

LAND AND HOUSES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT 30th SEPTEMBER 2003 (UNAUDITED/REVIEWED ONLY)

AND AS AT 31st DECEMBER 2002 (AUDITED)

1. PREPARATION OF INTERIM FINANCIAL STATEMENTS BASIS

1.1 Notes to interim financial statements have been prepared in conformity with the Accounting Standards no. 41 "Interim Financial Statements" 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 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.

1.2 These financial statements have been presented in accordance with the notification of the Department of Commercial Registration dated September 14, 2001 regarding the abbreviate items which must be shown in the financial statements for the public company limited and prepared in conformity with the generally accepted accounting principles.

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, 2002.

3. SHORT-TERM INVESTMENTS

Short-term investments are in form of treasury bill.

4. SHORT-TERM LOANS TO RELATED PARTIES

	Consolidated		Parent company	
	(Thousand Baht)		(Thousand Baht)	
	30th September 2003	31st December 2002	30th September 2003	31st December 2002
Loans to subsidiaries	0	0	1,177,732	624,742
Loans to affiliates	77,500	87,500	77,500	87,500
Loans to other companies	0	18,219	0	18,219
Less Allowance for doubtful accounts	(77,500)	(105,719)	(77,500)	(105,719)
Short-term loans - net	0	0	1,177,732	624,742

Loans to subsidiaries consist of

	30th September 2003		31st December 2002	
	Amount	Interest rate %	Amount	Interest rate %
Pacific Real Estate Co., Ltd.	178,700	4 - 5	0	-
Land and Houses Northeast Co., Ltd.	376,000	5	299,000	5 - 5.25
Land and Houses North Co., Ltd.	28,000	4 - 5	47,000	5.25
L H Muangmai Co., Ltd.	145,442	7.5	145,442	7.50
Siamtanee Property Co., Ltd.	320,000	4 - 5	0	-
Atlantic Real Estate Co., Ltd.	95,500	5	133,300	7.75
L H Real Estate Co., Ltd.	34,090	4 - 5	0	
Total	1,177,732		624,742	

5. INVENTORIES

	Consolidated		Parent company	
	(Thousand Baht)		(Thousand Baht)	
	30th September 2003	31st December 2002	30th September 2003	31st December 2002
Land	10,656,149	10,560,780	8,944,283	9,523,465
Land improvements	972,221	933,086	900,029	881,407
Construction in progress	2,383,813	2,455,080	1,968,997	2,150,985
Deferred interest	4,118,827	4,718,351	3,655,185	4,224,472
Central utilities	1,061,508	1,046,285	768,816	758,577
Preparation cost	59,031	89,698	17,641	35,110
Houses for sales	5,937	12,459	0	0
Total	19,257,486	19,815,739	16,254,951	17,574,016
Less Allowance for declining value of inventories	(1,337,420)	(1,589,505)	(1,267,324)	(1,493,994)
Balance	17,920,066	18,226,234	14,987,627	16,080,022

