

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**INTERIM FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**  
**AND AUDITOR'S REVIEW REPORT**

## AUDITOR'S REVIEW REPORT

To the Shareholders and the Board of Directors of Bangkok Land Public Company Limited

I have reviewed the accompanying consolidated balance sheet of Bangkok Land Public Company Limited and its subsidiaries as at September 30, 2007, and the consolidated statements of income for the three-month and six-month periods ended September 30, 2007 and 2006 and the consolidated statements of changes in shareholders' equity and cash flows for the six-month periods ended September 30, 2007 and 2006, and the separate balance sheet of Bangkok Land Public Company Limited as at September 30, 2007, and the statements of income for the three-month and six-month periods ended September 30, 2007 and 2006 and the separate statements of changes in shareholders' equity and cash flows for the six-month periods ended September 30, 2007 and 2006. These financial statements are the responsibility of the Company's management. My responsibility is to issue a report on these financial statements based on my reviews.

I conducted my reviews in accordance with the standard on auditing applicable to review engagements. This standard requires that I plan and perform a review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. I have not performed an audit and, accordingly, I do not express an audit opinion.

Based on my reviews, nothing has come to my attention that causes me to believe that the interim consolidated and separate financial statements referred to in the first paragraph are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have audited the consolidated and separate financial statements for the year ended March 31, 2007 of Bangkok Land Public Company Limited and its subsidiaries, presented herein for comparative purpose, and expressed an unqualified opinion on those statements and drew attention to the fact that the Company and certain related parties signed debt set off agreement and the Company recorded additional provision for uncompleted construction work under its contractual obligation of certain property sales agreements in my report dated May 28, 2007. The balance sheets as at March 31, 2007 formed an integral part of the financial statements which I audited and reported on. I have not performed any other audit procedures subsequent to the date of that report, except for the Company's restatement of the separate financial statements for the prior period of 2006 to reflect the change in accounting policy for recording investments in subsidiaries from equity method to cost method as described in Note 3 to the financial statements. The adjustments made for the preparation of such statements are appropriate and have been properly applied.

Without qualifying opinion, I draw your attentions to a) Note 4.6 to financial statements, on December 30, 2005, the Company and certain related parties signed the debt set off agreement and the Company had liability under its contractual obligation of certain property sales agreements. The management estimated that the maximum amount of construction cost to complete the properties would not be higher than Baht 804 million. In August 2007, the company paid a related party 800 million as final settlement of the uncompleted construction work and b) Note 3 to financial statements, the change in accounting policy for recording investments in subsidiaries from equity method to cost method in the separate financial statements.

(Jadesada Hungsapruetk)  
Certified Public Accountant  
Registration No. 3759  
Karin Audit Company Limited

Bangkok

November 13, 2007

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**BALANCE SHEETS**  
**AS AT SEPTEMBER 30, 2007 AND MARCH 31, 2007**

		In Thousand Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		September 30,	March 31,	September 30,	March 31,
		2007	2007	2007	2007
		"Unaudited"		"Unaudited"	"Audited"
Notes		"Reviewed"	"Audited"	"Reviewed"	"Restated"
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		3,538,320	691,365	8,075	331,377
Accounts receivable, net	5	329,730	231,005	-	-
Advance and receivables from related parties, net	4.2	-	-	4,226,836	676,433
Short-term loans to related parties, net	4.3	-	-	93,445	93,778
Other current assets, net		271,645	426,253	7,128	110,492
Total current assets		4,139,695	1,348,623	4,335,484	1,212,080
<b>Non-current assets</b>					
Accounts receivable, net	5	13,970	45,245	11,872	45,224
Unbilled completed works, net	6	719,033	8,834	-	-
Real estate development cost, net	7	16,993,423	17,853,799	15,641,096	15,662,225
Investments in subsidiaries, at cost method	8	-	-	7,217,842	13,022,738
Investment property	9	791,216	791,216	160,280	160,280
Property, plants and equipment, net		11,655,810	11,768,904	509,609	516,891
Idle land	10	7,285,036	7,285,036	7,285,036	7,285,036
Other non-current assets, net		23,985	37,590	2,367	2,347
Total non-current assets		37,482,473	37,790,624	30,828,102	36,694,741
<b>TOTAL ASSETS</b>		<b>41,622,168</b>	<b>39,139,247</b>	<b>35,163,586</b>	<b>37,906,821</b>

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

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**BALANCE SHEETS**  
**AS AT SEPTEMBER 30, 2007 AND MARCH 31, 2007**

		In Thousand Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		September 30,	March 31,	September 30,	March 31,
		2007	2007	2007	2007
		"Unaudited"		"Unaudited"	"Audited"
Notes		"Reviewed"	"Audited"	"Reviewed"	"Restated"
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans					
from financial institutions	11	26,873	26,873	-	-
Payables to contractors		307,339	789,060	224,699	690,886
Accounts payable - others		102,114	133,859	22,897	-
Payable from related parties	4.4	198,925	663,107	6,826,067	7,218,581
Short-term loans and					
advances from directors	4.7	121,368	702,435	119,815	647,329
Current portion of:					
- Long-term loans from financial institutions	12	114,312	114,312	114,312	114,312
- Loans under debt restructuring agreements	13	1,324,375	1,338,320	400,000	472,000
- Long-term debt instruments	14	3,015,873	7,691,948	-	-
- Long-term loans from related parties	4.5	-	-	9,595,387	11,957,054
Accrued interest expenses		1,052,702	2,509,259	50,142	44,727
Advances and deposits from customers		811,240	1,539,883	722,615	1,161,557
Unearned income		313,867	380,957	313,867	380,956
Other current liabilities	4.6	1,490,900	2,868,581	689,909	1,649,374
Total current liabilities		8,879,888	18,758,594	19,079,710	24,336,776
<b>Non-current liabilities</b>					
Loans under debt restructuring agreements, net					
of current-portion	13	3,601,903	4,285,566	3,181,161	3,795,321
Deferred income tax		376,812	317,582	67,885	46,131
Other non-current liabilities	15	693,109	705,942	693,109	705,942
Total non-current liabilities		4,671,824	5,309,090	3,942,155	4,547,394
<b>Total liabilities</b>		<b>13,551,712</b>	<b>24,067,684</b>	<b>23,021,865</b>	<b>28,884,170</b>

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

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**BALANCE SHEETS**  
**AS AT SEPTEMBER 30, 2007 AND MARCH 31, 2007**

In Thousand Baht					
		Consolidated		Separate	
		financial statements		financial statements	
		September 30, 2007	March 31, 2007	September 30, 2007	March 31, 2007
		"Unaudited"		"Unaudited"	"Audited"
Notes		"Reviewed"	"Audited"	"Reviewed"	"Restated"
<b>Shareholders' equity</b>					
Share capital					
Share capital - common shares Baht 1 par value					
Authorized share capital					
27,829,788,992 shares as at September 30, 2007 and					
20,584,720,864 shares as at March 31, 2007					
		27,829,789	20,584,721	27,829,789	20,584,721
Issued and fully paid - up share					
17,791,158,351 shares as at September 30, 2007 and					
15,698,028,723 shares as at March 31, 2007					
16		17,791,158	15,698,029	17,791,158	15,698,029
Premium on share capital		1,548,916	1,548,916	1,548,916	1,548,916
Discount on share capital		(2,137,151)	(2,137,151)	(2,137,151)	(2,137,151)
Net book value of subsidiaries exceed investment					
as of purchasing date		28,184	28,184	-	-
Currency translation differences		1,082	1,192	-	-
Retained earnings (deficit)		6,078,143	(67,607)	(5,061,202)	(6,087,143)
<b>Total shareholders' equity of the Company</b>		23,310,332	15,071,563	12,141,721	9,022,651
Minority interest		4,760,124	-	-	-
<b>Total shareholders' equity</b>		28,070,456	15,071,563	12,141,721	9,022,651
<b>TOTAL LIABILITIES AND</b>					
<b>SHAREHOLDERS' EQUITY</b>					
		41,622,168	39,139,247	35,163,586	37,906,821

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

## BANGKOK LAND PUBLIC COMPANY LIMITED

## STATEMENTS OF INCOME

FOR THE THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2007 AND 2006

"Unaudited"

"Reviewed"

