Sansiri Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the years ended 31 December 2008 and 2007

1. Corporate information

Sansiri Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company operates in Thailand and is principally engaged in property development.

The Company's top 5 major shareholders as at 9 April 2008, closed date of share transfer, are as following:

	Percentage of shareholding (base on paid-up capital)
1. Trendy Plan Investments Limited	12.30
2. Chase Nominees Limited 42	8.64
3. UOB Kay Hian Private Limited	7.81
4. Viriyah Insurance Company Limited	6.47
5. Finansa Life Insurance Company Limited	4.74

Its registered address is at 475, Siripinyo Building, Sri Ayutthaya Road, Phayathai, Rajthevi, Bangkok.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 14 September 2001, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Sansiri Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding		Assets as a percentage to the consolidated total assets as at 31 December		Revenues as a percentage to the consolidated total revenues for the years ended 31 December	
			2008	2007	2008	2007	2008	2007
			Percent	Percent	Percent	Percent	Percent	Percent
Directly owned								
Chanachai Ltd.	Property development	Thailand	100	100	5.27	3.71	1.90	8.31
Rojnaruemit Ltd.	Property development	Thailand	100	100	0.02	0.02	-	-
Plus Property Co., Ltd.	Property development	Thailand	100	100	21.79	23.25	28.75	21.60
Sansiri Venture Co., Ltd.	Property development	Thailand	100	60	5.77	4.53	7.75	0.22
S.U.N. Management Co., Ltd.	Property development	Thailand	51	51	0.93	0.97	0.09	0.08
Anawat Co., Ltd. (formerly known as "Sansiri Ram-Indra Ltd.")	Property development	Thailand	100	100	4.81	4.06	2.65	0.19
Phiwanthana Co., Ltd. (formerly known as "Prompt Pattana Property Ltd.")	Property development	Thailand	100	100	6.92	4.17	3.44	5.83
Club House Property Ltd.	Property development	Thailand	100	100	-	-	-	-
Red Lotus Properties Ltd.	Property development	Thailand	100	100	1.18	0.78	0.55	0.62
Pacific Challenge Holding Co., Ltd.	Property development	Thailand	85	85	0.18	0.14	0.06	0.20
Papanan Ltd.	Provision of medical, aesthetics and medical spa	Thailand	100	100	0.23	0.49	0.44	0.37
Indirectly owned								
Plus Property Venture Co., Ltd.	Property development	Thailand	100	51	0.30	1.84	2.98	3.16
Sansiri Land Ltd.	Property development	Thailand	100	100	0.14	0.20	0.12	1.02
Touch Property Co., Ltd.	Property development	Thailand	100	100	0.35	0.25	0.55	0.29
Plus Property Space Co., Ltd.	Property development	Thailand	100	51	2.52	1.29	0.01	-

b) Subsidiaries are fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

c) The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent significant accounting policies.

d) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.

e) Minority interests represent the portion of net income or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

f) The Board of Directors Meeting of the Company No.2/2008 held on 27 February 2008 passed the resolution approving the Company to acquire the additional 120,000 ordinary shares or equivalent to 40 percent of paid-up capital of Sansiri Venture Company Limited at a price of Baht 175.03 million. The transaction will be made into 2 installments:

The 1st installment: The Company will buy the 30,000 ordinary shares or equivalent to 10 percent of paid-up capital of Sansiri Venture Company Limited at a price of Baht 43.76 million within March 2008.

The 2nd installment: The Company will buy the 90,000 ordinary shares or equivalent to 30 percent of paid-up capital of Sansiri Venture Company Limited at a price of Baht 131.27 million within September 2008.

As at 24 March 2008 and 1 September 2008, the Company already purchased the 1st installment and the 2nd installment of ordinary shares, respectively, resulting to increase its shareholding in Sansiri Venture Company Limited from 60 percent to 70 percent and 100 percent, respectively.

g) The Board of Directors Meeting of Plus Property Company Limited (Plus) No.3/2008 held on 27 February 2008 passed the resolution approving Plus to acquire the additional 490,000 ordinary shares or equivalent to 49 percent of paid-up capital of Plus Property Space Company Limited at a price of Baht 49.70 million. In addition, the Board also approved Plus to acquire the additional 490,000 ordinary shares or equivalent to 49 percent of paid-up capital of Plus Property Venture Company Limited at a price of Baht 7.54 million. Each transactions will be made into 2 installments.

<u>Plus Property Space Company Limited</u>

The 1st installment: Plus will buy the 190,000 ordinary shares or equivalent to 19 percent of paid-up capital of Plus Property Space Company Limited at a price of Baht 19.27 million within March 2008.

The 2nd installment: Plus will buy the 300,000 ordinary shares or equivalent to 30 percent of paid-up capital of Plus Property Space Company Limited at a price of Baht 30.43 million within September 2008.

Plus Property Venture Company Limited

The 1st installment: Plus will buy the 190,000 ordinary shares or equivalent to 19 percent of paid-up capital of Plus Property Venture Company Limited at a price of Baht 2.92 million within March 2008.

The 2nd installment: Plus will buy the 300,000 ordinary shares or equivalent to 30 percent of paid-up capital of Plus Property Venture Company Limited at a price of Baht 4.62 million within September 2008.

As at 24 March 2008 and 1 September 2008, Plus already purchased the 1st installment and the 2nd installment of ordinary shares, respectively, resulting to increase its shareholding in Plus Property Space Company Limited and Plus Property Venture Company Limited from 51 percent to 70 percent and 100 percent, respectively.

As the date of acquisition, net asset value of Sansiri Venture Company Limited, Plus Property Space Company Limited and Plus Property Venture Company Limited comprised the following: -

The 1st installment

(Unit: Thousand Baht)

	Sansiri Venture Company Limited	Plus Property Space Company Limited	Plus Property Venture Company Limited	Total
Assets				
Cash and deposits at financial institutions	216,888	29,412	8,483	254,783
Current assets	986,135	345,313	363,931	1,695,379
Non-current assets	1,333	166	1,233	2,732
Total assets	1,204,356	374,891	373,647	1,952,894
Liabilities				
Current liabilities	640,942	229,954	406,976	1,277,872
Non-current liabilities	635,000	176,700	-	811,700
Total liabilities	1,275,942	406,654	406,976	2,089,572
Net asset value	(71,586)	(31,763)	(33,329)	(136,678)
Percentage of investment	10	19	19	
Net asset value in the percentage of investment	(7,159)	(6,035)	(6,332)	(19,526)
Purchase price	43,760	19,270	2,920	65,950
Goodwill from acquisition of subsidiaries	50,919	25,305	9,252	85,476

The 2nd installment

(Unit: Thousand Baht)

	Sansiri Venture Company Limited	Plus Property Space Company Limited	Plus Property Venture Company Limited	Total
Assets				
Cash and deposits at financial institutions	151,911	11,156	1,421	164,488
Current assets	1,086,296	439,505	318,760	1,844,561
Non-current assets	1,802	148	803	2,753
Total assets	1,240,009	450,809	320,984	2,011,802
Liabilities				
Current liabilities	525,037	303,218	155,219	983,474
Non-current liabilities	703,318	181,700	191,700	1,076,718
Total liabilities	1,228,355	484,918	346,919	2,060,192
Net asset value	11,654	(34,109)	(25,935)	(48,390)
Percentage of investment	30	30	30	
Net asset value in the percentage of investment	3,496	(10,233)	(7,781)	(14,518)
Purchase price	131,270	30,430	4,620	166,320
Goodwill from acquisition of subsidiaries	127,774	40,663	12,401	180,838

h) In the first quarter of 2007, Plus Property Company Limited incorporated a new subsidiary, Touch Property Company Limited, investing a total of Baht 5 million, for a 100 percent shareholding. This company engaged in property development.

i) In the second quarter of 2007, Plus Property Company Limited together with investing partner incorporated a new subsidiary, Plus Property Space Company Limited, investing a total of Baht 5.1 million, for a 51 percent shareholding. This company engaged in property development.

j) In the second quarter of 2007, the Company sold its 40 percent interest in issued and paid-up share capital of Sansiri Venture Company Limited for Baht 1.83 million to a company resulting in dilution of the Company's interest in that company to 60 percent of issued and paid-up share capital.

k) In the fourth quarter of 2007, the Company sold all of its investments in Siri Phuket Limited (51% of that company's issued and paid-up share capital) together with loans and accrued interest up to settlement date, to KNP Investments Pte. Ltd, at a price of Baht 235.14 million (including the Baht 144.08 million outstanding balance of loans and accrued interest as of the disposal date), in accordance with the conditions of options to sell shares which formed part of a Joint Venture Agreement with KNP Investments Pte. Ltd. The gains on this sale of investments recorded in the consolidated and separate financial statements amounted to Baht 162.86 million and Baht 154.69, respectively.

As of the date of disposal, the net asset value of Siri Phuket Limited comprised the following: -

(Unit: Thousand Baht)

Assets	
Cash and deposits at financial institutions	5,290
Property development for sale	282,049
Other assets	271
Total assets	287,610
Liabilities	
Loans	378,746
Accrued interest expenses	58,151
Other liabilities	326
Total liabilities	437,223
Net asset value	(149,613)
Net assets value in the Company's proportion (51%)	(76,303)
Unrealised gain on intra-group transactions in proportion to the shares sold	3,204
Total investment value in the Company's proportion	(73,099)
Less: Selling price (net of loans and accrued interest)	89,762
Gain on sale of investment	162,861

The Company received Baht 57 million from the disposal of its investment in Siri Phuket Limited in December 2007 and subsequently, on 15 February 2008, received the balance of Baht 178.14 million in full.

2.3 The separate financial statements, which present investments in subsidiaries under the cost method, have been prepared solely for the benefit of the public.

