

LAND AND HOUSES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT 31st MARCH 2004 (UNAUDITED/REVIEWED ONLY)

AND AS AT 31st DECEMBER 2003 (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, 2003.

3. SHORT-TERM INVESTMENTS

Short-term investments are in form of treasury bill.

4. SHORT-TERM LOANS TO RELATED PARTIES

	Consolidated		Parent company	
	31st March 2004 (Thousand Baht)	31st December 2003	31st March 2004 (Thousand Baht)	31st December 2003
Loans to subsidiaries	0	0	2,630,335	2,323,535
Loans to affiliates	0	72,500	0	72,500
Less Allowance for doubtful				
accounts - affiliates	0	(72,500)	0	(72,500)
Short-term loans - net	0	0	2,630,335	2,323,535

4.1 Loans to subsidiaries :-

	31 st March 2004		31 st December 2003	
	Amount of Baht	Rate of interest	Amount of Baht	Rate of interest
	(Thousand Baht)	%	(Thousand Baht)	%
Loans to subsidiaries :-				
Pacific Real Estate Co., Ltd.	202,500	4	187,200	4
Land and Houses Northeast Co., Ltd.	498,000	4	390,000	4
Land and Houses North Co., Ltd.	0	-	13,000	4
L H Muangmai Co., Ltd.	171,745	3.5	171,745	3.5
Atlantic Real Estate Co., Ltd.	90,000	4 - 5	74,500	5
Siamtanee Property Co., Ltd.	324,000	4	322,000	4
L H Real Estate Co., Ltd.	1,344,090	4 - 5	1,165,090	4 - 5
Total	2,630,335		2,323,535	

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

4.2 Loans to affiliates :-

	31 st March 2004		31 st December 2003	
	Amount of Baht	Rate of interest	Amount of Baht	Rate of interest
	(Thousand Baht)	%	(Thousand Baht)	%
Bangkok Chain Hospital Co., Ltd.	0	7.25	72,500	5.75
Less Allowance for doubtful accounts - affiliates	0		(72,500)	
Total	0		0	

Loans to affiliates are in form of promissory notes without collateral which are due at call. In during the first quarter of 2004, the Company received the repayment of loans to affiliated in full.

5. INVENTORIES

	Consolidated		Parent company	
	31st March 2004 (Thousand Baht)	31st December 2003	31st March 2004 (Thousand Baht)	31st December 2003
Land	12,667,187	12,467,313	9,852,663	9,579,789
Land improvements	1,087,721	953,201	921,271	876,247
Construction in progress	4,045,517	2,583,132	3,203,074	2,121,126
Deferred interest	3,826,857	3,894,929	3,375,581	3,449,106
Central utilities	1,288,970	1,157,125	939,035	874,519
Preparation cost	44,130	46,717	13,688	14,613
Houses for sales	4,306	4,306	0	0
Total	22,964,688	21,106,723	18,305,312	16,915,400
Less Allowance for declining				
value of inventories	(1,225,441)	(1,259,388)	(1,155,021)	(1,188,970)
Balance	21,739,247	19,847,335	17,150,291	15,726,430

Some of land are mortgaged as guarantee for loans as mentioned in note 10 and 11.

The Company and subsidiary have estimated provision for diminution in inventories of the Company and subsidiary. The Company and subsidiary will amortize the allowance for declining in value of inventories according to the area sold.

