

Third Quarter

LAND AND HOUSES PUBLIC COMPANY LIMITED
AND SUBSIDIARIES
AUDITOR'S REPORT AND FINANCIAL STATEMENTS
AS AT 30th SEPTEMBER 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 September 2000, the related consolidated statements of income for three and nine months ended 30th September 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 nine months then ended 30th September 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 nine months period ended 30th September 2000 of five affiliates 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 loss to tallying Baht 27.29 million and Baht 118.66 million, respectively, were taken from their unaudited financial statements.

Except for the scope limitation by circumstance 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 1.04 million and Baht 7.49 million for three and nine months ended 30th September 2000 and increase in net loss of Baht 5.30 million and Baht 9.94 million for three and nine months ended 30th September 1999, respectively.

Office of D I A International Auditing

(Mrs. Suvimol Krittayakiern)
C.P.A. (Thailand)
Registration No. 2982

10th November 2000

LAND AND HOUSES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

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

AND AS AT 31st DECEMBER 1999 (AUDITED)

Assets	Note	Consolidated		Parent company	
		30 th September 2000 (Baht)	31 st December 1999 (Baht) (Adjustment)	30 th September 2000 (Baht)	31 st December 1999 (Baht) (Adjustment)
Current assets					
Cash in hand and at banks		95,030,258.21	59,675,399.77	89,388,096.54	25,929,855.78
Short-term investments	3	219,951,429.72	0.00	219,951,429.72	0.00
Trade accounts and notes receivable - net	4	70,105,608.12	44,880,030.65	65,989,809.41	37,037,570.11
Short-term loans to related parties	5.1	580,618,763.05	116,618,615.85	1,482,133,716.78	843,006,617.53
Inventories	6	20,149,532,670.48	20,500,253,963.56	17,770,065,708.72	17,999,640,815.11
Other current assets					
Accrued interest income - net	5.2	113,743,115.07	81,225,529.08	185,579,377.24	121,947,361.87
Others		236,124,164.95	215,303,912.39	162,962,077.43	190,513,640.61
Total current assets		21,465,106,009.60	21,017,957,451.30	19,976,070,215.84	19,218,075,861.01
Loans to related parties	5.2	0.00	423,272,928.32	0.00	423,272,928.32
Investments in related parties	7, 14	2,200,267,435.55	1,947,010,543.42	2,488,746,470.26	2,435,155,746.71
Long-term investments	8	2,325,933,125.91	3,344,488,621.76	2,151,676,492.91	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	336,277,566.04	387,529,503.17	251,092,269.55	275,567,546.07
Other assets		48,847,361.21	8,869,397.46	40,539,532.66	722,949.70
Total assets		26,658,881,498.31	27,411,578,445.43	25,190,574,981.22	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 SEPTEMBER 2000 (UNAUDITED/REVIEWED ONLY)

AND AS AT 31st DECEMBER 1999 (AUDITED)

Liabilities and shareholders' equity	Note	Consolidated		Parent company	
		30 th September 2000 (Baht)	31 st December 1999 (Baht) (Adjustment)	30 th September 2000 (Baht)	31 st December 1999 (Baht) (Adjustment)
Current liabilities					
Banks overdraft and loans from financial institutions		323,697,224.48	210,592,885.22	151,410,021.87	20,483,098.79
Trade notes payables		29,640,600.00	0.00	29,640,600.00	0.00
Trade accounts payable		91,414,878.30	40,517,450.00	69,492,598.88	32,082,072.68
Current portion of long-term debt	10	90,638,157.85	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		1,005,901,758.07	865,625,672.83	911,473,297.46	758,238,087.09
Accrued interest expense		376,595,701.90	319,326,686.40	138,792,386.85	139,391,690.10
Others		219,796,558.14	183,209,216.91	196,343,846.09	143,978,539.64
Total current liabilities		2,138,421,767.89	2,000,228,958.36	1,497,152,751.15	1,372,327,488.30
Long-term liabilities					
Long-term loans	10	12,290,506,672.71	13,884,029,069.76	10,994,064,723.15	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	282,306,437.94	181,935,413.83	816,540,243.99	647,455,840.94
Others		28,589,656.75	19,834,466.31	0.00	0.00
Total liabilities		15,790,448,135.29	16,336,651,508.26	14,358,381,318.29	14,770,048,493.39

LAND AND HOUSES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (Cont.)

