

LAND AND HOUSES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT 30th SEPTEMBER 2001 (UNAUDITED/REVIEWED ONLY)
AND AS AT 31st DECEMBER 2000 (AUDITED)

1. PREPARATION OF INTERIM FINANCIAL STATEMENTS BASIS

Notes to interim financial statements have been prepared in conformity with the Accounting Standards no. 41 "Interim Financial Reporting" for the propose to provide an update information on the latest complete set of annual financial statements. Accordingly, it focuses on new activities, events, and circumstances and does not duplicate information previously reported. However, the balance sheets, statements of income, statements of retained earnings, statements of changes in shareholders' equity and statements of cash flows are represented the same as previous annual financial statements. Therefore, these interim financial statements should access to the most recent annual financial statements.

2. ACCOUNTING POLICY

These interim financial statements have been prepared by using the accounting policy and estimates of the financial statements for the year ended December 31, 2000.

3. SHORT-TERM INVESTMENTS

Assets	Note	Consolidated Securities available for sale (Thousand Baht)		Parent company Securities available for sale (Thousand Baht)	
		30 th September 2001	31 st December 2000	30 th September 2001	31 st December 2000
Debt securities Fund		5,000	450,000	5,000	450,000
Provision for unrealized gain (loss) on investment		49	1,798	49	1,798
Total		5,049	451,798	5,049	451,798

4. TRADE ACCOUNTS AND NOTES RECEIVABLE - NET

For the parent and consolidated financial statements consist of the receivables from sales of land and houses, and cheque in transit which mostly collected within seven days from the transferring date, therefore, the Company has not the delinquent receivables.

5. SHORT-TERM LOANS TO RELATED PARTIES

Assets	Note	Consolidated (Thousand Baht)		Parent company (Thousand Baht)	
		30 th September 2001	31 st December 2000	30 th September 2001	31 st December 2000
Loans to subsidiaries		0	0	540,486	942,264
Loans to affiliates		98,000	98,000	98,000	98,000
Less Allowance for doubtful accounts		(98,000)	(98,000)	(98,000)	(98,000)
Loans to other companies					
- Domestic		18,219	18,219	18,219	18,219
- Overseas - net		0	475,749	0	475,749
Short-term loans - net		18,219	493,968	558,705	1,436,232

5.1 Loans to subsidiaries: -

Assets	Note	30 th September 2001		31 st December 2000	
		Amount (thousand Baht)	Interest rate %	Amount (thousand Baht)	Interest rate %
Loans to subsidiaries: -					
Pacific Real Estate Co., Ltd.		1,200	7.50	242,847	7.75-8.00
Land and Houses Northeast Co., Ltd.		42,000	7.50	260,487	7.75-8.25
Land and Houses North Co., Ltd.		46,900	7.75-8.00	46,900	7.75-8.00
L H Muangmai Co., Ltd.		145,442	7.50	123,486	10.00
Siam Tanee Real Estate Co., Ltd.		103,844	6.00-7.75	103,844	5.00-8.25
Atlantic Real Estate Co., Ltd.		201,100	7.50-8.00	164,700	7.75-8.00
Total		540,486		942,264	

Loans to subsidiaries and affiliates are in form of promissory notes without collateral, which are due at call.

a) Loans to Siam Tanee Real Estate Co., Ltd. of Baht 103.84 million, was not provided the allowance for doubtful accounts since the Company has recorded excess loss over investment in subsidiaries as liabilities of Baht 196.29 million. The amount of excess loss over investment recorded is more than the amount of loans to subsidiaries.

b) Loans to Land and Houses Northeast Co., Ltd. and Pacific Real Estate Co., Ltd. in this quarter, the Company transferred loans and accrued interest income of Baht 481.53 million and Baht 26.27 million, respectively to make payment for common shares since two subsidiaries have increased their paid-up shares capital in May and June 2001, respectively.

c) Loans to three subsidiaries of Baht 393.44 million were not provided the allowance for doubtful accounts since net asset value of three subsidiaries is over than liabilities (including liabilities of the Company). The Company find that three subsidiaries will generate cash flows to settle their debt.

5.2 Loans to affiliates: -

Assets	Note	30 th September 2001		31 st December 2000	
		Amount (thousand Baht)	Interest rate %	Amount (thousand Baht)	Interest rate %
Bangkok Chain Hospital Co., Ltd.		89,000	10.75	89,000	10.75
Quality Construction Products Co., Ltd.		9,000	MLR	9,000	MLR
Less Allowance for doubtful accounts affiliates		(98,000)		(98,000)	
Total		0		0	

Loans to affiliates of Baht 98 million are in form of promissory notes without collateral, which are due at call. The Company, therefore, provided the allowance for doubtful accounts in full.