		In Thousand Baht			
		Consolidated		Separate	
	Notes	2007	2006	2007	2006
					"Restated"
<b>REVENUES</b>	4.1				
Sales		1,037,801	87,571	-	4,108
Rental and service revenues		397,845	289,687	1,623	50,880
Gain on sale of asset		15,452	-	-	-
Gain on exchange rate, net		-	307,291	-	554,307
Interest income		19,288	283	1,629	69,470
Reversal of allowance for doubtful account		-	-	-	25,963
Other revenues		32,893	20,315	270	10,590
<b>Total revenues</b>		<b>1,503,279</b>	<b>705,147</b>	<b>3,522</b>	<b>715,318</b>
<b>EXPENSES</b>	4.1				
Costs of sales		889,149	43,108	-	3,003
Cost of rental and services		185,420	201,251	-	-
Selling and administrative expenses		260,721	226,694	41,033	100,119
Loss on exchange rate, net		132,654	-	666,471	-
Loss on revaluation of investment property		-	-	-	102,085
<b>Total expenses</b>		<b>1,467,944</b>	<b>471,053</b>	<b>707,504</b>	<b>205,207</b>
Profit before interest expense and income tax		35,335	234,094	(703,982)	510,111
Interest expense	4.1	(128,854)	(236,173)	(134,790)	(215,637)
Income tax		(85,561)	6,311	327	24,303
<b>Net profit (loss) before profit of minority interest</b>		<b>(179,080)</b>	<b>4,232</b>	<b>(838,445)</b>	<b>318,777</b>
Profit of minority interest		(43,603)	-	-	-
<b>Profit (loss) before extraordinary item</b>		<b>(222,683)</b>	<b>4,232</b>	<b>(838,445)</b>	<b>318,777</b>
Extraordinary item - gain on debt restructuring (net of applicable income tax of Baht nil)	13	335,856	-	335,856	-
<b>Net profit (loss)</b>		<b>113,173</b>	<b>4,232</b>	<b>(502,589)</b>	<b>318,777</b>
<b>Basic earnings (loss) per share (Baht)</b>	18				
Profit (loss) before extraordinary item		(0.01)	0.00	(0.05)	0.02
Extraordinary item - gain on debt restructuring		0.02	-	0.02	-
<b>Net profit (loss)</b>		<b>0.01</b>	<b>0.00</b>	<b>(0.03)</b>	<b>0.02</b>
2007 : 16,396 million shares					
2006 : 14,198 million shares					

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

## BANGKOK LAND PUBLIC COMPANY LIMITED

## STATEMENTS OF INCOME

FOR THE SIX-MONTH PERIODS ENDED SEPTEMBER 30, 2007 AND 2006

"Unaudited"

"Reviewed"

	Notes	In Thousand Baht			
		Consolidated		Separate	
		2007	2006	2007	2006 "Restated"
<b>REVENUES</b>	4.1				
Sales		1,169,158	203,587	970	5,608
Rental and service revenues		728,857	712,056	3,029	120,649
Gains on repurchase of exchangeable notes for cancellation	14	3,691,621	-	-	-
Gain on sale of investment	8	2,738,522	-	1,625,104	-
Gain on exchange rate, net		-	80,463	-	-
Gain on sale of asset		15,452	-	-	-
Interest income		20,632	3,768	3,799	139,794
Reversal of allowance for doubtful account		-	19,140	-	26,352
Other revenues		53,000	48,614	3,796	28,082
<b>Total revenues</b>		<u>8,417,242</u>	<u>1,067,628</u>	<u>1,636,698</u>	<u>320,485</u>
<b>EXPENSES</b>	4.1				
Costs of sales		969,076	115,412	970	4,503
Cost of rental and services		319,813	335,862	-	-
Selling and administrative expenses		766,912	425,232	348,498	190,835
Loss on exchange rate, net		58,757	-	255,866	19,226
Loss on revaluation of investment property		-	-	-	102,085
<b>Total expenses</b>		<u>2,114,558</u>	<u>876,506</u>	<u>605,334</u>	<u>316,649</u>
Profit before interest expense and income tax		6,302,684	191,122	1,031,364	3,836
Interest expense	4.1	(284,195)	(382,173)	(319,525)	(384,212)
Income tax		(139,948)	(8,940)	(21,754)	21,694
<b>Net profit (loss) before profit of minority interest</b>		<u>5,878,541</u>	<u>(199,991)</u>	<u>690,085</u>	<u>(358,682)</u>
Profit of minority interest		(68,647)	-	-	-
<b>Profit (loss) from ordinary activities</b>		<u>5,809,894</u>	<u>(199,991)</u>	<u>690,085</u>	<u>(358,682)</u>
Extraordinary item - gain on debt restructuring (net of applicable income tax of Baht nil)	13	335,856	-	335,856	-
<b>Net profit (loss)</b>		<u><u>6,145,750</u></u>	<u><u>(199,991)</u></u>	<u><u>1,025,941</u></u>	<u><u>(358,682)</u></u>
<b>Basic earnings (loss) per share (Baht)</b>	18				
Profit (loss) before extraordinary item		0.36	(0.01)	0.04	(0.03)
Extraordinary item - gain on debt restructuring		0.02	-	0.02	-
<b>Net profit (loss)</b>		<u><u>0.38</u></u>	<u><u>(0.01)</u></u>	<u><u>0.06</u></u>	<u><u>(0.03)</u></u>
2007 : 16,047 million shares					
2006 : 14,323 million shares					

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



**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE SIX-MONTH PERIODS ENDED SEPTEMBER 30, 2007 AND 2006**

		In Thousand Baht						"Unaudited"
		Consolidated financial statements						"Reviewed"
		Net book value of			Total			
	Issued and paid-up share capital	Premium on share capital	Discount on share capital	Subsidiaries exceed investment as of purchasing date	Currency translation differences	Retained earnings (deficit)	shareholders' equity of the Company	Minority interest
								Total
<b>For the period ended September 30, 2007</b>								
Beginning balance	15,698,029	1,548,916	(2,137,151)	28,184	1,192	(67,607)	15,071,563	-
Increase in share capital	2,093,129	-	-	-	-	-	2,093,129	-
Currency translation difference	-	-	-	-	(110)	-	(110)	-
Minority interest	-	-	-	-	-	-	-	4,691,477
Net profit	-	-	-	-	-	6,145,750	6,145,750	68,647
Ending balance	17,791,158	1,548,916	(2,137,151)	28,184	1,082	6,078,143	23,310,332	4,760,124
<b>For the period ended September 30, 2006</b>								
Beginning balance	13,948,029	1,548,916	(1,618,651)	28,184	(154)	(359,387)	13,546,937	-
Increase in share capital	1,750,000	-	(518,500)	-	-	-	1,231,500	-
Currency translation differences	-	-	-	-	1,318	-	1,318	-
Net loss	-	-	-	-	-	(199,991)	(199,991)	-
Ending balance	15,698,029	1,548,916	(2,137,151)	28,184	1,164	(559,378)	14,579,764	-

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

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE SIX-MONTH PERIODS ENDED SEPTEMBER 30, 2007 AND 2006**

		In Thousand Baht						"Unaudited"
		Separate financial statements						"Reviewed"
		Net book value of						
		Issued and paid-up share capital	Premium on share capital	Discount on share capital	subsidaries exceed investment as of purchasing date	Currency translation differences	Deficit	Total
Note								
<b>For the period ended September 30, 2007</b>								
	Beginning balance							
	Previously reported	15,698,029	1,548,916	(2,137,151)	28,184	1,192	(67,607)	15,071,563
3	Adjustment of accounting change	-	-	-	(28,184)	(1,192)	(6,019,536)	(6,048,912)
	As adjusted	15,698,029	1,548,916	(2,137,151)	-	-	(6,087,143)	9,022,651
	Increase in share capital	2,093,129	-	-	-	-	-	2,093,129
	Net profit	-	-	-	-	-	1,025,941	1,025,941
	Ending balance	17,791,158	1,548,916	(2,137,151)	-	-	(5,061,202)	12,141,721
<b>For the period ended September 30, 2006</b>								
	Beginning balance							
	Previously reported	13,948,029	1,548,916	(1,618,651)	28,184	(154)	(229,163)	13,677,161
3	Adjustment of accounting change	-	-	-	(28,184)	154	(6,019,536)	(6,047,566)
	As adjusted	13,948,029	1,548,916	(1,618,651)	-	-	(6,248,699)	7,629,595
	Increase in share capital	1,750,000	-	(518,500)	-	-	-	1,231,500
	Net loss (Restated)	-	-	-	-	-	(358,682)	(358,682)
	Ending balance	15,698,029	1,548,916	(2,137,151)	-	-	(6,607,381)	8,502,413

