

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

**REVIEW REPORT AND INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND
INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH AND
SIX-MONTH PERIODS ENDED JUNE 30, 2010 AND 2009**

REVIEW REPORT OF THE AUDITOR

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

I have reviewed the accompanying consolidated balance sheet of N.C. Housing Public Company Limited and its subsidiaries as at June 30, 2010 and the related consolidated statements of income for the three-month periods and six-month periods ended June 30, 2010 and 2009 and the consolidated statements of changes in shareholders equity, and cash flows for the six-month periods then ended June 30, 2010 and 2009, and the separate balance sheet of N.C. Housing Public Company Limited as at June 30, 2010, and the related statements of income for the three-month periods and six-month periods ended June 30, 2010 and 2009, changes in shareholders' equity, and cash flows for the six-month periods then ended June 30, 2010 and 2009. 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 reviews.

I conducted my reviews 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 reviews, 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.

I have previously audited, in accordance with generally accepted auditing standards, the consolidated financial statements and the separate financial statements for the year ended December 31, 2009 of N.C. Housing Public Company Limited and its subsidiaries. In my report dated February 26, 2010, I expressed an unqualified opinion on those financial statements. The consolidated balance sheet and separate balance sheet as at December 31, 2009 presented herewith for comparative purposes only, were a part of the audited financial statements. I have not performed any audit procedure since that date.

(Miss Chantira Wongsri - Udomporn)
Certified Public Accountant
Registration No. 4996

Dharmniti Auditing Company Limited
Bangkok, Thailand
August 11, 2010
2010/938/0072

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO INTERIM FINANCIAL STATEMENTS****JUNE 30, 2010****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 converted to be The Public Company Limited under the Limited Public Company Act with the Ministry of Commerce on November 27, 2003, and the Company 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 Patumtanee 12130, Thailand.

(b) Nature of the Company's business

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

(c) Employees

As at June 30, 2010 and 2009, the Company and subsidiaries have 159 employees and 155 employees, respectively (134 employees and 133 employees, respectively for the Company only).

(d) Expenses by nature

Significant expenses by nature are follow:

	In Thousand Baht			
	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	For the three-month periods end June 30,		For the three-month periods end June 30,	
	2010	2009	2010	2009
Utilities and construction in progress	101,665	64,584	100,295	64,584
Interest capitalization	4,566	6,397	4,566	6,397
Changes in land, constructions in progress and land held for development	162,066	60,688	162,100	60,727
Employee benefit expenses	17,082	12,525	15,247	11,434
Depreciation and amortization expenses	2,802	3,819	2,784	3,763

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	For the six-month periods end June 30,		For the six-month periods end June 30,	
	2010	2009	2010	2009
Utilities and construction in progress	206,662	142,614	203,937	142,614
Interest capitalization	9,970	12,645	9,970	12,645
Changes in land, constructions in progress and land held for development	243,891	104,533	243,756	104,593
Employee benefit expenses	29,863	24,757	26,737	22,476
Depreciation and amortization expenses	5,623	8,574	5,584	8,448

2. BASIS OF INTERIM FINANCIAL STATEMENT PREPARATION AND PRINCIPLES OF CONSOLIDATION

2.1 Basis for the preparation of interim financial statements

The interim financial statements are prepared in accordance with the Accounting Standard No. 34 "Interim Financial Statements" and the announcement of the Stock Exchange of Thailand.

These interim financial statements are prepared as additional financial statement information for the year ended December 31, 2009 with the emphasis on the more current information about new activities, events, and situations and are not intended to re-emphasize the information previously reported. The interim financial statements should therefore be read in conjunction with the financial statements for the year ended December 31, 2009.

The interim financial statements in Thai language are the official statutory interim financial statements of the Company. The interim financial statements in English language have been translated from such interim financial statements in Thai language.

The interim financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of interim consolidated and operations

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

	Percentage of Holding by		Nature of Business
	direct and indirect		
	As at June 30, 2010	As at December 31, 2009	
N.C. Property Management Co., Ltd.	100.00	100.00	Contractor and project management
Quality Living Management Co., Ltd.	100.00	100.00	Property management service

2.2.2 The percentage of total assets and total revenues of the subsidiaries included in the interim

consolidated financial statements are as follows:

	Percentage of total assets included in consolidated balance sheet as at		Percentage of total revenues included in consolidated income statement for the three-month periods ended		Percentage of total revenues included in consolidated income statement for the six-month periods ended	
	June 30, 2010	December 31, 2009	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
<u>Subsidiary companies</u>						
N.C. Property Management Co., Ltd.	0.25	0.16	0.62	-	0.77	0.14
Quality Living Management Co., Ltd.	0.06	0.05	0.33	0.42	0.31	0.41

2.2.3 The acquisition of subsidiaries are recorded by Purchase Method.

2.2.4 Significant intercompany transactions between the Company and subsidiaries have been eliminated.

2.2.5 The interim consolidated financial statements are prepared by using uniform accounting policies for transaction alike and other events in similar circumstances.

2.3 Significant accounting policies

The Company and subsidiaries prepare of the interim financial statements for the three-month and six-month periods ended June 30, 2010 and 2009 with the same accounting policies used in the preparation of the annual financial statements for the year ended December 31, 2009. The interim financial statements for the three-month and six-month periods ended June 30, 2010, have adding policies as follow;

2.3.1 Impairment of assets

At each reporting date, the Company and its subsidiaries perform impairment reviews in respect of property, plant, and equipment and other assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, a conservative valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the income statement.

2.3.2 Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates would affect to the amount relating to incomes, expenses, assets, liabilities and disclosures of data relating to contingent assets and liabilities. The actual results may differ from amounts already estimated. Significant judgments and estimates are as follows:

2.3.2.1 House building contracts

The Company recognise selling of finished house with land and its subsidiaries hiring of building house within housing project as an income by reference to the stage of completion of the construction contract activity, base on determining of the project's engineer, when the outcome of a construction contract can be estimated reliably. The stage of completion is measured by reference to surveys of works and estimates performed by the project's engineer. The management is required to make judgment and estimates based on past experience and information obtained from the project's engineer.

2.3.2.2 Estimated house construction project costs

The Company and its subsidiaries estimate costs of house construction projects based on details of the construction work, taking into account the volume and value of construction materials to be used in the project, labour costs and other miscellaneous costs to be incurred to complete the construction service, taking into account the direction of the movement in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

2.3.2.3 Estimated expenses for house construction projects

In determining estimated expenses for house construction projects, the management is required to use judgment and relevant information to estimate losses that may be incurred from warranties and claims on the construction contract works. The estimates are made through a combination of specific reviews of construction projects, analysis of actual claims incurred and historical statistic information, among others. However, the use of different estimates and assumptions could affect the amounts of estimated expenses for construction

projects.

2.3.2.4 Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

2.3.2.5 Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

2.3.2.6 Impairment of equity investments

The Company treats equity investments as impaired when the management judges that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment.

2.3.2.7 Property plant and equipment/Depreciation

In determining depreciation of land building and equipment, the management is required to make estimates of the useful lives and salvage values and to review estimate useful lives and salvage values when there are any changes incurred to it.

In addition, the management is required to review land, building and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

2.3.2.8 Intangible assets

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

2.3.2.9 The lawsuits

The Company has contingent liabilities from lawsuits. The management has judgments to assessed the case and ensured the such estimates liabilities record on

financial statement suitable.