5.3 Loans to other companies – foreign

	31 st December 2000			
	Foreign Currency USD	Exchange rate	Thousand Baht	Interest rate
Overseas company: -				
- PT. PRIMA SEHATI	7,400,000	43.1934	319,631	LIBOR+1.5%
- PT. KANAKA GRAHAASRI	1,200,000	43.1934	51,832	LIBOR+1.5%
- PT. ANEKAGRIYA BUMINUSA	3,700,000	43.1934	159,816	LIBOR+1.5%
- PT. MEKANUSA CIPTA	14,836,000	43.1934	640,817	LIBOR+1.5%
- PT. PUTRA PRABUKARYA	400,000	43.1934	17,277	LIBOR+1.5%
Total	27,536,000		1,189,373	
Less Allowance for doubtful accounts			(713,624)	
Total loans to related parties			475,749	

Long-term loan to foreign companies are loans to related companies in Indonesia under "shareholders loan agreements" in proportion of shareholding. The Company has provided a principal of US\$ 27.54 million interest rate LIBOR+1.5%, which are due on 16th September 2001 and without collateral. The first repayment of interest was made on 16th September 1999. Later the condition of interest payment was changed to make with the principal. As at 31st December 2000, the Company has not received the principal and interest on such loans amounting to Baht 1,189.37 million so the Company has provided allowance for doubtful accounts for both principal and interest of Baht 713.62 million. In 2001, the Company stopped to charge interest since January 2001 and converted such liabilities to capital (note 8).

6. INVENTORIES

Assets	Note	Consolidated (Thousand Baht)		Parent company (Thousand Baht)	
		30 th September 2001	31 st December 2000	30 th September 2001	31 st December 2000
Land		11,295,684	11,708,485	10,231,199	10,546,864
Land improvements		884,804	1,015,010	808,741	928,528
Construction in progress		1,626,735	1,154,122	1,334,612	934,552
Deferred interest		5,867,142	6,285,579	5,318,266	5,738,274
Central utilities		1,317,680	1,502,092	963,647	1,111,943
Preparation cost		181,517	244,340	112,556	170,608
Construction materials		1,245	1,256	1,240	1,240
Houses for sales		34,081	37,563	3,861	6,315
Total		21,208,888	21,948,447	18,774,122	19,438,324
Less Allowance for declining value of inventories		(2,178,585)	(2,457,494)	(2,013,688)	(2,319,731)
Balance		19,030,303	19,490,953	16,760,434	17,118,593

Most of land are mortgaged as guarantee for loans as mentioned in note 10.

7. INVESTMENT IN RELATED PARTIES is consisted of common share as follows:

For parent company's financial statements

	Type of Business	(Million Baht) paid-up capital		% of investment	
		2001	2000	2001	2000
Investments in subsidiaries					
- Atlantic Real Estate Co., Ltd.	Real Estate	15.00	15.00	99.99	99.99
- Pacific Real Estate Co., Ltd. and affiliates	Real Estate	258.00	20.00	99.99	99.99
- Land and Houses North Co., Ltd.	Real Estate	13.50	13.50	99.99	99.99
- Land and Houses Northeast Co., Ltd.	Real Estate	570.00	300.00	99.99	99.99
- Siam Tanee Property Co., Ltd. and subsidiaries	Real Estate	100.00	100.00	86.00	86.00
- Siam Tanee Property Co., Ltd. and subsidiaries	Real Estate	200.00	200.00	70.00	70.00
- L H Muangmai Co., Ltd.	Real Estate	310.80	310.80	55.00	55.00
Total investments in subsidiaries					
Investments in affiliates: -					
- Bangkok Chain Hospital Co., Ltd.	Hospital	610.00	610.00	36.00	36.00
- Assets Plus Securities Co., Ltd.	Finance & securities	225.00	405.00	26.18	26.18
- Quality Construction Products	Building material	18.75	18.75	30.00	30.00
- M L & H Corporation	Real Estate	3,755.23	3,755.23	40.00	40.00
- Home Products Center Co., Ltd.	Trading of construction materials	300.00	200.00	36.36	34.20
- Asian Property Development Public Co., Ltd. and subsidiaries	Building material	1,925.00	1,750.00	25.79	29.74
- Cameron Global Limited	Investment business	0.04	0.04	40.00	40.00
- Asia Assets Advisory Co., Ltd.	Investment advisor	10.00	10.00	49.99	49.99
Total investments in affiliates					
Total investments in subsidiaries and affiliates					

