

(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 subsidiary companies as follows :-

	Paid up capital	Percentage of share held by the Company	Country of incorporation	Principal activities
	Million Baht	Percent		
Golden Property Services Company Limited	1	100	Thailand	Property development management
Golden Habitation Company Limited	5	100	Thailand	Property development

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 and addition adoption of the following accounting policy :-

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Revenue from the lease units in condominiums, constructed on leasehold land, under long-term lease agreements which substantially transfer the risks and rewards of ownership to the lessee is recognised as revenue from sales of condominium units.

2. ACCOUNTS RECEIVABLE - TRADE

The outstanding balances of trade accounts receivable as at 30 September 2004 and 31 December 2003 were classified by aging as follows :-

(Unit : Thousand Baht)

Overdue	Consolidated		The Company Only	
	30 September 2004	31 December 2003	30 September 2004	31 December 2003
Accounts receivable - real estate				
Installments due				
Less than 3 months	15,508	90,661	-	-
More than 3 months - 6 months	4	-	-	-
More than 6 months - 12 months	10,000	-	-	-
More than 12 months	38,207	43,363	18,311	18,311
	63,719	134,024	18,311	18,311
Unbilled completed work	1,307,809	472,834	-	-
	1,371,528	606,858	18,311	18,311
Rental and service receivable				
Less than 3 months	7,951	6,760	6,744	5,298
More than 3 months - 6 months	1,662	1,166	1,186	692
More than 6 months - 12 months	2,350	183	1,878	-
More than 12 months	3,943	2,402	586	228
	15,906	10,511	10,394	6,218
Total accounts receivable - trade	1,387,434	617,369	28,705	24,529
Less : Allowance for doubtful accounts	(30,380)	(24,700)	(11,000)	(11,000)
Total accounts receivable - trade, net	1,357,054	592,669	17,705	13,529

(UNAUDITED BUT REVIEWED)

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			
	30 September 2004	31 December 2003	30 September 2004	31 December 2003	Net investment		Excess loss over cost of investments in subsidiaries			
	30 September 2004	31 December 2003	30 September 2004	31 December 2003	30 September 2004	31 December 2003	30 September 2004	31 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	-	-	(45,021)	(39,955)
Narayana Pavilion Co., Ltd.	475	475	100	100	475,218	475,218	840,488	860,334	-	-
United Homes Co., Ltd.	50	50	100	100	50,000	50,000	201,820	85,546	-	-
Golden Land Development Co., Ltd.	1	1	100	100	1,000	1,000	771	770	-	-
Golden Land (Mayfair) Co., Ltd.	11	1	100	100	11,000	1,000	-	-	(31,181)	(34,856)
North Sathorn Realty Co., Ltd.	639	639	100	100	549,044	549,044	532,635	538,266	-	-
Ritz Village Co., Ltd.	1	1	100	100	1,000	1,000	-	4,489	(8,287)	-
Golden Land Polo Co., Ltd.	1	1	100	100	1,000	1,000	-	-	(9,605)	(5,663)
Gloden Land (Retail) Co., Ltd.	0.1	0.1	100	100	100	100	-	-	(14,324)	(12,288)
Gloden Land (Nichada Thani) Co., Ltd.	1	1	100	100	1,000	1,000	-	-	(1,446)	(1,431)
Grand Paradise Property Co., Ltd.	1	1	100	100	1,000	1,000	-	-	(14,783)	(3,528)
Golden Property Services Co., Ltd.	1	-	100	-	1,000	-	2,392	-	-	-
Golden Habitation Co., Ltd.	5	-	100	-	5,000	-	-	-	(4,476)	-
Sathorn Thong Co., Ltd.	154	154	79	79	121,660	121,660	-	-	(11,183)	(11,954)
S.R.E.F. (Managers) Co., Ltd.	1	1	70	70	700	700	389	409	-	-
Sathorn Supsin Co., Ltd.	500	500	51	51	255,000	255,000	122,718	91,790	-	-
Walker Homes Co., Ltd. (100% holding together with subsidiary company)	1	1	50	50	500	500	-	-	(3,145)	(3,084)
Total					<u>1,504,222</u>	<u>1,488,222</u>	<u>1,701,213</u>	<u>1,581,604</u>	<u>(143,451)</u>	<u>(112,759)</u>
Presented as – Allowance for doubtful accounts on loans to subsidiaries (Note 7)									<u>(117,612)</u>	<u>(108,723)</u>
Total									<u><u>(25,839)</u></u>	<u><u>(4,036)</u></u>

As at 30 September 2004 and 31 December 2003, accumulated share of loss from investments in certain subsidiaries exceeded the cost of these investments. The Company recorded part of such excess as an allowance against the accounts receivable from and loans to these subsidiaries (Note 7 to the financial statements) and the remainder was presented as “Excess loss over cost of investments in subsidiaries” in the balance sheets.

