

(UNAUDITED BUT REVIEWED)

GOLDEN LAND PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standards Pronouncement No. 41 “Interim financial statements”, with the Company choosing to present condensed interim financial statements. However, additional line items are presented in the balance sheets, and the statements of earnings, changes in shareholders’ equity, and cash flows as in the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

1.2 Basis of consolidation

These consolidated interim financial statements include the financial statements of Golden Land Property Development Public Company Limited and its subsidiaries (“the Group”) and are prepared applying the same basis as the consolidated financial statements for the year ended 31 December 2003. There has been no change in the composition of the Group during the current period, except that the Company additionally invested in a subsidiary company as follows :-

	<u>Paid up capital</u>	<u>Percentage of</u> <u>share held by</u> <u>the Company</u>	<u>Country of</u> <u>incorporation</u>	<u>Principal activities</u>
	<u>Million Baht</u>	<u>Percent</u>		
Golden Property Services Company Limited	1	100	Thailand	Property development management

1.3 Summary of significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2003.

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2. ACCOUNTS RECEIVABLE - TRADE

The outstanding balances of trade accounts receivable as at 31 March 2004 and 31 December 2003 were classified by aging as follows :-

(Unit : Thousand Baht)

Overdue	Consolidated		The Company Only	
	31 March 2004	31 December 2003	31 March 2004	31 December 2003
Accounts receivable - real estate				
Installments due				
Less than 3 months	17,486	90,661	-	-
More than 3 months - 6 months	22,865	-	-	-
More than 12 months	40,090	43,363	18,311	18,311
	80,441	134,024	18,311	18,311
Unbilled completed work	818,775	472,834	-	-
	899,216	606,858	18,311	18,311
Rental and service receivable				
Less than 3 months	8,615	6,760	8,227	5,298
More than 3 months - 6 months	886	1,166	339	692
More than 6 months - 12 months	1,348	183	692	-
More than 12 months	2,402	2,402	228	228
	13,251	10,511	9,486	6,218
Total accounts receivable - trade	912,467	617,369	27,797	24,529
Less : Allowance for doubtful accounts	(24,700)	(24,700)	(11,000)	(11,000)
Total accounts receivable - trade, net	887,767	592,669	16,797	13,529

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3. PROPERTY DEVELOPMENT PROJECTS FOR SALES – NEW PROJECTS

The subsidiaries have mortgaged land, including most present and future structures thereon, with financial institutions to secure their bank loans. In addition, the subsidiaries have transferred the ownership of certain land to the purchaser in accordance with the agreements to purchase and sell whereby, if the purchaser breaches the conditions of the agreements, the purchaser will have to transfer the ownership of the land back to the subsidiaries.

4. INVESTMENTS IN SUBSIDIARIES/EXCESS LOSS OVER COST OF INVESTMENTS IN SUBSIDIARIESThe Company Only

	Paid up capital		Percentage of shares held by the Company		Investment					
					Cost Method		Equity Method			
	31	31	31	31	31	31	Net investment		Excess loss over cost of investment in subsidiaries	
	March 2004	December 2003	March 2004	December 2003	March 2004	December 2003	March 2004	December 2003	March 2004	December 2003
	Million Baht	Million Baht	Percent	Percent	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Baan Chang Estate Co., Ltd.	30	30	100	100	30,000	30,000	-	-	(42,607)	(39,955)
Narayana Pavilion Co., Ltd.	475	475	100	100	475,218	475,218	855,401	860,334	-	-
United Homes Co., Ltd.	50	50	100	100	50,000	50,000	140,437	85,546	-	-
Golden Land Development Co., Ltd.	1	1	100	100	1,000	1,000	765	770	-	-
Golden Land (Mayfair) Co., Ltd.	11	1	100	100	11,000	1,000	-	-	(31,378)	(34,856)
North Sathorn Realty Co., Ltd.	639	639	100	100	549,044	549,044	536,866	538,266	-	-
Ritz Village Co., Ltd.	1	1	100	100	1,000	1,000	-	4,489	(8,034)	-
Golden Land Polo Co., Ltd.	1	1	100	100	1,000	1,000	-	-	(6,979)	(5,663)
Gloden Land (Retail) Co., Ltd.	0.1	0.1	100	100	100	100	-	-	(14,323)	(12,288)
Gloden Land (Nichada Thani) Co., Ltd.	1	1	100	100	1,000	1,000	-	-	(1,436)	(1,431)
Grand Paradise Property Co., Ltd.	1	1	100	100	1,000	1,000	-	-	(7,208)	(3,528)
Golden Property Services Co., Ltd.	1	-	100	-	1,000	-	2,292	-	-	-
Sathorn Thong Co., Ltd.	154	154	79	79	121,660	121,660	-	-	(11,715)	(11,954)
S.R.E.F. (Managers) Co., Ltd.	1	1	70	70	700	700	402	409	-	-
Sathorn Supsin Co., Ltd.	500	500	51	51	255,000	255,000	91,125	91,790	-	-
Walker Homes Co., Ltd. (100% holding together with subsidiary company)	1	1	50	50	500	500	-	-	(3,105)	(3,084)
Total					1,499,222	1,488,222	1,627,288	1,581,604	(126,785)	(112,759)