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

	Type of business	(Million Baht)		% of investment		(Thousand Baht)		(Thousand Baht)		(Thousand Baht)	
		Paid-up capital				Cost method		Equity method		Dividend	
		2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Investments in subsidiaries :-											
- Atlantic Real Estate Co., Ltd.	Real Estate	15.00	15.00	99.99	99.99	14,998	14,998	65,989	51,394	0	0
- Pacific Real Estate Co., Ltd.	Real Estate	371.62	371.62	99.99	99.99	371,614	371,614	-	4,949	0	0
- Land and Houses North Co., Ltd.	Real Estate	13.50	13.50	99.99	99.99	13,500	13,500	51,790	32,067	0	0
- Land and Houses North East Co., Ltd.	Real Estate	570.00	570.00	99.99	99.99	569,999	569,999	331,924	313,200	0	0
- Siamtanee Property Co., Ltd. and subsidiaries	Real Estate	100.00	100.00	99.99	99.99	64,859	64,859	306,086	232,712	0	0
- L H Real Estate Co., Ltd.	Real Estate	116.00	-	99.99	-	50,000	-	49,587	-	0	0
- L H Muangmai Co., Ltd.	Real Estate	310.80	310.80	55.00	55.00	170,940	170,940	153,887	128,833	0	0
Total investments in subsidiaries						1,255,910	1,205,910	959,263	763,155	0	0
Investments in affiliates :-											
- Bangkok Chain Hospital Co., Ltd.	Hospital	610.00	610.00	40.00	36.07	454,731	449,355	169,083	49,341	0	0
- Quality Construction Products Plc.	Construction materials	320.00	154.38	38.67	40.08	250,981	189,106	237,237	106,489	0	0
- M L & H Corporation	Real Estate	-	#####	-	40.00	-	1,796,317	-	#####	0	0
- Home Products Center Plc.	Trading of construction materials	753.00	750.00	30.66	29.28	264,706	221,638	350,405	275,333	13,178	0
- Cameron Global Limited	Investment business	0.04	0.04	40.00	40.00	15	15	115	170	0	0
- Asia Assets Advisory Co., Ltd.	Investment advisor	10.00	10.00	49.99	49.99	4,999	4,999	9,655	8,845	0	0
Total investments in affiliates						975,432	2,661,430	766,495	#####	13,178	0
Total investments in subsidiaries and affiliates						2,231,342	3,867,340	#####	#####	13,178	0

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 subsidiaries for nine months ended 30th September 2003 were brought into the computation of investments under the equity method, were taken from their respective reviewed financial statements.

6.1.2 The financial statements for nine months ended 30th September 2003 of Pacific Real Estate Co., Ltd. which was brought into the computation of investments under equity method, had capital deficiency. The Company recorded the investments balance equal to zero and recognized the excess of loss over investments in subsidiaries of Baht 7.08 million as other liabilities in "excess loss from investments in subsidiaries and affiliates" and had equity loss of Baht 12.03 million.

6.1.3 In 17th July, 2003, the Company has purchase 1,059,994 shares of Huaw Kaew Aket 2545 Co., Ltd. equal to 99.9% of the paid-up share capital at the price of Baht 40 million. The excess of investment in subsidiary over than fair value of net assets of subsidiary at the purchasing date of Baht 39.70 million was presented as goodwill and purchased the increased share capital for 1 hundred thousand shares of Baht 100.00 each for amounting to Baht 10 million on 24th September 2003. Total purchasing share capital is Baht 50 million. Later on 25th September 2003, such subsidiary has changed its title name to L H Real Estate Co., Ltd.. The purpose is using it to run business in the future.

6.2 Investments in affiliates

6.2.1 Net profit (loss) of affiliates for nine months ended 30th September 2003 and 2002 which were brought into the computation of investment under equity method, were taken from their respective reviewed financial statements except for the certain of net profit (loss) were computed from unreviewed financial statements, the equity gain (loss) are as follows :

	(Baht : Thousand)	
	30th September 2003	30th September 2002
Bangkok Chain Hospital Co., Ltd.	97,170	48,628
Quality Construction Products Plc.		153,693
M L & H Corporation	52,330	8,162
Cameron Global Limited	(55)	(162)
Assets Plus Securities Plc.		6,074
Total equity gain of affiliates under equity method	149,445	216,395

6.2.2 In the second quarter of 2003, the Company has purchased investments in Bangkok Chain Hospital Co., Ltd. for 2.4 million shares in the amount of Baht 5.38 million, therefore, the percentage of investments was increased from 36.07% to 40%.

6.2.3 On 22nd May 2003, Quality Construction Product Co., Ltd. has changed its title to Quality Construction Products Public Company Limited and in July 2003 it has increased its share capital from Baht 154.375 million to Baht 400 million by issuing new 245.625 million common shares of Baht 1.00 each. For 154.375 million shares will be allotted to the existing shareholders in proportion of 1 shares for 1 new share at the offering price of Baht 1.00 each. The Company exercised the right to subscribe 61.86 million common shares. For new 11.25 million shares will be allotted to the directors of Quality Construction Products Public Company Limited at the offering price of Baht 2.00 each. Therefore, as at 30th September 2003, the issued and paid-up share capital is Baht 320 million and the remaining 80 million shares will be reserved for offering to the public. From this allocation, the proportion of shareholding of the Company reduced from 40.08% to 38.67%.

