

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 2004. There has been no change in the composition of the Group during the current period except for the follows :-

1.2.1 MSGL Property Company Limited changed its status from an associated company of a subsidiary to a wholly owned subsidiary of a subsidiary and the financial statements of this company were thus included in the consolidated financial statements of the Company, as discussed in Note 5 to the financial statements.

1.2.2 The Company has included the financial statements of Golden Land Fund Two in the consolidated financial statements, as discussed in Note 6 to the financial statements.

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 2004.

2. ACCOUNTS RECEIVABLE - TRADE

The outstanding balances of trade accounts receivable as at 30 September 2005 and 31 December 2004 were classified by aging as follows :-

(Unit : Thousand Baht)

Overdue	Consolidated		The Company Only	
	30 September 2005	31 December 2004	30 September 2005	31 December 2004
Accounts receivable - real estate				
Installments due				
Less than 3 months	55,323	204,671	-	-
More than 3 months - 6 months	52,918	264,047	-	-
More than 6 months - 12 months	-	200,467	-	-
More than 12 months	53,836	64,142	18,311	18,311
	162,077	733,327	18,311	18,311
Unbilled completed work	709,164	722,905	-	-
	871,241	1,456,232	18,311	18,311
Rental and service receivable				
Less than 3 months	17,911	15,965	2,165	7,605
More than 3 months - 6 months	2,191	3,469	2,002	2,304
More than 6 months - 12 months	3,033	1,354	3,000	849
More than 12 months	5,366	4,477	969	649
	28,501	25,265	8,136	11,407
Total accounts receivable - trade	899,742	1,481,497	26,447	29,718
Less : Allowance for doubtful accounts	(33,708)	(33,707)	(18,311)	(18,311)
Total accounts receivable - trade, net	866,034	1,447,790	8,136	11,407

Because a delay in the division of the land into smaller plots, the subsidiaries have had to postpone the transfer of completed houses to customers. However, the subsidiaries are working to expedite the process.

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 and bank guarantees. 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 SUBSIDIARIES

The Company Only

	Paid up capital		Percentage of shares held by the Company		Investment					
					Cost Method		Equity Method			
	30 September 2005	31 December 2004	30 September 2005	31 December 2004	Net investment		Excess loss over cost of investments in subsidiaries			
	30 September 2005	31 December 2004	30 September 2005	31 December 2004	30 September 2005	31 December 2004	30 September 2005	31 December 2004		
	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	-	-	(50,850)	(48,490)
Narayana Pavilion Co., Ltd.	475	475	100	100	475,218	475,218	821,317	832,688	-	-
United Homes Co., Ltd.	50	50	100	100	50,000	50,000	385,087	339,685	-	-
Golden Land Development Co., Ltd.	1	1	100	100	1,000	1,000	701	716	-	-
Golden Land (Mayfair) Co., Ltd.	11	11	100	100	11,000	11,000	-	-	(17,628)	(31,086)
North Sathorn Realty Co., Ltd.	639	639	100	100	549,044	549,044	492,206	527,430	-	-
Ritz Village Co., Ltd.	1	1	100	100	1,000	1,000	-	-	(13,325)	(27,918)
Golden Land Polo Co., Ltd. (including of MSGL Property Co., Ltd. - 100% holding)	1	1	100	100	1,000	1,000	-	-	(23,153)	(11,007)
Gloden Land (Retail) Co., Ltd.	0.1	0.1	100	100	100	100	-	-	(14,493)	(14,478)
Gloden Land (Nichada Thani) Co., Ltd.	1	1	100	100	1,000	1,000	-	-	(1,514)	(1,499)
Grand Paradise Property Co., Ltd.	1	1	100	100	1,000	1,000	-	-	(21,023)	(16,294)
Golden Property Services Co., Ltd.	1	1	100	100	1,000	1,000	4,059	2,354	-	-
Golden Habitation Co., Ltd.	5	5	100	100	5,000	5,000	-	-	(16,704)	(7,920)
Golden Land Fund Two	710	-	90	-	709,800	-	670,643	-	-	-
Sathorn Thong Co., Ltd.	154	154	79	79	121,660	121,660	-	-	(10,987)	(11,139)
S.R.E.F. (Managers) Co., Ltd.	1	1	70	70	700	700	312	341	-	-
Sathorn Supsin Co., Ltd.	500	500	51	51	255,000	255,000	51,640	95,638	-	-
Walker Homes Co., Ltd. (100% holding together with subsidiary company)	1	1	50	50	500	500	-	-	(53,088)	(58,149)
Total					2,214,022	1,504,222	2,425,965	1,798,852	(222,765)	(227,980)
Presented as – Allowance for doubtful accounts on loans to subsidiaries (Note 7)									(185,428)	(203,967)
Total									(37,337)	(24,013)

