

LAND AND HOUSES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

AS AT 31 DECEMBER 2006 AND 2005

(Unit: Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2006	2005 (Restated)	2006	2005 (Restated)
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	6	1,784,963,454	1,132,437,525	1,622,989,767	889,157,246
Current investments	7	621,131,212	1,442,000,000	621,131,212	1,442,000,000
Trade accounts receivables - net	8	-	174,620	-	-
Amount due from and accounts receivables - related parties	6	1,465,500	15,101,133	21,100,670	26,576,408
Short-term loans to and accrued interest receivables					
from related parties	6	581,404	-	1,523,664,582	2,517,449,863
Inventories - net	9	22,007,215,336	22,462,315,912	18,059,927,276	16,827,720,443
Other current assets					
Withholding income tax		34,375,692	78,476,456	-	-
Advance payment for constructions		223,178,078	125,586,015	128,818,030	76,987,556
Deposit		87,853,646	145,527,007	78,884,323	124,793,811
Others		87,264,236	69,009,901	45,934,050	44,020,224
<b>Total current assets</b>		<b>24,848,028,558</b>	<b>25,470,628,569</b>	<b>22,102,449,910</b>	<b>21,948,705,551</b>
<b>Non-current assets</b>					
Investments accounted for under the equity method					
Investments in subsidiary companies	10	-	-	3,676,540,337	3,699,423,981
Investments in associated companies	11	8,692,533,030	7,533,809,894	8,692,533,030	7,533,809,894
Other long-term investments - net	12	1,195,116,651	995,032,522	982,420,286	769,291,519
Land held for development - net	13	4,424,237,473	3,489,869,270	2,914,862,080	2,050,379,467
Land under contracts to buy and to sell - net	14	226,000,000	226,000,000	226,000,000	226,000,000
Property, plant and equipment - net	15	1,569,423,035	376,945,598	348,261,052	268,301,750
Deposit for leasehold rights		250,000,000	-	-	-
Leasehold rights - net	16	483,247,792	497,817,719	-	-
Other non current assets					
Deposit to related company	6	6,638,398	-	6,594,547	-
Goodwill	17	48,851,492	85,858,184	-	-
Other		21,816,714	8,971,918	20,347,051	4,349,931
<b>Total non-current assets</b>		<b>16,917,864,585</b>	<b>13,214,305,105</b>	<b>16,867,558,383</b>	<b>14,551,556,542</b>
<b>TOTAL ASSETS</b>		<b>41,765,893,143</b>	<b>38,684,933,674</b>	<b>38,970,008,293</b>	<b>36,500,262,093</b>

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

LAND AND HOUSES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS (Continued)

AS AT 31 DECEMBER 2006 AND 2005

(Unit: Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2006	2005 (Restated)	2006	2005 (Restated)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	18	3,207,948,403	311,516,299	3,203,431,356	311,516,299
Trade accounts payables		1,151,215,822	588,825,891	896,462,419	314,766,948
Trade accounts payables - related parties	6	28,100,437	32,514,422	20,696,150	15,795,531
Amount due to related parties	6	13,017,254	4,023,349	3,978,327	409,260
Current portion of long-term loans	19	2,567,664,949	1,394,778,971	2,350,151,449	1,380,558,971
Current portion of debentures	20	1,000,000,000	1,375,000,000	1,000,000,000	1,375,000,000
Short-term loans from and accrued interest payables to related parties	6	26,198,588	-	150,113,014	28,499,955
<b>Other current liabilities</b>					
Unearned revenue		265,199,029	294,791,675	203,478,473	238,430,210
Corporate income tax payable		351,973,424	414,020,792	283,820,476	376,098,435
Accrued expenses		340,165,655	380,891,933	300,108,087	311,427,696
Retention guarantees		191,260,733	256,559,067	149,906,785	191,107,150
Others		241,662,195	82,799,789	209,775,110	64,372,280
<b>Total current liabilities</b>		<b>9,384,406,489</b>	<b>5,135,722,188</b>	<b>8,771,921,646</b>	<b>4,607,982,735</b>
<b>Non-current liabilities</b>					
Long-term loans - net of current portion	19	2,746,270,480	3,222,237,202	1,597,049,980	2,279,068,202
Debentures - net of current portion	20	6,000,000,000	7,000,000,000	6,000,000,000	7,000,000,000
Other non-current liabilities		183,601,966	75,925,121	93,881,496	46,441,465
<b>Total non-current liabilities</b>		<b>8,929,872,446</b>	<b>10,298,162,323</b>	<b>7,690,931,476</b>	<b>9,325,509,667</b>
<b>TOTAL LIABILITIES</b>		<b>18,314,278,935</b>	<b>15,433,884,511</b>	<b>16,462,853,122</b>	<b>13,933,492,402</b>