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			
	31st Mar.04	31st Dec.03	31st Mar.04	31st Dec.03	31st Mar.04	31st Dec.03	31st Mar.04	31st Dec.03	31st Mar.04	31st Dec.03		
Investments in subsidiaries :-												
- Atlantic Real Estate Co., Ltd.	Real Estate	15.00	15.00	99.99	99.99	14,998	14,998	67,911	68,768	0	0	
- Pacific Real Estate Co., Ltd.	Real Estate	371.62	371.62	99.99	99.99	371,614	371,614	0	0	0	0	
- Land and Houses North Co., Ltd	Real Estate	13.50	13.50	99.99	99.99	13,500	13,500	62,930	57,675	0	0	
- Land and Houses Northeast Co., Ltd	Real Estate	570.00	570.00	99.99	99.99	569,999	569,999	361,601	365,127	0	0	
- Siamtanee Property Co., Ltd. and subsidiaries	Real Estate	100.00	100.00	99.99	99.99	64,859	64,859	367,977	349,018	0	0	
- L H Real Estate Co., Ltd.	Real Estate	116.00	116.00	99.99	99.99	50,000	50,000	36,657	43,950	0	0	
- Huay Keaw Real Estate Co., Ltd.	Real Estate	100.00	100.00	99.99	99.99	52,734	52,734	51,813	52,734	0	0	
- L H Muangmai Co., Ltd.	Real Estate	340.80	310.80	55.00	55.00	187,440	170,940	184,096	164,846	0	0	
Total investments in subsidiarie:							1,325,144	1,308,644	1,132,985	1,102,118	0	0
Investments in affiliates :-												
- Bangkok Chain Hospital Co., Ltd	Hospital	710.00	610.00	40.00	40.00	602,731	454,731	342,658	171,166	0	0	
- Quality Construction Products Plc	Building material	400.00	400.00	31.41	31.41	265,981	265,981	275,353	277,142	25,125	0	
- Home Products Center Plc.	Trading of construction materials	753.00	753.00	29.99	30.72	264,360	270,841	394,885	379,846	0	0	
- Cameron Global Limited	Investment business	0.04	0.04	40.00	40.00	15	15	74	115	0	0	
- Asia Assets Advisory Co., Ltd.	Investment advisor	12.50	12.50	39.99	39.99	4,999	4,999	8,098	6,936	0	0	
- Land and Houses Property Fund I	Real Estate	683.70	683.70	49.94	49.94	350,910	350,910	457,065	449,919	0	132,090	
- Land and Houses Property Fund II	Real Estate	338.00	338.00	49.99	49.99	1,692,372	1,692,372	1,783,132	1,794,123	9,969	0	
Total investments in affiliate:							3,181,368	3,039,849	3,261,265	3,079,247	35,094	132,090
Total investments in subsidiaries and affiliate							4,506,512	4,348,493	4,394,250	4,181,365	35,094	132,090

6.1 Investments in subsidiaries

6.1.1 The financial statements of the aforementioned subsidiaries which were brought into the preparation of consolidated financial statements and net profit of subsidiaries for three months ended 31st March 2004 and 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 three months ended 31st March 2004 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 21.34 million as other liabilities in "excess loss from investments subsidiaries and affiliates" and had equity loss of Baht 7.41 million.

6.1.3 On 26th January 2004, L H Muangmai Co., Ltd. passed the resolution to call for payment of increased share capital from Baht 7.77 per share to Baht 9.02 per share by calling for payment of Baht 1.25 per share amounting to Baht 50 million. However, as at 31st March 2004, the receive of payment is Baht 30 million and the remaining of Baht 20 million will be received in April 2004.

6.2 Investments in affiliates

6.2.1 Net profit (loss) of affiliates for three months ended 31st March 2004 and 2003 which were brought in 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)	
	31st March 2004	31st March 2003
Bangkok Chain Hospital Co., Ltd.	25,779	19,000
Land and Houses Property Fund I	7,201	53,311
Land and Houses Property Fund II	(1,023)	(817)
M L & H Corporation	0	(2,289)
Cameron Global Limited	(41)	(1)
	<u>31,916</u>	<u>69,204</u>
Total equity gain of affiliates under equity method	<u>31,916</u>	<u>69,204</u>

6.2.2 As at 9th March 2004, Bangkok Chain Hospital Co., Ltd. passed the special resolution to increase its share capital for the amount of Baht 100.00 million by issuing new 100 ordinary shares of Baht 1.00 each at offering to the existing shareholders at Baht 3.70 per share. The Company exercised right to subscribe such increasing shares in total in the amount of Baht 148 million. Hence, the percentage of investments has not changed.

6.2.3 In the first quarter of 2004, the Company has sell investment in Home Products Center Public Company Limited, an affiliate for 5.54 million shares. Therefore, the percentage of investments was decreased. Therefore, the percentage of investments was decreased from 30.72% to 29.99%.