During the current quarter, the Company has invested in Golden Property Services Company Limited by purchasing 100,000 ordinary shares at Baht 10 each, representing 100 percent equity interest in that company.

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During the three-month periods ended 31 March 2004 and 2003, the subsidiaries did not declare any dividends.

As at 31 March 2004 and 31 December 2003, accumulated share of loss from investments in certain subsidiaries exceeded the total cost of the investments. The Company recorded such excess as “Excess loss over cost of investment in subsidiaries” in the balance sheets.

5. INVESTMENT IN ASSOCIATED COMPANY

Principal activity	Paid up capital		Percentage of shares held by the Company		Investment			
	31 March 2004	31 December 2003	31 March 2004	31 December 2003	Cost Method		Equity Method	
	Million Baht	Million Baht	Percent	Percent	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Baan Jiaranai Co., Ltd. Property development	20	20	50	50	9,230	9,230	-	-

During the three-month periods ended 31 March 2004 and 2003, the associated company did not declare any dividend.

6. INVESTMENTS IN PROPERTY FUNDS

CONSOLIDATED/THE COMPANY ONLY

Principal activity	Paid up capital		Percentage of units held by the Company		Investment			
	31 March 2004	31 December 2003	31 March 2004	31 December 2003	At cost		At net asset value	
	Million Baht	Million Baht	Percent	Percent	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Golden Land Fund Two Investment in property for sales or rent	707	700	90	90	706,800	699,800	682,825	678,647
Siam Real Estate Fund Investment in property for sales or rent	215	215	60	60	129,000	129,000	223,901	223,494
					835,800	828,800	906,726	902,141

On 19 January 2004, a resolution of a meeting No. 1/2004 of the unitholders of Siam Real Estate Fund approved the reduction of the fund’s capital through reducing the number of fund units in issued from 32.19 million units to 15.58 million units. On 26 April 2004, the fund has returned such capital reduction to its unitholders amounting to Baht 200 million. In proportion to its equity, the Company received return of capital of Baht 120 million.

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7. RELATED PARTY TRANSACTIONS

The Company and its subsidiaries have had significant business dealings with their associated and related companies, related by way of common shareholders or by means of being under the control of certain common directors. These financial statements reflect the results of those transactions (except the Company's intercompany transactions with its subsidiaries, which have been eliminated from the consolidated financial statements) on the bases agreed between the parties (part of them no written agreement has been prepared). The significant transactions are summarised below :-

(Unit : Million Baht)

	For the three-month periods ended 31 March			
	Consolidated		The Company Only	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
<u>Transactions with subsidiary companies</u> (eliminated from the consolidated financial statements)				
Interest income	-	-	28.7	6.9
Management fee income	-	-	92.6	44.9
Interest expenses	-	-	0.6	0.7
Rental expenses	-	-	5.3	1.3
<u>Transactions with related company</u>				
Interest income	2.4	0.1	-	-
<u>Transactions with related person</u>				
Interest expenses	3.2	4.7	3.2	4.7

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The outstanding balances of the above transactions have been separately shown as “Amounts due from related parties”, “Long-term loans to related parties” and “Long-term loans from related parties” in the balance sheets as follows :-