	Type of Business	(Thousand Baht) Cost Method		(Thousand Baht) Equity Method		Dividend	
		2001	2000	2001	2000	2001	2000
Investments in subsidiaries							
- Atlantic Real Estate Co., Ltd.	Real Estate	14,998	14,998	82,332	56,566	0	0
- Pacific Real Estate Co., Ltd. and affiliates	Real Estate	257,797	19,997	0	0	0	0
- Land and Houses North Co., Ltd.	Real Estate	13,500	13,500	16,684	18,179	0	0
- Land and Houses Northeast Co., Ltd.	Real Estate	569,999	300,000	297,690	40,457	0	0
- Siam Tanee Property Co., Ltd. and subsidiaries	Real Estate	61,499	61,499	48,644	41,780	0	0
- Siam Tanee Property Co., Ltd. and subsidiaries	Real Estate	139,999	139,999	0	0	0	0
- L H Muangmai Co., Ltd.	Real Estate	170,940	170,940	109,355	113,252	0	0
Total investments in subsidiaries		1,228,732	720,933	554,705	270,234	0	0
Investments in affiliates: -							
- Bangkok Chain Hospital Co., Ltd.	Hospital	449,355	449,355	0	0	0	0
- Assets Plus Securities Co., Ltd.	Finance & securities	95,879	141,345	127,147	182,779	0	0
- Quality Construction Products	Building material	90,668	90,668	0	0	0	0
- M L & H Corporation	Real Estate	1,796,317	1,796,317	1,699,295	1,773,401	0	0
- Home Products Center Co., Ltd.	Trading of construction materials	135,191	82,320	145,019	82,350	9,000	0
- Asian Property Development Public Co., Ltd. and subsidiaries	Building material	601,229	674,970	200,100	159,798	0	0
- Cameron Global Limited	Investment business	15	15	316	308	0	0
- Asia Assets Advisory Co., Ltd.	Investment advisor	4,999	4,999	6,854	5,506	0	0
Total investments in affiliates		3,173,653	3,239,989	2,178,731	2,204,142	9,000	0
Total investments in subsidiaries and affiliates		4,402,385	3,960,922	2,733,436	2,474,376	9,000	0

7.1 Investments in subsidiaries

7.1.1 The financial statements of the aforementioned subsidiaries which were brought into the preparation for consolidated financial statements and net profit of the subsidiaries for the period ended 30th September 2001 and 31st December 2000 were brought into the computation of investments under the equity method, were taken from their respective reviewed and audited financial statements.

7.1.2 The financial statements as at 30th September 2001 and 31st December 2000 of Pacific Real Estate Co., Ltd. which was brought into the computation of investments under equity method, has capital deficiency. The Company recorded the capital deficiency as equal as the investment balance, which caused the investment balance equal to zero and recognized the excess of loss over investment of Baht 168.63 million and 387.21 million as other liabilities in "excess loss from investment in subsidiaries and affiliates".

On 12th June 2001, Pacific Real Estate Co., Ltd. has registered to increase its share capital from 200,000 shares of Baht 100.00 each to 2,578,000 shares of Baht 100.00 each, totalling Baht 237.8 million. The Company transferred loans to Pacific Real Estate Co., Ltd. of Baht 237.8 million to be capital for 2,378,000 shares of Baht 100.00 each, the total investment is Baht 237.8 million.

7.1.3 On 21st May 2001, Land and Houses Northeast Co., Ltd. has registered to increase its share capital from 3 million shares of Baht 100.00 each to 5.7 million shares of Baht 100.00 each, totalling Baht 270 million. The Company transferred loans to Land and Houses Northeast Co., Ltd. to be capital for 2.7 million shares at Baht 100.00 each, totalling Baht 270 million.

7.1.4 The investment in a subsidiary of Siamtanee Property Co., Ltd. is "S.T.N. Management Co., Ltd." in which the Company has a shareholding of 99.99 per cent of the paid-up capital. The financial statements of aforementioned subsidiary, which was brought into the preparation for consolidated financial statements and net profit (loss) was brought into the computation of investments under the equity method, was taken from reviewed financial statements.

7.1.5 The investment in a subsidiary of Siamtanee Real Estate Co., Ltd. is "Bann Suanthon Co., Ltd." in which the Company has a shareholding of 99.40 per cent of the paid-up capital. The financial statements of this subsidiary, which was brought into the preparation for consolidated financial statements and net profit (loss) was brought into the computation of investment under the equity method, was taken from reviewed financial statements.

The financial statements for the period ended 30th September 2001 and 31st December 2000 of Siamtanee Real Estate Co., Ltd. which was brought into the computation of investment under equity method. The Company recorded the capital deficiency equal to the investment balance, which caused the investment balance equal to zero and recognized the excess of loss over investment of Baht 196.29 million and Baht 162.55 million, respectively as other liabilities in "excess loss from investment in subsidiaries and affiliates".