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During the first quarter of 2004, the Company has invested in Golden Property Services Company Limited by purchasing 99,994 ordinary shares at Baht 10 each, representing 100 percent equity interest in that company.

During the current quarter, the Company has invested in Golden Habitation Company Limited by purchasing 499,993 ordinary shares at Baht 10 each, representing 100 percent equity interest in that company.

During the three-month and nine-month periods ended 30 September 2004 and 2003, the subsidiaries did not declare any dividends.

5. INVESTMENT IN ASSOCIATED COMPANY

	Principal activity	Percentage of shares held				Investment			
		Paid up capital		by the Company		Cost Method		Equity Method	
		30	31	30	31	30	31	30	31
		September	December	September	December	September	December	September	December
		2004	2003	2004	2003	2004	2003	2004	2003
		Million	Million	Percent	Percent	Thousand	Thousand	Thousand	Thousand
		Baht	Baht			Baht	Baht	Baht	Baht
Baan Jiaranai Co., Ltd.	Property development	20	20	50	50	9,230	9,230	-	-

During the three-month and nine-month periods ended 30 September 2004 and 2003, the associated company did not declare any dividend.

6. INVESTMENTS IN PROPERTY FUNDS

CONSOLIDATED/THE COMPANY ONLY

	Principal activity	Percentage of units held				Investment			
		Paid up capital		by the Company		At cost		At net asset value	
		30	31	30	31	30	31	30	31
		September	December	September	December	September	December	September	December
		2004	2003	2004	2003	2004	2003	2004	2003
		Million	Million	Percent	Percent	Thousand	Thousand	Thousand	Thousand
		Baht	Baht			Baht	Baht	Baht	Baht
Golden Land Fund Two	Investment in property for sales or rent	707	700	90	90	706,800	699,800	677,417	678,647
Siam Real Estate Fund	Investment in property for sales or rent	15	215	60	60	9,000	129,000	102,913	223,494
						<u>715,800</u>	<u>828,800</u>	<u>780,330</u>	<u>902,141</u>

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.

During the three-month and nine-month periods ended 30 September 2004 and 2003, the property funds did not declare any dividends.

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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 30 September			
	Consolidated		The Company Only	
	2004	2003	2004	2003
<u>Transactions with subsidiary companies</u>				
(eliminated from the consolidated financial statements)				
Interest income	-	-	26.4	26.8
Utility income	-	-	-	0.1
Management fee income	-	-	158.0	190.7
Interest expenses	-	-	0.7	0.7
Rental expenses	-	-	2.6	1.3
Utility expenses	-	-	0.5	0.5
<u>Transactions with related companies</u>				
Interest income	1.8	-	-	-
Management fee income	0.7	-	-	-
<u>Transactions with related person</u>				
Interest expenses	2.9	3.8	2.9	3.8

(Unit : Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		The Company Only	
	2004	2003	2004	2003
<u>Transactions with subsidiary companies</u>				
(eliminated from the consolidated financial statements)				
Interest income	-	-	84.3	54.6
Utility income	-	-	-	4.3
Management fee income	-	-	391.6	343.0
Interest expenses	-	-	1.9	2.1
Rental expenses	-	-	10.4	4.0
Utility expenses	-	-	1.5	1.3
<u>Transactions with related companies</u>				
Interest income	7.0	-	-	-
Management fee income	1.9	-	-	-
<u>Transactions with related person</u>				
Interest expenses	9.1	12.9	9.1	12.9

(UNAUDITED BUT REVIEWED)