3. 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:-

The significant outstanding balance at June 30, 2010 and December 31, 2009 are as follow:-

	Type of relation	In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		As at June 30, 2010	As at December 31, 2009	As at June 30, 2010	As at December 31, 2009
Payable to related parties					
- N.C. Property Management Co., Ltd.	Subsidiary	-	-	4,224	4,224
- S.C. Construction And Decoration Co., Ltd.	Co-shareholder and director	134	134	134	134
- Sathapom Wattana Trading Co., Ltd.	Co-shareholder and director	11,808	13,090	11,808	12,863
- Sathapom Wattana Transport Partnership	Co-shareholder and director	3	-	3	-
		<u>11,945</u>	<u>13,224</u>	<u>16,169</u>	<u>17,221</u>
Short-term loan from related parties					
- Quality Living Management Co., Ltd.	Subsidiary				
Balance, beginning of period		-	-	2,850	2,850
Addition during the period		-	-	-	-
Deduction during the period		-	-	(500)	-
Balance, ending of period		-	-	<u>2,350</u>	<u>2,850</u>
- N.C. Estate Co., Ltd.	Subsidiary				
Balance, beginning of period		-	-	-	1,724
Addition during the period		-	-	-	-
Deduction during the period		-	-	-	(1,724)
Balance, ending of period		-	-	-	-
- N.C. Property Management Co., Ltd.	Subsidiary				
Balance, beginning of period		-	-	12,850	18,650
Addition during the period		-	-	5,200	10,200
Deduction during the period		-	-	(2,500)	(16,000)
Balance, ending of period		-	-	<u>15,550</u>	<u>12,850</u>
		-	-	<u>17,900</u>	<u>15,700</u>

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
Type of relation		As at June 30, 2010	As at December 31, 2009	As at June 30, 2010	As at December 31, 2009
Short-term loan from directors					
- Manager of legacy					
	Mr.Namchai Tanthathoedtham *				
	Director				
	Balance, beginning of period	155,150	149,050	155,150	149,050
	Addition during the period	-	6,700	-	6,700
	Deduction during the period	-	(600)	-	(600)
	Balance, ending of period	<u>155,150</u>	<u>155,150</u>	<u>155,150</u>	<u>155,150</u>
- Mr. Somchao Tanthathoedtham					
	Director				
	Balance, beginning of period	12,450	31,820	12,450	31,820
	Addition during the period	-	4,500	-	4,500
	Deduction during the period	(735)	(23,870)	(735)	(23,870)
	Balance, ending of period	<u>11,715</u>	<u>12,450</u>	<u>11,715</u>	<u>12,450</u>
		<u>166,865</u>	<u>167,600</u>	<u>166,865</u>	<u>167,600</u>
Accrued interest from related parties					
	- Quality Living Management Co., Ltd.	-	-	3	4
	- N.C. Property Management Co., Ltd.	-	-	19	13
		<u>-</u>	<u>-</u>	<u>22</u>	<u>17</u>
Accrued interest					
- Manager of legacy					
	Mr.Namchai Tanthathoedtham *				
	Director	8,921	15,546	8,921	15,546
	- Mr. Somchao Tanthathoedtham				
	Director	168	335	168	335
		<u>9,089</u>	<u>15,881</u>	<u>9,089</u>	<u>15,881</u>
Rental fee payable					
	- Mrs. Patcharin Tanthathoedtham	330	-	330	-

* Manager of legacy Mr.Namchai Tanthathoedtham

- Mr. Somchao Tanthathoedtham
- Mr. Prasit Tanthathoedtham
- Mr. Somnuek Tanthathoedtham
- Mr. Sujin Tanthathoedtham

The issued short-term loans from related companies are promissory notes carried interest rate at 0.50% per annum in year 2010 and interest rate of 0.50% - 2.75% per annum in year 2009 and will be paid when requested.

Loan from directors incurred mainly intended to utilize for the Company's working capital and loan repaid.

Loan from directors carried interest rates at 5.75% per annum in year 2010 and 2009 and will be

paid when requested.

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		For the three-month periods end June 30,		For the three-month periods end June 30,	
Pricing basis		2010	2009	2010	2009
<u>Transaction during the period</u>					
Sales					
Manager of legacy	Market price	-	6,199	-	6,199
- Mr. Namchai Tanthathoedtham *					
Namchai Asset Development Co., Ltd.	Market price	-	6,499	-	6,499
Other income - office rental					
Quality Living Management Co., Ltd.	Baht 5,000 per month	-	-	15	15
Other income - utility charges					
Quality Living Management Co., Ltd.	Baht 1,401.87 per month	-	-	4	4
Purchase construction materials					
Sathaporn Wattana Trading Co., Ltd.	Market price	12,286	5,586	12,286	5,586
S.C. Construction And Decoration Co., Ltd.	Market price	-	9	-	9
Management fee					
Quality Living Management Co., Ltd.	Minimum Baht 30,000 per project	-	-	493	513
Utility charges					
N.C. Property Management Co., Ltd.	At cost	-	-	2	2
Transportation Fee					
Sathaporn Wattana Transport Partnership	Market price	2	-	2	-
Other expense - rental					
Mrs. Patcharin Tanthathoedtham	Baht 55,000 per month	165	165	165	165
Interest expenses					
Quality Living Management Co., Ltd.	In year 2010, at the rate of 0.50% p.a. In year 2009, at the rate of 0.75% p.a.	-	-	2	6
N.C. Property Management Co., Ltd.	In year 2010, at the rate of 0.50% p.a. In year 2009, at the rate of 0.75% p.a.	-	-	19	8
Manager of legacy					
- Mr. Namchai Tanthathoedtham *	At the rate of 5.75% p.a.	2,224	2,230	2,224	2,230
- Mr. Somchao Tanthathoedtham	At the rate of 5.75% p.a.	169	372	169	372

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		For the six-month periods end June 30,		For the six-month periods end June 30,	
Pricing basis		2010	2009	2010	2009
<u>Transaction during the period</u>					
Sales					
Manager of legacy	Market price	-	6,199	-	6,199
- Mr. Namchai Tanthathoedtham *					
Namchai Asset Development Co., Ltd.	Market price	-	6,499	-	6,499
Dividends received					
N.C. Property Management Co., Ltd.	Baht 160 per share	-	-	-	15,999
Other income - office rental					
Quality Living Management Co., Ltd.	Baht 5,000 per month	-	-	30	30
Other income - utility charges					
Quality Living Management Co., Ltd.	Baht 1,401.87 per month	-	-	8	8
Other income - gain from sale of fixed assets					
Sathapom Wattana Transport Partnership	Agreed price	-	33	-	33
Purchase construction materials					
Sathapom Wattana Trading Co., Ltd.	Market price	15,412	10,677	15,412	10,677
S.C. Construction And Decoration Co., Ltd.	Market price	-	9	-	9
Management fee					
Quality Living Management Co., Ltd.	Minimum Baht 30,000 per project	-	-	1,080	1,026
Utility charges					
N.C. Property Management Co., Ltd.	At cost	-	-	3	5
Transportation Fee					
Sathapom Wattana Transport Partnership	Market price	6	-	6	-
Other expense - rental					
Mrs. Patcharin Tanthathoedtham	Baht 55,000 per month	330	330	330	330
Interest expenses					
Quality Living Management Co., Ltd.	In year 2010, at the rate of 0.50% p.a. In year 2009, at the rate of 0.75%-2.75% p.a.	-	-	6	25
N.C. Property Management Co., Ltd.	In year 2010, at the rate of 0.50% p.a. In year 2009, at the rate of 0.75%-2.75% p.a.	-	-	35	132
N.C. Estate Co., Ltd.	In year 2009, at the rate of 2.75% p.a.	-	-	-	11
Manager of legacy					
- Mr. Namchai Tanthathoedtham *	At the rate of 5.75% p.a.	4,424	4,425	4,424	4,425
Mr. Somchao Tanthathoedtham	At the rate of 5.75% p.a.	336	822	336	822

4. CASH AND CASH EQUIVALENTS

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at June	As at December	As at June	As at December
	30, 2010	31, 2009	30, 2010	31, 2009
Cash in hand	32,638	8,496	32,623	8,481
Cash at bank - current accounts	5,658	996	4,942	713
Cash at bank - savings accounts	63,575	6,386	60,309	4,701
Total	101,871	15,878	97,874	13,895

Bank accounts are carried interest at the floating rate which are set by bank.

5. TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable consist of the following:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at June	As at December	As at June	As at December
	30, 2010	31, 2009	30, 2010	31, 2009
Real Estate				
Receivable from installment	761	1,718	761	1,718
Contractor and project management				
Contractor receivable	-	-	-	-
Property manager services				
Management receivable	542	32	-	-
Total	1,303	1,750	761	1,718
<u>Less</u> Allowance for doubtful accounts	(297)	(533)	(297)	(533)
Trade accounts receivable-net	1,006	1,217	464	1,185

The accounts receivable were classified by aging as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at June	As at December	As at June	As at December
	30, 2010	31, 2009	30, 2010	31, 2009
Over 0 month to 3 months	952	32	410	-
Over 3 months to 6 months	-	63	-	63
Over 6 months to 12 months	-	1,122	-	1,122
Over 12 months	351	533	351	533
Total	1,303	1,750	761	1,718

Changes in the allowance for doubtful accounts during the periods are as follows:-

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at June	As at December	As at June	As at December
	30, 2010	31, 2009	30, 2010	31, 2009
	(For the six-month)	(For the year)	(For the six-month)	(For the year)
Beginning balance	533	533	533	533
Increase	-	-	-	-
Decrease	(236)	-	(236)	-
Ending balance	297	533	297	533

During the period 2010, allowance for doubtful accounts decrease due to the return from customers of Baht 0.10 million and write-off receivables to bad debts of Baht 0.14 million.

Receivable from installment consists of

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		As at June	As at December	As at June	As at December
		30, 2010	31, 2009	30, 2010	31, 2009
Contracted sales value	(In Million Baht)	6,135.64	7,246.04	6,135.64	7,246.04
Installment dues	(In Thousand Baht)	5,767,195	6,937,307	5,767,195	6,937,307
Less collected amount	(In Thousand Baht)	(5,766,434)	(6,935,589)	(5,766,434)	(6,935,589)
Receivable from installment	(In Thousand Baht)	761	1,718	761	1,718

6. UNBILLED RECEIVABLE / UNREALIZED INCOME

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at June	As at December	As at June	As at December
	30, 2010	31, 2009	30, 2010	31, 2009
Installment dues	5,767,195	6,937,307	5,767,195	6,937,307
Less recognized income	(5,775,331)	(6,921,627)	(5,775,331)	(6,921,627)
	(8,136)	15,680	(8,136)	15,680

The transactions consist of

Descriptions as below

Unbilled receivables

Unrealized incomes collected from	37,558	6,827	37,558	6,827
both the deposit of purchase and sale contract paid under 20% of its contract amount and the excess installment over the project progression.	(29,422)	(22,507)	(29,422)	(22,507)
	8,136	(15,680)	8,136	(15,680)

7. INVENTORIES - NET

Inventories - net consist of

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at June 30, 2010	As at December 31, 2009	As at June 30, 2010	As at December 31, 2009
Houses and condominiums for sales	270,967	423,757	270,967	423,757
<u>Less</u> allowance for declining value of inventories	-	-	-	-
Inventories - net	<u>270,967</u>	<u>423,757</u>	<u>270,967</u>	<u>423,757</u>

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

	Consolidated Financial Statements / Separate Financial Statements			
	As at June 30, 2010		As at December 31, 2009	
	Unit	In Million Baht	Unit	In Million Baht
House and condominiums for sales	79	270.97	133	423.76
The selling contracted house and condominiums	(15)	(37.41)	(28)	(63.07)
House and condominiums for sale - net	<u>64</u>	<u>233.56</u>	<u>105</u>	<u>360.69</u>

As at June 30, 2010 and December 31, 2009 inventories of the project in the amount of Baht 270.97 million and Baht 423.76 million, respectively, are mortgaged as collateral for long-term loans with local financial institutions in the amount of Baht 2,162.35 million and Baht 2,316.11 million, respectively. (see note 16).

"UNAUDITED"

"REVIEWED"

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8. PROPERTY DEVELOPMENT

8.1 Actual property development cost consist of :

Consolidated Financial Statement (In Thousand Baht)								
As at June 30, 2010								
Project	Land, utilities and interest capitalization	Construction in progress	Sample houses	Sale office buildings	Total	Less transfer to inventory	Less transfer to cost of sale	Property development cost
Baan Pha Piyarom 9	189,719	181,633	15,780	-	387,132	(66,674)	(223,765)	96,693
Baan Pha Piyarom 10	165,657	134,500	-	-	300,157	(21,882)	(150,011)	128,264
Baan Pha Rangsit Klong 7	47,644	70,230	-	-	117,874	(5,369)	(86,126)	26,379
Baan Pha Green Park Royal Pinklao	162,507	131,886	2,217	-	296,610	-	(296,610)	-
Baan Pha Green Park Pracha-Utid	403,158	267,400	15,316	-	685,874	(38,676)	(442,772)	204,426
Baan Pha Green Park Rangsit 2	244,903	411,349	5,836	-	662,088	(2,924)	(659,164)	-
Baan Pha Green Park Phutta-Monthon	214,649	277,249	1,639	-	493,537	(31,612)	(427,594)	34,331
Baan Pha Green Park Klong 3	263,730	170,350	10,599	-	444,679	(23,355)	(276,287)	145,037
Baan Narisa	142,880	141,687	-	716	285,283	(6,637)	(278,646)	-
Baan Pha Thanyathani	55,034	248,992	-	-	304,026	(33,439)	(270,587)	-
Baan Pha Thanyathani village 2	424,666	182,271	29,850	-	636,787	(31,097)	(332,386)	273,304
Baan Pha Rim Had Jomtien	155,205	201,561	10,289	-	367,055	-	(367,055)	-
The Green Park Jomtien by NC GROUP	94,361	20,594	-	-	114,955	(9,302)	(7,349)	98,304
Khon Kan Condominium	46,233	44,576	-	-	90,809	-	(90,809)	-
	<u>2,610,346</u>	<u>2,484,278</u>	<u>91,526</u>	<u>716</u>	<u>5,186,866</u>	<u>(270,967)</u>	<u>(3,909,161)</u>	<u>1,006,738</u>

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Consolidated Financial Statement (In Thousand Baht)

As at December 31, 2009

Project	Land, utilities and interest capitalization	Construction in progress	Sample houses	Sale office buildings	Total	Less transfer to inventory	Less transfer to cost of sale	Property development cost
Baan Pha Piyaom 3	151,468	237,055	4,965	-	393,488	-	(393,488)	-
Baan Pha Piyaom 7	215,718	266,375	-	-	482,093	-	(482,093)	-
Baan Pha Piyaom 8	105,117	220,497	-	-	325,614	-	(325,614)	-
Baan Pha Piyaom 9	189,284	165,408	15,780	-	370,472	(63,936)	(190,385)	116,151
Baan Pha Piyaom 10	152,899	103,661	-	-	256,560	(29,967)	(89,241)	137,352
Baan Pha Rangsit Klong 7	47,468	63,552	-	-	111,020	(18,108)	(59,274)	33,638
Baan Pha Green Park Royal Pinklao	162,507	131,825	2,217	-	296,549	(14,569)	(281,980)	-
Baan Pha Green Park Pracha-Utid	400,821	242,976	15,316	-	659,113	(68,877)	(363,815)	226,421
Baan Pha Green park Rangsit 2	244,903	411,349	5,836	-	662,088	(2,924)	(659,164)	-
Baan Pha Green park Phutta-Monthon	214,476	251,605	1,639	-	467,720	(45,451)	(358,205)	64,064
Baan Pha Green park Klong 3	261,743	157,047	10,599	-	429,389	(51,221)	(218,004)	160,164
Baan Narisa	142,880	141,687	-	716	285,283	(6,637)	(278,646)	-
Baan Pha Thanyathani	55,034	247,111	-	-	302,145	(61,310)	(234,792)	6,043
Baan Pha Thanyathani village 2	417,110	150,150	29,850	-	597,110	(51,363)	(269,651)	276,096
Baan Pha Rim Had Jomtien	155,212	201,448	10,289	-	366,949	(6,311)	(360,638)	-
The Green Park Jomtien by NC Group	78,718	2,764	-	-	81,482	-	-	81,482
Khon Kan Condominium	46,233	44,576	-	-	90,809	(3,083)	(87,726)	-
	<u>3,041,591</u>	<u>3,039,086</u>	<u>96,491</u>	<u>716</u>	<u>6,177,884</u>	<u>(423,757)</u>	<u>(4,652,716)</u>	<u>1,101,411</u>

