

(UNAUDITED BUT REVIEWED)

LAND AND HOUSES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2006

1. GENERAL INFORMATION

1.1 Corporate information

Land and Houses Public Company Limited was incorporated as a public company under Thai Laws. The Company operates in Thailand and is principally engaged in property development for sales. The Company's registered office is located at No. 1, 37th - 38th Floor, Q. House Lumpini Building, South Sathorn Road, Lumpini, Sathorn, Bangkok.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standards Pronouncement No. 41 "Interim financial statements", with the Company choosing to present condensed interim financial statements. However, the Company has presented the balance sheets, and the statements of earnings, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

1.3 Basis of consolidation

These consolidated interim financial statements are prepared by applying the same basis as that applied for the preparation of the consolidated financial statements for the year ended 31 December 2005, with there being no changes in the structure of shareholding in subsidiaries during the period.

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The consolidated interim financial statements include the account balances of the Company and its subsidiaries. Material intercompany transactions and balances have been eliminated. The Company's holdings in subsidiaries are as follows: -

	Country of incorporation	Percentage of shareholding (%)	
		30 September 2006	31 December 2005
Atlantic Real Estate Co., Ltd.	Thailand	99.99	99.99
Pacific Real Estate Co., Ltd.	Thailand	99.99	99.99
Land and Houses North Co., Ltd.	Thailand	99.99	99.99
Land and Houses Northeast Co., Ltd.	Thailand	99.99	99.99
Siam Tanee Property Co., Ltd.	Thailand	99.99	99.99
L H Real Estate Co., Ltd.	Thailand	99.99	99.99
L H Asset Co., Ltd.	Thailand	99.99	99.99
L H Muang Mai Co., Ltd.	Thailand	55.00	55.00
L&H Property Co., Ltd. (Formerly known as "Royal Excellency Co., Ltd.")	Thailand	60.00	60.00

In addition, the consolidated interim financial statements also include the following companies, accounted balances of subsidiaries in which holds more than 50% of shares.

	Country of corporation	Percentage of shareholding (%)	
		30 September 2006	31 December 2005
Siam Tanee Property Co., Ltd.'s subsidiary			
Siam Tanee Real Estate Co., Ltd.	Thailand	99.99	99.99
L H Muang Mai Co., Ltd.'s subsidiaries			
Phuket Future Plan Co., Ltd.	Thailand	99.99	99.99
Doubletree Co., Ltd.	Thailand	99.99	99.99
L&H Property Co., Ltd.'s subsidiary			
L&H Sathon Co., Ltd.	Thailand	99.99	99.99

The consolidated and the Company's interim financial statements for the nine-month period ended 30 September 2006 included investments in the following associated companies accounted for under the equity method, and share of profit (loss) from investments in the associated companies under the equity method, determined based on financial statements of those companies which have been reviewed or not been reviewed as stipulated.

(UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

	Country of incorporation	Percentage of shareholding as at 30 September 2006 (Percent)	Investments under the equity method as at 30 September 2006	Share of profit (loss) from investments under the equity method	
				For the three-month period ended 30 September 2006	For the nine-month period ended 30 September 2006
Reviewed by auditor and another auditor of the same firm					
Land and Houses Retail Bank Plc.	Thailand	43.00	871,892	(14,625)	(51,649)
Asia Asset Advisory Co., Ltd.	Thailand	40.00	9,540	407	1,119
Land and Houses Property Fund	Thailand	49.94	294,644	8,503	24,184
Land and Houses Property and Loan Fund II	Thailand	49.99	1,607,121	16,856	41,517
Quality Houses Plc.	Thailand	24.77	2,354,452	4,516	19,742
Reviewed by other auditors					
Bangkok Chain Hospital Plc.	Thailand	28.55	650,947	34,202	85,821
Quality Construction Products Plc.	Thailand	31.41	445,925	(6,551)	(16,736)
Home Product Center Plc.	Thailand	28.91	987,496	36,820	104,728
Unreviewed by auditor					
Polar Property Holdings Corporation	Philippines	25.00	969,747	4,621	29,192

1.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2005, with the following additional accounting policies.

Capitalisation of interest cost

Interest cost on borrowings for use in construction of the projects, is capitalised as part of the cost of those assets and will be ceased when the projects are completed or when the construction is suspended until active development resumes.

Investments in associated companies

Investments in associated companies are stated under the equity method of accounting. Under this method, the investment is recorded at cost and the investment is adjusted to incorporated the Company's proportionate share of the operating results in the associated companies for each subsequent year. The Company has adjusted the associate's financial statements to conform to the Company's accounting policies for calculation of equity taking.

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2. PRIOR PERIOD ADJUSTMENTS

During the current period, the Company changed the accounting policies of the group of associated companies such that they have the same accounting policies. The Company has therefore adjusted the financial statements of an associated company for the purpose of equity taking, to reflect the change of its accounting policy regarding property, plant and equipment of its hospital from reappraised value to the cost method. In addition, the Company has adjusted the financial statements of two property funds which are associated companies for equity taking purposes, to reflect the change in their accounting policy for investments in properties from fair value to the cost method. The Company has therefore restated the financial statements presented herein for comparative purposes. This adjustment has the effect of decreasing net earnings for the three-month and nine-month periods ended 30 September 2005 by Baht 15.3 million and Baht 42.5 million, respectively. The cumulative effect of the adjustment up to the beginning of the year 2005 has been presented in the statements of changes in shareholders' equity. The Company has also adjusted the retained earnings and the related accounts in the statements of changes in shareholders' equity.

3. RELATED PARTY TRANSACTIONS

During the periods, the Company and its subsidiaries had significant business transactions with their related companies (related by ways of common directors and/or common shareholders and managements). The transactions are summarised below: -

(Unit: Million Baht)

	For the three-month periods ended 30 September				Pricing policy
	Consolidated		The Company Only		
	2006	2005	2006	2005	
<u>Transactions with subsidiaries</u>					
Interest income	-	-	23.7	39.4	5 p.a. (2005: 4 p.a.)
Interest expenses	-	-	4.3	-	3 - 5 p.a. (2005: 4 p.a.)
Management fee income	-	-	7.7	13.2	Approximate cost
<u>Transactions with associated companies</u>					
Purchase of goods	103.6	162.9	43.2	100.0	Market Price
Service expenses	8.5	9.1	8.5	9.2	Market Price
<u>Transactions with related companies</u>					
Purchase of goods	-	8.1	-	5.9	Market Price

(UNAUDITED BUT REVIEWED)

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Pricing policy
	Consolidated		The Company Only		
	2006	2005	2006	2005	
<u>Transactions with subsidiaries</u>					
Interest income	-	-	74.1	123.2	5 p.a. (2005: 4 p.a.)
Interest expenses	-	-	5.8	2.8	3 - 5 p.a. (2005: 4 p.a.)
Management fee income	-	-	25.1	15.1	Approximate cost
Sale of land	-	-	26.2	-	Approximate cost
Cash paid for use of land	-	-	33.4	-	Approximate cost
<u>Transactions with associated companies</u>					
Purchase of goods	225.7	453.7	112.6	295.8	Market Price
Service expenses	29.9	17.9	29.9	17.5	Market Price
<u>Transactions with related companies</u>					
Purchase of goods	-	26.7	-	17.4	Market Price

