

LAND AND HOUSES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT 31st DECEMBER 2004 AND 2003

FINANCIAL STATEMENTS PREPARATION BASIS

These financial statements have been prepared in conformity with the generally accepted accounting principles and presented under the Department of Commercial Registration Notification dated 14th September 2001 regarding "The abbreviate items must be shown in the financial statements".

1. CONSOLIDATED FINANCIAL STATEMENTS

- 1.1 These financial statements are consolidated by including the financial statements of Land and Houses Public Company Limited and its subsidiaries which controlled by Land and Houses Public Company Limited. Names of those subsidiaries are stated in note 7.
- 1.2 Transactions between Land and Houses Public Company Limited and its subsidiaries have been eliminated under the equity method as if Land and Houses Public Company Limited owns 100 per cent shareholding in those subsidiaries, and the interest of other shareholders is shown as "Minority Interest".
- 1.3 The results of operation of subsidiaries are included in the consolidated financial statements from the control date to the selling date.
- 1.4 The consolidated financial statements have been prepared in conformity with the same accounting policy for the accounts and accounting events of the Company and subsidiaries.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Income and Expense recognition

- 2.1.1 Revenues and expenditures are recorded on an accrual basis except for items no. 2.1.2 - 2.1.3.
- 2.1.2 Revenue from construction work is recorded on the percentage of completed work.
- 2.1.3 Revenue from land development and construction of real estate for sale is recognized when construction work is completed and ownership is transferred.

2.2 Inventories

Inventories are valued at the lower of cost or net realizable value. The cost calculation are detailed as follows :

2.2.1 Land for sales

Land purchased for sales is valued at cost by using the weighted average basis, (calculated separately for each project).

2.2.2 Deferred interest

Interest expenses relating to land purchased for sales are recorded as deferred interest as a part of inventories. Such deferred interest is recognized as cost of sales in accordance with the size of the land transferred (calculated separately for each project).

2.2.3 Central utilities

The cost of construction for utilities, such as road, electricity system, water supply system and other central utilities are recorded under "utilities account" as a part of inventories and recognized as cost of sales in accordance with the size of land transferred.

2.2.4 Preparation costs

Project development costs and preparation costs before sales are recorded as preparation cost as a part of inventories. Such costs are recognized as cost of sales in accordance with the size of the land transferred.

2.3 Building and equipment, and depreciation

Building and equipment are recorded at cost less accumulated depreciation.

Assets are depreciated on a straight-line basis over the estimated useful life of the assets for a period of approximately 5 years except for club, swimming pool and tennis court are depreciated on the expected economic benefits taken from those assets based on proportion of space sold in each project.

2.4 Investments in subsidiaries and affiliates

Investments in subsidiaries and affiliates are recorded under the equity method.

2.5 Investments in debt and equity securities

2.5.1 Short-term investments are stated at fair value.

2.5.2 Long-term investments in debt security available for sales are stated at fair value. The change in value is separately shown under shareholders' equity and gain or loss will be realized when they are disposed. Long-term investments in debt security held to maturity are stated at amortized cost.

2.5.3 Long-term investments in marketable equity securities available for sales are stated at fair value. The differences between book value and fair value are stated as unrealized gain or loss in shareholders' equity. The Company will recognize such different in statements of income when investments were disposed.

2.5.4 Long-term investments in non-marketable equity securities represents as other investments are stated at cost less provision for impairment of investment (if any).

2.5.5 Cost of short-term and long-term investments which were sold during the period are calculated on a weighted average method.

2.6 Allowance for doubtful accounts

The Company provided an allowance for doubtful accounts receivables that have been considered by the management as inactive and uncollectable.

2.7 Intangible assets

Deferred goodwill was incurred from the excess of investments in subsidiaries and affiliates over than fair value of net assets value of subsidiaries and affiliates at the investment date are presented as goodwill and amortized on a straight-line method within 10 years.

2.8 Foreign currency transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the transaction date. The balance of foreign currency assets and liabilities as at the balance sheets date are valued at the average rate of the buying and selling rates prevailing by the Bank of Thailand, except for those covered under forward contracts on which the forward contract rates are applied.

Gains/loss from currency exchange rates are included in the results of operations.