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Separate Financial Statement (In Thousand Baht)

As at June 30, 2010

Project	Land, utilities and interest capitalization	Construction in progress	Sample houses	Sale office buildings	Total	Less transfer to inventory	Less transfer to cost of sale	Property development cost
Baan Pha Piyarom 9	189,719	181,633	15,780	-	387,132	(66,674)	(223,765)	96,693
Baan Pha Piyarom 10	165,657	134,500	-	-	300,157	(21,882)	(150,011)	128,264
Baan Pha Rangsit Klong 7	47,644	70,230	-	-	117,874	(5,369)	(86,126)	26,379
Baan Pha Green Park Royal Pinklao	162,507	131,886	2,217	-	296,610	-	(296,610)	-
Baan Pha Green Park Pracha-Utid	403,158	267,400	15,316	-	685,874	(38,676)	(442,772)	204,426
Baan Pha Green Park Rangsit 2	244,903	411,349	5,836	-	662,088	(2,924)	(659,164)	-
Baan Pha Green Park Phutta-Monthon	214,649	277,303	1,639	-	493,591	(31,612)	(427,594)	34,385
Baan Pha Green Park Klong 3	263,730	170,350	10,599	-	444,679	(23,355)	(276,287)	145,037
Baan Narisa	142,880	141,687	-	716	285,283	(6,637)	(278,646)	-
Baan Pha Thanyathani	55,034	248,992	-	-	304,026	(33,439)	(270,587)	-
Baan Pha Thanyathani village 2	424,666	182,267	29,850	-	636,783	(31,097)	(332,386)	273,300
Baan Pha Rim Had Jomtien	155,205	201,561	10,289	-	367,055	-	(367,055)	-
The Green Park Jomtien by NC GROUP	94,361	20,594	-	-	114,955	(9,302)	(7,349)	98,304
Khon Kan Condominium	46,233	44,576	-	-	90,809	-	(90,809)	-
	<u>2,610,346</u>	<u>2,484,328</u>	<u>91,526</u>	<u>716</u>	<u>5,186,916</u>	<u>(270,967)</u>	<u>(3,909,161)</u>	<u>1,006,788</u>

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Separate Financial Statement (In Thousand Baht)

As at December 31, 2009

Project	Land, utilities and interest capitalization	Construction in progress	Sample houses	Sale office buildings	Total	Less transfer to inventory	Less transfer to cost of sale	Property development cost
Baan Pha Piyarom 3	151,468	237,055	4,965	-	393,488	-	(393,488)	-
Baan Pha Piyarom 7	215,718	266,375	-	-	482,093	-	(482,093)	-
Baan Pha Piyarom 8	105,117	220,497	-	-	325,614	-	(325,614)	-
Baan Pha Piyarom 9	189,284	165,408	15,780	-	370,472	(63,936)	(190,385)	116,151
Baan Pha Piyarom 10	152,899	103,661	-	-	256,560	(29,967)	(89,241)	137,352
Baan Pha Rangsit Klong 7	47,468	63,552	-	-	111,020	(18,108)	(59,274)	33,638
Baan Pha Green Park Royal Pinklao	162,507	131,825	2,217	-	296,549	(14,569)	(281,980)	-
Baan Pha Green Park Pracha-Utid	400,821	242,976	15,316	-	659,113	(68,877)	(363,815)	226,421
Baan Pha Green park Rangsit 2	244,903	411,349	5,836	-	662,088	(2,924)	(659,164)	-
Baan Pha Green park Phutta-Monthon	214,476	251,708	1,639	-	467,823	(45,451)	(358,205)	64,167
Baan Pha Green park Klong 3	261,743	157,047	10,599	-	429,389	(51,221)	(218,004)	160,164
Baan Narisa	142,880	141,687	-	716	285,283	(6,637)	(278,646)	-
Baan Pha Thanyathani	55,034	247,111	-	-	302,145	(61,310)	(234,792)	6,043
Baan Pha Thanyathani village 2	417,110	149,954	29,850	-	596,914	(51,363)	(269,651)	275,900
Baan Pha Rim Had Jomtien	155,205	201,455	10,289	-	366,949	(6,311)	(360,638)	-
The Green Park Jomtien by NO GROUP	78,718	2,764	-	-	81,482	-	-	81,482
Khon Kan Condominium	46,233	44,576	-	-	90,809	(3,083)	(87,726)	-
	<u>3,041,584</u>	<u>3,039,000</u>	<u>96,491</u>	<u>716</u>	<u>6,177,791</u>	<u>(423,757)</u>	<u>(4,652,716)</u>	<u>1,101,318</u>

As at June 30, 2010 and December 31, 2009, land and construction of almost projects in including land held for development totalling of Baht 2,248.12 million and Baht 2,339.09 million, respectively, are mortgaged as collateral against credit facilities for long-term loans with local financial institutions in the amount of Baht 2,162.35 million and Baht 2,316.11 million, respectively (see note 16).

Portions of the interest expense incurred for the three-month periods ended June 30, 2010 and 2009, amounting to approximately Baht 4.57 million and Baht 6.40 million, respectively, were capitalized as part of property development cost for the period. The capitalization rate for calculate interest is 6.27% and 6.65%, respectively, and for the six-month periods ended June 30, 2010 and 2009 amounting to approximately Baht 9.97 million and Baht 12.64 million, respectively, were capitalized as part of property development cost for the period. The capitalization rate for calculate interest is 6.26% and 6.84%, respectively.

8.2 OBLIGATION AND COMMITMENT UNDER REAL ESTATE PROJECTS

	Consolidated Financial Statements		Separate Financial Statements	
	As at June 30, 2010 (For six-month)	As at December 31, 2009 (For the year)	As at June 30, 2010 (For six-month)	As at December 31, 2009 (For the year)
Number of projects on hand, beginning of period	17	19	17	19
Number of closing projects	3	3	3	3
Number of newly open projects	-	1	-	1
Number of projects on hand, ending of period	14	17	14	17
Contracted sales value (In million Baht)	6,135.64	7,246.04	6,135.64	7,246.04
As percentage of total current projects value	64.42	65.15	64.42	65.15

As at June 30, 2010 and December 31, 2009 the Company has obligation and commitment to complete the public utility development project in the amount of Baht 127.51 million and Baht 155.26 million, respectively. Addition, fund for maintenance to public utilities in total amount of Baht 21.68 million and Baht 21.64 million, respectively, shall be conveyed to a colony's juristic person since the date of transferring of possession of project.

9. OTHER CURRENT ASSETS

Other current assets consist of the following :

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at June 30, 2010	As at December 31, 2009	As at June 30, 2010	As at December 31, 2009
Prepaid expense	2,786	1,613	2,760	1,553
Receivables - the Revenue Department	822	2,407	822	2,407
Advance expense	2,629	2,328	-	-
Account receivable from lawsuit (see note 26.6a)	180	180	180	180
Other current assets	992	1,170	948	1,160
Total	7,409	7,698	4,710	5,300
<u>Less</u> Allowance for doubtful accounts	(317)	(317)	(317)	(317)
Net	7,092	7,381	4,393	4,983

Changes in the allowance for doubtful accounts during the periods are as follows:-

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at June 30, 2010 (For six-month)	As at December 31, 2009 (For the year)	As at June 30, 2010 (For six-month)	As at December 31, 2009 (For the year)
Beginning balance	317	827	317	827
Increase	-	-	-	-
Decrease	-	(510)	-	(510)
Ending balance	317	317	317	317

During the year 2009, allowance for doubtful accounts decrease amount of Baht 0.51

million, the Company reversed account receivable from lawsuit because of having termination of the case already. In addition, the Company does not have to compensate any liability obligated.