	Consolidated		The Company Only		(Unit : Thousand Baht)
	31 March	31 December	31 March	31 December	Interest policy
	2004	2003	2004	2003	
Amounts due from related parties					
Subsidiaries					
United Homes Co., Ltd.	-	-	1,477,000	1,377,000	
Walker Homes Co., Ltd.	-	-	27,000	27,000	
Ritz Village Co., Ltd.	-	-	38,000	38,000	
Total amounts due from related parties	-	-	1,542,000	1,442,000	
Long-term loans to related parties					
Other receivable from related parties					
Subsidiary					
Sathorn Thong Co., Ltd.	-	-	67,426	67,426	
Total	-	-	67,426	67,426	
Loans and advances to related parties					
(including interest receivable)					
Subsidiaries					
Baan Chang Estate Co., Ltd.	-	-	286,023	201,457	No interest charge
United Homes Co., Ltd.	-	-	1,490,072	2,006,980	No interest is charged, except for an additional drawn-down since 2003, on which interest is charged at the rate of 3.2-4.3 percent per annum.
Golden Land Development Co., Ltd.	-	-	72	72	No interest charge
Golden Land (Mayfair) Co., Ltd.	-	-	954,788	951,550	No interest is charged, except for an additional drawn-down since 2003, on which interest is charged at the rate of 3.2-4.3 percent per annum.
Ritz Village Co., Ltd.	-	-	1,516	1,516	No interest charge
Golden Land Polo Co., Ltd.	-	-	95,526	94,216	No interest charge
Golden Land (Retail) Co., Ltd.	-	-	13,845	11,744	No interest charge
Golden Land (Nichada Thani) Co., Ltd.	-	-	2,386	2,386	No interest charge
S.R.E.F. (Manager) Co., Ltd.	-	-	1	1	No interest charge
Sathorn Thong Co., Ltd.	-	-	19,199	19,199	Minimum Loan Rate
Sathorn Supsin Co., Ltd.	-	-	867,427	855,148	Minimum Loan Rate
Walker Homes Co., Ltd.	-	-	135,623	135,623	No interest charge
North Sathorn Realty Co., Ltd.	-	-	391,548	390,723	Minimum Loan Rate
Grand Paradise Property Co., Ltd.	-	-	36	36	No interest charge
Total	-	-	4,258,062	4,670,651	

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(Unit : Thousand Baht)

	Consolidated		The Company Only		Interest policy
	31 March	31 December	31 March	31 December	
	2004	2003	2004	2003	
<u>Associated companies</u>					
Baan Jiaranai Co., Ltd.	69,532	68,123	48,785	47,376	Minimum Loan Rate
MSGL Property Co., Ltd. (associated company of a subsidiary company)	95,788	95,459	9,200	9,200	No interest charge
Total	165,320	163,582	57,985	56,576	
Less : Allowance for doubtful accounts	(25,000)	(25,000)	(17,000)	(17,000)	
Total	140,320	138,582	40,985	39,576	
<u>Related companies</u>					
Golden Habitation Co., Ltd.	170,186	161,463	-	-	No interest charge
Others	760	732	10	654	No interest charge
Total	170,946	162,195	10	654	
Total long-term loans to related parties - net	311,266	300,777	4,366,483	4,778,307	
<i>Long-term loans from related parties</i>					
Amounts due to related parties					
<u>Subsidiaries</u>					
Narayana Pavilion Co., Ltd.	-	-	47,872	44,891	
Golden Land (Mayfair) Co., Ltd.	-	-	3,000	-	
Total	-	-	50,872	44,891	
Long-term loans and advances from related parties (including interest payable)					
<u>Subsidiaries</u>					
Narayana Pavilion Co., Ltd.	-	-	331,830	334,147	No interest charge
Sathorn Thong Co., Ltd.	-	-	60,731	60,106	Minimum Loan Rate
Ritz Village Co., Ltd.	-	-	68,547	54,547	No interest charge
Total	-	-	461,108	448,800	
<u>Related companies</u>					
Apple Jack Co., Ltd.	-	70,000	-	-	No interest charge
Srivikom Group Holding Co., Ltd.	6,250	6,250	6,250	6,250	No interest charge
Total	6,250	76,250	6,250	6,250	
Less : Current portion of long-term loan	-	(70,000)	-	-	
Total	6,250	6,250	6,250	6,250	

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(Unit : Thousand Baht)