As at 30 September 2005 and 31 December 2004, 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.

During the three-month and nine-month periods ended 30 September 2005 and 2004, the subsidiaries did not declare any dividends.

5. INVESTMENTS IN ASSOCIATED COMPANIES

Principal activity	Paid up capital		Percentage of shares held by the Company		Investment			
	30 September 2005	31 December 2004	30 September 2005	31 December 2004	Cost Method		Equity Method	
	Thousand Baht	Thousand Baht	Percent	Percent	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Baan Jiaranai Co., Ltd.	20,000	20,000	50	50	9,230	9,230	-	-
MSGL Property Co., Ltd. (changed from an associated company of a subsidiary to a subsidiary company of a subsidiary)	-	51	-	34	-	51	-	-
					<u>9,230</u>	<u>9,281</u>	<u>-</u>	<u>-</u>

During the current period, a subsidiary and a company agreed to terminate their joint investment contract and that company will transfer all of its shares in MSGL Property, Co., Ltd. to a subsidiary. As a result of this termination the subsidiary has control over MSGL Property, Co., Ltd. and the status of MSGL Property Co., Ltd. has thus changed from an associated company of the subsidiary to a wholly-owned subsidiary of a subsidiary. Currently, the subsidiary and its co-investor are in the process of transferring such shares.

During the three-month and nine-month periods ended 30 September 2005 and 2004, the associated companies did not declare any dividends.

6. INVESTMENTS IN PROPERTY FUNDS

CONSOLIDATED/THE COMPANY ONLY

Principal activity	Paid up capital		Percentage of units held by the Company		Investment			
	30 September 2005	31 December 2004	30 September 2005	31 December 2004	At cost		At net asset value	
	Million Baht	Million Baht	Percent	Percent	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Golden Land Fund Two (changed to a subsidiary)	-	707	-	90	-	706,800	-	675,017
Siam Real Estate Fund	-	9	60	60	-	9,000	44,638	99,386
					<u>-</u>	<u>715,800</u>	<u>44,638</u>	<u>774,403</u>

On 4 February 2005, Meeting No. 1/2005 of the Investment Committee of Siam Real Estate Fund approved the payment of a dividend of Baht 1 per unit to the unitholders, or a total of approximately Baht 15.6 million, on which the Company's share was approximately Baht 9.4 million. In addition, the Investment Committee Meeting approved the reduction of its capital by Baht 75 million. On 18 July 2005, Siam Real Estate Fund has returned such capital reduction to its unitholders. In proportion to its equity, the Company received return of capital of Baht 45 million.

During the current period, the agreement to purchase unitholders between the Company and MS Thai Investment partner, Inc. was terminated, and as a result the Company has control over Golden Land Fund Two. The Company therefore presents Golden Land Fund Two as a subsidiary and its financial statements are included in the consolidated financial statements of the Company.