3. Adoption of new accounting standards

3.1 Accounting standards which are effective for the current year

The Federation of Accounting Professions has issued Notification No. 9/2550, 38/2550 and 62/2550 mandating the use of new accounting standards as follows:

TAS 25 (revised 2007)	Cash Flow Statements
TAS 29 (revised 2007)	Leases
TAS 31 (revised 2007)	Inventories
TAS 33 (revised 2007)	Borrowing Costs
TAS 35 (revised 2007)	Presentation of Financial Statements
TAS 39 (revised 2007)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 41 (revised 2007)	Interim Financial Reporting
TAS 43 (revised 2007)	Business Combinations
TAS 49 (revised 2007)	Construction Contracts
TAS 51	Intangible Assets

These accounting standards become effective for the financial statements for fiscal years beginning on or after 1 January 2008. The management has assessed the effect of these standards and believes that these accounting standards do not have any significant impact on the financial statements for the current year except for TAS 43 (revised 2007) which has an impact to the financial statements as following:

TAS 43 (revised 2007) "Business Combinations"

TAS 43 (revised 2007) does not require the Company to amortise goodwill acquired in a business combination. Such goodwill is instead to be tested for impairment, and measured at cost less accumulated impairment losses. This accounting standard applies to goodwill arising from business combinations for which the agreement date is on or after 1 January 2008. Previously recognised goodwill can be accounted for prospectively, with the Company discontinuing the amortisation of the goodwill and instead testing for impairment, as from the beginning of the first fiscal year starting on or after 1 January 2008.

3.2 Accounting standards which are not effective for the current year

The Federation of Accounting Professions has also issued Notification No. 86/2551 mandating the use of the following new accounting standards:

TAS 36 (revised 2007)	Impairment of Assets
TAS 54 (revised 2007)	Non-current Assets Held for Sale and Discontinued Operations

These accounting standards will become effective for the financial statements for fiscal years beginning on or after 1 January 2009. The management has assessed the effect of these standards and believes that they will not have any significant impact on the financial statements for the year in which they are initially applied.

4. Significant accounting policies

4.1 Revenue recognition

a) Revenue from property development for sales

Revenue from property development for sales is recognised by reference to the stage of completion, beginning when the following significant conditions are met:

- sales agreements have been finalised, or in the case of condominium developments sales agreements have been finalised for a minimum of 40 percent of the total area offered for sale;
- a non-refundable deposit have been finalised of at least 20 percent of the value of the sales agreement has been received from the customer;
- development is a minimum of 10 percent complete (as measured by construction costs incurred compared to total budgeted construction costs).

Stage of completion is measured by reference to the relationship that costs incurred to date (excluded land cost) bears to the estimated total cost of the transactions.

No income is recognised from contracts under which more than three consecutive installments are overdue.

b) Rental income

Rental income is recognised in the income statement on an accrual basis over the term of the lease. Initial expenses are recorded as a part of total rental as lease agreement.

c) Revenue from hotel business

Room revenues are recognised on an accrual basis over the period of the guests stay. Food and beverage revenues are recognised after the food and beverages have been served. Recognised revenue does not include valued added tax and state net of discounts.

d) Service income

Service income is recognised when service rendered by reference to the stage of completion.

e) Interest income

Interest income is recognised as interest accrues based on the effective rate method.

f) Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cost of property development for sale and cost of project sales

Property development projects for sales are stated at the lower of cost and net realisable value, consisting of the cost of land, design fees, utilities, construction costs, and directly related interest and expenses.

In determining the costs of land and houses and residential condominium units sold, the anticipated total development costs (after recognising the costs incurred to date) are attributed to land and houses on the basis of the salable area, residential condominium units on the basis of sale value and then recognised as costs in the income statement according to the percentage of completion.

The Company and its subsidiaries recognise loss on diminution in value of projects (if any) in the income statements.

4.3 Selling expenses

Selling expenses directly associated with projects, such as specific business tax and transfer fees are charged to income in proportion to the percentage of total revenue recognised.

4.4 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.5 Trade accounts receivable and allowance for doubtful accounts

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

4.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction of the projects that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the costs of the respective assets. Capitalisation ceases when the projects are ready for their intended use or sale, when the physical construction of the projects is complete, or when construction is suspended and until active development resumes. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

To the extent that funds are borrowed specifically for the development of projects, interest costs are presented as the actual borrowing costs less any investment income from the temporary investment of those borrowings. To the extent that funds are borrowed and used for the general purposes, the interest costs are determined by applying a capitalisation rate to the expenditures on that project. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the entity that are outstanding during the year, other than borrowings made for specific purposes.

4.7 Investments

a) Investments in securities held for trading are stated at fair value. Gains or losses arising from changes in the carrying amounts of securities are included in determining income.

b) Investments in available-for-sale securities are stated at fair value. Changes in the carrying amounts of securities are recorded as separate items in shareholders' equity until the securities are sold, when the changes are then included in determining income.

c) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on diminution in value (if any).

d) Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

f) Investment properties are property development for rent, are stated at cost less accumulated depreciation and impairment losses in accordance with the cost model adopted for the recognition of property, plant and equipment.

The fair value of marketable securities is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand.

The weighted average method is used for computation of the cost of investments.

In the event the Company reclassifies investments in securities, such investments are adjusted to their fair value as at the reclassification date. Differences between the carrying amount of the investments and their fair value on that date are included in determining income or recorded as surplus (deficit) from change in the value of investments in shareholders' equity, depending on the type of investment which is reclassified.

4.8 Land, building and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of, building and equipment is calculated by reference to their costs on a straight-line basis over the following estimated useful lives.

Buildings and improvements	20 years
Improvements and renovation - hotel	5 years
Fixtures and equipment	3 - 5 years
Operating equipment - hotel	5 years
Temporary sales office	2 - 2.5 years
Motor vehicles	5 years

No depreciation is provided for land and construction in progress.

Depreciation is included in determining income.

4.9 Leasehold rights and amortisation

Leasehold rights are stated at cost less accumulated amortisation. The Company and its subsidiaries amortise leasehold rights on a straight-line basis over the leasehold period.

The amortisation is included in determining income.

4.10 Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortisation. Amortisation is calculated by reference to cost on a straight-line basis over the expected future period, for which the assets are expected to generate economic benefit, as follows: -

Computer software	3 - 5 years
Franchise fee	5 years

The amortisation is included in determining income.

4.11 Goodwill

Goodwill is initially measured at cost, which is the excess of the cost of the business combination over the Company's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

4.12 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.13 Long-term leases

a) Finance leases

Leases of property, plant and equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to the income statements over the lease period. The equipment acquired under finance lease is depreciated over the shorter of the useful life of the asset and the lease period.

b) Operating leases

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statements on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, and payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

4.14 Foreign currencies

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the balance sheet date.

Gains and losses on exchange are included in determining income.

4.15 Impairment of assets

At each reporting date, the Company and its subsidiaries perform impairment reviews in respect of the land, building and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company also carries out annual impairment reviews in respect of goodwill. 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, an appropriate 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.

4.16 Employee benefits

Salaries, wages, bonuses and contributions to the social security fund and provident fund are recognised as expenses when incurred.

4.17 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.18 Income tax

Income tax is provided in the accounts based on the taxable profits determined in accordance with tax legislation.

5. 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 affect reported amounts and disclosures and actual results could differ. Significant judgments and estimates are as follows:

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.

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.

Project development costs estimation

In calculating cost of land and houses and condominium sold, the Company and its subsidiaries have to estimate all project development costs, comprising land and land improvement costs, design and construction costs, public utility costs, borrowing costs and other related costs. The management estimates these costs based on their business experience and revisits the estimations on a periodical basis or when the actual costs incurred significantly vary from the estimated costs.

Land, building and equipment/Depreciation

In determining depreciation of building and equipment, the management is required to make estimates of the useful lives and salvage values of the Company and its subsidiaries' building and equipment and to review estimate useful lives and salvage values when there are any changes.

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.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and other 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.

Litigation

The Company and its subsidiaries have contingent liabilities as a result of litigation. The management has exercised judgment to assess of the results of the litigation and recorded certain contingent liabilities as at the balance sheet date. However, actual results could differ from the estimates.

Provision for home care warrantee

In recording provision for home care warrantee, the management estimates the expenses expected to be incurred as a result of providing such warrantee based on past experiences of actual expenses claimed.

6. Related party transactions

6.1 During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	2008	2007	2008	2007	Pricing policy
Revenues from project sales					Cost plus certain margin
Subsidiaries					at rates of 25% - 36%
Plus Property Co., Ltd.	-	-	-	6,677	
Touch Property Co., Ltd.	-	-	14,770	-	
Related parties					
J&W Development Co., Ltd.	-	130,000	-	130,000	
Related persons	57,663	11,667	43,007	11,667	
Total	57,663	141,667	57,777	148,344	
Rental income					The same rate
Subsidiaries					as other customers
Plus Property Co., Ltd.	-	-	104	127	
Phiwanthana Co., Ltd. (formerly known as "Prompt Pattana Property Ltd.")	-	-	880	369	
Touch Property Co., Ltd.	-	-	11	6	
Sansiri Land Ltd.	-	-	999	908	
Related party					Based on agreement
National Education Development Co., Ltd.	20,560	26,670	-	-	(Note 12)
Total	20,560	26,670	1,994	1,410	
Revenues from business management					
Subsidiaries					
S.U.N. Management Co., Ltd.	-	-	-	1,750	Based on agreement (1)
Sansiri Venture Co., Ltd.	-	-	15,600	37,445	Based on agreement (6), (8), (9), (10)
Related party					Based on agreement (5)
J&W Development Co., Ltd.	3,058	7,066	3,058	7,066	
Total	3,058	7,066	18,658	46,261	