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

AND AS AT 31st DECEMBER 1999 (AUDITED)

Liabilities and shareholders' equity (cont.)	Note	Consolidated		Parent company	
		30 th September 2000 (Baht)	31 st December 1999 (Baht) (Adjustment)	30 th September 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		(4,116,630,143.26)	(4,261,908,453.07)	(4,116,630,143.26)	(4,261,908,453.07)
Unrealized loss of investments	13	(169,723,724.81)	133,720,454.25	(169,723,724.81)	133,720,454.25
Total shareholders' equity		10,832,193,662.93	10,990,359,532.18	10,832,193,662.93	10,990,359,532.18
Minority interest		36,239,700.09	84,567,404.99	0.00	0.00
Total shareholders' equity including minority interest		10,868,433,363.02	11,074,926,937.17	10,832,193,662.93	10,990,359,532.18
Total liabilities and shareholders' equity		26,658,881,498.31	27,411,578,445.43	25,190,574,981.22	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 SEPTEMBER 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		1,584,902,757.01	1,320,607,547.14	1,439,672,723.05	1,132,513,371.43
Other income					
Equity gain (Loss) from investments in subsidiaries and affiliates		4,540,778.06	(43,979,224.81)	(16,842,974.09)	(90,240,482.13)
Gain (Loss) from sales of investment		2,251,492.91	29,771,038.24	2,151,492.91	29,939,418.39
Gain (Loss) from foreign exchange		28,335,371.96	8,708,362.01	29,180,666.40	13,732,144.45
Unrealized gain (loss) on investments		(48,570.28)	24,756,186.08	(48,570.28)	24,756,186.08
Others		27,999,881.92	33,871,014.00	51,147,820.32	57,061,586.50
Total revenues		1,647,981,711.58	1,373,734,922.66	1,505,261,158.31	1,167,762,224.72
Expenses					
Cost of sales and hire of works		1,099,958,020.57	1,014,455,869.25	992,527,119.65	855,184,417.52
Selling and administrative expenses		175,698,373.42	242,255,298.97	149,550,020.82	208,957,423.69
Specific business tax		2,943,890.50	43,360,319.66	2,799,080.44	37,027,459.74
Doubtful accounts		126,380,840.79	0.00	126,380,840.79	0.00
Loss from impairment of assets		0.00	731,383,159.64	0.00	731,383,159.64
Total expenses		1,404,981,125.28	2,031,454,647.52	1,271,257,061.70	1,832,552,460.59
Profit (Loss) before interest expenses, income tax and extraordinary items		243,000,586.30	(657,719,724.86)	234,004,096.61	(664,790,235.87)
Interest expenses		(143,427,006.06)	(143,271,601.12)	(129,893,179.27)	(130,534,557.62)
Income tax		(204,008.63)	302,513.14	0.00	0.00
Profit (Loss) including minority interest		99,369,571.61	(800,688,812.84)	104,110,917.34	(795,324,793.49)
Minority interest		4,741,345.73	5,364,019.35	0.00	0.00
Profit (Loss) before extraordinary items		104,110,917.34	(795,324,793.49)	104,110,917.34	(795,324,793.49)
Extraordinary items		0.00	1,123,035,079.09	0.00	1,123,035,079.09
Less Net minority interest		0.00	0.00	0.00	0.00
Net (minority interest)		0.00	1,123,035,079.09	0.00	1,123,035,079.09
Net profit (Loss)		104,110,917.34	327,710,285.60	104,110,917.34	327,710,285.60
Earnings (Loss) per share					
Profit (Loss) before extraordinary items		0.17	(2.04)	0.17	(2.04)
Net extraordinary items (minority interest)		0.00	2.88	0.00	2.88
Net profit (Loss)		0.17	0.84	0.17	0.84