

First Quarter

LAND AND HOUSES PUBLIC COMPANY LIMITED  
AND SUBSIDIARIES  
AUDITOR'S REPORT AND FINANCIAL STATEMENTS  
AS AT 31<sup>st</sup> MARCH 2000 (UNAUDITED/REVIEWED ONLY)  
AND AS AT 31<sup>st</sup> DECEMBER 1999 (AUDITED)

AUDITOR'S REPORT

To the shareholders of

LAND AND HOUSES PUBLIC COMPANY LIMITED

I have reviewed the consolidated balance sheets of LAND AND HOUSES PUBLIC COMPANY LIMITED AND SUBSIDIARIES as at 31<sup>st</sup> March 2000, the related consolidated statements of income, consolidated statements of changes in shareholders' equity, consolidated statements of retained earnings, consolidated statements of cash flows and the financial statements of LAND AND HOUSES PUBLIC COMPANY LIMITED for three months then ended 31<sup>st</sup> March 2000 and 1999. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to issue a report on these financial statements based on my review.

I conducted my review in accordance with auditing standards applicable to review engagements. Those standards require that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. Accordingly, I do not express an opinion on these financial statements.

Based on my review, nothing has come to my attention that causes me to believe that the financial statements are not presented fairly, in all material respects in accordance with generally accepted accounting principles.

I have audited the consolidated financial statements of LAND AND HOUSES PUBLIC COMPANY LIMITED AND SUBSIDIARIES as at 31<sup>st</sup> December 1999 and the financial statements of LAND AND HOUSES PUBLIC COMPANY LIMITED in accordance with generally accepted auditing standards and I expressed an unqualified opinion in my report dated 24<sup>th</sup> February 2000. The parent and consolidated balance sheet as at December 31, 1999, presented for comparison purpose, is a partial of the audited and reported financial statements. I have not performed any auditing procedures since that date.

I draw your attention to the notes to financial statements no. 15.1, for the period ended 31<sup>st</sup> March 2000 the Company has changed accounting method of depreciation of club houses, swimming pools and tennis courts from depreciated on a straight-line basis within 20 years to the expected economic benefits taken from those assets based on proportion of space sold in each project for conformity with the economic benefits from using the above assets built for housing project sale promotion. The Company, therefore, has retroactively adjusted the financial statements by presenting the cumulative effect of change in accounting policy in both year 2000 and 1999. From the aforementioned change, the financial statements for three months ended 31<sup>st</sup> March 2000 and 1999 represented an increase in beginning deficit of Baht 318.09 million and Baht 300.89 million and increase in net loss of Baht 1.04 million and Baht 5.30 million, respectively.

Office of D I A International Auditing

(Mrs. Suvimol Krittayakiern)

C.P.A. (Thailand)

Registration No. 2982

11<sup>th</sup> May 2000

LAND AND HOUSES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT 31<sup>st</sup> MARCH 2000 (UNAUDITED/REVIEWED ONLY)

AND AS AT 31<sup>st</sup> DECEMBER 1999 (AUDITED)