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)
	30 September 2004	31 December 2003	30 September 2004	31 December 2003	Interest policy
Amounts due from related parties					
Subsidiaries					
United Homes Co., Ltd.	-	-	1,777,000	1,377,000	
Walker Homes Co., Ltd.	-	-	27,000	27,000	
Ritz Village Co., Ltd.	-	-	38,000	38,000	
Golden Property Services Co., Ltd.	-	-	1,926	-	
Total amounts due from related parties	-	-	1,843,926	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.	-	-	278,023	201,457	No interest charge
United Homes Co., Ltd.	-	-	877,704	2,006,980	No interest is charged, except for an additional drawn-down since 2003, on which interest is charged at the rate of 3.25-3.75 percent per annum.
Golden Land Development Co., Ltd.	-	-	72	72	No interest charge
Golden Land (Mayfair) Co., Ltd.	-	-	945,960	951,550	No interest is charged, except for an additional drawn-down since 2003, on which interest is charged at the rate of 3.45-3.65 percent per annum.
Ritz Village Co., Ltd.	-	-	1,516	1,516	No interest charge
Golden Land Polo Co., Ltd.	-	-	98,160	94,216	No interest charge
Golden Land (Retail) Co., Ltd.	-	-	14,747	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	No interest charge
Sathorn Supsin Co., Ltd.	-	-	1,020,583	855,148	Minimum Loan Rate
Walker Homes Co., Ltd.	-	-	135,623	135,623	No interest charge
North Sathorn Realty Co., Ltd.	-	-	397,247	390,723	Minimum Loan Rate
Grand Paradise Property Co., Ltd.	-	-	36	36	No interest charge
Golden Habitation Co., Ltd.	-	-	155	-	No interest charge
Total	-	-	3,791,412	4,670,651	
Less : Allowance for doubtful accounts (Note 4)	-	-	(117,612)	(108,723)	
Total	-	-	3,673,800	4,561,928	

(UNAUDITED BUT REVIEWED)

(Unit : Thousand Baht)

	Consolidated		The Company Only		Interest policy
	30 September	31 December	30 September	31 December	
	2004	2003	2004	2003	
<u>Associated companies</u>					
Baan Jiaranai Co., Ltd.	70,202	68,123	49,455	47,376	Minimum Loan Rate
MSGL Property Co., Ltd. (associated company of a subsidiary company)	96,789	95,459	9,200	9,200	No interest charge
Total	166,991	163,582	58,655	56,576	
Less : Allowance for doubtful accounts	(25,000)	(25,000)	(17,000)	(17,000)	
Total	141,991	138,582	41,655	39,576	
<u>Related companies</u>					
Golden Habitation Co., Ltd. (It is now classified as subsidiary)	-	161,463	-	-	No interest charge
Others	364	732	10	654	No interest charge
Total	364	162,195	10	654	
Total long-term loans to related parties - net	142,355	300,777	3,782,891	4,669,584	
<i>Long-term loans from related parties</i>					
Amounts due to related parties					
<u>Subsidiaries</u>					
Narayana Pavilion Co., Ltd.	-	-	53,986	44,891	
Golden Land (Mayfair) Co., Ltd.	-	-	3,000	-	
Total	-	-	56,986	44,891	
Long-term loans and advances from related parties (including interest payable)					
<u>Subsidiaries</u>					
Narayana Pavilion Co., Ltd.	-	-	312,478	334,147	No interest charge
Sathorn Thong Co., Ltd.	-	-	65,033	60,106	Minimum Loan Rate
Ritz Village Co., Ltd.	-	-	72,547	54,547	No interest charge
Total	-	-	450,058	448,800	
<u>Related companies</u>					
Apple Jack Co., Ltd.	-	70,000	-	-	No interest charge
Srivikorn 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	

(UNAUDITED BUT REVIEWED)

(Unit : Thousand Baht)

	Consolidated		The Company Only		Interest policy
	30 September	31 December	30 September	31 December	
	2004	2003	2004	2003	
<u>Related person</u>	185,000	230,000	185,000	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	125,000	170,000	125,000	170,000	
Total long-term loans from related parties	131,250	176,250	638,294	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 30 September 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	2,079	-	70,202
MSGLE Property Co., Ltd.	95,459	1,330	-	96,789
<u>Related companies</u>				
Golden Habitation Co., Ltd. (It is now classified as subsidiary)	161,463	32,418	(193,881)	-
Others	732	1,152	(1,520)	364
	325,777	36,979	(195,401)	167,355

(UNAUDITED BUT REVIEWED)

(Unit : Thousand Baht)

