

LAND AND HOUSES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT 31st MARCH 2002 (UNAUDITED/REVIEWED ONLY)
AND AS AT 31st DECEMBER 2001 (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, 2001.

3. SHORT-TERM INVESTMENTS

Assets	Note	Consolidated Securities available for sale (Thousand Baht)		Parent company Securities available for sale (Thousand Baht)	
		31st March 2002	31st December 2001	31st March 2002	31st December 2001
Debt securities Fund		0	155,000	0	155,000
Equity securities		21,572	0	0	0
Treasury bill		209,816	93,373	70,000	0
Provision for unrealized gain (loss) on investment		5,206	453	0	453
Total		236,594	248,826	70,000	155,453

4. SHORT-TERM LOANS TO RELATED PARTIES AND OTHER COMPANIES

Assets	Note	Consolidated (Thousand Baht)		Parent company (Thousand Baht)	
		31st March 2002	31st December 2001	31st March 2002	31st December 2001
Loans to subsidiaries		0	0	501,942	525,242
Loans to affiliates		109,000	109,000	109,000	109,000
Less Allowance for doubtful accounts - affiliates		(98,000)	(98,000)	(98,000)	(98,000)
Loans to other companies					
- Domestic		18,219	18,219	18,219	18,219
Short-term loans - net		29,219	29,219	531,161	554,461

4.1 Loans to subsidiaries: -

Assets	Note	31st March 2002		31st December 2001	
		Amount (thousand Baht)	Interest rate %	Amount (thousand Baht)	Interest rate %
Loans to subsidiaries: -					
Pacific Real Estate Co., Ltd.		1,200	7.50	1,200	7.50
Land and Houses Northeast Co., Ltd.		153,000	6.50-7.50	122,000	6.50-7.50
Land and Houses North Co., Ltd.		55,500	7.50	55,500	7.50
L H Muangmai Co., Ltd.		145,442	7.50	145,442	7.50
Atlantic Real Estate Co., Ltd.		146,800	7.75-8.00	201,100	7.50-8.00
Total		501,942		525,242	

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

4.2 Loans to affiliates: -

Assets	Note	31st March 2002		31st December 2001	
		Amount of Baht (thousand Baht)	Interest rate %	Amount of Baht (thousand Baht)	Interest rate %
Bangkok Chain Hospital Co., Ltd.		100,000	7.00	100,000	7.25
Quality Construction Products Co., Ltd.		9,000	MLR	9,000	
Less Allowance for doubtful accounts affiliates		(98,000)		(98,000)	MLR
Total		11,000		11,000	

Loans to affiliates of Baht 109 million are in form of promissory notes without collateral, which are due at call. The Company, therefore, provided the allowance of Baht 98 million. 4.3 Loans to other companies - domestic is a lending to Bangkok Mass Transit System Public Co., Ltd. totalling Baht 18.22 million in proportion to the shareholding percentage. The lending is by way of promissory notes bearing interest at MLR+2%. The Company has not provided the allowance for doubtful accounts since the Company expects these loans can be recovered in full due to the improvement in operations and has plan to increase share capital by listing in Stock Exchange.

5. INVENTORIES

Assets	Note	Consolidated (Thousand Baht)		Parent company (Thousand Baht)	
		31st March 2002	31st December 2001	31st March 2002	31st December 2001
Land		10,470,609	11,066,985	9,507,092	10,045,713
Land improvements		902,952	850,914	832,897	777,300
Construction in progress		1,730,721	1,800,971	1,385,447	1,472,393
Deferred interest		5,449,575	5,678,089	4,912,369	5,132,254
Central utilities		1,149,972	1,227,150	809,491	874,276
Preparation cost		140,143	159,240	75,508	92,123
Houses for sales		27,471	30,861	0	0
Total		19,871,443	20,814,210	17,522,804	18,394,059
Less Allowance for declining value of inventories		(1,949,580)	(2,087,777)	(1,791,685)	(1,906,449)
Balance		17,921,863	18,726,433	15,731,119	16,487,610

Most of lands are mortgaged as guarantee for loans as mentioned in note 9,10 and 11.