7.2 Investments in affiliates

7.2.1 The financial statements for the period ended 30th September 2001 of Bangkok Chain Hospital Co., Ltd. and Quality Construction Products Co., Ltd. which were brought into the computation of investment under equity method, were taken from unreviewed financial statements. The Company recorded the capital deficiency as equal as the investment balance, which caused the investment balance equal to zero and recognized the excess of loss over investment in affiliate as other liabilities in "excess loss from investment in subsidiaries and affiliates" for the amount of Baht 46.56 million and Baht 159.61 million in 30th September 2001, respectively,

7.2.2 The financial statements of M L & H Corporation, Assets Plus Securities Co., Ltd. and Cameron Global Limited for nine months ended 30th September 2001, which were brought into computation of investment under equity method, were taken from unreviewed financial statements, the equity loss totalling Baht 82.35 million.

7.2.3 In June 2001, the Directors' meeting of Home Products Center Public Company Limited, passed the resolution to pay interim dividend to the shareholders at the rate of Baht 0.45 per share and paid such dividend on July 5, 2001.

7.2.4 Investment in Asian Property Development Public Company Limited, Home Products Center Public Company Limited and Asia Asset Advisory Co., Ltd. for nine months ended 30th September 2001 that the equity gain totalling Baht 66.96 million which were brought into the computation of investments under equity method, were taken from their reviewed financial statements.

Investment in Asian Property Development Public Company Limited, a listed company in the Stock Exchange of Thailand have market value as at 30th September 2001 of Baht 12.25 per share or totalling Baht 608.22 million.

8. LONG-TERM INVESTMENTS

For the period ended 30th September 2001

	Consolidated (Thousand Baht)			Parent Company (Thousand Baht)		
	Securities held for sales	Other investments	Securities held for sales	Other investments	Securities held for sales	Other investments
Debt - equity link						
Bangkok Mass Transit System Public Co., Ltd.	350,498	0	350,498	350,498	0	350,498
Equity security - net	559,398	3,848,256	4,407,654	522,819	3,766,747	4,289,566
Less Provision for unrealized gain (loss) of investment	(56,044)	0	(56,044)	(134,832)	0	(134,832)
Provision for impairment of assets - investment	(195,616)	(1,876,724)	(2,072,340)	(195,616)	(1,876,724)	(2,072,340)
Total	658,236	1,971,532	2,629,768	542,869	1,890,023	2,432,892

For the year ended 31st December 2000

	Consolidated (Thousand Baht)			Parent Company (Thousand Baht)		
	Securities held for sales	Other investments	Securities held for sales	Other investments	Securities held for sales	Other investments
Debt - equity link	350,498	0	350,498	350,498	0	350,498
Bangkok Mass Transit System Public Co., Ltd.	844,651	2,259,137	3,103,788	795,904	2,219,088	3,014,992
Equity security - net	(167,257)	0	(167,257)	(233,367)	0	(233,367)
Less Provision for unrealized gain (loss) of investment	(195,616)	(941,007)	(1,136,623)	(195,616)	(941,007)	(1,136,623)
Provision for impairment of assets - investment	832,276	1,318,130	2,150,406	717,419	1,278,081	1,995,500
Total	350,498	0	350,498	350,498	0	350,498

In September 2001, the Company has changed loans to 5 companies in Indonesia (as mentioned in note 5.3) of US\$ 27.54 million and accrued interest income of US\$ 8.53 million, total amount of US\$ 36.07 million, denominated in Baht 1,189.37 million, Baht 368.59 million and Baht 1,557.96 million, respectively, to preferred share with semi-annually divided right at the compound rate of LIBOR+1.50%. Dividend payment is depended on future cash flows of the 5 above companies. The Company, therefore, has not recognized accrued dividend income due to such uncertainties. In addition, the Company also provided the provision for devaluation of such investments by 60% of investment value.

For the period ended 30th September 2001, the book value of securities for sales is lower than fair value in the consolidated and parent financial statements represented Baht 56.04 million and Baht 134.83 million, respectively, on 31st December 2000, the book value is lower than fair value in the consolidated and the parent financial statements of Baht 167.26 million and Baht 233.37 million, respectively, which are shown as unrealized gain (loss) of investment.