2.9 Corporate income tax

The Company recorded corporate income tax as expense from net profit incurred in the fiscal period.

2.10 Cash and cash equivalents

Cash and cash equivalents mean cash on hand and all type of bank deposit excluding deposit which held to maturity and liquid short-term investments that had slightly risk in changing valuation.

2.11 Basic earnings per share

Basic earnings (loss) per share are calculated by dividing the net profit (loss) attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. The Company adjust the weighted average number of ordinary shares outstanding during the period and for all periods presented should be adjusted for events, other than the conversion of potential ordinary shares, that have changed the number of ordinary shares outstanding, without a corresponding change in resources. The rate of adjusted number of ordinary shares is calculated by fair value per share prior to the exercise of right divided by theoretical ex-rights fair value per share.

Diluted earnings (loss) per share is calculated by using profit (loss) after adjust related revenue or expense which net of income taxes divided by the weighted average number of ordinary shares outstanding during the period plus the number of ordinary share issued in the conversion of debt securities to ordinary shares.

2.12 Impairment of assets

The Company has considered the impairment of investment, property, plant, equipment and intangible assets whenever events or changes indicate that the carrying amount of an asset exceeds its net realizable value. The Company will consider the impairment for each asset item or each asset unit generating cash flows, whichever is practical.

In case the carry amount of an asset exceeds its net realizable value, the Company will recognize an impairment loss in the statements of income. The Company will reverse the impairment loss whenever there is an indication that there is no longer impairment or reduction in impairment as "other income".

3. SHORT-TERM INVESTMENTS

Short-term investments are in form of treasury bill.

4. TRADE ACCOUNTS AND NOTES RECEIVABLE - NET

Trade accounts and notes receivable consist of the receivables from sales of land and houses, cheque in transit and receivables from construction contracts which mostly collected within three months from the transferring date, therefore, the Company and subsidiaries have not the delinquent receivables.

5. SHORT-TERM LOANS TO RELATED PARTIES

	Consolidated		Parent company	
	2004 (Thousand Baht)	2003	2004 (Thousand Baht)	2003
Loans to subsidiaries	0	0	3,803,245	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	3,803,245	2,323,535

5.1 Loans to subsidiaries :-

	2003		Increase	Decrease	2004	
	Amount of	Rate of			Amount of	Rate of
	(Thousand Baht)	interest %			(Thousand Baht)	interest %
Loans to subsidiaries :-						
Pacific Real Estate Co., Ltd.	187,200	4	536,800	0	724,000	4
Land and Houses Northeast Co., Ltd.	390,000	4	387,000	313,000	464,000	4
Land and Houses North Co., Ltd.	13,000	4	0	13,000	0	-
L H Muangmai Co., Ltd.	171,745	3.5	0	0	171,745	3.5
Atlantic Real Estate Co., Ltd.	74,500	5	96,000	74,500	96,000	4
Siamtanee Property Co., Ltd.	322,000	4	30,000	352,000	0	-
L H Real Estate Co., Ltd.	1,165,090	4-5	2,260,000	1,525,090	1,900,000	4
L H Assets Co., Ltd.	0	-	447,500	0	447,500	4
Total	2,323,535		3,757,300	2,277,590	3,803,245	

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

5.2 Loans to affiliates :-

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

Loans to affiliates are in form of promissory notes without collateral which are due at call. In the first quarter of 2004, the Company has received the payment of loans to affiliates in whole amount.

5.3 In 2002, the Company has loans to other companies - domestic which is a lending to Bangkok Mass Transit System Public Co., Ltd. in proportion to the shareholding percentage. The lending is by way of promissory notes bearing interest at MLR+2%. During the second quarter of 2003, the Company has sold by bidding receivable and loans to other companies and accrued interest income to Siam Tanee Real Estate Co., Ltd. as stated in note 8.2.