6.2.4 According to the minutes of Board of directors' meeting no. 10/2003 held on 26th September 2003, the Company has sold investments in ML&H Corporation, an affiliate to Hero Holding Corporation which was incorporated in The Republic of The Philippines at the selling price of Peso 1,223.10 million in worth Baht 881.04 million, resulted gain on sales of investments of Baht 14.25 million. The Company will receive the payment by cash or marketable securities in The Republic of The Philippines of Peso 1,223.10 million within 1 year. The Company has proceeded to sell those investment on 29th September 2003 but still not received the payment, thus, recorded such amount as other receivables in whole.

6.2.5 In the third quarter of 2003, the Company has purchased investment in Home Products Center Public Company Limited, an affiliate for 11.22 million shares in the amount of Baht 43.07 million, therefore, the percentage of investments was increased from 29.17% to 30.66%.

As at 30th September 2003, investments in Home Products Center Public Company Limited, an affiliate, had total market value of Baht 909.55 million (as at 31st December 2002, had market value of Baht 505.16 million).

7. LONG-TERM INVESTMENTS

For the period ended 30th September 2003

	Consolidated		(Thousand Baht)		Parent Company	
	Securities held for sales	Other investments	Total	Securities held for sale	Other investment	Total
Debt securities held for maturity						
Bangkok Mass Transit System Public Co., Ltd.	0	150,000	150,000	0	0	
Equity security	1,271,115	3,925,120	6,196,235	2,271,115	3,809,660	6,080,775
Add Provision for unrealized gain (loss) of investment	2,296,382	0	2,296,382	2,296,382	0	2,296,382
Less Provision for impairment of assets - investment	<u>(275,803)</u>	<u>(1,380,108)</u>	<u>(1,655,911)</u>	<u>(275,803)</u>	<u>(1,380,108)</u>	<u>(1,655,911)</u>
Total	<u>4,291,694</u>	<u>2,695,012</u>	<u>6,986,706</u>	<u>4,291,694</u>	<u>2,429,552</u>	<u>6,721,246</u>

7.1 In the second quarter of 2003, the Company has sold loan receivables, subordinated convertible debentures and total ordinary shares of Bangkok Mass Transit System Public Company Limited by bidding to Siam Tanee Real Estate Co., Ltd., a subsidiary, in the total amount of Baht 233 million, resulted gain on sales of Baht 8 million. However, the Company has eliminated such amount in the preparation of consolidated financial statements.

7.2 In 2003, Land and Houses Property Fund has reduced certain unit trust and returned to the unit trust holders at the net assets value as at the reducing date. Therefore, the Company and subsidiaries have gain from reducing unit trust of Baht 36.14 million and Baht 4.76 million, respectively.

For the period ended 31st December 2002

	Consolidated		(Thousand Baht)		Parent Company	
	Securities held for sales	Other investments	Total	Securities held for sale	Other investment	Total
Debt securities held for maturity						
Bangkok Mass Transit System Public Plc.	0	350,498	350,498	0	350,498	350,498
Equity security	2,078,678	3,558,087	5,636,765	2,078,678	3,425,685	5,504,363
Add Provision for unrealized gain (loss) of investment	1,360,527	0	1,360,527	1,360,527	0	1,360,527
Less Provision for impairment of assets - investment	(275,803)	(2,041,377)	(2,317,180)	(275,803)	(2,041,377)	(2,317,180)
Total	<u>3,163,402</u>	<u>1,867,208</u>	<u>5,030,610</u>	<u>3,163,402</u>	<u>1,734,806</u>	<u>4,898,208</u>

8. PROPERTY, PLANT AND EQUIPMENT - NET

Consolidated	(Baht : Thousand)			
	31st December 2002	Increase	Decrease	30th September 2003
Cost :				
Office building	107,374	4,824	18,558	93,640
Office equipment	61,529	9,725	878	70,376
Office and club furnitures	83,806	11,214	12,842	82,178
Machinery and equipment	1,157	0	0	1,157
Vehicles	19,603	213	760	19,056
Kindergarten	931	0	0	931
Nursery garden	75	0	0	75
Club houses, swimming pool and tennis court	623,233	97,571	0	720,804
Leasehold	100,958	0	74,300	26,658
Other assets	23,425	2,174	82	25,517
Assets in progress	15,698	4,086	114	19,670
Total	<u>1,037,789</u>	<u>129,807</u>	<u>107,534</u>	<u>1,060,062</u>