The outstanding balances of the above transactions have been presented in the balance sheets as follows: -

(Unit: Million Baht)

	Consolidated		The Company Only	
	30 September	31 December	30 September	31 December
	2006	2005	2006	2005
Amount due from and accounts receivable - related parties				
<u>Subsidiary companies</u>				
Pacific Real Estate Co., Ltd.	-	-	0.5	3.5
Land and Houses Northeast Co., Ltd.	-	-	-	1.1
L H Real Estate Co., Ltd.	-	-	0.6	6.7
L H Asset Co., Ltd.	-	-	2.3	2.0
L H Muang Mai Co., Ltd.	-	-	0.3	0.3
Land and Houses North Co., Ltd.	-	-	-	0.1
	-	-	3.7	13.7
<u>Associated companies</u>				
Home Product Center Plc.	1.9	10.3	1.8	8.1
Quality Houses Plc.	-	4.8	-	4.8
	1.9	15.1	1.8	12.9
Total	1.9	15.1	5.5	26.6

(UNAUDITED BUT REVIEWED)

(Unit: Million Baht)

	Consolidated		The Company Only	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005
Short-term loans to and accrued interest receivable from related parties				
<u>Subsidiary companies</u>				
Pacific Real Estate Co., Ltd.	-	-	847.6	1,151.5
Atlantic Real Estate Co., Ltd.	-	-	102.8	99.2
Siam Tanee Property Co., Ltd.	-	-	2.5	-
L H Muang Mai Co., Ltd.	-	-	30.2	-
L H Real Estate Co., Ltd.	-	-	-	388.3
L H Asset Co., Ltd.	-	-	981.0	878.4
Total	-	-	1,964.1	2,517.4
Deposit - related party				
<u>Related company</u>				
Centre Point Management Co., Ltd.	6.7	-	6.7	-
Trade accounts payable - related parties				
<u>Associated companies</u>				
Quality Construction Products Plc.	15.3	14.9	13.4	9.3
Home Product Center Plc.	5.6	16.5	1.2	6.5
Total	20.9	31.4	14.6	15.8
<u>Related company</u>				
PCM Construction Material Co., Ltd.	-	1.1	-	-
Total	20.9	32.5	14.6	15.8
Accounts payable - related parties				
<u>Subsidiary company</u>				
Siam Tanee Real Estate Co., Ltd.	-	-	-	0.4
<u>Associated company</u>				
Home Product Center Plc.	0.3	-	-	-
Asia Asset Advisory Co., Ltd.	3.5	4.0	-	-
Total	3.8	4.0	-	0.4
Short-term loans from and accrued interest payables to related parties				
<u>Subsidiary companies</u>				
L H Real Estate Co., Ltd.	-	-	52.1	-
Land and Houses Northeast Co., Ltd.	-	-	168.1	28.5
Total	-	-	220.2	28.5

(UNAUDITED BUT REVIEWED)

Loans to subsidiaries and loans from subsidiaries are in the form of promissory notes without collateral which are due at call.

During the current period, the movements of loans to/from subsidiaries were as follows: -

(Unit: Million Baht)

	The Company Only			
	31 December 2005	Increase	Decrease	30 September 2006
Short-term loans to and accrued interest receivables from related parties				
<u>Subsidiary companies</u>				
Pacific Real Estate Co., Ltd.	1,151.5	6,892.7	(7,196.6)	847.6
Atlantic Real Estate Co., Ltd.	99.2	103.5	(99.9)	102.8
Siam Tanee Property Co., Ltd.	-	2.5	-	2.5
L H Muang Mai Co., Ltd.	-	30.2	-	30.2
L H Real Estate Co., Ltd.	388.3	1,093.3	(1,481.6)	-
L H Asset Co., Ltd.	878.4	4,026.9	(3,924.3)	981.0
Total	<u>2,517.4</u>	<u>12,149.1</u>	<u>(12,702.4)</u>	<u>1,964.1</u>
Short-term loans from and accrued interest payables to related parties				
<u>Subsidiary companies</u>				
L H Real Estate Co., Ltd.	-	364.4	(312.3)	52.1
Land and Houses Northeast Co., Ltd.	28.5	268.8	(129.2)	168.1
Total	<u>28.5</u>	<u>633.2</u>	<u>(441.5)</u>	<u>220.2</u>

In addition, the Company allotted free warrants to directors and employees of the Company and its subsidiaries, as discussed in Note 14.1.

4. TRADE ACCOUNTS RECEIVABLES

As at 30 September 2006 and 31 December 2005 trade accounts receivables classified by overdue period are as follow:

(Unit: Thousand Baht)

Overdue period	Consolidated		The Company Only	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005
Trade accounts receivable - properties				
More than 12 months	-	174	-	-
Total	<u>-</u>	<u>174</u>	<u>-</u>	<u>-</u>

(UNAUDITED BUT REVIEWED)

5. LAND, CONSTRUCTION IN PROGRESS AND UTILITIES (INVENTORIES)

The Company and its subsidiaries have mortgaged land and structures thereon with net book values as at 30 September 2006 of Baht 6,028 million (the Company only: Baht 4,905 million) (31 December 2005: Baht 1,990 million (the Company only: Baht 1,990 million)) to secure the loans and debentures discussed in Notes 11, 12 and 13.

Movement in the allowance for diminution in value of inventory account during the nine-month period ended 30 September 2006 are summarised below.

(Unit: Thousand Baht)

	Consolidated	The Company Only
Balance as at 1 January 2006	566,348	549,879
Add: Allowance made during the period	18,019	-
Less: Amount charged to cost of sales in respect of the inventory sold	(70,408)	(69,480)
Less: Allowance reversed during the period	(443)	-
Balance as at 30 September 2006	<u>513,516</u>	<u>480,399</u>

6. INVESTMENTS IN SUBSIDIARY COMPANIES

Investments in subsidiaries are accounted for using the equity method.