6. INVENTORIES

	Consolidated		Parent company	
	2004 (Thousand Baht)	2003	2004 (Thousand Baht)	2003
Land	13,883,485	12,467,313	10,751,736	9,579,789
Land improvements	1,322,669	953,201	966,531	876,247
Construction in progress	6,720,268	2,583,132	4,480,764	2,121,126
Deferred interest	3,433,186	3,894,929	2,968,701	3,449,106
Central utilities	1,627,764	1,157,125	1,063,935	874,519
Preparation cost	35,103	46,717	10,695	14,613
Houses for sales	37,321	4,306	0	0
Total	27,059,796	21,106,723	20,242,362	16,915,400
Less Allowance for declining value of inventories	-1,101,450	-1,259,388	-995,273	-1,188,970
Balance	25,958,346	19,847,335	19,247,089	15,726,430

Some of land are mortgaged as guarantee for loans as mentioned in note 11 and 13.

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

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

Type of business	(Million Baht)		(Thousand Baht)		(Thousand Baht)		(Thousand Baht)				
	Paid-up capital		% of investment		Cost method		Equity method		Dividend		
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	
Investments in subsidiaries :-											
- Atlantic Real Estate Co., Ltd.	Real Estate	15.00	15.00	99.99	99.99	14,998	14,998	29,319	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	45,404	57,675	24,999	0
- Land and Houses Northeast Co., Ltd.	Real Estate	570.00	570.00	99.99	99.99	569,999	569,999	610,368	365,127	0	0
- Siamtanee Property Co., Ltd. and subsidiaries	Real Estate	100.00	100.00	99.99	99.99	64,859	64,859	522,422	349,018	124,999	0
- L H Real Estate Co., Ltd.	Real Estate	116.00	116.00	99.99	99.99	50,000	50,000	237,365	43,950	0	0
- L H Asset Co., Ltd.	Real Estate	100.00	100.00	99.99	99.99	52,734	52,734	35,216	52,734	0	0
- L H Muangmai Co., Ltd.	Real Estate	360.80	310.80	55.00	55.00	198,440	170,940	203,389	164,846	0	0
Total investments in subsidiaries						1,336,144	1,308,644	1,683,483	1,102,118	149,998	0
Investments in affiliates :-											
- Bangkok Chain Hospital Co., Ltd.	Hospital	950.00	610.00	25.68	40.00	517,839	454,731	553,462	171,166	0	0
- Quality Construction Products Plc.	Building material	400.00	400.00	31.41	31.41	265,981	265,981	361,367	277,142	25,125	0
- Home Products Center Plc.	Trading of construction materials	756.09	753.00	29.87	30.72	264,360	270,841	459,748	379,846	27,097	13,178
- 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	11,331	6,936	4,953	4,400
- Land and Houses Property Fund I	Real Estate	639.94	683.70	49.94	49.94	328,452	350,910	451,275	449,919	20,143	132,090
- Land and Houses Property Fund II	Real Estate	3,613.00	3,380.00	49.99	49.99	1,808,872	1,692,372	2,163,928	1,794,123	177,575	0
- Quality Houses Plc.	Real Estate	6,113.24	0.00	21.84	0.00	1,983,854	0	2,120,986	0	0	0
- Polar Property Holdings Corporation	Real Estate	2,810.17	0.00	29.48	0.00	866,849	0	866,849	0	0	0
Total investments in affiliates						6,041,221	3,039,849	6,989,020	3,079,247	254,893	149,668
Total investments in subsidiaries and affiliates						7,377,365	4,348,493	8,672,503	4,181,365	404,891	149,668

7.1 Investments in subsidiaries

- 7.1.1 The financial statements of the aforementioned subsidiaries which were brought into the preparation for consolidated financial statements and net profit of subsidiaries for the year ended 31st December 2004 and 2003 were brought into the computation of investments under the equity method, were taken from their respective audited financial statements.
- 7.1.2 The financial statements for the year ended 31st December 2004 and 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 46.38 million and Baht 13.93 million as other liabilities in "excess loss from investments in subsidiaries and affiliates" and had equity loss in year 2004 and 2003 of Baht 32.46 million and Baht 18.88 million, respectively.
- 7.1.3 In 17th July, 2003, the Company has purchased 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..
- 7.1.4 On 24th December 2003, the Company has purchased 991,994 shares of Huay Kaew Real Estate Co., Ltd. equal to 99.9% of the paid-up share capital at the price of Baht 52.73 million. Later, such company changed its title name to "L H Asset Co., Ltd.". On 10th May 2004, the excess of investment in subsidiary over than fair value of net assets value of subsidiary at the purchasing date of Baht 37.55 million are presented as goodwill.
- 7.1.5 On 26th January 2004, L H Muangmai Co., Ltd. passed the resolution to call for payment of increase 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. As at 30th September 2004, the fully payment was received.