As at 31st March 2004, investments in Home Products Center Public Company Limited, an affiliate, had total market value of Baht 961.95 million (as at 31st December 2003, had market value of Baht 980.91 million).

7. LONG-TERM INVESTMENTS

As at 31st March 2004

	Consolidated			Parent Company		
	Securities held for sales	Other investments	Total	Securities held for sales	Other investments	Total
Debt securities held for maturity						
Bangkok Mass Transit						
System Public Plc.	0	150,000	150,000	0	0	0
Equity security	2,337,393	2,107,512	4,444,905	2,337,393	2,031,701	4,369,094
Less Provision for unrealized						
gain (loss) of investment	984,897	0	984,897	984,897	0	984,897
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>3,046,487</u>	<u>877,404</u>	<u>3,923,891</u>	<u>3,046,487</u>	<u>651,593</u>	<u>3,698,080</u>

As at 31st December 2003

	Consolidated			(Thousand Baht)		
	Securities	Other	Total	Securities	Other	Total
	held for sales	investments		held for sales	investments	
Debt securities held for maturity						
Bangkok Mass Transit						
System Public Plc.	0	150,000	150,000	0	0	0
Equity security	2,279,435	2,106,960	4,386,395	2,279,435	2,031,101	4,310,536
Less Provision for unrealized						
gain (loss) of investment	1,770,214	0	1,770,214	1,770,214	0	1,770,214
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>3,773,846</u>	<u>876,852</u>	<u>4,650,698</u>	<u>3,773,846</u>	<u>650,993</u>	<u>4,424,839</u>

8. PROPERTY, PLANT AND EQUIPMENT - NET

Consolidated	(Baht : Thousand)			
	31st December 2003	Increase	Decrease	31st March 2004
Cost :				
Office building	55,838	0	0	55,838
Office equipment	76,052	2,218	16	78,254
Office and club furnitures	83,520	2,486	1,993	84,013
Machinery and equipment	1,157	0	0	1,157
Vehicles	19,631	107	0	19,738
Kindergarten	931	0	0	931
Nursery garden	75	0	0	75
Club houses, swimming pool and tennis court	743,754	29,641	0	773,395
Leasehold	26,658	0	0	26,658
Other assets	27,835	587	0	28,422
Assets in progress	19,537	4,964	0	24,501
Total	<u>1,054,988</u>	<u>40,003</u>	<u>2,009</u>	<u>1,092,982</u>

Consolidated	(Baht : Thousand)			
	31st December 2003	Increase	Decrease	31st March 2004
Accumulated depreciation :				
Office building	26,557	506	0	27,063
Office equipment	41,436	3,682	1	45,117
Office and club furnitures	46,369	2,877	1,362	47,884
Machinery and equipment	1,104	2	0	1,106
Vehicles	10,746	836	0	11,582
Kindergarten	467	12	0	479
Nursery garden	73	1	0	74
Club houses, swimming pool and tennis court	641,034	17,680	0	658,714
Leasehold	23,447	609	0	24,056
Other assets	18,556	729	0	19,285
Total	<u>809,789</u>	<u>26,934</u>	<u>1,363</u>	<u>835,360</u>
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	<u>8,167</u>	<u>0</u>	<u>0</u>	<u>8,167</u>
Net book value	<u><u>237,032</u></u>			<u><u>249,455</u></u>

Parent's financial statements	(Baht : Thousand)			
	31st December 2003	Increase	Decrease	31st March 2004
Cost :				
Office building	37,587	0	0	37,587
Office equipment	65,819	2,173	16	67,976
Office and club furnitures	61,602	2,486	0	64,088

Parent's financial statements

(Baht : Thousand)

