

Golden Land Property Development Public Company Limited and its Subsidiaries
Note to the interim financial statements
For the three-month and six-month periods ended 30 June 2008 (Unaudited)

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These notes form an integral part of the financial statements.

The interim financial statements were authorised for issue by the directors on 11 August 2008.

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 as at 30 June 2008 and 31 December 2007 were as follows:

Name of the entities	Type of business	Country of incorporation	Ownership interest	
			30 June 2008	31 December 2007
			(%)	
<i>Direct subsidiaries</i>				
1 Baan Chang Estate Co., Ltd.	Property development	Thailand	100	100
2 Narayana Pavilion Co., Ltd.	Office building rental	Thailand	100	100
3 United Homes Co., Ltd.	Property development	Thailand	100	100
4 Golden Land Developments Co., Ltd.	Engineering consultancy	Thailand	100	100
5 Golden Land (Mayfair) Co., Ltd.	Residential building rental	Thailand	100	100
6 North Sathorn Realty Co., Ltd.	Property development	Thailand	100	100
7 Ritz Village Co., Ltd.	Property development	Thailand	100	100
8 Golden Land Polo Limited	Property development	Thailand	100	100
9 Golden Land (Retail) Limited	Property development consultancy	Thailand	100	100
10 Golden Land (Nichada Thani) Co., Ltd.	Property development	Thailand	100	100
11 Grand Paradise Property Co., Ltd.	Property development	Thailand	100	100
12 Golden Property Services Co., Ltd.	Property development managements	Thailand	100	100
13 Golden Habitation Co., Ltd.	Property development	Thailand	100	100
14 Sathorn Thong Co., Ltd.	Property development	Thailand	79	79
15 Sathorn Supsin Co., Ltd.	Residential building rental	Thailand	60	60
<i>Indirect subsidiaries</i>				
16 Walker Homes Co., Ltd. (and 50% held by Narayana Pavilion Co., Ltd.)	Property development	Thailand	50	50
17 MSGL Property Company Limited (100% held by Golden Land Polo Limited)	Property development	Thailand	-	-
18 Grand Mayfair Co., Ltd. (100% held by Golden Land (Mayfair) Co., Ltd.)	Residential building rental	Thailand	-	-

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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 June 2008 and 31 December 2007, Golden Land (Mayfair) Co., Ltd. owned 1,499,994 shares of the subsidiary or 100%.

- (b) As at 30 June 2008 and 31 December 2007, there is a negative balance on minority as the minority shareholder has undertaken to bear its share of the capital deficiency of the investee 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 No. 41 (revised 2007) *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 2007. 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 2007.

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

In 2008, the Group adopted the following new Thai Accounting Standards (TAS) which are relevant to its operations:

TAS 25 (revised 2007)	Cash Flows Statements
TAS 29 (revised 2007)	Leases
TAS 33 (revised 2007)	Borrowing Costs
TAS 35 (revised 2007)	Presentation of Financial Statements
TAS 39 (revised 2007)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 41 (revised 2007)	Interim Financial Reporting
TAS 51	Intangible Assets

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The adoption of these new and revised TAS does not have any material impact on the consolidated or separate financial statements.

Accounting policies and methods of computation applied in the interim financial statements for the three-month and six-month periods ended 30 June 2008 are consistent with those applied in the financial statements for the year ended 31 December 2007.

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.

Relationships with related parties that control or jointly control the Company or are being controlled or jointly controlled by the Company or have transactions with the Group were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
1 Baan Chang Estate Co., Ltd.	Thailand	Subsidiary, 100% shareholding, more than 50% of directors are representatives of the Company
2 Narayana Pavilion Co., Ltd.	Thailand	Subsidiary, 100% shareholding, more than 50% of directors are representatives of the Company
3 United Homes Co., Ltd.	Thailand	Subsidiary, 100% shareholding, more than 50% of directors are representatives of the Company
4 Golden Land Developments Co., Ltd.	Thailand	Subsidiary, 100% shareholding, more than 50% of directors are representatives of the Company
5 Golden Land (Mayfair) Co., Ltd.	Thailand	Subsidiary, 100% shareholding, more than 50% of directors are representatives of the Company
6 North Sathorn Realty Co., Ltd.	Thailand	Subsidiary, 100% shareholding, more than 50% of directors are representatives of the Company
7 Ritz Village Co., Ltd.	Thailand	Subsidiary, 100% shareholding, more than 50% of directors are representatives of the Company
8 Golden Land Polo Limited	Thailand	Subsidiary, 100% shareholding, more than 50% of directors are representatives of the Company

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Name of entities	Country of incorporation/ nationality	Nature of relationships
9 Golden Land (Retail) Limited	Thailand	Subsidiary, 100% shareholding, more than 50% of directors are representatives of the Company
10 Golden Land (Nichada Thani) Co., Ltd.	Thailand	Subsidiary, 100% shareholding, more than 50% of directors are representatives of the Company
11 Grand Paradise Property Co., Ltd.	Thailand	Subsidiary, 100% shareholding, more than 50% of directors are representatives of the Company
12 Golden Property Services Co., Ltd.	Thailand	Subsidiary, 100% shareholding, more than 50% of directors are representatives of the Company
13 Golden Habitation Co., Ltd.	Thailand	Subsidiary, 100% shareholding, more than 50% of directors are representatives of the Company
14 Sathorn Thong Co., Ltd.	Thailand	Subsidiary, 79% shareholding, more than 50% of directors are representatives of the Company
15 Sathorn Supsin Co., Ltd.	Thailand	Subsidiary, 60% shareholding, more than 50% of directors are representatives of the Company
16 Walker Homes Co., Ltd.	Thailand	Subsidiary, 50% indirect shareholding and 50% direct shareholding, more than 50% of directors are representatives of the Company
17 MSGL Property Company Limited	Thailand	Subsidiary, 100% indirect shareholding, more than 50% of directors are representatives of the Company
18 Grand Mayfair Co., Ltd.	Thailand	Subsidiary, 100% indirect shareholding, more than 50% of directors are representatives of the Company
19 North Sathorn Hotel Co., Ltd.	Thailand	Associate, 20% shareholding, more than 20% of directors are representatives of the Company
20 Gold Property Fund	Thailand	Associate, 33% shareholding

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Name of entities	Country of incorporation/ nationality	Nature of relationships
21 Baan Jearanai Co., Ltd.	Thailand	Associate, 50% shareholding, more than 20% of directors are representatives of the Company
22 Khunying Sasima Srivikorn	Thailand	Director of the Company
23 Ascott International Management (Thailand) Limited	Thailand	Related company
24 Siam Holdings Limited	Singapore	Shareholder of a subsidiary

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

Transactions	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 but not exceeding 7.75% per annum and partly interest free.
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.
Rental guarantee expense	Based on contractually agreed prices.