7.1.6 The company under the holding of Siamtanee Property Co., Ltd., a subsidiary are as following :

	Type of business	Percentage of investments	
		2004	2003
- S.T.N. Management Co., Ltd.	Condominium management	-	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%

The financial statements of the aforementioned subsidiaries of Siamtanee Property Co., Ltd. which were brought into the preparation for consolidated financial statements and net profit of the subsidiaries in 2004 and 2003 were brought into the computation of investments under the equity method, were taken from their respective audited financial statements.

7.1.6.1 According to the minutes of shareholders' extraordinary meeting of S.T.N. Management Co., Ltd. no. 1/2004 held on 13th August 2004 and no. 2/2004 held on 31st August 2004, unanimously passed the resolution to dissolve its business and registered the resolution with the Ministry of Commerce on 10th September 2004.

7.1.6.2 According to the minutes of shareholders' extraordinary meeting of Bann Suanthon Co., Ltd. no. 1/2004 held on 13th August 2004 and no. 2/2004 held on 31st August 2004, unanimously passed the resolution to dissolve its business and registered the resolution with the Ministry of Commerce on 10th September 2004.

7.2 Investments in affiliates

7.2.1 Net profit (loss) of affiliates for the year ended 31st December 2004 and 2003 which were brought into the computation of investment under equity method, were taken from their respective audited financial statements except for the certain of net profit (loss) were computed from unaudited financial statements, the equity gain (loss) are as follows :

	(Baht : Thousand)	
	2004	2003
Bangkok Chain Hospital Co., Ltd.	136,368	101,306
Land and Houses Property Fund I	30,279	79,966
Land and Houses Property Fund II	454,917	7,861
M L & H Corporation	0	52,330
Cameron Global Limited	-41	-55
Polar Property Holdings Corporation	0	-
Total equity gain of affiliates under equity method	621,523	241,408

7.2.2 As at 9th March 2004, Bangkok Chain Hospital Plc. passed the special resolution to change to public company and increase its share capital for the amount of Baht 610 million and Baht 100.00 million by issuing new 100 ordinary shares of Baht 1.00 each and 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 and the shareholders' extraordinary meeting of Bangkok Chain Hospital Plc. no. 2/2004 held on 9th April 2004, passed the resolution to increase its share capital of Baht 240 million by issuing common shares for 240 million shares of Baht 1.00 each and offer to the public, directors, administrator and the employees at Baht 3.80 each, total authorized share capital of Baht 950 million. This offering common shares of Bangkok Chain Hospital Plc., the Company also offer common share which the Company held for 40 million shares to the public at Baht 152 million, resulted the percentage of investment of the Company reduced from 36.07% to 25.68%. From this increase share capital, Bangkok Chain Hospital Plc. has premium on common shares of Baht 644.64 million. The company recognized the percentage of investment of Baht 165.57 million which presented as premium on share capital of affiliated in shareholders' equity.

As at 31st December 2004, investments in Bangkok Chain Hospital Plc., a listed company in the Stock Exchange of Thailand had total market value of Baht 697.84 million.

7.2.3 In the first quarter of 2004, the Company has sold investment in Home Products Center Public Company Limited, an affiliate for 5.54 million shares and during the year, the warrant holders exercised right to purchase common shares resulting to increase in common shares by 3.09 million shares, therefore, the percentage of investments was decreased from 30.72% to 29.87%.

As at 31st December 2004, investments in Home Products Center Public Company Limited, a listed company in the Stock Exchange of Thailand, had total market value of Baht 1,007.11 million (as at 31st December 2003, had market value of Baht 505.16 million).

7.2.4 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 61.87 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 31st December 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. In the fourth quarter, the Company has additionally purchased investments for 1.875 million shares amounting to Baht 15 million, the proportion of shareholding of the Company changed from 40.08% to 31.41%.

