Decrease in earnings per share (Baht) | | <u>(0.26)</u> |

20 Commitments with non related parties

As at 30 September 2007 and 31 December 2006, the Company and its subsidiaries had the following outstanding commitments:

- (a) The Company had outstanding commitments of Baht 52.14 million in respect of the uncalled portion of share capital in its investment in a subsidiary (*31 December 2006: Baht 52.14 million*).
- (b) As at 30 September 2007, the Company and its subsidiaries had outstanding bank guarantees of Baht 594.65 million in the consolidated financial statements and Baht 416.69 million in the separate financial statements (*31 December 2006: Baht 226.20 million and Baht 4.21 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. The Company has provided guarantees to financial institution against the bank guarantee of subsidiaries.
- (c) As at 30 September 2007, the subsidiaries had outstanding commitments of Baht 1,219.39 million, USD 0.85 million, and SGD 3,000 (*31 December 2006: Baht 1,707.82 million, USD 0.85 million, and SGD 3,000*) with respect to design and construction contracts.

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- (d) A subsidiary had entered into agreement 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 under these lease agreements are as follows:

| Payment due | 30 September 2007 | 31 December 2006 |
|--------------------------------------|--------------------------|---------------------|
| | <i>(in million Baht)</i> | |
| Within one year | 8.86 | 8.68 |
| After one year but within five years | 15.82 | 20.63 |
| After five years | 230.12 | 234.17 |
| Total | 254.80 | 263.48 |

At the end of the lease period, the lessor agrees to extend the lease period for another 11 years with future rental commitments of Baht 94.4 million.

- (e) A subsidiary had entered into agreement 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 under these lease agreements are as follows:

| Payment due | 30 September 2007 | 31 December 2006 |
|--------------------------------------|--------------------------|---------------------|
| | <i>(in million Baht)</i> | |
| Within one year | 2.50 | 2.42 |
| After one year but within five years | 11.07 | 10.93 |
| After five years | 40.05 | 42.07 |
| Total | 53.62 | 55.42 |

- (f) A subsidiary had entered into 4 lease agreements with the Crown Property Bureau to lease land for the development of office building and residential building, for a period of 33 years and 9 months (ending October 2040). Future minimum rental payments under these lease agreements are as follows:

| Payment due | 30 September 2007 | 31 December 2006 |
|--------------------------------------|--------------------------|---------------------|
| | <i>(in million Baht)</i> | |
| Within one year | 68.25 | 68.25 |
| After one year but within five years | 197.90 | 197.90 |
| After five year | 1,400.00 | 1,300.00 |
| Total | 1,666.15 | 1,566.15 |

Furthermore, the lessor agrees to the subsidiary the option to renew these lease agreements for 30 years, under the conditions, covenants and with the rental fees as stipulated in the agreements.

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- (g) The Company had entered into agreements with the Crown Property Bureau to lease land for the development of building for rent, for a period of 33 years (ending October 2039). Future minimum rental payments under these lease agreements are as follows:

| Payment due | 30 September 2007 | 31 December 2006 |
|--------------------------------------|--------------------------|---------------------|
| | <i>(in million Baht)</i> | |
| Within one year | 15.50 | 15.50 |
| After one year but within five years | 67.00 | 67.00 |
| After five year | 660.39 | 660.39 |
| Total | 742.89 | 742.89 |

Furthermore, the lessee has an option to renew the lease period for 30 years, under the conditions, covenants and with the rental fees as stipulated in the agreements.

- (h) Two subsidiaries had entered into management and royalty agreements with two companies, for management of serviced apartment projects of the subsidiaries and trademarks. The agreements are 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.

In May 2007, the Company and a subsidiary entered into the assignment and assumption agreement with a group of company that provided the service in residential service project management to the subsidiary, for transferring the said right to another subsidiary.

21 Contingent liabilities

The Company, a subsidiary company and a related company have been prosecuted in respect of agreement and compensation claims by customer project “complainants” in the amount of Baht 4.47 million. As at 30 September 2007, the case is still in progress. The Company and the said subsidiary company had not recorded any related expenses in their statements of income.

22 Subsequent event after balance sheet date

At the Extraordinary Shareholders’ Meeting of S.R.E.F. (Managers) Co., Ltd. dated 28 September 2007, it was resolved for the dissolution of the Company on 30 September 2007, and on 1 October 2007, the Company registered the dissolution with Ministry of Commerce. In the present, the Company is in the process of liquidation.

23 Reclassification of accounts

Certain accounts in the 2006 interim financial statements have been reclassified to conform with the presentation in the 2007 interim financial statements.