	31st December 2003	Increase	Decrease	31st March 2004
Vehicles	16,062	107	0	16,169
Kindergarten	931	0	0	931
Nursery garden	59	0	0	59
Club houses, swimming pool and tennis court	612,931	26,419	0	639,350
Leasehold	25,475	0	0	25,475
Other assets	20,537	245	0	20,782
Assets in progress	12,860	2,114	0	14,974
Total	853,863	33,544	16	887,391
Accumulated depreciation :				
Office building	10,059	469	0	10,528
Office equipment	32,111	3,585	1	35,695
Office and club furnitures	28,601	2,514	0	31,115
Vehicles	9,244	679	0	9,923
Kindergarten	467	12	0	479
Nursery garden	56	1	0	57
Club houses, swimming pool and tennis court	548,741	16,540	0	565,281
Leasehold	23,119	600	0	23,719
Other assets	11,815	661	0	12,476
Total	664,213	25,061	1	689,273
Net book value	189,650			198,118

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

As at 31st March 2004 and 2003, plant and equipment which were fully depreciated amounting to Baht 32.41 million and Baht 29.43 million, respectively are still being operated.

9. BANKS OVERDRAFT AND LOANS FROM FINANCIAL INSTITUTIONS

	Consolidated		Parent company	
	31st March 2004 (Thousand Baht)	31st December 2003	31st March 2004 (Thousand Baht)	31st December 2003
Banks overdraft	5,221	32,708	4,705	26,896
Bill of exchange	1,640,405	1,440,405	1,640,405	1,440,405
Total	1,645,626	1,473,113	1,645,110	1,467,301

The Company has overdraft facility of Baht 81 million with several local banks and bill of exchange which are due within 3 months to 1 year.

10. LONG-TERM LOANS

	Consolidated		Parent company	
	31st March 2004 (Thousand Baht)	31st December 2003	31st March 2004 (Thousand Baht)	31st December 2003
Long-term loans	3,401,327	3,558,053	2,557,058	2,657,058
Less Current portion due				
within 1 year	(600,000)	(400,000)	(600,000)	(400,000)
Total	2,801,327	3,158,053	1,957,058	2,257,058

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

(Million Baht)

Institute	31st Mar. 2004		31st Dec. 2003		Repayment conditions	Guarantee by
	Credit amount	Interest	Credit amount	Interest		
One bank	1,272.06	3	1,272.06	3	Repayment from October 2005 to November 2006	-
Finance companies	1,285.00	2.75 - 4.85	1,385.00	2.43 - 3.97	Repayment from April 2004 to June 2006	
Total	2,557.06		2,657.06			

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

Company	Creditors (Million Baht)	Balance		Interest		Repayment conditions	Guarantee by
		31st Mar.04	31st Dec.03	rate	%		
1. L H Muangmai Co., Ltd.	Bank	447.27	450.63	MLR		55% of selling price of land and construction	Mortgage land and construction of each project
2. Pacific Real Estate Estate Co., Ltd.	Bank	397.00	397.00	MLR+0.25		Due repayment in 2007	Mortgage land and construction of each project
3. Huay Kaew Real Estate Co., Ltd.	Finance company	-	53.37	MLR		Due repayment in 2004 onwards	Pledge promissory notes and mortgage land and construction of the Company
Total		<u>844.27</u>	<u>901.00</u>				

On 1st November 2002, L H Muangmai Co., Ltd. has amended the debt restructuring agreement to change and extend the period of principal and accrued interest repayment of Baht 576.36 million to be completed in 2009.

11. DEBENTURES - DOMESTIC

	Number of debenture (shares)		Amount (Thousand Baht)	
	31st March 2004	31st December 2003	31st March 2004	31st December 2003
	Unsecured debentures			
- No. 1/2000	800,000	240,000	240,000	360,000
- No. 1/2004				
# 1	1,000,000	0	1,000,000	0
# 2	1,000,000	0	1,000,000	0
# 3	1,000,000	0	1,000,000	0
Secured debentures				
- No. 1/2001	1,500,000	1,500,000	1,031,250	1,125,000
Balance	<u>5,300,000</u>	<u>1,740,000</u>	<u>4,271,250</u>	<u>1,485,000</u>
Less Current portion of liabilities			(615,000)	(615,000)
Balance			<u>3,656,250</u>	<u>870,000</u>