(Unit: Thousand Baht)

Company's name	Nature of business	Type of relation	Paid-up capital	The Company Only			
				As at 30 September 2006			
				Percentage owned by the Company (Percent)	Investment		Dividend
	Cost method	Equity method					
Atlantic Real Estate Co., Ltd.	Real estate business	Shareholders and common directors	15,000	99.99	14,998	14,472	-
Pacific Real Estate Co., Ltd.	Real estate business	Shareholders and common directors	371,616	99.99	371,614	629,373	-
Land and Houses North Co., Ltd.	Real estate business	Shareholders and common directors	13,500	99.99	13,500	18,703	-
Land and Houses Northeast Co., Ltd.	Real estate business	Shareholders and common directors	570,000	99.99	569,999	599,558	-
Siam Tanee Property Co., Ltd. and its subsidiary	Real estate business	Shareholders and common directors	100,000	99.99	64,859	210,428	-

(UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

The Company Only							
As at 30 September 2006							
Company's name	Nature of business	Type of relation	Paid-up capital	Percentage owned by the Company	Investment		Dividend
					Cost method	Equity method	
(Percent)							
L H Real Estate Co., Ltd.	Real estate business	Shareholders and common directors	116,000	99.99	50,000	1,106,600	504,597
L H Asset Co., Ltd.	Real estate business	Shareholders and common directors	100,000	99.99	52,734	254,189	-
L H Muang Mai Co., Ltd. and its subsidiaries	Real estate business	Shareholders and common directors	900,000	55.00	495,000	587,798	-
L&H Property Co., Ltd. and its subsidiary	Real estate for lease business	Shareholders and common directors	1,258,000	60.00	850,800	822,597	-
					<u>2,483,504</u>	<u>4,243,718</u>	<u>504,597</u>

(Unit: Thousand Baht)

The Company Only							
As at 31 December 2005							
Company's name	Nature of business	Type of relation	Paid-up capital	Percentage owned by the Company	Investment		Dividend
					Cost method	Equity method	
(Percent)							
Atlantic Real Estate Co., Ltd.	Real estate business	Shareholders and common directors	15,000	99.99	14,998	17,909	-
Pacific Real Estate Co., Ltd.	Real estate business	Shareholders and common directors	371,616	99.99	371,614	379,567	-
Land and Houses North Co., Ltd.	Real estate business	Shareholders and common directors	13,500	99.99	13,500	18,998	29,999
Land and Houses Northeast Co., Ltd.	Real estate business	Shareholders and common directors	570,000	99.99	569,999	588,947	148,200
Siam Tanee Property Co., Ltd. and its subsidiary	Real estate business	Shareholders and common directors	100,000	99.99	64,859	235,597	313,398
L H Real Estate Co., Ltd.	Real estate business	Shareholders and common directors	116,000	99.99	50,000	1,307,418	-
L H Asset Co., Ltd.	Real estate business	Shareholders and common directors	100,000	99.99	52,734	160,116	-
L H Muang Mai Co., Ltd. and its subsidiaries	Real estate business	Shareholders and common directors	900,000	55.00	495,000	557,170	-
L&H Property Co., Ltd. and its subsidiary	Real estate for lease business	Shareholders and common directors	580,000	60.00	444,000	433,701	-
					<u>2,076,704</u>	<u>3,699,423</u>	<u>491,597</u>

6.1 Land and Houses Northeast Company Limited

The Extraordinary General Meeting of Land and Houses Northeast Company Limited's shareholders held on 23 May 2006 passed a resolution approving a decrease in the company's registered, issued and paid-up share capital totalling Baht 300,000,000 through decreasing of 3,000,000 ordinary shares with a par value of Baht 100 each. Land and Houses Northeast Co., Ltd. registered the decrease in shares capital with the Ministry of Commerce on 19 October 2006.

6.2 L H Muang Mai Company Limited and subsidiaries

During the nine-month period ended 30 September 2005, L H Muang Mai Company Limited made repayment for debt restructuring by using some of the money received from increase share capital. Consequently, there was gain on debt restructuring of Baht 81.9 million and the Company presented such gain net of minority interest Baht 45.0 million as extraordinary item in the statements of earnings.

As at 30 September 2006, L H Muang Mai Company Limited pledged the ordinary shares of its subsidiaries, Phuket Future Plan Company Limited and Doubletree Company Limited, as collateral of long-term loans as discussed in Note 12.

6.3 L&H Property Company Limited and its subsidiary

During the current period, L&H Property Company Limited called up the remaining uncalled portion of its share price from its shareholders. The Company therefore paid in the uncalled portion of share amounting to Baht 252 million in February and March 2006.

In addition, the Extraordinary General Meeting of L&H Property Company Limited's shareholders held on 20 April 2006 approved an increase in its registered share capital from Baht 1,000 million to Baht 1,600 million through the issuance of 6,000,000 ordinary shares at a par value of Baht 100, with Baht 43 per share to be called up. The Company purchased 3,600,000 of the additional shares, in proportion to its existing shareholdings and already paid up totally Baht 155 million in April and September 2006. L&H Property Company Limited registered the increase in its share capital with the Ministry of Commerce on 21 April 2006.

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On 17 July 2006, Royal Excellency Company Limited registered its change of the company's name to be L&H Property Company Limited.

7. INVESTMENTS IN ASSOCIATED COMPANIES

Investments in associated companies are accounted for using the equity method.

(Unit: Thousand Baht)

Consolidated and The Company Only							
As at 30 September 2006							
Company's name	Nature of business	Type of relationship	Paid-up capital	Percentage owned by the Company	Investment		Dividend
					Cost method	Equity method	
Land and Houses Retail Bank Plc.	Retail bank	Shareholders and common directors	1,900,000	43.00	1,005,960	871,892	-
Bangkok Chain Hospital Plc.	Hospital	Shareholders and common directors	950,000	28.55	661,669	650,947	51,621
Quality Construction Products Plc.	Construction materials	Shareholders and common directors	400,000	31.41	265,980	445,925	-
Home Product Center Plc.	Trading of construction materials	Shareholders and common directors	954,638	28.91	630,261	987,496	50,786
Asia Asset Advisory Co., Ltd.	Investment advisor	Shareholders and common directors	5,000	40.00	2,000	9,540	5,600
Land and Houses Property Fund	Real estate business	Shareholders and common directors	639,943	49.94	328,452	294,644	26,527
Land and Houses Property and Loan Fund II	Real estate business	Shareholders and common directors	3,215,570	49.99	1,609,896	1,607,121	101,268
Quality Houses Plc.	Real estate business	Shareholders and common directors	6,306,261	24.77	2,277,455	2,354,452	93,723
Polar Property Holdings Corporation	Real estate business	Shareholders and common directors	4,892,411	25.00	866,849	969,747	-
					<u>7,648,522</u>	<u>8,191,764</u>	<u>329,525</u>

(Unit: Thousand Baht)

Consolidated and The Company Only							
As at 31 December 2005							
Company's name	Nature of business	Type of relationship	Paid-up capital	Percentage owned by the Company	Investment		Dividend
					Cost method	Equity method	
Land and Houses Retail Bank Plc.	Retail bank	Shareholders and common directors	1,100,000	43.00	661,960	580,457	-
Bangkok Chain Hospital Plc.	Hospital	Shareholders and common directors	950,000	25.79	520,479	475,980	24,400
Quality Construction Products Plc.	Construction materials	Shareholders and common directors	400,000	31.41	265,980	462,661	31,406
Home Product Center Plc.	Trading of construction materials	Shareholders and common directors	947,310	26.62	410,795	714,088	42,473
Asia Asset Advisory Co., Ltd.	Investment advisor	Shareholders and common directors	5,000	40.00	2,000	14,021	-
Land and Houses Property Fund	Real estate business	Shareholders and common directors	639,943	49.94	328,452	296,987	23,331
Land and Houses Property and Loan Fund II	Real estate business	Shareholders and common directors	3,215,570	49.99	1,609,896	1,666,872	104,483
Quality Houses Plc.	Real estate business	Shareholders and common directors	6,270,733	24.02	2,208,445	2,359,424	101,472
Polar Property Holdings Corporation	Real estate business	Shareholders and common directors	4,892,411	25.00	866,849	963,321	-

<u>6,874,856</u>	<u>7,533,811</u>	<u>327,565</u>
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(UNAUDITED BUT REVIEWED)

The Company recorded its investment in Polar Property Holdings Corporation, an overseas associated company, under the equity method based on information provided by that company's management, which was not reviewed by its auditor. However, this associated company applies the following significant accounting policies which differ from those of the Company.

