

LAND AND HOUSES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

AS AT 31 DECEMBER 2007 AND 2006

(Unit: Baht)

|  | Note | Consolidated financial statements |                       | Separate financial statements |                       |
|--|------|-----------------------------------|-----------------------|-------------------------------|-----------------------|
|  |      | 2007                              | 2006                  | 2007                          | 2006                  |
|  |      |                                   |                       |                               | (Restated)            |
| <b>ASSETS</b>  |      |                                   |                       |                               |                       |
| <b>Current assets</b>                                      |      |                                   |                       |                               |                       |
| Cash and cash equivalents                                  | 7    | 1,027,218,330                     | 1,784,963,454         | 864,992,783                   | 1,622,989,767         |
| Current investments  | 8    | -                                 | 621,131,212           | -                             | 621,131,212           |
| Trade accounts receivables - net                           | 9    | 6,973,251                         | -                     | -                             | -                     |
| Amount due from and accounts receivables - related parties | 7    | 212,796,692                       | 1,465,500             | 215,885,797                   | 21,100,670            |
| Short-term loans to and accrued interest receivables       |      |                                   |                       |                               |                       |
| from related parties                                       | 7    | 432,534                           | 581,404               | 950,691,103                   | 1,523,664,582         |
| Inventories - net  | 10   | 20,891,063,673                    | 22,007,215,336        | 18,109,596,306                | 18,059,927,276        |
| Other current assets                                       |      |                                   |                       |                               |                       |
| Withholding income tax                                     |      | 40,601,569                        | 34,375,692            | -                             | -                     |
| Advance payment for constructions                          |      | 217,224,141                       | 223,178,078           | 172,167,565                   | 128,818,030           |
| Deposits   |      | 245,315,781                       | 87,853,646            | 230,914,652                   | 78,884,323            |
| Others   |      | 123,776,847                       | 87,264,236            | 66,735,127                    | 45,934,050            |
| <b>Total current assets</b>                                |      | <b>22,765,402,818</b>             | <b>24,848,028,558</b> | <b>20,610,983,333</b>         | <b>22,102,449,910</b> |
| <b>Non-current assets</b>                                  |      |                                   |                       |                               |                       |
| Investments in subsidiaries                                | 11   | -                                 | -                     | 2,730,704,020                 | 2,183,504,020         |
| Investments in associates                                  | 12   | 8,855,782,644                     | 8,692,533,030         | 7,684,111,781                 | 7,607,623,280         |
| Other long-term investments - net                          | 13   | 1,296,588,540                     | 1,195,116,651         | 1,084,253,065                 | 982,420,286           |
| Land held for development - net                            | 14   | 4,464,783,279                     | 4,424,237,473         | 2,955,407,886                 | 2,914,862,080         |
| Land under contracts to buy and to sell - net              | 15   | 226,000,000                       | 226,000,000           | 226,000,000                   | 226,000,000           |
| Property, plant and equipment - net                        | 16   | 1,638,803,380                     | 1,569,423,035         | 310,998,570                   | 348,261,052           |
| Deposit for leasehold rights                               |      | -                                 | 250,000,000           | -                             | -                     |
| Leasehold rights - net                                     | 17   | 2,397,477,761                     | 483,247,792           | -                             | -                     |
| Other non-current assets                                   |      |                                   |                       |                               |                       |
| Deposit to related company                                 | 7    | 7,445,897                         | 6,638,398             | 7,445,897                     | 6,594,547             |
| Goodwill   | 18   | 72,000,451                        | 48,851,492            | -                             | -                     |
| Other  |      | 21,726,681                        | 21,816,714            | 20,487,544                    | 20,347,051            |
| <b>Total non-current assets</b>                            |      | <b>18,980,608,633</b>             | <b>16,917,864,585</b> | <b>15,019,408,763</b>         | <b>14,289,612,316</b> |
| <b>TOTAL ASSETS</b>  |      | <b>41,746,011,451</b>             | <b>41,765,893,143</b> | <b>35,630,392,096</b>         | <b>36,392,062,226</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 2007 AND 2006

(Unit: Baht)

