

**N.C. HOUSING PUBLIC COMPANY LIMITED**

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**INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
AND FINANCIAL STATEMENTS FOR THE THREE-MONTH AND  
NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2006 AND 2005**

## **AUDITOR'S REVIEW REPORT**

To The Shareholders and Board of Directors of  
N.C. Housing Public Company Limited

I have reviewed the accompanying consolidated balance sheet of N.C. Housing Public Company Limited and subsidiary as at September 30, 2006, and the related consolidated statements of income for the three-month period and nine-month period ended September 30, 2006, and the consolidated statements of changes in shareholders' equity and cash flows for the nine-month period ended September 30, 2006 and the balance sheet of N.C. Housing Public Company Limited as at September 30, 2006, and the related statements of income for the three-month period and nine-month period ended September 30, 2006, and the statement of changes in shareholders' equity and cash flows for the nine-month period ended September 30, 2006. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to issue a report on these financial statements based on my review.

I conducted my review in accordance with generally accepted auditing standards applicable to review engagements. This Standard requires that I plan and perform the 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 review, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

Another auditor, in my firm, had previously audited, in accordance with generally accepted auditing standards, the consolidated financial statements and the financial statements for the year ended December 31, 2005 of N.C. Housing Public Company Limited and in his report dated February 24, 2006, he expressed an unqualified opinion on those financial statements. The consolidated balance sheet and the balance sheet as at December 31, 2005 presented herewith for comparative purposes only, were a part of the audited financial statements and he had already reported. However, I have not performed any audit procedure since that date.

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The consolidated statements of income for the three-month period and nine-month period ended September 30, 2005, the consolidate statement of changes in shareholders' equity and cash flows of N.C. Housing Public Company Limited and subsidiaries for the nine-month period ended September 30, 2005 and the statements of income for the three-month period and nine-month period ended September 30, 2005, and statement of changes in shareholders' equity and cash flows of N.C. Housing Public Company Limited for the nine-month period ended September 30, 2005 which are presented for comparative purposes, were reviewed by another auditor, in my firm whose report dated November 11, 2005 stated that nothing has come to his attention that causes him to believe that the financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles, based on his review.

(Miss Chantra Wongsri-Udomporn)

Certified Public Accountant

Registration No. 4996

Dharmniti Auditing Company Limited

Bangkok, Thailand

November 13, 2006

2006/845/7436

"UNAUDITED"

"REVIEWED"

**N.C. HOUSING PUBLIC COMPANY LIMITED**

**BALANCE SHEETS**

		In Thousand Baht			
		Consolidated		The Company Only	
	Note	As at September 30, 2006	As at December 31, 2005	As at September 30, 2006	As at December 31, 2005
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	3.3, 5	17,838	62,652	11,509	35,441
Current investment	6	8,037	8,002	1,110	1,096
Trade accounts receivable	3.4, 7	9,882	5,559	9,462	5,323
Receivables from related parties	4	-	-	121	111
Unbilled receivables - net	3.2, 3.4, 8	5,611	12,067	5,611	12,067
Accrued income - construction	3.4	3,211	4,665	-	2,631
Accrued income - commission		7,161	5,565	-	-
Short-term loan to related parties	9	-	-	-	-
Inventories - net	3.5, 10	671,422	665,569	670,104	664,358
Property development	3.6, 11	2,899,189	3,025,126	2,895,235	3,021,556
Construction materials	3.5	84	89	84	89
Other current assets		19,693	20,449	9,485	13,466
Total current assets		<u>3,642,128</u>	<u>3,809,743</u>	<u>3,602,721</u>	<u>3,756,138</u>
<b>NON-CURRENT ASSETS</b>					
Investment in subsidiaries	3.7, 12	-	-	87,044	86,979
Property, plant and equipment - net	3.8, 13	249,131	264,193	247,364	261,451
Withholding income tax		10,328	3,551	7,584	274
Other non-current assets		4,197	3,108	4,151	2,975
Total non-current assets		<u>263,656</u>	<u>270,852</u>	<u>346,143</u>	<u>351,679</u>
<b>TOTAL ASSETS</b>		<u><u>3,905,784</u></u>	<u><u>4,080,595</u></u>	<u><u>3,948,864</u></u>	<u><u>4,107,817</u></u>

Notes to interim financial statements form an integral part of these statement

"UNAUDITED"

"REVIEWED"

**N.C. HOUSING PUBLIC COMPANY LIMITED**

**BALANCE SHEETS (CONT.)**

**LIABILITIES AND SHAREHOLDERS' EQUITY**

In Thousand Baht						
		Consolidated		The Company Only		
Note	As at September	As at December	As at September	As at December		
	30, 2006	31, 2005	30, 2006	31, 2005		
<b>CURRENT LIABILITIES</b>						
Bank overdrafts and short-term loans						
	from financial institutions	14	358,042	768,338	353,326	767,683
	Payable for purchase of land		71,327	81,586	71,327	81,586
	Notes payable		28,583	31,227	28,583	30,286
	Trade accounts payable		22,098	55,865	18,408	54,244
	Payable to related parties	4	3,427	8,783	22,111	44,923
	Short-term loan from related parties	4, 17	-	-	45,824	9,024
	Unrealized income	3.2, 8	36,100	40,990	36,100	40,990
	Accrued income tax		-	-	-	-
	Accrued expenses		12,830	38,759	12,666	37,818
	Accrued commission		19,775	13,850	12,810	7,957
	Accrued interest	4	1,586	198	1,586	198
	Other current liabilities		4,380	7,411	2,789	6,601
	Total current liabilities		558,148	1,047,007	605,530	1,081,310
<b>NON-CURRENT LIABILITIES</b>						
	Long-term loans	15	1,132,013	949,029	1,132,013	949,029
	Loan from directors	4, 16	78,550	-	78,550	-
	Retention		68,781	80,906	64,479	73,825
	Total non-current liabilities		1,279,344	1,029,935	1,275,042	1,022,854
	<b>TOTAL LIABILITIES</b>		<b>1,837,492</b>	<b>2,076,942</b>	<b>1,880,572</b>	<b>2,104,164</b>

Notes to interim financial statements form an integral part of these statement

**"UNAUDITED"**

**"REVIEWED"**

**N.C. HOUSING PUBLIC COMPANY LIMITED**

**BALANCE SHEETS (CONT.)**

**~~LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)~~**

		In Thousand Baht			
		Consolidated		The Company Only	
Note		As at September 30, 2006	As at December 31, 2005	As at September 30, 2006	As at December 31, 2005
SHAREHOLDERS' EQUITY					
	Share capital				
	18				
	Authorized share capital				
	1,200,000,000 ordinary shares				
	of Baht 1 each	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</u>
	Issued and paid-up share capital				
	1,185,985,052 ordinary shares				
	of Baht 1 each	18	1,185,985	1,185,985	
	1,100,000,000 ordinary shares				
	of Baht 1 each	18	1,100,000		1,100,000
	Paid-in capital				
	Premium on share capital	577,530	577,530	577,530	577,530
	Retained earnings				
	Appropriated - legal reserve	20	20,872	20,872	20,872
	Unappropriated	<u>283,905</u>	<u>305,251</u>	<u>283,905</u>	<u>305,251</u>
	TOTAL SHAREHOLDERS' EQUITY	<u>2,068,292</u>	<u>2,003,653</u>	<u>2,068,292</u>	<u>2,003,653</u>
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>3,905,784</u>	<u>4,080,595</u>	<u>3,948,864</u>	<u>4,107,817</u>

Notes to interim financial statements form an integral part of these statement

"UNAUDITED"

"REVIEWED"

**N.C. HOUSING PUBLIC COMPANY LIMITED**

**STATEMENTS OF INCOME**

**FOR THE THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2006 AND 2005**

		In Thousand Baht				
		Consolidated		The Company Only		
Note		2006	2005	2006	2005	
<b>REVENUES</b>						
	Sales	3.2	272,316	342,761	272,316	342,761
	Construction income	3.2, 4	1,948	2,173	-	925
	Service income	3.2	2,355	3,197	-	-
	Other income	4	1,518	-	1,386	-
	Total Revenues		<u>278,137</u>	<u>348,131</u>	<u>273,702</u>	<u>343,686</u>
<b>EXPENSES</b>						
	Cost of sales	3.2, 4	182,483	223,763	182,609	224,548
	Cost of construction	3.2, 4	2,099	3,066	-	634
	Cost of service	3.2	153	908	-	-
	Selling and administrative expenses	4	69,837	90,003	66,029	85,096
	Income tax reversal		(483)	-	(125)	-
	Loss from non refund withholding income tax		-	118	-	-
	Share of loss from investment, using the equity method		-	-	679	2,056
	Total Expenses		<u>254,089</u>	<u>317,858</u>	<u>249,192</u>	<u>312,334</u>
	Income before interest and income tax		24,048	30,273	24,510	31,352
	Interest expenses	4	15,463	5,289	15,956	5,482
	Income tax	24	31	4,877	-	5,763
	Net income		<u>8,554</u>	<u>20,107</u>	<u>8,554</u>	<u>20,107</u>
<b>EARNINGS PER SHARE (Baht per share)</b>						
	Net income	21	<u>0.007</u>	<u>0.02</u>	<u>0.007</u>	<u>0.02</u>
<b>DILUTED EARNINGS PER SHARE (Baht per share)</b>						
	Net income	21	<u>0.007</u>	<u>0.02</u>	<u>0.007</u>	<u>0.02</u>

Notes to interim financial statements form an integral part of these statements

"UNAUDITED"

"REVIEWED"