6. INVESTMENT IN SUBSIDIARIES AND AFFILIATES is consisted of common share as follows:

For parent company's financial statements

	Type of Business	(Million Baht) paid-up capital		% of investment	
		2002	2001	2002	2001
Investments in subsidiaries					
- Atlantic Real Estate Co., Ltd.	Real Estate	15.00	15.00	99.99	99.99
- Pacific Real Estate Co., Ltd.	Real Estate	258.00	258.00	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	570.00	99.99	99.99
- Siam Tanee Property Co., Ltd. and subsidiaries	Real Estate	100.00	100.00	99.00	99.00
- Siam Tanee Real Estate Co., Ltd. and subsidiaries	Real Estate	475.00	475.00	00.00	99.99
Excess cost which lower than net assets					
- LH 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	225.00	26.18	26.18
- Quality Construction Products Co.,Ltd.	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 Plc.	Trading of construction materials	375.00	375.00	29.09	29.09
- Asian Property Development PLC. and subsidiaries	Real Estate	1,925.00	1,925.00	20.09	24.99
- 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		(Thousand Baht) Dividend	
		2002	2001	2002	2001	2002	2001
Investments in subsidiaries							
- Atlantic Real Estate Co., Ltd.	Real Estate	14,998	14,998	77,993	75,006	0	0
- Pacific Real Estate Co., Ltd.	Real Estate	257,797	257,797	0	0	0	0
- Land and Houses North Co., Ltd.	Real Estate	13,500	13,500	21,782	20,232	0	0
- Land and Houses Northeast Co., Ltd.	Real Estate	569,999	569,999	299,619	297,858	0	0
- Siam Tanee Property Co., Ltd. and subsidiaries	Real Estate	64,859	64,859	63,087	53,785	0	0
- Siam Tanee Real Estate Co., Ltd. and subsidiaries	Real Estate	0	280,416	0	25,091	0	0
Excess cost which lower than net assets		0	0	0	(50,802)	0	0
- L H Muangmai Co., Ltd.	Real Estate	170,940	170,940	106,638	109,276	0	0
Total investments in subsidiaries		1,092,093	1,372,509	569,119	530,446	0	0
Investments in affiliates: -							
- Bangkok Chain Hospital Co., Ltd.	Hospital	449,355	449,355	14,734	0	0	0
0- Assets Plus Securities Co., Ltd.	Finance & securities	95,879	95,879	126,201	126,223	1,472	0
- Quality Construction Products Co.,Ltd.	Building material	90,668	90,668	0	0	0	0
- M L & H Corporation	Real Estate	1,796,317	1,796,317	1,098,308	1,079,140	0	0
- Home Products Center Plc.	Trading of construction materials	135,191	135,191	159,171	152,418	0	9,000
- Asian Property Development PLC. and subsidiaries	Real Estate	468,400	582,514	197,147	220,086	0	0
- Cameron Global Limited	Investment business	15	15	229	333	0	0
- Asia Assets Advisory Co., Ltd.	Investment advisor	4,999	4,999	6,423	6,424	0	0
Total investments in affiliates		3,040,824	3,154,938	1,602,213	1,584,624	1,472	9,000
Total investments in subsidiaries and affiliates		4,132,917	4,527,447	2,171,332	2,115,070	1,472	9,000

6.1 Investments in subsidiaries

6.1.1 The financial statements of the aforementioned subsidiaries which were brought into the preparation for consolidated financial statements and net profit of the subsidiaries for three months ended 31st March 2002 and for the year ended 31st December 2001 were brought into the computation of investments under the equity method, were taken from their respective reviewed and audited financial statements.

6.1.2 The financial statements for three months ended 31st March 2002 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 180.81 million as other liabilities in "excess loss from investment in subsidiaries and affiliates".