|  | Note | Consolidated financial statements |                       | Separate financial statements |                       |
|--|------|-----------------------------------|-----------------------|-------------------------------|-----------------------|
|  |      | 2007                              | 2006                  | 2007                          | 2006<br>(Restated)    |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>                            |      |                                   |                       |                               |                       |
| <b>Current liabilities</b>   |      |                                   |                       |                               |                       |
| Bank overdrafts and short-term loans from financial institutions       | 19   | 8,869,988                         | 3,207,948,403         | -                             | 3,203,431,356         |
| Trade accounts payables  |      | 991,897,093                       | 1,151,215,822         | 797,201,127                   | 896,462,419           |
| Trade accounts payables - related parties                              | 7    | 18,167,002                        | 28,100,437            | 15,784,340                    | 20,696,150            |
| Amount due to related parties  | 7    | 20,769,750                        | 13,017,254            | 4,093,042                     | 3,978,327             |
| Current portion of long-term loans                                     | 20   | 32,716,000                        | 2,567,664,949         | -                             | 2,350,151,449         |
| Current portion of debentures  | 21   | 2,500,000,000                     | 1,000,000,000         | 2,500,000,000                 | 1,000,000,000         |
| Short-term loans from and accrued interest payables to related parties | 7    | 37,343,855                        | 26,198,588            | 70,221,507                    | 150,113,014           |
| <b>Other current liabilities</b>                                       |      |                                   |                       |                               |                       |
| Unearned revenue   |      | 252,107,230                       | 265,199,029           | 197,230,475                   | 203,478,473           |
| Corporate income tax payable   |      | 507,345,815                       | 351,973,424           | 425,842,595                   | 283,820,476           |
| Accrued expenses   |      | 300,743,019                       | 340,165,655           | 257,181,727                   | 300,108,087           |
| Retention guarantees   |      | 165,632,149                       | 191,260,733           | 120,980,401                   | 149,906,785           |
| Others   |      | 280,495,585                       | 241,662,195           | 235,385,371                   | 209,775,110           |
| <b>Total current liabilities</b>                                       |      | <b>5,116,087,486</b>              | <b>9,384,406,489</b>  | <b>4,623,920,585</b>          | <b>8,771,921,646</b>  |
| <b>Non-current liabilities</b>   |      |                                   |                       |                               |                       |
| Long-term loans - net of current portion                               | 20   | 5,738,014,400                     | 2,746,270,480         | 3,509,644,400                 | 1,597,049,980         |
| Debentures - net of current portion                                    | 21   | 5,500,000,000                     | 6,000,000,000         | 5,500,000,000                 | 6,000,000,000         |
| Other non-current liabilities  |      | 154,907,707                       | 183,601,966           | 106,756,897                   | 93,881,496            |
| <b>Total non-current liabilities</b>                                   |      | <b>11,392,922,107</b>             | <b>8,929,872,446</b>  | <b>9,116,401,297</b>          | <b>7,690,931,476</b>  |
| <b>TOTAL LIABILITIES</b>   |      | <b>16,509,009,593</b>             | <b>18,314,278,935</b> | <b>13,740,321,882</b>         | <b>16,462,853,122</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 2007 AND 2006

(Unit: Baht)

|  | Note   | Consolidated financial statements |                       | Separate financial statements |                       |
|--|--------|-----------------------------------|-----------------------|-------------------------------|-----------------------|
|  |        | 2007                              | 2006                  | 2007                          | 2006                  |
|  |        |                                   |                       |                               | (Restated)            |
| <b>Shareholders' equity</b>  |        |                                   |                       |                               |                       |
| Share capital  | 22     |                                   |                       |                               |                       |
| Registered   |        |                                   |                       |                               |                       |
| 10,354,268,670 ordinary shares of Baht 1 each                                    |        |                                   |                       |                               |                       |
| (2006: 10,806,737,200 ordinary shares of Baht 1 each)                            |        | 10,354,268,670                    | 10,806,737,200        | 10,354,268,670                | 10,806,737,200        |
| Issued and paid-up   |        |                                   |                       |                               |                       |
| 8,673,061,416 ordinary shares of Baht 1 each                                     |        |                                   |                       |                               |                       |
| (2006: 8,476,271,216 ordinary shares of Baht 1 each)                             |        | 8,673,061,416                     | 8,476,271,216         | 8,673,061,416                 | 8,476,271,216         |
| Paid-in capital  |        |                                   |                       |                               |                       |
| Premium on ordinary shares   |        | 9,256,878,361                     | 9,050,974,590         | 9,256,878,361                 | 9,050,974,590         |
| Premium on share capital of associates   |        | 300,718,026                       | 300,718,026           | -                             | -                     |
| Revaluation surplus (deficit) in investments                                     | 25     | 66,891,214                        | -49,374,764           | 53,243,790                    | -48,649,594           |
| Cash receipts from share subscription  | 22, 23 | 19,262,689                        | 9,473,967             | 19,262,689                    | 9,473,967             |
| Translation adjustment   |        | 149,479,296                       | 34,062,782            | -                             | -                     |
| Retained earnings  |        |                                   |                       |                               |                       |
| Appropriated - Statutory reserve   | 26     | 1,080,673,720                     | 1,080,673,720         | 1,080,673,720                 | 1,080,673,720         |
| Unappropriated   |        | 4,439,522,835                     | 3,604,355,634         | 2,806,950,238                 | 1,360,465,205         |
| Equity attributable to the Company's shareholders                                |        | 23,986,487,557                    | 22,507,155,171        | 21,890,070,214                | 19,929,209,104        |
| Minority interest - equity attributable to minority shareholders of subsidiaries |        | 1,250,514,301                     | 944,459,037           | -                             | -                     |
| <b>Total shareholders' equity</b>  |        | <b>25,237,001,858</b>             | <b>23,451,614,208</b> | <b>21,890,070,214</b>         | <b>19,929,209,104</b> |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>                                |        | <b>41,746,011,451</b>             | <b>41,765,893,143</b> | <b>35,630,392,096</b>         | <b>36,392,062,226</b> |
|  |        | 0                                 | 0                     | 0                             | 0                     |

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

.....