N.C. HOUSING PUBLIC COMPANY LIMITED

STATEMENTS OF INCOME

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2006 AND 2005

		In Thousand Baht				
		Consolidated		The Company Only		
Note		2006	2005	2006	2005	
REVENUES						
	Sales	3.2	890,373	1,061,074	890,373	1,061,074
	Construction income	3.2, 4	15,401	39,918	668	1,824
	Service income	3.2	6,461	10,837	-	-
	Other income	4	7,200	7,193	6,552	6,230
	Share of profit from investment, using the equity method		-	-	65	5,216
	Total Revenues		919,435	1,119,022	897,658	1,074,344
EXPENSES						
	Cost of sales	3.2, 4	600,345	697,886	601,046	703,938
	Cost of construction	3.2, 4	10,762	27,613	412	1,166
	Cost of service	3.2	460	2,735	-	-
	Selling and administrative expenses	4	232,892	285,616	221,457	264,343
	Loss from non refund withholding income tax		1,063	118	-	-
	Total Expenses		845,522	1,013,968	822,915	969,447
	Income before interest and income tax		73,913	105,054	74,743	104,897
	Interest expense	4	38,099	17,120	39,254	17,692
	Income tax	24	2,160	18,228	1,835	17,499
	Net income		33,654	69,706	33,654	69,706
EARNINGS PER SHARE (Baht per share)						
	Net income	21	0.03	0.07	0.03	0.07
DILUTED EARNINGS PER SHARE (Baht per share)						
	Net income	21	0.03	0.06	0.03	0.06

Notes to interim financial statements form an integral part of these statements

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**N.C. HOUSING PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2006 AND 2005**

		In Thousand Baht				
		Share capital	Premium on	Retained earnings		Total
Note		issued and	share capital	Appropriated	Unappropriated	
		paid-up		legal reserve		
<b>Consolidated</b>						
	Beginning balance, 2006	1,100,000	577,530	20,872	305,251	2,003,653
	Net income for the period 2006	-	-	-	33,654	33,654
	Appropriated - legal reserve	-	-	-	-	-
	Dividend paid	-	-	-	(55,000)	(55,000)
	Capital - ordinary shares	85,985	-	-	-	85,985
	Ending balance, 2006	<u>1,185,985</u>	<u>577,530</u>	<u>20,872</u>	<u>283,905</u>	<u>2,068,292</u>
	beginning balance, 2005	1,000,000	577,530	15,900	300,778	1,894,208
	Net income for the period 2005	-	-	-	69,706	69,706
	Appropriated - legal reserve	-	-	-	-	-
	Dividend paid	-	-	-	(90,000)	(90,000)
	Capital - ordinary shares	100,000	-	-	-	100,000
	Ending balance, 2005	<u>1,100,000</u>	<u>577,530</u>	<u>15,900</u>	<u>280,484</u>	<u>1,973,914</u>
<b>The Company Only</b>						
	Beginning balance, 2006	1,100,000	577,530	20,872	305,251	2,003,653
	Net income for the period 2006	-	-	-	33,654	33,654
	Appropriated - legal reserve	-	-	-	-	-
	Dividend paid	-	-	-	(55,000)	(55,000)
	Capital - ordinary shares	85,985	-	-	-	85,985
	Ending balance, 2006	<u>1,185,985</u>	<u>577,530</u>	<u>20,872</u>	<u>283,905</u>	<u>2,068,292</u>
	Beginning balance, 2005	1,000,000	577,530	15,900	300,778	1,894,208
	Net income for the period 2005	-	-	-	69,706	69,706
	Appropriated - legal reserve	-	-	-	-	-
	Dividend paid	-	-	-	(90,000)	(90,000)
	Capital - ordinary shares	100,000	-	-	-	100,000
	Ending balance, 2005	<u>1,100,000</u>	<u>577,530</u>	<u>15,900</u>	<u>280,484</u>	<u>1,973,914</u>

Notes to interim financial statements form an integral part of these statement

"UNAUDITED"

"REVIEWED"

N.C. HOUSING PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2006 AND 2005

	In Thousand Baht			
	Consolidated		The Company Only	
	2006	2005	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	33,654	69,706	33,654	69,706
Add (less) Adjustments to reconcile net profit to net cash provided by (used in) operating activities :				
Depreciation and amortization	19,642	20,089	18,499	18,886
Loss (gain) from sale of fixed assets	(976)	(314)	(976)	-
Loss from written off fixed assets	8	-	8	-
Gain from written off trade account payable and retention	(839)	(1,092)	(819)	(917)
Loss from write off deposit	107	-	107	-
Loss from write off withhold tax	1,063	118	-	-
Share of profit from investments, using the equity method	-	-	(65)	(5,216)
Income from operating activities before changes in operating assets and liabilities	52,659	88,507	50,408	82,459
Decrease (increase) in operating assets				
Notes receivable	-	891	-	891
Trade accounts receivable	(4,323)	12,004	(4,139)	(4,123)
Receivables from related parties	-	-	(10)	1,157
Unbilled receivables	6,456	-	6,456	-
Accrued income - construction	1,454	39,949	2,631	(1,556)
Accrued income - commission	(1,596)	2,984	-	-
Short-term loan to related parties	-	-	-	45,390
Inventories	(5,853)	(312,022)	(5,746)	(310,495)
Property development	123,616	(165,399)	124,000	(162,923)
Construction materials	5	174	5	174
Deposit for purchase of land	-	35,121	-	35,121
Other current assets	756	5,258	3,981	3,501
Withholding income tax	(7,840)	(2,138)	(7,310)	-
Other non-current assets	(1,196)	1,039	(1,283)	1,030

Notes to interim financial statements form an integral part of these statements

"UNAUDITED"

"REVIEWED"

**N.C. HOUSING PUBLIC COMPANY LIMITED**

**STATEMENTS OF CASH FLOWS (CONT.)**

**FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2006 AND 2005**

	In Thousand Baht			
	Consolidated		The Company Only	
	2006	2005	2006	2005
Increase (decrease) in operating liabilities				
Payable for purchase of land	(10,259)	(13,905)	(10,259)	(13,905)
Notes payable	(2,644)	7,763	(1,703)	7,793
Trade accounts payable	(33,767)	(27,426)	(35,836)	(9,282)
Payable to related parties	(5,356)	(2,410)	(22,812)	(39,653)
Unrealized income	(4,890)	(916)	(4,890)	(916)
Accrued income tax	-	(61,903)	-	(44,800)
Accrued expenses	(25,929)	(13,842)	(25,152)	(12,580)
Accrued commission	5,925	(9,686)	4,853	(1,377)
Accrued interest	1,388	(319)	1,388	(319)
Other current liabilities	(3,031)	(4,903)	(3,812)	(3,106)
Retention	(11,285)	(8,324)	(8,527)	(1,646)
Net cash provided by (used in) operating activities	74,290	(429,503)	62,243	(429,165)
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in current investment	(35)	(211)	(14)	(3)
Increase in property, plant and equipment	1,385	444	1,385	-
Cash received from sale of fixed assets	(2,676)	(6,085)	(2,508)	(5,839)
Net cash provided by (used in) investing activities	(1,326)	(5,852)	(1,137)	(5,842)
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(410,296)	447,119	(414,357)	447,534
Increase (decrease) in short-term loan from related parties	-	-	36,800	(6,100)
Cash over payment from share subscription due to shareholders	-	-	-	-
Loan from directors	78,550	-	78,550	-
Increase (decrease) in long-term loans	182,983	(63,045)	182,984	(63,045)
Proceeds from capital increase	85,985	100,000	85,985	100,000
Dividend paid	(55,000)	(90,000)	(55,000)	(90,000)
Net cash provided by (used in) financing activities	(117,778)	394,074	(85,038)	388,389

Notes to interim financial statements form an integral part of these statements

**"UNAUDITED"**

**"REVIEWED"**

**N.C. HOUSING PUBLIC COMPANY LIMITED**

**STATEMENTS OF CASH FLOWS (CONT.)**

**FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2006 AND 2005**

	In Thousand Baht			
	Consolidated		The Company Only	
	2006	2005	2006	2005
Net increase (decrease) in cash and cash equivalents	(44,814)	(41,281)	(23,932)	(46,618)
Cash and cash equivalents, beginning of period	62,652	160,169	35,441	138,932
Cash and cash equivalents, ending of period	17,838	118,888	11,509	92,314
Supplemental disclosures of cash flows information				
1) Cash and cash equivalents consisted of :-				
Cash in hand and at financial institutions	17,838	118,888	11,509	92,314
2) Cash paid during the period for :-				
Interest expense	84,898	58,280	86,420	56,634
Income tax	10,275	80,131	9,419	62,229

3) For the nine-month period of year 2006, the Company had transferred some existing land and construction on property development as part of operating fixed assets cost amounting to Baht 2.32 million.

4) For the nine-month period of year 2005, the Company had transferred deposit for purchase of land as part of property development cost amounting to Baht 16.92 million.

Notes to interim financial statements form an integral part of these statement

**"UNAUDITED"**

**"REVIEWED"**

**N.C. HOUSING PUBLIC COMPANY LIMITED**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2006 AND 2005**

1. GENERAL INFORMATION

(a) Legal status and address of the Company

The Company was registered to be a limited company on February 2, 1994 and subsequently converted to be a public company limited under the Limited Public Companies Act B.E. 2535 with the Ministry of Commerce on November 27, 2003, and the Company's name was changed to N.C. Housing Public Company Limited.

The address of its registered office is as follows:

1/765 Moo 17 Soi Amporn Paholyotin Rd. K.M. 26 Tambol Kukod Aumpur Lumlookka Pathumtanee.

(b) Nature of the Company's business

The Company operates its principal business as a real estate developer in various areas such as building house for sell including the land, providing construction services, building condominium for sell, providing rental space in club house, etc.

(c) Employees

As at September 30, 2006 and 2005, the Company and subsidiaries have 197 employees and 211 employees, respectively. (158 employees and 154 employees, respectively, for the Company only).