Significant transactions for the three-month and six-month periods ended 30 June 2008 and 2007 with related parties were as follows:

Three-month period ended 30 June	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in million Baht)</i>			
Subsidiaries				
Management fee income	-	-	65.07	37.58
Interest income	-	-	9.33	9.98
Other income	-	-	0.52	-
Interest expense	-	-	5.64	7.07
Rental expense	-	-	5.76	5.33
Utility expense	-	-	0.90	0.85
Management fee expense	-	-	0.11	0.11
Associates				
Gain from sale of land and building under finance lease	-	797.77	-	-
Rental income	5.95	-	-	-
Consultancy service income	4.00	-	5.00	-

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<i>Three-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in million Baht)</i>			
Interest income	0.28	-	0.35	-
Other income	-	5.69	-	-
Guarantee from operation expense	21.69	11.60	-	-
Rental expense	29.31	12.73	-	-
Other related companies				
Rental and service income	1.27	2.11	-	-
Management fee expense	3.12	3.16	-	-
Central charge expense	1.48	1.36	-	-
Professional fee expense	2.57	2.82	-	-
Interest expense	3.67	4.16	-	-
Related persons				
Interest expense	-	1.75	-	1.75
Directors' remuneration	0.14	0.14	0.14	0.14
<i>Six-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in million Baht)</i>			
Subsidiaries				
Management fee income	-	-	114.20	115.26
Interest income	-	-	18.74	18.67
Other income	-	-	0.83	-
Interest expense	-	-	11.55	8.75
Rental expense	-	-	11.67	10.75
Utility expense	-	-	1.33	1.41
Management fee expense	-	-	0.22	0.23
Associate				
Gain from sale of land and building under finance lease	-	797.77	-	-
Rental income	11.90	-	-	-
Service income	-	0.21	-	-
Consultancy service income	8.00	-	10.00	-
Dividend income	-	-	33.36	-
Interest income	0.28	-	0.35	-
Other income	-	5.69	-	-
Guarantee from operation expense	21.69	11.60	-	-
Rental expense	59.62	12.73	-	-
Jointly-controlled entities				
Related companies				
Rental and service income	2.96	4.22	-	-
Management fee expense	6.88	6.53	-	-
Central charge expense	3.06	2.55	-	-
Professional fee expense	5.38	5.64	-	-
Interest expense	7.41	8.70	-	-
Related persons				
Interest expense	-	3.87	-	3.87
Directors' remuneration	0.37	0.47	0.37	0.47

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Balances as at 30 June 2008 and 31 December 2007 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
	<i>(in million Baht)</i>			
Amounts due from related parties				
Subsidiaries				
Grand Mayfair Co., Ltd.	-	-	0.64	5.14
Golden Property Services Co., Ltd.	-	-	0.21	0.21
North Sathorn Realty Co., Ltd.	-	-	6.42	38.52
Sathorn Supsin Co., Ltd.	-	-	0.96	-
Total	-	-	8.23	43.87
Less Allowance for doubtful accounts	-	-	-	-
Net	-	-	8.23	43.87
	2008	2007	2008	2007
	<i>(in million Baht)</i>			
Bad and doubtful debt expenses for the:				
- three-month period ended 30 June	-	-	-	-
- six-month period ended 30 June	-	-	-	-

	Consolidated financial statements		Separate financial statements	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
	<i>(in million Baht)</i>			
Short-term loan to related party (including interest receivable)				
Associate				
North Sathorn Hotel Co., Ltd.	20.35	-	20.35	-

Movements during the six-month periods ended 30 June 2008 and 2007 of short-term loan to related party was as follows:

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in million Baht)</i>			
Short-term loan to related party				
At 1 January	-	-	-	-
Increase	20.35	-	20.35	-
Decrease	-	-	-	-
At 30 June	20.35	-	20.35	-

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	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2008	2007	2008	2007
	<i>(in million Baht)</i>			
Amounts due from related parties				
Subsidiaries				
United Homes Co., Ltd.	-	-	1,953.21	2,030.40
Walker Homes Co., Ltd.	-	-	13.71	13.70
Ritz Village Co., Ltd.	-	-	81.44	150.60
Sathorn Supsin Co., Ltd.	-	-	19.91	19.31
Sathorn Thong Co., Ltd.	-	-	21.83	21.83
North Sathorn Realty Co., Ltd.	-	-	0.02	0.02
Total	-	-	2,090.12	2,235.86
<i>Less</i> Allowance for doubtful accounts	-	-	(45.34)	(45.34)
Net	-	-	2,044.78	2,190.52

	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
	<i>(in million Baht)</i>			
Bad and doubtful debt expenses for the:				
- three-month period ended 30 June	-	-	-	-
- six-month period ended 30 June	-	-	-	18.00