Assets	Note	Consolidated		Parent company	
		31 <sup>st</sup> March 2000 (Baht)	31 <sup>st</sup> December 1999 (Baht) (Adjustment)	31 <sup>st</sup> March 2000 (Baht)	31 <sup>st</sup> December 1999 (Baht) (Adjustment)
Current assets					
Cash in hand and at banks		93,897,164.22	110,221,344.04	44,238,058.31	25,929,855.78
Short-term investments	3	611,526,350.05	0.00	611,526,350.05	0.00
Trade accounts and notes receivable-net	4	130,707,036.08	88,996,200.76	65,239,314.97	37,037,570.11
Short-term loans to related parties	5.1	116,326,363.81	116,618,615.85	866,941,317.54	843,006,617.53
Inventories	6	20,307,371,532.12	20,514,525,680.66	17,950,972,890.15	17,999,640,815.11
Other current assets					
Accrued interest income-net	5.2	114,717,633.15	81,225,529.08	168,096,864.13	121,947,361.87
Others		222,393,706.50	219,194,420.13	194,218,904.75	190,513,640.61
Total current assets		21,596,939,785.93	21,130,781,790.52	19,901,233,699.90	19,218,075,861.01
Loans to related parties	5.2	434,854,569.92	423,272,928.32	434,854,569.92	423,272,928.32
Investments in related parties	7	2,000,999,048.62	1,921,182,783.14	2,337,735,158.57	2,435,155,746.71
Long-term investments	8	1,799,240,858.11	3,344,488,621.76	1,648,968,224.11	3,125,162,993.76
Land under contracts to buy and to sell		282,450,000.00	282,450,000.00	282,450,000.00	282,450,000.00
Property, plant and equipment-net	9	569,370,560.19	568,019,398.00	276,682,393.04	275,567,546.07
Other assets		25,225,263.59	25,674,417.37	547,061.92	722,949.70
Total assets		26,709,080,086.36	27,695,869,939.11	24,882,471,107.46	25,760,408,025.57

Notes to financial statements are parts of these financial statements.

LAND AND HOUSES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (Cont.)

AS AT 31<sup>st</sup> MARCH 2000 (UNAUDITED/REVIEWED ONLY)

AND AS AT 31<sup>st</sup> DECEMBER 1999 (AUDITED)

Liabilities and shareholders' equity	Note	Consolidated		Parent company	
		31 <sup>st</sup> March 2000 (Baht)	31 <sup>st</sup> December 1999 (Baht) (Adjustment)	31 <sup>st</sup> March 2000 (Baht)	31 <sup>st</sup> December 1999 (Baht) (Adjustment)
Current liabilities					
Banks overdraft and loans from financial institutions		300,811,941.79	240,806,004.12	10,699,414.99	20,483,098.79
Trade accounts payable		94,629,814.63	78,262,497.27	36,955,746.57	32,082,072.68
Current portion of long-term debt	10	376,425,807.85	380,220,157.85	270,909,750.00	278,154,000.00
Other current liabilities					
Unearned revenue		1,009,107,560.08	865,625,672.83	919,865,265.61	758,238,087.09
Accrued interest expense		358,433,785.77	367,346,123.99	138,929,937.08	139,391,690.10
Others		207,108,041.79	214,030,387.14	141,335,912.67	143,978,539.64
Total current liabilities		2,346,516,951.91	2,146,290,843.20	1,518,696,026.92	1,372,327,488.30
Long-term liabilities					
Long-term loans	10	12,318,152,284.85	14,003,592,323.63	10,930,242,817.15	12,499,641,564.15
Domestic debentures	11	800,000,000.00	0.00	800,000,000.00	0.00
Convertible debentures	12	250,623,600.00	250,623,600.00	250,623,600.00	250,623,600.00
Other liabilities					
Excess loss from investments in subsidiaries and affiliates 7		196,846,837.62	181,935,413.83	689,208,174.34	647,455,840.94
Others		19,815,657.86	12,553,210.31	0.00	0.00
Total liabilities		15,931,955,332.24	16,594,995,390.97	14,188,770,618.41	14,770,048,493.39

LAND AND HOUSES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (Cont.)

AS AT 31<sup>st</sup> MARCH 2000 (UNAUDITED/REVIEWED ONLY)

AND AS AT 31<sup>st</sup> DECEMBER 1999 (AUDITED)