	Consolidated			Balance as at 30 September 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	-	(45,000)	185,000
	<u>306,250</u>	<u>-</u>	<u>(115,000)</u>	<u>191,250</u>

(Unit : Thousand Baht)

	The Company Only			Balance as at 30 September 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	157,000	(80,434)	278,023
United Homes Co., Ltd.	2,006,980	411,607	(1,540,883)	877,704
Golden Land Development Co., Ltd.	72	-	-	72
Golden Land (Mayfair) Co., Ltd.	951,550	19,410	(25,000)	945,960
Ritz Village Co., Ltd.	1,516	-	-	1,516
Golden Land Polo Co., Ltd.	94,216	3,944	-	98,160
Golden Land (Retail) Co., Ltd.	11,744	3,003	-	14,747
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	165,435	-	1,020,583
Walker Homes Co., Ltd.	135,623	-	-	135,623
North Sathorn Realty Co., Ltd.	390,723	6,724	(200)	397,247
Grand Paradise Property Co., Ltd.	36	-	-	36
Golden Habitation Co., Ltd.	-	155	-	155
<u>Associated companies</u>				
Baan Jiaranai Co., Ltd.	47,376	2,079	-	49,455
MSGF Property Co., Ltd.	9,200	-	-	9,200
<u>Related company</u>				
Other	654	-	(644)	10
	<u>4,727,881</u>	<u>769,357</u>	<u>(1,647,161)</u>	<u>3,850,077</u>

(UNAUDITED BUT REVIEWED)

(Unit : Thousand Baht)

	The Company Only			Balance as at 30 September 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	-	(21,669)	312,478
Sathorn Thong Co., Ltd.	60,106	4,927	-	65,033
Ritz Village Co., Ltd.	54,547	32,000	(14,000)	72,547
<u>Related company</u>				
Srivikorn Group Holding Co., Ltd.	6,250	-	-	6,250
<u>Related person</u>	230,000	-	(45,000)	185,000
	<u>685,050</u>	<u>36,927</u>	<u>(80,669)</u>	<u>641,308</u>

8. PROPERTY DEVELOPMENT PROJECTS FOR SALES

The Company and its subsidiaries have mortgaged land 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. LEASEHOLD LAND AND PROJECTS UNDER CONSTRUCTION

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

10. LAND AND LEASEHOLD LAND HELD FOR FUTURE DEVELOPMENT

During 2000 and 2004, 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 had not yet been planned. According to the report of the independent appraiser, the fair market value of one plot of land was approximately Baht 43 million lower than its cost and the Company set aside provision for impairment in the accounts. However, during the current quarter, the Company sold this land and reversed the related impairment loss in the earning statements for the three-month and nine-month periods ended 30 September 2004.

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A subsidiary has recorded "Land and land leasehold held for future development", with respective book value of Baht 946 million as at 30 September 2004 (31 December 2003: Baht 944 million). Given the current state of the real estate industry, which is highly competitive, the subsidiary is currently discussing and considering appointing parties to manage its projects, and is looking at other plans whereby benefits to the business will be maximised. A conclusion has not yet been reached. This uncertainty could significantly affect the future recoverable value of the above assets.

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

A subsidiary has recorded "Property for rent", with respective book value of Baht 436 million as at 30 September 2004 (31 December 2003: Baht 445 million). Given the current state of the real estate industry, which is highly competitive, the subsidiary is currently looking at other plans whereby benefits to the business will be maximised. A conclusion has not yet been reached. This uncertainty could significantly affect the future recoverable value of the above assets.

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

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

The Company and its subsidiaries' short-term borrowings from banks 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

	Consolidated		(Unit : Thousand Baht) The Company Only	
	30 September 2004	31 December 2003	30 September 2004	31 December 2003
Loans from banks	2,975,954	1,562,347	130,364	149,415
Less : Current portion of long-term loans	(144,907)	(37,147)	(44,907)	(37,147)
Total	<u>2,831,047</u>	<u>1,525,200</u>	<u>85,457</u>	<u>112,268</u>

(UNAUDITED BUT REVIEWED)

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.