6.1.3 In the 1st quarter of 2002, the Company sold all investments in Siam Tanee Real Estate Co., Ltd. to Siamtanee Property Co., Ltd. at Baht 25.09 million which equal to net book value of investments before less negative goodwill as at 31st December 2001. As a result, Siamtanee Property Co., Ltd.'s structure are as following:

	Type of business	Percentage of investments	
		31 st March 2002	31 st December 2001
- S.T.N. Management Co.,Ltd.	Condominium		
	Management	99.99	99.99
- Siam Tanee Real Estate Co.,Ltd.	Real Estate	99.99	99.99
Subsidiary of Siam tanee Real Estate Co.,Ltd.			
- Bann Suanthon Co.,Ltd.	Real Estate	99.99	99.99

6.2 Investments in affiliates

6.2.1 The financial statements of Quality Construction Products Co., Ltd. for three months ended 31st March 2002 which was brought into the computation of investment under equity method, was 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 amount of Baht 155.12 million and has equity gain of Baht 5.55 million.

6.2.2 The financial statements of Bangkok Chain Hospital Co., Ltd. for three months ended 31st March 2002 which was brought into the computation of investment under equity method, was taken from unreviewed financial statements which had equity gain of Baht 17.91 million less realized excess of loss over investments for the year ended 31st December 2001 of Baht 2.36 million. Therefore, investments balance in Bangkok Chain Hospital Co., Ltd. for three months ended 31st March 31, 2002 is Baht 14.73 million.

6.2.3 The financial statements of M L & H Corporation, Assets Plus Securities Co., Ltd. and Cameron Global Limited for three months ended 31st March 2002, which were brought into computation of investment under equity method, were taken from unreviewed financial statements, the equity gain total amount of Baht 22.24 million.

6.2.4 Investment in Asian Property Development Public Company Limited, Home Products Center Public Company Limited and Asia Asset Advisory Co., Ltd. for the period ended 31st March 2002 that the equity gain totaling Baht 25.00 million which were brought into the computation of investments under equity method, were recorded as gain (loss) 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 31st March 2002 of Baht 27.00 per share in which the Company held at market value in total value of Baht 1,044.40 million.

Investment in Home Products Center Public Company Limited, a listed company in the Stock Exchange of Thailand have market value as at 31st March 2002 of Baht 5.05 per share which the Company held at market value in total value of Baht 550.91 million.

7. LONG-TERM INVESTMENTS

For the period ended 31st March 2002

	Consolidated (Thousand Baht)			Parent Company (Thousand Baht)		
	Securities held for sales	Other investments	Total	Securities held for sales	Other investments	Total
Debt securities held for maturity						
Bangkok Mass Transit System Public Co., Ltd.	0	350,498	350,498	0	350,498	350,498
Equity security – net	580,206	3,660,089	4,240,295	569,259	3,567,688	4,136,947
Less Provision for unrealized gain (loss) of investment	344,718	0	344,718	312,322	0	312,322
Provision for impairment of assets – investment	(195,616)	(2,002,226)	(2,197,842)	(195,616)	(2,002,226)	(2,197,842)
Total	729,308	2,008,361	2,737,669	685,965	1,915,960	2,601,925

For the year ended 31st December 2001

	Consolidated (Thousand Baht)			Parent Company (Thousand Baht)		
	Securities held for sales	Other investments	Total	Securities held for sales	Other investments	Total
Debt securities held for maturity						
Bangkok Mass Transit System Public Co., Ltd.	0	350,498	350,498	0	350,498	350,498
Equity security - net	427,793	3,323,382	3,751,175	395,262	3,230,980	3,626,242
Less Provision for unrealized gain (loss) of investment	118,581	0	118,581	49,294	0	49,294
Provision for impairment of assets - investment	(195,616)	(1,340,957)	(1,536,573)	(195,616)	(1,340,957)	(1,536,573)
Total	350,758	2,332,923	2,683,681	248,940	2,240,521	2,489,461

As at March 31, 2002, the Company provided the provision for impairment of assets in debt securities and common shares of Bangkok Mass Transit System Public Company Limited at 70% of their cost amount of Baht 661.3 million.