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

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	
	2005	2004	2005	2004
<u>Transactions with subsidiary companies</u>				
(eliminated from the consolidated financial statements)				
Interest income	-	-	11.9	26.4
Management fee income	-	-	116.8	158.0
Interest expenses	-	-	0.5	0.7
Management fee expenses	-	-	0.3	-
Rental expenses	-	-	5.0	2.6
Utility expenses	-	-	0.5	0.5
<u>Transactions with related companies</u>				
Interest income	-	1.8	-	-
Management fee income	0.5	0.7	-	-
<u>Transactions with related person</u>				
Interest expenses	2.0	2.9	2.0	2.9

(UNAUDITED BUT REVIEWED)

(Unit : Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		The Company Only	
	2005	2004	2005	2004
<u>Transactions with subsidiary companies</u>				
(eliminated from the consolidated financial statements)				
Interest income	-	-	38.3	84.3
Management fee income	-	-	233.4	391.6
Interest expenses	-	-	1.8	1.9
Management fee expenses	-	-	0.7	-
Rental expenses	-	-	10.0	10.4
Utility expenses	-	-	1.6	1.5
<u>Transactions with related companies</u>				
Interest income	-	7.0	-	-
Management fee income	1.7	1.9	-	-
<u>Transactions with related person</u>				
Interest expenses	6.5	9.1	6.5	9.1

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 :-

					(Unit : Thousand Baht)
	Consolidated		The Company Only		Interest policy
	30 September 2005	31 December 2004	30 September 2005	31 December 2004	
<i>Amounts due from related parties</i>					
Subsidiaries					
United Homes Co., Ltd.	-	-	2,046,243	1,827,000	
Walker Homes Co., Ltd.	-	-	27,000	27,000	
Ritz Village Co., Ltd.	-	-	66,585	38,000	
Golden Property Services Co., Ltd.	-	-	1,285	2,568	
Sathom Supsin Co., Ltd.	-	-	17,334	17,334	
Total	-	-	2,158,447	1,911,902	
Less : Allowance for doubtful accounts (Note 4)	-	-	(11,809)	(26,401)	
Total amounts due from related parties - net	-	-	2,146,638	1,885,501	

(UNAUDITED BUT REVIEWED)

					(Unit : Thousand Baht)
	Consolidated		The Company Only		Interest policy
	30 September 2005	31 December 2004	30 September 2005	31 December 2004	
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.	-	-	277,125	284,023	No interest charge
United Homes Co., Ltd.	-	-	410,362	744,444	No interest charge (2004 : interest charged at the rate of 3.20-4.25 percent per annum)
Golden Land Development Co., Ltd.	-	-	72	72	No interest charge
Golden Land (Mayfair) Co., Ltd.	-	-	862,664	923,213	No interest charge (2004 : interest charged at the rate of 3.20-3.95 percent per annum, only on additional amounts drawn down since 2003)
Ritz Village Co., Ltd.	-	-	1,516	1,516	No interest charge
Golden Land Polo Co., Ltd.	-	-	101,579	99,483	No interest charge (2004 : interest charged at Minimum Loan Rate)
Golden Land (Retail) Co., Ltd.	-	-	14,747	14,747	No interest charge
Golden Land (Nichada Thani) Co., Ltd.	-	-	2,386	2,386	No interest charge
S.R.E.F. (Managers) Co., Ltd.	-	-	1	1	No interest charge
Sathorn Thong Co., Ltd.	-	-	19,199	19,199	No interest charge
Sathorn Supsin Co., Ltd.	-	-	637,874	1,034,001	Minimum Loan Rate
Walker Homes Co., Ltd.	-	-	135,623	135,623	No interest charge
North Sathorn Realty Co., Ltd.	-	-	426,487	413,821	No interest charge (2004 : interest charged at Minimum Loan Rate)
Grand Paradise Property Co., Ltd.	-	-	36	36	No interest charge
Golden Habitation Co., Ltd.	-	-	354	166	No interest charge
MSG L Property Co., Ltd. (changed to a subsidiary of a subsidiary)	-	-	9,202	-	No interest charge
Total	-	-	2,899,227	3,672,731	
Less : Allowance for doubtful accounts (Note 4)	-	-	(173,619)	(177,565)	
Total	-	-	2,725,608	3,495,166	

(UNAUDITED BUT REVIEWED)