10. DEPOSIT PLEDGED AS COLLATERAL

As at June 30, 2010 and December 31, 2009, the Company had fixed deposit amounting to Baht 0.86 million and Baht 0.97 million respectively. They are pledged as collateral for customer's loan and gasoline.

As at June 30, 2010 and December 31, 2009, the subsidiaries had fixed deposit amounting to Baht 0.21 million. They are pledged as collateral for bank over drafts limit and bank guarantee from bank (see note 14).

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

11. INVESTMENT IN SUBSIDIARIES - AT COST METHOD

Type of business	Relationship	'aid - up share capita (In Thousand Baht)	Percentage of holding (%)	Separate Financial Statements						
				Cost Method (In Thousand Baht)		Equity Method (In Thousand Baht)		Dividend (In Thousand Baht)		
				As at June 30, 2010	As at December 31, 2009	As at June 30, 2010	As at December 31, 2009	For the six-month periods ended June 30,		
								2010	2009	
Subsidiaries :-										
N.C. Property Management Co., Ltd.	Contractor and Project management	Co - Shareholding/ Directing	10,000	100	11,864	11,864	23,358	22,190	-	15,999 *
Quality Living Management Co., Ltd.	Property manager service	Co - Shareholding/ Directing	1,000	100	-	-	3,299	3,430	-	-
					11,864	11,864	26,657	25,620	-	15,999
<u>Less</u> Allowance for declining value of investment					-	-				
Investment in subsidiaries- net					11,864	11,864				

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

At the extraordinary shareholders' meeting of a subsidiary, N.C. Estate Co., Ltd. No.1/2009, held on March 24, 2009, the subsidiary's shareholder approved to cease operation on March 26, 2009, the such subsidiary had been stoped activities since 2005 until the present.

The subsidiary had already registered with the Department of Business Development, Ministry of Commerce on March 26, 2009. These financial statements have been prepared on the liquidation basis of accounting with the value of assets shown at the net realizable values and liabilities shown at the settlement amounts. On July 16, 2009, the subsidiary has returned the share capital to shareholders in the amount of Baht 3.90 million.

*See more details of dividend receipt in Note 19.

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12. PROPERTY, PLANT AND EQUIPMENT - NET

Property, plant and equipment - net consist of

	Consolidated Financial Statement (In Thousand Baht)			
	Balance as at	Additions	Deduction	Balance as at
	December 31, 2009			June 30, 2010
<u>At cost</u>				
Land - office	1,948	-	-	1,948
- clubhouse	82,260	-	-	82,260
Building - office	11,236	-	-	11,236
- clubhouse	124,164	-	-	124,164
Sample house and sale office building	43,524	-	-	43,524
Building improvement	6,289	-	-	6,289
Machinery and equipment	1,919	60	-	1,979
Office equipment	21,518	1,081	-	22,599
Furniture and fixtures	11,227	588	-	11,815
Vehicles	17,708	12	(114)	17,606
Vehicle - under financial agreement	3,407	-	-	3,407
Total	325,200	1,741	(114)	326,827
<u>Less Accumulated depreciation</u>				
Building - office	(7,912)	(279)	-	(8,191)
- clubhouse	(45,039)	(3,010)	-	(48,049)
Sample house and sale office building	(39,785)	(572)	-	(40,357)
Building improvement	(2,646)	(156)	-	(2,802)
Machinery and equipment	(1,659)	(65)	-	(1,724)
Office equipment	(17,927)	(620)	-	(18,547)
Furniture and fixtures	(9,744)	(325)	-	(10,069)
Vehicles	(17,335)	(189)	114	(17,410)
Vehicle - under financial agreement	(249)	(234)	-	(483)
Total	(142,296)	(5,450)	114	(147,632)
Property, plant and equipment - net	182,904			179,195

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	Separate Financial Statement (In Thousand Baht)			
	Balance as at	Additions	Deduction	Balance as at
	December 31, 2009			June 30, 2010
<u>At cost</u>				
Land - office	1,948	-	-	1,948
- clubhouse	82,260	-	-	82,260
Building - office	11,236	-	-	11,236
- clubhouse	124,164	-	-	124,164
Sample house and sale office building	43,524	-	-	43,524
Building improvement	6,289	-	-	6,289
Machinery and equipment	1,232	60	-	1,292
Office equipment	19,648	1,051	-	20,699
Furniture and fixtures	11,076	588	-	11,664
Vehicles	16,499	12	(114)	16,397
Vehicle - under financial agreement	3,407	-	-	3,407
Total	<u>321,283</u>	<u>1,711</u>	<u>(114)</u>	<u>322,880</u>
<u>Less Accumulated depreciation</u>				
Building - office	(7,912)	(279)	-	(8,191)
- clubhouse	(45,039)	(3,010)	-	(48,049)
Sample house and sale office building	(39,785)	(572)	-	(40,357)
Building improvement	(2,646)	(156)	-	(2,802)
Machinery and equipment	(973)	(64)	-	(1,037)
Office equipment	(16,175)	(583)	-	(16,758)
Furniture and fixtures	(9,590)	(325)	-	(9,915)
Vehicles	(16,131)	(188)	114	(16,205)
Vehicle - under financial agreement	(249)	(234)	-	(483)
Total	<u>(138,500)</u>	<u>(5,411)</u>	<u>114</u>	<u>(143,797)</u>
Property, plant and equipment - net	<u>182,783</u>			<u>179,083</u>

As at June 30, 2101 and December 31, 2009, land, building and sale office's building including land and clubhouse's building in the total amount of Baht 111.39 million (net book value amount of Baht 78.41 million and Baht 80.64 million, respectively) are mortgaged as collateral against the loans and overdrafts from two commercial banks in the total amount of Bath 35 million and Baht 30 million, respectively (see note 14).

The fixed assets had been fully depreciated but still in use, as follows:

Transaction	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at June	As at December	As at June	As at December
	30, 2010	31, 2009	30, 2010	31, 2009
Building - clubhouse (tennis court)	2,858	2,858	2,858	2,858
Sample house and sale office building	37,751	37,751	37,751	37,751
Machinery and equipment	1,316	1,175	664	553
Office equipment	15,857	14,843	14,545	13,591
Furniture and fixtures	8,493	7,805	8,342	7,654
Vehicles	16,003	15,518	14,798	14,315
Total	82,278	79,950	78,958	76,722

13. INTANGIBLE ASSETS - NET

	In Thousand Baht			
	Consolidated Financial Statement/ Separate Financial Statement			
	Balance as at	Additions	Deduction	Balance as at
	December 31, 2009			June 30, 2010
<u>At cost</u>				
Computer software	3,500	-	-	3,500
Work in progress - system development	-	675	-	675
Total	3,500	675	-	4,175
<u>Less Accumulated amortization</u>	<u>(325)</u>	<u>(173)</u>	<u>-</u>	<u>(498)</u>
Intangible assets - net	3,175			3,677

Intangible assets is a real estate management system development for the digitalization between construction site and head office to create quality management and delivery of digitized file from the site to the Company's FTP site.