1. Income tax accounting
2. Employee benefits accounting
3. Revenue recognition of sale of real estate properties

The Company is unable to quantify the possible effect to the financial statements regarding the different accounting policies.

Shares of profits (losses) from investments in associated companies accounted for under the equity method for the year ended 31 December 2005 which were determined from financial statements which had not been audited are detailed below:

(Unit: Thousand Baht)

	<u>31 December 2005</u>
Land and Houses Retail Bank Public Company Limited	(82,026)
Land and Houses Property Fund	36,140
Land and Houses Property and Loan Fund II	109,822
Polar Property Holdings Corporation	17,576
Total	<u><u>81,512</u></u>

During the nine-month period ended 30 September 2006, the Company obtained audited financial statements of the above 4 associated companies for the year ended 31 December 2005. Findings can be summarised as follows: -

1. The differences between the audited financial statements of Land and Houses Retail Bank Public Company Limited and the financial statements used for calculation of loss sharing under the equity method were immaterial and the Company therefore adjusted such differences in the statement of earnings of the first quarter of the current year.

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2. There were no differences between the audited financial statements of Land and Houses Property Fund and Land and Houses Property and Loan Fund II, and the financial statements used for calculation of profit sharing under the equity method after adjusting the different accounting policies applied by property funds to correspond to the policies of the Group of Company, as discussed in Note 2.
3. The differences between the audited financial statements of Polar Property Holding Corporation and the financial statements used for calculation of profit sharing under the equity method were immaterial and the Company therefore adjusted such differences in the statement of earnings of the first quarter of the current year. However, that financial statements had been audited by its auditor, who expressed a qualified opinion on those statements with respect to the scope limitation on auditing the real estate properties for sale account and the amount of the estimated land development cost relating to unsold units, since he unable to obtain sufficient appropriate audit evidences. The Company has not adjusted the possible effect to the financial statements of the scope limitation, or the effect of the application of different accounting policies, as discussed above, because the Company is unable to quantify these effects.

7.1 Home Product Center Plc.

During the current period, the Company acquired an additional 23.8 million ordinary shares of Home Product Center Plc., or a total of Baht 219.5 million.

In addition, during the current period, the warrant holders of Home Product Center Plc. exercised their rights to convert 7.3 million warrants to 7.3 million ordinary shares. As a result, the Company's percentage shareholding in that company has changed from 26.62 percent to 28.91 percent.

As at 30 September 2006, the investment in Home Product Center Plc., a company listed on the Stock Exchange of Thailand, had a total market value of Baht 2,221 million (31 December 2005: Baht 2,030 million).

7.2 Bangkok Chain Hospital Plc.

During the current period, the Company acquired an additional 26.2 million ordinary shares of Bangkok Chain Hospital Plc., or a total of Baht 141.2 million. As a result, the Company's percentage shareholding in that company has changed from 25.79 percent to 28.55 percent.

As at 30 September 2006, investment in Bangkok Chain Hospital Plc., a company listed on the Stock Exchange of Thailand, had a total market value of Baht 1,926 million (31 December 2005: Baht 657 million).

7.3 Quality Construction Products Plc.

As at 30 September 2006, investment in Quality Construction Products Plc., a company listed on the Stock Exchange of Thailand, had a total market value of Baht 240 million (31 December 2005: Baht 344 million).

7.4 Quality Houses Plc.

During the current period, the Company acquired an additional 56 million ordinary shares of Quality Houses Plc. or a total of Baht 69 million.

In addition, during the current period, the warrant holders of Quality Houses Plc. exercised their rights to convert 35.5 million warrants to 35.5 million ordinary shares. As a result, the Company's percentage shareholding in that company has changed from 24.02 percent to 24.77 percent.

As at 30 September 2006, investment in Quality Houses Plc., a company listed on the Stock Exchange of Thailand, had a total market value of Baht 1,718 million (31 December 2005: Baht 1,747 million).

7.5 Land and Houses Retail Bank Plc.

During the current period, Land and Houses Retail Bank Plc. increased its 8 million ordinary shares, with a par value of Baht 100 each, of which 3.44 million ordinary shares, was acquired by the Company of Baht 344 million to retain its shareholding proportion.

(UNAUDITED BUT REVIEWED)

7.6 Polar Property Holdings Corporation

During the current period, Polar Property Holdings Corporation listed in the Stock Exchange of Philippines. As at 30 September 2006, its market value is Baht 1,622 million.

8. OTHER LONG-TERM INVESTMENTS

(Unit: Thousand Baht)

	Consolidated		The Company Only	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005
Available-for-sale securities				
Equity securities - Domestic	105,789	118,801	105,789	118,801
Add: Unrealised gain (loss) on investments	(55,023)	2,499	(55,023)	2,499
Available-for-sale securities - net	<u>50,766</u>	<u>121,300</u>	<u>50,766</u>	<u>121,300</u>
Debt securities held for maturity				
Bangkok Mass Transit System Plc.	150,000	150,000	-	-
Debt securities held for maturity	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>-</u>
Other investments				
Equity securities - Indonesia	1,962,768	1,963,199	1,962,768	1,963,199
Equity securities - Domestic	140,643	140,643	64,902	64,902
Less: Provision for impairment of investments				
- Equity securities - Indonesia	(1,340,699)	(1,340,957)	(1,340,699)	(1,340,957)
- Equity securities - Domestic	(52,214)	(39,151)	(39,151)	(39,151)
Other investments - net	<u>710,498</u>	<u>723,734</u>	<u>647,820</u>	<u>647,993</u>
Total	<u><u>911,264</u></u>	<u><u>995,034</u></u>	<u><u>698,586</u></u>	<u><u>769,293</u></u>

(UNAUDITED BUT REVIEWED)

9. PROPERTY, PLANT AND EQUIPMENT

Movement of the property, plant and equipment account during the nine-month period ended 30 September 2006 are summarised below.

(Unit: Thousand Baht)

	Consolidated	The Company Only
Net book value as at 1 January 2006	369,071	268,301
Acquisitions during period - at cost	929,242	168,553
Disposals during period - net book value at disposal date	(3,299)	(3,151)
Depreciation for period	(105,909)	(73,553)
Net book value as at 30 September 2006	<u>1,189,105</u>	<u>360,150</u>

10. LEASEHOLD RIGHTS

Two subsidiary companies have pledged leasehold land and subleased land with total net book value as at 30 September 2006 of Baht 506 million as collateral for long-term loan granted by a commercial bank as discussed in Note 12.

11. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

(Unit: Thousand Baht)

	Consolidated		The Company Only	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005
Bank overdrafts	-	10,554	-	10,554
Bill of exchange	2,119,537	304,463	2,119,537	304,463
Less: Prepaid interest	(31,322)	(3,501)	(31,322)	(3,501)
Net	<u>2,088,215</u>	<u>311,516</u>	<u>2,088,215</u>	<u>311,516</u>

(UNAUDITED BUT REVIEWED)

Bank overdrafts and short-term loans from financial institution have been secured by the mortgage land and construction thereon of the Company and its subsidiaries, as discussed in Note 5.

12. LONG-TERM LOANS

(Unit: Thousand Baht)

	Consolidated		The Company Only	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005
Long-term loans	6,564,609	4,773,965	5,488,728	3,816,576
Less: Current portion of				
long-term loans	(3,849,362)	(1,394,779)	(3,450,908)	(1,380,559)
Prepaid interest	(70,171)	(156,949)	(70,171)	(156,949)
Net	<u>2,645,076</u>	<u>3,222,237</u>	<u>1,967,649</u>	<u>2,279,068</u>

Movements in the long-term loans account during the nine-month period ended 30 September 2006 are summarised below.

(Unit: Thousand Baht)

	Consolidated	The Company Only
Balance as at 1 January 2006	4,773,965	3,816,576
Add: Additional borrowings		
- old loan agreements	70,000	-
- new loan agreements	2,137,190	1,881,190
Less: Repayment	(416,546)	(209,038)
Balance as at 30 September 2006	<u>6,564,609</u>	<u>5,488,728</u>

(UNAUDITED BUT REVIEWED)

During the nine-month period ended 30 September 2006, the Company and its subsidiary companies entered into new loan agreements with a commercial bank amounting to Baht 3,707 million and Baht 1,716 million, respectively. Details of the new loans are as follows: -

(Unit: Million Baht)

	Loan facilities per loan agreement	Drawdown amount as at 30 September 2006	Interest rate	Principal repayments	Collateral
The Company	2,000.0	913.4	Year 1-3 - MLR - 1.5 Thereafter - MLR - 1.5 or fixed deposit interest rate plus 2 percent per annum whichever is higher rate	Repayments within 5 years from the first drawdown date	Land of project which the bank granted the loan
	1,707.1	967.8	MLR-1.5	Repayments within 2 years and 6 months to 3 years from the first drawdown date	Land of project which the bank granted the loan
Total	<u>3,707.1</u>	<u>1,801.2</u>			
The subsidiaries	1,248.0	145.0	Year 1-3 - MLR - 1.5 Thereafter - MLR - 1 or fixed deposit interest rate plus 2.5 percent per annum whichever is higher rate	Quarterly repayments from June 2009 to December 2017	Land leasehold of project which the bank granted the loan
	368.0	85.0	Year 1-3 - MLR - 1.5 Thereafter - MLR - 1 or fixed deposit interest rate plus 2.5 percent per annum whichever is higher rate	Quarterly repayments from June 2008 to December 2017	Land subleased of project for which bank granted the loan Guaranteed by L&H Property Co., Ltd. covering Baht 390 million
	100.0	26.0	MLR - 1	Repayments within 3 years from the first drawdown date.	Ordinary shares of subsidiaries Guaranteed for Baht 220 million from the Company Guaranteed for Baht 180 million from minority shareholders of the subsidiary Guaranteed for Baht 800 million from two subsidiaries

Total

<u>1,761.0</u>	<u>256.0</u>
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subsidiaries

(UNAUDITED BUT REVIEWED)

13. DEBENTURES

Details of debentures of the Company are as follows: -

	Interest rate	Age	Repayment	Maturity	Consolidated and the Company Only			
					Number of debenture (shares)		Amount (Thousand Baht)	
					30 September 2006	31 December 2005	30 September 2006	31 December 2005
Unsecured debentures								
- No. 1/2004								
- Set 1	Fixed rate 2.8%	2 years	At maturity	4 March 2006	-	1,000,000	-	1,000,000
- Set 2	Fixed rate 3.25%	3 years	At maturity	4 March 2007	1,000,000	1,000,000	1,000,000	1,000,000
- Set 3	Fixed rate 3.25% for 1st - 3rd year and fixed rate 4.5% for 4th year	4 years	At maturity	4 March 2008	1,000,000	1,000,000	1,000,000	1,000,000
- No. 1/2005								
- Set 1	Fixed rate 4.25%	3 years	At maturity	1 April 2008	1,500,000	1,500,000	1,500,000	1,500,000
- Set 2	Fixed rate 4.25% for 1st - 3rd year and fixed rate 5.5% for 4th year	4 years	At maturity	1 April 2009	1,500,000	1,500,000	1,500,000	1,500,000
- Set 3	Fixed rate 4.25% for 1st - 3rd year, fixed rate 5.5% for 4th year and fixed rate 6.5% for 5th year	5 years	At maturity	1 April 2010	2,000,000	2,000,000	2,000,000	2,000,000
Secured debentures								
- No. 1/2001	Maximum rate of 3 months fixed deposit of Bangkok Bank Plc. + 3%	5 years	Every 3 months	4 December 2006	1,500,000	1,500,000	93,750	375,000
Total					<u>8,500,000</u>	<u>9,500,000</u>	7,093,750	8,375,000
Less: Current portion of debentures							(1,093,750)	(1,375,000)
Net							<u>6,000,000</u>	<u>7,000,000</u>

(UNAUDITED BUT REVIEWED)

Movements in the debentures account during the nine-month period ended 30 September 2006 are summarised below.

	(Unit: Thousand Baht)
	<u>Consolidated and The Company Only</u>
Balance as at 1 January 2006	8,375,000
Less: Repayment	<u>(1,281,250)</u>
Balance as at 30 September 2006	<u><u>7,093,750</u></u>

Plots of land of the Company have pledged for secured debentures as discussed in Note 5.

14. WARRANTS

14.1 The Employee Stock Ownership Program (ESOP)

The Annual General Meeting of the Company's shareholders No.1/2544 held on 30 April 2001 passed a resolution approving the Company's issue of 30,000,000 warrants free of charge to the directors and employees of the Company and its subsidiaries under the Employee Stock Ownership Program over a period of 5 years, with 6,000,000 warrants allocated each year.

14.1.1 The Employee Stock Ownership Program No. 4 to the directors and employees of the Company and its subsidiaries (ESOP-4)

On 8 April 2005 the Company issued 6,028,150 registered and non-transferable warrants to be allocated free of charge to the directors and employees of the Company and its subsidiaries under Employee Stock Ownership Program No.4 (ESOP-4). Of these, 5,964,350 warrants were allocated. The warrants have an exercise price of Baht 1 per share, an exercise ratio of 1 warrant to 10 new ordinary shares, and can be exercised every three months, for a period of 3 years, from the first exercise date of 29 April 2005 until the final exercise date of 7 April 2008. The exercise price and/or exercise ratio may be adjusted if certain events stipulated in the prospectus occur.