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2008	2007	2008	2007
	<i>(in million Baht)</i>			
Long-term loans to related parties				
<i>(including interest receivable)</i>				
Subsidiaries				
Baan Chang Estate Co., Ltd.	-	-	230.93	246.93
United Homes Co., Ltd.	-	-	66.70	66.70
Ritz Village Co., Ltd.	-	-	753.59	817.89
Golden Land Polo Limited	-	-	25.09	25.29
Golden Land (Retail) Limited	-	-	14.75	14.75
Golden Land (Nichada Thani) Co., Ltd.	-	-	1.66	1.66
Sathorn Supsin Co., Ltd.	-	-	559.64	583.87
Walker Homes Co., Ltd.	-	-	85.95	79.44
Grand Paradise Property Co., Ltd.	-	-	164.75	164.39
Golden Habitation Co., Ltd.	-	-	232.57	232.57
MSGL Property Company Limited	-	-	8.73	8.63
Associate				
Baan Jearanai Co., Ltd. (See note 3(a))	32.65	41.15	25.48	33.98
Total	32.65	41.15	2,169.84	2,276.10
<i>Less</i> Allowance for doubtful accounts	(32.65)	(41.15)	(338.41)	(346.91)
Net	-	-	1,831.43	1,929.19

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	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in million Baht)</i>			
(Reversal) bad and doubtful debt expenses for the:				
- three-month period ended 30 June	(8.50)	-	(8.50)	-
- six-month period ended 30 June	<u>(8.50)</u>	<u>-</u>	<u>(8.50)</u>	<u>-</u>

Movements during the six-month periods ended 30 June 2008 and 2007 of long-term loans to related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in million Baht)</i>			
Long-term loans to related parties				
At 1 January	41.15	72.33	2,276.10	2,442.34
Increase	-	3.10	56.04	814.41
Decrease	(8.50)	(15.73)	(162.30)	(1,114.07)
At 30 June	<u>32.65</u>	<u>59.70</u>	<u>2,169.84</u>	<u>2,142.68</u>

	Consolidated financial statements		Separate financial statements	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
	<i>(in million Baht)</i>			
Trade accounts payable				
Associate				
Gold Property Fund	11.33	6.43	-	-
Amounts due to related parties				
Subsidiaries				
Golden Property Services Co., Ltd.	-	-	0.04	0.04
Grand Mayfair Co., Ltd.	-	-	0.38	0.19
Associate				
Baan Jearanai Co., Ltd.	-	0.01	-	-
Total	<u>-</u>	<u>0.01</u>	<u>0.42</u>	<u>0.23</u>

Movements during the six-month periods ended 30 June 2008 and 2007 of short-term loans from related persons were as follows:

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in million Baht)</i>			
Short-term loans from related persons				
At 1 January	-	116.50	-	116.50
Decrease	-	(50.00)	-	(50.00)
At 30 June	<u>-</u>	<u>66.50</u>	<u>-</u>	<u>66.50</u>

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	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2008	2007	2008	2007
	<i>(in million Baht)</i>			
<i>Current portion of finance lease liabilities</i>				
Associate				
Gold Property Fund	10.47	10.47	-	-
<i>Accrued expense</i>				
Associate				
Gold Property Fund	21.68	32.01	-	-
Related party				
Ascott International Management (Thailand) Limited	2.54	2.63	-	-
Total	24.22	34.64	-	-
<i>Amounts due to related parties</i>				
Subsidiaries				
Narayana Pavilion Co., Ltd.	-	-	46.04	59.56
United Homes Co., Ltd.	-	-	520.09	47.86
Total	-	-	566.13	107.42
<i>Long-term loans from related parties</i>				
Subsidiaries				
Narayana Pavilion Co., Ltd.	-	-	269.05	203.36
Sathorn Thong Co., Ltd.	-	-	-	0.04
Golden Land (Mayfair) Co., Ltd.	-	-	77.01	101.15
North Sathorn Realty Co., Ltd.	-	-	287.05	500.10
Associate				
North Sathorn Hotel Co., Ltd.	-	0.02	-	-
Total	-	0.02	633.11	804.65

Movements during the six-month periods ended 30 June 2008 and 2007 of long-term loans from related parties were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
	<i>(in million Baht)</i>			
Long-term loans from related parties				
At 1 January	0.02	-	804.65	1,271.34
Increase	-	-	110.35	1,621.47
Decrease	(0.02)	-	(281.89)	(857.90)
At 30 June	-	-	633.11	2,034.91

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	30 June	31 December	30 June	31 December
	2008	2007	2008	2007
	<i>(in million Baht)</i>			
<i>Long-term loans from shareholder of subsidiary</i>				
Siam Holdings Limited	244.85	269.25	-	-

Movements during the six-month periods ended 30 June 2008 and 2007 of long-term loan from shareholder of subsidiary were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
	<i>(in million Baht)</i>			
<i>Long-term loans from shareholder of subsidiary</i>				
At 1 January	269.25	294.87	-	-
Decrease	(24.40)	(17.62)	-	-
At 30 June	244.85	277.25	-	-

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2008	2007	2008	2007
	<i>(in million Baht)</i>			
<i>Finance lease liabilities</i>				
Associate				
Gold Property Fund	29.84	35.04	-	-
<i>Accrued interest expense</i>				
Related party				
Siam Holdings Limited	109.14	101.73	-	-

Significant agreements with related parties

- (a) On 31 December 2002, the Company and Narayana Pavilion Co., Ltd. entered into a settlement agreement with an associated company under which the associated company agreed to settle loans and accrued interest totalling Baht 35 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 and the subsidiary already set up full provision.