According to the Board of directors' meeting no. 2/2004 held on 19th February 2004, passed the resolution that the Company to issue and offer debentures, specific name, unsecured, unsubordinated without debentureholder's representative to the public and institute investors as approved by the shareholders' ordinary meeting no. 1/2000 held on 28th April 2000 for total amount of Baht 3,000 million. The offering of debentures are detailed as follows :

Name of debentures	"Land and Houses Plc.'s unsecured debentures No. 1/2004 (1) principal repayment which redeemed in 2006"	"Land and Houses Plc.'s unsecured debentures No. 1/2004 (2) principal repayment which redeemed in 2007"	"Land and Houses Plc.'s unsecured debentures No. 1/2004 (3) principal repayment which redeemed in 2008"
Amount of Baht	Baht 1,000 million	Baht 1,000 million	Baht 1,000 million
Period	2 (two) years from issuance date	3 (three) years from issuance date	4 (four) years from issuance date
Issuance date	4th March 2004	4th March 2004	4th March 2004
Maturity date	4th March 2006	4th March 2007	4th March 2008
Interest rate	At fixed rate of 2.80% per annum all periods of debentures	At fixed rate of 3.25% per annum all periods of debentures	At fixed rate of 3.25% per annum for the 1st-3rd year and 4.5% per annum for the 4th year
Terms of interest payment	Quarterly from issuance date 4th June 2004	Quarterly from issuance date 4th June 2004	Quarterly from issuance date 4th June 2004
First period			
Principal repayment	On the redemption date 4th March 2006	On the redemption date 4th March 2007	On the redemption date 4th March 2008
Collateral	- None -	- None -	- None -

12. WARRANTS

12.1 Warrants issuance to the existing shareholders

On 10th March 2004, the Company changed the exercise price to be 1 unit of warrant has a right to purchase 1.04725 ordinary shares from Baht 2.500 each to Baht 2.483 each. The Company has also issued 5,994,350 units of warrants to the employees.

As the Company's declaration to pay dividend in note 18, 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 1.10899 ordinary shares at Baht 2.345 per share since 30th April 2004 onwards.

As at 31st March 2004, the remaining warrants are as follows :

Number of total warratns	3,076,568,550	units
The number of exercised warrants up to 31st March 2004	1,319,604,227	units
Balance number of warrant:	<u>1,756,964,323</u>	<u>Units</u>

12.2 Warrants to the employees (including directros who is an employee)

On 3th March 2004, the Company issued 6,022,500 units of warratns (the third) 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 5,994,350 units of warrants have been allocated.

As the Company's declaration to pay dividend in note 18, resulted to the new exercise ratio to be 1 unit of warrant has a right to purchase 10.56881 ordinary shares at Baht 1.00 each.

As at 31st March 2004, the remaining warrants for the employees (including the directors who is an employee) are as follows :

Number of total warratns	17,971,850	units
The number of exercised warrants up to 31st March 2004	16,565,150	units
Balance number of warrant:	<u>1,406,700</u>	<u>Units</u>

13. LEGAL RESERVE

According to the Public Company Limited Act, the Company has to appropriate its reserve as a legal reserve not less than 5% of the annual net profit after deduction with deficit brought forward (if any) as legal reserve until the reserve reaches 10% of authorized share capital.

14. REVALUATION INCREMENT IN ASSETS

Revaluation increment in assets of Baht 130.02 million (as at 31st December 2003, of Baht 132.30 million) is belong to Bangkok Chain Hospital Co., Ltd. in which the Company recognized under the equity method.

15. UNREALIZED GAIN (LOSS) OF INVESTMENTS

The difference between book value and fair value of investments available for sales of pereiod as follows :

	Consolidated		Parent company	
	31st March 2004 (Thousand Baht)	31st December 2003	31st March 2004 (Thousand Baht)	31st December 2003
Affiliates' investment	182,208	182,263	182,208	182,263
Company's investment	984,897	1,770,215	984,897	1,770,215
Total	1,167,105	1,952,478	1,167,105	1,952,478

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 three months ended 31st March 2004 and 2003 is Baht 2.07 million and Baht 1.95 million, respectively.