8. PROPERTY, PLANT AND EQUIPMENT - NET

Consolidated	(Baht : Thousand)			
	31 st December 2001	Increase	Decrease	31 st March 2002
Cost:				
Office building	117,042	0	4,889	112,153
Office equipment	92,439	3,743	0	96,182
Office and club furnitures	130,898	3,319	4,696	129,521
Machinery and equipment	2,344	0	0	2,344
Vehicles	18,889	176	0	19,065
Kindergarten	931	0	0	931
Nursery garden	75	0	0	75
Club houses, swimming pool and tennis court	545,882	10,880	0	556,762
Leasehold	100,958	0	0	100,958
Other assets	49,295	470	0	49,765
Assets in progress	1,873	2,383	937	3,319
Total	1,060,626	20,971	10,522	1,071,075
Accumulated depreciation:				
Office building	39,649	1,464	1,353	39,760
Office equipment	72,488	1,499	0	73,987
Office and club furnitures	81,788	3,370	1,341	83,817
Machinery and equipments	2,339	1	0	2,340
Vehicles	7,620	654	0	8,274
Kindergarten	374	11	0	385
Nursery garden	67	1	0	68
Club houses, swimming pool and tennis court	472,606	13,572	0	486,178
Leasehold	20,315	2,446	0	22,761
Other assets	43,729	434	0	44,163
Total	740,975	23,452	2,694	761,733
Provision for impairment of assets:				
Club houses, swimming pool and tennis court	6,989	0	0	6,989
Net book value	312,662			302,353
Depreciation for three months ended 31st March 2002				23,452
Depreciation for three months ended 31st March 2001				30,439

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Parent's financial statements	(Baht : Thousand)			
	31 st December 2001	Increase	Decrease	31 st March 2002
Cost:				
Office building	82,868	0	4,889	77,979
Office equipment	81,697	3,684	0	85,381
Office and club furnitures	83,634	3,319	4,696	82,257
Tools and equipments	1,251	0	0	1,251
Vehicles	14,634	176	0	14,810
Kindergarten	931	0	0	931
Nursery garden	59	0	0	59
Club houses, swimming pool and tennis court	427,611	9,563	0	437,174
Leasehold	99,775	0	0	99,775
Other assets	41,289	457	0	41,746
Assets in progress	1,746	2,168	937	2,977
Total	835,495	19,367	10,522	844,340
Accumulated depreciation:				
Office building	19,449	998	1,353	19,094
Office equipment	62,464	1,384	0	63,848
Office and club furnitures	41,618	2,626	1,341	42,903
Tools and equipments	1,251	0	0	1,251
Vehicles	4,540	592	0	5,132
Kindergarten	374	11	0	385
Nursery garden	51	1	0	52
Club houses, swimming pool and tennis court	405,987	12,159	0	418,146
Leasehold	20,062	2,436	0	22,498
Other assets	36,203	377	0	36,580
Total	591,999	20,584	2,694	609,889
Net book value	243,496			234,451
Depreciation for three months ended 31st March 2002				20,584
Depreciation for three months ended 31st March 2001				26,791

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

Plant and equipment before deducting accumulated depreciation in full amount as at 31st March 2002 amounting to Baht 155.68 million.

1. BANKS OVERDRAFT AND LOANS FROM FINANCIAL INSTITUTIONS

Assets	Consolidated (Thousand Baht)		Parent company (Thousand Baht)	
	31st March 2002	31st December 2001	31st March 2002	31st December 2001
Banks overdraft	27,376	17,323	9,218	14,338
Bill of exchange	1,942,500	957,500	1,792,500	807,500
Total	1,969,876	974,823	1,801,718	821,838

In 2002 and 2001, the Company has overdraft facility of Baht 81 million and Baht 91 million, respectively with several local banks and bill of exchange of Baht 1,792.50 million and 807.50 million, respectively which are due within 3 months to 6 months.

Bill of exchange are guaranteed by mortgaging land and construction (inventories) of the Company.