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

## BANGKOK LAND PUBLIC COMPANY LIMITED

"Unaudited"

## STATEMENTS OF CASH FLOWS

"Reviewed"

FOR THE SIX-MONTH PERIODS ENDED SEPTEMBER 30, 2007 AND 2006

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2007	2006	2007	2006
				"Restated"
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net profit (loss)	6,145,750	(199,991)	1,025,941	(358,682)
Net adjustments to reconcile net profit (loss) to cash provided by operating activities:				
Depreciation				
- property and equipment	86,655	168,006	7,853	56,098
- infrastructure	32,422	32,422	32,422	32,422
Amortisation on interest expense by effective rate	64,195	67,439	64,195	67,439
Interest expenses under debt restructuring a agreement	40,055	60,264	-	-
Reversal of allowance for doubtful account	-	(19,140)	-	(26,352)
Deferred income tax	59,230	8,932	21,754	(21,694)
Unrealised (gain) loss on exchange rate	34,225	(75,417)	(31,185)	22,753
Gain on sale of investment	(2,738,523)	-	(1,625,104)	-
Gain on reversal of long outstanding payable	-	(27,946)	-	(27,946)
Gain on repurchase bond	(3,691,621)	-	-	-
Loss on revaluation of investment property	-	-	-	102,085
Gain on debt restructuring	(335,856)	-	(335,856)	-
Profit of minority interest	68,647	-	-	-
Net profit (loss) provided by operating activities before changes in operating assets and liabilities	(234,821)	14,569	(839,980)	(153,877)
(Increase) decrease in operating assets				
Account receivable	(67,450)	(4,691)	33,352	(174)
Unbilled completed works	(710,199)	139	-	-
Real estate development cost	827,954	9,909	(11,294)	4,503
Loans to and amounts due from related parties	-	-	(3,027,821)	(300,806)
Other current assets	154,609	(127,977)	103,364	109
Other assets	13,605	45,044	(19)	34,153
Increase (decrease) in operating liabilities				
Payables to contractors	(51,721)	(101,628)	(13,291)	17,348
Account payable - trade	(31,745)	3,261	-	-
Short-term loans and advances from directors	(581,067)	(1,536)	(527,513)	(865)
Short-term loans from and amount due to related parties	(464,183)	(8,168)	(253,978)	204,388
Advance and deposit from customers	-	(70,562)	-	(107,939)
Reserve for uncompleted work	(800,000)	-	(800,000)	-
Other current liabilities	(828,974)	92,736	(660,082)	(20,823)
Other non-current liabilities	(12,833)	(7,500)	(12,833)	(7,500)
Net cash used in operating activities	(2,786,825)	(156,404)	(6,010,095)	(331,483)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Increase in short-term loan to outsiders				
Proceeds from sale of investment	4,008,732	-	4,008,732	-
Cash paid for purchase and construction of fixed assets	26,439	(96,590)	(569)	-
Net cash provided by (used in) investing activities	4,035,171	(96,590)	4,008,163	-

## BANGKOK LAND PUBLIC COMPANY LIMITED

"Unaudited"

## STATEMENTS OF CASH FLOWS

"Reviewed"

FOR THE SIX-MONTH PERIODS ENDED SEPTEMBER 30, 2007 AND 2006

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2007	2006	2007	2006
				"Restated"
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase (decrease) in bank overdrafts and short-term loan from financial institutions	-	930	-	(3)
Decrease in debt restructuring	(466,003)	(183,000)	(414,500)	(177,489)
Cash paid for repurchase of exchangeable notes	(28,518)	-	-	-
Proceeds from issue of ordinary shares	2,093,130	1,231,500	2,093,130	1,231,500
Net cash provided by financing activities	1,598,609	1,049,430	1,678,630	1,054,008
<b>Net increase(decrease) in cash and cash equivalents</b>	2,846,955	796,436	(323,302)	722,525
<b>Cash and cash equivalents at beginning of the period</b>	691,365	211,738	331,377	82,646
<b>Cash and cash equivalents at end of the period</b>	3,538,320	1,008,174	8,075	805,171

## Supplemental Disclosures of Cash Flows Information:

## 1. Cash paid during the periods:

Interest expense	373,033	36,546	372,453	32,538
Income tax	15,990	19,045	-	-

## 2. Non - cash transactions

As disclosed in Note 8, the Company sold part its investments at the price totalling Baht 7,430 million. Under share sale and purchase agreements, a portion of settlement were made to set off with the followings:

- Repurchase exchangeable notes	2,501,968	-	-	-
- Advance and receivables from related parties	-	-	2,501,968	-
- Payables to contractors	430,000	-	430,000	-
- Other current liabilities	489,300	-	489,300	-

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

**BANGKOK LAND PUBLIC COMPANY LIMITED**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2007**

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**1. General information**

Bangkok Land Public Company Limited (“the Company”) is incorporated and domiciled in Thailand. The Company is listed on the Stock Exchange of Thailand.

The address of its registered office is 47/569-576 Moo 3, 10<sup>th</sup> Floor New Geneva Industry Condominium, Popular 3 Road, Tambol Bannmai, Amphur Pakkred, Nonthaburi.

The principal business operations of the Company and its subsidiaries (“The Group”) are the development of real estate for sale. Other business activities include retail business, building maintenance, management services, property rental as well as exhibition and convention facilities and services.

**2. Basis of preparation of the interim consolidated and separate financial statements**

These consolidated and separate financial statements are prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547. In addition, International Accounting Standards (IAS) has being applied in certain areas.

The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended March 31, 2007 (except for Note 3).

These interim financial statements should be read in conjunction with the annual financial statements for the year ended March 31, 2007.

**Subsidiaries**

Subsidiary are companies in which significantly controlled by Bangkok Land public company limited.

The consolidated financial statements incorporate the financial statements of Bangkok Land Public Company Limited and its subsidiaries, by eliminating intercompany balances and unrealized gain and loss.

## BANGKOK LAND PUBLIC COMPANY LIMITED

## NOTES TO INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

The Company’s subsidiaries included in the interim consolidated financial statements comprise the following:

		Percentage of holding	
	Principal business	September 30, 2007	March 31, 2007
<b>Direct investment :</b>			
Bangkok Airport Industry Company Limited	Property development	100.00	100.00
Sinpornchai Company Limited	Property development	100.00	100.00
Bangkok Land (Cayman Islands) Limited	Financing	100.00	100.00
Muang Thong Services and Management Limited	Project management service	97.00	97.00
Muang Thong Building Services Limited	Building maintenance service	97.00	97.00
Impact Exhibition Management Company Limited	International exhibition hall	55.17	99.99
Spooner Limited	Dormant	100.00	100.00
<b>Direct and indirect investment :</b>			
Bangkok Land Agency Limited	Retail and space rental business	99.30	99.30

Except for the Bangkok Land (Cayman Islands) Limited, which is incorporated in Cayman Islands, and Spooner Limited, which is incorporated in Hong Kong, all subsidiaries are incorporated in Thailand.

In April 2007 the Company sold part of its investment in Impact Exhibition Management Company Limited (Note 8).

## BANGKOK LAND PUBLIC COMPANY LIMITED

## NOTES TO INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

**3. Change in accounting policy**

Starting from April 1, 2007, the Company has changed its accounting policy for recording investments in subsidiaries in the separate financial statements from the equity method to the cost method, in compliance with Notification No. 26/2549 regarding Accounting Standard No. 44 “Consolidated Financial Statements and Accounting for Investments in Subsidiaries” (Amendment No. 1), issued by the Federation of Accounting Professions, under which investments in subsidiaries, jointly controlled entities and associates are to be presented in the separate financial statements under the cost method rather than the equity method.

In this regard, The change in accounting policy has been applied retrospectively and the Company’s 2006 financial statements, which are included in the Company’s 2007 interim financial statements for comparative purposes, have been restated accordingly.