DIRECTORS

.....

LAND AND HOUSES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
INCOME STATEMENTS  
FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

(Unit: Baht)

|   | Note | Consolidated financial statements |                       | Separate financial statements |                       |
|---|------|-----------------------------------|-----------------------|-------------------------------|-----------------------|
|   |      | 2007                              | 2006                  | 2007                          | 2006<br>(Restated)    |
| <b>Revenues</b>   |      |                                   |                       |                               |                       |
| Sales income  |      | 18,651,599,369                    | 17,619,549,555        | 14,722,076,669                | 12,161,467,859        |
| Rental and services income                                  |      | 49,363,363                        | -                     | -                             | -                     |
| Other income  |      |                                   |                       |                               |                       |
| Dividend from investment in subsidiaries and associates     |      | -                                 | -                     | 1,656,685,526                 | 1,649,454,328         |
| Gain from investments                                       | 27   | 299,050                           | 69,678,371            | 177,874,471                   | 69,659,951            |
| Interest income   |      | 39,472,176                        | 19,923,932            | 101,356,676                   | 118,339,649           |
| Infrastructure service income                               |      | 186,714,593                       | 158,450,426           | 154,613,696                   | 130,544,272           |
| Others  |      | 92,213,495                        | 68,293,831            | 80,941,200                    | 68,028,472            |
| Reversal of loss on diminution in value of projects         |      | -                                 | 457,246,923           | -                             | 457,246,923           |
| Share of income from investments in associates              |      | 818,058,362                       | 1,159,660,276         | -                             | -                     |
| <b>Total revenues</b>                                       |      | <b>19,837,720,408</b>             | <b>19,552,803,314</b> | <b>16,893,548,238</b>         | <b>14,654,741,454</b> |
| <b>Expenses</b>   |      |                                   |                       |                               |                       |
| Cost of sales and services                                  |      | 12,953,811,737                    | 12,150,869,288        | 10,151,119,581                | 8,366,913,862         |
| Cost of rental and services                                 |      | 90,441,954                        | -                     | -                             | -                     |
| Selling and administrative expenses                         |      | 1,688,193,177                     | 1,606,237,929         | 1,347,607,689                 | 1,235,256,262         |
| Specific business tax and transfer fee                      |      | 715,946,518                       | 667,634,810           | 562,470,988                   | 459,064,212           |
| Share of loss from investments in associates                |      | 32,901,028                        | 287,538,391           | -                             | -                     |
| Loss from impairment of investment in associate             |      | -                                 | -                     | -                             | 264,743,570           |
| Loss from impairment of other investment                    |      | -                                 | 28,063,059            | -                             | 15,000,000            |
| Loss from impairment of projects                            |      | 6,186,966                         | 597,008,417           | -                             | 485,465,230           |
| Loss from impairment of asset                               |      | -                                 | 14,532,700            | -                             | -                     |
| <b>Total expenses</b>                                       |      | <b>15,487,481,380</b>             | <b>15,351,884,594</b> | <b>12,061,198,258</b>         | <b>10,826,443,136</b> |
| Income before interest expenses and corporate income tax    |      | 4,350,239,028                     | 4,200,918,720         | 4,832,349,980                 | 3,828,298,318         |
| Interest expenses   |      | -185,679,581                      | -146,507,363          | -168,979,139                  | -185,608,220          |
| Corporate income tax  |      | -1,064,360,632                    | -818,113,852          | -893,115,374                  | -657,899,640          |
| Income after corporate income tax                           |      | 3,100,198,815                     | 3,236,297,505         | 3,770,255,467                 | 2,984,790,458         |
| Net loss attributable to minority interest                  |      | 58,738,820                        | 11,015,455            | -                             | -                     |
| <b>Net income for the year</b>                              |      | <b>3,158,937,635</b>              | <b>3,247,312,960</b>  | <b>3,770,255,467</b>          | <b>2,984,790,458</b>  |
| <b>Earnings per share</b>                                   |      |                                   |                       |                               |                       |
| 30  |      |                                   |                       |                               |                       |
| <b>Basic earnings per share</b>                             |      |                                   |                       |                               |                       |
| Net income  |      | 0.37                              | 0.39                  | 0.44                          | 0.35                  |
| Weighted average number of ordinary share (Thousand shares) |      | 8,621,690                         | 8,409,451             | 8,621,690                     | 8,409,451             |
| <b>Diluted earnings per share</b>                           |      |                                   |                       |                               |                       |
| Net income  |      | 0.33                              | 0.34                  | 0.39                          | 0.31                  |
| Weighted average number of ordinary share (Thousand shares) |      | 9,647,885                         | 9,586,271             | 9,647,885                     | 9,586,271             |