(d) Supplemental disclosures of expense information

Supplemental disclosures of expense information are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	For the three - month period ended September 30,		For the three - month period ended September 30,	
	2006	2005	2006	2005
Depreciation	6,171	6,803	5,815	6,405
Employee benefit cost	18,789	20,223	16,206	16,536
Directors' remuneration	80	110	80	110

	In Thousand Baht			
	Consolidated		The Company Only	
	For the nine- month period ended September 30,		For the nine - month period ended September 30,	
	2006	2005	2006	2005
Depreciation	19,642	20,089	18,499	18,886
Employee benefit cost	57,996	63,468	48,964	51,236
Directors' remuneration	280	330	280	330

## 2. BASIS FOR CONSOLIDATION AND OPERATIONS

- 2.1 The accompanying interim consolidated financial statements include the financial statements of N.C. Housing Public Company Limited and the following subsidiaries are directly owned by the Company :-

	Percentage of Holding by		Nature of Business
	N.C. Housing Public Co., Ltd.		
	As at September	As at December	
	30, 2006	31, 2005	
N.C. Property Management Co., Ltd.	100	100	Contractor and project management
Quality Living Management Co., Ltd.	100	100	Property management service
N.C. Estate Co., Ltd.	100	100	Real estate developer

- 2.2 The acquisition of subsidiaries is recorded by Purchase Method.
- 2.3 Significant intercompany transactions between the Company and subsidiaries have been eliminated.
- 2.4 The consolidated financial statements are prepared by using uniform accounting policies for transactions alike and other events in similar circumstances.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Basis for preparation of interim financial statements

The interim financial statements are prepared in accordance with the Accounting Standard No. 41 “Interim Financial Statements” and the announcement of the Stock Exchange of Thailand re Accounting. These interim financial Statements are prepared as additional financial statement information for the year ended December 31, 2005 with the emphasis on the more current information about new activities, events, and situations and are not intended to re-emphasize on the information previously reported. The interim financial statements should therefore, be read in conjunction with the financial statements for the year ended December 31, 2005.

3.2 Recognition of revenues and expenses

Revenue from sales of land and houses is recognized on the percentage of completion method. The calculations is based on percentage of incurred actual cost which will be compared with both total estimated cost excluding land cost, and evaluation from engineer. Revenue is recognized on sale contracts on which the deposits are collected for not less than 20 percent of the contract price, the Company will discontinue recognizing revenue on sale contracts for which customers have defaulted on the payment of installment over 3 periods.

The excess of buyers' payment over the percentage of work completion is recorded as unrealized income. And the excess of work completion over buyers' payment is recorded as unbilled receivable.

Allowance for cost of sales is based on the estimated cost of real estate project and recognized on the percentage of sale revenue which will be periodically reviewed in case the significant cost changes.

Revenue from sale of condominiums is recognized on the percentage of completion method and the total agreements to sell condominiums should not be less than 40% of the areas opening for sales, deposits and installments should not be less than 20% of the corresponding contract sales amounts.

Revenue from construction is recognized on the percentage of completion method. The part not yet is recognized as “Accrued income”

A subsidiary recognizes the revenue from construction on the percentage of completion method. The part is recognized as “Accrued income”

A subsidiary recognizes service income on a time proportion basis in accordance with contract.

The Company and subsidiaries recognize other revenues and expenses on the accrual basis.

3.3 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks and deposits at financial institutions which are promissory notes with original maturity of 3 months or less, exclusive of deposits which are pledged as collateral.

3.4 Allowance for doubtful accounts

The Company and subsidiaries provide allowance for doubtful accounts equal to the estimated collection losses that may be incurred in the collection of all receivables. The estimated losses are based on historical collection experience coupled with a review of the current status of existing receivables.

3.5 Inventories

Inventories are real estate for sale which are stated at the lower of cost or net realizable value. Cost included land, land developing, construction and direct expense including interest.

Construction materials are valued at cost (first-in, first-out method) or net realizable value, whichever is lower.

The Company ceases to capture the related interest as part of inventories cost when construction of the project had been finished or suspended.

3.6 Property development

Property development is stated at cost. Cost included land, land developing, construction and direct expense including interest.

The Company ceases to capture the related interest as part of property development cost when construction of the project had finished or suspended.

3.7 Investment in subsidiaries

Investments in subsidiaries are stated at equity method. Under the equity method, the investments are initially booked at cost and subsequently adjusted by equity gain (loss) in net income (loss) of subsidiaries according to the ratio of investment. The Company recognizes equity gain (loss) in net income (loss) of subsidiary in the statement of income.

Equity securities that are not marketable are stated at cost less impairment losses.

3.8 Property, plant and equipment

Land is stated at Cost.

Plant and equipment are stated at cost less accumulated depreciation.

Depreciation is calculated by the straight-line method, based on the estimated useful lives of the assets as follows:

Buildings	20 years
Building improvement	20 years
Machinery and equipment	5 years
Sample house and sales office buildings	5 years
Office equipment	5 years
Furniture and fixtures	5 years
Vehicles	5 years

3.9 Impairment of Assets

Assets are reviewed for impairment whenever events or changes in circumstances indicated that the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in current operations.

3.10 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

3.11 Use of estimates in the preparation of financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

4. TRANSACTIONS WITH RELATED COMPANIES

The Company has certain transactions with its related companies. A portion of the Company's assets, liabilities, revenues, cost and expenses arose from the transactions with the related companies which are related through common shareholdings and/or directorships. The effects of these transactions, which are in the normal course of business, were reflected in the accompanying financial statements on the basis determined by the companies concerned.

The significant transactions between the Company and its related companies reflected in the accompanying consolidated financial statements are as follows:-

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The significant outstanding balances at September 30, 2006 and December 31, 2005 are as follows:-

		In Thousand Baht			
	Type of relation	Consolidated		The Company Only	
		As at September	As at December	As at September	As at December
		30, 2006	31, 2005	30, 2006	31, 2005
Receivable from related parties					
- Quality Living Management Co., Ltd.	Subsidiary	-	-	4	59
- N.C. Property Management Co., Ltd.	Subsidiary	-	-	117	52
		-	-	121	111
Receivable from purchase of land					
- Mr. Somnuk Tanthathodtham	Shareholder	184	-	184	-
Rental fee payable					
- Ms. Patcherin Tanthathedtham	Shareholder's relative	495	-	495	-
Payable to related parties					
- Quality Living Management Co., Ltd.	Subsidiary	-	-	-	427
- N.C. Property Management Co., Ltd.	Subsidiary	-	-	18,466	35,861
- N.C. Estate Co., Ltd.	Subsidiary	-	-	266	-
- Sathaporn Wattana Partnership	Co-shareholding and directing	948	948	919	919
- S.C. Construction And Decoration Co., Ltd.	Co-shareholding and directing	134	138	134	138
- Sathaporn Wattana Trading Co., Ltd.	Co-shareholding and directing	2,345	7,675	2,326	7,556
- Sathaporn Home-mart (1999) Co., Ltd.	Co-shareholding and directing	-	22	-	22
		3,427	8,783	22,111	44,923
Short-term loan from related parties					
- N.C. Estate Co., Ltd.	Subsidiary	-	-	12,524	9,024
- N.C. Property Management Co., Ltd.	Subsidiary	-	-	33,300	-
		-	-	45,824	9,024
Short-term loan from directors					
- Mr. Namchai Tanthathodtham	Director	78,550	-	78,550	-
Accrued interest					
- Mr. Namchai Tanthathodtham	Director	1,268	-	1,268	-
		1,268	-	1,268	-

		In Thousand Baht			
		Consolidated		The Company Only	
		For the three-month periods ended September 30,		For the three-month periods ended September 30,	
Pricing basis		2006	2005	2006	2005
<b>Transactions during the period</b>					
<b>Other income - rental</b>					
Quality Living Management Co., Ltd.	Agreed price not market price	-	-	15	15
N.C. Property Management Co., Ltd.	Agreed price not market price	-	-	30	30
N.C. Estate Co., Ltd.	Agreed price not market price	-	-	-	-
<b>Other income - Utility</b>					
Quality Living Management Co., Ltd.	At cost	-	-	5	4
N.C. Property Management Co., Ltd.	At cost	-	-	5	4
N.C. Estate Co., Ltd.	At cost	-	-	-	-
<b>Interest income</b>					
N.C. Property Management Co., Ltd.	At the rate of 6% p.a.	-	-	-	1
<b>Property development cost</b>					
N.C. Property Management Co., Ltd.					
- Construction	At cost plus 10% - 15%	-	-	47	1,224
<b>Purchase of construction materials</b>					
S.C. Construction And Decoration Co., Ltd.	Market price	5	15	5	15
Sathaporn Wattana Trading Co., Ltd.	Market price	3,345	7,036	3,205	6,928
Sathaporn Transportation Partnership	Market price	-	1	-	1
Sathaporn Home-mart (1999) Co., Ltd.	Market price	133	53	133	53
<b>Management fee</b>					
Quality Living Management Co., Ltd.	Minimum Baht 5,000 per project	-	-	553	523
<b>Other expense - rental</b>					
Mrs. Patcharin Tanthathoedtham	Baht 55,000 per month	165	165	165	165
<b>Selling and administrative expenses</b>					
Quality Living Management Co., Ltd.					
- Activity expense	Baht 45,000 per time	-	-	-	167
- Magazine	At cost plus 9%-15%	-	-	-	238
<b>Interest expenses</b>					
Quality Living Management Co., Ltd.	At the rate of 6.00% p.a.	-	-	3	-
N.C. Property Management Co., Ltd.	At the rate of 6.00% p.a.	-	-	317	58
N.C. Estate Co., Ltd.	In yaer 2006,at the rate of 8.25% – 8.50% p. a.	-	-	265	-
	In yaer 2005,at the rate of 6.00% p. a.	-	-	-	136
Mr. Namchai Tanthathoedtham	At the rate of 6.25% p.a.	1,268	-	1,268	-
Mr. Somchao Tanthathoedtham	At the rate of 6.25% p.a.	-	-	-	-
<b>Purchase of assets</b>					
Sathaporn Wattana Trading Co., Ltd.	Market price	-	-	-	-