17. EARNINGS PER SHARE

Consolidated and parent's financial statements

	For three months ended 31st March 2004		
	Profit (Thousand Baht)	Number of share weight average	Baht/share
<u>Basic earnings per share</u>			
Net profit of common share	1,211,386	7,114,773,786	0.17
Effects of diluted potential common share			
- Exercise rights		1,458,984,134	-
<u>Diluted earnings per share</u>			
Profit of common shareholders assumed as conversion to common share	1,211,386	8,573,757,920	0.14

	For three months ended 31st March 2003		
	Profit (Thousand Baht)	Number of share weight average	Baht/share
<u>Basic earnings per share</u>			
Net profit of common share	1,092,310	6,452,027,922	0.17
Effects of diluted potential common share			
- Exercise rights		1,886,284,169	-
<u>Diluted earnings per share</u>			
Profit of common shareholders assumed			
as conversion to common share	1,092,310	8,338,312,091	0.13

18. APPROPRIATION OF RETAINED EARNINGS AND DIVIDENDS

According to the minutes of shareholders' ordinary meeting no. 1/2004 held on 27th April 2004, the Company passed the resolution to appropriate net profit by paying dividends from the result of its operations for the year 2004 at Baht 0.70 per share and included with the interim dividend payment for the first nine months operation which was paid on 14th August 2003 and on 14th November 2003 at Baht 0.45 per share, so the dividend payment for the result of its operations of year 2003 is Baht 1.15 per share. The Company recorded such dividend of Baht 5,434.44 million as accrued dividend payment.

19. 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	
	31st March 2004 (Million Baht)	31st December 2003	31st March 2004 (Million Baht)	31st December 2003
Purchase goods				
Quality Construction Products				
Plc.	47.15	50.60	42.83	45.71
Home Products Center Plc.	93.97	83.31	60.27	74.66
Asian Property Development Plc.				
and subsidiaries	11.69	12.55	11.69	12.55
Total	152.81	146.46	114.79	132.92
Services				
Quality Houses Plc.	3.87	4.16	3.68	4.16
Total	3.87	4.16	3.68	4.16
Trade accounts payable				
Quality Construction Products				
Plc.	19.41	17.40	18.81	15.58
Home Products Center Plc.	23.24	29.24	19.49	25.94
Quality Houses Plc.	0.06	0.00	0.00	0.00
Asian Property Development Plc.				
and subsidiaries	2.33	3.94	2.33	3.94
Total	45.04	50.58	40.63	45.46

20. LITIGATION

As at 31st March 2004, the Company has no material litigation.

21. 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.

22. COMMITMENT AND CONTINGENT LIABILITIES

22.1 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	31st March 2004		31st December 2003	
	Foreign currency	Thai Baht (million)	Foreign currency	Thai Baht (million)
Affiliates				
1. Bangkok Chain Hospital Co., Ltd.	-	811.89	-	855.10
Total		811.89		855.10

22.2 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 relative of the Company major shareholders.

22.3 As at 31st March 2004, the Company and subsidiary have commitment and contingent liabilities from bank's issuance of letter of guarantee for project development and company's operation for an amount of Baht 1,389.29 million (as at 31st December 2003, the amount was Baht 1,394.75 million).

22.4 As at 31st March 2004, the Company has guaranteed customers' loans to financial institutions of Baht 14.64 million (as at 31st December 2003, the amount was Baht 17.11 million).

22.5 The company has commitment as follows :

Pacific Real Estate Co., Ltd., a subsidiary, has guaranteed the another company's debts of Baht 27.04 million as at 31st March 2004 (as at 31st December 2003, was Baht 26.63 million).