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

LAND AND HOUSES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS (Continued)

AS AT 31 DECEMBER 2006 AND 2005

(Unit: Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2006	2005 (Restated)	2006	2005 (Restated)
<b>Shareholders' equity</b>					
Share capital	21				
Registered					
10,806,737,200 ordinary shares of Baht 1 each		10,806,737,200	10,806,737,200	10,806,737,200	10,806,737,200
Issued and paid-up					
8,476,271,216 ordinary shares of Baht 1 each					
(2005: 8,297,412,718 ordinary shares of Baht 1 each)		8,476,271,216	8,297,412,718	8,476,271,216	8,297,412,718
Paid-in capital					
Premium on ordinary shares		9,050,974,590	8,902,717,206	9,050,974,590	8,902,717,206
Premium on share capital of associated companies		300,718,026	300,718,026	300,718,026	300,718,026
Revaluation surplus (deficit) in investments	24	-49,374,764	3,190,005	-49,374,764	3,190,005
Cash receipts from share subscription	21, 22	9,473,967	30,293,364	9,473,967	30,293,364
Translation adjustment		34,062,782	78,896,346	34,062,782	78,896,346
Retained earnings					
Appropriated - Statutory reserve	25	1,080,673,720	1,064,619,402	1,080,673,720	1,064,619,402
Unappropriated		3,604,355,634	3,888,922,624	3,604,355,634	3,888,922,624
Equity attributable to the Company's shareholders		22,507,155,171	22,566,769,691	22,507,155,171	22,566,769,691
Minority interest - equity attributable to minority shareholders of subsidiary		944,459,037	684,279,472	-	-
<b>Total shareholders' equity</b>		<b>23,451,614,208</b>	<b>23,251,049,163</b>	<b>22,507,155,171</b>	<b>22,566,769,691</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>41,765,893,143</b>	<b>38,684,933,674</b>	<b>38,970,008,293</b>	<b>36,500,262,093</b>
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The accompanying notes are an integral part of the financial statements.

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 DIRECTORS  
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LAND AND HOUSES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
INCOME STATEMENTS  
FOR THE YEARS ENDED 31 DECEMBER 2006 AND 2005

(Unit: Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2006	2005 (Restated)	2006	2005 (Restated)
<b>Revenues</b>					
Sales income		17,619,549,555	22,744,829,784	12,161,467,859	14,873,907,624
Other income					
Gain from sales of investments	26	69,678,371	391,153,894	69,659,951	391,146,135
Interest income		19,923,932	48,798,342	118,339,649	197,290,901
Infrastructure service income		158,450,426	131,563,496	130,544,272	117,606,422
Others		68,293,831	93,519,839	68,028,472	80,575,467
Reversal of loss on diminution in value of projects		457,246,923	-	457,246,923	-
Share of income from investments accounted for under equity method		1,159,660,276	461,002,984	2,023,798,408	2,251,054,052
<b>Total revenues</b>		<b>19,552,803,314</b>	<b>23,870,868,339</b>	<b>15,029,085,534</b>	<b>17,911,580,601</b>
<b>Expenses</b>					
Cost of sales and services		12,150,869,288	15,073,199,494	8,366,913,862	9,796,830,706
Selling and administrative expenses		1,606,237,929	1,352,476,809	1,235,256,262	1,027,676,660
Specific business tax and transfer fee		667,634,810	903,499,691	459,064,212	592,828,335
Share of loss from investments accounted for under equity method		287,538,391	82,063,411	376,565,148	103,771,860
Loss from impairment of investment		28,063,059	-	15,000,000	-
Loss from impairment of projects		597,008,417	13,146,579	485,465,230	-
Loss from impairment of asset		14,532,700	-	-	-
<b>Total expenses</b>		<b>15,351,884,594</b>	<b>17,424,385,984</b>	<b>10,938,264,714</b>	<b>11,521,107,561</b>
Income before interest expenses and corporate income tax		4,200,918,720	6,446,482,355	4,090,820,820	6,390,473,040
Interest expenses		-146,507,363	-210,222,061	-185,608,220	-262,648,363
Corporate income tax		-818,113,852	-1,154,037,604	-657,899,640	-1,051,928,744
Income after corporate income tax		3,236,297,505	5,082,222,690	3,247,312,960	5,075,895,933
Income attributable to minority interest		11,015,455	-6,326,757	-	-
Income from ordinary activities		3,247,312,960	5,075,895,933	3,247,312,960	5,075,895,933
<b>Extraordinary item</b>					
Gain on debt restructuring	10.2	-	45,022,995	-	45,022,995
<b>Net income for the year</b>		<b>3,247,312,960</b>	<b>5,120,918,928</b>	<b>3,247,312,960</b>	<b>5,120,918,928</b>
<b>Earnings per share</b>					
<b>Basic earnings per share</b>					
Income from ordinary activities		0.39	0.62	0.39	0.62
Extraordinary item		-	-	-	-
Net income		0.39	0.62	0.39	0.62
Weighted average number of ordinary share (Thousand shares)		8,409,451	8,224,383	8,409,451	8,224,383
<b>Diluted earnings per share</b>					
Income from ordinary activities		0.34	0.54	0.34	0.54
Extraordinary item		-	-	-	-
Net income		0.34	0.54	0.34	0.54
Weighted average number of ordinary share (Thousand shares)		9,586,271	9,405,966	9,586,271	9,405,966