		In Thousand Baht			
		Consolidated		The Company Only	
		For the nine-month periods ended		For the nine-month periods ended	
		September 30,		September 30,	
Pricing basis		2006	2005	2006	2005
<b>Transactions during the period</b>					
<b>Other income - rental</b>					
Quality Living Management Co., Ltd.	Agreed price not market price	-	-	45	45
N.C. Property Management Co., Ltd.	Agreed price not market price	-	-	90	90
N.C. Estate Co., Ltd.	Agreed price not market price	-	-	-	20
<b>Other income - Utility</b>					
Quality Living Management Co., Ltd.	At cost	-	-	13	13
N.C. Property Management Co., Ltd.	At cost	-	-	13	13
N.C. Estate Co., Ltd.	At cost	-	-	-	6
<b>Interest income</b>					
N.C. Property Management Co., Ltd.	At the rate of 6% p.a.	-	-	-	634
<b>Property development cost</b>					
N.C. Property Management Co., Ltd.					
- Construction	At cost plus 10% - 15%	-	-	620	7,521
<b>Purchase of construction materials</b>					
Sathaporn Wattana Partnership	Market price	-	70	-	70
S.C. Construction And Decoration Co., Ltd.	Market price	45	73	45	64
Sathaporn Wattana Trading Co., Ltd.	Market price	16,978	25,834	16,530	25,150
Sathaporn Transportation Partnership	Market price	-	1	-	1
Sathaporn Home-mart (1999) Co., Ltd.	Market price	209	53	209	53
<b>Management fee</b>					
Quality Living Management Co., Ltd.	Minimum Baht 5,000 per project	-	-	1,783	1,718
<b>Other expense - rental</b>					
Mrs. Patcharin Tanthathoedtham	Baht 55,000 per month	495	495	495	495
<b>Selling and administrative expenses</b>					
Quality Living Management Co., Ltd.					
- Activity expense	Baht 45,000 per time	-	-	-	517
- Magazine	At cost plus 9%-15%	-	-	-	696
<b>Interest expenses</b>					
Quality Living Management Co., Ltd.	At the rate of 6% p.a.	-	-	18	35
N.C. Property Management Co., Ltd.	At the rate of 6% p.a.	-	-	748	58
N.C. Estate Co., Ltd.	In year 2006, at the rate of 6.00% – 8.50% p. a.	-		608	
	In year 2005, at the rate of 6.00% p. a.		-		551
Mr. Namchai Tanthathoedtham	At the rate of 6.25% p.a.	2,222	626	2,222	626
Mr. Somchao Tanthathoedtham	At the rate of 6.25% p.a.	21	18	21	-
<b>Purchase of assets</b>					
Sathaporn Wattana Trading Co., Ltd.	Market price	-	22	-	-

## 5. CASH AND CASH EQUIVALENTS

	In Thousand Baht			
	Consolidated		The Company Only	
	As at September	As at December	As at September	As at December
	30, 2006	31, 2005	30, 2006	31, 2005
Cash in hand	8,608	32,676	8,571	32,627
Cash at bank - current accounts	1,943	1,842	938	387
Cash at bank - savings accounts	7,287	28,134	2,000	2,427
Total	17,838	62,652	11,509	35,441

Bank accounts are carried interest at the floating rate of the bank.

## 6. CURRENT INVESTMENT

As at September 30, 2006 and December 31, 2005, the Company has current investment in fixed deposit amounting to Baht 0.83 million and Baht 0.80 million, respectively. They are pledged as collateral for customer’s loan and fill oil.

As at September 30, 2006 and December 31, 2005, the subsidiaries has current investment - savings accounts amounting to Baht 6.72 million and Baht 6.91 million, respectively. They are pledged as collateral for bank overdrafts limit and bank guarantee from bank (see not 14).

Bank deposits are carried interest at the floating rate of the bank.

## 7. TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable consist of the following:

	In Thousand Baht			
	Consolidated		The Company Only	
	As at September	As at December	As at September	As at December
	30, 2006	31, 2005	30, 2006	31, 2005
Real Estate				
Receivable from installment	9,709	5,570	9,709	5,570
Contractor and project management				
Management receivable	276	137	-	-
Property management services				
Management receivable	144	99	-	-
Total	10,129	5,806	9,709	5,570
Less Allowance for doubtful accounts	(247)	(247)	(247)	(247)
Trade accounts receivable-net	9,882	5,559	9,462	5,323

The accounts receivable were classified by aging as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	As at September 30, 2006	As at December 31, 2005	As at September 30, 2006	As at December 31, 2005
Over 0 month to 3 months	5,802	4,160	5,382	3,924
Over 3 months to 6 months	2,543	169	2,543	169
Over 6 months to 12 months	1,784	1,477	1,784	1,477
Total	10,129	5,806	9,709	5,570

Receivable from installment consists of

		In Thousand Baht			
		Consolidated		The Company Only	
		As at September 30, 2006	As at December 31, 2005	As at September 30, 2006	As at December 31, 2005
Contracted sales value	(million Baht)	5,733.44	4,919.22	5,733.44	4,919.22
Installment due	(thousand Baht)	5,137,876	4,279,841	5,137,876	4,279,841
Less collected amount	(thousand Baht)	(5,128,167)	(4,274,271)	(5,128,167)	(4,274,271)
Receivable from installment	(thousand Baht)	9,709	5,570	9,709	5,570

#### 8. UNBILLED RECEIVABLE / UNREALIZED INCOME

	In Thousand Baht			
	Consolidated		The Company Only	
	As at September 30, 2006	As at December 31, 2005	As at September 30, 2006	As at December 31, 2005
Installment dues	5,137,876	4,279,841	5,137,876	4,279,841
Less recognized income	(5,107,387)	(4,250,918)	(5,107,387)	(4,250,918)
	30,489	28,923	30,489	28,923
The transactions consist of				
Description as below				
Unbilled receivables	5,611	12,067	5,611	12,067
Unrealized income collected from both the deposit of purchase and sale contract paid under 20% of its contract amount and the excess installment over the project progression.	(36,100)	(40,990)	(36,100)	(40,990)
	(30,489)	(28,923)	(30,489)	(28,923)

9. SHORT-TERM LOAN TO RELATED PARTIES

Short-term loan to related parties consists of

	In Thousand Baht			
	Consolidated		The Company Only	
	As at September	As at December	As at September	As at December
	30, 2006	31, 2005	30, 2006	31, 2005
	(For nine months)	(For the year)	(For nine months)	(For the year)
N.C. Property Management Co., Ltd.				
Balance, beginning of period	-	-	-	45,390
Additional during the period	-	-	-	68,000
Deduction during the period	-	-	-	(113,390)
Balance, ending of period	-	-	-	-

The short-term loan to related parties issued in the form of promissory notes, carried interest at the rate of 6% per annum and due at call.

10. INVENTORIES - NET

Inventories - net consists of

	In Thousand Baht			
	Consolidated		The Company Only	
	As at September	As at December	As at September	As at December
	30, 2006	31, 2005	30, 2006	31, 2005
Houses for sales	671,197	665,359	670,104	664,358
Construction in progress	225	210	-	-
	671,422	665,569	670,104	664,358
<u>Less</u> Allowance for declining value of inventories	-	-	-	-
Inventories - net	671,422	665,569	670,104	664,358

The Company has commitment under the signed purchase and sale contract as follow :-

	Consolidated			
	As at September 30, 2006		As at December 31, 2005	
	Unit	In Million Baht	Unit	In Million Baht
House for sale	223	670.10	179	665.36
The selling contracted house	(70)	(118.12)	(40)	(78.46)
House for sale - net	<u>153</u>	<u>551.98</u>	<u>139</u>	<u>586.90</u>

  

	The Company Only			
	As at September 30, 2006		As at December 31, 2005	
	Unit	In Million Baht	Unit	In Million Baht
House for sale	223	670.10	179	664.36
The selling contracted house	(70)	(118.12)	(40)	(78.46)
House for sale - net	<u>153</u>	<u>551.98</u>	<u>139</u>	<u>585.90</u>

As at September 30, 2006 inventories of the project in the amount of Baht 670.10 million are mortgaged as collateral for long-term loans with two financial institutions in the amount of Baht 2,554.69 million. They are also mortgaged as collateral for a short-term loan with a financial institution in the amount of Baht 350 million. The total mortgage value of such project inventories adds up to Baht 2,904.69 million (see note 14 and 15).

As at December 31, 2005 inventories of the project in the amount of Baht 664.36 million are mortgaged as collateral for long-term loans with two financial institutions in the amount of Baht 2,669.74 million (see note 15).

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11. PROPERTY DEVELOPMENT

11.1 Actual property development cost consist of

Consolidated (In Thousand Baht)											
As at September 30, 2006											
Project	Land	Land development	Utilities	Construction in progress	Sample houses	Sale office buildings	Interest capitalization	Total	Less transfer to inventory	Less transfer to cost of sale	Property development cost - net
Baan Pha Thani Klong 6	555,994	2,792	14,069	-	-	-	22,359	595,214	-	-	595,214
Baan Pha Piyaom 3	79,848	17,113	41,767	237,054	4,965	-	12,741	393,488	(5,051)	(388,437)	-
Baan Pha Piyaom 6	112,997	24,134	67,404	392,073	-	-	19,943	616,551	-	(616,551)	-
Baan Pha Piyaom 7	107,845	30,308	42,581	229,285	-	-	32,525	442,544	(52,150)	(264,083)	126,311
Baan Pha Piyaom 8	38,845	18,754	33,594	185,465	-	-	9,198	285,856	(61,390)	(129,182)	95,284
Baan Pha Piyaom 9	100,385	21,520	34,876	90,214	15,780	-	12,769	275,544	(70,785)	(47,531)	157,228
Baan Pha Piyaom Liab Klong 7	71,817	11,978	-	-	-	-	1,944	85,739	-	-	85,739
Baan Pha Green Park											
Royal Pinklao	144,523	444	8,275	129,003	2,217	-	7,339	291,801	(57,667)	(234,134)	-
Baan Pha Green Park											
Pracha-Utid	194,199	52,400	90,618	177,056	14,302	-	33,962	562,537	(138,049)	(160,218)	264,270
Baan Pha Green park Rangsit 2	188,657	3,317	42,314	411,349	5,836	-	10,615	662,088	(2,738)	(659,350)	-
Baan Pha Green park		25,530	38,911	201,548	1,619	-	12,478	411,512	(114,055)	(156,224)	141,233
Phutta-Monthon	131,426										
Baan Narisa	121,420	1,222	10,760	137,065	-	716	9,477	280,660	(52,198)	(228,462)	-
Baan Pha Thanyathani	-	-	-	213,967	-	-	-	213,967	(25,553)	(168,544)	19,870
Baan Pha Thanyathani village 2	239,629	53,409	31,006	20,683	28,100	-	17,562	390,389	-	-	390,389
Baan Pha Thanyathani village 3	473,761	-	-	-	-	-	-	473,761	-	-	473,761
Baan Pha Rim Had Jomtien	76,312	10,115	55,127	198,909	10,289	-	17,007	367,759	(48,347)	(310,059)	9,353
Baan Pha Rim Had Jomtien 2	169,608	-	-	-	-	-	-	169,608	-	-	169,608
Khon Kan Condominium	7,413	94	29,363	40,654	-	-	4,727	82,251	-	-	82,251
Baan Pha Thani Klong 3	151,525	28,222	43,987	78,680	10,599	-	12,842	325,855	(43,214)	(30,697)	251,944
Baan Pha Thani Klong 3 Phase 2	30,675	5,223	-	-	-	-	836	36,734	-	-	36,734
	<u>2,996,879</u>	<u>306,575</u>	<u>584,652</u>	<u>2,743,005</u>	<u>93,707</u>	<u>716</u>	<u>238,324</u>	<u>6,963,858</u>	<u>(671,197)</u>	<u>(3,393,472)</u>	<u>2,899,189</u>