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 2007 AND 2006

(Unit: Baht)

|  | Consolidated financial statements |                       | Separate financial statements |                           |
|--|-----------------------------------|-----------------------|-------------------------------|---------------------------|
|  | <u>2007</u>                       | <u>2006</u>           | <u>2007</u>                   | <u>2006</u><br>(Restated) |
| <b>Cash flows from operating activities</b>  |                                   |                       |                               |                           |
| Net income for the year  | 3,158,937,635                     | 3,247,312,960         | 3,770,255,467                 | 2,984,790,458             |
| Adjustments to reconcile net income to net cash provided by<br>(paid from) operating activities: |                                   |                       |                               |                           |
| Inventory decrease from transfer to cost   | 12,262,906,193                    | 11,561,809,121        | 9,603,259,368                 | 7,904,129,402             |
| Net loss attributable to minority interest   | -58,738,821                       | -11,015,455           | -                             | -                         |
| Depreciation and amortisation  | 209,434,739                       | 154,872,319           | 122,524,693                   | 115,177,197               |
| Share of income from investments in associates   | -818,058,362                      | -1,159,660,276        | -                             | -                         |
| Share of loss from investments in associates   | 32,901,028                        | 287,538,391           | -                             | -                         |
| Loss from impairment of projects   | 6,186,966                         | 597,008,417           | -                             | 485,465,230               |
| Reversal of loss on diminution in value of projects  | -                                 | -457,246,923          | -                             | -457,246,923              |
| Allowance for doubtful debt  | -                                 | 174,620               | -                             | -                         |
| Gain from investments  | -299,050                          | -69,678,371           | -177,874,471                  | -69,659,951               |
| Loss from sales of property, plant and equipment   | 7,684,498                         | 1,886,027             | 6,780,341                     | 2,198,366                 |
| Amortisation of prepaid interest   | 35,022,056                        | 55,434,178            | 35,022,056                    | 55,434,178                |
| Amortisation of goodwill   | -23,148,959                       | 37,006,693            | -                             | -                         |
| Loss from impairment of investment in associate  | -                                 | -                     | -                             | 264,743,570               |
| Loss from impairment of other investment   | -                                 | 28,063,059            | -                             | 15,000,000                |
| Loss from impairment of other assets   | -                                 | 14,532,700            | -                             | -                         |
| Dividend received from subsidiaries  | -                                 | -                     | -1,006,283,530                | -904,795,321              |
| Dividend received from associates  | -                                 | -                     | -650,401,996                  | -744,659,007              |
| Income from operating activities before change in operating<br>assets and liabilities            | <u>14,812,827,923</u>             | <u>14,288,037,460</u> | <u>11,703,281,928</u>         | <u>9,650,577,199</u>      |
| Decrease (increase) in operating assets  |                                   |                       |                               |                           |
| Trade accounts receivables   | -6,973,251                        | -                     | -                             | -                         |
| Inventories  | -11,108,720,965                   | -12,078,208,085       | -9,608,707,869                | -9,921,407,001            |
| Land held for development  | -                                 | 5,000,000             | -                             | -                         |
| Amount due from and accounts receivables - related parties                                       | -211,331,192                      | 13,635,633            | -194,785,127                  | 5,475,738                 |
| Other current assets   | -194,246,686                      | -14,072,273           | -216,180,941                  | -7,834,812                |
| Other non-current assets   | -833,216                          | -34,015,894           | -991,843                      | -22,591,667               |
| Increase (decrease) in operating liabilities   |                                   |                       |                               |                           |
| Trade accounts payables  | -91,420,175                       | 471,013,146           | -99,261,292                   | 581,695,471               |
| Trade accounts payable and other payables - related parties                                      | -2,180,939                        | 4,579,920             | -4,797,095                    | 8,469,686                 |
| Other current liabilities  | 109,630,415                       | -47,261,992           | 83,099,291                    | -42,806,612               |
| Other non-current liabilities  | -28,694,259                       | 107,676,845           | 12,875,401                    | 47,440,034                |
| Net cash from operating activities   | <u>3,278,057,655</u>              | <u>2,716,384,760</u>  | <u>1,674,532,453</u>          | <u>299,018,036</u>        |

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 2007 AND 2006

(Unit: Baht)