The effects of the change in accounting policy on the Company’s interim 2007 financial statements are as follows:

	In Million Baht	
	Separate financial statements	
	2007	2006
<b>Statement of income for the three-month period ended September 30</b>		
Increase in net profit	-	386
Increase in basic earnings per share (Baht)	-	0.02
<b>Statement of income for the six-month period ended September 30</b>		
Decrease in net profit	-	(87)
Decrease in basic earnings per share (Baht)	-	(0.01)

Such change in accounting policy affects only the accounts related to investments in subsidiaries in the Company’s separate financial statements with no effect on the consolidated financial statements.

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

**4. Transactions with related parties**

**4.1 Significant transactions with related parties**

Portion of revenues and expenses arose from transactions with related parties for for each of the three-month periods ended September 30, 2007 and 2006 are summarized as follows:

		In Million Baht			
	Pricing	Consolidated		Separate	
		financial statements		financial statements	
	Policy	2007	2006	2007	2006
<b>Rental and service income :</b>					
<b>Subsidiary</b>					
Impact Exhibition Management Company Limited	*	-	-	-	61
		-	-	-	61
<b>Interest Income :</b>		3.13% - 10.25% p.a.			
<b>Subsidiaries</b>					
Impact Exhibition Management Company Limited		-	-	-	62
Bangkok Airport Industry Company Limited		-	-	-	5
Sinpornchai Company Limited		-	-	2	2
<b>Total interest income</b>		-	-	2	69
<b>Interest expense :</b>		3.00% - 4.50% p.a.			
<b>Subsidiary</b>					
Bangkok Land (Cayman Islands) Limited		-	-	58	100
<b>Related party</b>					
Stelux Property B.V.		2	2	1	1
<b>Total interest expense</b>		2	2	59	101



**BANGKOK LAND PUBLIC COMPANY LIMITED**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2007**

Portion of revenues and expenses arose from transactions with related parties for each of the six-month periods ended September 30, 2007 and 2006 are summarized as follows:

		In Million Baht			
	Pricing	Consolidated		Separate	
		financial statements		financial statements	
	Policy	2007	2006	2007	2006
<b>Rental and service income :</b>					
<b>Subsidiary</b>					
Impact Exhibition Management Company Limited	*	-	-	-	140
		-	-	-	140
<b>Interest Income :</b>		3.13% - 10.25% p.a.			
<b>Subsidiaries</b>					
Impact Exhibition Management Company Limited		-	-	-	123
Bangkok Airport Industry Company Limited		-	-	-	10
Sinpornchai Company Limited		-	-	3	3
<b>Total interest income</b>		-	-	3	136
<b>Interest expense :</b>		3.00% - 4.50% p.a.			
<b>Subsidiary</b>					
Bangkok Land (Cayman Islands) Limited		-	-	151	202
<b>Related party</b>					
Stelux Property B.V.		3	5	2	3
<b>Total interest expense</b>		3	5	153	205

\* A fixed rate of 15% on total revenue derived by that subsidiary and fixed rental charging of Bath 5 million per month in 2006.

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

**4.2 Advances and other receivables from related parties, net**

The balances of receivables from related parties as at September 30, 2007 and March 31, 2007 are as follows:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	September 30, 2007	March 31, 2007	September 30, 2007	March 31, 2007
<b>Accrued income :</b>				
<b>Subsidiary</b>				
Bangkok Land Agency Company Limited	-	-	3	3
<b>Advances and other receivables :</b>				
<b>Subsidiaries</b>				
Bangkok Airport Company Limited	-	-	3,527	-
Bangkok Land Agency Company Limited	-	-	202	202
Bangkok Land (Cayman Islands) Limited	-	-	20	-
Spooner Limited	-	-	10	10
Muang Thong Services and Management Company Limited	-	-	13	13
<b>Total advances and other receivables</b>	-	-	3,772	225
<b>Interest receivables :</b>				
<b>Subsidiaries</b>				
Bangkok Airport Company Limited	-	-	3,198	3,198
Sinpornchai Company Limited	-	-	36	33
Bangkok Land Agency Company Limited	-	-	23	23
Muang Thong Building Services Company Limited	-	-	1	1
Less: Allowance for doubtful accounts	-	-	(2,807)	(2,807)
<b>Total interest receivable</b>	-	-	451	448
<b>Total</b>	-	-	4,226	676

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

**4.3 Short-term loans to related parties, net**

The balances of short-term loans to related parties as at September 30, 2007 and March 31, 2007 are as follows:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	September 30, 2007	March 31, 2007	September 30, 2007	March 31, 2007
<b>Subsidiary</b>				
Sinpornchai Company Limited	-	-	93	94
<b>Total</b>	-	-	93	94

Loans to subsidiaries and related parties carry interest at 3.13% - 7.25% per annum. The loans are unsecured and have no fixed repayment dates.

**4.4 Payables to related parties**

The balances of payables to related parties as at September 30, 2007 and March 31, 2007 are as follows:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	September 30, 2007	March 31, 2007	September 30, 2007	March 31, 2007
<b>Interest payable :</b>				
<b>Subsidiary</b>				
Bangkok Land (Cayman Islands) Company Limited	-	-	6,525	6,307
<b>Total interest payable</b>	-	-	6,525	6,307
<b>Accrued management fee :</b>				
<b>Subsidiaries</b>				
Bangkok Land Agency Company Limited	-	-	235	235
Bangkok Land (Cayman Islands) Company Limited	-	-	50	50
<b>Related parties</b>				
Stelux Consultants B.V. *	-	435	-	190
<b>Total accrued management fee</b>	-	435	285	475

\* These amounts included related accrued interest expense with bear interest rate of 3% per annum.

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
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	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	September 30, 2007	March 31, 2007	September 30, 2007	March 31, 2007
<b>Advances and other payables :</b>				
<b>Subsidiaries</b>				
Bangkok Airport Industry Company Limited	-	-	-	391
Muang Thong Services and Management Company Limited	-	-	4	4
Muang Thong Building Services Company Limited	-	-	4	4
<b>Related parties</b>				
Stelux Property Agency	-	22	-	22
Kanjanapas Company Limited	191	191	-	-
Stelux Property	-	8	-	8
Others	8	7	8	8
<b>Total advances and other payables</b>	<b>199</b>	<b>228</b>	<b>16</b>	<b>437</b>
<b>Total payables to related parties</b>	<b>199</b>	<b>663</b>	<b>6,826</b>	<b>7,219</b>

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
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**4.5 Long-term loans from related parties**

Long-term loans from related companies at September 30, 2007 and March 31, 2007 comprise:

		Separate financial statements			
		September 30, 2007		March 31, 2007	
	Interest rate	Original	Million	Original	Million
<u>Due date</u>	<u>per annum</u>	<u>Currency</u>	<u>Baht</u>	<u>currency</u>	<u>Baht</u>
<u>Loans from Bangkok Land (Cayman Islands) Limited (BL Cayman)</u>					
1. October 2003	4.50%		-	11.20 million	393
				U.S. Dollars	
2. March 2001	3.125%	325.63 million	9,595	399.35 million	11,564
		Swiss Francs		Swiss Francs	
Long-term loans from related companies presented					
under current liabilities			9,595		11,957

The Company established a wholly-owned subsidiary, BL Cayman, in October 1992 with a registered capital of USD 10,000. BL Cayman issued exchangeable notes in foreign capital markets, guaranteed by the Company and the entire proceeds of the notes were lent to the Company on equivalent financial terms (Note 14).

The Company entered into a loan agreement with BL Cayman on October 13, 1993, whereas in the event that the Company should have failed to meet its payment obligation which would have caused BL Cayman not able to make its payment to the note holders, the Company agreed to pay BL Cayman a penalty interest of 1% above the normal interest rate per annum on the amount due by the Company. However, the management assesses that no liabilities will be incurred as during the past years BL Cayman has been redeeming the notes at a price substantially lower than its face value and no claim has been made against the Company. The Company therefore has not accounted for the penalty interest in its financial statements.

**4.6 Provision for uncompleted construction work**

In 1992 the Company sold a number of condominium units (“the Properties”) in one of the Company’s projects at Muang Thong Thani (“The Project”) to a group of third party investors and the rights of the agreements were subsequently resold by the investors to Kanjanapas Company Limited (KCL). The Properties were legally transferred to KCL before full completion of the construction work as required under the agreements. KCL has therefore withheld the final payment of Baht 362 million.