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Consolidated (In Thousand Baht)

As at December 31, 2005

Project	Land	Land development	Utilities	Construction in progress	Sample houses	Sale office buildings	Interest capitalization	Total	Less-transfer to inventory	Less-transfer to cost of sale	Property development cost - net
Baan Pha Thani Klong 6	555,994	2,792	14,069	-	-	-	22,359	595,214	-	-	595,214
Baan Pha Piyarom 3	79,848	17,113	41,273	237,054	4,966	-	12,740	392,994	(5,035)	(387,959)	-
Baan Pha Piyarom 6	112,997	24,134	67,064	392,052	-	-	19,943	616,190	(1,721)	(614,469)	-
Baan Pha Piyarom 7	107,845	30,308	39,538	160,990	-	-	32,525	371,206	(20,174)	(161,732)	189,300
Baan Pha Piyarom 8	38,845	18,717	26,603	82,760	-	-	3,739	170,664	(26,032)	(28,193)	116,439
Baan Pha Piyarom 9	100,385	21,520	34,540	74,623	15,780	-	6,466	253,314	(60,091)	(20,248)	172,975
Baan Pha Piyarom Liab klong 7	71,817	11,299	-	-	-	-	1,944	85,060	-	-	85,060
Baan Pha Green Park											
Royal Pinklao	144,523	444	8,275	128,348	2,217	-	7,339	291,146	(97,388)	(193,758)	-
Baan Pha Green Park											
Pracha-Utid	194,199	52,371	88,680	144,275	14,375	-	22,312	516,212	(128,886)	(73,551)	313,775
Baan Pha Green park											
Rangsit 2	188,657	3,317	42,314	410,540	5,836	-	10,615	661,279	(23,558)	(637,721)	-
Baan Pha Green park											
Phutta-Monthon	131,426	25,529	38,582	194,730	1,681	-	8,254	400,202	(103,762)	(120,524)	175,916
Baan Narisa	121,420	1,222	10,760	133,368	-	716	9,477	276,963	(78,805)	(198,158)	-
Baan Pha Thanyathani	-	-	-	196,651	-	-	-	196,651	(43,667)	(130,339)	22,645
Baan Pha Thanyathani village 2	239,629	40,243	3,806	5,370	2,028	-	7,753	298,829	-	-	298,829
Baan Pha Thanyathani village 3	473,761	-	-	-	-	-	-	473,761	-	-	473,761
Baan Pha Rim Had Jomtien	76,359	10,115	54,983	178,046	10,289	-	14,710	344,502	(76,240)	(227,254)	41,008
Baan Pha Rim Had Jomtien 2	169,608	-	-	-	-	-	-	169,608	-	-	169,608
Khon Kan Condominium	8,701	58	28,632	39,927	-	995	2,321	80,634	-	-	80,634
Baan Pha Rangsit Klong 3	151,539	28,105	37,998	26,586	10,537	-	4,536	259,301	-	-	259,301
Baan Pha Thani klong 3 phase 2	30,661	-	-	-	-	-	-	30,661	-	-	30,661
	<u>2,998,214</u>	<u>287,287</u>	<u>537,117</u>	<u>2,405,320</u>	<u>67,709</u>	<u>1,711</u>	<u>187,033</u>	<u>6,484,391</u>	<u>(665,359)</u>	<u>(2,793,906)</u>	<u>3,025,126</u>

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The Company Only (In Thousand Baht)

As at September 30, 2006

Project	Land	Land development	Utilities	Construction in progress	Sample houses	Sale office buildings	Interest capitalization	Total	Less transfer to inventory	Less transfer to cost of sale	Property development cost - net
Baan Pha Thani Klong 6	555,994	2,792	14,069	-	-	-	22,359	595,214	-	-	595,214
Baan Pha Piyarom 3	79,848	17,113	41,767	237,054	4,965	-	12,741	393,488	(5,051)	(388,437)	-
Baan Pha Piyarom 6	112,997	24,134	67,404	392,073	-	-	19,943	616,551	-	(616,551)	-
Baan Pha Piyarom 7	107,845	30,308	42,581	229,285	-	-	32,525	442,544	(52,150)	(264,083)	126,311
Baan Pha Piyarom 8	38,845	18,754	33,594	185,465	-	-	9,198	285,856	(61,390)	(129,182)	95,284
Baan Pha Piyarom 9	100,385	21,520	34,876	90,214	15,780	-	12,769	275,544	(70,785)	(47,531)	157,228
Baan Pha Piyarom Liab Klong 7	71,817	11,978	-	-	-	-	1,944	85,739	-	-	85,739
Baan Pha Green Park											
Royal Pinklao	144,523	444	8,275	129,003	2,217	-	7,339	291,801	(57,667)	(234,134)	-
Baan Pha Green Park											
Pracha-Utid	194,199	52,400	90,618	176,565	14,302	-	33,962	562,046	(138,147)	(160,120)	263,779
Baan Pha Green park Rangsit 2	188,657	3,317	42,314	411,349	5,836	-	10,615	662,088	(2,738)	(659,350)	-
Baan Pha Green park											
Phutta-Monthon	131,426	25,530	38,911	201,788	1,619	-	12,478	411,752	(114,090)	(156,189)	141,473
Baan Narisa	121,420	1,222	10,760	137,065	-	716	9,477	280,660	(52,198)	(228,462)	-
Baan Pha Thanyathani	-	-	-	213,967	-	-	-	213,967	(24,327)	(169,770)	19,870
Baan Pha Thanyathani village 2	239,629	53,409	31,006	20,683	28,100	-	17,562	390,389	-	-	390,389
Baan Pha Thanyathani village 3	473,761	-	-	-	-	-	-	473,761	-	-	473,761
Baan Pha Rim Had Jomtien	72,609	10,115	55,127	198,909	10,289	-	17,007	364,056	(48,347)	(310,059)	5,650
Baan Pha Rim Had Jomtien 2	169,608	-	-	-	-	-	-	169,608	-	-	169,608
Khon Kan Condominium	7,413	94	29,363	40,654	-	-	4,727	82,251	-	-	82,251
Baan Pha Thani Klong 3	151,525	28,222	43,987	78,680	10,599	-	12,842	325,855	(43,214)	(30,697)	251,944
Baan Pha Thani Klong 3 Phase 2	30,675	5,223	-	-	-	-	836	36,734	-	-	36,734
	<u>2,993,176</u>	<u>306,575</u>	<u>584,652</u>	<u>2,742,754</u>	<u>93,707</u>	<u>716</u>	<u>238,324</u>	<u>6,959,904</u>	<u>(670,104)</u>	<u>(3,394,565)</u>	<u>2,895,235</u>

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The Company Only (In Thousand Baht)

As at December 31, 2005

Project	Land	Land development	Utilities	Construction in progress	Sample houses	Sale office buildings	Interest capitalization	Total	Less transfer to inventory	Less transfer to cost of sale	Property development cost - net
Baan Pha Thani Klong 6	555,994	2,792	14,069	-	-	-	22,359	595,214	-	-	595,214
Baan Pha Piyarom 3	79,848	17,113	41,273	237,054	4,966	-	12,740	392,994	(5,035)	(387,959)	-
Baan Pha Piyarom 6	112,997	24,134	67,064	392,052	-	-	19,943	616,190	(1,721)	(614,469)	-
Baan Pha Piyarom 7	107,845	30,308	39,538	160,990	-	-	32,525	371,206	(20,174)	(161,732)	189,300
Baan Pha Piyarom 8	38,845	18,717	26,603	82,754	-	-	3,739	170,658	(26,032)	(28,193)	116,433
Baan Pha Piyarom 9	100,385	21,520	34,540	74,623	15,780	-	6,466	253,314	(60,091)	(20,248)	172,975
Baan Pha Piyarom Liab Klong 7	71,817	11,299	-	-	-	-	1,944	85,060	-	-	85,060
Baan Pha Green Park											
Royal Pinklao	144,523	444	8,275	128,348	2,217	-	7,339	291,146	(97,388)	(193,758)	-
Baan Pha Green Park											
Royal Pracha-Utid	194,199	52,371	88,680	143,953	14,375	-	22,312	515,890	(128,886)	(73,551)	313,453
Baan Pha Green park											
Rangsit 2	188,657	3,317	42,314	410,540	5,836	-	10,615	661,279	(23,558)	(637,721)	-
Baan Pha Green park											
Phutta- Monthon	131,426	25,529	38,582	195,030	1,681	-	8,254	400,502	(103,762)	(120,524)	176,216
Baan Narisa	121,420	1,222	10,760	133,368	-	716	9,477	276,963	(78,805)	(198,158)	-
Baan Pha Thanyathani	-	-	-	195,730	-	-	-	195,730	(42,666)	(130,339)	22,725
Baan Pha Thanyathani village 2	239,629	40,243	3,806	5,370	2,028	-	7,753	298,829	-	-	298,829
Baan Pha Thangathani village 3	473,761	-	-	-	-	-	-	473,761	-	-	473,761
Baan Pha Rim Had Jomtien	72,609	10,115	54,983	178,174	10,289	-	14,710	340,880	(76,240)	(227,254)	37,386
Baan Pha Rim Had Jomtien 2	169,608	-	-	-	-	-	-	169,608	-	-	169,608
Khon Kan Condominium	8,701	58	28,632	39,927	-	995	2,321	80,634	-	-	80,634
Baan Pha Thani Klong 3	151,539	28,105	37,998	26,586	10,537	-	4,536	259,301	-	-	259,301
Baan Pha Thani Klong 3 phase 2	30,661	-	-	-	-	-	-	30,661	-	-	30,661
	<u>2,994,464</u>	<u>287,287</u>	<u>537,117</u>	<u>2,404,499</u>	<u>67,709</u>	<u>1,711</u>	<u>187,033</u>	<u>6,479,820</u>	<u>(664,358)</u>	<u>(2,793,906)</u>	<u>3,021,556</u>

As at September 30, 2006 and December 31, 2005, land and construction of some project in the amount of Baht 2,895.24 million and Baht 2,959.30 million, respectively are mortgaged as collateral against credit facilities for long-term loans with two financial institutions in the amount of Baht 2,554.69 million and Baht 2,669.74 million, respectively. In addition, they are also mortgaged as collateral for a short-term loan with a financial institution in the amount of Baht 350 million and Baht 450 million, respectively (see note 14 and 15).