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- (b) During 2007, Golden Land (Mayfair) Co., Ltd., a wholly-owned subsidiary of the Company, entered into a lease agreement with Gold Property Fund (the “Fund”), an associated company in which the Company holds 33% of the Fund Units. The agreement provided that the Fund would lease the land and buildings of the Mayfair Marriott Project (the “Project”), a residential project and related business, from the subsidiary for 30 years from 8 May 2007 to 7 May 2037 for a sum of Baht 1,700 million, payable on commencement of the lease, and an additional sum of Baht 258.8 million, also payable on commencement of the lease, in respect of an extension of the lease for an additional 30 years. The leasehold rights were valued by two independent valuers at Baht 2,200 million and Baht 2,351 million. The Fund has, under the terms of the lease, options to purchase the leased assets for Baht 405 million at the completion of the first 30 years of the lease term or Baht 984 million upon completion of the second 30 year term. The subsidiary has given guarantees to the Fund in respect of minimum rental income to be received by the Fund from the Project amounting to Baht 107.25 million for the remainder of 2007 and Baht 163.50 million per annum for the four years of 2008 to 2011 inclusive. The subsidiary accounted a provided expense of Baht 169 million in the financial statements for the year ended 31 December 2007 and has utilised the provision during the six months ended 30 June 2008 in respect of this guarantee. The subsidiary has mortgaged the leased assets and pledged its 100% shareholding in Grand Mayfair Co., Ltd. to the Fund as collateral for its performance under the agreements. The Company has also given guarantees to the Fund in this respect.

The subsidiary accounted for the above transaction as a sale of the Mayfair Marriott Project to the Fund for the total consideration received from the Fund and recorded a gain of Baht 1,203 million against the book value of the Project and related expenses in the financial statements for the year ended 31 December 2007. In addition, the Group recorded 67% of this gain in the consolidated statement of income and the remaining 33% was set off against the carrying value of the Fund in the consolidated balance sheet. The 33% of the gain which has been deferred will only be recognised in the consolidated statement of income upon disposal of the Company’s 33% interest in the Fund Units.

The tax payable on the gain is payable over the term of the lease in accordance with the provisions of the Revenue Code. In accordance with the Group’s accounting policy, only the tax payable based on the taxable profit for the three-month and the six-month periods ended 30 June 2008 in accordance with the Revenue Code has been charged to the statement of income. The tax payable in future years on the gain has not been accrued in the financial statements. It is not practicable to estimate the amount of such tax as this will depend on the taxable profit of the subsidiary over the term of the lease and the tax rates enacted over that period.

During 2007, the subsidiary entered into another agreement with the Fund to sell furniture and equipment of the Project to the Fund for Baht 56 million. The net book value of the furniture and equipment at the date of sale was Baht 46.65 million.

- (c) During 2007, Grand Mayfair Co., Ltd., a wholly-owned subsidiary of Golden Land (Mayfair) Co., Ltd., entered into agreements with Gold Property Fund to sub-lease the land and buildings and furniture and equipment of the Mayfair Marriott Project (See note (b) above) for approximately 16 years from 8 May 2007 to 15 March 2023 unless the Fund exercises its right to renew the agreement for an additional 10 years. The rental payable to the Fund under the agreement comprises a fixed monthly sum of Baht 4 million and a variable monthly sum to be determined based on the operating results of Grand Mayfair Co., Ltd.

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- (d) During 2007, the Company entered into a joint venture agreement with a third party to develop the North Sathorn Hotel Project. A joint venture company, North Sathorn Hotel Co., Ltd. ('NSH'), was formed to carry out the Project, in which the Company holds 20% and the third party holds 80% of the equity.

In August 2007, North Sathorn Realty Co., Ltd. ('NSR') sub-leased the Hotel Plot to NSH under two sub-lease agreements. The sub-leases contain the same terms and conditions as the head-leases except that in addition to the annual payments to be made by NSH to NSR as lessor, which are the same amounts as have to be paid under the head-lease by NSR to the Crown Property Bureau, the first sub-lease agreement required NSH to make an Initial Payment of Baht 988.60 million to NSR in consideration of NSR agreeing to sub-lease the land to NSH. The Crown Property Bureau has acknowledged and accepted the conditions of the sub-leases to NSH. The Initial Payment was received by the subsidiary.

NSR will amortise the income, including the Initial Payment referred to above, and costs relating to the lease and sub-lease over the term of the lease in accordance with its accounting policy for leasehold interests in land.

NSH has paid a consultancy fee to the Company of Baht 50 million in connection with the North Sathorn Hotel Project and has entered into a development management agreement with the Company for a total sum of Baht 75 million under which the Company will provide development management services for the period from October 2007 to June 2011. In addition, the construction of the Hotel will be carried out by a third party.

Other commitment

As at 30 June 2008, the Company and its subsidiaries had provided guarantees to financial institutions for certain obligations and liabilities of subsidiaries totalling Baht 7,096.22 million (*31 December 2007: Baht 7,196.02 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 31 December 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.
- (b) 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 resolved to reduce its registered funds by Baht 30 million. The Company received its 60% share of the reduction, amounting to Baht 18 million.

On 21 May 2007, the unitholders of Siam Real Estate Fund resolved to dissolve 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. The Company received its share of the proceeds from the Fund dissolution, amounting to Baht 22.77 million.

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- (c) In 2007, the Company purchased of the construction design of the Polo project from MSGL Property Company Limited.
- (d) The Company's subsidiary purchased 2 condominium units from Siam Real Estate Fund for the total amount of Baht 20.5 million. Ownership of the condominium units was transferred to the subsidiary in March 2007.
- (e) 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 the subscription proceeds in May 2007.
- (f) The Extraordinary Shareholders' Meeting of S.R.E.F. (Managers) Co., Ltd. held on 28 September 2007 resolved to dissolve the company on 30 September 2007, and on 1 October 2007, the company registered the dissolution with the Ministry of Commerce. The said company was liquidated on 20 December 2007.
- (g) In 2008, the Company entered into service agreements with subsidiary companies to provide services for general administration and management. The Company records management fee income amounting to Baht 3.6 million per month, (2007: *Baht 3.6 million per month*)
- (h) At the Board of Directors' Meeting on 25 February 2008, it was resolved to increase investments in the Company's subsidiaries as follows:
- Purchasing newly issued shares of United Homes Co., Ltd. which increases the registered fully paid up capital from Baht 50 million to Baht 100 million, divided into 10 million shares at a par value of Baht 10 each. After purchasing the newly issued shares of United Homes Co., Ltd, the Company holds 100% of the total shares in United Homes Co., Ltd.
 - Purchasing newly issued shares of Ritz Village Co., Ltd. which increases the registered fully paid up capital from Baht 1 million to Baht 100 million, divided into 10 million shares at a par value of Baht 10 each. After purchasing the newly issued shares of Ritz Village Co., Ltd, the Company holds 100% of the total shares in Ritz Village Co., Ltd.