Liabilities and shareholders' equity (cont )	Note	Consolidated		Parent company	
		31 <sup>st</sup> March 2000 (Baht)	31 <sup>st</sup> December 1999 (Baht) (Adjustment)	31 <sup>st</sup> March 2000 (Baht)	31 <sup>st</sup> December 1999 (Baht) (Adjustment)
Shareholders' equity					
Share capital					
Authorized share capital					
746,364,764 common shares of Baht 10 each		7,463,647,640.00	7,463,647,640.00	7,463,647,640.00	7,463,647,640.00
Issued and paid-up share capital					
623,617,911 common shares of Baht 10 each		6,236,179,110.00	6,236,179,110.00	6,236,179,110.00	6,236,179,110.00
Paid-in capital					
Premium on share capital		8,720,127,174.00	8,720,127,174.00	8,720,127,174.00	8,720,127,174.00
Retained earnings					
Appropriated					
Legal reserve		162,241,247.00	162,241,247.00	162,241,247.00	162,241,247.00
Unappropriated		(4,275,823,697.55)	(4,261,908,453.07)	(4,275,823,697.55)	(4,261,908,453.07)
Unrealized loss of investments	13	(149,023,344.40)	133,720,454.25	(149,023,344.40)	133,720,454.25
Total shareholders' equity		10,693,700,489.05	10,990,359,532.18	10,693,700,489.05	10,990,359,532.18
Minority shareholders' interest		83,424,265.07	110,515,015.96	0.00	0.00
Total shareholders' equity including minority interest		10,777,124,754.12	11,100,874,548.14	10,693,700,489.05	10,990,359,532.18
Total liabilities and shareholders' equity		26,709,080,086.36	27,695,869,939.11	24,882,471,107.46	25,760,408,025.57

Notes to financial statements are parts of these financial statements.

LAND AND HOUSES PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
 STATEMENTS OF INCOME  
 FOR THREE MONTHS ENDED 31<sup>st</sup> MARCH 2000 AND 1999  
 UNAUDITED/REVIEWED ONLY

	Note	Consolidated		Parent company	
		2000 (Baht)	1999 (Baht) (Adjustment)	2000 (Baht)	1999 (Baht) (Adjustment)
Revenues					
Sales and hire of works		962,245,294.82	1,617,691,778.10	780,178,734.62	1,413,293,947.65
Other income					
Equity gain (Loss) from investments in subsidiaries and affiliates		74,467,821.09	(76,103,077.43)	(61,123,892.54)	(142,462,751.53)
Gain (Loss) from sales of investment		26,211,890.71	757,478.46	26,211,890.71	757,478.46
Gain (Loss) from foreign exchange		24,878,020.29	17,291,292.14	24,335,911.60	17,948,505.28
Gain (Loss) from debt restructuring		3,349,406.85	0.00	0.00	0.00
Others		75,798,660.22	75,899,583.74	73,240,552.74	75,568,220.99
Total revenues		1,166,951,093.98	1,635,537,055.01	842,843,197.13	1,365,105,400.85
Expenses					
Cost of sales and hire of works		723,553,072.42	1,333,639,375.66	561,285,715.28	1,145,153,884.64
Selling and administrative expenses		171,277,263.60	228,297,095.80	138,601,852.80	174,308,101.12
Specific business tax		29,387,546.93	54,227,778.44	25,607,782.93	50,436,648.59
Loss from impairment of assets		108,104,195.81	0.00	0.00	0.00
Total expenses		1,032,322,078.76	1,616,164,249.90	725,495,351.01	1,369,898,634.35
Profit (Loss) before interest expenses and income tax		134,629,015.22	19,372,805.11	117,347,846.12	(4,793,233.50)
Interest expenses		(175,051,836.55)	(178,914,430.08)	(131,263,090.60)	(137,012,691.40)
Income tax		(73,514.64)	(739,892.48)	0.00	0.00
Profit (Loss) including minority shareholders' interest		(40,496,335.97)	(160,281,517.45)	(13,915,244.48)	(141,805,924.90)
Minority shareholders' interest		(26,581,091.49)	(18,475,592.55)	0.00	0.00
Net profit (Loss)		(13,915,244.48)	(141,805,924.90)	(13,915,244.48)	(141,805,924.90)
Earnings (Loss) per share		(0.02)	(0.37)	(0.02)	(0.37)

Notes to financial statements are parts of these financial statements.