9. PROPERTY, PLANT AND EQUIPMENT - NET

Consolidated	(Baht : Thousand)			
	31 st December 2000	Increase	Decrease	30 th September 2001
Cost price:				
Office building	111,824	14,059	9,086	116,797
Office equipment	84,421	7,953	389	91,985
Office and club furnitures	279,509	43,728	192,635	130,602
Machinery and equipment	2,344	0	0	2,344
Vehicles	11,305	1,478	1,553	11,230
Kindergarten	931	0	0	931
Nursery garden	75	0	0	75
Club houses, swimming pool and tennis court	520,946	12,714	(3,907)	537,567
Leasehold	26,658	0	0	26,658
Other assets	45,372	2,300	86	47,586
Assets in progress	30,315	4,328	34,263	380
Total	1,113,700	86,560	234,105	966,155
Accumulated depreciation:				
Office building	35,060	4,484	1,690	37,854
Office equipment	66,498	4,931	389	71,040
Office and club furnitures	211,051	17,022	144,930	83,143
Machinery and equipment	2,312	27	0	2,339
Vehicles	8,026	747	1,553	7,220
Kindergarten	328	34	0	362
Nursery garden	62	4	0	66
Club houses, swimming pool and tennis court	408,806	43,301	(3,907)	456,014
Leasehold	16,034	1,862	0	17,896
Other assets	41,737	1,636	63	43,310
Total	789,914	74,048	144,718	719,244
Provision for impairment of assets:				
Club houses, swimming pool and tennis court	6,989			6,989
Net book value				
As at 31 st December 2000	316,797			
As at 30 th September 2001				239,922
Depreciation for nine months ended 30 th September 2001				74,049
Depreciation for nine months ended 30 th September 2000				78,432

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Parent's financial statements	(Baht : Thousand)			
	31 st December 2000	Increase	Decrease	30 th September 2001
Cost price:				
Office building	77,914	14,059	9,086	82,887
Office equipment	73,480	7,774	0	81,254
Office and club furnitures	224,308	40,705	186,470	78,543
Tools and equipments	1,251	0	0	1,251
Vehicles	25,475	0	0	25,475
Kindergarten	37,643	2,063	12	39,694
Nursery garden	27,917	3,575	31,240	252
Club houses, swimming pool and tennis court	881,029	79,577	223,127	737,479
Leasehold	6,932	208	226	6,914
Other assets	931	0	0	931
Assets in progress	59	0	0	59
Total	405,119	11,193	(3,907)	420,219
Accumulated depreciation:				
Office building	16,835	3,184	1,690	18,329
Office equipment	56,621	4,424	0	61,045
Office and club furnitures	169,315	12,134	142,084	39,365
Tools and equipments	1,243	8	0	1,251
Vehicles	3,668	699	226	4,141
Kindergarten	327	35	0	362
Nursery garden	48	2	0	50
Club houses, swimming pool and tennis court	347,619	39,526	(3,907)	391,052
Leasehold	15,818	1,834	0	17,652
Other assets	34,434	1,416	12	35,838
Total	645,928	63,262	140,105	569,085
Net book value				
As at 31st December 2000	235,101			
As at 30th September 2001				168,394
Depreciation for nine months ended 30 th September 2001				63,262
Depreciation for nine months ended 30 th September 2000				64,576

Fixed assets of the Company and subsidiaries are not used as collaterals.

10. LONG-TERM LOANS

	Consolidated (Thousand Baht)		Parent company (Thousand Baht)	
	30 th September 2001	31 st December 2000	30 th September 2001	31 st December 2000
Long-term loans	8,675,804	11,561,794	7,579,964	10,255,230
Less Current portion due within 1 year	(74,500)	(118,241)	0	0
Total	8,601,304	11,443,553	7,579,964	10,255,230

Long-term loans of Land and Houses Public Company Limited consist of borrowing from domestic and foreign financial institutions as follows:

	(Thousand Baht)	
	30 th September 2001	31 st December 2000
Domestic banks	6,234,098	9,007,672
Domestic financial institutions	417,662	318,571
Foreign banks	928,204	928,987
Total	7,579,964	10,255,230

10.1 Borrowings from domestic banks and financial institutions as at 30th September 2001, amounted to Baht 6,234.10 million and Baht 417.66 million, respectively, were collateralized by a mortgage on land and construction of each project together with a pledge of investment in an affiliated and three other companies. Loans from foreign banks of Baht 928.20 million, which have no collateral.

10.2 Loans from an overseas creditor amount of Yen 780 million equal to Thai Baht as at 30th September 2001, total amount of Baht 292.28 million. In 1999, the Company made agreement to change term of debt repayment by making semi-annually principal repayment in 10 installments, starting in May 2002 and interest paid by quarterly at the rate of LIBOR + 1 %, starting in September 1999.

10.3. Loans from an overseas creditor amount of USD 8 million, on 28th March 2001, the Company entered into currency swap agreement (for both interest and principal) with a commercial bank on the condition that the Company will pay the principal in Thai Baht every six months by 10 installments for Baht 35.488 million to such bank. Such bank has to pay liabilities for the Company every six months by 10 installments of USD 800,000 commencing on 1st June 2002. The Company will pay the interest every three months to the bank in Thai Baht at the rate of 6.93%. The bank will pay interest for the Company in USD at the rate of LIBOR+1%.

