

August 14, 2007

Subject : Clarification of impact of change in accounting policy  
Attn. : Director and Manager  
The Stock Exchange of Thailand

Asian Property Development Public Company Limited would like to report on the effect of the change in accounting for investment in subsidiary as follows:

Since January 1, 2007, the Company has changed its accounting policy regarding investment in subsidiary company so that the separate financial statement, which formerly reported investment using the equity method, now reports using the cost method. This is to comply with TAS 44. Thus, the Company restated its financial statement by using the historical cost as the cost of the investment in subsidiary companies of the separate financial statement. This adjustment caused the net income on the separate financial statement to differ from that reported in the consolidated financial statement. The Company had net income of Baht 98.12 million, Baht 256.42 million for the three and six month period end June 30, 2007, according to the consolidated financial statement, however, the separate financial statement over the same period showed a net income of Baht 30.36 million and Baht 126.10 million, respectively. Therefore, the Company would like to clarify with the additional information as following:

1. After restating, net income for the three and six month period ended June 30, 2007, decreased by Baht 67.76 million and Baht 130.33 million, and net income for the three and six month period ended June 30, 2006, decreased by Baht 104.57 million and Baht 155.63 million, respectively.
2. The effect from the restating to other items on the separate financial statement for the six month period ended June 30, 2007, such as investment in subsidiary and the retained earning on the balance sheet, decreased by Baht 1,740.64 million.

However, the change of accounting policy affects only the separate financial statement. It did not have any effect on the consolidated financial statement or business fundamentals.

Please be informed accordingly.

Sincerely yours,

(Mr.Pichet Vipavasuphakorn)  
Managing Director