10. LONG-TERM LOANS

	Consolidated (Thousand Baht)		Parent company (Thousand Baht)	
	31st March 2002	31st December 2001	31st March 2002	31st December 2001
Long-term loans	4,105,977	5,983,586	3,213,146	5,031,664
Less Current portion due within 1 year	(194,284)	(95,210)	(106,464)	0
Total	3,911,693	5,888,376	3,106,682	5,031,664

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

	(Thousand Baht)	
	31st March 2002	31st December 2001
Domestic banks	2,758,266	4,103,674
Domestic financial institutions	100,000	100,000
Foreign banks	354,880	827,990
Total	3,213,146	5,031,664

10.1 Borrowings from domestic banks and finance companies were collateralized by a mortgage on land and construction of each project together with a pledge of investment in three affiliates and two other companies as detailed following:

Institute	31 st March 2002 (Million Baht)		31 st December 2001 (Million Baht)		Repayment conditions	Guarantee by
	Credit amount	Interest	Credit amount	Interest		
One bank	2,758.27	MLR	3,786.71	MLR	40-50% of selling price of land and construction	Mortgage land and construction of each project
Other banks	0.00	MLR	316.96	MLR	Repayment quarterly by 20 installments of Baht 84.40 million, starting 1 st March 2002	Mortgage land and construction of each project and pledge of share in 3 affiliates and 2 other companies
Total	2,758.27		4,103.67			
Finance companies	100.00	Creditor's MLR	100.00	Creditor's MLR	Repayment on 20 th April 2004	Mortgage land and construction of each project
Total	100.00		100.00			

10.2 On 10th January 2002 and 25th January 2002, the Company has made repayment of long-term loans in foreign currencies of JPY 600 million and JPY 750 million, respectively. As at 31st March 2002, the balance of loans from overseas bank in US Dollars currency of US\$ 8 million is equal to Baht 354.88 million.

10.3 The subsidiaries' long-term loans consist of loans from domestic financial institutions as follows:

Company	Creditors	Balance (million)		Interest rate %	Repayment conditions	Guarantee by
		2002	2001			
1. L H Muangmai Co.,Ltd.	Bank	506.35	510.38	MLR+0.25	55% of selling price of land and construction	Mortgage land and construction of each project
2. Land and Houses North Co.,Ltd.	Bank	4.80	11.43	MLR	55% of selling price of land and construction	Mortgage land and construction of each project
3. Land and Houses norteat Co.,Ltd.	Bank	150.91	178.47	MLR	55% of selling price of land and construction	Mortgage land and construction of each project
4.Siamtanee property Co.,Ltd. and subsidiaries	Bank	0.02	0.02	MLR	Due repayment in 2001 of Baht 12.00 million	Mortgage land and construction of each project
5. Siam Tanee Real Estate Co.,Ltd.	Bank	46.98	49.06	5-6	Due repayment in 2001 of Baht 68.75 million,	Mortgage land and construction of each project
and subsidiaries	Finance company	183.76	202.56	6-7	In 2002 of Baht 99.37 millon, In 2003 of Baht 83.00 million, In 2004 of Baht 74.98 millon.	
Total		892.82	951.92			

11. DEBENTURES - DOMESTIC

	Number of debenture (Thousand Baht)		Amount (Thousand Baht)	
	31 st March 2002	31 st December 2001	31 st March 2002	31 st December 2001
Unsecured debentures	800	800	800,000	800,000
Secured debentures	1,500	1,500	1,500,000	1,500,000
Balance	2,300	2,300	2,300,000	2,300,000
Less Current portion of liabilities			(413,750)	(200,000)
Balance			1,886,250	2,100,000

12. CONVERTIBLE DEBENTURES

	Number of debenture (Thousand Baht)		Amount (Thousand Baht)	
	31 st March 2002	31 st December 2001	31 st March 2002	31 st December 2001
Convertible debentures issued - overseas	60,000	60,000	1,512,000	1,512,000
Less Conversion into common shares through - 31 st March 2002	(51,867)	(51,867)	(1,307,048)	(1,307,048)
Balance	8,133	8,133	204,952	204,952

13. REVALUATION INCREMENT IN ASSETS

Revaluation increment in assets of Baht 118.15 million is belong to Bangkok Chain Hospital Co., Ltd. in which the Company recognized under the equity method.