10.4 Loans from an overseas creditor in the amount of Yen 750 million equal to Thai Baht as at 30th September 2001, total amount of Baht 281.04 million. In 2000, the Company made agreement to change term of debt repayment by making semi-annually principal repayment in 10 installments, starting in October 2002 with the option interest paid by 1, 2, 3 or 6 months at the interest rate of LIBOR + 1%.

11. DEBENTURES – DOMESTIC

On 30th March 2000, the Company issued debentures, specific name, unsecured, unsubordinated without debentureholders' representative to the investors as specified in the Notification of the Securities and Exchange Commission which excludes personal investors, this is in accordance with the shareholders' extraordinary meeting no. 1/1997 held on 26th May 1997. The issued size is 800,000 units of Baht 1,000.00 each, amounting to Baht 800 million due in 5 years. The interest rate is fixed at 8.5% per annum for the first and second year and floated during the third through fifth year. (The floating rate is the average Minimum Lending Rate (MLR) officially announced by 3 Thai commercial banks on the third business day preceding the first day of the relevant interest period minus 0.25% per annum). The interest will be paid every 6 months on 30th March and 30th September. The principle will be repaid in 7 instalments starting from the end of the 2 years period. The first repayment will be made on 30th March 2002 at the rate 10 per cent of face value and at the rate 15 per cent for the six remaining semi-annually instalments on 30th March and 30th September every year. (Starting on 30th September 2002 and ending on 30th March 2005)

12. CONVERTIBLE DEBENTURES

	Number of debenture	Amount (Thousand Baht)
Convertible debentures issued - overseas	60,000	1,512,000
Less Conversion into common shares through 30 th September 2001	(51,867)	(1,307,048)
Balance	8,133	204,952
Convertible debentures issued - domestic		45,672
Total convertible debenture		250,624

13. UNREALIZED GAIN (LOSS) OF INVESTMENTS

The difference between book value and fair value of assets for sales consist of:

	Consolidated (Thousand Baht)		Parent Company (Thousand Baht)	
	30 th September 2001	31 st December 2000	30 th September 2001	31 st December 2000
Investment in subsidiaries				
Atlantic Real Estate Co., Ltd.	78,788	66,101	78,788	66,101
Investment in affiliates				
Assets Plus Securities Co., Ltd.	750	972	750	972
Investment of Land and Houses Plc.	(134,832)	(233,367)	(134,832)	(233,367)
Total	(55,294)	(166,294)	(55,294)	(166,294)

14. REVALUATION INCREMENT IN ASSETS

Revaluation increment in assets of Baht 121.66 is surplus on share capital of Bangkok Chain Hospital Co., Ltd. and subsidiaries in which the Company recognizes under equity method.

15. CHANGE IN ACCOUNTING POLICIES

- Utilities, clubs, swimming pools and tennis courts

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 has retroactively adjusted the financial statements by presenting cumulative effect of change in accounting policy. From the aforementioned change, the parent's financial statements as at 30th September 2001 represented an increase in beginning deficit of Baht 318.09 million and increase in net loss of Baht 26.46 million.

16. COMMITMENT AND CONTINGENT LIABILITIES

16.1 The Company has contingent liabilities to several financial institutions for acting as a guarantor for the Company's subsidiaries, affiliates and other companies as follows:

Company	30 th September 2001		31 st December 2000	
	Foreign currencies	Thai Baht (million)	Foreign currencies	Thai Baht (million)
Subsidiaries				
1. Land and Houses Northeast Co., Ltd.	-	51.97	-	57.43
2. Siam Tanee Real Estate Co., Ltd.	-	221.54	-	213.69
3. Pacific Real Estate Co., Ltd.	-	176.98	-	161.27
Total		450.49		432.39

Company	30 th September 2001		31 st December 2000	
	Foreign currencies	Thai Baht (million)	Foreign currencies	Thai Baht (million)
Affiliates				
1. Bangkok Chain Hospital Co., Ltd.	-	332.50	-	337.23
2. Bangkok Chain Hospital Co., Ltd.	JPY 2,655.64 million	995.12	JPY 2,686.47 million	1,021.18
3. Quality Construction Products Co., Ltd.	-	365.17	-	365.67
Total		1,692.79		1,724.08
Other related companies				
1. Saraburi Vechakit Co., Ltd.	JPY 76.34 million	28.61	JPY 79.37 million	30.17
2. Nobel Clear Holding (BVI) Co., Ltd.	DEM 13.30 million	277.91	DEM 12.86 million	263.08
Total		306.52		293.25
Total commitment and guarantee		2,449.80		2,449.72

Subsidiaries - Siam Tanee Real Estate Co., Ltd. and Pacific Real Estate Co., Ltd., affiliates- Bangkok Chain Hospital Co., Ltd. and Quality Construction Products Co., Ltd. have incurred operating capital deficiency. Therefore, the Company has contingent liabilities on debt repayment from guarantee the above companies. At present, the Company cannot estimate the responsibility on repayment for subsidiaries and affiliates, therefore, the Company has not recorded such expenses in the financial statements. However, those Companies have already proceeded the restructuring their debts with financial institutions.

