

February 29, 2008

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 898.83 million for the year end December 31, 2007, according to the consolidated financial statement, however, the separate financial statement over the same period showed a net income of Baht 672.11 million. Therefore, the Company would like to clarify with the additional information as following:

1. After restating, net income of the separate financial statement, for the year ended December 31, 2007, decreased by Baht 226.72 million , and net income for the year ended December 31, 2006, increased by Baht 15.74 million.
2. The effect from the restating to other items on the separate financial statement for the year ended December 31, 2007, such as investment in subsidiary and the retained earning on the balance sheet, decreased by Baht 1,837.04 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