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	2008	2007	2008	2007	Pricing policy
Interest income					Cost of fund plus certain percent
Subsidiaries					
Chanachai Ltd.	-	-	404	8,808	
Rojnaruemit Ltd.	-	-	-	3,272	
Plus Property Co., Ltd.	-	-	75,218	19,981	
Anawat Co., Ltd. (formerly known as "Sansiri Ram-Indra Ltd.")	-	-	6,608	5,570	
Phiwanthana Co., Ltd. (formerly known as "Prompt Pattana Property Ltd.")	-	-	31,336	19,683	
Club House Property Ltd.	-	-	-	9,159	
Sansiri Venture Co., Ltd.	-	-	-	3,246	
Red Lotus Properties Ltd.	-	-	931	2,379	
Papanan Ltd.	-	-	397	5,370	
Pacific Challenge Holding Co., Ltd.	-	-	3,077	3,773	
Total	-	-	117,971	81,241	
Construction and material cost					
Subsidiaries					
Plus Property Co., Ltd.	-	-	1,519	6,840	Based on agreement (4)
Touch Property Co., Ltd.	-	-	24	1,700	Based on agreement in normal course of business
Related parties					
Syntech Construction Plc.	50,086	446,853	7,059	-	Based on agreement in normal course of business
Décor Mart Co., Ltd.	29,289	273,269	17,373	170,879	
Grand Homemart Co., Ltd.	201,453	40,131	119,822	21,521	
General Engineering Plc.	87,763	53,677	14,155	27,312	
Total	368,591	813,930	159,952	228,252	
Project management fee					Based on agreement (2) (7)
Subsidiary					
Plus Property Co., Ltd.	-	-	23,016	26,832	
Total	-	-	23,016	26,832	
Commission expense					Based on agreement (3)
Subsidiary					
Plus Property Co., Ltd.	-	-	112,636	132,945	
Total	-	-	112,636	132,945	
Interest expenses					1.50 - 9.12 percent per annum
Subsidiary					
S.U.N. Management Co., Ltd.	-	-	230	229	

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	2008	2007	2008	2007	Pricing policy
Related parties					
Lehman Brothers Commercial Corporation Asia Limited	-	7,650	-	-	
J&W Development Co., Ltd.	829	2,717	-	-	
Space Development Co., Ltd.	2,765	1,803	-	-	
Directors of subsidiary	1,419	4,836	-	-	
Total	5,013	17,006	230	229	

Directors and management's remuneration

In 2008 and 2007, the Company and its subsidiaries paid salaries, bonus, meeting allowances and gratuities to their directors and management totaling Baht 127.44 million and Baht 69.97 million, respectively, (Separate financial statements: Baht 112.93 million and Baht 63.23 million, respectively).

Transactions, pricing policies and related contracts are as follows: -

(1) Revenue from business services provided for a period of 3 years, following completion of project development which in total amount Baht 5.40 million. Of this, Baht 3.60 million was paid in advance and the remaining amount is payable at a rate of Baht 0.05 million per month.

(2) Project management fees are charged at rates ranging from Baht 65,000 to Baht 332,254 per month, depended upon the size of the project.

(3) Commission expenses from sales of projects are charged at rates from 1.00 percent to 1.50 percent of selling price per the contract, with payments divided between the time the customer executes the agreement and when the properties are transferred.

(4) A total of Baht 3,025,465 is charged for the right to use the "Plus" and "Condo One" trademark for projects. The Company paid 40 percent of this in advance, on the contract date, and the remaining 60 percent is charged monthly, over 26 months and 27 months.

(5) Management fee income for a period of 30 months as from April 2007 is charged at Baht 409,000 to Baht 596,000 per month. In case that the order of condominium units reach to 80 percent of project price, the Company will earn certain incentive of Baht 3 million and if earnings before interest expenses and income tax of the project excess specified amounts, the Company will receive profit sharing as agreed rate.

(6) Management fee income starting from August 2007 to completion of project is charged at Baht 267,500 to Baht 400,000 per month. In case that the order of condominium units reach to 80 percent of project price, the Company will earn certain incentive of Baht 7 million. In addition, a total of Baht 2,659,760 is charged for the right to use the “SIRI on 8” trademark.

(7) Management fee for “Saran Sport Club” for 2 years periods, starting from November 2006, is charged at Baht 60,000 per month.

(8) Management fee income starting from October 2007 to completion of project is charged at Baht 300,000 per month. In case that the order of condominium units reach to 80 percent of project price, the Company will earn certain incentive of Baht 10 million. In addition, a total of Baht 6,225,115 is charged for the right to use the “Privé By Sansiri” trademark.

(9) Management fee income starting from October 2007 to completion of project is charged at Baht 350,000 per month. In case that the order of condominium units reach to 80 percent of project price, the Company will earn certain incentive of Bath 15 million. In addition, a total of Baht 7,982,812 is charged for the right to use the “39 by Sansiri” trademark.

(10) Management fee income starting from November 2007 to completion of project is charged at Baht 250,000 per month. In case that the order of condominium units reach to 80 percent of project price, the Company will earn certain incentive of Baht 1.5 million. In addition a total of Baht 1,587,026 is charged for the right to use the “Preen by Sansiri” trademark.

The relationships between the Company, subsidiaries and their related parties are summarised below: -

Name of related parties	Relationship
Syntec Construction Plc.[3]	Common shareholder of the Company
Lehman Brothers Commercial Corporation Asia Limited	Shareholder of KNP Investments Pte. Ltd., who is a shareholder of Siri Phuket Ltd. (the Company sold investment in Siri Phuket Ltd. to KNP in December 2007)
Regency One Co., Ltd.	Held by Chanachai Ltd.
Univentures Asset Management Co., Ltd.	Shareholder of S.U.N. Management Co., Ltd.
Prestige Gift and Premium Co., Ltd.	Shareholder of S.U.N. Management Co., Ltd.
Univentures Plc.	Shareholder of Univentures Asset Management Co., Ltd. and Forward Systems Co., Ltd.
Forward Systems Co., Ltd.	Common shareholder with Univentures Asset Management Co., Ltd.
J & W Development Co., Ltd.[1]	Shareholder of Plus Property Venture Co., Ltd.
Décor Mart Co., Ltd. [1]	One of director is a major shareholder of J&W Development Co., Ltd.
Space Development Co., Ltd. [1]	Shareholder of Plus Property Space Co., Ltd. and Sansiri Venture Co., Ltd.
Grand Homemart Co., Ltd. [1]	Common director with J&W Development Co., Ltd.
National Education Development Co., Ltd. [1]	Common director with J&W Development Co., Ltd.
General Engineering Plc. [2]	Common director with the Company

[1] Due to the Company's investment in Plus Property Venture Co., Ltd., Plus Property Space Co., Ltd. and Sansiri Venture Co., Ltd. resulting in 100 percent shareholding of paid-up capital of those companies since September 2008, J&W Development Co., Ltd. and Space Development Co., Ltd. and their related companies are not related to the Company since then.

[2] Since there was a change in the Company's directors in April 2008, General Engineering Plc. is not related to the Company since then.

[3] As Natural Park Plc. reduced the percentage of shareholding in the Company's paid up capital to 4.26% (as at 9 April 2008, closed date of share transfer), Natural Park Plc. and Syntec Construction Plc. (held by Natural Park Plc.) are not the Company's related party since then.

6.2 The balances of the accounts as at 31 December 2008 and 2007 between the Company and those related companies are as follows: -

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Accounts receivable, note receivables and unbilled completed works				
Accounts receivable				
Subsidiaries				
Plus Property Co., Ltd.	-	-	205	10
Chanachai Ltd.	-	-	71	-
Sansiri Land Ltd.	-	-	85	16
Phiwanthana Co., Ltd. (formerly known as "Prompt Pattana Property Ltd.")	-	-	-	54
Touch Property Co., Ltd.	-	-	1	2
Sansiri Venture Co., Ltd.	-	-	268	36,000
Papanan Ltd.	-	-	2	-
Total	-	-	632	36,082
Unbilled completed work				
Subsidiary				
Touch Property Co., Ltd.	-	-	5,861	-
Related parties				
Related persons	2,100	-	992	-
Total	2,100	-	6,853	-
Total	2,100	-	7,485	36,082
Advance for subcontractors				
Related parties				
Syntec Construction Plc.	-	15,805	-	19
Décor Mart Co., Ltd.	-	4,212	-	2,016
Grand Homemart Co., Ltd.	-	-	-	6,397
Total	-	20,017	-	8,432
Other receivables				
Subsidiaries				
Chanachai Ltd.	-	-	-	37,010
Phiwanthana Co., Ltd. (formerly known as "Prompt Pattana Property Ltd.")	-	-	24,775	-
Related party				
Syntec Construction Plc.	-	392	-	392
Total	-	392	24,775	37,402

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Loans to related parties				
Subsidiaries				
Anawat Co., Ltd. (formerly known as "Sansiri Ram-Indra Ltd.")	-	-	973,877	929,117
Plus Property Co., Ltd.	-	-	1,090,000	585,000
Phiwanthana Co., Ltd. (formerly known as "Prompt Pattana Property Ltd.")	-	-	911,118	831,116
Red Lotus Properties Ltd.	-	-	218,000	133,500
Papanan Ltd.	-	-	248,325	213,325
Pacific Challenge Holding Co., Ltd.	-	-	45,000	45,500
Related parties				
Univentures Asset Management Co., Ltd.	8,850	8,850	-	-
Prestige Gift & Premium Co., Ltd.	5,850	5,850	-	-
Regency One Co., Ltd.	5,000	5,000	-	-
Total	19,700	19,700	3,486,320	2,737,558
Less: Allowance for doubtful accounts	(5,000)	(5,000)	(401,945)	(233,797)
Net	14,700	14,700	3,084,375	2,503,761

During the current year, the Company recorded allowance for doubtful accounts of loans to Papanan Ltd. Baht 168.15 million (2007: Papanan Ltd., Pacific Challenge Holding Co., Ltd. and Anawat Co., Ltd. (formerly known as "Sansiri Ram-Indra Ltd.") totaling Baht 150.68 million).