**BANGKOK LAND PUBLIC COMPANY LIMITED****NOTES TO INTERIM FINANCIAL STATEMENTS****SEPTEMBER 30, 2007**

On December 30, 2005, Yee Hing, KCL and the Company signed a debt set off agreement whereas Yee Hing agreed to pay Baht 362 million to the Company by a set off of the same amount against debts owed by the Company to Yee Hing. On the other hand, the Company agreed either to complete the unfinished construction work of the Properties or repay Yee Hing an amount equivalent to the costs valued by an independent appraiser (“Construction Cost Consultants Limited Partnership”), to finish the construction work of the uncompleted Properties or any other amount by mutual agreement between the parties. In October 2005, an independent construction cost appraiser employed by the Company has assessed the current construction cost as to complete the Project as Baht 884 million. The pro-rata value attributable to the properties under the agreements with KCL was Baht 804 million. The provision of Baht 804 million was shown under “Other Current Liabilities” in the financial statements as at and March 31, 2007.

In July 2006, the Company appointed TAP Valuation Co., Ltd., a second independent appraiser approved by the Office of Securities and Exchange Commission of Thailand, to appraise the construction cost as to complete the project. The appraised cost amounted to Baht 882 million which is not materially different from the prior appraised cost by Construction Cost Consultants Limited Partnership.

In August 2007, the Company paid Yee-Hing Baht 800 million as final settlement of the uncompleted construction work.

**4.7 Short-term loans and advances from directors**

The loans and advances from directors are for the purposes of financing construction cost and interest on loans from financial institutions. From April 2003 to June 2003, the loans carried interest at rates of 5.25% - 7.50% per annum. The loans have no fixed repayment terms. Effective July 1, 2002, the directors have suspended charging interest to the Company. However, the directors have recommenced charging interest to the Company from January 2005 at MLR per annum onwards.

Movements of short-term loans and advances from directors for the six-month period ended September 30, 2007 are as follows:

	In Million Baht	
	Consolidated financial statements	Separate financial statements
Balance as at April 1, 2007	702	647
Increase	1	1
Decrease	(582)	(528)
Balance as at September 31, 2007	121	120

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
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**5. Accounts receivable, net**

The aging of installments due as at September 30, 2007 and March 31, 2007 are as follows:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	September 30, 2007	March 31, 2007	September 30, 2007	March 31, 2007
Up to 3 months	200	113	-	-
3 - 6 months	37	30	-	-
6 – 12 months	71	68	-	-
Over 12 months	117	112	-	-
Less : Allowance for doubtful accounts	(95)	(92)	-	-
<b>Total accounts receivable presented as current assets</b>	<b>330</b>	<b>231</b>	<b>-</b>	<b>-</b>
Over 12 months	14	109	12	109
Less : Allowance for doubtful accounts	-	(64)	-	(64)
<b>Accounts receivable presented as non – current assets</b>	<b>14</b>	<b>45</b>	<b>12</b>	<b>45</b>

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
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**6. Unbilled completed works, net**

The aging of unbilled completed works as at September 30, 2007 and March 31, 2007 are as follows:

	In Million Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2007	March 31, 2007	September 30, 2007	March 31, 2007
Up to 3 months	13	-	-	-
3 - 6 months	-	-	-	-
6 - 12 months	3	5	-	-
Over 12 months	5	3	-	-
	21	8	-	-
Less: Allowance for doubtful account	-	-	-	-
Unbilled completed works, net	21	8	-	-
Total value of contracts signed	30,424	29,550	17,817	18,063
Sales recognition to date	29,408	28,571	17,021	17,156
Less: Installments due to date	(29,003)	(28,944)	(17,335)	(17,537)
Sales recognized over (under) installments	405	(373)	(314)	(381)
Unbilled completed works	719	8	-	-
Installments due	(314)	(381)	(314)	(381)
	405	(373)	(314)	(381)



## BANGKOK LAND PUBLIC COMPANY LIMITED

## NOTES TO INTERIM FINANCIAL STATEMENTS

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## 7. Real estate development cost, net

Part of the land and condominium units have been mortgaged with banks as collateral for loans facilities of the Group, related companies and other companies (Note 4) and have been pledged as collateral with the Courts (Note 20). The mortgaged land and condominium units, as a percentage of the total land areas/total units, is as follows:

	Consolidated financial statements		Separate financial statements	
	September 30, 2007	March 31, 2007	September 30, 2007	March 31, 2007
Percentage of land mortgaged	15	15	16	16
Percentage of condominium units mortgaged	93	93	59	59

## 8. Investment in subsidiaries

As at September 30, 2007 and March 31, 2007 investment in subsidiaries comprise of:

	Separate financial statements					
	In Million Baht					
	Paid-up share capital		At Cost			
			Percentage of holding(%)			
	September 30, 2007	March 31, 2007	September 30, 2007	March 31, 2007	September 30, 2007	March 31, 2007 (Restated)
<b>Investment in subsidiaries</b>						
Impact Exhibition Management Company Limited	12,953	12,953	55	100	7,148	12,953
Bangkok Airport Industry Company Limited	5,320	5,320	100	100	5,820	5,820
Sinpornchai Company Limited	30	30	100	100	30	30
Muang Thong Building Services Company Limited	12	12	97	97	15	15
Muang Thong Services and Management Company Limited	25	25	97	97	10	10
Bangkok Land Agency Limited	200	200	99	99	120	120
Bangkok Land (Cayman Islands) Limited	USD 0.01	USD 0.01	100	100	-	-
Spooner Limited	-	-	100	100	-	-
Total					13,143	18,948
Less : Allowance for impairment loss					(5,925)	(5,925)
Net					7,218	13,023

**BANGKOK LAND PUBLIC COMPANY LIMITED****NOTES TO INTERIM FINANCIAL STATEMENTS****SEPTEMBER 30, 2007**

During the three-month period ended June 30, 2007 the Company sold its investments in subsidiary, Impact Exhibition Management Co. Ltd. (Impact), to Juutland Limited at a price of Baht 7,000 million and Bouygues-Thai Ltd. at a price of Baht 430 million. In this regard, the Company recognized gain on sale of investment totaling Baht 1,625 million in the separate statement of income and Baht 2,739 million in the consolidated statement of income for six-month period ended September 30, 2007.

**9. Investment property**

As at at September 30, 2007 and March 31, 2007, investment property consisted of:

	In Million Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2007	March 31, 2007	September 30, 2007	March 31, 2007
Land at historical cost	68	68	9	9
Surplus on revaluation	723	723	151	151
<b>Total investment property</b>	<b>791</b>	<b>791</b>	<b>160</b>	<b>160</b>

**10. Idle Land**

Previously, the Company invested in an overseas property fund, The New Land Fund (NALF), incorporated in Bermuda. Pursuant to the agreement of the fund holders, NALF had commenced to distribute all its assets in 2002 to each of NALF's unit holders, including the Company, in exchange for the unit holders returning their units to NALF. The asset distribution is based on the percentage of holding of each unit holder.

As at March 31, 2006, as a result of the liquidation of NALF, the fund transferred plots of land totaling Baht 7,285 million to the Company and the Company has incurred loss of Baht 416 million and recognized the same as a “Loss on investment redemption” in the statement of income for the year ended March 31, 2006.

Presently, the Company is considering to launch a new project on such land.

**BANGKOK LAND PUBLIC COMPANY LIMITED**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2007**

**11. Bank overdrafts and short-term loans from financial institutions**

Bank overdrafts and short-term loans from financial institutions as at September 30, 2007 and March 31, 2007 comprise:

	In Million Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2007	March 31, 2007	September 30, 2007	March 31, 2007
Bank overdrafts	27	27	-	-
Short-term loans from financial institutions	-	-	-	-
<b>Total</b>	<b>27</b>	<b>27</b>	<b>-</b>	<b>-</b>

The bank overdrafts bear interest at the rates of MOR to 18.00% per annum, and are guaranteed by the directors of the Group.