Portions of the interest expense incurred for the three-month periods ended September 30, 2006 and 2005 amounting to approximately Baht 15.30 million and Baht 14.00 million, respectively and for the nine-month periods ended September 30, 2006 and 2005 amounting to approximately Baht 51.29 million and Baht 41.10 million, respectively were capitalized as part of property development cost for the periods.

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## 11.2 OBLIGATION AND COMMITMENT UNDER REAL ESTATE PROJECTS

	Consolidated		The Company Only	
	As at September 30, 2006 (For nine- months)	As at December 31, 2005 (For the year)	As at September 30, 2006 (For nine- months)	As at December 31, 2005 (For the year)
Number of projects on hand, beginning of the period	16	13	16	13
Number of closing projects	1	-	1	-
Number of newly open projects	1	3	1	3
Number of projects on hand, ending of the period	16	16	16	16
Contracted sales value (In million Baht)	5,733.44	4,919.22	5,733.44	4,919.22
As percentage of total current projects value	50.09	43.83	50.09	43.83

As at September 30, 2006 and December 31, 2005 the Company has obligation and commitment to complete the public utility development project in the amount of Baht 141.15 million and Baht 182.88 million, respectively.

## 12. INVESTMENT IN SUBSIDIARIES - AT EQUITY METHOD

		The Company Only						
Type of business	Relationship	Paid - up share capital (In Thousand Baht)	Percentage of holding (%)	Cost Method (In Thousand Baht)	Equity Method (In Thousand Baht)		Dividend (In Thousand Baht)	
					As at September 30, 2006	As at December 31, 2005		
Subsidiaries :-								
N.C. Property Management Co., Ltd.	Contractor and Project management	Co - Shareholding/ Directing	10,000	100	11,865	66,834	67,458	-
N.C. Estate Co., Ltd.	Real Estate	Co - Shareholding/ Directing	2,000	100	80	15,576	15,510	-
Quality Living Management Co., Ltd.	Property manager service	Co - Shareholding/ Directing	1,000	100	-	4,634	4,011	-
					11,945	87,044	86,979	-

The Company has recognized the equity gain (loss) in subsidiaries based on the audited financial statements.

13. PROPERTY, PLANT AND EQUIPMENT - NET

Property, plant and equipment - net consist of

	Consolidated (In Thousand Baht)			
	Balance as at December 31, 2005	Additions	Deduction	Balance as at September 30, 2006
<u>At cost</u>				
Land - office	660	1,288*	-	1,948
- clubhouse	93,204	-	-	93,204
Building - office	10,203	1,033*	-	11,236
- clubhouse	132,828	-	-	132,828
Sample house and sales office building	37,751	-	-	37,751
Building improvement	6,256	-	-	6,256
Machinery and equipment	6,162	264	-	6,426
Office equipment	44,065	1,807	(710)	45,162
Furniture and fixtures	12,399	597	-	12,996
Vehicles	25,631	8	(4,604)	21,035
Total	369,159	4,997	(5,314)	368,842
<u>Less Accumulated depreciation</u>				
Building - office	(5,694)	(380)	-	(6,074)
- clubhouse	(19,374)	(5,299)	-	(24,673)
Sample house and sales office building	(20,486)	(5,154)	-	(25,640)
Building improvement	(1,392)	(234)	-	(1,626)
Machinery and equipment	(4,156)	(519)	-	(4,675)
Office equipment	(28,778)	(4,403)	702	(32,479)
Furniture and fixtures	(6,004)	(1,422)	-	(7,426)
Vehicles	(19,082)	(2,231)	4,195	(17,118)
Total	(104,966)	(19,642)	4,897	(119,711)
Property, plant and equipment - net	264,193			249,131

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	The Company Only (In Thousand Baht)			
	Balance as at	Additions	Deduction	Balance as at
	December 31, 2005			September 30, 2006
<u>At cost</u>				
Land - office	660	1,288*	-	1,948
- clubhouse	93,204	-	-	93,204
Building - office	10,203	1,033*	-	11,236
- clubhouse	132,828	-	-	132,828
Sample house and sales office building	37,751	-	-	37,751
Building improvement	6,256	-	-	6,256
Machinery and equipment	4,811	264	-	5,075
Office equipment	42,291	1,641	(710)	43,222
Furniture and fixtures	12,180	597	-	12,777
Vehicles	21,026	6	(4,604)	16,428
Total	361,210	4,829	(5,314)	360,725
<u>Less Accumulated depreciation</u>				
Building - office	(5,694)	(380)	-	(6,074)
- clubhouse	(19,374)	(5,299)	-	(24,673)
Sample house and sales office building	(20,486)	(5,154)	-	(25,640)
Building improvement	(1,392)	(234)	-	(1,626)
Machinery and equipment	(3,592)	(322)	-	(3,914)
Office equipment	(27,931)	(4,136)	702	(31,365)
Furniture and fixtures	(5,895)	(1,386)	-	(7,281)
Vehicles	(15,395)	(1,588)	4,195	(12,788)
Total	(99,759)	(18,499)	4,897	(113,361)
Property, plant and equipment - net	261,451			247,364

Land, building and sale office’s building including land and clubhouse’s building in the total amount of Baht 111.62 million are mortgaged as collateral against the loans and overdrafts from two commercial banks in the total amount of Baht 30 million (see note 14).

\* For year 2006, the Company had transferred some existing land and construction on property development as part of fixed assets cost amounting to Baht 2.32 million.

The fixed assets had been fully depreciated, as follows :

Transaction (At cost)	The Company Only (In Thousand Baht)	
	As at September	As at December
	30, 2006	31, 2005
Machinery and equipment	1,892	1,790
Office equipment	14,185	12,568
Furniture and fixtures	3,136	2,965
Vehicles	9,567	9,450
Total	28,780	26,773

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

This account consist of :-

	In thousand Baht			
	Consolidated		The Company Only	
	As at September	As at December	As at September	As at December
	30, 2006	31, 2005	30, 2006	31, 2005
Bank overdrafts from financial institutions	28,772	4,681	24,056	4,025
Short-term loans	329,270	763,657	329,270	763,658
	<u>358,042</u>	<u>768,338</u>	<u>353,326</u>	<u>767,683</u>

	Credit line (Million Baht)		Rate	Due Date	Guarantee
	As at September 30, 2006	As at December 31, 2005			
<b>Bank Overdraft</b>					
The parent company					
- Siam Commercial Bank	20	20	MOR per annum	At called	- By the mortgage of the Company's land and construction on there. By some director
- Bankthai	10	10	MOR per annum	At called	- By the mortgage of the Company's land and construction on there.
	<u>30</u>	<u>30</u>			
The subsidiary					
	5	5	MOR per annum	At called	- By the subsidiary's savings account
	<u>5</u>	<u>5</u>			
Total Credit line	<u>35</u>	<u>35</u>			
<b>Short-term loans</b>					
The parent company					
- Bank of Ayudhya	35	-	MLR less 0.25% per annum	25 October 2006	-
- Siam Commercial Bank					
<u>The first loan</u>	150	450	MLR less 0.50% per annum	Maturity on Agreement	- By the mortgage of the project's land and construction on there.
<u>The second loan</u>	200	-	MLR per annum	1 year since the Loan date	- By the mortgage of the Company's land and construction on there.
- Bankthai					
<u>The first loan</u>	50	-	6.85% per annum	32 days since the Loan date	- By the director's three months fixed deposits - By some director
<u>The second loan</u>	12	-	7.00% per annum	91 days since the loan date	-
- Provident fund and mutual fund	-	510	4.25% per annum	Maturity on Agreement	-
	<u>447</u>	<u>960</u>			
Total Credit line	<u>482</u>	<u>995</u>			

Under the terms of the agreements, the Company shall strictly comply with the conditions of agreements.

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Addition, in some context of those loans agreement required the Company to conform to some major prohibitions such as (1) not to disposal or transfer or rent or pledge or mortgage over the Company’s mortgaged securities, (2) not to commit any obligation that would result other person to gain an ownership over the Company’s asset, (3) not to engage into any liability or obligation of each time over of Baht 10 million except that there is a letter of permission from the banks, (4) to maintenance a proper financial ratio and to require the acceptance from the banks prior to pay dividend, etc.