14. UNREALIZED GAIN (LOSS) OF INVESTMENTS

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

	Consolidated (Thousand Baht)		Parent company (Thousand Baht)	
	31 st March 2002	31 st December 2001	31 st March 2002	31 st December 2001
Investment in subsidiaries	32,396	69,287	32,396	69,287
Atlantic Real Estate Co.,Ltd.				
Investment in affiliates				
Assts Plus Securities Co.,Ltd.	514	(842)	514	(842)
Investment of Land and Houses Plc.	312,322	49,294	312,322	49,294
Total	345,232	117,739	345,232	117,739

15. DIRECTOR'S REMUNERATION

Director's remuneration are benefits paid to the Company's director by excluding salaries and benefits which paid to the executive directors.

Total remuneration of the Board of Director of the Company and subsidiaries for three months ended 31st March 2002 and 2001 is Baht 0.39 million each.

16. DILUTED EARNINGS PER SHARE

Consolidated and parent's financial statements

	For three months ended 31 st March 2002		
	Profit (Baht)	Number of share	Baht/share
<u>Basic earnings per share</u>			
Net profit of common share	518,981,000.00	625,018,389	0.83
Effects of diluted potential common share - Exercise rights	0.00	143,589,358	0.00
<u>Diluted earnings per share</u>			
Profit of common shareholders assumed as conversion to common share	518,981,000.00	768,607,747	0.68

17. APPROPRIATION OF RETAINED EARNINGS AND DIVIDENDS

According to the minutes of Shareholders' General Meeting no. 1/2002 held on 30th April 2002 and no. 1/2001 held on 30th April 2001, the shareholders unanimously passed the resolution to cease dividends distribution from the result of its operations for the year 2001 and 2000.

18. FINANCIAL INFORMATION BY SEGMENT

The Company's and subsidiaries' operations involve virtually a single real estate development business in one geographical segment since the Company and subsidiaries only have operated in domestic.

19. COMMITMENT AND CONTINGENT LIABILITIES

19.1 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	31 st March 2002		31 st December 2001	
	Foreign currencies	Thai Baht (million)	Foreign currencies	Thai Baht (million)
Subsidiaries				
1. Siam Tanee Real Estate Co., Ltd.	-	268.42	-	265.83
2. Pacific Real Estate Co., Ltd.	-	187.45	-	182.27
Total		455.87		448.10

Company	31 st March 2002		31 st December 2001	
	Foreign currencies	Thai Baht (million)	Foreign currencies	Thai Baht (million)
Affiliates				
1. Bangkok Chain Hospital Co., Ltd.	-	332.50	-	332.50
2. Bangkok Chain Hospital Co., Ltd.	JPY 2,625.43 million	865.19	JPY 2,640.43 million	895.29
3. Quality Construction Products Co., Ltd.	-	368.82	-	369.24
Total		1,566.51		1,597.03
Other related companies				
1. Saraburi Vechakit Co., Ltd.	JPY 73.31 million	24.16	JPY 74.84 million	25.38
Total		24.16		25.38
Total commitment and guarantee		2,046.54		2,070.51

19.2 As at 31st March 2002 and 31st December 2001, 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 24.01 million and Baht 23.36 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.

19.2.1 Pacific Real Estate 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 subsidiary and affiliate; 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.

19.2.2 The Company guaranteed the affiliates and other companies 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.

19.3 As at 31st March 2002, 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%, which have no collaterals.

19.4 As at 31st March 2002, 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 902.56 million (as at 31st December 2001, the amount was Baht 867.09 million).

19.5 As at 31st March 2002 and 31st December 2001, the Company has guaranteed loans of customers to financial institutions of Baht 56.01 million.