	Consolidated		The Company Only		Interest policy
	31 March	31 December	31 March	31 December	
	2004	2003	2004	2003	
<u>Related person</u>	215,000	230,000	215,000	230,000	Minimum Loan Rate but not exceeding 15 percent per annum
Less : Current portion of long-term loan	(60,000)	(60,000)	(60,000)	(60,000)	
Total	155,000	170,000	155,000	170,000	
Total long-term loans from related parties	161,250	176,250	673,230	669,941	

On 31 December 2002, the Company and a subsidiary entered into a settlement agreement with an associated company under which the associated company agreed to settle loans totalling Baht 35 million (net of allowance for doubtful accounts of Baht 25 million) through the transfer of ownership of its condominium units. However, the associated company has not yet transferred such ownership to the Company and the subsidiary.

Interest on “Long-term loan from related person” was charged at the minimum loan rate but not exceeding 15 percent per annum, and is payable in 60 monthly installments, with the first repayment due on 30 December 2002 and the last repayment due on 30 December 2007.

During the period, movement of loans and advances to related parties (including interest receivable) and long-term loans and advances from related parties (including interest payable) are as follows :-

(Unit : Thousand Baht)

	Consolidated			Balance as at 31 March 2004
	Balance as at 1 January 2004	During the period		
		Increase	Decrease	
Loans and advances to related parties				
<u>Associated companies</u>				
Baan Jiranai Co., Ltd.	68,123	1,409	-	69,532
MSG L Property Co., Ltd.	95,459	329	-	95,788
<u>Related companies</u>				
Golden Habitation Co., Ltd.	161,463	8,723	-	170,186
Others	732	673	(645)	760
	325,777	11,134	(645)	336,266

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(Unit : Thousand Baht)

	Consolidated			Balance as at 31 March 2004
	Balance as at	During the period		
	1 January 2004	Increase	Decrease	
Long-term loans and advances from related parties				
<u>Related companies</u>				
Apple Jack Co., Ltd.	70,000	-	(70,000)	-
Srivikorn Group Holding Co., Ltd.	6,250	-	-	6,250
<u>Related person</u>	230,000	-	(15,000)	215,000
	<u>306,250</u>	<u>-</u>	<u>(85,000)</u>	<u>221,250</u>

(Unit : Thousand Baht)

	The Company Only			Balance as at 31 March 2004
	Balance as at	During the period		
	1 January 2004	Increase	Decrease	
Loans and advances to related parties				
<u>Subsidiaries</u>				
Baan Chang Estate Co., Ltd.	201,457	151,000	(66,434)	286,023
United Homes Co., Ltd.	2,006,980	61,110	(578,018)	1,490,072
Golden Land Development Co., Ltd.	72	-	-	72
Golden Land (Mayfair) Co., Ltd.	951,550	3,238	-	954,788
Ritz Village Co., Ltd.	1,516	-	-	1,516
Golden Land Polo Co., Ltd.	94,216	1,310	-	95,526
Golden Land (Retail) Co., Ltd.	11,744	2,101	-	13,845
Golden Land (Nichada Thani) Co., Ltd.	2,386	-	-	2,386
S.R.E.F. (Manager) Co., Ltd.	1	-	-	1
Sathorn Thong Co., Ltd.	19,199	-	-	19,199
Sathorn Supsin Co., Ltd.	855,148	12,279	-	867,427
Walker Homes Co., Ltd.	135,623	-	-	135,623
North Sathorn Realty Co., Ltd.	390,723	1,025	(200)	391,548
Grand Paradise Property Co., Ltd.	36	-	-	36
<u>Associated companies</u>				
Baan Jaranai Co., Ltd.	47,376	1,409	-	48,785
MSGL Property Co., Ltd.	9,200	-	-	9,200
<u>Related company</u>				
Other	654	-	(644)	10
	<u>4,727,881</u>	<u>233,472</u>	<u>(645,296)</u>	<u>4,316,057</u>

(UNAUDITED BUT REVIEWED)

(Unit : Thousand Baht)