**12. Long-term loans from financial institutions**

Long-term loans from financial institutions as at September 30, 2007 and March 31, 2007 comprise:

	Consolidated/ Separate (Million Baht)	
	September 30, 2007	March 31, 2007
On February 25, 2004, Primary Court issued an order for the Company to pay Baht 114 million plus interest 12% p.a. of Baht 60 million starting from February 16, 2002 to the date paid. However, the Company has appealed to the Appeal Court dated March 25, 2004. The result of this case has not yet finalized and the Company records according to the Primary Court. The Company has mortgaged certain land plots as collateral for this loan.	114	114
	114	114

## BANGKOK LAND PUBLIC COMPANY LIMITED

## NOTES TO INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

## 13. Loans under debt restructuring agreements

Loans under debt restructuring agreements as at September 30, 2007 and March 31, 2007 comprise:

	In Million Baht			
	Consolidated financial statements		Separate financial statements	
	September 30,	March 31,	September 30,	March 31,
	2007	2007	2007	2007
Loans under debt restructuring agreements	4,926	5,624	3,581	4,267
Less: Current-portion due within one year	(1,324)	(1,338)	(400)	(472)
Net	3,602	4,286	3,181	3,795

During 2003 to 2005, the Company and subsidiaries concluded and signed trouble debt restructuring agreements with several financial institutions. Under the agreements, the lenders agreed to reduce the outstanding principal and accrued interest and the Company and subsidiaries have to settle a portion of debts by transferring the Company and subsidiaries' properties.

Loans under these restructuring agreements are secured by mortgages of part of the Group's land and condominiums. Some of these debts are also guaranteed by certain directors of the Group.

The summary of outstanding principal and related accrued interest at restructuring date are as follows:

		(In Million Baht)					
Agreement No.	Company	As per restructuring agreement	Paid since the agreement date up to September 30, 2007	Gain on debt restructuring up to September 30, 2007	Remaining at September 30, 2007		
					Principal	Accrued interest	Total
1st	BLAND	2,420	(977)	-	1,443	127	1,570
2nd	BLAND	2,246	(235)	-	2,011	-	2,011
3rd	BLAND	648	(312)	336	-	-	-
Total	BLAND	5,314	(1,524)	336	3,454	127	3,581
4th	BAIC	597	(116)	-	481	-	481
5th	BAIC	728	(38)	-	690	174	864
Total	BAIC	1,325	(154)	-	1,171	174	1,345
		6,639	(1,678)	336	4,625	301	4,926

**BANGKOK LAND PUBLIC COMPANY LIMITED**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

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**a) 1st agreement**

On December 24, 2003 and February 9, 2005 the Company concluded and signed a troubled debt restructuring agreement with a commercial bank in Thailand covering a number of long-term loan facilities for outstanding debt as at January 1, 2005. The Company agreed to settle the debt and to modify the terms of the remaining debts as follows:

1. Transferring of land at fair value of Baht 85 million
2. The Bank will waive accrued interest amounting to Baht 38 million at year end of 2005 and amounting to Baht 699 million when the Company can fulfil the repayment conditions under the agreement.
3. Reduction of interest rate from 14% to MLR starting from January 1, 2005
4. The Company agreed to settle remaining debts (quarterly) and accrued interest (monthly) within 6 years starting from January 2005 to December 2010.

**b) 2nd agreement**

On December 2, 2005, the Company concluded and signed a compromising agreement with Sukhumvit Asset Management Co., Ltd (SAM), covering a previously restructured debt as the Company had failed to satisfy all conditions agreed under the previous restructuring agreement dated September 4, 2003 with the financial creditor. Under this compromising agreement, the Company agreed to settle debt as follows:

1. The Company agrees to settle remaining debts and accrued interest not less than Baht 750 million within years since the agreement date by
  - 1.1 Initial payment on the agreement date of Baht 100 million.
  - 1.2 Make 5 annual instalments for the remaining amount not less than Baht 130 million p.a. starting on December 2, 2006.
2. The Company agrees to pay (monthly) interest bear MLR since the agreement date to the repayment date by computing on the remaining amount of each instalment.

**c) 3rd agreement**

On March 16, 2007, the Company concluded and signed a compromising agreement with Sathorn Asset Management Co., Ltd, covering a previously restructured debt as the Company had failed to satisfy all conditions agreed under the previous restructuring agreement with the financial creditor. Under this compromising agreement, the Company agreed to settle debt as follows:

1. The Company agrees to settle remaining debts and accrued interest not less than Baht 312 million (principal of Baht 300 million and related accrued interest of Baht 12 million) within 3 years since the agreement date by:
  - 1.1 Initial payment on the agreement date of Baht 100 million.
  - 1.2 Quarterly installments for the remaining amount not less than Baht 18 million within 3 years starting on June 2007.
2. The Company agrees to pay monthly interest at MLR rate since the agreement date to the repayment date by computing on the remaining amount of each installment.

As at September 30, 2007, the Company has fulfilled all conditions of the restructuring agreement and realized a gain on debt restructuring of Baht 336 million in the statement of income for the the three-month and six-month periods ended September 30, 2007.

**BANGKOK LAND PUBLIC COMPANY LIMITED**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2007**

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**d) 4th agreement**

On December 27, 2006 a mentioned subsidiary (BAIC) has entered into a loan restructuring agreement with conditions as follows:

1. Interest rate is MLR – 1 % during the period of December 1, 2006 to December 31, 2006, commencing on January 1, 2007, interest rate will be charged at MLR.
2. Monthly instalment as amount specified in the agreement commencing in December 2006 to December 2009.

**e) 5th agreement**

On January 7, 2004, BAIC, a subsidiary, agreed revisions to a troubled debt restructuring arrangements with a commercial bank in Thailand covering a number of long term loan facilities. Such subsidiary agreed to modify the terms of the remaining debts as follows:

1. Reduction of interest rate from 14% to MLR.
2. Such Subsiaiary agree to repay annually remaining debts and monthly accrued interest totalling Baht 59 million within 5 years starting from January 2004 to December 2008.
3. The Bank will waive accrued interest amounting to Baht 187 million when such subsidiary completely settle debts under the agreement.

Presently, such bank has assigned to a fund all rights of claim for repayment. However, all conditions of repayment have not been changed and a subsidiary suspended repayment of loan and accrued interest. Therefore, such subsidiary presented such loan under “current – portion of loans under debt restructuring agreements” in the balance sheets.

In case that the Company are able to satisfy all conditions of agreements, the Company expect the future repayment amounts to be lower than amounts recorded by Baht 1,547 million (the Company : 1,489 million). However, the Company and such subsidiary have not yet realized such profit from debt restructuring until all conditions are completely fulfilled.

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**14. Long-term debt instruments**

		Consolidated financial statements				
		September 30, 2007		March 31, 2007		
	Maturity date	Interest rate per annum	Amount of loan		Amount of loan	
			Original	Million	Original	Million
			Currency	Baht	Currency	Baht
1. Exchangeable	October		16.91 million		52.77 million	
Notes	2003	4.50 %	U.S. Dollars	581	U.S. Dollars	1,854
2. Exchangeable	March		80.50 million		194.75 million	
Notes	2001	3.125%	Swiss Francs	2,372	Swiss Francs	5,639
				<u>2,953</u>		<u>7,493</u>
Provision for premium on bond redemption				62		199
Total long-term debt instruments presented				<u>3,015</u>		<u>7,692</u>
as current portion						

The notes have been classified to current liabilities due to the fact that Bangkok Land (Cayman Islands) Limited has defaulted on interest and principal repayments. Accrued interest on the notes has been calculated at the coupon rates under the contract.

Exchangeable Notes under item 1

In 1993, Bangkok Land (Cayman Islands) Limited (BL Cayman) issued guaranteed exchangeable bonds of USD 150 million due 2003 that were guaranteed by the Company. The notes bear interest at the rate of 4.5% per annum and the noteholders had the option to redeem the notes in October 1998 at 110.73 percent of the principal amount and to exchange to common shares of Bangkok Land Public Company Limited during the period of February 21, 1994 to June 16, 2000.

BL Cayman has been in default on interest payment and principal redemption of the exchangeable notes from October 13, 1998 to date.

Exchangeable Notes under item 2

In 1994, Bangkok Land (Cayman Islands) Limited (BL Cayman) issued guaranteed exchangeable bonds of Swiss Francs 400 million that were guaranteed by the Company. The notes bear interest at the rate of 3.125% per annum and due on March 31, 2001. The noteholders had the option to redeem the notes in March 1999 at the principal amount and to exchange to common shares of Bangkok Land Public Company Limited during the period of November 15, 1993 to August 13, 2003.