Consolidated	(Baht : Thousand)			
	31st December 2002	Increase	Decrease	30th September 2003
Accumulated depreciation :				
Office building	41,937	2,946	5,799	39,084
Office equipment	29,612	8,316	841	37,087
Office and club furnitures	50,128	7,576	11,551	46,153
Machinery and equipment	1,094	7	0	1,101
Vehicles	8,309	2,404	744	9,969
Kindergarten	420	35	0	455
Nursery garden	70	2	0	72
Club houses, swimming pool and tennis court	544,898	64,554	0	609,452
Leasehold	30,218	4,176	11,562	22,832
Other assets	15,950	1,688	78	17,560
Total	722,636	91,704	30,575	783,765
Provision for impairment of assets :				
Building and construction	1,178	0	0	1,178
Club houses, swimming pool and tennis court	6,989	0	0	6,989
Total	8,167	0	0	8,167
Net book value	306,986			268,130

Parent's financial statements	(Baht : Thousand)			
	31st December 2002	Increase	Decrease	30th September 2003
Cost :				
Office building	78,690	4,824	8,125	75,389
Office equipment	51,942	9,501	81	61,362
Office and club furnitures	51,911	8,361	0	60,272
Vehicles	15,315	207	35	15,487
Kindergarten	931	0	0	931
Nursery garden	59	0	0	59
Club houses, swimming pool and tennis court	501,913	88,253	0	590,166
Leasehold	99,775	0	74,300	25,475
Other assets	16,577	2,045	0	18,622
Assets in progress	10,473	3,710	114	14,069
Total	827,586	116,901	82,655	861,832

Parent's financial statements (Baht : Thousand)

	31st December 2002	Increase	Decrease	30th September 2003
Accumulated depreciation :				
Office building	22,052	2,834	2,261	22,625
Office equipment	20,785	8,076	81	28,780
Office and club furnitures	22,368	6,363	0	28,731
Vehicles	6,670	1,934	19	8,585
Kindergarten	420	35	0	455
Nursery garden	54	2	0	56
Club houses, swimming pool and tennis court	468,386	51,523	0	519,909
Leasehold	29,927	4,148	11,562	22,513
Other assets	9,613	1,561	0	11,174
Total	580,275	76,476	13,923	642,828
Net book value	247,311			219,004

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

As at 30th September 2003 and 2002, building and equipment at book value before accumulated depreciation amounting to Baht 31.65 million and Baht 26.59 million, respectively which were fully depreciated, are still being operated.

9. BANKS OVERDRAFT AND LOANS FROM FINANCIAL INSTITUTIONS

	Consolidated		Parent company	
	(Thousand Baht)		(Thousand Baht)	
	30th September 2003	31st December 2002	30th September 2003	31st December 2002
Banks overdraft	19,716	29,968	6,948	9,431
Bill of exchange	680,000	1,195,000	680,000	1,195,000
Total	699,716	1,224,968	686,948	1,204,431

10. LONG-TERM LOANS

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

Institute	(Million Baht)				Repayment conditions	Guarantee by
	30th September 2003		31st December 2002			
	Credit amount	Interest	Credit amount	Interest		
Bank	0.00	MLR	1,653.41	MLR	40-50% of selling price of land and construction	Mortgage land and construction of each project
Finance companies	1,345.00	2.94 - 7.25	1,312.00	4.85 - 7.25	Repayment from April 2004 to June 2006	Loans of Baht 345 million with mortgage land and construction of each project Loans of Baht 1,000 million without collateral
Total	<u>1,345.00</u>		<u>2,965.41</u>			
Less Current portion of long-term debt	400.00		0.00			
Balance	<u>945.00</u>		<u>2,965.41</u>			

In 2003, the Company has fully made loans from bank repayment.