					(Unit : Thousand Baht)
	Consolidated		The Company Only		Interest policy
	30 September 2005	31 December 2004	30 September 2005	31 December 2004	
<u>Associated companies</u>					
Baan Jaranai Co., Ltd.	70,234	70,202	49,487	49,455	No interest charge
MSGL Property Co., Ltd. (changed to a subsidiary of a subsidiary)	-	97,252	-	9,200	No interest charge
Total	70,234	167,454	49,487	58,655	
Less : Allowance for doubtful accounts	(25,000)	(25,000)	(17,000)	(17,000)	
Total	45,234	142,454	32,487	41,655	
<u>Related companies</u>					
Others	366	656	59	59	No interest charge
Total	366	656	59	59	
Total long-term loans to related parties - net	45,600	143,110	2,825,580	3,604,306	
<i>Long-term loans from related parties</i>					
Amounts due to related parties					
<u>Subsidiaries</u>					
Narayana Pavilion Co., Ltd.	-	-	68,718	57,072	
Golden Land (Mayfair) Co., Ltd.	-	-	3,000	3,000	
Sathorn Supsin Co., Ltd.	-	-	3,907	3,905	
Golden Property Services Co., Ltd.	-	-	191	-	
Total	-	-	75,816	63,977	
Long-term loans and advances					
from related parties (including interest payable)					
<u>Subsidiaries</u>					
Narayana Pavilion Co., Ltd.	-	-	303,367	310,478	No interest charge
Sathorn Thong Co., Ltd.	-	-	66,471	65,709	Minimum Loan Rate
Ritz Village Co., Ltd.	-	-	31,547	55,547	No interest charge
North Sathorn Realty Co., Ltd.	-	-	242,180	-	No interest charge
Golden Habitation Co., Ltd.	-	-	4,950	-	No interest charge
Total	-	-	648,515	431,734	
<u>Related companies</u>					
Others	-	468	-	-	No interest charge
Total	-	468	-	-	
<u>Related person</u>					
	125,000	170,000	125,000	170,000	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	65,000	110,000	65,000	110,000	
Total long-term loans from related parties	65,000	110,468	789,331	605,711	

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 totaling 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 2005
	Balance as at 1 January 2005	During the period		
		Increase	Decrease	
Loans and advances to related parties				
<u>Associated companies</u>				
Baan Jiaranai Co., Ltd.	70,202	32	-	70,234
MSGL Property Co., Ltd. (changed to a subsidiary of a subsidiary)	97,252	680	(97,932)	-
<u>Related companies</u>				
Others	656	1,180	(1,470)	366
	<u>168,110</u>	<u>1,892</u>	<u>(99,402)</u>	<u>70,600</u>
Long-term loans and advances from related parties				
<u>Related companies</u>				
Others	468	-	(468)	-
<u>Related person</u>	170,000	-	(45,000)	125,000
	<u>170,468</u>	<u>-</u>	<u>(45,468)</u>	<u>125,000</u>

(Unit : Thousand Baht)