15. DEBENTURES

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	30 September 2004	31 December 2003	30 September 2004	31 December 2003
Debentures	2,002,000	2,200,000	2,002,000	2,200,000
Less : Current portion of debentures	(396,000)	(297,000)	(396,000)	(297,000)
Debentures – net of current portion	<u>1,606,000</u>	<u>1,903,000</u>	<u>1,606,000</u>	<u>1,903,000</u>

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. During 2004, the warrants expired without any exercise being 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 30 September 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 30 September 2004, the 12,166,665 warrants (31 December 2003 : 12,166,665 warrants) are outstanding.

(UNAUDITED BUT REVIEWED)

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, totaling Baht 2 million. The Company registered the resultant increase in its paid up share capital with the Ministry of Commerce on 2 April 2004.

As of 30 September 2004, 27,983,335 warrants (31 December 2003 : 28,183,335 warrants) are outstanding.

17. RECONCILIATION OF DILUTED EARNINGS PER SHARE

	For the three-month periods ended 30 September					
	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	175,411	134,341	630,082	629,790	0.28	0.21
Effect of dilutive potential ordinary shares						
40,150,000 warrants (2003 : 70,350,000 warrants)	-	-	-	16,193	-	-
Diluted earnings per share						
Net earnings of ordinary shareholders assuming conversion of dilutive potential ordinary shares	<u>175,411</u>	<u>134,341</u>	<u>630,082</u>	<u>645,983</u>	<u>0.28</u>	<u>0.21</u>

(UNAUDITED BUT REVIEWED)

	For the nine-month periods ended 30 September					
	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	322,381	341,959	630,064	629,785	0.51	0.54
Effect of dilutive potential ordinary shares						
40,150,000 warrants (2003 : 70,350,000 warrants)	-	-	-	1,648	-	-
Diluted earnings per share						
Net earnings of ordinary shareholders assuming conversion of dilutive potential ordinary shares	<u>322,381</u>	<u>341,959</u>	<u>630,064</u>	<u>631,433</u>	<u>0.51</u>	<u>0.54</u>

18. COMMITMENTS

As at 30 September 2004, the Company and its subsidiaries had the following outstanding commitments :-

18.1 Savings accounts of subsidiaries amounting to approximately Baht 776.3 million are escrow accounts for the purpose of receiving payments in relation to land and houses and residential building 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 110.5 million (The Company only : Baht 22.1 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 2,641.7 million and USD 0.3 million with respect to design and construction contracts.

18.5 The subsidiary entered into agreements with a foundation, to lease land on which to develop residential building for rent, for periods of 50 years, commencing 5 October 2003. Future rental payments required under these lease agreements are as follow :-

<u>Payment due</u>	<u>Million Baht</u>
Within 1 year	-
In 2nd to 5th year	14.9
After 5th years	245.9
Total	<u>260.8</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 The subsidiary entered into agreements with the Privy Purse Bureau, to lease land on which to develop office building for rent, for periods of 30 years, commencing 1 September 1992. Future rental payments required under these lease agreements are as follow :-

<u>Payment due</u>	<u>Million Baht</u>
Within 1 year	2.1
In 2nd to 5th year	9.8
After 5th years	48.5
Total	<u>60.4</u>

18.7 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	<u>1,136.8</u>
Total	<u><u>1,399.1</u></u>

(UNAUDITED BUT REVIEWED)

In addition, the lessor agrees to grant the subsidiary 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.

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

18.9 The Company has outstanding commitments totaling approximately Baht 52.1 million in respect of the uncalled portion of its investment in a subsidiary company.

18.10 Two subsidiaries have entered into management and royalty agreements with two companies, whereby those companies will provide assistance with the management of the serviced apartments projects of the subsidiaries and permit the subsidiaries to use certain trademarks. The agreements are effective from the dates that projects commence a twenty-year period, with options to extend for further periods of ten years. The subsidiaries are to pay various fees at a percentage of the gross revenues and/or net operating profits of the projects, as stated in the agreements.

18.11 The Company and its subsidiary have outstanding commitments totaling Baht 911.5 million (the Company only : Baht 720 million) with respect to land purchase agreements.

19. RELATED PARTY GUARANTEES

As at 30 September 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 loan and credit facilities of its subsidiaries totaling Baht 3,879.2 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.