The Company guaranteed the subsidiaries and affiliates based on the proportion of shareholding, and additionally, major shareholders of Bangkok Chain Hospital Co., Ltd. is a near relative of the Company major shareholders.

16.2 As at 30th September 2001 and 31st December 2000, Pacific Real Estate Co., Ltd., guaranteed loans of Wave Development Co., Ltd. to other parties in proportion of shareholdings for the principals and accrued interest expenses of Baht 121.69 million and Baht 814.16 million, respectively. Such liabilities incurred from Wave Development Co., Ltd. stopped to settle such accrued interest expenses and defaulted on principal repayment. However, Wave Development Co., Ltd. is under the negotiation for debt restructuring with its creditor. The Company's management believes that the restructuring will be success in the near future which have not affected to such subsidiary. The subsidiary has not recorded such expenses in the financial statements. However, these commitments will not exceed the amount of loan guarantees.

16.3 As at 30th September 2001, the Company has responsibility to provide fund to the foreign related companies under the "SHAREHOLDERS LOAN AGREEMENTS" in proportion to shares held at an interest rate of LIBOR+1.5%.

16.4 As at 30th September 2001, the Company has commitment and contingent liabilities from bank's issuance of letter of guarantee for project development and company's operation for an amount of Baht 847.27 million (as at 31st December 2000, the amount was Baht 604.59 million).

16.5 As at 30th September 2001, the Company has guaranteed loans of customers to financial institutions of Baht 76.38 million. (as at 31st December 2000, the amount was Baht 128.26 million).

17. APPROPRIATION OF RETAINED EARNINGS AND DIVIDENDS

According to the minutes of Shareholders' General Meeting no. 1/2001 held on 30th April 2001 and no. 1/2000 held on 26th April 2000, the shareholders unanimously passed the resolution to cease dividends distribution from the result of its operations for the year 2000 and 1999.

18. TRANSACTION WITH ITS RELATED PARTIES

18.1 Purchase goods and services from related parties

	30 th September 2001 Purchase goods	Baht : Million Services
Quality Construction Products Co., Ltd.	107.05	0.00
Home Products Center Plc.	86.76	0.00
Asian Property Development Plc. and subsidiaries	19.10	0.00
Quality Houses Plc.	0.00	9.04
Total	212.91	9.04

Purchase goods transaction represented purchase construction raw materials to built the Company's houses based on the normal course of business and as stated in notes to financial statements of year 2000 no. 22, the inter-transaction specified that the Company purchased goods from Home Products Center Public Company Limited of Baht 69.71 million of which included the purchase of shares under the right of Baht 33.60 million. Therefore, the purchase of goods from Home Products Center Public Company Limited in 2000 is Baht 36.11 million.

The major shareholders of the Company also act as major shareholders of Quality House Public Company Limited. The aforementioned transaction with this company represented the payment of building rental, services derive and other services from rent of Q House Convent which based on the normal course of business.

18.2 Balance from purchase goods and services

	Baht : million 30 th September 2001
Quality Construcion Products Co., Ltd.	24.24
Home Products Center Plc.	31.28
Asian Property Development Plc.	1.22
PCM Construction Material Co., Ltd.	0.64
Total	57.38

18.3 Director's remuneration

For nine months ended 30th September 2001, total remuneration of the Board of Director is Baht 1.07 million (In 2000, the amount was Baht 1.56 million).

19. OBLIGATION AND COMMITMENT FROM DEVELOPING PROJECT ON HAND

	30 th September 2001	31 st December 2000
Number of project on hand, beginning of the period	30	35
Number of closing project	(1)	(7)
Number of new project	2	2
Number of project on hand, ending of the period	31	30
Contracted sales value (million Baht)	39,469	33,982
% Sales value of project on hand	64.7%	57.0%

The Company has obligation and commitment to complete all central utilities of developing projects on hand in the amount of Baht 854 million.

20. FULLY DILUTED EARNINGS (LOSS) PER SHARE

	Consolidated For nine months (Baht)		Parent company For nine months (Baht)	
Fully diluted earnings (loss) per share	2.13	0.29	2.13	0.29

21. FOREIGN CURRENCIES RISK MANAGEMENT

As at 30th September 2001 and 31st December 2000, assets and liabilities in foreign currencies consist of:

		Consolidated (Thousand Baht)		Parent Company (Thousand Baht)	
		30 th September 2001	31 st December 2000	30 th September 2001	31 st December 2000
Assets					
US Dollars		27,536,000	27,536,000	27,536,000	27,536,000
Liabilities					
US Dollars		8,000,000	8,000,000	8,000,000	8,000,000
Yen		1,586,124,722	1,586,124,722	1,530,000,000	1,530,000,000

As at 30th September 2001 and 31st December 2000, the Company and subsidiaries did not make foreign currency exposure for assets and liabilities matured in 2002 and 2001 except for the foreign currencies of USD 8 million have been made foreign currency exposure as mentioned in note 10.3.