	The Company Only			Balance as at 30 September 2005
	Balance as at	During the period		
	1 January 2005	Increase	Decrease	
Loans and advances to related parties				
<u>Subsidiaries</u>				
Baan Chang Estate Co., Ltd.	284,023	5,002	(11,900)	277,125
United Homes Co., Ltd.	744,444	102,134	(436,216)	410,362
Golden Land Development Co., Ltd.	72	-	-	72
Golden Land (Mayfair) Co., Ltd.	923,213	251	(60,800)	862,664
Ritz Village Co., Ltd.	1,516	-	-	1,516
Golden Land Polo Co., Ltd.	99,483	2,096	-	101,579
Golden Land (Retail) Co., Ltd.	14,747	-	-	14,747
Golden Land (Nichada Thani) Co., Ltd.	2,386	-	-	2,386
S.R.E.F. (Managers) Co., Ltd.	1	-	-	1
Sathorn Thong Co., Ltd.	19,199	-	-	19,199
Sathorn Supsin Co., Ltd.	1,034,001	39,106	(435,233)	637,874
Walker Homes Co., Ltd.	135,623	-	-	135,623
North Sathorn Realty Co., Ltd.	413,821	12,666	-	426,487
Grand Paradise Property Co., Ltd.	36	-	-	36
Golden Habitation Co., Ltd.	166	188	-	354
MSGL Property Co., Ltd. (changed to a subsidiary of a subsidiary)	9,200	2	-	9,202
<u>Associated companies</u>				
Baan Jiaranai Co., Ltd.	49,455	32	-	49,487
<u>Related company</u>				
Others	59	-	-	59
	<u>3,731,445</u>	<u>161,477</u>	<u>(944,149)</u>	<u>2,948,773</u>
Long-term loans and advances from related parties				
<u>Subsidiaries</u>				
Narayana Pavilion Co., Ltd.	310,478	-	(7,111)	303,367
Sathorn Thong Co., Ltd.	65,709	1,780	(1,018)	66,471
Ritz Village Co., Ltd.	55,547	-	(24,000)	31,547
North Sathorn Realty Co., Ltd.	-	242,180	-	242,180
Golden Habitation Co., Ltd.	-	4,950	-	4,950
<u>Related person</u>				
	<u>170,000</u>	<u>-</u>	<u>(45,000)</u>	<u>125,000</u>
	<u>601,734</u>	<u>248,910</u>	<u>(77,129)</u>	<u>773,515</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. LAND AND LEASEHOLD LAND HELD FOR FUTURE DEVELOPMENT

A subsidiary has recorded "Land and leasehold land held for future development", with respective book value of Baht 1,005 million as at 30 September 2005 (31 December 2004: Baht 974 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.

A property fund, which is a subsidiary, and a subsidiary have "Leasehold land held for future development" with book value of Baht 823 million as at 30 September 2005, which the subsidiaries plan to develop as commercial projects. However, the announcement of the new city plan for Bangkok has been postponed and the outcomes are not yet known. The resulting uncertainties could significantly affect the future recoverable value of these assets.

The Company and its subsidiaries have mortgaged most of their land and leasehold land held for future development with financial institutions to secure loans of the Company and its subsidiaries and the Company's debentures.

10. PROPERTY, PLANT AND EQUIPMENT FOR RENT

A subsidiary has recorded "Property, plant and equipment for rent", with respective book value of Baht 413 million as at 30 September 2005 (31 December 2004: Baht 429 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 for rent with financial institutions to secure debentures of the Company.

11. 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.

12. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	30 September 2005	31 December 2004	30 September 2005	31 December 2004
Loans from banks	3,516,983	3,084,340	95,586	104,508
Less : Current portion of long-term loans	(1,568,586)	(644,508)	(95,586)	(104,508)
Total	1,948,397	2,439,832	-	-

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

For most of the loans, repayment of principal is generally due whenever a plot of land is redeemed from mortgage, at the rates stipulated in the loan agreements, with the remaining balance to be repaid within a specific timeframe.

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.

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.

13. DEBENTURES

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	30 September	31 December	30 September	31 December
	2005	2004	2005	2004
Debentures	1,606,000	1,903,000	1,606,000	1,903,000
Less : Current portion of debentures	(803,000)	(803,000)	(803,000)	(803,000)
Debentures - net of current portion	803,000	1,100,000	803,000	1,100,000

13.1 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.

13.2 On 20 August 2003 the Company issued Baht 1,100 million of unsubordinated, amortising, 5-year, secured debentures (1.1 million units 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 stipulate 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.

On 29 April 2005, the Annual General Meeting of the Company's shareholders passed resolutions approving action by the Company in respect of several matters, with the significant resolutions being approval of the issue and offer of up to Baht 3,000 million of 10-year debentures through a public offering and/or private placements and/or offer to local investors and/or offer to foreign investors. Details and conditions are to be determined at the discretion of the Company's Board of directors.

14. WARRANTS

The Company issued the warrants as follows :-

14.1 The 12,266,665 warrants allocated to the directors and/or employees of the Company free of charge had an exercise price of Baht 10, with one warrant entitling the holder to purchase one ordinary share. These warrants expired on 30 June 2005, and as of the expired date one warrant holder had exercised 100,000 warrants to purchase 100,000 ordinary shares at an exercise price of Baht 10 each, a total of Baht 1 million.