As at 15 May 2008, the two subsidiaries registered the share capital increase with the Ministry of Commerce and already received the proceeds of the whole share capital increase from the Company.

- (i) In 2008, the Company entered into loan agreement with North Sathorn Hotel Co., Ltd. in the amount of Baht 20 million. Interest is charged as defined in the contract and the repayment is at call.

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4 Current investments under commitments and deposit at banks under commitments

	Consolidated financial statements		Separate financial statements	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
	<i>(in million Baht)</i>			
Current investments				
Current investments under commitments – savings deposit	60.95	146.06	-	-
Other long-term investments				
Deposit at banks under commitments	21.84	40.71	-	0.81
Total	82.79	186.77	-	0.81

- (a) As at 30 June 2008 and 31 December 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 loans from those banks.

- (b) As at 30 June 2008 and 31 December 2007, the bank deposits of the Company and its subsidiaries were pledged as collateral for bank guarantees obtained from those banks.

5 Trade accounts receivable and unbilled construction work in progress

	Consolidated financial statements		Separate financial statements	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
	<i>(in million Baht)</i>			
Sales with signed agreements	13,325.01	12,713.01	-	-
Total project sales	19,164.00	19,172.18	-	-
Ratio of sales with signed agreements to total project sales (%)	69.53	66.31	-	-

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Trade accounts receivable and unbilled construction work in progress as at 30 June 2008 and 31 December 2007 consisted of:

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2008	2007	2008	2007
	<i>(in million Baht)</i>			
Unbilled construction work in progress	1,983.07	1,822.94	-	-
Accounts receivable, real estate	64.36	53.85	18.31	18.31
Rental and service receivable	30.78	29.83	0.05	0.02
Total	2,078.21	1,906.62	18.36	18.33
<i>Less</i> Allowance for doubtful accounts	(41.16)	(41.59)	(18.31)	(18.31)
Net	2,037.05	1,865.03	0.05	0.02
	2008	2007	2008	2007
	<i>(in million Baht)</i>			
(Reversal) bad and doubtful debt expenses for the:				
- three-month period ended 30 June	0.59	(0.86)	-	-
- six-month period ended 30 June	(0.43)	(1.20)	-	-

As at 30 June 2008 and 31 December 2007, trade accounts receivable and unbilled construction work in progress classified by the aging of the receivables were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2008	2007	2008	2007
	<i>(in million Baht)</i>			
Accounts receivable, real estate				
Within credit terms	13.27	1.75	-	-
Overdue:				
Less than 3 months	7.19	12.84	-	-
3 - 6 months	2.85	0.41	-	-
6 - 12 months	2.95	1.80	-	-
Over 12 months	38.10	37.05	18.31	18.31
	64.36	53.85	18.31	18.31
Unbilled construction work in progress	1,983.07	1,822.94	-	-
	2,047.43	1,876.79	18.31	18.31
Rental and service receivable				
Within credit terms	10.48	8.46	-	-
Overdue:				
Less than 3 months	15.55	16.68	0.05	0.02
3 - 6 months	0.21	0.31	-	-
6 - 12 months	-	0.01	-	-
Over 12 months	4.54	4.37	-	-
	30.78	29.83	0.05	0.02
Total	2,078.21	1,906.62	18.36	18.33
<i>Less</i> Allowance for doubtful accounts	(41.16)	(41.59)	(18.31)	(18.31)
Net	2,037.05	1,865.03	0.05	0.02

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The normal credit term of rental and service receivable granted by the Group ranges from 15 days to 30 days.

If the receivable has been in default of payment for more than three months consecutively, the recognition of income ceases immediately and consideration is given to making an allowance for doubtful accounts.

As at 30 June 2008, the Company and subsidiaries had 3 receivables in default of payment for which the recognition of income has ceased totalling Baht 2.26 million (*31 December 2007: 4 receivables totalling Baht 5.03 million*).

Unbilled construction work in progress and unearned income:

	Consolidated financial statements		Separate financial statements	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
	<i>(in million Baht)</i>			
Installments due	14,166.12	13,568.14	322.04	322.04
<i>Less</i> Cash received	<u>(14,101.76)</u>	<u>(13,514.29)</u>	<u>(303.73)</u>	<u>(303.73)</u>
Installment accounts receivable	<u>64.36</u>	<u>53.85</u>	<u>18.31</u>	<u>18.31</u>
Installments due	14,166.12	13,568.14	322.04	322.04
<i>Less</i> Sales recognised to date	<u>(16,019.84)</u>	<u>(15,255.92)</u>	<u>(322.04)</u>	<u>(322.04)</u>
	<u>(1,853.72)</u>	<u>(1,687.78)</u>	<u>-</u>	<u>-</u>
	Consolidated financial statements		Separate financial statements	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
	<i>(in million Baht)</i>			
The balance consisted of:				
Unbilled construction work in progress	1,983.07	1,822.94	-	-
Unearned income	<u>(129.35)</u>	<u>(135.16)</u>	<u>-</u>	<u>-</u>
	<u>1,853.72</u>	<u>1,687.78</u>	<u>-</u>	<u>-</u>

As at 30 June 2008 and 31 December 2007, trade accounts receivable and unbilled construction work in progress were denominated entirely in Thai Baht.