	The Company Only			Balance as at 31 March 2004
	Balance as at	During the period		
	1 January 2004	Increase	Decrease	
Long-term loans and advances from related parties				
<u>Subsidiaries</u>				
Narayana Pavilion Co., Ltd.	334,147	-	(2,317)	331,830
Sathorn Thong Co., Ltd.	60,106	625	-	60,731
Ritz Village Co., Ltd.	54,547	22,000	(8,000)	68,547
<u>Related company</u>				
Srivikorn Group Holding Co., Ltd.	6,250	-	-	6,250
<u>Related person</u>	230,000	-	(15,000)	215,000
	<u>685,050</u>	<u>22,625</u>	<u>(25,317)</u>	<u>682,358</u>

8. PROPERTY DEVELOPMENT PROJECTS FOR SALES

A subsidiary has considered the net realisable value of “Property development project for sales” which was not appraised by an independent appraiser, of which the cost as at 31 March 2004 was approximately Baht 38 million (31 December 2003 : Baht 38 million) and recorded provision for impairment of Baht 11 million in the accounts (31 December 2003 : Baht 11 million).

The Company and its subsidiaries have mortgaged land and leasehold right, including most present and future structures thereon, with financial institutions to secure loans of the Company and its subsidiaries and the Company’s debentures.

9. LAND, LEASEHOLD LAND AND PROJECTS UNDER CONSTRUCTION

During 2003, a subsidiary appraised the present value of future projected cash inflows from its project, whose cost as at 31 March 2004 were approximately Baht 2,041 million (31 December 2003 : Baht 1,947 million), based on the assumptions and development plan of the subsidiary. According to the management report, the present value of future projected cash inflows from the project would exceed its cost. Therefore, no provision for impairment was set up for such project.

The subsidiaries have mortgaged land and leasehold rights, including most present and future structures thereon, with financial institutions to secure loans of the subsidiaries.

10. LAND AND LEASEHOLD LAND HELD FOR FUTURE DEVELOPMENT

During 2000 and 2003, the Company and its subsidiaries hired an independent appraiser to appraise the fair market value of the Company and its subsidiary's "Land held for future development" for which project developments were not yet been planned. According to the report of the independent appraiser, there was one plot of land of which the fair market value was approximately Baht 43 million lower than its cost. The Company has already set up a provision for impairment in the accounts.

During 2000, a subsidiary hired an independent appraiser to appraise the present value of future projected cash inflows from the subsidiary's "Land and leasehold land held for future development" on which projects existed, whose book value as at 31 March 2004 were approximately Baht 944 million (31 December 2003 : Baht 944 million). According to the report of the independent appraiser, which was based on the information and assumptions provided by the subsidiary, the present value of future projected cash inflows from these projects would exceed their costs and therefore, no provision for impairment was set up.

A portion of land held for future development of subsidiaries is co-owned by a related party.

The Company and its subsidiaries have mortgaged land and leasehold rights with financial institutions to secure loans of the Company and its subsidiaries and the Company's debentures.

11. PROPERTY FOR RENT

During 2003, two subsidiaries hired an independent appraiser to appraise the present value of future projected cash inflows from an office building and an residential building, whose book value as at 31 March 2004 were approximately Baht 1,314 million (31 December 2003 : Baht 1,323 million). According to the report of the independent appraiser, which was based on the information and assumptions provided by the subsidiaries, the present value of future projected cash inflows from such buildings would exceed their cost and therefore the subsidiaries have not set up any provision for impairment in their accounts.

The Company and its subsidiaries have mortgaged most of their land and buildings with financial institutions to secure loans and debentures of the Company.

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12. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

The Company and its subsidiaries' short-term borrowings from banks and finance companies carry interest at the minimum loan rate plus/minus a certain percentage per annum, and are due for repayment within one year.

The Company and its subsidiaries have mortgaged most of their freehold land, leasehold land and the construction thereon (both present and future construction) with financial institutions to secure the loans of the Company and its subsidiaries.

13. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

	(Unit : Thousand Baht)			
	Consolidated		The Company Only	
	31 March 2004	31 December 2003	31 March 2004	31 December 2003
Loans from banks	2,161,282	1,562,347	139,050	149,415
Less : Current portion of long-term loans	(144,907)	(37,147)	(44,907)	(37,147)
Total	<u>2,016,375</u>	<u>1,525,200</u>	<u>94,143</u>	<u>112,268</u>

The Company and its subsidiaries' long-term borrowings from banks carry interest at the minimum loan rate plus/minus a certain percentage per annum.