14.2 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.

Up to 30 September 2005, 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.

In addition, up to 30 September 2005, 5,577,779 warrants were terminated as the employees who get the right to gain such warrants, resigned from the Company.

As of 30 September 2005, 22,405,556 warrants (31 December 2004 : 27,983,335 warrants) are outstanding.

15. RECONCILIATION OF DILUTED EARNINGS PER SHARE

	For the three-month periods ended 30 September					
	Net earnings (loss)		Weighted average number of ordinary shares		Earnings (loss) per share	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
	Thousand Baht	Thousand Baht	Thousand Shares	Thousand Shares	Baht	Baht
Basic earnings per share						
Net earnings (loss)	(12,652)	175,411	630,082	630,082	(0.02)	0.28
Effect of dilutive potential ordinary shares						
22,405,556 warrants (2004 : 70,150,000 warrants)	-	-	-	-	-	-
Diluted earnings per share						
Net earnings (loss) of ordinary shareholders assuming conversion of dilutive potential ordinary shares	<u>(12,652)</u>	<u>175,411</u>	<u>630,082</u>	<u>630,082</u>	<u>(0.02)</u>	<u>0.28</u>
	For the nine-month periods ended 30 September					
	Net earnings (loss)		Weighted average number of ordinary shares		Earnings (loss) per share	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
	Thousand Baht	Thousand Baht	Thousand Shares	Thousand Shares	Baht	Baht
Basic earnings per share						
Net earnings (loss)	(60,290)	322,381	630,082	630,064	(0.10)	0.51
Effect of dilutive potential ordinary shares						
22,405,556 warrants (2004 : 70,150,000 warrants)	-	-	-	-	-	-
Diluted earnings per share						
Net earnings (loss) of ordinary shareholders assuming conversion of dilutive potential ordinary shares	<u>(60,290)</u>	<u>322,381</u>	<u>630,082</u>	<u>630,064</u>	<u>(0.10)</u>	<u>0.51</u>

16. COMMITMENTS

As at 30 September 2005, the Company and its subsidiaries had the following outstanding commitments :-

- 16.1 Savings accounts of subsidiaries amounting to approximately Baht 905 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.
- 16.2 Savings accounts and the three-month fixed deposits accounts with local commercial banks totaling approximately Baht 104 million (The Company only : Baht 22 million) were pledged to secure bank guarantees obtained from those banks.
- 16.3 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 loans of the Company and its subsidiaries, the Company's debentures and a subsidiary's bank guarantees.
- 16.4 The subsidiaries have outstanding commitments totaling approximately Baht 2,273 million with respect to design and construction contracts.
- 16.5 The subsidiary entered into agreements with a foundation, to lease land on which to develop residential building for rent, for a period 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	3.7
In 2nd to 5th year	25.3
After 5th years	238.2
Total	<u>267.2</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.

- 16.6 The subsidiary entered into agreements with the Privy Purse Bureau, to lease land on which to develop office building for rent, for a period 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	2.3
In 2nd to 5th year	10.3
After 5th years	45.7
Total	<u>58.3</u>

- 16.7 The subsidiary entered into agreements with the Crown Property Bureau to lease land for the development of a building complex, for a period of 36 years (ending October 2038). 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	234.6
After 5th years	1,399.3
Total	<u>1,633.9</u>

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 conditions, covenants and with the rental fees as stipulated in the agreement.

- 16.8 The property fund entered into agreements with the Crown Property Bureau to lease land for the development of a property project, for a period of 33 years (ending January 2035). 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	192.3
After 5th years	1,863.9
Total	<u>2,056.2</u>

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

However, the property fund is currently negotiating with the Crown Property Bureau to extend the first construction period, which has expired. The lease agreement stipulates that if the lessee is unable to perform construction in accordance within the specific timeframe, the Crown Property Bureau has the right to double the rental fees (which would represent an increase of approximately Baht 11 million). The outcome of the negotiations is not yet known.