6 Properties under development for sale - current 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

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2008	2007	2008	2007
	<i>(in million Baht)</i>			
At 1 January	479.27	39.19	1,962.96	1,077.26
Share of net profits of investments - equity method	22.38	8.95	-	-
Invested in share capital	-	680.00	149.00	680.00
Dividend income	(33.36)	(1.35)	-	-
Allowance for impairment	-	-	(27.20)	-
Reduction of share	-	(18.00)	-	-
Unrealised gain from sale of land and building under finance lease	-	(436.66)	-	-
Unrealised consultancy service income	(2.00)	-	-	-
Unrealised rental income	(2.97)	-	-	-
At 30 June	<u>463.32</u>	<u>272.13</u>	<u>2,084.76</u>	<u>1,757.26</u>

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

In May 2008, the Company invested in United Homes Co., Ltd. and Ritz Village Co., Ltd. in the amount of Baht 50 million and Baht 99 million, respectively (See note 3 (h)).

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Investments in subsidiaries and associates as at 30 June 2008 and 31 December 2007 and dividend income from those investments for the six-month periods ended 30 June 2008 and 30 June 2007 were as follows:

	Consolidated financial statements									
	Ownership interest		Paid-up capital		Cost method		Equity method		Dividend income for six months ended	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007	30 June 2008	31 December 2007	30 June 2008	31 December 2007	30 June 2008	30 June 2007
	(%)		(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	-	-	-	-	-	-	-	-	-	1.35
3 Gold Property Fund	33.00	33.00	2,060.00	2,060.00	680.00	680.00	700.31	709.18	33.36	-
4 North Sathorn Hotel Co., Ltd.	20.00	20.00	1,100.00	1,100.00	220.00	220.00	217.70	219.81	-	-
Total			3,180.00	3,180.00	909.23	909.23	918.01	928.99	33.36	1.35
<i>Less</i> Unrealised gain from sale of land and building under finance lease							(436.66)	(436.66)		
Unrealised consultancy service income							(13.00)	(11.00)		
Unrealised rental income							(5.03)	(2.06)		
Net investment							463.32	479.27		

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Separate financial statements

	Ownership interest		Paid-up capital		Cost method		Impairment		At cost-net		Market price of listed securities		Dividend income for six months ended	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	30 June
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Subsidiaries	(%)		(in million Baht)											
1 Baan Chang Estate Co., Ltd.	100.00	100.00	30.00	30.00	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	-	-	475.22	475.22	-	-	-	-
3 United Homes Co., Ltd. (See note 3 (h))	100.00	100.00	100.00	50.00	100.00	50.00	(11.00)	(11.00)	89.00	39.00	-	-	-	-
4 Golden Land Developments Co., Ltd.	100.00	100.00	1.00	1.00	1.00	1.00	(0.70)	(0.70)	0.30	0.30	-	-	-	-
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	-	-	11.00	11.00	-	-	-	-
6 North Sathorn Realty Co., Ltd.	100.00	100.00	638.60	638.60	549.04	549.04	-	-	549.04	549.04	-	-	-	-
7 Ritz Village Co., Ltd. (See note 3 (h))	100.00	100.00	100.00	1.00	100.00	1.00	-	-	100.00	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	(1.00)	(1.00)	-	-	-	-	-	-
9 Golden Land (Retail) Limited	100.00	100.00	0.10	0.10	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	(1.00)	(1.00)	-	-	-	-	-	-
11 Grand Paradise Property Co., Ltd.	100.00	100.00	1.00	1.00	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	-	-	1.00	1.00	-	-	-	-
13 Golden Habitation Co., Ltd.	100.00	100.00	5.00	5.00	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	(121.66)	(121.66)	-	-	-	-	-	-
15 Sathorn Supsin Co., Ltd.	60.00	60.00	245.00	245.00	130.42	130.42	(130.42)	(130.42)	-	-	-	-	-	-
16 Walker Homes Co., Ltd. (100% holding together with subsidiary)	50.00	50.00	1.00	1.00	0.50	0.50	(0.50)	(0.50)	-	-	-	-	-	-
Associates														
1 Baan Jearanai Co., Ltd.	50.00	50.00	20.00	20.00	9.23	9.23	(9.23)	(9.23)	-	-	-	-	-	-
2 Siam Real Estate Fund (See note 3 (b))	-	-	-	-	-	-	-	-	-	-	-	-	-	1.35
3 Gold Property Fund	33.00	33.00	2,060.00	2,060.00	680.00	680.00	(40.80)	(13.60)	639.20	666.40	639.20	666.40	33.36	-
4 North Sathorn Hotel Co., Ltd. (See note 3 (d))	20.00	20.00	1,100.00	1,100.00	220.00	220.00	-	-	220.00	220.00	-	-	-	-
Total			4,944.70	4,795.70	2,437.17	2,288.17	(352.41)	(325.21)	2,084.76	1,962.96	639.20	666.40	33.36	1.35

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8 Properties under development for sale

In 2008, the Company had placed some collateral land under development for sale with court.

9 Land and leasehold land held for development

- (a) During 1996, North Sathorn Realty Co., Ltd. ('NSR'), a subsidiary, entered into a lease agreement with Crown Property Bureau for a plot of land for high-end development. Total expenses incurred by NSR for the acquisition of the lease were Baht 745 million, comprising leasehold costs, related expenses and capitalised interest. These agreements were subsequently renewed and amended in 2002 and 2004 for a lease term ending in October 2038. In January 2007, the NSR and Crown Property Bureau agreed to cancel these leases and enter into new lease agreements under which the plot of land was subdivided into two plots, one (the 'Hotel Plot') for a hotel project (the 'North Sathorn Hotel Project') and the other for an office/residential project, and the lease terms were extended to a total period of 33 years and 9 months ending in October 2040, with an option to extend the lease term for an additional 30 years.

During 2007, the Company entered into a joint venture agreement with a third party to develop the North Sathorn Hotel Project and, as described in note 3 (d), NSR sub-leased the Hotel Plot to the joint venture company.

- (b) The subsidiaries have mortgaged most of their land and leasehold rights to secure loans and overdrafts from financial institutions.
- (c) In 2008, the Company had placed some collateral land held for development with court.

10 Properties developed for rent

- (a) The Company and its subsidiaries have mortgaged most of their leasehold rights, land and buildings for rent thereon with financial institutions as collateral for the loans from financial institutions to the Company and its subsidiaries (See note 11).
- (b) In 2008, the Company had placed some collateral land developed for rent with court.