The Company and its subsidiaries have mortgaged most of their freehold land, leasehold land and construction thereon (both present and future construction) with financial institutions to secure their loans.

Most loan agreements contain covenants and restrictions on the Company and its subsidiaries imposed by the lenders, related to such matters as merger or consolidation with or into any other corporations, investment in securities, share capital reduction or dividend payment, and guarantee of any other person.

14. LONG-TERM LOAN FROM SHAREHOLDER

This represents an interest-free loan from a shareholder of the Company which is repayable in 2004.

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15. DEBENTURES

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	31 March 2004	31 December 2003	31 March 2004	31 December 2003
Debentures	2,200,000	2,200,000	2,200,000	2,200,000
Less : Current portion of debentures	(396,000)	(297,000)	(396,000)	(297,000)
Debentures – net of current portion	1,804,000	1,903,000	1,804,000	1,903,000

15.1 On 9 October 2002 the Company issued Baht 1,100 million of unsubordinated, amortising, 3-year, secured debentures (1.1 million units with a face value of Baht 1,000 each) maturing on 9 October 2005 and bearing interest at a fixed rate of 4.95 percent per annum, payable every quarter. Principal is scheduled for repayment in seven installments, with six installments of Baht 99 million each to be paid quarterly, commencing 9 April 2004, and the final installment of Baht 506 million to be paid on 9 October 2005. The conditions of the issue of the above debentures stipulate certain significant covenants with which the Company must comply throughout the life of the debentures. These relate to matters such as the maintenance of a debt to equity ratio, a ratio of collateral value to total debt outstanding under the debentures, and a dividend payment ratio, among others.

The Company has mortgaged its land and construction as collateral against the above debentures.

15.2 On 20 August 2003 the Company issued Baht 1,100 million of unsubordinated, amortising, 5-year, secured debentures (1.1 million unit with a face value of Baht 1,000 each) maturing on 20 August 2008 and bearing interest at a fixed rate of 3.2 percent per annum, payable every quarter. Principal is scheduled for repayment in eleven installments, with ten installments of Baht 99 million each to be paid quarterly, commencing 20 February 2006, and the final installment of Baht 110 million to be paid on 20 August 2008. The conditions of the issue of the above debentures stipulated certain significant covenants with which the Company must comply throughout the life of the debentures. These related to matters such as the maintenance of a debt to equity ratio, a ratio of collateral value to total debt outstanding under the debentures, and a dividend payment ratio, among others.

The Company has mortgaged land and construction of a subsidiary company as collateral against the above debentures.

16. WARRANTS

The Company issued the warrants as follows :-

- 16.1 The 30 million warrants allocated to institutional investors free-of-charge by private placement. These warrants mature in 2004 and have an exercise price of Baht 10, with one warrant entitling the holder to purchase one ordinary share.

Up to 31 March 2004, no exercise of the above warrants has been made.

- 16.2 The 12,266,665 warrants allocated to the directors and/or employees of the Company free of charge. These warrants mature in 2005 and have an exercise price of Baht 10, with one warrant entitling the holder to purchase one ordinary share.

Up to 31 March 2004, one warrant holder exercised 100,000 warrants to purchase 100,000 ordinary shares at exercise price of Baht 10 each, totaling Baht 1 million.

As of 31 March 2004, the 12,166,665 warrants (31 December 2003 : 12,166,665 warrants) are outstanding.

- 16.3 The 28,183,335 warrants allocated to the employees of the Company free of charge. These warrants mature in 2008 and have an exercise price of Baht 10, with one warrant entitling the holder to purchase one ordinary share.

On 25 January 2004, one warrant holder exercised 200,000 warrants to purchase 200,000 ordinary shares at an exercise price of Baht 10 each, totalling Baht 2 million, such amount has already been received and is presented under "Share subscription received in advance" in the balance sheet. The Company registered the resultant increase in its paid up share capital with the Ministry of Commerce on 2 April 2004.

As of 31 March 2004, 27,983,335 warrants (31 December 2003 : 28,183,335 warrant) are outstanding.