19.6 Commitment under leasehold agreement

The Company has entered into long-term operation lease of two leasehold lands as follows:

NO.	Date of agreement	Term	Maturity date	Rental fee
1.	1 st September 1994	30 years	31 st August 2024	- The 6 th – 10 th year, annual fee of Baht 2.70 million. - The 11 th – 15 th year, annual fee of Baht 4.05 million. - The 16 th – 20 th year, annual fee of Baht 8.08 million. - The 21 th – 25 th year, annual fee of Baht 9.11 million. - The 26 th – 30 th year, annual fee of Baht 10.97 million.
2.	1 st October 2001	30 years	30 th September 2031	- Monthly fee of 0.20 million - Pay additional fee at rate 3% of prior year annual rental fee.

20. OBLIGATION AND COMMITMENT FROM DEVELOPING PROJECT ON HAND

	Consolidated (Thousand Baht)		Parent company (Thousand Baht)	
	31 st March 2002	31 st December 2001	31 st March 2002	31 st December 2001
Number of project on hand, beginning of the period	36	42	25	30
Number of closing project	0	(8)	0	(7)
Number of new project	0	2	0	2
Number of project on hand, ending of the period	36	36	25	25
Contracted sales value (million Baht)	40,608	37,838	36,185	33,645
% Sales value of project on hand	62.5%	57.0%	63.1%	58.7%

The Company has obligation and commitment to complete all central utilities of developing projects on hand in the amount of Baht 820 million.

21. TRANSACTION WITH ITS RELATED PARTIES

The Company has significantly transaction in normal course of business with its subsidiaries and other companies which are related through common shareholding or co-shareholder or directorship as follows:

	Consolidated (Thousand Baht)		Parent Company (Thousand Baht)	
	31 st March 2002	31 st December 2001	31 st March 2002	31 st December 2001
Purchase goods				
Quality Construction Products Co.,Ltd.	37.90	28.30	35.97	28.30
Home Products Center Plc.	54.79	36.15	49.26	36.15
Asian Property Development Plc. And subsidiaries	8.24	8.24	8.24	8.24
Total	100.93	72.69	93.47	72.69
Services				
Quality Houses Plc.	3.56	2.54	3.36	2.54
Total	3.56	2.54	3.36	2.54
Trade accounts payable				
Quality Construction Products Co.,Ltd.	4.42	0.00	3.12	0.00
Home Products Center Plc.	11.68	7.13	11.05	7.13
Asian Property Development Plc. And subsidiaries	3.24	0.24	3.24	0.24
Total	19.34	7.37	17.41	7.37

23. LITIGATION

As at 31st March 2002, 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 under equity method (Million Baht)
Pacific Real Estate Co.,Ltd.	100.00	187.45	180.81
Siam Tanee Real Estate Co.,Ltd.	50.00	91.22	0.00
Total	150.00	278.67	180.81

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 excess loss from investments in subsidiary (Pacific) in the financial statements of Baht 180.81 million as mentioned in note 6.1.2.

23. 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.

23.1 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. On 11th February 2002, those warrants were changed the exercise price to

1 unit of warrant has a right to purchase 1.00757 ordinary shares at Baht 25.805 each. The remaining warrants as at 31st March 2002 are as follows:

Number of total warrants	307,656,855	Units
Conversion to ordinary share up to 31 st March 2002	(167,431.00)	Units
Balance number of warrants	307,489,424	Units

The holders of 167,431 units of warrants exercised to purchase 168,695 ordinary shares at Baht 25.805 each in March 2002.

23.2 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. The Company has allotted 5,971,500 units of warrants on 11th February 2002 and on 28th February 2002, the Company's staff taken 3,923,000 units of warrants to convert into 3,923,000 ordinary shares, the remaining of 2,048,500 units of allotted warrants have not been exercised yet.

24. DISCLOSURE AND PRESENTATION OF FINANCIAL INSTRUMENTS

As at 31st March 2002 and 31st December 2001, assets and liabilities in foreign currencies consist of:

	Consolidated (Thousand Baht)		Parent Company (Thousand Baht)	
	31 st March 2002	31 st December 2001	31 st March 2002	31 st December 2001
Assets				
US Dollars	0	0	0	0
Liabilities				
US Dollars	8,000,000	8,000,000	8,000,000	8,000,000
Yen	0	1,350,000,000	0	1,350,000,000