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During the current period, 627,650 ESOP-4 warrants were exercised to purchase 6,276,500 ordinary shares (cumulative number of warrants exercised as of 31 December 2005 was 5,141,300). Therefore as at 30 September 2006, there are 195,400 ESOP-4 warrants still unexercised (31 December 2005: 823,050).

14.1.2 The Employee Stock Ownership Program No. 5 to directors and employees of the Company and its subsidiaries (ESOP-5)

On 8 March 2006, the Company issued 5,968,019 registered and non-transferable warrants to be allocated free of charge to the directors and employees of the Company and its subsidiaries under the Employee Stock Ownership Program No.5 (ESOP-5). Of these, 5,968,000 warrants have been allocated. The warrants have an exercise price of Baht 1 per share and an exercise ratio of 1 warrant to 10 new ordinary share, and can be exercised every three months, for a period of 3 years, from the first exercise date of 31 March 2006, with a final exercise date of 7 April 2009. The exercise price and/or exercise ratio may be adjusted if certain events stipulated in the prospectus occur.

During the current period, 4,156,450 ESOP-5 warrants were exercised to purchase 41,564,500 ordinary shares. Therefore as at 30 September 2006, there are 1,811,550 ESOP-5 warrants still unexercised.

14.2 LH-W2

On 3 September 2001, the Company issued of 311,808,956 registered and transferable warrants free of charge to existing shareholders (LH-W2) in a ratio of 1 warrant to every 2 shares. These warrants have an exercise price of Baht 26 per share, an exercise ratio of 1 warrant to 1 new ordinary share, and can be exercised on the last working day of every March, June, September and December, for a period of 7 years from the issue date, beginning on 28 December 2001 and with a final exercise date of 2 September 2008. Of these, 307,656,855 warrants have been allocated. The Stock Exchange of Thailand accepted the warrants as listed securities, to be traded as from 26 September 2001.

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However, in the year 2003, the Company changed the par value of the Company's ordinary shares from Baht 10 per share to Baht 1 per share. Consequently, these warrants (LH-W2) were split from 1 warrant to 10 warrants. In addition, the exercise price and exercise ratio have been adjusted a number of times since the events stipulated in the prospectus occurred.

During the current period, the Company adjusted the exercise ratio and the exercise price of LH-W2 warrants as follows: -

<u>Date</u>	<u>Adjusted items</u>	<u>Previous</u>	<u>New</u>	<u>Remark</u>
8 March 2006	Exercise ratio	1 warrant grants entitlement to purchase 1.19460 new ordinary shares	1 warrant grants entitlement to purchase 1.20223 new ordinary shares	Result of issuance of ESOP-5
	Exercise price	Baht 2.177 per share	Baht 2.163 per share	Result of issuance of ESOP-5
4 May 2006	Exercise ratio	1 warrant grants entitlement to purchase 1.20223 new ordinary shares	1 warrant grants entitlement to purchase 1.22484 new ordinary shares	Result of dividend payment is greater than 30 percent of net earnings
	Exercise price	Baht 2.163 per share	Baht 2.123 per share	Result of dividend payment is greater than 30 percent of net earnings
25 August 2006	Exercise ratio	1 warrant grants entitlement to purchase 1.22484 new ordinary shares	1 warrant grants entitlement to purchase 1.24486 new ordinary shares	Result of dividend payment is greater than 30 percent of net earnings
	Exercise price	Baht 2.123 per share	Baht 2.089 per share	Result of dividend payment is greater than 30 percent of net earnings

During the current period, 95,346,884 LH-W2 warrants were exercised to purchase 116,064,310 ordinary shares (accumulative number of warrants exercised as of 31 December 2005 was 1,746,847,007). Therefore as at 30 September 2006, there are 1,234,374,659 LH-W2 warrants still unexercised (31 December 2005: 1,329,721,543).

15. SHARE CAPITAL

- 15.1 On 30 December 2005, the holders of 11,648,410 LH-W2 warrants exercised options to purchase 13,915,188 ordinary shares at an exercise price of Baht 2.177 each, resulting in an increase in the Company's paid up share capital from Baht 8,297,412,718 to Baht 8,311,327,906. The Company received payment of the additional share capital, amounting to Baht 30,293,364 in December 2005. However, the Company registered the increase in share capital with the Ministry of Commerce on 11 January 2006. The Stock Exchange of Thailand approved the additional ordinary share as listed securities on 16 January 2006. Consequently, as at 31 December 2005, the Company separately presented the cash received in respect of the increase in share capital in the balance sheet under the caption "Cash receipts from share subscription".
- 15.2 On 31 January 2006, the holders of the ESOP-W4 warrants allocated to the Company's directors and employees exercised a total of 500,150 warrants to purchase 5,001,500 ordinary shares at an exercise price of Baht 1 each, resulting in an increase in the Company's paid up share capital from Baht 8,311,327,906 to Baht 8,316,329,406. The Company received payment of the additional share capital, amounting to Baht 5,001,500 in January 2006 and registered the increase in share capital with the Ministry of Commerce on 7 February 2006. The Stock Exchange of Thailand approved the additional ordinary shares as listed securities on 10 February 2006.
- 15.3 On 31 March 2006, the holders of 1,971,050 ESOP-5 and 55,769,589 LH-W2 warrants exercised options to purchase 19,710,500 ordinary shares and 67,047,859 ordinary shares at an exercise price of Baht 1 and Baht 2.163 each, respectively, resulting in an increase in the Company's paid up share capital from Baht 8,316,329,406 to Baht 8,403,087,765. The Company received payment of the additional share capital, totally Baht 164,735,019 in March 2006 and registered the increase in share capital with the Ministry of Commerce on 11 April 2006. The Stock Exchange of Thailand approved the additional ordinary share as listed securities on 20 April 2006.

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- 15.4 On 30 April 2006, the holders of the ESOP-4 warrants allocated to the directors and employees of the Company and its subsidiaries exercised total of 18,000 warrants to purchase 180,000 ordinary shares at an exercise price of Baht 1 each increasing the Company's paid up share capital from Baht 8,403,087,765 to Baht 8,403,267,765. The Company received payment for the additional shares, amounting to Baht 180,000 in April 2006 and registered the increase in share capital with the Ministry of Commerce on 15 May 2006. The Stock Exchange of Thailand approved the additional ordinary share as listed securities on 18 May 2006.
- 15.5 On 30 June 2006, the holders of 2,019,600 ESOP-5 and 12,573,895 LH-W2 warrants exercised options to purchase 20,196,000 ordinary shares and 15,401,005 ordinary shares at an exercise price of Baht 1 and Baht 2.123 each, respectively, resulting in an increase in the Company's paid up share capital from Baht 8,403,267,765 to Baht 8,438,864,770. The Company received payment of the additional share capital, totally Baht 52,892,334 in June 2006 and registered the increase in share capital with the Ministry of Commerce on 13 July 2006. The Stock Exchange of Thailand approved the additional ordinary share as listed securities on 18 July 2006.
- 15.6 On 31 July 2006, the holders of the ESOP-4 warrants allocated to the directors and employees of the Company and its subsidiaries exercised total of 109,500 warrants to purchase 1,095,000 ordinary shares at an exercise price of Baht 1 each increasing the Company's paid up share capital from Baht 8,438,864,770 to Baht 8,439,959,770. The Company received payment for the additional shares in July 2006 and registered the increase in its issued and paid-up share capital with the Ministry of Commerce on 4 August 2006. The Stock Exchange of Thailand approved the additional ordinary shares as listed securities on 8 August 2006.