|   | Consolidated financial statements |                | Separate financial statements |                |
|---|-----------------------------------|----------------|-------------------------------|----------------|
|   | 2007                              | 2006           | 2007                          | 2006           |
|   |                                   |                |                               | (Restated)     |
| <b>Cash flows from investing activities</b>   |                                   |                |                               |                |
| Decrease in current investments   | 621,131,212                       | 820,868,788    | 621,131,212                   | 820,868,788    |
| Decrease (increase) in short-term loans to and<br>accrued interest receivables from related parties | 148,870                           | -581,404       | 572,973,479                   | 993,785,281    |
| Cash paid for purchase of subsidiaries  | -                                 | -              | -547,200,000                  | -406,800,000   |
| Cash paid for purchase of associates  | -384,247,800                      | -1,077,480,798 | -384,247,800                  | -1,077,480,798 |
| Cash received from decrease capital of subsidiary   | -                                 | -              | -                             | 299,999,700    |
| Cash received from decrease capital of associate  | 485,542,632                       | -              | 485,542,632                   | -              |
| Dividend received from subsidiaries   | -                                 | -              | 1,006,283,530                 | 904,795,321    |
| Dividend received from associates   | 650,401,996                       | 744,659,007    | 650,401,996                   | 744,659,007    |
| Cash received from sales of other long-term investments   | 720,544                           | 82,843,389     | 151,743                       | 82,843,389     |
| Cash paid for purchase of other long-term investments   | -                                 | -292,490,000   | -                             | -292,490,000   |
| Cash paid for deposit of leasehold rights   | -                                 | -250,000,000   | -                             | -              |
| Proceeds from sales of property, plant and equipment  | 192,421                           | 1,412,400      | 127,000                       | 952,400        |
| Cash paid for purchase of building and equipment  | -1,764,851,434                    | -1,243,916,826 | -92,169,552                   | -198,287,265   |
| Cash paid for leasehold rights  | -253,853,341                      | -784,645       | -                             | -              |
| Net cash from (used in) investing activities  | -644,814,900                      | -1,215,470,089 | 2,312,994,240                 | 1,872,845,823  |
| <b>Cash flows from financing activities</b>   |                                   |                |                               |                |
| Increase (decrease) in bank overdrafts and short-term loans<br>from financial institutions          | -3,273,406,003                    | 2,844,856,428  | -3,277,758,943                | 2,840,339,381  |
| Increase (decrease) in short-term loans from and accrued<br>interest payables to related parties    | 11,145,267                        | 26,198,588     | -79,891,507                   | 121,613,059    |
| Cash paid for debentures  | -1,000,000,000                    | -1,375,000,000 | -1,000,000,000                | -1,375,000,000 |
| Increase in domestic debentures   | 2,000,000,000                     | -              | 2,000,000,000                 | -              |
| Cash paid for long-term loans   | -3,445,865,833                    | -1,975,259,403 | -3,233,717,833                | -1,705,104,403 |
| Increase in long-term loans   | 3,857,200,000                     | 2,560,690,000  | 2,750,700,000                 | 1,881,190,000  |
| Cash received from exercise of warrants   | 412,482,693                       | 306,296,485    | 412,482,693                   | 306,296,485    |
| Proceeds from increase in share capital of subsidiary<br>from minority interest                     | 364,800,000                       | 271,200,000    | -                             | -              |
| Cash paid from decrease capital by subsidiary to minority interest                                  | -                                 | -300           | -                             | -              |
| Dividend paid to minority interest by subsidiaries  | -5,916                            | -4,680         | -                             | -              |
| Dividend paid   | -2,317,338,087                    | -3,507,365,860 | -2,317,338,087                | -3,507,365,860 |
| Net cash used in financing activities   | -3,390,987,879                    | -848,388,742   | -4,745,523,677                | -1,438,031,338 |
| Net increase (decrease) in cash and cash equivalents  | -757,745,124                      | 652,525,929    | -757,996,984                  | 733,832,521    |
| Cash and cash equivalents at beginning of year  | 1,784,963,454                     | 1,132,437,525  | 1,622,989,767                 | 889,157,246    |
| Cash and cash equivalents at end of year  | 1,027,218,330                     | 1,784,963,454  | 864,992,783                   | 1,622,989,767  |
|   | 0                                 | 0              | 0                             | 0              |

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 2007 AND 2006

(Unit: Baht)

|  | Consolidated financial statements |               | Separate financial statements |                           |
|--|-----------------------------------|---------------|-------------------------------|---------------------------|
|  | <u>2007</u>                       | <u>2006</u>   | <u>2007</u>                   | <u>2006</u><br>(Restated) |
| Supplemental cash flow information   |                                   |               |                               |                           |
| Cash paid during the year for  |                                   |               |                               |                           |
| Interest expenses (consist of interest expenses for operation and interest expenses for cost of project) | 542,962,768                       | 512,615,205   | 482,920,916                   | 459,925,296               |
| Corporate income tax   | 928,772,427                       | 929,245,309   | 757,525,603                   | 780,943,136               |
| Non-cash items   |                                   |               |                               |                           |
| Purchases of building and equipment recorded as liabilities  | 23,478,231                        | 91,376,785    | -                             | -                         |
| Increase (decrease) in revaluation surplus in investments  | 116,265,978                       | -52,564,769   | 101,893,384                   | -52,564,769               |
| Transfer inventory to land held for development (net book value)   | 40,545,806                        | 1,219,584,063 | 40,545,806                    | 1,094,092,503             |
| Transfer leasehold rights to assets under construction   | 14,547,117                        | 15,317,134    | -                             | -                         |
| Increase (decrease) in translation adjustment  | 115,416,514                       | -44,833,564   | -                             | -                         |
| Transfer deposit for leasehold rights to leasehold rights  | 250,000,000                       | -             | -                             | -                         |
| Transfer other current assets to leasehold rights  | 115,750                           | -             | -                             | -                         |
| Transfer assets under construction to leasehold rights   | 1,442,477,493                     | -             | -                             | -                         |