10.2 The subsidiaries' long-term loans consist of loans from banks as follows :

Company	Balance		Interest rate	Repayment conditions	Guarantee by
	(Million Baht)				
	30th Sep. 2003	31st Dec. 2002			
1. L H Muangmai Co., Ltd.	491.68	576.36	MLF	55% of selling price of land and construction	Mortgage land and construction of each project
2. Land and Houses North East Co., Ltd.	0.00	0.01	MLI	55% of selling price of land and construction	
3. Siamtanee Property Co., Ltd. and subsidiaries	1.00	142.00	MLR+1	Due repayment in 2002 and 2003	
4. Pacific Real Estate Co., Ltd.	397.00	0.00		Due repayment in 2007	
Total	<u>889.68</u>	<u>718.3</u>			
Total long-term loans	<u>1,834.68</u>	<u>3,683.78</u>			

11. DEBENTURES - DOMESTIC

	Number of debenture (shares)		Amount (Thousand Baht)	
	30th September 2003	31st December 2002	30th September 2003	31st December 2002
Unsecured debentures	800,000	800,000	360,000	600,000
Secured debentures	1,500,000	1,500,000	1,218,750	1,500,000
Balance	<u>2,300,000</u>	<u>2,300,000</u>	<u>1,578,750</u>	<u>2,100,000</u>
Less Current portion of liabilities			(615,000)	(615,000)
Balance			<u>963,750</u>	<u>1,485,000</u>

12. CONVERTIBLE DEBENTURES

	Number of debenture		Amount (Thousand Baht)	
	30th September 2003	31st December 2002	30th September 2003	31st December 2002
Convertible debentures issued -				
overseas	0	60,000	0	1,512,000
Less Conversion into common shares and redemption up to				
- 30th September 2003	0	(51,867)	0	(1,307,048)
Balance	<u>0</u>	<u>8,133</u>	<u>0</u>	<u>204,952</u>
Less Current portion of liabilities			0	(204,952)
Balance			<u>0</u>	<u>0</u>

The remaining 8,133 convertible debentures - overseas was redeemed on 29th April 2003 in whole amount.

13. REVALUATION INCREMENT IN ASSETS

Revaluation increment in assets of Baht 134.36 million (as at 31st December 2002, of Baht 117.16 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 are investments in Land and Houses Public Company Limited in whole amount.

15. LOSS FROM IMPAIRMENT

For nine months ended 30th September, loss from impairment of assets consist of :

(Unit : Thousand Baht)

	Consolidated		Parent company	
	30th September 2003	30th September 2002	30th September 2003	30th September 2002
- Investment in affiliate				
- ML&H Corporation	298,911.00	0.00	298,911.00	0.00
- Long-term investment				
Investments in equity and debt securities of				
- Bangkok Mass Transit System Plc.	58,401.00	661,268.00	58,401.00	661,268.00
- Other investments	0.00	123,159.00	0.00	123,159.00
- Other assets	0.00	8,213.00	0.00	0.00
Total	357,312.00	792,640.00	357,312.00	784,427.00

16. DIRECTOR'S REMUNERATION

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

Total remuneration of the Board of Director of the Company and subsidiaries for nine months ended 30th September 2003 and 2002 is Baht 2.73 million and Baht 1.17 million, respectively.

17. EARNINGS PER SHARE

Consolidated and parent's financial statements

	For three months ended 30th September 2003		
	Profit (Thousand Baht)	Number of share	Baht/share
<u>Basic earnings per share</u>			
Net profit of common share	1,838,127	6,754,078,942	0.27
Effects of diluted potential common share			
- Exercise rights		1,974,893,855	-
<u>Diluted earnings per share</u>			
Profit of common shareholders assumed as conversion to common share	1,838,127	8,728,972,797	0.21

Consolidated and parent's financial statements

	For nine months ended 30th September 2002		
	Profit (Thousand Baht)	Number of share	Baht/share
<u>Basic earnings per share</u>			
Net profit of common share	4,575,538	6,609,742,132	0.69
Effects of diluted potential common share			
- Exercise rights		1,974,893,855	-
<u>Diluted earnings per share</u>			
Profit of common shareholders assumed			
as conversion to common share	4,575,538	8,584,635,987	0.52

