

August 7, 2007

Subject The Effect of Changes in Accounting for Investments
Attention Director and Manager of the Stock Exchange of Thailand

Reference is made to Board Resolution 4/2007 dated August 7, 2007, approving the company's reviewed financial statement for the second quarter ended June, 30 2007.

The company would like to report on the effect of the changed its accounting policy regarding investment, which formerly reported investment using *the equity method*, now using *the cost method* in the separate financial statement. This adjustment caused net profit for the second quarter year 2007 and 2006 on the consolidated financial statement amounting 290.72 million baht and 322.08 million baht, respectively differ from the second quarter year 2007 and 2006 on the separate financial statement amounting 317.07 million baht and 355.47 million baht as following

1. The difference of the figure in the second quarter year 2007 on the consolidated financial statement and separated financial statement amounting 290.72 million baht and 317.07 million baht is mainly due to that the separated financial statement has to include the dividend receiving from Lumpini Property Management Co., Ltd. amounting 29.96 million baht, dividend receiving from Grand Unity Development Co., Ltd. amounting 5.33 million baht, sharing loss in investment in Pornsanti Co., Ltd. amounting 2.07 million baht , deduction of the sharing profit in investment in Lumpini Property Management Co., Ltd. amounting 8.99 million baht, and sharing profit in investment in Grand Unity Development Co., Ltd. amounting 2.02 million baht.
2. The difference of the figure in the second quarter year 2006 on the consolidated financial statement and separated financial statement amounting 322.08 million baht and 355.47 million baht is mainly due to that the separated financial statement has to include the dividend receiving from Grand Unity Development Co., Ltd. amounting 20.00 million baht, sharing loss from investment in Lumpini Property Management Co., Ltd. amounting 18.04 million baht, sharing loss from investment in Pornsanti Co., Ltd. amounting 1.14 million baht, and deducted with sharing profit in Grand Unity Development Co., Ltd. amounting 5.80 million baht.

However, the change of accounting policy affected only on the separated financial statement. It did not have any effect on the consolidated financial statement and business fundamental.

Please be informed accordingly,

Best regards,

(Opas Sripayak)

Managing Director

L.P.N. Development Public Company Limited