11 Interest-bearing liabilities

- (a) The Company and its subsidiaries' bank overdrafts and short-term loans from financial institutions carry interest at the minimum overdraft rate and minimum loan rate plus/minus a certain percentage per annum, and are due for repayment within one year.
- (b) Long term loans from subsidiaries and shareholder of subsidiary represent at call promissory notes. The Group classified as a non-current liability because the Group will not receive payment within one year.
- (c) 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.

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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.

- (d) 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 relate 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.

Two commercial banks have given letters of guarantee to the debenture holders as collateral for the debentures secured by pledge of the Company's investment unit certification in Gold Property Fund (See note 7).

- (e) On 29 April 2005, the Annual General Meeting of the Company's shareholders passed resolutions approving actions 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.
- (f) The Company and its subsidiaries have mortgaged most of their freehold land, leasehold land and the constructions thereon (both present and future constructions) with financial institutions to secure their overdraft, short-term loan and loans from financial institutions and subsidiaries have transferred their rights to receive money in escrow accounts to certain banks to secure their loans.
- (g) As at 30 June 2008, the Group had unutilised credit facilities totaling Baht 2,799.09 million (31 December 2007: Baht 3,186.47 million).

12 Trade accounts payable

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2008	2007	2008	2007
	<i>(in million Baht)</i>			
Related party (See note 3)	11.33	6.43	-	-
Other parties	125.38	306.88	1.49	0.47
Total	136.71	313.31	1.49	0.47

As at 30 June 2008 and 31 December 2007, trade accounts payable of the Group were denominated entirely in Thai Baht.

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13 Deferred income

	Consolidated financial statements		Separate financial statements	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
	<i>(in million Baht)</i>			
At 1 January	978.30	-	-	-
Initial payment received (See note 3 (d))	-	988.60	-	-
Amortisation	(14.88)	(10.30)	-	-
Balance	963.42	978.30	-	-

14 Provisions

	Consolidated financial statements		
	Litigation claim	Rental guarantee expense	Total
	<i>(in million Baht)</i>		
At 1 January	176.29	-	176.29
Provision made	31.07	84.09	115.16
At 31 December 2007 and 1 January 2008	207.36	84.09	291.45
Provision made (used)	5.68	(14.53)	(8.85)
At 30 June 2008	213.04	69.56	282.60
At 31 December 2007			
Current (a part of other current liabilities)	-	35.51	35.51
Non-current	207.36	48.58	255.94
Total	207.36	84.09	291.45
At 30 June 2008			
Current (a part of other current liabilities)	-	31.54	31.54
Non-current	213.04	38.02	251.06
Total	213.04	69.56	282.60

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	Separate financial statements
	Litigation claim (in million Baht)
At 1 January	175.24
Provision made	31.07
At 31 December 2007 and 1 January 2008	206.31
Provision made	4.57
At 30 June 2008	210.88
At 31 December 2007	
Current (a part of other current liabilities)	-
Non-current	206.31
Total	206.31
At 30 June 2008	
Current (a part of other current liabilities)	-
Non-current	210.88
Total	210.88

As at 30 June 2008, 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 130.59 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 totalling Baht 0.34 million, the cases are being heard by the court of first instance;
 - For cases with claims totalling Baht 34.32 million, the cases are being heard by the appeals court; and
 - For cases with claims totalling Baht 95.93 million, the appeals court judged that the Company is 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 outstanding have been paid, confirming the decision of the court of first instance. The Company has petitioned against 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 the related company, suing for compensation of Baht 14.39 million on the grounds that they paid deposits for buildings in a project of the related company but the related company was not able to construct and transfer the condominiums to them.

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The court of first instance judged that the Company is 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 against 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 set out in Notes 14 (a) and 14 (b) based on the sales value plus interest at the rate of 7.5 percent per annum totalling Baht 210.88 million (31 December 2007: Baht 206.31 million). As at 30 June 2008, the Company had placed a collateral deposit of Baht 26.41 million (31 December 2007: Baht 26.41 million) with the court, which is included in deposits.

15 Share capital

	<i>Par value per share (in Baht)</i>	30 June 2008		31 December 2007	
		Number	Amount	Number	Amount
<i>Authorised</i>					
At 1 January	10.00	708.78	7,087.82	708.78	7,087.82
At 30 June/ 31 December	10.00	708.78	7,087.82	708.78	7,087.82
<i>Issued and fully paid</i>					
At 1 January	10.00	630.08	6,300.82	630.08	6,300.82
At 30 June/ 31 December	10.00	630.08	6,300.82	630.08	6,300.82

16 Warrants

The balance of unexercised warrants as at 30 June 2008 was as follows:

Warrants unexercised 1 January 2008	Units		Warrants unexercised at 30 June 2008	Exercise by Cash or Debt/ Equity Conversion (Baht/share)	Expiry date
	Warrants issued (in million units)	Warrants expired			
(a) 2.00	-	(2.00)	-	10	20 January 2008
(b) 31.50	-	-	31.50	10	5 years after issuance date
33.50			31.50		

(a) The Company issued 28.18 million units of warrants, to staff 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 in the Company.

(b) At the Extraordinary Shareholders' Meeting of the Company held on 21 December 2006 and the Board of Directors' Meeting held 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.

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- Allot 47.25 million new ordinary shares at par value of Baht 10 each in the Company 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.