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BL Cayman has been in default on interest payment on exchangeable notes from March 31, 1998 to date. Under the terms of the note, in the event of default for more than 14 days on payment of interest, the bondholders can give notice to the issuer and the guarantor, and the bonds shall be immediately due and repayable. In May 1998, the noteholders called BL Cayman and the company (as guarantor of the exchangeable note) to repay the principal amount of the notes outstanding together with accrued interest in the sum of SFr 370 million.

During the six-month period ended September 30, 2007, the noteholder has redeemed notes totaling Swiss Francs 114.25 million and USD 35.86 million, a carrying value of Baht 6,222 million giving rise to again on redemption of Baht 3,692 million.

However, the Group has been unable to redeem the remaining notes and continues to be in default of the terms and conditions of the notes.

The Company has not hedged any long-term liabilities denominated in foreign currencies.

**15. Other non-current liabilities**

The balance of other non-current liabilities as at September 30, 2007 and March 31, 2007 are as follows:

		Consolidated / Separate (In Million Baht)				
		Original balance	Repayment	Balance at March 31, 2007	Repayment	Balance at September 30, 2007
Thai Asset Management Corporation (TAMC)	(KCL agreement)	725	(19)	706	(13)	693
Thai Asset Management Corporation (TAMC)	(KPY agreement)	243	(243)	-	-	-
		<u>968</u>	<u>(262)</u>	<u>706</u>	<u>(13)</u>	<u>693</u>

- a) On May 20, 2005 KCL signed a debt restructuring agreement with TAMC (“Agreement”). According to the Agreement, the Company as guarantor of the former loans, agreed to settle a total amount, before interest, of Baht 913 million by (1) cash payment of Baht 524 million by quarterly installment for a period of 7 years starting from June 2005 to May 2012 with interest charge at rates from MLR less 4% to MLR; and (2) transferring properties with appraised value of Baht 389 million determined by an independent property appraiser.

In June 2005 KCL bought Baht 176 million of properties from Bangkok Airport Industry Company Limited and requested the Group to transfer the properties to the TAMC as partial settlement under the Agreement. The purchase price was settled by set off of Baht 176 million against debts owed by the Company to Yee Hing.

During the year ended March 31, 2006, the Company paid Baht 11 million to TAMC as partial settlement of the KCL agreement. This amount has been set off with debts due by the Company to Yee Hing. For the year ended March 31, 2007, the Company has made repayment totalling Baht 15 million to TAMC.



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Taking all the above together, the remaining balance of debt under the Agreement. Upon signing of a debt set off agreement with Yee Hing and KCL, the debt owed by KCL has thereafter reclassified as a loan due to TAMC and grouped under “Other non-current liabilities” in the financial statements.

On January 23, 2007, the Company has entered into a new debt restructuring agreement with TAMC, however, the term and conditions of repayment schedule of the Company’s portion have not been changed.

- b) On May 20, 2005, KPY signed a debt restructuring agreement with the TAMC. According to the agreement, the Company, as a guarantor of the former loans of KPY, agreed to transfer land and condominium units at the net book value of Baht 243 million (value appraised as Baht 123 million by TAMC). Upon signing of a debt set off agreement with Yee Hing and KPY, the debt owed by KPY has thereafter reclassified as a loan due to TAMC and grouped under “Other non-current liabilities” in the financial statements. On March 9, 2006, the Company transferred the properties to TAMC in order to settle such loan.

**16. Share capital and warrants**

**a. Share capital**

On May 6, 2005, the shareholders at the Extraordinary General Meeting of the Shareholders No. 1/2548 passed the following resolutions:

1. Approve the reduction of the registered capital from Baht 15,542,220,062 to Baht 12,080,986,517 by cancellation of the 3,461,233,545 authorized but unissued shares at a par value of Baht 1 each.
2. Approve the increase of the registered capital from Baht 12,080,986,517 to Baht 20,584,720,864 by issuing 8,503,734,347 new ordinary shares at a par value of Baht 1 each.
3. Approve the allotment of 8,503,734,347 new ordinary shares at a par value of Baht 1 each as follows:
  - (1) 5,147,058,824 shares will be allotted for issuance and offering for sale to existing shareholders of the Company listed in the shareholder register as at April 18, 2005 pro-rata to their shareholding 2.37:1. The existing shareholders are able to subscribe shares more than their buying rights. However, they must subscribe and pay for the additional shares by the time that they subscribe and pay for share subscription according to their rights to buy shares at the offering price of Baht 0.68; and
  - (2) 2,000,000,000 shares will be allotted and reserved for exercise by the holder of warrants and
  - (3) 1,356,675,523 shares will be allotted for issuance and offering for sale to McCarthy Ventures (BVI) Ltd. and Quam Securities Nominee (Singapore) Pte Ltd. in accordance with a Placement Agreement and Share Subscription Agreement with these 2 companies. The offering price will be calculated from the mathematical formula approved at the Extraordinary General Meeting of the Shareholders No. 1/2547. According to the approved formula, 70,961,237 shares will be offered at Baht 0.70461 each, and 285,714,286 shares will be offered at Baht 0.70 each, and one billion shares will be offered in accordance with Share Subscription Contract at Baht 1.85 each; and
  - (4) In case there are remaining shares from the share offering to existing shareholders in (1) or to the said investors in (3) above, the Board of Directors and/or the Chairman of the Board and/or any person(s) entrusted by the Board of Directors or the Chairman of the Board is empowered to have the authority to offer the remaining shares to the investors on a private placement basis which will include the sale of shares to institutional investors or an offer of such remaining shares to other interested investors, provided that the Board of Director shall have the power to determining and fixing the offering price which will be in accordance and comply with the SEC Notification No. Kor Jor 12/2543 and if the said offering price is lower than the par value of the shares, such offering price must not be in any event less than Baht 0.68 per share. The remaining shares can be offered for sales by allotments or one-time sale.

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The Company registered the capital reduction and capital increment with the Ministry of Commerce on May 13, 2005.

On July 27, 2007, the shareholders at the General Meeting of the Shareholders No.35 passed the following resolutions:

1. Approved the reduction of the registered capital of the Company from Baht 20,584,720,864 to Baht 17,698,028,723 by cancellation of 2,886,692,141 authorized but unissued shares with a par value of Baht 1 (save for the authorized but unissued shares amounting of 2,000,000,000 shares which have been reserved for the exercise of the holders of the Warrant in relation to the existing Warrants of the Company) so that the Company can increase its capital to another amount.
2. Approved the increase of the registered capital of the Company from Baht 17,698,028,723 to Baht 27,829,788,993 by issuance of 10,131,760,270 new ordinary shares at a par value of Baht 1 each.
3. Approved the allotment of 10,131,760,270 ordinary shares pursuant to the capital increase as follows:
  - (1) 2,854,187,041 shares will be offered to the shareholders of the Company whose names appeared in the shares register book as at 12 July 2007 pro-rata to their shareholding, 5.5 existing shares will be entitled to 1 new share. The fractions of share shall be disregarded. The Shareholders are entitled to subscribe those shares in exceed of the number of shares to which they are entitled to subscribe, provided that they must subscribe and pay for the shares in exceed of their entitlements at the same time when they subscribed for the shares to which they are entitled to. The offering price shall be Baht 1.00 per share. The Board of Directors and/or the Chairman of the Board and/or the person entrusted by the Board or the Chairman shall be authorized to have the power to fix the terms, details necessary for the offering of said shares to the shareholders; and
  - (2) 7,277,573,229 shares will be allotted and reserved for the exercise by the holder of the warrants to be issued (Note 16 b.(2)); and
  - (3) In case there are remaining shares from the share subscription under item (1) above, the Board of Directors and/or the Chairman of the Board and/or any person(s) entrusted by the Board of Directors or the Chairman of the Board be empowered to have the authority to offer the remaining shares to the investors on a private placement basis (which include the offering of said shares to the institutional investors and/or any other specific investors) from time to time or at one time. Provided that the Board of Directors shall have the power to determining and fixing the offering price which will be in accordance and comply with the SEC Notification No.KorJor12/2543.

The Company registered the capital reduction and capital increment with the Ministry of Commerce on July 27, 2007 and August 1, 2007, respectively.

