RAMA IX ART MUSEUM FOUNDATION

Financial Statements

Year ended December 31, 2006

Deloitte.

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REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE BOARD OF DIRECTORS
RAMA IX ART MUSEUM FOUNDATION

We have audited the balance sheets of Rama IX Art Museum Foundation as at December 31, 2006 and 2005 and the related statements of income and expenditure and changes in funds' equity for the years then ended. These financial statements are the responsibility of the Foundation's management as to their correctness and completeness of the presentation. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of Rama IX Art Museum Foundation as at December 31, 2006 and 2005 and the income and expenditure and changes in funds' equity for the years then ended in conformity with generally accepted accounting principles.

T.K. Krishnamra

Thaveekiarti Krishanmra
Certified Public Accountant (Thailand)
Registration No. 104
DELOITTE TOUCHE TOHMATSU JAIYOS

BANGKOK
May 11, 2007

RAMA IX ART MUSEUM FOUNDATION

BALANCE SHEETS

AS AT DECEMBER 31, 2006 AND 2005

		BAHT
	2006	**2005**
ASSETS		
CURRENT ASSETS		
Cash and deposits at financial institutions	1,167,820	333,700
Current investment (Notes 4.2 and 5)	19,331,431	23,362,389
Supplies (Notes 4.3 and 6)	1,045,051	705,520
Other current assets	167,869	149,180
Total Current Assets	21,712,171	24,550,789
NON-CURRENT ASSETS		
Equipment - net (Notes 4.4 and 7)	973,656	384,798
Software - net (Note 4.4)	19,224	-
Art collection (Note 4.5)	17,107,153	16,790,153
Total Non-Current Assets	18,100,033	17,174,951
TOTAL ASSETS	39,812,204	41,725,740
LIABILITIES AND FUND'S EQUITY		
CURRENT LIABILITIES		
Accrued expenses	606,000	98,260
Foundation income tax payable	35,295	-
Total Current Liabilities	641,295	98,260
TOTAL LIABILITIES	641,295	98,260
FUND'S EQUITY		
Initial capital fund from donation	200,000	200,000
Additional funds from donation	1,027,600	1,027,600
Accumulated excess of income over expenditure	37,943,309	40,399,880
Total Fund's Equity	39,170,909	41,627,480
TOTAL LIABILITIES AND FUND'S EQUITY	39,812,204	41,725,740

Notes to the financial statements form an integral part of these statements

RAMA IX ART MUSEUM FOUNDATION

STATEMENTS OF INCOME AND EXPENDITURE

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

		BAHT
	2006	**2005**
INCOME		
Donation income	1,084,300	1,076,040
Donated artworks	317,000	477,500
Interest received	3,035	45,077
Advisory fee	-	25,000
Investment income	1,041,079	327,233
Rental fee	-	19,396
Other income	2,979	-
Total Income	2,448,393	1,970,246
EXPENDITURE		
Salaries and wages	1,899,000	1,774,625
Rental fee	397,490	213,443
Professional fees	60,000	60,000
Depreciation and amortization	137,733	103,110
Miscellaneous expenses	409,569	494,669
60 years anniversary project expenses	1,896,463	-
Foundation income tax	104,709	41,671
Total Expenditure	4,904,964	2,687,518
EXCESS (DEFICIT) INCOME OVER EXPENDITURE	(2,456,571)	(717,272)

Notes to the financial statements form an integral part of these statements

RAMA IX ART MUSEUM FOUNDATION

STATEMENTS OF CHANGES IN FUNDS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

BAHT

	Capital Fund From Donation		Accumulated excess of income over expenditure	Total Fund's equity
	Initial capital Fund	Additional Fund		
BEGINNING BALANCE, JANUARY 1, 2005	200,000	1,027,600	41,117,152	42,344,752
Excess (Deficit) income over expenditure	-	-	(717,272)	(717,272)
ENDING BALANCE, DECEMBER 31, 2005	200,000	1,027,600	40,399,880	41,627,480
BEGINNING BALANCE, JANUARY 1, 2006	200,000	1,027,600	40,399,880	41,627,480
Excess (Deficit) income over expenditure	-	-	(2,456,571)	(2,456,571)
ENDING BALANCE, DECEMBER 31, 2006	200,000	1,027,600	37,943,309	39,170,909

Notes to the financial statements form an integral part of these statements

RAMA IX ART MUSEUM FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

1. OBJECTIVES OF THE FOUNDATION

Office of the National Culture Commission approved the setup of the Rama IX Art Museum Foundation ("the Foundation") on August 15, 1996. The registration for the setup of the Foundation was completed on October 4, 1996, with the following objectives:

1.1 To manage the Project of Art Exhibition in the honor of His Majesty King Bhumibol Adulyadej, the Supreme Artist, in Art and Culture, commemoration of the 50^{th} anniversary of His Majesty The King's accession to the throne.