22. SHARE CAPITAL

According to the ordinary shareholders' meeting no. 1/2544 held on 30th April 2001, the Company unanimously passed resolution to decrease its registered capital of Baht 7,463,647,640.00 to Baht 6,388,647,640.00 and to increase its registered capital of Baht 4,418,089,560.00 by an issue of 441,808,956 new ordinary shares to be new total registered capital of Baht 10,806,737,200.00 divided into 1,080,673,720 ordinary shares at the par of Baht 10.00 each and the Company has registered these resolution with the Ministry of Commerce on 21st May 2001. The allocation of new increased ordinary shares will be made as follows:

- (1) To reserve 311,808,956 new ordinary shares for the exercise of warrants allotted to existing shareholders.
- (2) To reserve 30,000,000 new ordinary shares for the exercise of warrants issued to employees of the Company and its subsidiaries (ESOP).
- (3) To allocate 100,000,000 new ordinary shares by private placement.

22.1 The issue of units of warrants to existing shareholders is shown as following details.

307,656,855 units of warrants to purchase ordinary shares from 311,808,956 units were allotted to existing shareholders at the ratio of 2 existing shares: 1 unit of warrant with 7 years term and matured on 2nd September 2008 without offering price. One unit of warrant has exercise right to purchase one ordinary share of Baht 26 each with exercise period every three months. The warrants has been listed on the Stock Exchange of Thailand on 26th September 2001.

22.2 The issue of warrants to employees of the Company and its subsidiaries (including employees who act as directors) is shown as following details.

30 million units of warrants are warrants in type of specific name and non-transferable to purchase ordinary share with 5 years project duration allotted not more than 6,000,000 units per year. The number of warrants which have not been allotted in any year shall be carried forward to the following year on a cumulative basis throughout the project duration. The warrants has no offering price with 3 years term. One unit of warrants has exercise right to purchase one ordinary share of Baht 10 each.

22.3 Article of Association Amendment

According to ordinary shareholders' meeting No.1/2544 held on 30th April 2001, the company passed the resolution to amend Article of Association Clause 3 of the Company as follows:

"Any provisions that are not set out in these Articles shall be governed by and constructed in accordance with the public company law in every respect.

The Company shall comply with the securities and exchange law. If the Company's securites are listed on the Stock Exchange of Thailand, the Company shall comply with the regulation, notification, orders or requirements of the Stock Exchange of Thailand including requirements concerning disclosure of information, connected transactions and acquisition or disposal of substantial assets of the Company or its subsidiaries."

23. LITIGATION

As at 30th September 2001, the Company was sued in the other cases as follows:

The Company was sued by the Financial Institution Development Fund pertaining to the Company acted as guarantor for loans of two subsidiaries. Those subsidiaries have not yet made repayment since they were unable to agree with the interest calculation which differed from the debt restructuring agreement signed with the other creditors. The principal balance and the principal including interest are as follows:

Company	Principal (Million Baht)	Principal including interest (Million Baht)	Recorded liabilities (Million Baht)
Siam Tanee Real Estate Co., Ltd.	50.00	85.98	196.29
Pacific Real Estate Co., Ltd.	100.00	176.98	168.63
Total	150.00	262.96	364.92

Such case is under the negotiation, therefore, the management believes that the Company is able to negotiate with the creditors. However, the Company recorded such liabilities in the financial statements of Baht 364.92 million as presented in excess loss from investments in subsidiaries as mentioned in note 7.1.2 and 7.1.5 which exceeded the sued liabilities.

24. SUBSEQUENT EVENTS

24.1 On 15th October 2001, the Company has released the commitment on guarantee Noble Clear Holding Co., Ltd. for amount of DEM 13.30 million denominated in Baht 277.91 million as at 30th September 2001.

24.2 On 29th October 2001, Pacific Real Estate Co., Ltd, a subsidiary, has partially released the commitment on guarantee Wave Development Co., Ltd. for the amount of Baht 99 million, therefore, the remaining balance is equal to Baht 22.70 million.

24.3 In October 2001, Home Products Center Public Company Limited, an associate, has changed the par value of share capital from Baht 5.00 each to Baht 1.00 each and offered 75 million shares to public at offering price of Baht 3.60 million, total amount of Baht 270 million. Such shares were traded in the Stock Exchange of Thailand on 30th October 2001.