Consolidated and parent's financial statements

	For three months ended 30th September 2002		
	Profit (Thousand Baht)	Number of share	Baht/share
<u>Basic earnings per share</u>			
Net profit of common share	1,166,702	6,304,117,020	0.19
Effects of diluted potential common share			
- Exercise rights	1,808	1,809,690,830	-
<u>Diluted earnings per share</u>			
Profit of common shareholders assumed			
as conversion to common share	1,168,510	8,113,807,850	0.14

	For nine months ended 30th September 2002		
	Profit (Thousand Baht)	Number of share	Baht/share
<u>Basic earnings per share</u>			
Net profit of common share	2,735,000	6,279,593,900	0.44
Effects of diluted potential common share			
- Exercise rights	5,365	1,801,690,830	-
<u>Diluted earnings per share</u>			
Profit of common shareholders assumed			
as conversion to common share	2,740,365	8,081,284,730	0.34

On 22nd January 2003, the Company has registered the changing par value from Baht 10.00 each to 1.00 each by dividing the number of ordinary shares. The Company, therefore, has retroactively changed the number of shares and par value as at 30th September 2002 and 31st December 2002 to compare with the year 2003.

18. APPROPRIATION OF RETAINED EARNINGS AND DIVIDENDS

18.1 According to the minutes of Shareholders' General meeting no. 1/2003 held on 29th April 2003, the Company passed the resolution to appropriate net profit by paying dividends from the result of its operations for the last six months from 1st July 2002 to 31st December 2002 at Baht 0.10 per share and included with the interim dividend payment for the first six months operation which was made on 12th September 2002 at Baht 0.07 per share, the total dividend payment for the result of its operations of year 2002 is Baht 0.17 per share. The meeting also passed the resolution to change the policy of dividend payment from not over 40% to not over 70% of net profit.

18.2 According to the minutes of Board of Directors' meeting no. 9/2003 held on 14th August 2003, the Company passed the resolution to appropriate net profit by paying interim dividends from the result of its operations for the first six months from 1st January 2003 to 30th June 2003 at Baht 0.20 per share to the shareholders for 6,751.38 million shares, totalling Baht 1,350.28 million equal to 49.33% of net profit.

19. 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.

20. WARRANTS

20.1 Warrants issuance to the existing shareholders

The shareholders' extraordinary meeting no. 1/2003 held on 20th January 2003, passed the resolution to change the par value of ordinary share from Baht 10.00 to Baht 1.00 each. The Company has registered such resolution with the Ministry of Commerce on 22nd January 2003. The Company, therefore, increased the number of warrants to conform to the changing of par value from 307,656,855 units to 3,076,568,550 units and changed the exercise price to be 1 unit of warrant has a right to purchase 1.00757 ordinary shares at Baht 2.5805 each.

Later on 13th March 2003, the Company changed the exercise price to be 1 unit of warrant has a right to purchase 1.01563 ordinary shares at Baht 2.560 each. The Company has also issued 6,006,000 units of warrants to the employees (note 20.2).

As the Company's declaration to pay dividend in note 18.2, the dividend payment is higher than 30% of net profit, as a result, the exercise price and ratio is to be 1 unit of warrant has a right to purchase 1.02314 ordinary shares at Baht 2.541 per share since 25th August 2003 onwards.

As at 30th September 2003, the remaining warrants are as follows :

Number of total warrants	3,076,568,550	units
The number of exercised warrants up to 30th September 2003	634,178,965	units
Balance number of warrants	<u>2,442,389,585</u>	Units

20.2 Warrants to the employees (including directors who is an employee)

On 13th March 2003, the Company issued 6,028,500 units of warrants (the second) to the employees according to the resolution of the shareholders' ordinary meeting no. 1/2001. Each unit of warrant has a right to purchase 10 ordinary shares at Baht 1.00 each and exercise period is on every three months. The 6,006,000 units of warrants have been allocated.