(UNAUDITED BUT REVIEWED)

Reconciliation of number of ordinary shares

(Unit: Shares)

	<u>Consolidated and the Company Only</u>	
	For the nine-month periods ended 30 September	
	<u>2006</u>	<u>2005</u>
<u>Issued and paid-up share capital</u>		
Number of ordinary shares at beginning of period	8,297,412,718	8,090,953,934
Increase due to exercise of warrants	142,547,052	156,503,684
Number of ordinary share at ending of period	<u>8,439,959,770</u>	<u>8,247,457,618</u>

16. CASH RECEIPTS FROM SHARE SUBSCRIPTION

On 30 September 2006, there are 165,800 ESOP-5 warrants and 27,003,400 LH-W2 exercised options to purchase 1,658,000 ordinary shares and 33,615,446 ordinary shares at an exercise price of Baht 1 and Baht 2.089 per share each, respectively. The Company received payment of additional share capital totalling Baht 71,880,667 in September 2006. The Company registered the increase in its share capital to Baht 8,475,233,216 with the Ministry of Commerce on 6 October 2006. The Stock Exchange of Thailand approved the additional ordinary shares as listed securities on 11 October 2006. Consequently, as at 30 September 2006, the Company was separately presented the cash received of Baht 71,880,667 in respect of the increase in share capital in the balance sheet under the caption “Cash receipts from share subscription” and included this increase share capital in calculation of earnings per share for the current period.

(UNAUDITED BUT REVIEWED)

17. REVALUATION SURPLUS (DEFICIT) IN INVESTMENTS

(Unit: Thousand Baht)

	Consolidated		The Company Only	
	30 September 2006	31 December 2005 (Restated)	30 September 2006	31 December 2005 (Restated)
Difference between book value and fair value of investment in available-for-sale securities				
- Company's investments	(55,023)	2,499	(55,023)	2,499
- Associated companies' investments	5,481	691	5,481	691
Total	<u>(49,542)</u>	<u>3,190</u>	<u>(49,542)</u>	<u>3,190</u>

18. RECONCILIATION OF DILUTED EARNINGS PER SHARE

	For the three-month periods ended 30 September					
	Net earnings		Weighted average number of ordinary shares		Earnings per share	
	2006 (Thousand Baht)	2005 (Thousand Baht) (Restated)	2006 (Thousand shares)	2005 (Thousand shares)	2006 (Baht)	2005 (Baht) (Restated)
Basic earnings per share						
Earnings from ordinary activities	531,965	1,423,849	8,440,370*	8,239,973*	0.06	0.17
Extraordinary item	-	45,023			-	0.01
Net earnings	531,965	1,468,872			0.06	0.18
Effect of dilutive potential ordinary shares						
ESOP - 4	-	-	1,988	8,647		
ESOP - 5	-	-	16,981	-		
LH - W2	-	-	1,111,589	1,191,997		
Diluted earnings per share						
Net earnings of ordinary shareholders assuming the conversion of warrants to ordinary shares						
Earnings from ordinary activities	531,965	1,423,849	9,570,928	9,940,617	0.06	0.15
Extraordinary item	-	45,023			-	0.01
Net earnings	<u>531,965</u>	<u>1,468,872</u>			<u>0.06</u>	<u>0.16</u>

*Included ordinary shares from exercise of warrants described in Note 16

(UNAUDITED BUT REVIEWED)

For the nine-month periods ended 30 September

	Net earnings		Weighted average number of ordinary shares		Earnings per share	
	2006	2005	2006	2005	2006	2005
	(Thousand Baht) (Restated)	(Thousand Baht) (Restated)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht) (Restated)
Basic earnings per share						
Earnings from ordinary activities	1,970,575	3,936,025	8,386,991*	8,199,843*	0.23	0.48
Extraordinary item	-	45,023			-	0.01
Net earnings	1,970,575	3,981,048			0.23	0.49
Effect of dilutive potential ordinary shares						
ESOP - 4	-	-	2,987	8,647		
ESOP - 5	-	-	21,856	-		
LH - W2	-	-	1,172,153	1,191,997		
Diluted earnings per share						
Net earnings of ordinary shareholders assuming the conversion of warrants to ordinary shares						
Earnings from ordinary activities	1,970,575	3,936,025	9,583,987	9,400,487	0.21	0.41
Extraordinary item	-	45,023			-	0.01
Net earnings	1,970,575	3,981,048			0.21	0.42

*Included ordinary shares from exercise of warrants described in Note 16

19. COMMITMENT AND CONTINGENT LIABILITIES

19.1 As at 30 September 2006, the Company and its subsidiaries have commitments of Baht 2,184.1 million with construction contracts (31 December 2005: Baht 1,192.5 million) with these of the Company only amounting to Baht 1,035.6 million (31 December 2005: Baht 829.8 million).

19.2 As at 30 September 2006, the Company has commitment related to rental and services agreements with a related company totally Baht 59.1 million and the capital expenditure totally Baht 2.9 million.

19.3 As at 30 September 2006, Royal Excellency Co., Ltd. has commitment related to construction management amounting to Baht 9.1 million.

(UNAUDITED BUT REVIEWED)

19.4 As at 30 September 2006, L&H Property Co., Ltd. and its subsidiaries have the following commitments under land and construction lease agreement as follows:

19.4.1 Land and construction lease agreement

Agreement date	Agreement period	Maturity date	Rental rate
7 June 2005	30 years	31 May 2038	From 1 June 2008 or the date of completion of building, the following rental is to be paid in monthly installments 1st - 5th year, total rental payment of Baht 33.15 million. 6th - 10th year, total rental payment of Baht 42.31 million. 11th - 15th year, total rental payment of Baht 54.00 million. 16th - 20th year, total rental payment of Baht 68.92 million. 21th - 25th year, total rental payment of Baht 87.97 million. 26th - 30th year, total rental payment of Baht 112.27 million.

In addition, L&H Property Company Limited is committed to pay of compensation of Baht 350,000 per month from the agreement date to the date of completion of construction work and to pay security expenses at the rate of Baht 11,160 per month throughout the period of construction and the period of the lease.