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Interest receivables				
Subsidiaries				
Anawat Co., Ltd. (formerly known as "Sansiri Ram-Indra Ltd.")	-	-	13,006	11,973
Phiwanthana Co., Ltd. (formerly known as "Prompt Pattana Property Ltd.")	-	-	14,516	13,528
Red Lotus Properties Ltd.	-	-	2,918	1,987
Papanan Ltd.	-	-	3,710	3,313
Related parties				
Univentures Asset Management Co., Ltd.	33	33	-	-
Prestige Gift & Premium Co., Ltd.	22	22	-	-
Regency One Co., Ltd.	333	333	-	-
Total	388	388	34,150	30,801
Less: Allowance for doubtful accounts	(333)	(333)	-	-
Net	55	55	34,150	30,801

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Deposits for rent and others				
Related party				
Décor Mart Co., Ltd.	-	3,988	-	3,424
Total	-	3,988	-	3,424
Accounts payable - construction and material cost				
Related parties				
Syntec Construction Plc.	-	31,481	-	90
Forward Systems Co., Ltd.	21	398	21	32
Décor Mart Co., Ltd.	-	22,360	-	12,043
Grand Homemart Co., Ltd.	-	22,474	-	11,065
General Engineering Plc.	-	3,926	-	3,442
Total	21	80,639	21	26,672
Construction retention				
Related parties				
Syntec Construction Plc.	-	34,449	-	4,003
General Engineering Plc.	-	2,374	-	94
Total	-	36,823	-	4,097
Short-term loans from related companies				
Subsidiary				
S.U.N. Management Co., Ltd.	-	-	15,300	15,300
Related parties				
J&W Development Co., Ltd.	-	27,200	-	-
Space Development Co., Ltd.	-	51,940	-	-
Directors of subsidiary	-	46,500	-	-
Total	-	125,640	15,300	15,300
Unearned income				
Related party				
Related persons	1,373	71	1,373	71
Total	1,373	71	1,373	71
Accrued interest				
Subsidiary				
S.U.N. Management Co., Ltd.	-	-	746	516
Total	-	-	746	516

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Other payables				
Subsidiaries				
Papanan Ltd.	-	-	387	-
Sansiri Land Ltd.	-	-	144	-
Plus Property Co., Ltd.	-	-	6,634	26,092
Touch Property Co., Ltd.	-	-	453	1,378
Chanachai Ltd.	-	-	-	10
Phiwanthana Co., Ltd. (formerly known as "Prompt Pattana Property Ltd.")	-	-	4,319	7
Total	-	-	11,937	27,487
Deposits for building rental and others				
Subsidiaries				
Chanachai Ltd.	-	-	18	18
Plus Property Co., Ltd.	-	-	25	25
Phiwanthana Co., Ltd. (formerly known as "Prompt Pattana Property Ltd.")	-	-	441	75
Sansiri Land Ltd.	-	-	285	285
Total	-	-	769	403

6.3 During the year, movements of loans to related parties were as follow: -

(Unit: Million Baht)

	Consolidated financial statements			
	Balance as at	During the year		Balance as at
	1 January 2008	Increase	Decrease	31 December 2008
Related parties				
Univentures Asset Management Co., Ltd.	8.85	-	-	8.85
Prestige Gift & Premium Co., Ltd.	5.85	-	-	5.85
Regency One Co., Ltd.	5.00	-	-	5.00

(Unit: Million Baht)

	Separate financial statements			
	Balance as at	During the year		Balance as at
	1 January 2008	Increase	Decrease	31 December 2008
Subsidiaries				
Chanachai Ltd.	-	39.77	(39.77)	-
Anawat Co., Ltd. (formerly known as "Sansiri Ram-Indra Ltd.")	929.12	145.46	(100.70)	973.88
Plus Property Co., Ltd.	585.00	960.00	(455.00)	1,090.00
Phiwanthana Co., Ltd. (formerly known as "Prompt Pattana Property Ltd.")	831.12	548.47	(468.47)	911.12
Red Lotus Properties Ltd.	133.50	84.50	-	218.00
Papanan Ltd.	213.32	35.00	-	248.32
Pacific Challenge Holding Co., Ltd.	45.50	-	(0.5)	45.00

As at 31 December 2008, loans to related parties are clean loans, due for repayment at call, and carried interest at rates of 1.50 - 7.25 percent per annum (2007: 1.50 - 7.25 percent per annum).

As at 31 December 2008 and 2007, the Company and its subsidiaries have ceased recognition of interest on principal of loans to related parties amounting to Baht 19.70 million because of default on interest payment for three consecutive installments (Separate financial statement: Baht 2,292.32 million and Baht 2,107.06 million, respectively).

6.4 During the year, movements of loans from related parties were as follow: -

(Unit: Million Baht)

	Consolidated financial statements			
	Balance as at	During the year		Balance as at
	1 January 2008	Increase	Decrease	31 December 2008
Related parties				
J&W Development Co., Ltd.	27.20	-	(27.20)	-
Space Development Co., Ltd.	51.94	16.35	(68.29)	-
Directors of subsidiary	46.50	-	(46.50)	-

(Unit: Million Baht)

	Separate financial statements			
	Balance as at	During the year		Balance as at
	1 January 2008	Increase	Decrease	31 December 2008
Subsidiary				
S.U.N. Management Co., Ltd.	15.30	-	-	15.30

As at 31 December 2008, loans from related parties comprise clean loans, due at call and carrying interest at rates of 1.50 percent per annum (2007: 1.50 - 9.12 percent per annum).

6.5 Guarantees to related companies

As at 31 December 2008 and 2007, the Company and its subsidiaries have the following obligations in respect of guarantees provided to financial institutions for loans facilities: -

(Unit: Million Baht)

Guarantor	Guarantee	2008	2007
Sansiri Plc.	Chanachai Ltd.	930	262
	Anawat Co., Ltd. (formerly known as "Sansiri Ram-Indra Ltd.")	1,380	510
	Phiwanthana Co., Ltd. (formerly known as "Prompt Pattana Property Ltd.")	3,118	1,381
	Red Lotus Properties Ltd.	162	253
	Sansiri Venture Co., Ltd.	1,349	809
Total		6,939	3,215
Plus Property Co., Ltd.	Plus Property Venture Co., Ltd.	-	103
	Sansiri Land Ltd.	16	13
	Plus Property Space Co., Ltd.	528	269
Total		544	385
Phiwanthana Co., Ltd. (formerly known as "Prompt Pattana Property Ltd.")	Sansiri Plc.	790	-
	Anawat Co., Ltd. (formerly known as "Sansiri Ram-Indra Ltd.")	1,300	510
Total		2,090	510
Club House Property Ltd.	Anawat Co., Ltd. (formerly known as "Sansiri Ram-Indra Ltd.")	-	510
	Phiwanthana Co., Ltd. (formerly known as "Prompt Pattana Property Ltd.")	-	687
Total		-	1,197

(Unit: Million Baht)

Guarantor	Guarantee	2008	2007
Anawat Co., Ltd. (formerly known as "Sansiri Ram-Indra Ltd.")	Phiwanthana Co., Ltd. (formerly known as "Prompt Pattana Property Ltd.")	600	987
J&W Development Co., Ltd.	Plus Property Venture Co., Ltd.	-	99
Space Development Co., Ltd.	Plus Property Space Co., Ltd.	-	259
	Sansiri Venture Co., Ltd.	-	540
Total		-	799

7. Cash and cash equivalents

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Cash and deposits at financial institutions	2,040.35	1,859.41	1,178.27	1,148.44
Less: Current investments	(40.93)	(35.63)	(29.05)	(28.23)
Deposits at financial institutions subject to restrictions	(23.79)	(18.71)	(3.73)	(3.73)
Cash and cash equivalents	1,975.63	1,805.07	1,145.49	1,116.48

As at 31 December 2008 and 2007, restricted deposits at financial institutions of the Company and its subsidiaries have been pledged as collateral for guarantees facilities issued by banks on behalf of the Company and its subsidiaries.

8. Accounts receivable, notes receivable and unbilled completed work

Accounts receivable, notes receivable and unbilled completed work as at 31 December 2008 and 2007 presented as follows: -

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Unbilled completed work	2,047.85	2,179.58	1,160.43	693.24
Notes receivable	83.42	30.65	-	-
Service receivables	57.59	59.56	12.51	51.92
Installment accounts receivable	49.35	37.11	26.84	15.09
Total	2,238.21	2,306.90	1,199.78	760.25
Less: Allowance for doubtful accounts	(17.99)	(11.42)	(0.73)	(1.37)
Accounts receivable, notes receivable and unbilled completed work - net	2,220.22	2,295.48	1,199.05	758.88

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
Sales with signed agreements	58,542.18	45,373.33	33,820.52	25,344.54
Total project sales	75,077.38	56,818.65	44,529.27	31,123.10
The ratio of sales with signed agreements to total project sales	77.98%	79.86%	75.95%	81.43%

Unbilled completed work and unearned income presented as follows: -

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Installments due	45,564.26	31,852.73	27,454.62	20,670.61
Less: Cash received	(45,514.91)	(31,815.62)	(27,427.78)	(20,655.52)
Installment accounts receivable	49.35	37.11	26.84	15.09
Installments due	45,564.26	31,852.73	27,454.62	20,670.61
Less: Sales recognised to date	(45,627.42)	(31,377.81)	(27,595.10)	(20,113.76)
	(63.16)	474.92	(140.48)	556.85
The balance consisted of: -				
Unbilled completed work	2,047.85	2,179.58	1,160.43	693.24
Unearned income	(1,984.69)	(2,654.50)	(1,019.95)	(1,250.09)
Total	63.16	(474.92)	140.48	(556.85)

Accounts receivable, notes receivable and unbilled completed work as at 31 December 2008 and 2007 classified by the aging of the receivable are as follows: -

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Unbilled completed work	2,047.85	2,179.58	1,160.43	693.24
Trade accounts receivable and notes receivable				
Not yet due	94.67	41.47	9.51	10.82
Over due 1 - 3 months	74.16	57.55	26.99	46.55
Over due 4 - 6 months	4.97	10.47	0.88	5.46
Over due 7 - 12 months	4.48	7.26	1.16	2.09
Over due over 12 months	12.08	10.57	0.81	2.09
Total	2,238.21	2,306.90	1,199.78	760.25
Less: Allowance for doubtful accounts	(17.99)	(11.42)	(0.73)	(1.37)
Net	2,220.22	2,295.48	1,199.05	758.88

9. Property development for sale

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Land	21,018.34	16,436.83	12,027.19	9,357.97
Construction cost and others	31,898.82	24,691.63	19,776.63	16,171.11
Capitalised financial costs	1,945.33	1,527.09	1,225.83	1,054.09
Total	54,862.49	42,655.55	33,029.65	26,583.17
Less: Accumulated transfer to cost of project	(38,583.86)	(28,569.11)	(25,033.25)	(19,751.44)
Accumulated transfer to property development for rent	(1,211.03)	(1,210.99)	(1,211.03)	(1,210.99)
Written off	(123.35)	-	-	-
Add: Amount reversed to property development for sale	645.44	428.81	645.44	428.81
Balance	15,589.69	13,304.26	7,430.81	6,049.55
Less: Allowance for loss on diminution in value of project	(72.00)	(59.00)	(5.00)	-
Net	15,517.69	13,245.26	7,425.81	6,049.55

9.1 As at 31 December 2008 and 2007, Most of the land and construction thereon of projects of the Company and its subsidiaries were pledged as collateral for loans obtained from financial institutions.