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17. RECONCILIATION OF DILUTED EARNINGS PER SHARE

	For the three-month periods ended 31 March					
	Net earnings		Weighted average number of ordinary shares		Earnings per share	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
	Thousand Baht	Thousand Baht	Thousand Shares	Thousand Shares	Baht	Baht
Basic earnings per share						
Net earnings	34,140	95,539	630,027	629,782	0.05	0.15
Effect of dilutive potential ordinary shares						
70,150,000 warrants (2003 : 70,316,667 warrants)	-	-	9,159	-	-	-
Diluted earnings per share						
Net earnings of ordinary shareholders assuming conversion of dilutive potential ordinary shares	<u>34,140</u>	<u>95,539</u>	<u>639,186</u>	<u>629,782</u>	<u>0.05</u>	<u>0.15</u>

18. COMMITMENTS

As at 31 March 2004, the Company and its subsidiaries had the following outstanding commitments :-

- 18.1 Savings accounts of subsidiaries amounting to approximately Baht 684 million are escrow accounts for the purpose of receiving payments in relation to land and houses from customers under purchase and sale agreements. Withdrawal from escrow accounts are to be made in accordance with conditions stipulated in the escrow agreement.
- 18.2 Savings accounts and the three-month fixed deposits accounts with local commercial banks totaling approximately Baht 98 million (The Company only : Baht 8 million) were pledged to secure bank guarantees obtained from those banks.
- 18.3 The Company and its subsidiaries have mortgaged most of their freehold land, leasehold land, and constructions thereon (both existing and future construction), and have pledged certain investments with financial institutions, in order to secure long-term loans and credit facilities of the Company and its subsidiaries and the Company's debentures.

(UNAUDITED BUT REVIEWED)

18.4 The subsidiaries have outstanding commitments totaling approximately Baht 2,838 million and USD 0.3 million with respect to design and construction contracts.

18.5 The subsidiaries entered into agreements with a foundation and the Privy Purse Bureau, to lease land on which to develop residential and office buildings for rent, for periods of 50 years and 30 years respectively, commencing 5 October 2003 and 1 September 1992 respectively. Future rental payments required under these lease agreements are as follow :-

<u>Payment due</u>	<u>Million Baht</u>
Within 1 year	5.6
In 2nd to 5th year	24.4
After 5th years	295.8
Total	<u>325.8</u>

At the end of lease period with such foundation the lessor agrees to extend the lease period for another 10 years. Rental payables in the future are totaling Baht 94.4 million.

18.6 A subsidiary extended one lease agreement with the Crown Property Bureau and entered into an other agreement to lease additional space for the development of a building complex, for a period of 34 years (ending October 2036). Future rental payments required under these lease agreements are as follow :-

<u>Payment due</u>	<u>Million Baht</u>
Within 1 year	67.7
In 2nd to 5th year	194.6
After 5th years	1,136.8
Total	<u>1,399.1</u>

In addition, the lessor agrees to grant the Company the option renew these lease agreements for a two further periods of ten years each, under the condition, covenants and with the rental fees as stipulated in the agreement.

18.7 The Company and a subsidiary have guaranteed approximately Baht 18.7 million of loans which customers obtained from a finance company.

(UNAUDITED BUT REVIEWED)

- 18.8 The Company has outstanding commitments totaling approximately Baht 52 million in respect of the uncalled portion of its investment in a subsidiary company.
- 18.9 The subsidiary has entered into management and royalty agreements with a company for the provision of management assistance and the use of a trademark for a serviced apartments project. The agreements are effective from the project's opening date and are for a twenty year period, with options to extend for a period of ten years. The subsidiary is committed to pay certain fees at a percentage of the gross revenue and/or net operating profit of the project, as stated in the agreements.
- 18.10 The Company and its subsidiary have outstanding commitments totaling Baht 1,098 million (the Company only : Baht 720 million) with respect to land and building purchase agreements.

19. RELATED PARTY GUARANTEES

As at 31 March 2004, the Company and its subsidiaries had the following commitments to financial institutions as a result of their guarantees of credit facilities.

- 19.1 The Company has provided guarantees to financial institutions against certain obligations of its subsidiaries totaling Baht 1,777 million. Generally, the guarantees are effective so long as underlying obligations have not yet been discharged by the subsidiaries. No fee is charged for the provision of these guarantees.
- 19.2 Certain loans and credit facilities of the Company are guaranteed by the Company's director. The amounts of those guarantees are summarised below. These guarantees are effective so long as the underlying obligations have not been discharged by the Company. No guarantee fee is charged by the director.