17 Segment information

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

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

Geographic segments

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

Revenue and results, based on business segments, in the consolidated financial statements for the three-month and the six-month periods ended 30 June 2008 and 2007 were as follows:

	Three-month periods ended 30 June		Six-month periods ended 30 June	
	2008	2007	2008	2007
	<i>(in million Baht)</i>			
<i>Segment revenue</i>				
Real estate business	430.22	484.89	774.58	1,240.28
Rental and service business	148.85	122.43	302.98	249.47
Golf course business	3.83	4.34	10.23	14.33
Management service business	65.06	37.59	114.19	115.27
Other segment	24.83	25.03	38.28	33.93
Gain from sale of land and building under finance lease	-	1,203.07	-	1,203.07
Eliminations	(78.45)	(453.70)	(140.35)	(545.82)
Total	594.34	1,423.65	1,099.91	2,310.53
<i>Segment results</i>				
Real estate business	145.10	171.64	259.99	436.35
Rental and service business	30.16	36.05	74.14	75.05
Golf course business	2.94	3.22	7.82	11.15
Other segment	23.33	24.75	35.46	28.98
Gain from sale of land and building under finance lease	-	797.77	-	797.77
Total	201.53	1,033.43	377.41	1,349.30

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18 Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the three-month and six-month periods ended 30 June 2008 and 2007 were based on the profit (loss) for the period attributable to equity holders of the Company and the number of ordinary shares outstanding during the period as follows:

<i>Three-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in million Baht/million shares)</i>			
Profit (loss) attributable to equity holders of the Company (basic)	16.11	810.61	(16.03)	(18.78)
Number of ordinary shares outstanding	<u>630.08</u>	<u>630.08</u>	<u>630.08</u>	<u>630.08</u>
Earnings(loss) per share (basic) (in Baht)	<u>0.03</u>	<u>1.29</u>	<u>(0.03)</u>	<u>(0.03)</u>

<i>Six-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in million Baht/million shares)</i>			
Profit (loss) attributable to equity holders of the Company (basic)	31.45	879.17	9.02	(1.38)
Number of ordinary shares outstanding	<u>630.08</u>	<u>630.08</u>	<u>630.08</u>	<u>630.08</u>
Earnings(loss) per share (basic) (in Baht)	<u>0.05</u>	<u>1.40</u>	<u>0.01</u>	<u>-</u>

19 Dividends

At the annual general meeting of the shareholders of the Company held on 29 April 2008, the shareholders approved the appropriation of dividends to the entitled shareholders at Baht 0.05 per share, amounting to Baht 31.51 million. The dividend payment was made on 28 May 2008, amounting to Baht 30.79 million.

The Company is unable to pay a dividend to the extent of any share discount outstanding. Share discount of Baht 505.79 million exists at the period end. Only the amount of the unappropriated retained earnings that exists and that is in excess of Baht 505.79 million is available for distribution.

20 Commitments with non-related parties

As at 30 June 2008, 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 2007: Baht 52.14 million*).
- (b) As at 30 June 2008, the Company and its subsidiaries had outstanding bank guarantees of Baht 210.86 million in the consolidated financial statements and Baht 114.36 million in the separate financial statements (*31 December 2007: Baht 494.35 million and Baht 318.13 million, respectively*), which were issued by banks on behalf of the Company and its

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subsidiaries in respect of certain performance bonds required in the normal course of business. The Company has provided guarantees to financial institutions in respect of guarantees given by subsidiaries.

- (c) As at 30 June 2008, the Company and its subsidiaries had outstanding commitments of Baht 912.87 million in the consolidated financial statements (*31 December 2007: Baht 912.71 million*) and Baht 10.28 million (*31 December 2007: nil*) in the separate financial statements with respect to design and construction contracts. Furthermore, the subsidiaries had outstanding capital commitments of Baht 105.54 million, USD 0.85 million, and SGD 3,000 (*31 December 2007: Baht 287.87 million, USD 0.85 million, and SGD 3,000*) with respect to design and construction contracts.
- (d) A subsidiary has an agreement with a foundation to lease land on which to develop a residential building for rent, for a period of 50 years commencing 5 October 2003. Future rental payments under these lease agreements are as follows:

Payment due	30 June 2008	31 December 2007
	<i>(in million Baht)</i>	
Within one year	3.86	8.86
After one year but within five years	15.82	15.82
After five years	230.12	230.12
Total	249.80	254.80

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

- (e) A subsidiary has an agreement with the Privy Purse Bureau to lease land on which to develop an office building for rent for a period of 30 years commencing 1 September 1992. Future rental payments under these lease agreements are as follows:

Payment due	30 June 2008	31 December 2007
	<i>(in million Baht)</i>	
Within one year	2.60	2.54
After one year but within five years	11.76	11.48
After five years	37.39	38.98
Total	51.75	53.00

- (f) A subsidiary has 4 lease agreements with the Crown Property Bureau to lease land for the development of office and/or residential buildings 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 June 2008	31 December 2007
	<i>(in million Baht)</i>	
Within one year	49.30	49.30
After one year but within five years	198.60	198.60
After five years	1,350.00	1,350.00
Total	1,597.90	1,597.90

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The lessor has granted the subsidiary the option to renew these lease agreements for an additional 30 years term under the conditions, covenants and with the rental fees as stipulated in the agreements.

- (g) The Company has lease agreements with the Crown Property Bureau to lease land for the development of a 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 June 2008	31 December 2007
	<i>(in million Baht)</i>	
Within one year	16.00	16.00
After one year but within five years	69.00	69.00
After five years	642.39	642.39
Total	<u>727.39</u>	<u>727.39</u>

The Company has the option to renew these lease agreements for an additional 30 years term, under the conditions, covenants and with the rental fees as stipulated in the agreements.

- (h) Two subsidiaries have 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, Golden Land (Mayfair) Co., Ltd., entered into an assignment and assumption agreement with a group of companies that provide residential service project management to the subsidiary, for its transfer of the said right to Grand Mayfair Co., Ltd.

21 Contingent liability

The Company, a subsidiary and a related company are engaged in litigation as a result of agreements and compensation claims by customer project “complainants” in the amount of Baht 4.47 million. However, as at 30 June 2008, the Company made the provision on this claim in the amount of Baht 1.10 million (See note 14). This case is currently pending hearing by the appeal court. The other case is ongoing and the result has not been decided.

22 Reclassification of accounts

Certain accounts in the 2007 financial statements have been reclassified to conform to the presentation in the 2008 interim financial statements.