(UNAUDITED BUT REVIEWED)

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 30 September 2004, there were outstanding bank guarantees of approximately Baht 112.8 million (The Company only : Baht 20.3 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 30 September 2004, the following significant litigation had been filed against the Company :-

21.1 The House Committee on Consumer Protection filed lawsuits against the Company and a related company, seeking the return of deposits totaling Baht 96 million on the grounds that the Company and the related company advertised and invited the public to purchase condominium units in a project of the related company, as a result of which the related company received deposits from customers, but the related company was not able to construct the condominium units and transfer ownership to the customers. The court of first instance judged the Company jointly liable for payment, together with interest at the rate of 7.5 percent per annum, calculated from the latest date that project customers made payment in some cases and from the date that the customers filed suit with the courts in other cases until such time all the outstandings have been paid. The Company has appealed the decisions of the court of first instance and the lawsuits are currently being heard by the appeals court. However, the Company has not set aside a provision for this contingent liability in its accounts since the management still believes that no material liability will arise as a result of the lawsuit. Because the Company was only the project manager, responsible for sales, and not the owner of the project, it was not a party to the agreements with the project's customers and did not receive the above deposits. The Company therefore believes that it has no liability in relation to the return of the above deposits to the project's customers.

(UNAUDITED BUT REVIEWED)

21.2 The customers of a related company have filed lawsuits against the Company and that related company, suing for compensation totaling Baht 6.4 million on the grounds that they paid deposits for buildings in a project of that related company but the related company was not able to construct and transfer the condominiums to them. Most of the lawsuits are currently being heard by the court of first instance, but in cases valued at approximately Baht 1.5 million the court of first instance judged the Company jointly liable for payment, together with interest at the rate of 7.5 percent per annum, calculated from 1 July 1997 until such time all the outstandings have been paid. The Company has appealed the decisions of the court of first instance and the lawsuits are currently being heard by the appeals court but 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. Because the Company was not the owner of the project, it was not party to the agreements with the project's customer and did not receive the above deposits, and the Company therefore believes that it has no liability for payment of compensation to the 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 and nine-month periods ended 30 September 2004 and 2003 is as follows :-

(Unit : Million Baht)

	For the three-month periods ended 30 September										Total	
	Real estate business		Golf course business		Rental and service business		Others		Eliminated			
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Revenues from third parties	899	522	7	6	62	31	260	13	-	-	1,228	572
Revenues from related parties	-	-	-	-	5	2	156	183	(161)	(185)	-	-
	899	522	7	6	67	33	416	196	(161)	(185)	1,228	572
Operating profit	334	207	-	-	17	17	188	13	-	-	539	237
Interest income											3	10
Central expenses											(220)	(153)
Share of gain (loss) from investments accounted for under equity method											(1)	73
Earnings before interest expenses and income tax											321	167
Interest expenses											(73)	(42)
Corporate income tax											(81)	-
Earnings before minority interest											167	125
Net loss in respect of minority interest											8	9
Net earnings											175	134

(UNAUDITED BUT REVIEWED)

(Unit : Million Baht)

For the nine-month periods ended 30 September												
	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	2,703	1,187	19	23	150	53	277	32	-	-	3,149	1,295
Revenues from related parties	-	-	-	-	11	5	389	347	(400)	(352)	-	-
	2,703	1,187	19	23	161	58	666	379	(400)	(352)	3,149	1,295
Operating profit (loss)	1,001	459	(1)	3	43	23	205	32	-	-	1,248	517
Interest income											10	27
Central expenses											(573)	(373)
Share of gain (loss) from investments accounted for under equity method											(3)	245
Earnings before interest expenses and income tax											682	416
Interest expenses											(194)	(96)
Corporate income tax											(136)	-
Earnings before minority interest											352	320
Net loss (gain) in respect of minority interest											(30)	22
Net earnings											322	342

The financial information in the consolidated balance sheets as at 30 September 2004 and 31 December 2003 is as follows :-

(Unit : Million Baht)										
	Real estate business		Golf course business		Rental and service business		Eliminated		Total	
	30 September 2004	31 December 2003	30 September 2004	31 December 2003	30 September 2004	31 December 2003	30 September 2004	31 December 2003	30 September 2004	31 December 2003
Property for rent - net	-	-	-	-	2,960	2,118	-	-	2,960	2,118
Property, plant and equipment - net	116	89	27	45	-	-	-	-	143	134
Other assets									10,698	10,897
Total assets									13,801	13,149

23. RECLASSIFICATION

Certain amounts in the financial statements as at 31 December 2003 and for the three-month and nine-month periods ended 30 September 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.