9.2 As at 31 December 2008 and 2007, the estimated expense to the Company and its subsidiaries of development and construction for completion of the opened projects (excluding the costs of land and construction already recorded) is Baht 10,241.95 million and Baht 10,764.03 million, respectively (Separate financial statements: Baht 5,545.87 million and Baht 6,288.25 million, respectively).

9.3 During the year 2008 and 2007, the Company and its subsidiaries included borrowing costs in the cost of property development amounting to Baht 418.24 million and Baht 342.34 million respectively (Separate financial statements: Baht 171.74 million and Baht 165.59 million, respectively).

9.4 During the year 2008, the Company and Plus Property Co., Ltd. recorded allowance for diminution in value of project of Baht 13 million (Separate financial statement: Baht 5 million) (2007: Anawat Co., Ltd. (formerly known as "Sansiri Ram-Indra Limited") and Phiwanthana (formerly known as "Prompt Pattana Property Limited") recorded allowance for diminution in value of project of Baht 59 million because the land being developed was targeted for expropriation, and Baht 0.92 million allowance for diminution in value of project was recorded by other subsidiaries). Such transaction is presented in the income statement under "Loss on diminution in value of property development and impairment loss on land, building and equipment" as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Property development for sale (Note 9)	13.00	59.92	5.00	-
Property development for rent (Note 11)	3.59	11.35	3.59	11.35
Land, building and equipment (Note 13)	40.00	-	-	-
Total	56.59	71.27	8.59	11.35

10. Investments in subsidiaries

As at 31 December 2008 and 2007, investments in subsidiaries are as follows: -

(Unit: Million Baht)

Subsidiaries	Paid-up capital		Percentage of shareholding		Investment at cost		Allowance for loss on diminution in value of investments		Net investment	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
			Percent	Percent						
Directly owned										
Chanachai Ltd.	90.00	90.00	100	100	101.52	101.52	-	-	101.52	101.52
Rojnaruemit Ltd.	19.50	19.50	100	100	99.95	99.95	(98.01)	(98.01)	1.94	1.94
Plus Property Co., Ltd.	600.00	600.00	100	100	610.52	610.52	-	-	610.52	610.52
Sansiri Venture Co., Ltd.	3.00	3.00	100	60	177.43	2.40	-	-	177.43	2.40
S.U.N. Management Co., Ltd.	10.00	10.00	51	51	5.10	5.10	-	-	5.10	5.10
Anawat Co., Ltd. (formerly known as "Sansiri Ram-Indra Ltd.")	2.50	2.50	100	100	2.50	2.50	-	-	2.50	2.50
Phiwanthana Co., Ltd. (formerly known as "Prompt Pattana Property Ltd.")	1.00	1.00	100	100	1.00	1.00	-	-	1.00	1.00
Club House Property Ltd.	1.00	1.00	100	100	1.00	1.00	-	-	1.00	1.00
Red Lotus Properties Ltd.	20.00	20.00	100	100	20.00	20.00	-	-	20.00	20.00
Pacific Challenge Holding Co., Ltd.	2.50	2.50	85	85	2.13	2.13	-	-	2.13	2.13
Papanan Ltd.	20.00	20.00	100	100	20.00	20.00	-	-	20.00	20.00

Total investment in subsidiaries	1,041.15	866.12	(98.01)	(98.01)	943.14	768.11

No dividend declaration by subsidiaries during 2008 and 2007.

In March and September 2008, the Company acquired 30,000 ordinary shares and 90,000 ordinary shares, respectively, of Sansiri Venture Co., Ltd. from a related company at a price of Baht 43.76 million and Baht 131.27 million, respectively. As a result, the percentage of shareholding in Sansiri Venture Co., Ltd. increased to 70 percent and 100 percent respectively. Details of the shares acquisition is discussed in Note 2.2(f) and (g).

In June 2007, the Company sold its 120,000 shares or 40 percent interest in issued and paid-up share capital of Sansiri Venture Co., Ltd. for Baht 1,828,800 to investing partner.

On 10 July 2007, the Company paid Baht 48 million to subscribe to the additional share capital of Rojnaruemit Ltd (a 100 percent owned subsidiary) resulting in an increase in the registered and paid-up share capital of Rojnaruemit Ltd. from Baht 30 million to Baht 78 million, in order to restructure that company's capital for future operation. Such company registered the change in its registered and paid-up share capital with the Ministry of Commerce on 17 July 2007. Subsequently, Rojnaruemit Ltd. decreased its registered and paid-up capital from Baht 78 million to Baht 19.5 million in order to eliminate its deficit, and registered the change in its registered and paid-up share capital with the Ministry of Commerce on 23 November 2007.

On 21 August 2007, the Company paid Baht 19 million additional share capital to Red Lotus Properties Ltd. resulting to increase in registered and paid-up share capital of Red Lotus Properties Ltd. from Baht 1 million to Baht 20 million. Such company registered the change in registered and paid-up share capital with the Ministry of Commerce on 22 August 2007.

In December 2007, the Company entered into an agreement to purchase an investment in Siri Phuket Limited from KNP Investments Pte. Ltd., in accordance with the conditions under the options to sell shares and loans that form part of the Joint Venture Agreement executed with KNP Investments Pte. Ltd. (details of the Joint Venture Agreement are discussed in Note 30.5). The selling price was set at Baht 235.14 million, and Baht 57 million of this was received in December 2007. Subsequently, on 15 February 2008, the Company received the balance of Baht 178.14 million (details of the disposal of the investment in Siri Phuket Ltd. are discussed in Note 2.2(k)).

During the year 2007, the Company recorded additional allowance for loss on diminution in value of investment in Rojnaruemit Ltd. amounting to Baht 11.63 million.

11. Property development for rent

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements
Cost		
Balance as at 31 December 2007	2,173.72	1,373.40
Purchases / Transfer in	14.18	6.86
Disposal / Transfer out	(204.93)	(204.93)
Balance as at 31 December 2008	1,982.97	1,175.33
Accumulated depreciation		
Balance as at 31 December 2007	647.16	337.46
Depreciation for the year	74.37	47.45
Disposal / transfer	(14.26)	(14.26)
Balance as at 31 December 2008	707.27	370.65
Allowance for diminution		
Balance as at 31 December 2007	11.35	11.35
Increase	3.59	3.59
Balance as at 31 December 2008	14.94	14.94
Net book value		
Balance as at 31 December 2007	1,515.21	1,024.59
Balance as at 31 December 2008	1,260.76	789.74
Depreciation included in cost of project for rent in income statements for the year		
2007	85.53	58.70
2008	74.37	47.45

As at 31 December 2008, the Company's leasehold which the net book value amounted Baht 222 million, were mortgaged to secure loans from financial institutions (2007: Baht 238 million).

During the year 2008, the Company recorded allowance for diminution in the value of property development for rent of Baht 3.59 million, since the expected net realisable value was lower than the carrying amount (2007: Baht 11.35 million).

12. Property development for rent and sale

As at 31 December 2008 and 2007, property development for rent and sale are as follows: -

(Unit: Million Baht)

	Consolidated financial statements	
	2008	2007
Land	58.56	58.56
Construction costs and others	272.03	293.37
Total	330.59	351.93
Less: Accumulated depreciation	(28.29)	(10.64)
Less: Allowance for declining in value of project	(40.71)	(40.71)
Net	261.59	300.58
Depreciation charged for the year	17.65	10.64

On 17 February 2006, Anawat Co., Ltd. (formerly known as “Sansiri Ram-Indra Ltd.”) (as lessor) entered into an agreement (subsequently amended on 15 March 2007) to lease a plot of land of approximately 27 rai and construction thereon to a company. The lessor is to conduct building construction and improvements in accordance with the construction plans stipulated in the agreement with total cost of construction, including value added tax, to be not less than Baht 257 million. The lessor is to transfer the construction within 1 May 2007 and if the actual construction cost exceeds Baht 257 million for any reasons, the lessee agrees to absorb any such additional cost. The lease period is for 5 years 8 months from the date the lessor hand over the property. The lessee agrees to pay for rental to the lessor at the following rates:-

- From 1 June 2006, the transfer date for some of the assets, to 31 January 2007, the rental charge is Baht 0.10 million per month, with the lessee to pay full amount of such rental on 1 February 2007.

- From 1 February 2007 to the end of the lease, the lessee agrees to pay rental totaling Baht 151.80 million to the lessor on a quarterly basis, at a rate of Baht 5.31 million as from 1 February 2007 to 30 April 2007 and Baht 7.71 million per quarter, commencing 1 May 2007.