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

LAND AND HOUSES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

CASH FLOW STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER 2006 AND 2005

(Unit: Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2006	2005 (Restated)	2006	2005 (Restated)
<b>Cash flows from operating activities</b>				
Net income for the year	3,247,312,960	5,120,918,928	3,247,312,960	5,120,918,928
Adjustments to reconcile net income to net cash provided by (paid from) operating activities:				
Inventory decrease from transfer to cost	11,561,809,121	14,468,370,153	7,904,129,404	9,372,338,502
Net income attributable to minority interest	-11,015,455	6,326,757	-	-
Depreciation and amortisation	154,872,319	151,705,223	115,177,197	106,768,084
Share of income from investments accounted for under equity method	-1,159,660,276	-461,002,984	-2,023,798,408	-2,251,054,052
Share of loss from investments accounted for under equity method	287,538,391	82,063,411	376,565,148	103,771,860
Loss from impairment of projects	597,008,417	13,146,579	485,465,230	-
Reversal of loss on diminution in value of project	-457,246,923	-	-457,246,923	-
Allowance for doubtful debt	174,620	-	-	-
Gain from debt restructuring	-	-45,022,995	-	-45,022,995
Gain from sales of investments	-69,678,371	-391,153,894	-69,659,951	-391,146,135
Loss from sales of property, plant and equipment	1,886,027	3,065,858	2,198,366	3,376,321
Amortisation of prepaid interest	55,434,178	100,626,290	55,434,178	100,626,290
Amortisation of goodwill	37,006,693	32,206,663	-	-
Loss from impairment of investment	28,063,059	-	15,000,000	-
Loss from impairment of other assets	14,532,700	-	-	-
Income from operating activities before change in operating assets and liabilities	14,288,037,460	19,081,249,989	9,650,577,201	12,120,576,803
Decrease (increase) in operating assets				
Inventories	-12,078,208,085	-13,191,812,797	-9,921,407,001	-9,011,211,233
Land held for development	5,000,000	-1,283,978,651	-	-
Amounts due from and accounts receivables - related parties	13,635,633	-	5,475,738	-
Other current assets	-14,072,273	-76,167,500	-7,834,812	-41,610,284
Other non-current assets	-34,015,894	-49,121,220	-22,591,667	3,450,804
Increase (decrease) in operating liabilities				
Trade accounts payables	471,013,146	-294,176,503	581,695,471	-195,365,181
Trade accounts payable and other payables - related parties	4,579,920	-25,913,451	8,469,686	-24,523,497
Other current liabilities	-47,261,992	-445,147,963	-42,806,612	-327,186,698
Other non-current liabilities	107,676,845	-36,083,920	47,440,034	-
Net cash from operating activities	2,716,384,760	3,678,847,984	299,018,038	2,524,130,714