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

LAND AND HOUSES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

(Unit: Baht)

| <b>Consolidated financial statements</b>   |      |                              |                               |                                |                                    |                                     |                            |             |                      |                |             |                      |
|--|------|------------------------------|-------------------------------|--------------------------------|------------------------------------|-------------------------------------|----------------------------|-------------|----------------------|----------------|-------------|----------------------|
|  | Note | Issued                       | Premium on                    | Premium on                     | Revaluation                        | Revaluation                         | Cash receipts              | Translation | Retained earnings    |                | Total       |                      |
|  |      | and paid-up<br>share capital | Premium on<br>ordinary shares | share capital<br>of associates | surplus in assets<br>of associates | surplus (deficit)<br>in investments | from share<br>subscription | adjustment  | Statutory<br>reserve | Unappropriated |             | Minority<br>interest |
| <b>Balance as at 31 December 2005</b>  |      |                              |                               |                                |                                    |                                     |                            |             |                      |                |             |                      |
| - as previously reported   |      | 8,297,412,718                | 8,902,717,206                 | 300,718,026                    | 116,806,984                        | 373,741,539                         | 30,293,364                 | -           | 1,064,619,402        | 4,045,581,030  | 684,279,472 | 23,816,169,741       |
| Prior year adjustment in relation to<br>change in the accounting policies<br>of the associates | 5    | -                            | -                             | -                              | -116,806,984                       | -370,551,534                        | -                          | 78,896,346  | -                    | -156,658,406   | -           | -565,120,578         |
| <b>Balance as at 31 December 2005</b>  |      |                              |                               |                                |                                    |                                     |                            |             |                      |                |             |                      |
| - as restated  |      | 8,297,412,718                | 8,902,717,206                 | 300,718,026                    | -                                  | 3,190,005                           | 30,293,364                 | 78,896,346  | 1,064,619,402        | 3,888,922,624  | 684,279,472 | 23,251,049,163       |
| Conversion of warrants of ordinary shares  |      | 178,858,498                  | 148,257,384                   | -                              | -                                  | -                                   | -30,293,364                | -           | -                    | -              | -           | 296,822,518          |
| Cash receipts from share subscription  |      | -                            | -                             | -                              | -                                  | -                                   | 9,473,967                  | -           | -                    | -              | -           | 9,473,967            |
| Revaluation deficit in investments   |      | -                            | -                             | -                              | -                                  | -52,564,769                         | -                          | -           | -                    | -              | -           | -52,564,769          |
| Translation adjustment   |      | -                            | -                             | -                              | -                                  | -                                   | -                          | -44,833,564 | -                    | -              | -           | -44,833,564          |
| Appropriation retained earnings  |      | -                            | -                             | -                              | -                                  | -                                   | -                          | -           | 16,054,318           | -16,054,318    | -           | -                    |
| Net income for the year  |      | -                            | -                             | -                              | -                                  | -                                   | -                          | -           | -                    | 3,247,312,960  | -11,015,455 | 3,236,297,505        |
| Dividend paid  | 32   | -                            | -                             | -                              | -                                  | -                                   | -                          | -           | -                    | -3,507,365,860 | -           | -3,507,365,860       |
| Income tax from unpaid dividend  |      | -                            | -                             | -                              | -                                  | -                                   | -                          | -           | -                    | -8,459,772     | -           | -8,459,772           |
| Dividend paid to minority interest   |      |                              |                               |                                |                                    |                                     |                            |             |                      |                |             |                      |
| by subsidiary  |      | -                            | -                             | -                              | -                                  | -                                   | -                          | -           | -                    | -              | -4,680      | -4,680               |
| Capital decrease paid to minority interest   |      |                              |                               |                                |                                    |                                     |                            |             |                      |                |             |                      |
| by subsidiary  |      | -                            | -                             | -                              | -                                  | -                                   | -                          | -           | -                    | -              | -300        | -300                 |
| Increase in ordinary shares of subsidiary  |      |                              |                               |                                |                                    |                                     |                            |             |                      |                |             |                      |
| - minority interest  |      | -                            | -                             | -                              | -                                  | -                                   | -                          | -           | -                    | -              | 271,200,000 | 271,200,000          |
| <b>Balance as at 31 December 2006</b>  |      |                              |                               |                                |                                    |                                     |                            |             |                      |                |             |                      |
| - as restated  |      | 8,476,271,216                | 9,050,974,590                 | 300,718,026                    | -                                  | -49,374,764                         | 9,473,967                  | 34,062,782  | 1,080,673,720        | 3,604,355,634  | 944,459,037 | 23,451,614,208       |
|  |      | 0                            | 0                             | 0                              |                                    | 0                                   | 0                          | 0           | 0                    | 0              | 0           | 0                    |

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

LAND AND HOUSES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)

FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

(Unit: Baht)

| <b>Consolidated financial statements</b>                         |      |                              |                               |                                |                                    |                                     |                            |                    |                      |                      |                      |                       |
|--|------|------------------------------|-------------------------------|--------------------------------|------------------------------------|-------------------------------------|----------------------------|--------------------|----------------------|----------------------|----------------------|-----------------------|
|  | Note | Issued                       | Premium on                    | Premium on                     | Revaluation                        | Revaluation                         | Cash receipts              | Translation        | Retained earnings    |                      | Total                |                       |
|  |      | and paid-up<br>share capital | Premium on<br>ordinary shares | share capital<br>of associates | surplus in assets<br>of associates | surplus (deficit)<br>in investments | from share<br>subscription | adjustment         | Statutory<br>reserve | Unappropriated       |                      | Minority<br>interest  |
| <b>Balance as at 31 December 2006</b>                            |      | 8,476,271,216                | 9,050,974,590                 | 300,718,026                    | -                                  | -49,374,764                         | 9,473,967                  | 34,062,782         | 1,080,673,720        | 3,604,355,634        | 944,459,037          | 23,451,614,208        |
| Conversion of warrants of<br>ordinary shares                     | 22   | 196,790,200                  | 205,903,771                   | -                              | -                                  | -                                   | -9,473,967                 | -                  | -                    | -                    | -                    | 393,220,004           |
| Cash receipts from share subscription                            | 23   | -                            | -                             | -                              | -                                  | -                                   | 19,262,689                 | -                  | -                    | -                    | -                    | 19,262,689            |
| Revaluation surplus in investments                               | 25   | -                            | -                             | -                              | -                                  | 116,265,978                         | -                          | -                  | -                    | -                    | -                    | 116,265,978           |
| Translation adjustment   |      | -                            | -                             | -                              | -                                  | -                                   | -                          | 115,416,514        | -                    | -                    | -                    | 115,416,514           |
| Net income for the year  |      | -                            | -                             | -                              | -                                  | -                                   | -                          | -                  | -                    | 3,158,937,635        | -58,738,820          | 3,100,198,815         |
| Dividend paid  | 32   | -                            | -                             | -                              | -                                  | -                                   | -                          | -                  | -                    | -2,317,338,087       | -                    | -2,317,338,087        |
| Income tax from unpaid dividend                                  |      | -                            | -                             | -                              | -                                  | -                                   | -                          | -                  | -                    | -6,432,347           | -                    | -6,432,347            |
| Dividend paid to minority interest<br>by subsidiaries            |      | -                            | -                             | -                              | -                                  | -                                   | -                          | -                  | -                    | -                    | -5,916               | -5,916                |
| Increase in ordinary shares of subsidiary<br>- minority interest |      | -                            | -                             | -                              | -                                  | -                                   | -                          | -                  | -                    | -                    | 364,800,000          | 364,800,000           |
| <b>Balance as at 31 December 2007</b>                            |      | <u>8,673,061,416</u>         | <u>9,256,878,361</u>          | <u>300,718,026</u>             | <u>-</u>                           | <u>66,891,214</u>                   | <u>19,262,689</u>          | <u>149,479,296</u> | <u>1,080,673,720</u> | <u>4,439,522,835</u> | <u>1,250,514,301</u> | <u>25,237,001,858</u> |
|  |      | 0                            | 0                             | 0                              |                                    | 0                                   | 0                          | 0                  | 0                    | 0                    | 0                    | 0                     |

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

LAND AND HOUSES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

(Unit: Baht)

|   | Separate financial statements |                    |                 |                  |                     |                   |               |             |                   |                |                |
|---|-------------------------------|--------------------|-----------------|------------------|---------------------|-------------------|---------------|-------------|-------------------|----------------|----------------|
|   | Note                          | Issued and paid-up | Premium on      | Premium on       | Revaluation surplus | Revaluation       | Cash receipts | Translation | Retained earnings |                | Total          |
|   |                               | share capital      | ordinary shares | share capital of | in assets of        | surplus (deficit) | from share    |             | Statutory         | Unappropriated |                |
|   | share capital                 | ordinary shares    | associates      | associates       | in investments      | subscription      | adjustment    | reserve     |                   |                |                |
| <b>Balance as at 31 December 2005</b>   |                               |                    |                 |                  |                     |                   |               |             |                   |                |                |
| - as previously reported  |                               | 8,297,412,718      | 8,902,717,206   | 300,718,026      | 116,806,984         | 373,741,539       | 30,293,364    | -           | 1,064,619,402     | 4,045,581,030  | 23,131,890,269 |
| Prior year adjustment in relation to change in the accounting policies of the associated companies  | 5                             | -                  | -               | -                | -116,806,984        | -370,551,534      | -             | 78,896,346  | -                 | -156,658,406   | -565,120,578   |
| Cumulative effect of the change in accounting policy for investments in subsidiaries and associates | 4                             | -                  | -               | -300,718,026     | -                   | -691,133          | -             | -78,896,346 | -                 | -1,981,367,927 | -2,361,673,432 |
| <b>Balance as at 31 December 2005</b>   |                               |                    |                 |                  |                     |                   |               |             |                   |                |                |
| - as restated   |                               | 8,297,412,718      | 8,902,717,206   | -                | -                   | 2,498,872         | 30,293,364    | -           | 1,064,619,402     | 1,907,554,697  | 20,205,096,259 |
| Conversion of warrants of ordinary shares   |                               | 178,858,498        | 148,257,384     | -                | -                   | -                 | -30,293,364   | -           | -                 | -              | 296,822,518    |
| Cash receipts from share subscription   |                               | -                  | -               | -                | -                   | -                 | 9,473,967     | -           | -                 | -              | 9,473,967      |
| Revaluation deficit in investments (restated)   |                               | -                  | -               | -                | -                   | -51,148,466       | -             | -           | -                 | -              | -51,148,466    |
| Appropriation retained earnings   |                               | -                  | -               | -                | -                   | -                 | -             | -           | 16,054,318        | -16,054,318    | -              |
| Net income for the year (restated)  |                               | -                  | -               | -                | -                   | -                 | -             | -           | -                 | 2,984,790,458  | 2,984,790,458  |
| Dividend paid   | 32                            | -                  | -               | -                | -                   | -                 | -             | -           | -                 | -3,507,365,860 | -3,507,365,860 |
| Income tax from unpaid dividend   |                               | -                  | -               | -                | -                   | -                 | -             | -           | -                 | -8,459,772     | -8,459,772     |
| <b>Balance as at 31 December 2006</b>   |                               |                    |                 |                  |                     |                   |               |             |                   |                |                |
| - as restated   |                               | 8,476,271,216      | 9,050,974,590   | -                | -                   | -48,649,594       | 9,473,967     | -           | 1,080,673,720     | 1,360,465,205  | 19,929,209,104 |
|   |                               | 0                  | 0               |                  |                     | 0                 | 0             |             | 0                 | 0              | 0              |