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

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

16.11 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.

16.12 The subsidiary have outstanding commitments totaling Baht 102 million with respect to land purchase agreements.

17. RELATED PARTY GUARANTEES

As at 30 September 2005, the Company and its subsidiaries had the following commitments to financial institutions as a result of their guarantees of credit facilities.

17.1 The Company has provided guarantees to financial institutions against loan and credit facilities of its subsidiaries totaling Baht 4,442 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.

17.2 Certain loans and credit facilities of the Company are guaranteed by the Company's director. 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. The amounts of those guarantees are summarised below.

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

18. BANK GUARANTEES

As at 30 September 2005, there were outstanding bank guarantees of approximately Baht 284 million (The Company only : Baht 20 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.

19. LITIGATION AND CONTINGENT LIABILITIES

As at 30 September 2005, the following significant litigation had been filed against the Company :-

19.1 The House Committee on Consumer Protection filed lawsuits against the Company and a related company, seeking the return of deposits totaling Baht 113 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. For the cases valued at approximately Baht 17 million, the cases are being heard by the court of first instance. For the cases valued at approximately Baht 96 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 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.

19.2 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. 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 date stipulated in the judgement 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 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 customers.

20. FINANCIAL INFORMATION BY SEGMENTS

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 2005 and 2004 is as follows :-

(Unit : Million Baht)

	For the three-month periods ended 30 September											
	Real estate business		Golf course business		Rental and service business		Others		Eliminated		Total	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Revenues from third parties	663	899	5	7	101	62	18	260	-	-	787	1,228
Revenues from related parties	-	-	-	-	9	5	117	156	(126)	(161)	-	-
	<u>663</u>	<u>899</u>	<u>5</u>	<u>7</u>	<u>110</u>	<u>67</u>	<u>135</u>	<u>416</u>	<u>(126)</u>	<u>(161)</u>	<u>787</u>	<u>1,228</u>
Operating profit	265	334	3	-	48	17	17	188	-	-	333	539
Interest income											1	3
Central expenses											(285)	(220)
Share of gain (loss) from investments accounted for under equity method											5	(1)
Earnings before interest expenses and income tax											54	321
Interest expenses											(65)	(73)
Corporate income tax											(12)	(81)
Earnings (loss) before minority interest											(23)	167
Net loss in respect of minority interest											11	8
Net earnings (loss)											<u>(12)</u>	<u>175</u>

(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	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Revenues from third parties	1,485	2,703	16	19	270	150	48	277	-	-	1,819	3,149
Revenues from related parties	-	-	-	-	19	11	251	389	(270)	(400)	-	-
	1,485	2,703	16	19	289	161	299	666	(270)	(400)	1,819	3,149
Operating profit (loss)	588	1,001	11	(1)	109	43	47	205	-	-	755	1,248
Interest income											4	10
Central expenses											(625)	(573)
Share of loss from investments accounted for under equity method											-	(3)
Earnings before interest expenses and income tax											134	682
Interest expenses											(190)	(194)
Corporate income tax											(47)	(136)
Earnings (loss) before minority interest											(103)	352
Net loss (gain) in respect of minority interest											43	(30)
Net earnings (loss)											(60)	322

The financial information in the consolidated balance sheets as at 30 September 2005 and 31 December 2004 is as follows :-

(Unit : Million Baht)										
	Real estate business		Golf course business		Rental and service business		Eliminated		Total	
	30 September 2005	31 December 2004	30 September 2005	31 December 2004	30 September 2005	31 December 2004	30 September 2005	31 December 2004	30 September 2005	31 December 2004
Property, plant and equipment for rent - net	-	-	-	-	3,424	3,475	-	-	3,424	3,475
Property, plant and equipment - net	111	115	25	26	-	-	-	-	136	141
Other assets									10,501	10,390
Total assets									14,061	14,006

21. APPROVAL OF INTERIM FINANCIAL STATEMENTS

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