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

This account consist of :-

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at June	As at December	As at June	As at December
	30, 2010	31, 2009	30, 2010	31, 2009
Bank overdrafts from financial institutions	5,681	11,243	5,681	11,243
Short-term loans from financial institutions	57,000	57,000	57,000	57,000
Total	62,681	68,243	62,681	68,243

	Credit line (Million Baht)		Rate	Due Date	Guarantee
	As at June 30, 2010	As at December 31, 2009			
<u>Bank Overdraft</u>					
The parent company					
- Siam Commercial Bank	25	20	MOR per annum	At called	- By the mortgage of the Company's land and construction on there. - By some director
- CIMB Thai	10	10	MOR per annum	At called	- By the mortgage of the Company's land and construction on there.
Total Credit line	<u>35</u>	<u>30</u>			
<u>Short-term loans</u>					
The parent company					
- Bank of Ayudhya	35	35	MLR less 0.25% per annum	July 23, 2010	- By the mortgage of the director's land and construction on there.
- CIMB Thai					
<u>The first loan</u>	22	22	On promissory note rate	91 - 93 days since the loan date	- By the mortgage of the director's negotiable certificate of deposit.
	<u>57</u>	<u>57</u>			
Total Credit line	<u>92</u>	<u>87</u>			

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

In addition, the Company has to comply with the terms and conditions as specified in the loan agreement, such as (1) not to sell, dispose, transfer, give rent, pledge, or mortgage the Company's loan collaterals, (2) not to commit any obligation that would result in letting other persons have control or rights in the Company's assets, (3) not to engage into any liability or obligation over Baht 10 million per time except approved by the bank, (4) to maintain a proper financial ratio, (5) to require approval from the bank prior to dividend distribution, (6) not to decrease registered capital and to grant beneficiary of the asset protection insurance to the lender, etc.

15. LIABILITIES UNDER FINANCIAL LEASE AGREEMENT

Liabilities under financial lease agreements consisted of :

	Consolidated Financial Statements / Separate Financial Statements (In Thousand Baht)					
	As at June 30, 2010			As at December 31, 2009		
	Principal	Deferred interest	Payment	Principal	Deferred interest	Payment
Current portion due within one year	856	63	919	834	85	919
Current portion due after one year not over three years	880	23	903	1,313	50	1,363
Total	1,736	86	1,822	2,147	135	2,282

As at June 30, 2010 and December 31, 2009 the Company has hire-purchase agreement comprised of 3 agreements from the local leasing company to purchase vehicle in the amount of Baht 2,757,492 (Included VAT) with a term of payment in 36 months, and repaid in monthly of Baht 20,535-35,192 (Included VAT).

Under the term of lease agreement referred to above, the Company shall have to comply with certain conditions and restrictions as specified in the lease agreement.

Liabilities under financial lease agreement is guaranteed by its director Company.

Liabilities under financial lease agreement for the portion due within one year are presented under "current liabilities" in the balance sheet.

16. LONG-TERM LOANS

This account consist of

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at June 30, 2010	As at December 31, 2009	As at June 30, 2010	As at December 31, 2009
Loans from local banks				
The first credit line	85,388	190,263	85,388	190,263
The second credit line	210,951	246,400	210,951	246,400
The third credit line	-	21,287	-	21,287
The fourth credit line	10,786	23,352	10,786	23,352
Total	307,125	481,302	307,125	481,302
<u>Less</u> Current portion due within one year	(221,748)	(23,352)	(221,748)	(23,352)
Long-term loans - net	85,377	457,950	85,377	457,950

	<u>Credit line (Million Baht)</u>		<u>Interest rate</u>	<u>Guarantee</u>
	<u>2010</u>	<u>2009</u>		
<u>Long-term loans</u>				
<u>First loan</u>				
- Siam Commercial Bank	1,345.35	1,460.11	MLR, MLR less 0.50-1.00% per annum	- By the mortgage of the project's land and construction on there.
<u>Second loan</u>				
- CIMB Thai	777.00	777.00	MLR plus 0.50% per annum	- By the mortgage of the project's land and construction on there. (In second quarter of 2010, the Company paid total loan and redeem the mortgage.
<u>Third loan</u>				
- Siam City Bank	-	39.00	MLR plus 0.25% per annum	- By the mortgage of the project's land and construction on there.
<u>Fourth loan</u>				
- CTMB Thai	40.00	40.00	MLR plus 0.50% per annum	- By the mortgage of the shareholder's relative land and construction in the future
	<u>2,162.35</u>	<u>2,316.11</u>		

The first credit line

The Company has to repay the loan when received payment from its customers which normally based on the dates of transferring a real estate title deed to the customers. The loan have to be fully settled within specify 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 7 and 8).

In addition, the Company has to comply with the terms and conditions as specified in the loan agreement, such as (1) not to sell, dispose, transfer, give rent, pledge, or mortgage the Company's loan collaterals, (2) not to commit any obligation that would result in letting other persons have control or rights in the Company's assets, (3) not to engage into any liability or obligation over Baht 10 million per time except approved by the bank, (4) to maintain a proper financial ratio, (5) to require approval from

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the bank prior to dividend distribution, (6) not to decrease registered capital and to grant beneficiary of the asset protection insurance to the lender, etc.

The second credit line

The Company had to repay the full loan amount within three years from the date of the land mortgage (on December 29, 2004). On January 4, 2008, the Company submitted a request for repayment extension of the loan to December 29, 2010 (see note 7 and 8). The Company classified the such loan under "Current portion of long-term loans from financial institutions" as the current liabilities.

In addition, the Company has to comply with the terms and conditions as specified in the loan agreement, such as sending progress report on sales, transfers and construction to the lender each month and managing the Company to increase housing sales by at least 50 units per year (starting from year 2008).

Dealing of contract

For the year 2008, the Company has housing sale in project of 32 units which is under the condition of loan agreement as above. So, the management has negotiated with bank for relief the sale condition, which the Company has to sale in project of 50 units in 2008, and bank agree with the issue but the Company has to repay principal from Baht 10,725 per Sq. wah to Baht 14,000 Sq. wah due to the revised credit line notice dated on January 26, 2009.

The third credit line

The Company has to repay the loan when received payment from its customers which normally based on the date of transferring a real estate title deed to the customers. The loan have to be fully settled within two years from the date of the loan agreement (on September 24, 2008) and loans due within September 23, 2010 (see note 8 and 9). In second quarter of 2010, the Company paid total loan and redeem the mortgage.

In addition, the Company has to comply with the terms and conditions as specified in the loan agreement, such as to hire an independent appraiser, approve by the bank, appraisal the land mortgage and to grant beneficiary of the asset protection insurance to the lender, etc.

The fourth credit line

The Company has to repay the loan when received payment from its customers which normally based on the dates of transferring a real estate title deed to the customers. The loan have to be full settled within December 29, 2010.

In addition, the Company has to comply with the terms and conditions as specified in the loan agreement, such as:

The Company has to minimum repay the principle not less than amount Baht 8,000,000 per quarter due to the revised credit line notice dated on the fourth quarter 2009, as shown under "Current portion of long-term loans from financial institutions" as the current liabilities (see note 7 and 8).

The Company did not to sell, transfer, give borrow, give rent or dispose of the Company or asset

or fixed asset in usually case in the Company.

17. FINANCIAL INSTRUMENTS

a. Financial Risk Management

The Company and subsidiaries manage their financial risk exposure on financial assets and financial liabilities in normal business by its internal management and control system and the Company and subsidiaries do not hold or issue any derivative instruments. The significant financial assets and financial liabilities of the Company and its subsidiary comprise cash and cash equivalents, bank overdrafts and short-term loans from financial institutions, trade account receivable and payable including cheque, unbilled receivable, accrued income, loans, accrued expenses and retentions.

b. Interest Rate Risk

The Company and its subsidiary expose significant interest rate risks which arise from deposit at financial institutions, current investment in fixed deposit at bank, bank overdrafts and short-term loans from financial institutions, long-term loans from financial institutions, loan from director and short-term loan from related company. Interest rate risk arises from the potential for a change in interest rate to have an adverse effect on the Company and the subsidiary in the current reporting period and in future years.

c. 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.

18. 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.

The subsidiary had appropriated its legal reserve as reserve fund until the reserve reaches 10% of the authorized share capital.

In 2009, the Company had appropriated its legal reserve at the amount of Baht 3.79 million.

19. DIVIDEND

At the extraordinary shareholders' meeting No. 1/2010 held on April 23, 2010, the shareholders approved a dividend payment for net income period of 2009 to all shareholders at Baht 0.02 per share amounting to Baht 23.72 million. The company paid the dividend on May 21, 2010.