	<u>Consolidated</u>	<u>The Company Only</u>
Guaranteed by director	USD 1.5 million	USD 1.5 million

20. BANK GUARANTEES

As at 31 March 2004, there were outstanding bank guarantees of approximately Baht 111 million (The Company only : Baht 6 million) which were issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of their business.

21. LITIGATION AND CONTINGENT LIABILITIES

As at 31 March 2004, the following significant litigation had been filed against the Company and its subsidiaries :-

- 21.1 A contractor has taken legal action against the Company, suing for compensation of approximately Baht 8 million for the Company's default of certain conditions in a construction agreement between the two parties. The case is currently under the consideration of the Appeal Court. However, the management believes that the final judgment of this case will be in favour of the Company, and thus no provision has been set aside in the accounts.
- 21.2 The House Committee on Consumer Protection filed a lawsuit against the Company and a related company, seeking the return of deposits totalling Baht 103 million on the grounds that the Company and the related company advertised and invited the public to purchase condominium units in the related company's project, as a result of which the related company received deposits and cash advances from customers, but the related company was not able to construct the condominium units and transfer ownership to the customers. Most of the cases are currently being heard by the Civil Court except for 2 cases, valued at approximately Baht 12 million which the trial court has already ruled, ordering the Company to be jointly liable. Currently, the trial court decisions are being appealed. The Company has not set aside a provision for possible losses in the accounts since the management believes that no material liability will arise as a result of the lawsuit. As the Company was only the project manager, responsible for sales, and not the owner of the project, it was not the party to the agreements with the project's customers and did not receive the above deposits. The Company believes that it is not responsible for the return of the above deposits to the project's customers.

(UNAUDITED BUT REVIEWED)

21.3 A customer of a related company has filed a lawsuit against the Company and that related company, suing for compensation of Baht 2 million since that person had paid for deposit for building in a project of that related company but that related company was not able to construct and transfer the condominium to that person. The case is currently being heard by the Civil Court. The Company has not set aside a provision for possible losses in the accounts since the management believes that no material liability will arise as a result of the lawsuit. As the Company was not the owner of the project, it was not party to the agreement with that project's customer and did not receive the above deposit. The Company therefore believes that it is not liable for the above compensation to that project's customer.

22. FINANCIAL INFORMATION BY SEGMENT

The Company and its subsidiaries' operations are carried on in a single geographic area in Thailand and involve the real estate, golf course, rental and service industries. The financial information in the consolidated earnings statements for the three-month periods ended 31 March 2004 and 2003 is as follows :-

(Unit : Million Baht)

For the three-month periods ended 31 March

	Real estate business		Golf course business		Rental and service business		Others		Eliminated		Total	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Revenues from third parties	585	207	7	10	42	11	11	14	-	-	645	242
Revenues from related parties	-	-	-	-	3	1	142	56	(145)	(57)	-	-
	585	207	7	10	45	12	153	70	(145)	(57)	645	242
Operating profit	246	81	-	3	27	5	11	14	-	-	284	103
Central expenses											(172)	(102)
Share of gain (loss) from investments accounted for under equity method											(1)	118
Earnings before interest expenses and tax											111	119
Interest expenses											(59)	(29)
Earnings before tax											52	90
Corporate income tax											(19)	-
Earnings before minority interest											33	90
Net loss in respect of minority interest											1	6
Net earnings											34	96

(UNAUDITED BUT REVIEWED)

The financial information in the consolidated balance sheets as at 31 March 2004 and 31 December 2003 is as follows :-

(Unit : Million Baht)

	Real estate		Golf course		Rental and		Eliminated		Total	
	business		business		service business					
	31	31	31	31	31	31	31	31	31	31
	March	December	March	December	March	December	March	December	March	December
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Property for rent - net	-	-	-	-	2,107	2,118	-	-	2,107	2,118
Building under renovation	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment - net	90	89	38	45	-	-	-	-	128	134
Other assets									11,467	10,897
Total assets									13,702	13,149

23. RECLASSIFICATION

Certain amounts in the financial statements as at 31 December 2003 and for the three-month period of 31 March 2003, as presented herein for comparative purposes, have been reclassified to conform to the current period's classifications with no effect on previously reported net earnings or shareholders' equity.

24. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements have been approved by the directors of the Company.