As at 30th September 2003, the remaining warrants for the employees (including the directors who is an employee) are as follows :

Number of total warrants	11,977,500	units
The number of exercised warrants up to 30th September 2003	11,894,900	units
Balance number of warrants	<u>82,600</u>	Units

21. COMMITMENT AND CONTINGENT LIABILITIES

21.1 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	30th September 2003		31st December 2002	
	Foreign currency	Thai Baht (million)	Foreign currency	Thai Baht (million)
Affiliates				
1. Bangkok Chain Hospital Co., Ltd.	-	855.10	-	332.50
2. Bangkok Chain Hospital Co., Ltd.	-	0.00	JPY 2,505.43 million	907.22
3. Quality Construction Products Plc.	-	205.04	-	205.18
Total		<u>1,060.14</u>		<u>1,444.90</u>
Other related companies				
1. Saraburi Vechakit Co., Ltd.	-	0.00	JPY 68.34 million	24.75
Total		<u>0.00</u>		<u>24.75</u>
Total commitment		<u>1,060.14</u>		<u>1,469.65</u>

21.2 As at 30th September 2003, 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 1,387.85 million (as at 31st December 2002, the amount was Baht 978.30 million).

21.3 As at 30th September 2003, the Company has guaranteed the customers' loans with financial institutions of Baht 20.99 million (as at 31st December 2002, the amount was Baht 44.04 million).

21.4 The Company has commitment as follows :

As at 30th September 2003, Pacific Real Estate Co., Ltd., a subsidiary, has guaranteed the another company's debts of Baht 26.22 million (as at 31st December 2002, the amount was Baht 25.98 million).

22. OBLIGATION AND COMMITMENT TO COMPLETE PROJECTS ON HAND

	Consolidated		Parent company	
	30th September 2003	31st December 2002	30th September 2003	31st December 2002
Number of project on hand,				
beginning of the period	30	36	23	25
Number of closing project	(7)	(13)	(5)	(9)
Number of new project	10	7	8	7
Number of project on hand,				
ending of the period	33	30	26	23
Contracted sales value				
(million Baht)	41,601	34,677	38,114	31,009
% Sales value of project				
on hand	62.40%	59.00%	56.80%	59.30%

The Company has obligation and commitment to complete all central utilities of developing projects on hand in the amount of Baht 937.62 million (as at 31st December 2002, the amount was Baht 599.51 million).

23. TRANSACTION WITH ITS RELATED PARTIES

The Company has significantly transactions 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		Parent company	
	30th September 2003 (Million Baht)	30th September 2002	30th September 2003 (Million Baht)	30th September 2002
Purchase goods				
Quality Construction Products				
Plc.	171.04	128.75	154.33	122.96
Home Products Center Plc.	244.36	164.20	244.36	148.60
Asian Property Development Plc.				
and subsidiaries	41.19	33.44	41.19	33.44
Total	456.59	326.39	439.88	305.00
Services				
Quality Houses Plc.	12.28	11.42	12.28	10.77
Total	12.28	11.42	12.28	10.77
Trade accounts payable				
Quality Construction Products				
Plc.	30.24	18.78	28.06	17.49
Home Products Center Plc.	36.47	33.03	30.33	30.88
Asian Property Development Plc.				
and subsidiaries	1.28	3.49	1.28	3.49
Total	67.99	55.30	59.67	51.86

24. DISCLOSURE AND PRESENTATION OF FINANCIAL INSTRUMENTS

24.1 Interest rate risk

Interest rate risk from changes in interest rate due to the Company and subsidiaries have loans from financial institutions resulting in financial loss to the Company and subsidiaries because of the certain of agreement as at 30th September 2003 for the consolidated and the Company financial statements in the amount of Baht 2,488.14 million and Baht 1,585.69 million, respectively, indicated the floating interest rate.

24.2 Fair value of financial instruments

The book value of financial assets and liabilities as at 30th September 2003 are close to their estimated fair value. Except for short-term loans of Baht 1,080 million and long-term loans of Baht 945 million, were charged interest at the fixed rate which is lower than market rate, if those loans were charged interest at market rate of 5.5% until the repayment date, the fair value of such loans are equal to Baht 1,070.8 million and Baht 918.7 million, respectively. Furthermore, the management believes that there is no material risk financial instruments.