At the end of the lease, the lessee agrees to buy and the lessor agrees to sell the leased assets, at a price of Baht 14,026 per square wah for the land, and a price equal to the cost of construction paid by the lessor and the lessee for the construction thereon, with the lessor agrees to transfer ownerships of the leased assets to the lessee on the date following the end of the lease or on another date agreed by between the lessor and the lessee.

13. Land, buildings and equipment

(Unit: Million Baht)

	Consolidated financial statements							
	Land	Building improvement	Buildings	Fixtures and equipment	Motor vehicle	Temporary sales office	Construction in progress	Total
Cost								
Balance as at 31 December 2007	121.35	131.95	213.34	281.49	44.46	127.62	48.39	968.60
Purchases	0.96	0.24	-	46.09	5.50	59.57	5.18	117.54
Transfer in	-	1.85	40.27	3.28	-	-	10.29	55.69
Disposals	-	-	-	(4.62)	(11.19)	(1.64)	-	(17.45)
Transfer out	-	-	-	(4.28)	-	(3.00)	(62.49)	(69.77)
Balance as at 31 December 2008	122.31	134.04	253.61	321.96	38.77	182.55	1.37	1,054.61
Accumulated depreciation								
Balance as at 31 December 2007	-	43.08	13.25	160.33	26.74	99.86	-	343.26
Depreciation for the year	-	19.37	11.23	48.76	6.88	22.18	-	108.42
Disposals	-	-	-	(3.96)	(9.11)	(0.13)	-	(13.20)
Transfer	-	-	-	(0.96)	-	-	-	(0.96)
Balance as at 31 December 2008	-	62.45	24.48	204.17	24.51	121.91	-	437.52
Allowance for impairment loss								
Balance as at 31 December 2007	26.73	-	7.56	-	-	-	-	34.29
Increase	-	40.00	-	-	-	-	-	40.00
Balance as at 31 December 2008	26.73	40.00	7.56	-	-	-	-	74.29
Net book value								
Balance as at 31 December 2007	94.62	88.87	192.53	121.16	17.72	27.76	48.39	591.05
Balance as at 31 December 2008	95.58	31.59	221.57	117.79	14.26	60.64	1.37	542.80
Depreciation for the year (included in administrative expenses)								
2007 (Baht 4.19 million and Baht 2.43 million included in cost of medical spa and cost of hotel business, respectively, other than that included in administrative expenses)								123.92
2008 (Baht 5.16 million and Baht 3.25 million included in cost of medical spa and cost of hotel business, respectively, other than that included in administrative expenses)								108.42

(Unit: Million Baht)

	Separate financial statements						
	Land	Buildings	Fixtures and equipment	Motor vehicle	Temporary sales office	Construction in progress	Total
Cost							
Balance as at 31 December 2007	112.29	213.34	127.33	33.35	74.61	47.06	607.98
Purchases	-	-	25.55	5.22	25.86	-	56.63
Transfer in	-	40.27	-	-	-	10.30	50.57
Disposals	-	-	(3.06)	(7.32)	(0.01)	-	(10.39)
Transfer out	-	-	(4.28)	-	-	(57.36)	(61.64)
Balance as at 31 December 2008	112.29	253.61	145.54	31.25	100.46	-	643.15

(Unit: Million Baht)

	Separate financial statements						
	Land	Buildings	Fixtures and equipment	Motor vehicle	Temporary sales office	Construction in progress	Total
Accumulated depreciation							
Balance as at 31 December 2007	-	13.25	91.08	22.34	64.90	-	191.57
Depreciation for the year	-	11.23	19.56	5.33	16.86	-	52.98
Disposals	-	-	(3.03)	(7.32)	-	-	(10.35)
Transfer	-	-	(0.96)	-	-	-	(0.96)
Balance as at 31 December 2008	-	24.48	106.65	20.35	81.76	-	233.24
Allowance for impairment loss							
Balance as at 31 December 2007	26.73	7.56	-	-	-	-	34.29
Balance as at 31 December 2008	26.73	7.56	-	-	-	-	34.29
Net book value							
Balance as at 31 December 2007	85.56	192.53	36.25	11.01	9.71	47.06	382.12
Balance as at 31 December 2008	85.56	221.57	38.89	10.90	18.70	-	375.62
Depreciation for the year							
2007 (Baht 2.43 million included in cost of hotel business other than that included in administrative expenses)							52.64
2008 (Baht 3.25 million included in cost of hotel business other than that included in administrative expenses)							52.98

During the year, Papanan Ltd. recorded allowance for impairment loss on building improvement amounting Baht 40 million.

As at 31 December 2008 and 2007, certain plant and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 116.25 million and Baht 89.03 million, respectively (Separate financial statement: Baht 84.57 million and Baht 68.50 million, respectively).

As at 31 December 2008 and 2007, the Company and its subsidiaries had vehicles and equipment under finance lease agreements with net book values amounting to Baht 9.74 million and Baht 15.76 million, respectively (Separate financial statement: Baht 7.66 million and Baht 10.01 million, respectively).

As at 31 December 2008, the Company's land and construction thereon which the net book value amounted Baht 38.06 million, were mortgaged to secure loans from financial institutions (2007: Baht 40.49 million).

14. Goodwill

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Balance as at 1 January	-	82.80	-	-
Add: Goodwill recognised during the year	266.31	-	-	-
Less: Allowance for impairment loss	(63.29)	(82.80)	-	-
Goodwill - net	203.02	-	-	-

During the current year, the Company recorded goodwill from business combination of Sansiri Venture Co., Ltd., Plus Property Venture Co., Ltd. and Plus Property Space Co., Ltd. amounting Baht 266.31 million and recorded allowance for impairment loss amounting Baht 63.29 million.

During 2007, the Company had a revaluation of its investment in Papanan Ltd. made by independent appraisal, because of the existence of impairment indicators. Based on the report of the independent appraiser and given the competitiveness in the spa industry, the Company believes there is substantial uncertainty as to the expected return from its investment in that company, and therefore recorded full impairment allowance for the goodwill arising from business combination.

15. Intangible assets

(Unit: Million Baht)

	Consolidated financial statements			Separate financial statements
	Franchise fee	Computer Software	Total	Computer Software
Cost				
31 December 2007	8.22	79.15	87.37	55.70
Purchase	3.30	6.21	9.51	4.28
31 December 2008	11.52	85.36	96.88	59.98
Accumulated amortisation				
31 December 2007	2.36	48.08	50.44	37.26
Amortisation for the year	2.27	14.20	16.47	10.83
31 December 2008	4.63	62.28	66.91	48.09

(Unit: Million Baht)

	Consolidated financial statements			Separate financial statements
	Franchise fee	Computer Software	Total	Computer Software
Net book value				
31 December 2007	5.86	31.07	36.93	18.44
31 December 2008	6.89	23.08	29.97	11.89
Amortisation included in administrative expenses in income statement for the year				
2007			14.77	9.91
2008			16.47	10.83

16. Leasehold rights

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Leasehold rights	126.59	123.77	126.59	123.77
Less: Accumulated amortisation	(64.44)	(59.07)	(64.44)	(59.07)
Leasehold rights - net	62.15	64.70	62.15	64.70
Amortisation expenses for the year	5.37	8.01	5.37	8.01

As at 31 December 2008, the Company's leasehold rights which the net book value amounted Baht 62.15 million were mortgaged to secure loans from financial institutions (2007: Baht 64.70 million).

17. Bills of exchange and promissory notes

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Bills of exchange and promissory notes				
Financial institutions	677.00	768.30	497.00	500.80
Companies and persons	39.25	-	-	-
Total	716.25	768.30	497.00	500.80

As at 31 December 2008, interest on bills of exchange and promissory notes, which are not collateralised, carry interest at rates of 5.75 - 6.75 percent per annum (2007: 6.25 - 7.13 percent per annum).

18. Long-term loans

As at 31 December 2008 and 2007, long-term loans presented below: -

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Loans from financial institutions	8,297.39	5,848.96	4,083.25	2,014.96
Less: Current portion of long-term loans	(4,038.31)	(3,305.16)	(1,484.42)	(629.01)
Net	4,259.08	2,543.80	2,598.83	1,385.95

The following significant details of long-term loan agreements are classified by the Company and its subsidiaries.

Company's name	Credit facilities 2008	Credit facilities 2007	Interest rate per agreement	Condition of payment
	Million Baht	Million Baht	Percent per annum	
Sansiri Plc.	9,526	10,910	MLR - 1.5% to MLR - 1%	Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2013
Plus Property Co., Ltd.	5,002	5,524	MLR - 1.75% to MLR - 0.5%	Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2012
Chanachai Ltd.	930	1,620	MLR - 1.5% to MLR - 1%	Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2011
Plus Property Venture Co., Ltd.	-	202	MLR - 1%	Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2008
Sansiri Land Ltd.	13	87	MLR - 1%	Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2009
Red Lotus Properties Ltd.	142	233	MLR - 0.75% to MLR	Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2010

Company's name	Credit facilities 2008	Credit facilities 2007	Interest rate per agreement	Condition of payment
	Million Baht	Million Baht	Percent per annum	
Anawat Co., Ltd. (formerly known as "Sansiri Ram-Indra Ltd.")	706	170	MLR - 1.75% to MLR - 0.5%	Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2011
Phiwanthana Co., Ltd. (formerly known as "Prompt Pattana Property Ltd.")	2,037	1,072	MLR - 1.75% to MLR - 0.5%	Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2013
Sansiri Venture Co., Ltd.	1,349	1,349	MLR - 1.25% to MLR - 0.5%	Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2011
Plus Property Space Co., Ltd.	528	518	MLR - 1.75% to MLR - 1.5%	Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2011
Papanan Ltd.	46	61	MLR + 1% to MLR + 2%	Full payment is to be made within 2011
Total	20,279	21,746		

As at 31 December 2008 and 2007, the long-term credit facilities of the Company and its subsidiaries which have not yet been drawn down amounted to Baht 12,942 million and Baht 7,833 million, respectively (Separate financial statement: Baht 6,343 million and Baht 3,166 million, respectively).