23. OBLIGATION AND COMMITMENT TO COMPLETE PROJECTS ON HAND

	Consolidated		Parent company	
	31st March 2004	31st December 2003	31st March 2004	31st December 2003
Number of project on hand,				
beginning of the period	31	30	23	23
Number of closing project	(4)	(13)	(3)	(11)
Number of new project	3	14	3	11
Number of project on hand,				
ending of the period	30	31	23	23

	Consolidated		Parent company	
	31st March 2004	31st December 2003	31st March 2004	31st December 2003
Contracted sales value				
(million Baht)	40,880	37,397	36,964	33,521
% Sales value of project				
on hand	51.71%	54.09%	59.57%	56.68%

The Company has obligation and commitment to complete all central utilities of developing projects on hand in the amount of Baht 540.29 million. (as at 31st December 2003, the amount was Baht 701.13 million).

24. PROVIDENT FUND

The Company established provident fund. The fund is contributed both by the employees and the Company at the rate of 3-5% of employees' salaries. The fund managed by a certified manager which complied with the determination of Provident Fund Act. B.E. 2542.

25. RETAINED EARNINGS ADJUSTMENT

In 2004, the Company corrected the errors of accounting method of investment in Land and Houses Property I and II from recorded as investment in available for sale securities to be investment in affiliates since the Company held the fund's unit trust at 49.99% and the management believes that the holding is material influence. The Company has made retroactive adjustment the previous year as similar to use the equity method for investment since the beginning. As a result, the equity gain from investment in affiliates in the statements of income for three months ended 31st March 2004 and 2003 would be increased by Baht 6.18 million and Baht 52.49 million, respectively and unrealized gain (loss) of investments in balance sheets as at December 31, 2003 would be decreased by Baht 18.49 million and retained earnings brought forward as at 1st January 2004 and 2003 would be increased by Baht 18.49 million and Baht 62.76 million, respectively.

26. DISCLOSURE AND PRESENTATION OF FINANCIAL INSTRUMENTS

26.1 Accounting policy

The significant accounting policies and method adopted the basis of recognition and measurement relating to each class of financial assets and liabilities have been disclosed as stated in note 2.

26.2 Credit risk

Credit risk derives from failure by counterparties to discharge their obligations resulting in financial loss to the Company and subsidiaries. Financial assets shown in balance sheets at the book value deducted by allowance for doubtful accounts is maximum value of credit risk.

26.3 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 31st March 2004 for the consolidated and the Company financial statements in the amount of Baht 2,120.74 million and Baht 1,275.96 million, respectively (as at 31st December 2003, of Baht 2,345.39 million and Baht 1,491.95 million, respectively) indicated the floating interest rate.

26.4 Foreign currencies exchange rate risk

As at 31st March 2004, the Company and subsidiaries have other receivables of PHP 1,223.10 million in worth Baht 846.42 million as at 31st March 2004 which the Company has exchange rate risk from such amount.

26.5 Fair value of financial instruments

Financial assets shown in balance sheets consist of cash, deposit at bank, short-term investments, trade accounts receivable, notes receivable, short-term and long-term loans to related companies and investments. Financial liabilities shown in balance sheets consist of bank overdrafts, short-term loans from financial institutions, notes payable, trade accounts payables, short-term loans from related companies, long-term loans from financial institutions, debentures and convertible debentures.

The book value of financial assets and liabilities as at 31st March 2004 are close to their estimated fair value. Except for short-term loans of Baht 2,240.41 million and long-term loans of Baht 1,957.06 million and debentures of Baht 3,000 million, were charged interest at the fixed rate which is lower than market rate, if those loans were charged interest at market rate of 5.7% until the repayment date, the fair value of such loans are equal to Baht 2,198.93 million, Baht 1,855.30 million and Baht 2,852.44 million, respectively. Furthermore, the management believes that there is no material risk financial instruments.

27. SUBSEQUENT EVENTS

According to the minutes of shareholders' ordinary meeting no. 1/2004 held on 27th April 2004, the Company passed the resolution to issue and offer debentures, subordinated and/or un-subordinated with and/or without debentureholders' representative, secured and/or unsecured or other debentures in Thai Baht and/or other currencies not over Baht 5,000 million or equivalents in other currencies with term not more than 10 years by offering to the local investors and/or overseas investors, the public and/or private placement, and/or institute investors or parties whose have character in accordance with the SEC's notification. The total or parts of debentures will be issued and offered at the one time or at intervals.