

Second Quarter

LAND AND HOUSES PUBLIC COMPANY LIMITED
AND SUBSIDIARIES
AUDITOR'S REPORT AND FINANCIAL STATEMENTS
AS AT 30th JUNE 2000 (UNAUDITED / REVIEWED ONLY)
AND AS AT 31st 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 30th June 2000, the related consolidated statements of income for three and six months ended 30th June 2000 and 1999, 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 six months then ended 30th June 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.

As mentioned in notes to financial statements no. 7.2, net profit (loss) for the six months period ended 30th June 2000 and for the year ended 31st December 1999 of four affiliates which were brought into the computation of investments under the equity method which had the equity gain totaling Baht 37.24 million and equity loss totaling Baht 118.66 million, respectively, were taken from their unaudited financial statements.

Except for the limitation by situation to review investment in affiliates as mentioned in the third paragraph, 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 31st 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 24th 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. 16.1, in 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 parent's financial statements in 2000 and 1999 represented an increase in beginning deficit of Baht 318.09 million and Baht 300.89 million, respectively, decrease in net profit of Baht 5.41 million and Baht 6.45 million for three and six months ended 30th June 2000 and increase in net loss of Baht 4.64 million and Baht 9.94 million for three and six months ended 30th June 1999, respectively.

Office of D I A International Auditing

(Mrs. Suvimol Krittayakiern)

C.P.A. (Thailand)

Registration No. 2982

11th August 2000

LAND AND HOUSES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT 30th JUNE 2000 (UNAUDITED / REVIEWED ONLY)

AND AS AT 31st DECEMBER 1999 (AUDITED)

Assets	Note	Consolidated		Parent company	
		30 th June 2000 (Baht)	31 st December 1999 (Baht) (Adjustment)	30 th June 2000 (Baht)	31 st December 1999 (Baht) (Adjustment)
Current assets					
Cash in hand and at banks		46,287,808.16	110,221,344.04	14,740,229.39	25,929,855.78
Short-term investments	3	775,171,187.70	0.00	775,171,187.70	0.00
Trade accounts and notes receivable - net	4	140,276,470.63	88,996,200.76	83,462,816.73	37,037,570.11
Short-term loans to related parties	5.1	116,218,615.85	116,618,615.85	902,133,569.58	843,006,617.53
Inventories	6	19,975,375,734.02	20,514,525,680.66	17,572,055,038.91	17,999,640,815.11
Other current assets					
Accrued interest income - net	5.2	131,841,407.99	81,225,529.08	190,535,684.60	121,947,361.87
Others		211,030,587.06	219,194,420.13	185,522,222.16	190,513,640.61
Total current assets		21,396,201,811.41	21,130,781,790.52	19,723,620,749.07	19,218,075,861.01
Loans to related parties	5.2	471,105,713.92	423,272,928.32	471,105,713.92	423,272,928.32
Investments in related parties	7	1,987,181,560.74	1,921,182,783.14	2,307,303,279.67	2,435,155,746.71
Long-term investments	8	1,781,307,155.16	3,344,488,621.76	1,630,407,289.16	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	516,780,768.00	575,300,654.00	251,628,504.88	275,567,546.07
Other assets		25,417,123.86	25,674,417.37	410,285.50	722,949.70
Total assets		26,460,444,133.09	27,703,151,195.11	24,666,925,822.20	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 30th JUNE 2000 (UNAUDITED / REVIEWED ONLY)

AND AS AT 31st DECEMBER 1999 (AUDITED)

Liabilities and shareholders' equity	Note	Consolidated		Parent company	
		30 th June 2000 (Baht)	31 st December 1999 (Baht) (Adjustment)	30 th June 2000 (Baht)	31 st December 1999 (Baht) (Adjustment)
Current liabilities					
Banks overdraft and loans from financial institutions		464,358,387.26	240,806,004.12	168,408,052.74	20,483,098.79
Trade accounts payable		94,740,440.75	78,262,497.27	42,438,288.47	32,082,072.68
Current portion of long-term debt	10	108,573,157.85	380,220,157.85	0.00	278,154,000.00
Short-term loan from related parties		736,889.15	736,889.15	0.00	0.00
Other current liabilities					
Unearned revenue		974,133,938.15	865,625,672.83	874,290,324.83	758,238,087.09
Accrued interest expense		380,717,689.40	367,346,123.99	139,551,313.74	139,391,690.10
Others		253,029,097.07	213,293,497.99	189,035,010.28	143,978,539.64
Total current liabilities		2,276,289,599.63	2,146,290,843.20	1,413,722,990.06	1,372,327,488.30
Long-term liabilities					
Long-term loans	10	12,042,173,878.65	14,003,592,323.63	10,684,471,803.15	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	241,511,289.46	181,935,413.83	760,247,554.90	647,455,840.94
Others		32,191,196.19	19,834,466.31	0.00	0.00
Total liabilities		15,642,789,563.93	16,602,276,646.97	13,909,065,948.11	14,770,048,493.39

LAND AND HOUSES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (Cont.)