19.4.2 Land sublease agreement

Agreement date	Agreement period	Maturity date	Rental rate
28 July 2005	33 years	28 July 2038	1st - 3rd year, paid of Baht 3.00 million (already paid) 4th - 8th year, total rental of Baht 25.00 million 9th - 13th year, total rental of Baht 30.00 million 14th -18th year, total rental of Baht 36.00 million 19th - 23th year, total rental of Baht 43.20 million 24th - 28th year, total rental of Baht 51.84 million 29th - 33th year, total rental of Baht 62.21 million

19.4.3 Land lease agreement

Agreement date	Agreement period	Leasehold right fee and rental fee
10 March 2006	30 years ⁽¹⁾	<ul style="list-style-type: none"> - Leasehold rights fee of Baht 500 million of which Baht 250 million has already been paid and the remainder is to be paid when the lessor is able to move out the current tenants and registers the rental agreement - Within 3 years counting from the registration date of the rental agreement, L&H Property Company Limited is to be paid addition leasehold rights totaling Baht 5.76 million - Rental fee is to be monthly paid as follows: <ul style="list-style-type: none"> 1st - 5th total rental of Baht 20.16 million 6th - 10th total rental of Baht 23.18 million 11th - 15th total rental of Baht 26.66 million 16th - 20th total rental of Baht 30.66 million 21th - 25th total rental of Baht 35.25 million 26th - 30th total rental of Baht 40.54 million

⁽¹⁾ counting from a date 3 years after the lessor has moved out the current tenants, delivered the land to L&H Property Company Limited and registers the rental agreement.

19.5 As at 30 September 2006, the Company had outstanding commitment of Baht 205.2 million in respect of uncalled portion of investments in L&H Property Company Limited.

19.6 As at 30 September 2006, L&H Property Company Limited and its subsidiary are committed to pay Asia Asset Advisory Co., Ltd., which is an associated company of the Company, management fees at a rate of Baht 1.8 million per annum and other fees as specified in the agreement, until notice of termination of the agreement is given.

20. OBLIGATION AND COMMITMENT TO COMPLETE PROJECTS ON HAND

	Consolidated		The Company Only	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005
Number of projects on hand at beginning of period	34	36	21	26
Number of projects closed	(3)	(15)	-	(13)
Number of new projects	5	13	3	8
Number of projects on hand at end of period	<u>36</u>	<u>34</u>	<u>24</u>	<u>21</u>

(UNAUDITED BUT REVIEWED)

	Consolidated		The Company Only	
	For the nine-month periods ended 30 September		For the nine-month periods ended 30 September	
	2006	2005	2006	2005
Accumulative value of sales already contracted (Million Baht)	54,384	45,595	38,389	34,957
As percentage of total sales of projects on hand	54.44%	60.37%	50.87%	61.12%
Value of sales already contracted during the period (Million Baht)	11,982	15,476	8,113	10,280
As percentage of total sales of projects on hand	11.99%	20.49%	10.75%	17.98%

The Company and its subsidiaries has commitments totalling Baht 737.2 million in respect of the installation of central utilities of projects on hand (31 December 2005: Baht 596.6 million).

21. GUARANTEES

- 21.1 As at 30 September 2006 the Company has contingent obligations amounting to Baht 523.2 million to several banks and financial institutions in respect of its acting as a guarantor for L H Muangmai Company Limited and its subsidiaries (31 December 2005: Baht 523.3 million).
- 21.2 As at 30 September 2006 Phuket Future Plan Company Limited, which is a subsidiary company of L H Muangmai Company Limited, has contingent obligations amounting to Baht 400 million to a bank in respect of its acting as a guarantor for L H Muangmai Company Limited.
- 21.3 As at 30 September 2006 Double Tree Company Limited, which is a subsidiary company of L H Muangmai Company Limited, has contingent obligations amounting to Baht 400 million to a bank in respect of its acting as a guarantor for L H Muangmai Company Limited.
- 21.4 As at 30 September 2006 the Company has provided loan guarantees amounting to Baht 9.9 million to financial institutions on behalf of customers (31 December 2005: Baht 9.0 million).

(UNAUDITED BUT REVIEWED)

- 21.5 As at 30 September 2006 Pacific Real Estate Company Limited, which is a subsidiary of the Company, has provided guarantees amounting to Baht 31.1 million for debts of another company (31 December 2005: Baht 29.9 million).
- 21.6 As at 30 September 2006 L&H Property Company Limited, which is a subsidiary of the Company, has contingent obligations amounting to Baht 85 million to a bank in respect of its acting as a guarantor for L&H Sathorn Company Limited.
- 21.7 As at 30 September 2006 there were the outstanding bank guarantees for Baht 1,778.5 million (31 December 2005: Baht 1,472.7 million) issued by the banks in respect of certain performance bonds required in the normal course of business by the Company and its subsidiaries.

22. FINANCIAL INFORMATION BY SEGMENT

The Company and its subsidiaries' operations involve a single business segment, the development of real estate which comprises of land and house projects, residential condominium projects and house and service apartment for rent and are carried on the single geographic area of Thailand. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned business segment and geographic area.

23. DIVIDEND

At the 2006 Annual General Meeting of the Company's Shareholders held on 27 April 2006, it was resolved that the Company pay an additional dividend for the year 2005 of Baht 0.25 per share. Together with the interim dividend of Baht 0.25 per share previously approved by the Board of Directors, the total dividend declared for 2005 was thus Baht 0.50 per share. This additional Baht 0.25 per share dividend amounted to a total of Baht 2,100.77 million. However, since Baht 16.47 million of the dividend was for shareholders who have no rights to receive dividend, only Baht 2,084.30 million has actually been paid to the shareholders. This dividend was paid on 26 May 2006.

(UNAUDITED BUT REVIEWED)

On 15 August 2006, a meeting of the Company's Board of Directors approved a resolution to pay an interim dividend from the earnings of the six-month period ended 30 June 2006, at a rate of Baht 0.17 per share, amounted to a total of Baht 1,434.79 million. However, since Baht 11.72 million of the dividend was for shareholders who have no rights to receive dividend, only Baht 1,423.07 million has actually been paid to the shareholders. This dividend was paid on 11 September 2006.

24. SUBSEQUENT EVENTS

24.1 On 11 October 2006, the Federation of Accounting Professions ("FAP") issued the Notification No. 26/2006 regarding Accounting Standard No. 44 "Consolidated Financial Statements and Accounting for Investments in Subsidiaries" (Amendment No. 1), under which investments in subsidiaries, jointly controlled entities and associates are to be presented in separate financial statements under the cost method rather than the equity method. Entities that are not ready to adopt the cost method in 2006, can continue to use the equity method through to the end of 2006 and adopt the cost method as from 1 January 2007.

This Notification of the FAP was announced in the Royal Gazette and is effective from 30 October 2006.

24.2 On 31 October 2006, the holders of the ESOP-4 warrants allocated to the directors and employees of the Company and its subsidiaries exercised total of 103,800 warrants to purchase 1,038,000 ordinary shares at an exercise price of Baht 1 each increasing the Company's paid up share capital from Baht 8,475,233,216 to Baht 8,476,271,216. The Company received payment for the additional shares in October 2006 and registered the increase in its issued and paid-up share capital with the Ministry of Commerce on 7 November 2006. The Stock Exchange of Thailand approved the additional ordinary shares as listed securities on 10 November 2006.

25. RECLASSIFICATION

Certain amounts in the financial statements presented herein for comparative purposes have been reclassified to conform to the current period's classifications.

(UNAUDITED BUT REVIEWED)

26. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorised for issue by the Company's Board of Directors on 14 November 2006.