## 15. LONG-TERM LOANS

This account consist of

	In Thousand Baht			
	Consolidated		The Company Only	
	As at September 30, 2006	As at December 31, 2005	As at September 30, 2006	As at December 31, 2005
Loans from local banks				
The first credit line	706,434	571,480	706,434	571,480
The second credit line	425,579	377,549	425,579	377,549
Total	<u>1,132,013</u>	<u>949,029</u>	<u>1,132,013</u>	<u>949,029</u>

	Credit line (Million Baht)		Rate	Guarantee
	As at September 30, 2006	As at December 31, 2005		
<b>Long-term loans</b>				
<b>First loan</b>				
- Siam Commercial Bank	1,777.69	1,909.74	2006 : MLR, MLR less 0.50-1.00% per annum 2005 : MLR, MLR less 0.50-1.00%per annum, 1 year fixed deposit plus 3.50% per annum	- By the mortgage of the project’s land and construction on there.
<b>Second loan</b>				
- Bankthai	777.00	760.00	MLR plus 0.50% per annum	- By the mortgage of the project’s land and construction on there.
	<u>2,554.69</u>	<u>2,669.74</u>		

### The first credit line

The Company has to repay the loan when the payments are made from its customers on the dates which real estate title deeds are transferred to the customers. The loan has to be fully settled within specified periods. However, the Company did not forecast the portion of the long-term loans, which is expected to be repaid within the next one year for presenting under the current liabilities in the balance sheet. Loan as per said was guaranteed by the Company’s land, and construction of project. (see note 10 and 11)

The second credit line

The Company has to repay the principal within three years, after the mortgaging of land, (on December 29, 2004). However, the Company did not forecast the portion of the long-term loans, which is expected to be repaid within the next one year for presenting under the current liabilities in the balance sheet. Loan as per said was guaranteed by the Company’s land including construction of project. (see note 10 and 11)

#### 16. LOAN FROM DIRECTORS

	In Thousand Baht			
	Consolidated		The Company Only	
	As at September 30, 2006 (For nine-months)	As at December 31, 2005 (For the year)	As at September 30, 2006 (For nine-months)	As at December 31, 2005 (For the year)
Balance, beginning of period	-	-	-	-
Addition during the period	123,130	129,500	123,130	127,500
Deduction during the period	(44,580)	(129,500)	(44,580)	(127,500)
Balance, ending of period	<u>78,550</u>	<u>-</u>	<u>78,550</u>	<u>-</u>

Loan from directors incurred during the year 2006 and 2005 mainly intended to utilize for the Company’s working capital and loan repaid.

Loan from directors carried interest rates at 6.25% per annum and will be paid when requested.

#### 17. SHORT-TERM LOAN FROM RELATED PARTIES

	In Thousand Baht			
	Consolidated		The Company Only	
	As at September 30, 2006 (For nine-months)	As at December 31, 2005 (For the year)	As at September 30, 2006 (For nine-months)	As at December 31, 2005 (For the year)
<b>N.C. Property Management Co., Ltd.</b>				
Balance, beginning of period	-	-	-	-
Addition during the period	-	-	42,800	31,000
Deduction during the period	-	-	(9,500)	(31,000)
Balance, ending of period	<u>-</u>	<u>-</u>	<u>33,300</u>	<u>-</u>
<b>N.C. Estate Co., Ltd.</b>				
Balance, beginning of period	-	-	9,024	15,124
Addition during the period	-	-	3,500	3,500
Deduction during the period	-	-	-	(9,600)
Balance, ending of period	<u>-</u>	<u>-</u>	<u>12,524</u>	<u>9,024</u>
<b>Quality Living Management Co., Ltd.</b>				
Balance, beginning of period	-	-	-	-
Addition during the period	-	-	2,000	2,000
Deduction during the period	-	-	(2,000)	(2,000)
Balance, ending of period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>45,824</u>	<u>9,024</u>

The short-term loans from related companies issued as promissory notes carried interest rate of 6 – 8.50 % per annum and will be paid when requested.

## 18. SHARE CAPITAL

At the extraordinary meeting of the shareholders No.2/2004 held on October 5, 2004, it was unanimously resolved to approve as follows:

To approve the split in par value of the Company's ordinary shares from Baht 5 per share 200,000,000 shares to Baht 1.00 per share 1,000,000,000 shares. The split in par value has already been registered with the Ministry of Commerce on October 11, 2004.

At the board of directors' meeting No.7/2004 held on November 10, 2004, it was unanimously resolved to approve as follows:

To approve the increase in registered share capital of Baht 200,000,000 divided into new common stocks in number of 200,000,000 shares from the former registered share capital of Baht 1,000,000,000 aggregating to the new registered share capital of Baht 1,200,000,000 divided into common stocks of 1,200,000,000 shares at a value of Baht 1 per share. Of these shares, 100,000,000 shares newly issued ordinary shares are to be offered for sales to existing shareholders at the ratio of 10 existing shares per 1 newly issued ordinary share at the price of Baht 1 per share. The Company has already registered the incremental shares with the Department of Business Development on December 28, 2004 . Addition, the other 100,000,000 shares newly issued ordinary shares are to be allocated to serve the exercise of right under the Warrant to purchase ordinary shares.

To approve Warrants to Purchase Ordinary Shares to be offered to the existing shareholders as follows:

Type	:	Warrants to Purchase Ordinary Shares of N.C.Housing Public Co., Ltd., specified name of the holder
Term	:	1 year from the issuing date
Amount of warrants	:	100,000,000 units (one hundred million units)
Offering for sale	:	to the existing shareholders of the Company who subscribed for new ordinary shares under its right at the ratio of 1 new ordinary share to 1 unit of warrant.
Amount of shares for the exercise of warrants	:	100,000,000 shares, accounting for 9.09 percent of the total issued shares of the Company.
Offering price	:	Baht 0 per unit
Exercise ratio	:	1 unit of Warrant : 1 ordinary share
Exercise price	:	Baht 1 per ordinary share

Exercise period	:	exercise date of the Warrants is 1 time on the last day that the Warrants are due for its one-year maturity period. In the event that the exercise date falls on any non-business day, the exercise date shall be postponed to the next business day.
Exercise condition	:	follow the rules of The Office of the Securities and Exchange Commission and The Stock Exchange of Thailand.
Offering date	:	June 30, 2005
Expiration date	:	June 30, 2006
Secondary Market	:	The Company will undertake the process to have the Warrants listed in the Stock Exchange of Thailand within 45 days from the issuance date of the Warrants in pursuant to the related notifications. (The Stock Exchange of Thailand (SET) has granted a listing of certificates representing the rights to purchase shares (warrants) of N.C. Housing Public Company Limited No.1 (NCH-W1) from July 19, 2005. The SET has allowed warrants of NCH amounting 100,000,000 units to be traded on the SET under the sector of warrants to subscribe common shares using the trading name of “NCH-W1” commencing from July 19, 2005 onwards.)

The meeting of the board of directors of N.C. Housing Public Company Limited “The Company” No.2/2005 on May 12<sup>th</sup>, 2005 has established the closing date of the shareholders register book in order to determine shareholders’ entitlement to purchase the newly issued ordinary shares and to receive warrants to purchase the Company’s ordinary shares on May 27<sup>th</sup>, 2005.

June 29, 2006 is the last date in exercised warrant “NCH-W1” of shareholders. The shareholders have exercised their warrant of 85,985,052 units to buy the Company’s common stocks at a value of 1 Baht per share for 85,985,052 shares in exchange portion one by one as revealed on above paragraphs. At the exercised date, the market value of the Company’s common stock shows its value of 1.1 Baht per share. The Company has already registered those new issued shares with the Department of Business Development on July 6, 2006.

As at June 30, 2006 the outstanding warrant “NCH-W1” of 14,014,948 units after that last exercised warrants are automatically expired as a result of no longer valid exercised period.

As at September 30, 2006 the Company and its subsidiaries' issued and paid-up share capital are as follow:

	Share (unit)	Per unit (Baht)	Amount (Baht)
Issued and paid-up share capital, beginning	1,100,000,000	1	1,100,000,000.00
Share incurred by exercised warrent	85,985,052	1	85,985,052.00
	<u>1,185,985,052</u>		<u>1,185,985,052.00</u>

## 19. FINANCIAL INSTRUMENTS

### a. Accounting Policies

Details of significant accounting policies are disclosed in Note 3.

### b. Financial Risk Management

The Company and subsidiaries manage theirs financial risk exposure on financial assets and financial liabilities in the normal course of business by its internal management and control system and the Company and subsidiaries do not hold or issue any financial derivative instruments.

### c. Interest Rate Risk

Interest rate risk arises from the potential for a change in market interest rates to have an adverse effect on the Company and its subsidiaries result of operation in the current reporting period and in future years.

### d. Fair Value

The fair value of significant financial assets and financial liabilities does not differ from their carrying value, except for the fair value of long-term investments and long-term debts which cannot be properly calculated, accordingly, no disclosure is made.

## 20. LEGAL RESERVE

Under the provision of the Public Limited Companies Act B.E.2535, the Company is required to appropriate at least 5% of its annual net income after deduction of the deficit brought forward (if any) as reserve fund until the reserve reaches 10% of the authorized share capital. The reserve is not available for dividend distribution.

21. EARNINGS PER SHARE

21.1 Basic earnings per share is calculated by dividing the net income for the periods by the weighted average number of ordinary shares which are issued and paid-up during the periods.

		Consolidated		The Company Only	
		For the three-month periods ended		For the three-month periods ended	
		September 30,		September 30,	
		2006	2005	2006	2005
Net income for the periods	(Thousand Baht)	8,554	20,107	8,554	20,107
Weighted average number of					
ordinary shares	(Thousand Shares)	1,185,985	1,100,000	1,185,985	1,100,000
Basic earnings per share	(Baht per share)	0.007	0.02	0.007	0.02

		Consolidated		The Company Only	
		For the nine-month periods ended		For the nine-month periods ended	
		September 30,		September 30,	
		2006	2005	2006	2005
Net income for the period	(Thousand Baht)	33,654	69,706	33,654	69,706
Weighted average number of					
ordinary shares	(Thousand Shares)	1,130,289	1,034,066	1,130,289	1,034,066
Basic earning per share	(Baht per share)	0.03	0.07	0.03	0.07

21.2 Diluted earnings per share is calculated by dividing the net income for the periods by the weighted average number of ordinary shares which are issued and paid-up during the periods. The number of ordinary share will plus assumed conversions amount of warrants 85,985,052 units that were exercised the right by the existing shareholders 1 unit of warrant per 1 ordinary share.