AS AT 30th JUNE 2000 (UNAUDITED / REVIEWED ONLY)

AND AS AT 31st DECEMBER 1999 (AUDITED)

Liabilities and shareholders' equity (cont.)	Note	Consolidated		Parent company	
		30 th June 2000 (Baht)	31 st December 1999 (Baht) (Adjustment)	30 th June 2000 (Baht)	31 st 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		(4,220,741,060.60)	(4,261,908,453.07)	(4,220,741,060.60)	(4,261,908,453.07)
Unrealized loss of investments	13	(139,946,596.13)	133,720,454.25	(139,946,596.13)	133,720,454.25
Total shareholders' equity		10,757,859,874.09	10,990,359,532.18	10,757,859,874.09	10,990,359,532.18
Minority shareholders' interest		59,794,695.07	110,515,015.96	0.00	0.00
Total shareholders' equity including minority interest		10,817,654,569.16	11,100,874,548.14	10,757,859,874.09	10,990,359,532.18
Total liabilities and shareholders' equity		26,460,444,133.09	27,703,151,195.11	24,666,925,822.20	25,760,408,025.57
		0.00	0.00	0.00	0.00

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 30th JUNE 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		1,765,208,125.05	1,415,177,491.81	1,632,629,067.25	1,188,707,405.75
Other income					
Equity gain (Loss) from investments in subsidiaries and affiliates		(67,189,731.51)	(54,414,602.04)	(111,127,651.50)	(115,123,326.54)
Gain (Loss) from sales of investment		(1,513,672.76)	115,058,136.10	(1,513,672.76)	115,058,136.10
Gain (Loss) from foreign exchange		5,343,909.45	65,352,104.70	6,065,954.00	64,109,588.44
Unrealized gain (Loss) on investments		10,171,187.70	0.00	10,171,187.70	0.00
Others		31,782,720.97	53,032,883.34	54,818,084.41	62,906,655.74
Total revenues		1,743,802,538.90	1,594,206,013.91	1,591,042,969.10	1,315,658,459.49
Expenses					
Cost of sales and hire of works		1,261,266,856.50	1,172,058,455.92	1,156,651,638.84	969,969,100.68
Selling and administrative expenses		239,668,210.11	202,837,191.65	200,983,552.70	158,199,933.25
Specific business tax		55,945,328.90	45,902,179.56	53,453,840.90	38,661,312.43
Loss from impairment of assets		0.00	0.00	0.00	0.00
Total expenses		1,556,880,395.51	1,420,797,827.13	1,411,089,032.44	1,166,830,346.36
Profit (Loss) before interest expenses income tax and extraordinary items		186,922,143.39	173,408,186.78	179,953,936.66	148,828,113.13
Interest expenses		(141,804,723.74)	(257,509,615.82)	(124,871,299.71)	(219,811,010.89)
Income tax		(806,198.00)	(854,569.95)	0.00	0.00
Profit (Loss) including minority shareholders' interest		44,311,221.65	(84,955,998.99)	55,082,636.95	(70,982,897.76)
Minority shareholders' interest		10,771,415.30	12,997,152.57	0.00	0.00
Profit (Loss) before extraordinary items		55,082,636.95	(71,958,846.42)	55,082,636.95	(70,982,897.76)
Extraordinary items		0.00	28,270,958.31	0.00	26,878,082.18
Less Net minority shareholders' interest		0.00	416,927.47	0.00	0.00
Net (minority shareholders' interest)		0.00	27,854,030.84	0.00	26,878,082.18
Net profit (Loss)		55,082,636.95	(44,104,815.58)	55,082,636.95	(44,104,815.58)
Earnings (Loss) per share					
Profit (Loss) before extraordinary items		0.09	(0.18)	0.09	(0.18)
Net extraordinary items (minority shareholders' interest)		0.00	0.07	0.00	0.07
Net profit (loss)		0.09	(0.11)	0.09	(0.11)

Notes to financial statements are parts of these financial statements.