At the extraordinary shareholders' meeting of a subsidiary No. 1/2009 held on March 24, 2009, the subsidiary's shareholders approved a dividend payment for the operating period of 2004 to all shareholders at Baht 160 per share amounting to Baht 16 million. The subsidiary paid the dividend on March 25, 2009.

20. CAPITAL MANAGEMENT

The primary objective of the Company and its subsidiaries' capital management are to ensure that it has an appropriate financial structure and preserve the ability to continue its business as a going concern.

According to the balance sheet as at June 30, 2010, the Group's debt-to-equity ratio was 0.39:1 (As at December 31, 2009 : 0.47: 1) and the Company's was 0.40:1 (As at December 31, 2009 : 0.48 : 1)

21. EARNINGS PER SHARE

Basic earning per share is calculated by dividing the net income for the period by the weighted average number of ordinary shares held by outside parties in issued and paid-up during the period.

		Consolidated Financial Statements		Separate Financial Statements	
		For the three-month periods ended June 30,		For the three-month periods ended June 30,	
		2010	2009	2010	2009
Net income for the period	(Thousand Baht)	27,473	20,873	27,090	20,789
Weighted average number of ordinary shares	(Thousand Shares)	1,185,985	1,185,985	1,185,985	1,185,985
Basic earning per share	(Baht per share)	0.023	0.018	0.023	0.018

		Consolidated Financial Statements		Separate Financial Statements	
		For the six-month periods ended June 30,		For the six-month periods ended June 30,	
		2010	2009	2010	2009
Net income for the period	(Thousand Baht)	53,022	47,240	51,984	62,643
Weighted average number of ordinary shares	(Thousand Shares)	1,185,985	1,185,985	1,185,985	1,185,985
Basic earning per share	(Baht per share)	0.045	0.040	0.044	0.053

22. PROVIDENT FUND

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

Under the provident fund plan, employees' and Company's contributions are equivalent to certain percentages of 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 and its subsidiaries appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Provident Fund Act B.E. 2530.

The Company and its subsidiaries's contribution for the three-month periods ended June 30, 2010 and 2009 amounted to Baht 0.58 million and Baht 0.55 million, respectively, and for the six-month periods ended June 30, 2010 and 2009 amounted to Baht 1.17 million and Baht 1.09 million, respectively.

The Company's contributions for the three-month periods ended June 30, 2010 and 2009 amounted to Baht 0.56 million and Baht 0.52 million, respectively, and for the six-month periods ended June 30, 2010 and 2009 amounted to Baht 1.12 million and Baht 1.04 million, respectively.

23. MANAGEMENT BENEFIT EXPENSES

Management benefit expenses represents the benefits paid to the Company's management such as salaries and related benefit including the benefit paid by other means. The Company's management is the persons who are defined under the Securities and Exchange Act. The management is comprised managing director, deputy managing directors and senior managers.

24. CORPORATE INCOME TAX AND ITS CALCULATION

The Company computed corporate income tax based on the revenue and expense recognition principle in accordance with the Revenue Code and Instruction of the Revenue Department No. Por 61/2539 regarding the calculation of net profit and net income for real estate business, which differs from the accounting principles selected to apply in certain cases, such as recognition of revenue and cost of sales, capturing of interest expense and depreciation of assets under utilities system development for common facilities, etc.

Since the year 2007, the Company computed corporate income tax, for projects launched in or after 2007, based on the principle of revenue and expense recognition in accordance with the Revenue Code and Instruction of the Revenue Department No. Tor.Por. 155/2549 regarding the calculation of revenue and expense of a company or partnership based on the accrual basis, in which revenues are recognized under the percentage of completion method, which is the same basis as the accounting principle as follows ;

<u>Accounting Policy</u>	<u>Revenue Department Principle</u>	<u>Accounting Principle</u>
Revenue from sales and cost of sales	Projects launched before 2007 - Recognizing revenue based on the installment due Projects launched after 2007 - Recognizing revenue based on percentage of completion method	Recognizing revenue based on percentage of completion method
Interest expenses	Capturing interest to cost of project until the project completing for sale only	Capturing interest to cost of project based on each unit of construction (house) until completing of such unit or ceases to capture interest when finishing of building of each unit (house)
Depreciation - property development	To be depreciated as period cost, based on	Recognizing based on percentage of

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	straight line, 5 years	completion method	
		Separate Financial Statements	
		(In Thousand Baht)	
		For the six-month periods	
		ended June 30,	
		2010	2009
Net profit (loss) before per book		71,947	65,903
Difference in income and expenses between A/C and tax			
<u>Add</u> : Cost of sale not recognized as expenses by tax		43,286	10,099
: Add back expenses		1,485	1,007
<u>Less</u> : Undue installment		(28,457)	(9,630)
Expenses - tax deductible re : Por. 61/2539			
(depreciation of property development)		(339)	-
Interest expenses recognized as expenses re : Por.		(8,062)	(6,929)
61/2539			
: Incomes - tax deductible		(6)	(15,999)
Deficit brought forward, not more than 5 years		-	(31,411)
Net profit before income tax per tax		79,854	13,040
<u>Less</u> : Corporate income tax 25%		(19,963)	(3,260)
Net profit (loss) after income tax per tax		59,891	9,780

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25. BUSINESS SEGMENT INFORMATION

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

	For the three-month period ended June 30, 2010 (In Thousand Baht)							
	Real Estate	Contractor	Project management	Property manager services	Total	Elimination		Consolidated
						DR.	CR.	
Revenues								
Sales	372,053	-	-	-	372,053	-	-	372,053
Construction income	-	2,332	-	-	2,332	-	-	2,332
Service income	-	-	-	1,751	1,751	(493)	-	1,258
Other income	970	22	-	6	998	(42)	-	956
Total revenues	<u>373,023</u>	<u>2,354</u>	<u>-</u>	<u>1,757</u>	<u>377,134</u>			<u>376,618</u>
Expenses								
Cost of sales	266,961	-	-	-	266,961	-	(31)	266,930
Cost of construction	-	1,367	-	-	1,367	-	-	1,367
Cost of service	-	-	-	1,096	1,096	-	-	1,096
Selling expenses	34,548	-	-	-	34,548	-	-	34,548
Administrative expenses	22,750	187	-	819	23,756	-	(514)	23,242
Management benefit expenses	8,325	-	-	48	8,373	-	-	8,373
Total expenses	<u>332,584</u>	<u>1,554</u>	<u>-</u>	<u>1,963</u>	<u>336,101</u>			<u>335,556</u>
Income (loss) before finance cost and income tax	40,439	800	-	(206)	41,033			41,043
Finance cost	4,607	-	-	-	4,607	-	(21)	4,586
Income (loss) before income tax	35,832	800	-	(206)	36,426			36,457
Income tax	8,741	243	-	-	8,984	-	-	8,984
Net income (loss)	<u>27,091</u>	<u>557</u>	<u>-</u>	<u>(206)</u>	<u>27,442</u>			<u>27,473</u>

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For the three-month period ended June 30, 2009 (In Thousand Baht)

	Real	Contractor	Project	Property	Total	Elimination		Consolidated
	Estate		management	manager services		DR.	CR.	
Revenues								
Sales	200,676	-	-	-	200,676	-	-	200,676
Service income	-	-	-	1,339	1,339	(513)	-	826
Other income	2,444	19	-	36	2,499	(34)	-	2,465
Total revenues	203,120	19	-	1,375	204,514			203,967
Expenses								
Cost of sales	131,708	-	-	-	131,708	-	(39)	131,669
Cost of service	-	-	-	662	662	-	-	662
Selling expenses	22,436	-	-	-	22,436	-	-	22,436
Administrative expenses	21,450	116	-	573	22,139	-	(534)	21,605
Management benefit expenses	5,192	-	-	32	5,224	-	-	5,224
Total expenses	180,786	116	-	1,267	182,169			181,596
Income before finance cost and income tax	22,334	(97)	-	108	22,345			22,371
Finance cost	7,392	-	-	-	7,392	-	(14)	7,378
Income before income tax	14,942	(97)	-	108	14,953			14,993
Income tax	(5,847)	(27)	-	(6)	(5,880)	-	-	(5,880)
Net income	20,789	(70)	-	114	20,833			20,873