As at 31st December 2004, investments in Quality Construction Products Public Company Limited, a listed company in the Stock Exchange of Thailand had total market value of Baht 1,407 million.

7.2.5 In the second and third quarter of 2004, the Company has additionally purchased share capital of Quality House Public Company Limited, thus, the percentage of shareholding of the Company increased from 31st March 2004 at 18.65 to 21.87. The Company, therefore, changed the presentation of investments in Quality House Public Company Limited from "investment in other companies" to "investments in affiliates" and recognized gain under equity method in 2004.

As at 31st December 2004, investments in Quality House Public Company Limited, a listed company in the Stock Exchange of Thailand, had total market value of Baht 1,562.34 million (as at 31st December 2003, had market value of Baht 1,512.37 million).

7.2.6 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. The Company will receive the payment by cash or marketable securities in The Republic of The Philippines of Peso 1,223.10 million. The Company has proceeded to sell those investment on 29th September 2003 but as at 31st December 2003 still not received the payment, thus, recorded such amount as other receivables in whole. Such other receivables were converted into Baht 864.52 million

In 2004, the Company has already received the payment of such debt by receiving increase share capital of Polar Property Holdings Corporation for 1,223,182,790 shares at par value of Peso 1, totalling Peso 1,223.10 million (in worth Baht 866.85 million) equal to 29.48% of paid-up share capital of Polar Property Holdings Corporation. The contract to buy such shares was signed in November 2004. At present, such shares are under the process of listing in the Stock Exchange of Philippines.

8. LONG-TERM INVESTMENTS

For year 2004

	Consolidated			(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 Plc.	0	150,000	150,000	0	0	0
Equity security	456,051	2,104,486	2,560,537	456,051	2,028,701	2,484,752
Less Provision for unrealized gain (loss) of investment	402,285	0	402,285	402,285	0	402,285
Provision for impairment of assets - investment	<u>(76,277)</u>	<u>(1,380,108)</u>	<u>(1,456,385)</u>	<u>(76,277)</u>	<u>(1,380,108)</u>	<u>(1,456,385)</u>
Total	<u>782,059</u>	<u>874,378</u>	<u>1,656,437</u>	<u>782,059</u>	<u>648,593</u>	<u>1,430,652</u>

For year 2003

	Consolidated			(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 Plc.	0	150,000	150,000	0	0	0
Equity security	3,647,364	2,106,960	5,754,324	3,647,364	2,031,101	5,678,465
Less Provision for unrealized gain (loss) of investment	402,285	0	402,285	402,285	0	402,285
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>

8.1 The Company has investment in equity securities of Christiani & Nielsen (Thai) Public Company Limited of which was provided the provision for impairment of investments in whole amount since the year 2000. Later on 22nd September 2004, such company returned to resume trading of its securities under property and construction sector. The Company, therefore, reversed the provision for impairment of such investments at market value as at 31st December 2004, resulted gain on reversal of impairment loss of Baht 199.53 million.

8.2 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.

9. LAND UNDER CONTRACTS TO BUY AND TO SELL

In 1992, the Company has entered into an agreement to buy or to sell a piece of land and has already made full payment amount of Baht 282.45 million. It is conditioned in the agreement that the ownership will be transferred after a completion of some construction on the land within 36 months from the agreement date, and if the Company cannot fulfill the condition, the seller can cancel the agreement and return 70 per cent of the purchase price to the purchaser. However, the Company has not yet proceeded such construction. In 2000, the Company, determined the provision for impairment of that agreement of Baht 56.45 million.

10. PROPERTY, PLANT AND EQUIPMENT - NET

Consolidated	(Baht : Thousand)			
	31st December 2003	Increase	Decrease	31st December 2004
Cost :				
Office building	55,838	0	0	55,838
Office equipment	76,052	15,066	3,960	87,158
Office and club furnitures	83,520	20,138	2,188	101,470
Machinery and equipment	1,157	116	0	1,273
Vehicles	19,631	23,716	3,820	39,527