1.2 To be responsible to fund raising in order to build up and manage a modern art museum to be named in the honor of His Majesty The King.

1.3 To support and develop knowledge of art. To collect and promote Thai artworks in the country and throughout the other countries around the world.

1.4 To promote and support the attitude to preserve the Thai contemporary art.

1.5 To organize a quality art publishing house concentrating in conventional publications and electronic educational aids for further understanding of Thai contemporary arts and to support and develop artistical knowledge.

1.6 To organize with other non-profit organization, education institution, art activities and others which have its same objectives in order to stimulate more grants and funding for public and young artists.

1.7 To encourage local and international artistic and cultural collaborations in order to support objectives of the foundation.

2. FUNDING POLICIES

The Foundation was established with the initial funds of Baht 200,000. The Foundation may raise additional funds as follows:.

2.1 Funds provided by Governmental organizations or state enterprises, or others in the country.

2.2 Funds or properties donated by charitable persons or organizations in the country or abroad.

2.3 Fund or properties bequeathed under a will or other juristic acts, provided that there are no conditions obligating the Foundation to any liabilities or whatsoever.

2.4 Interest and dividends arising from funds and the property which constitute the assets of the Foundation.

2.5 Contributions from the usage of the property or facilities of the Foundation, or services provided by the Foundation with free of charge.

2.6 Other income from the Foundation's activities.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Foundation prepares its statutory financial statements in the Thai language in accordance with accounting principles and practices generally accepted in Thailand.

The financial statements are prepared in accordance with the Notification of the Department of Commercial Registration (currently the Department of Business Development) dated September 14, 2001 regarding "The Brief Particulars in the Financial Statements B.E.2544".

The Board of Supervision of Auditing Practices (BSAP) issued an announcement No. 47 (B.E. 2545) re: Exemption of Accounting Standards for Non-public Limited Company. Accordingly, the Company adopted the exemption of the application of the Thai Accounting Standards No. 25 "Cash Flow Statements" and No. 48 "Financial Instruments Disclosure and Presentation".

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Income and expenditure recognition

Income and expenditure are recognized on an accrual basis, except for income from donation, which is recognized on cash basis.

4.2 Investment

Securities classified as available for sale are sated at fair value. Gain or loss on the change in fair value is recognized as a component of shareholders' equity.

In case an impairment in value of an investment has occurred, a provision for impairment is recognized in the statement of income.

For equity securities which are listed securities, fair value or market value are estimated using the bidding prices at the Stock Exchange of Thailand on the last business day of the year.

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4.3 Supplies

Supplies are stated at cost which is calculated on an average basis.

4.4 Equipment and intangible assets

Equipment and intangible assets is stated at cost.

Depreciation is calculated by the straight-line method, based on the estimated useful lives of the assets as follows:

Office equipment	5 years
Software	5 years

For office equipment, which was transferred from the Golden Jubilee Art Celebration, depreciation is based on its remaining life.

4.5 Art collection

The artworks transferred from the Golden Jubilee Art Celebration as well as donated by artists, are estimated their value by individual artists.

5. CURRENT INVESTMENT

Current investment as at December 31, consist of the following:

	2006		2005	
	Cost Baht	**Fair value Baht**	**Cost Baht**	**Fair value Baht**
Available-for-sales securities				
Securities investment	19,331,431	19,331,431	23,362,389	23,362,389
Add (less) Revaluation surplus (deficit) on investments	-	-	-	-
	19,331,431	19,331,431	23,362,389	23,362,389

6. SUPPLIES

Supplies as at December 31, consist of the following:

	2006 Baht	2005 Baht
T-shirts	325,780	325,780
Art in the Reign of Rama IX Books and art catalogues	697,655	379,740
CD Project 6 Decade	21,616	-
	1,045,051	705,520

Supplies will be given to donors who provide the Foundation with financial support.

7. EQUIPMENT

Equipment consists of the following:

	Balance December 31, 2005 Baht	Additions/ Transfer in Baht	Write-off Baht	Balance December 31, 2006 Baht
Cost:				
Office equipment	661,335	722,276	-	1,383,611
	661,335	722,276	-	1,383,611
Accumulated depreciation:				
Office equipment	(276,537)	(133,418)	-	(409,955)
	(276,537)	(133,418)	-	(409,955)
Equipment - net	384,798			973,656

Depreciation and amortization for the years		
2006	Baht	137,733
2005	Baht	103,110

8. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issuing by the authorized director of the Foundation on May 11, 2007.