Land and constructions of projects, leaseholds and investments in available-for-sale securities of the Company and its subsidiaries are pledged as collaterals for loans obtained from financial institutions.

Loans agreements contain certain covenants and restrictions, such as dividend payment, capital increase and decrease, loans guarantees, change in directors and maintenance of a debt to equity ratio.

19. Provisions

These comprise the following:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Short-term provisions:				
Home care warrantee	33.93	44.11	20.50	30.06
Loss from modification of condominium	8.57	-	0.94	-
Law suits	4.14	4.14	-	-

Total	46.64	48.25	21.44	30.06

20. Finance lease payables

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Finance lease payables	6.24	11.72	3.97	6.75
Less : Deferred interest	(0.68)	(1.47)	(0.44)	(0.88)
Net	5.56	10.25	3.53	5.87
Less : Current Portion	(4.09)	(4.58)	(3.21)	(3.03)
Finance lease payables - net of current portion	1.47	5.67	0.32	2.84

The Company has entered into the finance lease agreements with leasing companies for rental of motor vehicles and equipment for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 3 and 4 years.

As at 31 December 2008, a reconciliation between future minimum lease payments required under the finance lease agreements and present value of future minimum lease payments were as follows:

(Unit: Million Baht)

	Consolidated financial statements		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	4.68	1.56	6.24
Deferred interest expenses	(0.59)	(0.09)	(0.68)
Present value of future minimum lease payments	4.09	1.47	5.56

(Unit: Million Baht)

	Separate financial statements		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	3.64	0.33	3.97
Deferred interest expenses	(0.43)	(0.01)	(0.44)
Present value of future minimum lease payments	3.21	0.32	3.53

21. Investments in available-for-sales securities - property fund / other payable - property fund

In September 2005, the Company entered into an agreement with Baan Sansiri Property Fund to sell the Property Fund its 25-unit Baan Sansiri Project, a project for rent of the Company with booked value of approximately Baht 608 million for a total of Baht 850 million (including VAT). The Company has agreed to manage the project and has guaranteed the Property Fund rental totaling Baht 70 million per year. If rental revenues and property management charges received by the Property Fund form such properties are less than the guaranteed rental revenue, the Company is to compensate to the Property Fund for the shortfall. However, if rental revenue and property management charges total more than the guaranteed rental revenue, the excess amount belongs to the Company.

The Company has granted Baan Sansiri Property Fund put options to sell back which it invested to the Company, either in whole or in part, (in case of a partial sale, the Property Fund has to sell the land in plots, together with buildings/construction and all furniture and fixtures thereon) as the Property Fund deems appropriate, or to sell them to other companies or individuals on the fifth anniversary of the date ownership was transferred (“sell-back-date”).

The Company has recognised the above sales as loan from the Property Fund. As at 31 December 2008, the Company holds a 12.9 percent interest in the Property Fund. The fair value of such investment, Baht 109.41 million (2007: Baht 112.76 million) is recorded under “Long-term investments in available-for-sales securities - Property Fund”.

During the current year, the Company made net rental payment of Baht 21.58 million to the Property Fund.

As at 31 December 2008 and 2007, investment in available-for-sales securities were pledged to secure loans obtained from a financial institution.

22. Share capital

On 29 April 2008, the Annual General Meeting of the Company's shareholders for the year 2008 approved the decrease of the registered capital of the Company by canceling its registered but un-issued share in the number of 75,782 shares since these shares are reserved for the exercising right of the warrants issued under the ESOP # 2 Plan (lot 3) which currently they have already been expired on 14 March 2007. The Company registered the change in registered capital on 12 May 2008.

23. Loss from modification of condominium

During the first and the second quarter of the year, the Public Works Department ordered the Company and its subsidiaries to modify condominiums which differed from plans subjected to approve in accordance with Building Control B.E. 2522. As a result, the subsidiaries reversed sales and cost of project sales previously recognized in the income statement for the year ended 31 December 2007, including the write off of cost of unused property development to expenses. In addition, the Company and subsidiaries recorded provision for the cost of modifying the condominiums and compensation together with interest as a result of termination of contracts that subsidiaries have to pay to customers. The expenses are presented under "Loss from modification of condominium" in the income statement as presented belows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Reversal of sales and cost of project sales previously recognised in 2007	49.76	-	-	-
Write-off cost of unused property development to expenses	249.93	-	15.92	-
Provision for the cost of modifying the condominiums	103.04	-	4.00	-
Provision for compensations and interest from termination of contracts	25.90	-	-	-
Total loss from modification of condominium	428.63	-	19.92	-

Provision for the cost of modifying the condominiums net of partial payment during the period is presented under provisions in the balance sheet.

24. The employee stock ownership program (ESOP)

The Company's warrant is as follows: -

Type of warrant	Exercise price per share	Exercise ratio per 1 warrant	Number of warrants outstanding as at 1 January 2008	Number of warrants exercised during the year	Number of warrants expired during the year	Number of warrants outstanding as at 31 December 2008
ESOP# 4	5	1:1.30901	16,906,846	-	(16,906,846)	-

The above warrant was expired since 10 July 2008.

25. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

26. Earnings per share

Basic earnings per share is calculated by dividing the net income for the year by the weighted average number of ordinary shares held by outside shareholders in issue during the year.

Diluted earnings per share is calculated by dividing net income for the year by the weighted average number of ordinary shares held by outside shareholders in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

There was no diluted earnings per share for the years ended 31 December 2008 and 2007 since the exercise price of the Company's ordinary share excess of market price and the Company's warrant was expired since 10 July 2008.

27. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Purchase of land and payments in construction costs	11,788.70	10,779.85	6,274.74	4,927.76
Changes in property development for sales	(2,183.59)	(2,114.62)	(1,381.26)	304.59
Salary and wages and other employee benefits	703.39	612.05	366.04	293.72
Depreciation	173.57	193.22	100.43	111.34
Amortisation of intangible assets	16.47	14.77	10.83	9.91
Provision for home care warrantee	33.89	44.11	16.57	30.06
Rental expense	55.30	51.19	13.58	9.29
Bad debts and doubtful accounts	9.59	(39.55)	(1.73)	(39.17)

28. Provident fund

The Company, subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, subsidiaries and its employees contributed to the fund monthly at the rate of 5-12 percent of basic salary. The fund, which is managed by Kasikorn Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2008 and 2007, the Company and its subsidiaries contributed Baht 33.55 million and Baht 26.55 million, respectively, to the fund (Separate financial statement: Baht 16.57 million and Baht 12.69 million, respectively).

29. Dividend paid

Dividends of the Company which were declared in 2008 and 2007 consist of the following: -

(Unit: Baht)

Dividends	Approved by	Total dividends	Dividend per share	Date of dividend payment
Final dividends on 2006 earnings	The Annual General Meeting of the shareholders on 27 April 2007	191,571,730	0.13	25 May 2007
Final dividends on 2007 earnings	The Annual General Meeting of the shareholders on 29 April 2008	338,934,599[(1)]	0.23	28 May 2008

[(1)]Actual dividend paid amounted Baht 338,922,598 due to there were some shareholders who did not has right to receive dividends.

30. Commitments and contingent liabilities

30.1 Capital commitments

As at 31 December 2008 and 2007, the Company and its subsidiaries have the following capital commitments: -

a) The Company and its subsidiaries had commitments of Baht 5,183.17 million and Baht 3,147.63 million, respectively, under project construction agreements, decoration agreements, advisory service agreements and system development agreements (Separate financial statement: Baht 1,810.62 million and Baht 1,658.11 million, respectively).

b) The Company and its subsidiaries has commitments of Baht 580.93 million and Baht 987.29 million, respectively, under land purchase agreements (Separate financial statement: 2008: Nil 2007: Baht 725.34 million, respectively).

30.2 Operating lease commitments

a) As at 31 December 2008, future minimum lease payments required under non-cancellable operating leases contracts were as follows.

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements
Within one year	22.56	3.03
1 to 5 years	7.49	0.26
Total	30.05	3.29

The Company has entered into several lease agreements in respect of the lease of office building space, motor vehicles and equipment. The terms of the agreements are generally between 3 and 4 years.

b) The Company and subsidiaries had commitments of Baht 20.97 million in relation to advertising and public relations for the projects (Separate financial statement: Baht 13.00 million).

c) The significant long-term lease agreements are as follow: -

1. The Company entered into 15-year contract to lease land for construction from an individual, covering the period between 1 January 2000 and 31 December 2014, for a total of Baht 54 million. Payment of rental is made on an annual basis, according to the following details:-

   - 1st to 5th year Baht 3.0 million per annum
   - 6th to 10th year Baht 3.6 million per annum
   - 11th to 15th year Baht 4.2 million per annum

2. Chanachai Limited entered into a 30-year land rental agreement with the Royal Palace Office for construction of a condominium for the Baan Sansiri Project, covering the period from 1 November 1993 to 31 October 2023. Total amounts to Baht 117.70 million. On the agreement date, Chanachai Limited made an initial payment of Baht 30 million and the remainder is to be paid over the period of 30 years as stipulated in the agreement.

3. S.U.N. Management Company Limited entered into a land rental agreement with the Crown Property Bureau in order to construct buildings and structures on such land. The agreement is for 30 years, from 16 September 2002, and the total rental payable is approximately Baht 88.04 million. The subsidiary paid this rental in full in July 2004.

4. The Company entered into an agreement to rent building space from a related company for use as an office and for sub-lease for a period of 30 years from 1 June 1994 to 31 May 2024. On the agreement date, the Company paid the rental in a single payment of approximately Baht 548.57 million. At the end of the contract, the Company must return the rented space to the lessor and is not entitled to make any demands on the lessor.