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

LAND AND HOUSES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)

FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

(Unit: Baht)

|   |                                       | <b>Separate financial statements</b> |                 |                  |                     |                   |               |             |                   |                |                |                |
|---|---------------------------------------|--------------------------------------|-----------------|------------------|---------------------|-------------------|---------------|-------------|-------------------|----------------|----------------|----------------|
|   |                                       | Issued and paid-up                   | Premium on      | Premium on       | Revaluation surplus | Revaluation       | Cash receipts | Translation | Retained earnings |                |                |                |
|   |                                       | share capital                        | ordinary shares | share capital of | in assets of        | surplus (deficit) | from share    | adjustment  | Statutory         | Total          |                |                |
| Note  |                                       | share capital                        | ordinary shares | associates       | associates          | in investments    | subscription  |             | reserve           | Unappropriated |                |                |
| <b>Balance as at 31 December 2006</b>         |                                       |                                      |                 |                  |                     |                   |               |             |                   |                |                |                |
|   | <b>- as previously reported</b>       | 8,476,271,216                        | 9,050,974,590   | 300,718,026      | -                   | -49,374,764       | 9,473,967     | 34,062,782  | 1,080,673,720     | 3,604,355,634  | 22,507,155,171 |                |
| Cumulative effect of the change in accounting |                                       |                                      |                 |                  |                     |                   |               |             |                   |                |                |                |
| policy for investments in subsidiaries        |                                       |                                      |                 |                  |                     |                   |               |             |                   |                |                |                |
|   | and associates                        | 4                                    | -               | -                | -300,718,026        | -                 | 725,170       | -           | -34,062,782       | -              | -2,243,890,429 | -2,577,946,067 |
| <b>Balance as at 31 December 2006</b>         |                                       |                                      |                 |                  |                     |                   |               |             |                   |                |                |                |
|   | <b>- as restated</b>                  | 8,476,271,216                        | 9,050,974,590   | -                | -                   | -48,649,594       | 9,473,967     | -           | 1,080,673,720     | 1,360,465,205  | 19,929,209,104 |                |
| Conversion of warrants of                     |                                       |                                      |                 |                  |                     |                   |               |             |                   |                |                |                |
|   | ordinary shares                       | 22                                   | 196,790,200     | 205,903,771      | -                   | -                 | -9,473,967    | -           | -                 | -              | 393,220,004    |                |
|   | Cash receipts from share subscription | 23                                   | -               | -                | -                   | -                 | 19,262,689    | -           | -                 | -              | 19,262,689     |                |
|   | Revaluation surplus in investments    | 25                                   | -               | -                | -                   | 101,893,384       | -             | -           | -                 | -              | 101,893,384    |                |
|   | Net income for the year               |                                      | -               | -                | -                   | -                 | -             | -           | -                 | 3,770,255,467  | 3,770,255,467  |                |
|   | Dividend paid                         | 32                                   | -               | -                | -                   | -                 | -             | -           | -                 | -2,317,338,087 | -2,317,338,087 |                |
|   | Income tax from unpaid dividend       |                                      | -               | -                | -                   | -                 | -             | -           | -                 | -6,432,347     | -6,432,347     |                |
| <b>Balance as at 31 December 2007</b>         |                                       |                                      |                 |                  |                     |                   |               |             |                   |                |                |                |
|   |                                       | 8,673,061,416                        | 9,256,878,361   | -                | -                   | 53,243,790        | 19,262,689    | -           | 1,080,673,720     | 2,806,950,238  | 21,890,070,214 |                |
|   |                                       | 0                                    | 0               |                  |                     | 0                 | 0             |             | 0                 | 0              | 0              |                |

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