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For the six-month period ended June 30, 2010 (In Thousand Baht)

	Real	Contractor	Project	Property	Total	Elimination		Consolidated
	Estate		management	manager services		DR.	CR.	
Revenues								
Sales	649,856	-	-	-	649,856	-	-	649,856
Construction income	-	5,108	-	-	5,108	-	-	5,108
Service income	-	-	-	3,146	3,146	(1,080)	-	2,066
Other income	4,878	41	-	18	4,937	(82)	-	4,855
Total revenues	654,734	5,149	-	3,164	663,047			661,885
Expenses								
Cost of sales	457,663	-	-	-	457,663	-	(57)	457,606
Cost of construction	-	2,917	-	-	2,917	-	-	2,917
Cost of service	-	-	-	1,782	1,782	-	-	1,782
Selling expenses	56,702	-	-	-	56,702	-	-	56,702
Administrative expenses	44,367	485	-	1,487	46,339	-	(1,121)	45,218
Management benefit expenses	13,980	-	-	81	14,061	-	-	14,061
Total expenses	572,712	3,402	-	3,350	579,464			578,286
Income before finance cost and income tax	82,022	1,747	-	(186)	83,583			83,599
Finance cost	10,074	-	-	-	10,074	-	(41)	10,033
Income before income tax	71,948	1,747	-	(186)	73,509			73,566
Income tax	19,963	581	-	-	20,544	-	-	20,544
Net income	51,985	1,166	-	(186)	52,965			53,022

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As at June 30, 2010

Property, Plant and equipment - net

179,083	1	-	111	179,195	179,195
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For the six-month period ended June 30, 2009 (In Thousand Baht)

	Real	Contractor	Project	Property	Total	Elimination		Consolidated
	Estate		management	manager services		DR.	CR.	
Revenues								
Sales	387,703	-	-	-	387,703	-	-	387,703
Service income	-	-	-	2,739	2,739	(1,026)	-	1,713
Dividends income	15,999	-	-	-	15,999	(15,999)	-	-
Other income	34,407	734	-	56	35,197	(210)	-	34,987
Total revenues	438,109	734	-	2,795	441,638			424,403
Expenses								
Cost of sales	259,852	-	-	-	259,852	-	(60)	259,792
Cost of service	-	-	-	1,324	1,324	-	-	1,324
Selling expenses	41,021	-	-	-	41,021	-	-	41,021
Administrative expenses	44,686	232	-	1,159	46,077	-	(1,069)	45,008
Management benefit expenses	10,384	-	-	63	10,447	-	-	10,447
Total expenses	355,943	232	-	2,546	358,721			357,592
Income before finance cost and income tax	82,166	502	-	249	82,917			66,811
Finance cost	16,310	-	-	-	16,310	-	(167)	16,143
Income before income tax	65,856	502	-	249	66,607			50,668
Income tax	3,260	153	-	15	3,428	-	-	3,428
Net income (loss)	62,596	349	-	234	63,179			47,240

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As at June 30, 2009

Property, Plant and equipment - net

<u>186,348</u>	<u>18</u>	<u>-</u>	<u>139</u>	<u>186,505</u>	<u>186,505</u>
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26. COMMITMENT AND CONTINGENT LIABILITIES

26.1 The Company have entered into several agreements in respect of leases of building , sales office building , land and the provision of related services.

Future minimum rentals and service charges payables under these agreements as at June 30, 2010, are as follows:

<u>Payable within:</u>	<u>Million Baht</u>
1 year	4.94
2 to 3 years	4.93

26.2 As at June 30, 2010, the Company and subsidiaries have contingent liabilities from letters of guarantees issued by three banks to government agency and third parties amounting to Baht 159.71 million (Baht 159.31 million for the Company only).

26.3 As at June 30, 2010, the Company had contingent liability from letters of guarantee issued by a bank on behalf of the subsidiary for electricity usage amounting to Baht 0.40 million.

26.4 As at June 30, 2010, the Company has contingent liabilities to a bank from the guarantee on the customer's loan and gasoline amounting to Baht 0.86 million (see note 10).

26.5 As at June 30, 2010, the Company have contingent liabilities from purchase of land as part of property development amounting to approximately Baht 54.79 million.

26.6 As at June 30, 2010, the Company has contingent liabilities arising from lawsuits as follows:

- a) A financial institution had filed one civil lawsuits demanding the Company as the loan guarantor to repay the loan with the principal borrowers who were the clients of the Company in the total amount of Baht 0.60 million along with interest at 15% per annum to be calculated from the date of the filing of lawsuit until the date of full settlement (Baht 0.26 million calculated up to June 30, 2010). The financial institution above alleged the borrowers for default on payments of the principal and interest under the terms of the loan agreement. Therefore, the Company as on behalf of the loan guarantor was then charged as the 2nd defendant co-borrower.

As at June 30, 2010, the management has assessed the damage of the lawsuit up to June 30, 2010 and provides a provision in the amount of Baht 0.18 million which is recorded under caption of current liabilities and recognized as an expense in the statement of income for the year 2007 in the amount of Baht 0.18 million.

- b) Two house buyer in the Company's project had filed a civil lawsuit demanding the Company to indemnify the losses resulting from the expropriated land of Baht 7.81 million together with other expenses and interest at 15% per annum to be calculated from the date of the filing of lawsuit until the date of full settlement (Baht 1.29 million calculated up to June 30, 2010). The buyer demanded the Company to return purchase the buyer's home and indemnify the losses.

In year 2009, the Court of First Instance ordered the company to pay indemnify the losses and the Company is under process filed on appeal.

As at June 30, 2010, the ultimate outcome of the case is still indefinite. The management has assessed the damage of the lawsuit up to June 30, 2010 and provides a provision in the amount of Baht 2.68 million which is recorded under caption of current liabilities and recognized as an expense in the statement of income for the year 2009 in the amount of Baht 0.44 million. In 2008, recognizing of the losses was in the amount of Baht 2.24 million.

27. EVENTS AFTER THE BALANCE SHEET DATE

On July 19, 2010, the Company has entered a agreement with the other Company to buy the land and construction (7,544.40 square wah) in amount of Baht 219.35 million, where locates at Tambol Bangcare Aumpur Pasricharoen Bangkok. The land and construction will transferred the ownership right within 90 days from date of agreement.

28. RECLASSIFICATION

Certain amounts in the financial statements for the year ended December 31, 2009 have been reclassified to conform to the current year's classification but with no effect to previously reported net income or shareholders' equity. The reclassifications are as follow:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
<u>Balance sheet as at December 31, 2009</u>				
Property development	1,101,411	1,104,956	-	-
Land held for development	1,241,670	1,238,125	-	-

29. GLOBAL ECONOMIC CRISIS

In the mid 2008, there has been a severe financial crisis in the United States of America, it gives rise a great fluctuation in financial, equity and derivative markets and the economics are significant slowdown. The financial and economic unstable are spread all over the world so as to Thailand. The crisis has significantly affected the business, finance and asset value which would be substantially declined. The global economic crisis remains uncertain as to when the global economy will return to normalcy. These financial statements have been prepared on the bases of estimates and assumptions currently considered appropriate. However, these situations have begun to ease since the second half year of 2009.

30. OTHER INFORMATION

Since, the first quarter 2009, the Company confiscated a land deposit money in the amount of Baht 30 million from an other person because it was failure to comply with the conditions in contract by another side. This matter is approved by the Company's management. The entry is recorded as other income in full amount.

31. AUTHORIZATION FOR ISSUE OF FINANCIAL STATEMENTS

These interim financial statements are authorized to issue by Company's directors on August 11, 2010.