30.3 Bank guarantees

As at 31 December 2008 and 31 December 2007, there were the outstanding bank guarantees for Baht 540.82 million and Baht 537.13 million, respectively, issued by the banks in respect of requirements of the Company and subsidiaries arising in the normal course of business. These included letters of guarantee to guarantee contractual performance regarding preparation and maintenance of public utilities, public services and land improvement and to guarantee electricity use (Separate financial statement: Baht 264.86 million and Baht 328.23 million, respectively).

30.4 Litigations

The Company and its subsidiaries have outstanding litigations regarding of breach of agreements to purchase and to sell and transgression. The total damages are Baht 18.90 million. However, the Company and subsidiaries are in the process of bringing disputes and because such litigations are not yet finalised so that the Company and its subsidiaries do not record such estimated losses to accounts.

30.5 Joint Venture Agreement

On 11 June 2007, the Company amended a joint venture agreement with KNP Investments Pte. Ltd (KNP) (which purchased a 49 percent shareholding in Siri Phuket Limited from Natural Park Public Company Limited) signed on 15 December 2006. This agreement is for the management and operation of Siri Phuket Limited and grants both parties options to sell shares as follows: -

- During a period of up to 13 months after the joint investments, KNP has the option to purchase all of Company's investment in Siri Phuket Limited (both in the form of investment and loans), at the price of Baht 228 million plus any additional investment and loans arising after the joint investment.

- The Company has an option to call for KNP to purchase all of the Company's investments in Siri Phuket Limited, at a price of Baht 208 million plus any additional investment and loans made after the joint investment. The Company may exercise this option for up to 9 months after the joint investment was made.

- During the first 13 months, KNP retains an option to sell all shares back to Natural Park Public Company Limited (N-PARK) at the purchase price plus interest at a rate stipulated in the agreement. If this option is exercised, N-PARK will have the same shareholding in Siri Phuket Limited same as before the joint investment was made.

Subsequently in December 2007 KNP exercised option to purchase all of investment in Siri Phuket Limited, in accordance with option conditions (details of the sale of investment in Siri Phuket Limited to KNP are discussed in Note 2.2 (k)).

31. Financial information by segment

The Company and its subsidiaries' main business is property development with its properties consisting of land and housing projects, residential condominium projects, serviced apartments for rent, and office buildings for rent, and also the provision of building management service, real estate brokerage, the hotel and medical spa business. The Company and its subsidiaries operate in the single geographic area of Thailand.

The financial information of the Company and its subsidiaries by real estate business, building management real estate brokerage and hotel and medical spa business segment in the consolidated income statements for the years ended 31 December 2008 and 2007 are as follows:-

(Unit: Million Baht)

	Real estate		Building management and real estate brokerage		Hotel and Spa		Eliminated		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Revenues from external customers	14,633.15	13,168.39	325.62	323.41	78.59	57.91	-	-	15,037.36	13,549.71
Inter segment revenues	10.08	11.31	248.95	312.05	2.27	4.03	(261.30)	(327.39)	-	-
Total revenue	14,643.23	13,179.70	574.57	635.46	80.86	61.94	(261.30)	(327.39)	15,037.36	13,549.71
Operating income	3,655.75	2,906.97	191.51	174.75	27.01	22.06	-	-	3,874.27	3,103.78
Gain on sale of investments in related party									-	162.86
Other income									140.32	175.97
Common expenses									(1,731.17)	(2,147.32)
Income before interest expenses and income tax									2,283.42	1,295.29
Loss on impairment of goodwill, investments and loans to subsidiaries									(63.29)	(82.79)
Loss on diminution in value of property development and impairment loss on land, building and equipment									(56.59)	(71.27)
Loss from modification of condominium									(428.63)	-
Interest expenses									(91.76)	(69.23)
Corporate income tax									(726.41)	(402.84)
Net income									916.74	669.16

The financial information in the consolidated balance sheets as at 31 December 2008 and 2007 by real estate business, building management and real estate brokerage business and hotel and medical spa business segment is as follows:-

(Unit: Million Baht)

	Real estate		Building management and real estate brokerage		Hotel and Spa		Total	
	2008	2007	2008	2007	2008	2007	2008	2007
Property development for sale - net	15,517.69	13,245.26	-	-	-	-	15,517.69	13,245.26
Property development for rent - net	1,260.76	1,515.21	-	-	-	-	1,260.76	1,515.21
Property development for rent and sale - net	261.60	300.58	-	-	-	-	261.60	300.58
Hotel and Spa - net	-	-	-	-	135.96	164.28	135.96	164.28
Land, building and equipment - net							406.83	426.77
Other assets							5,909.20	5,380.39
Total assets							23,492.04	21,032.49

32. Financial instruments

32.1 Financial risk management

The Company and its subsidiaries's financial instruments, as defined under Thai Accounting Standard No. 48 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, loans, investments, and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to its cash at banks and long-term borrowings. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2008 classified by type of interest rates are summarized in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements					
	Fixed interest rate					
	Within one year	At call	Floating interest rate	Non- interest bearing	Total	Effective interest rate
						(% p.a.)
Financial Assets						
- Cash and cash equivalent (excluding cash)	8.13	-	1,965.84	1.42	1,975.39	0.75 - 2.50
- Short-term investments	40.93	-	-	-	40.93	1.40 - 3.25
- Deposits at financial institutions with restrictions	23.79	-	-	-	23.79	1.75 - 3.75
- Loans to related parties	-	-	19.70	-	19.70	1.50 - 7.25
	72.85	-	1,985.54	1.42	2,059.81	
Financial liabilities						
- Bills of exchange and promissory notes	716.25	-	-	-	716.25	5.25 - 6.75
- Long-term loans	-	-	8,297.39	-	8,297.39	5.25 - 7.25
	716.25	-	8,297.39	-	9,013.64	

(Unit: Million Baht)

	Separate financial statements					
	Fixed interest rate					
	Within one year	At call	Floating interest rate	Non- interest bearing	Total	Effective interest rate
						(% p.a.)
Financial Assets						
- Cash and cash equivalent (excluding cash)	-	-	1,144.84	-	1,144.84	0.75 - 2.25
- Short-term investments	29.05	-	-	-	29.05	1.40 - 3.25
- Deposits at financial institutions with restrictions	3.72	-	-	-	3.72	1.75 - 3.00
- Loans to related parties	-	3,486.32	-	-	3,486.32	6.50 - 7.25
	32.77	3,486.32	1,144.84	-	4,663.93	
Financial liabilities						
- Bill of exchange and promissory notes	497.00	-	-	-	497.00	5.25 - 6.88
- Short-term loans from related parties	-	15.30	-	-	15.30	1.50
- Long-term loans	-	-	4,083.25	-	4,083.25	5.25 - 7.25
	497.00	15.30	4,083.25	-	4,595.55	

Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arise mainly from purchase of goods and service that are denominated in foreign currencies. Since liabilities denominated in foreign currencies, is immaterial and due in short period, the Company and its subsidiaries do not use any derivatives to manage such risk.

Credit risk

The Company and its subsidiaries is exposed to credit risk primarily with respect to trade accounts receivable, loans, notes and other receivable. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables, loans, other receivables and notes receivable as stated in the balance sheet.

32.2 Fair values of financial instruments

Fair value represents the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.

Methodology of fair value measurement depends upon characteristics of the financial instruments. For the financial instruments which are regarded as traded in an active market, fair value has been determined by the latest quoted market price or using an appropriate valuation technique.

Since major financial assets and financial liabilities of the Company and its subsidiaries are short-term in nature, loans of which the interest rate is approximate to the market rate, the fair value of financial assets and financial liabilities are presented as the amount stated in the balance sheet.

33. Capital management

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

According to the balance sheet as at 31 December 2008, the Group's debt-to-equity ratio was 1.62:1 (2007: 1.52:1) and the Company's was 0.96:1 (2007: 0.70:1).

34. Other

On 29 April 2008, the Annual General Meeting of the Company's shareholders for the year 2008 passed the following resolutions.

34.1 Approval the issuance and offering of 10-year debentures up to Baht 3,000 million or the equivalent in another currency for the purpose of future market expansion. The approval was also intended for the compliance with SEC's regulation, whereby the Annual General Meeting of shareholders must pass the resolution to issue and offer such debentures within one year after the Company proposed the debenture issuance to SEC.

34.2 Approval the issuance and offer of not more than 1,473,314,346 warrants to the existing shareholders. This is because the Extraordinary Meeting No. 1/2007, held on 18 January 2007, passed a resolution to increase the share capital of the Company by issuing new shares, of which part are to be allotted by private placement and part are to be used to support the exercise of warrants for which the Company plans to request approval and allot to the Company's existing shareholders in the ratio of 2 existing shares to 1 warrant, after the increase in share capital through private placement and register the change in share capital. However, up to date, the Company has not increased the share capital by private placement or issued the warrants approved by the Company's shareholders. Since approval was granted to comply with the SEC's regulations, whereby the Annual General Meeting of shareholders must pass a resolution to issue and offer warrants within one year after the Company proposes a warrant issue to the SEC. As a result the effective period of resolution to issue and offer warrants passed by Extraordinary Meeting No. 1/2007, held on 18 January 2007, has expired. However, since the Company still intends to offer warrants to its shareholders, it will apply for approval to issue and the offer warrants again.

35. Reclassifications

Certain amounts in the financial statements for the year ended 31 December 2007 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 follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Advance payment for land	-	1.18	-	1.18
Other current assets	40.19	74.90	80.88	79.70
Land, building and equipment	591.06	655.76	382.13	446.83
Leasehold right	64.70	-	64.70	-
Current portion of long-term loans	3,305.16	3,341.06	629.01	629.01
Short-term provisions	48.25	47.69	30.06	30.06
Other current liabilities	101.15	101.71	42.90	42.90
Cost of spa business	26.17	45.37	-	-
Selling and administrative expenses	-	2,980.29	-	1,784.33
Selling expenses	1,872.73	-	1,158.97	-
Administrative expenses	1,130.66	-	625.36	-
Directors' remuneration	-	3.90	-	3.90

36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2009.