During six-month period ended September 30, 2007, there was cash receipt of Baht 2,093 million for the sale of 2,093 million shares. The Company already registered the increased paid-up share capital with the Ministry of Commerce on August 31, 2007.

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**b. Warrants**

- (1) As of January 22, 2007, warrants to purchase ordinary shares of the Company has been listed on the Stock Exchange of Thailand (trading commencement on January 22, 2007) – BLAND-W1 with major characteristics as follows:

Number of Warrants:	1,998,534,653 Units
Underlying Shares:	2,000,000,000 Shares
Offering:	Offered to existing shareholders whose name appeared on the registration book as at October 20, 2003 at the ratio of 3 existing shares to 1 unit of warrant.
Rights of Warrants:	The holder of warrant certificate has the right to purchase ordinary share of the Company of 1 warrant for 1 new share at an Exercise Price of Baht 1.80 per share
Type of Warrants:	Named certificate and freely transferable
Term of Warrants:	3 years from the issuance date of January 8, 2007 with the last exercise date being January 7, 2010.

As at September 30, 2007, the outstanding of unexercised warrants was 1,998,534,653 units.

- (2) At the General Meeting of shareholders No.35 held on July 27, 2007, the shareholders resolved to issue and offer the warrants to the shareholders as detailed belows:

Type of Warrants:	Named certificate and transferable
Number of Warrants:	Not more than 7,277,573,229 units
Underlying Shares:	Not more than 7,277,573,229 shares
Offering:	Offered to existing shareholders whose name appeared on the registration book
Exercise Ratio:	1 units of warrants : 1 ordinary share, except in case of adjusting of the exercise ratio pursuant of the SEC Notification.
Exercise Price:	Save for the adjustment of the exercise price pursuant to the SEC Notification; 1st year : Baht 1.10 per share; 2nd year : Baht 1.30 per share; 3rd year : Baht 1.50 per share; 4th year : Baht 1.70 per share; 5th year : Baht 1.90 per share

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**17. Segment information**

	Consolidated financial statements ( In Million Baht )				
	For the three-month period ended September 30, 2007				
	Real estate business	Retail business	Exhibition center business	Other services	Total
Segment revenue	<u>951</u>	<u>47</u>	<u>413</u>	<u>25</u>	<u>1,436</u>
Segment profit (loss)	(61)	9	151	34	133
Interest income					19
Interest expense					(129)
Gain on sale of assets					15
Gain on exchange rate, net					(132)
Income tax					(85)
Profit of minority interest					(44)
Net income (loss) before extra					(223)
Extraordinary items- Gain on debt restructuring					336
Net income (loss)					<u>113</u>

“ Unaudited”

“Reviewed”

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	Consolidated financial statements ( In Million Baht )				
	For the three-month period ended September 30, 2006				
	Real estate business	Retail business	Exhibition Center business	Other services	Total
Segment revenue	11	47	297	22	377
Segment profit (loss)	(97)	7	27	(10)	(73)
Interest income					-
Interest expense					(236)
Gain on exchange rate, net					307
Income tax					6
Net income (loss) for the period					4

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	Consolidated financial statements ( In Million Baht )				
	For the six-month period ended September 30, 2007				
	Real estate business	Retail business	Exhibition center business	Other services	Total
Segment revenue	989	92	769	48	1,898
Segment profit (loss)	(400)	17	247	31	(105)
Interest income					21
Interest expense					(284)
Gain on sale of assets					15
Gain on sale of investment					2,739
Gain from repurchase of exchangeable note for cancellation					3,692
Gain on exchange rate, net					(59)
Income tax					(140)
Profit of minority interest					(69)
Net profit (loss) before extra ordinary item					5,810
Extraordinary item					336
Net profit (loss)					6,146
Property, plant and equipment					
As at September 30, 2007	1,106	175	10,354	21	11,656
As at March 31, 2007	1,129	186	10,404	50	11,769

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	Consolidated financial statements ( In Million Baht )				
	For the six-month period ended September 30, 2006				
	Real estate business	Retail business	Exhibition center business	Other services	Total
Segment revenue	45	104	719	48	916
Segment profit (loss)	(155)	18	236	(11)	88
Interest income					4
Interest expense					(382)
Gain on exchange rate, net					80
Reversal of allowance for doubtful debt					19
Income tax					(9)
Net loss for the period					(200)

**18. Earnings (loss) per share****Basic earnings (loss) per share**

Basic earnings(loss) per share is calculated by dividing the net profit (loss) attributable to shareholders by weighted average number of ordinary shares issued during the period.

**Diluted earnings (loss) per share**

Diluted earnings(loss) per share is calculated weighted average dividing the net profit (loss) attributable to common shareholders by the number of ordinary shares issued during the period adjusted for the effect of shares options on issue.

The Company did not calculate diluted earnings per share for the three-month and six-month period ended September 30, 2007 because the fair value of an ordinary share is lower than the exercised price of a warrant.

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**19. Financial instruments**

As at September 30, 2007 and March 31, 2007 the Group has the following risks relating to significant financial instruments:

a) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group has long-term loans from banks, and the value of such loans will fluctuate due to changes in market interest rates.

b) Currency risks

Currency risk is the risk that the value of the financial instrument will fluctuate due to changes in currency exchange rates.

The Group faced currency exchange risk relating to Exchangeable Notes denominated in Swiss Francs and U.S. Dollars. The Group had not hedged its foreign currency liabilities relative to these Exchangeable Notes as repayment date of debts remains uncertain following the default by the Group in payment of interest and principal which caused the total amount of debts to become due for repayment as explained in Note 14.

c) Liquidity risk

Liquidity risk or funding risk is the risk that the Group will encounter difficulty in raising fund to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly or close to its fair value.

d) Fair value of financial assets and liabilities

The carrying amounts of all financial assets and liabilities of the Group as at March 31, 2007 and 2006 as presented in the consolidated financial statements and company financial statements approximate to their fair values except for the fair value of loans under debt restructuring agreements and long-term debt instruments cannot be calculated, accordingly, no disclosure is made.

**20. Contingent liabilities**

As at September 30, 2007 and March 31, 2007, the Company has contingent liabilities

- i) A number of the Group’s customers have filed civil lawsuits demanding that the Company and Bangkok Airport Industry Company Limited, its subsidiary, to return deposits and installments funds, in the aggregate amount of approximately Baht 203 million alleging that the Company and Bangkok Airport Industry Company Limited had breached the purchase and sales agreements (March 31, 2007 : Baht 203 million). As at September 30, 2007, Baht 192 million is recorded in the financial statements (March 31, 2007: Baht 198 million).
- ii) A major customer has filed a civil lawsuit demanding the Group to return deposits and installments funds including interest in the amount of Baht 359 million alleging that the Group had breached purchase and sales agreements. As at September 30, 2007, the deposits and installments funds recorded in the financial statements amounted to Baht 238 million (March 31, 2007: Baht 238 million).



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- iii) Two major contractors have filed civil lawsuits demanding the Group to repay a total debt of Baht 381 million (Baht 192 million and Baht 189 million) together with interest of 15% per annum to be calculated from the date of filing of lawsuits until the date of settlement. The contractors have alleged that the Company had defaulted on payment of debt under certain construction contracts. In respect of the case of Baht 192 million, the Primary Court decided in July 2005 that the Company has to pay Baht 32 million together with interest to be calculated at 7.5% per annum from February 13, 2004 to the date of repayment. Consequently, the Appeal Court confirmed the Primary Court’s judgement on February 20, 2007 and this case is presently in the consideration of the Supreme Court. Based of the judgment of the Primary Court, the Company has written back its payable to contractors in the sum of Baht 160 million in the statements of income for the year ended March 31, 2006. As at September 30, 2007, the outstanding principal, excluding interest, payables to these contractors recorded in the financial statements amounted to Baht 154 million (March 31, 2007: Baht 154 million).

Presently, the ultimate outcomes of the cases are still pending. However, the Group’s management has provided accrued interest for the cases under items i), ii) and iii) up to September 30, 2007 of Baht 486 million.

**21. Reclassifications**

As a result of reclassifications of certain items in financial statements as at March 31, 2007 the comparative figures for the interim financial statements as at September 30, 2007 have been amended accordingly.

**22. Approval of financial statement**

These financial statements have been approved by the Management of the Company.