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

LAND AND HOUSES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

CASH FLOW STATEMENTS (Continued)

FOR THE YEARS ENDED 31 DECEMBER 2006 AND 2005

(Unit: Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2006	2005 (Restated)	2006	2005 (Restated)
<b>Cash flows from investing activities</b>				
Decrease (increase) in current investments	820,868,788	-842,000,000	820,868,788	-842,000,000
Decrease (increase) in short-term loans to and accrued interest receivables from related parties	-581,404	-	993,785,281	1,347,244,537
Cash paid for purchase of subsidiary and associated companies	-1,077,480,798	-941,746,552	-1,484,280,798	-1,682,306,547
Cash receipt from decrease capital of subsidiary	-	-	299,999,700	-
Cash received from decrease capital of associated companies	-	248,386,499	-	248,386,499
Cash received from sale of associated companies	-	15,281	-	15,281
Dividend received from subsidiary and associated companies	744,659,007	327,565,085	1,649,454,326	819,162,431
Cash received from sales of other long-term investments	82,843,389	614,511,341	82,843,389	614,459,581
Cash paid for purchase of other long-term investments	-292,490,000	-55,600,748	-292,490,000	-55,600,748
Cash paid for deposit of leasehold rights	-250,000,000	-	-	-
Proceeds from sales of property, plant and equipment	1,412,400	741,235	952,400	41,235
Cash paid for purchase of building and equipment	-1,243,916,826	-200,765,045	-198,287,265	-134,293,209
Cash paid for leasehold rights	-784,645	-504,911,606	-	-
Net cash from (used in) investing activities	-1,215,470,089	-1,353,804,510	1,872,845,821	315,109,060
<b>Cash flows from financing activities</b>				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	2,844,856,428	-1,547,499,920	2,840,339,381	-1,527,669,961
Increase (decrease) in short-term loans from related parties	26,198,588	-1,024,871	121,613,059	-256,500,045
Cash paid for debentures	-1,375,000,000	-495,000,000	-1,375,000,000	-495,000,000
Increase in domestic debentures	-	5,000,000,000	-	5,000,000,000
Cash paid for long-term loans	-1,975,259,403	-2,273,216,560	-1,705,104,403	-925,839,041
Increase in long-term loans	2,560,690,000	1,085,700,000	1,881,190,000	-
Cash received from exercise of warrants	306,296,485	282,113,507	306,296,485	282,113,507
Proceeds from increase in share capital of subsidiaries from minority interest	271,200,000	474,640,605	-	-
Cash paid from decrease capital by subsidiary to minority interest	-300	-	-	-
Dividend paid to minority interest by subsidiaries	-4,680	-2,654	-	-
Dividend paid	-3,507,365,860	-4,447,121,125	-3,507,365,860	-4,447,121,125
Net cash used in financing activities	-848,388,742	-1,921,411,018	-1,438,031,338	-2,370,016,665
Net increase in cash and cash equivalents	652,525,929	403,632,456	733,832,521	469,223,109
Cash and cash equivalents at beginning of year	1,132,437,525	728,805,069	889,157,246	419,934,137
Cash and cash equivalents at end of year	1,784,963,454	1,132,437,525	1,622,989,767	889,157,246
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The accompanying notes are an integral part of the financial statements.

LAND AND HOUSES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

CASH FLOW STATEMENTS (Continued)

FOR THE YEARS ENDED 31 DECEMBER 2006 AND 2005

(Unit: Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	<u>2006</u>	<u>2005</u> (Restated)	<u>2006</u>	<u>2005</u> (Restated)
Supplemental cash flow information				
Cash paid during the year for				
Interest expense (consist of interest expenses for operation and interest expense for cost of project)	516,636,574	409,993,030	460,963,187	337,789,895
Corporate income tax	929,344,778	1,609,148,408	780,943,136	1,407,791,334
Non-cash items				
Purchases of building and equipment recorded as liabilities	91,376,785	-	-	-
Decrease in revaluation surplus in investments	-52,564,769	-399,056,136	-52,564,769	-399,056,136
Transfer (receiving of transfer) inventory to land held for development (net book value)	1,219,584,063	-1,172,806,566	1,094,092,503	-971,856,057
Transfer leasehold rights to assets under construction	15,317,134	7,873,426	-	-

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