		Consolidated		The Company Only	
		For the three-month periods ended		For the three-month periods ended	
		September 30,		September 30,	
		2006	2005	2006	2005
Net income for the periods	(thousand Baht)	8,554	20,107	8,554	20,107
Weighted average number of					
ordinary shares	(thousand shares)	1,185,985	1,185,985	1,185,985	1,185,985
Diluted earnings per share	(Baht per share)	0.007	0.02	0.007	0.02

		Consolidated		The Company Only	
		For the nine-month periods ended		For the nine-month periods ended	
		September 30,		September 30,	
		2006	2005	2006	2005
Net income for the periods	(thousand Baht)	33,654	69,706	33,654	69,706
Weighted average number of					
ordinary shares	(thousand shares)	1,185,985	1,185,985	1,185,985	1,185,985
Diluted earning per share	(Baht per share)	0.03	0.06	0.03	0.06

22. DIVIDEND

At the Board of Directors Meeting No.1/2005 held on February 28, 2005, the board of directors passed the resolution to propose to the shareholders a dividend payment for the operating period of 2004 at Baht 0.09 per share amounting to Baht 90 million, and was accordingly approved by the shareholders' meeting No.1/2005 held on April 28, 2005. The Company paid the dividend on September 30, 2005.

At the Board of Directors Meeting No.1/2006 held on February 24, 2006, the board of directors passed the resolution to propose to the shareholders a dividend payment for the operating period of 2005 to all shareholders whose names appeared on the shareholder registration book as of May 3, 2006, 12.00 o'clock at Baht 0.05 per share amounting to Baht 55 million. The Company will pay the dividend on May 19, 2006.

23. PROVIDENT FUND

The Company established a contributory registered provident fund covering all permanent employees in accordance with the Provident Fund Act B.E.2530.

Under the provident fund scheme, employees' and Company's contributions are equivalent to certain percentages of the employees' basic salaries. The employees are entitled to the Company's contributions in accordance with the rules and regulations of the fund and on the length of service with the Company. The Company appointed a fund manager to manage the fund in accordance with the terms and conditions pronounced in the Provident Fund Act B.E. 2530.

The Company and subsidiaries's contribution for the three-month periods ended September 30, 2006 and 2005 amounted to 0.50 million and Baht 0.48 million, respectively, and for the nine-month periods ended September 30, 2006 and 2005 amounted to Baht 1.48 million and Baht 1.42 million, respectively.

The Company's contributions for the three-month periods ended September 30, 2006 and 2005 amounted to Baht 0.44 million and Baht 0.39 million, respectively, and for the nine-month periods ended September 30, 2006 and 2005 amounted to Baht 1.25 million and Baht 1.12 million, respectively.

24. CORPORATE INCOME TAX

The Company computed corporate income tax on the basis of revenue and expense recognition in accordance with the Revenue Department principles, which in several cases differ from a comply with the generally accepted accounting principles, such as recognition of revenue from real estate sales and cost of sales etc.

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## 25. BUSINESS SEGMENT INFORMATION

Business segment information of the Company and subsidiaries is presented as follows:-

	For the three-month periods ended September 30, 2006 (In Thousand Baht)							
	Real	Contractor	Project	Property	Total	Elimination		Consolidated
	Estate		management	management services		DR.	CR.	
Revenues								
Sales	272,316	-	-	-	272,316	-	-	272,316
Construction income	-	1,995	-	-	1,995	(47)	-	1,948
Service income	-	-	1,097	1,811	2,908	(553)	-	2,355
Other income	1,673	362	114	9	2,158	(640)	-	1,518
Total revenues	273,989	2,357	1,211	1,820	279,377			278,137
Expenses								
Cost of sales	182,609	-	-	-	182,609	-	(126)	182,483
Cost of construction	-	2,061	-	-	2,061	38	-	2,099
Cost of service	-	-	139	14	153	-	-	153
Selling and administrative expenses	66,127	2,081	634	1,601	70,443	-	(606)	69,837
Income tax reversal	(125)	-	(358)	-	(483)	-	-	(483)
Loss from non refund withholding income tax	-	-	-	-	-	-	-	-
Share of loss from investments, using the equity method	678	1	-	-	679		(679)	-
Total expenses	249,289	4,143	415	1,615	255,462			254,089
Income before interest and income tax	24,700	(1,786)	796	205	23,915			24,048
Interest expenses	16,044	6	-	-	16,050	-	(587)	15,463
Income tax	-	-	-	31	31	-	-	31
Net income (loss)	8,656	(1,792)	796	174	7,834			8,554

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For the nine-month periods ended September 30, 2006 (In Thousand Baht)

	Real	Contractor	Project	Property manager	Total	Elimination		Consolidated
	Estate		management	services		DR.	CR.	
Revenues								
Sales	890,373	-	-	-	890,373	-	-	890,373
Construction income	-	16,021	-	-	16,021	(620)	-	15,401
Service income	-	-	2,748	5,496	8,244	(1,783)	-	6,461
Other income	7,196	1,265	225	49	8,735	(1,535)	-	7,200
Share of profit from investments, using the equity method	65	-	-	-	65	(65)	-	-
Total revenues	<u>897,634</u>	<u>17,286</u>	<u>2,973</u>	<u>5,545</u>	<u>923,438</u>			<u>919,435</u>
Expenses								
Cost of sales	601,046	-	-	-	601,046	-	(701)	600,345
Cost of construction	-	11,158	-	-	11,158	-	(396)	10,762
Cost of service	-	-	410	50	460	-	-	460
Selling and administrative expenses	221,638	7,013	1,222	4,962	234,835	-	(1,943)	232,892
Loss from non refund withholding income tax	-	902	161	-	1,063	-	-	1,063
Total expenses	<u>822,684</u>	<u>19,073</u>	<u>1,793</u>	<u>5,012</u>	<u>848,562</u>			<u>845,522</u>
Income before interest and income tax	74,950	(1,787)	1,180	533	74,876			73,913
Interest expense	39,442	32	-	-	39,474	-	(1,375)	38,099
Income tax	1,835	-	244	81	2,160	-	-	2,160
Net income	<u>33,673</u>	<u>(1,819)</u>	<u>936</u>	<u>452</u>	<u>33,242</u>			<u>33,654</u>
As at September 30, 2006								
Property, plant and equipment - net	<u>247,347</u>	<u>1,103</u>	<u>162</u>	<u>519</u>	<u>249,131</u>			<u>249,131</u>

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For the three-month periods ended September 30, 2005 (In Thousand Baht)

	Real	Contractor	Project	Property	Total	Elimination		Consolidated
	Estate		management	management services		DR.	CR.	
Revenues								
Sales	342,761	-	-	-	342,761	-	-	342,761
Construction income	925	2,472	-	-	3,397	(1,224)	-	2,173
Service income	-	-	1,532	2,607	4,139	(942)	-	3,197
Total revenues	<u>343,686</u>	<u>2,472</u>	<u>1,532</u>	<u>2,607</u>	<u>350,297</u>			<u>348,131</u>
Expenses								
Cost of sales	224,548	-	-	-	224,548	-	(785)	223,763
Cost of construction	634	2,959	-	-	3,593	-	(527)	3,066
Cost of service	-	-	140	768	908	-	-	908
Selling and administrative expenses	84,967	2,548	1,562	1,671	90,748	-	(745)	90,003
Loss from non refund withholding income tax	118	-	-	-	118	-	-	118
Share of loss from investments, using the equity method	2,056	-	-	-	2,056	-	(2,056)	-
Total expenses	<u>312,323</u>	<u>5,507</u>	<u>1,702</u>	<u>2,439</u>	<u>321,971</u>			<u>317,858</u>
Income before interest and income tax	31,363	(3,035)	(170)	168	28,326			30,273
Interest expenses	5,482	1	1	-	5,484	-	(195)	5,289
Income tax	5,763	(867)	(49)	30	4,877	-	-	4,877
Net income (loss)	<u>20,118</u>	<u>(2,169)</u>	<u>(122)</u>	<u>138</u>	<u>17,965</u>			<u>20,107</u>

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	For the nine-month periods ended September 30, 2005 (In Thousand Baht)							
	Real	Contractor	Project	Property manager	Total	Elimination		Consolidated
	Estate		management	services		DR.	CR.	
Revenues								
Sales	1,061,074	-	-	-	1,061,074	-	-	1,061,074
Construction income	1,824	45,615	-	-	47,439	(7,521)	-	39,918
Service income	-	-	5,825	8,056	13,881	(3,044)	-	10,837
Other income	6,961	1,282	158	323	8,724	(1,531)	-	7,193
Share of profit from investments, using the equity method	5,216	-	-	-	5,216	(5,216)	-	-
Total revenues	1,075,075	46,897	5,983	8,379	1,136,334			1,119,022
Expenses								
Cost of sales	703,938	-	-	-	703,938	-	(6,052)	697,886
Cost of construction	1,166	32,668	-	-	33,834	-	(6,221)	27,613
Cost of service	-	-	413	2,322	2,735	-	-	2,735
Selling and administrative expenses	265,726	15,370	1,900	5,850	288,846	-	(3,230)	285,616
Loss from non refund withholding income tax	118	-	-	-	118	-	-	118
Total expenses	970,948	48,038	2,313	8,172	1,029,471			1,013,968
Income before interest and income tax	104,127	(1,141)	3,670	207	106,863			105,054
Interest expense	17,742	644	79	-	18,465	-	(1,345)	17,120
Income tax	17,499	-	679	50	18,228	-	-	18,228
Net income	68,886	(1,785)	2,912	157	70,170			69,706
As at September 30, 2005								
Property, plant and equipment - net	265,946	2,102	260	538	268,846			268,846

26. COMMITMENTS AND CONTINGENT LIABILITIES

- a) As at September 30, 2006 the Company and subsidiaries have contingent liabilities from letters of guarantees issued by several banks to government agency and third parties amounting to Baht 169.69 million (Baht 168.23 million for the Company only).
- b) As at September 30, 2006 the Company had contingent liability from letters of guarantees issued by a bank on behalf of the subsidiary for electricity usage amounting to Baht 1 million.
- c) As at September 30, 2006 the Company have contingent liabilities from purchase of land as part of property development amounting to approximately Baht 58.09 million.

27. AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements have been authorized by the management on November 13, 2006.