Consolidated		(Baht : Thousand)		
	31st December 2003	Increase	Decrease	31st December 2004
Kindergarten	931	0	0	931
Nursery garden	75	21	0	96
Club houses, swimming pool and tennis court	743,754	162,366	0	906,120
Leasehold	26,658	0	0	26,658
Other assets	27,835	2,802	674	29,963
Assets in progress	19,537	18,569	23,465	14,641
Total	<u>1,054,988</u>	<u>242,794</u>	<u>34,107</u>	<u>1,263,675</u>
Accumulated depreciation :				
Office building	26,557	2,035	0	28,592
Office equipment	41,436	16,521	3,713	54,244
Office and club furnitures	46,369	12,580	1,557	57,392
Machinery and equipment	1,104	18	0	1,122
Vehicles	10,746	5,517	3,710	12,553
Kindergarten	467	47	0	514
Nursery garden	73	5	0	78
Club houses, swimming pool and tennis court	641,034	88,474	0	729,508
Leasehold	23,447	2,368	0	25,815
Other assets	18,556	3,089	554	21,091
Total	<u>809,789</u>	<u>130,654</u>	<u>9,534</u>	<u>930,909</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>324,599</u></u>

Parent's financial statements

(Baht : Thousand)

	31st December 2003	Increase	Decrease	31st December 2004
Cost :				
Office building	37,587	0	0	37,587
Office equipment	65,819	13,345	32	79,132
Office and club furnitures	61,602	19,568	0	81,170
Vehicles	16,062	21,206	3,819	33,449
Kindergarten	931	0	0	931
Nursery garden	59	0	0	59
Club houses, swimming pool and tennis court	612,931	106,513	0	719,444
Leasehold	25,475	0	0	25,475
Other assets	20,537	2,115	16	22,636
Assets in progress	12,860	11,533	16,789	7,604
Total	853,863	174,280	20,656	1,007,487
Accumulated depreciation :				
Office building	10,059	1,885	0	11,944
Office equipment	32,111	15,597	4	47,704
Office and club furnitures	28,601	11,266	0	39,867
Vehicles	9,244	4,668	3,709	10,203
Kindergarten	467	47	0	514
Nursery garden	56	3	0	59
Club houses, swimming pool and tennis court	548,741	64,229	0	612,970
Leasehold	23,119	2,330	0	25,449
Other assets	11,815	2,771	3	14,583
Total	664,213	102,796	3,716	763,293
Net book value	189,650			244,194

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

As at 31st December 2004 and 2003, plant and equipment which were fully depreciated amounting to Baht 57.63 million and Baht 32.01 million, respectively are still being operated.

11. BANKS OVERDRAFT AND LOANS FROM FINANCIAL INSTITUTIONS

	Consolidated		Parent company	
	2004 (Thousand Baht)	2003	2004 (Thousand Baht)	2003
Banks overdraft	23,115	32,708	3,285	26,896
Bill of exchange	1,792,152	1,412,685	1,792,152	1,412,685
Total	1,815,267	1,445,393	1,795,437	1,439,581

In 2004 and 2003, the Company has overdraft facility of Baht 81 million and subsidiaries' overdraft facilities of of Baht 88 million and Baht 77 million, respectively with several local banks and bill of exchange which are due within 3 months to 1 year.

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

12. SHORT-TERM LOANS FROM SUBSIDIARIES - PROMISSORY NOTES

As at 31st December 2004, the Company have loans from subsidiaries - promissory notes of Baht 285 million by issuing promissory notes due at call at the interest rate of 4% per annum without collaterals.

13. LONG-TERM LOANS

	Consolidated		Parent company	
	2004 (Thousand Baht)	2003	2004 (Thousand Baht)	2003
Long-term loans	5,752,311	3,394,868	4,451,385	2,493,872
Less Current portion due				
within 1 year	-903,082	-393,135	-903,082	-393,135
Total	4,849,229	3,001,733	3,548,303	2,100,737

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

(Million Baht)

Institute	2004		2003		Repayment conditions	Guarantee by
	Credit amount	Interest	Credit amount	Interest		
One bank	2,084.08	3 - 3.90	1,168.93	3	Repayment from October 2005 to November 2007	-
Finance companies	2,367.31	2.94 - 3.97	1,324.94	2.43 - 3.9	Repayment from April 2004 to June 2007	-
Total	<u>4,451.39</u>		<u>2,483.87</u>			

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

Company	Creditors	Balance		Interest rate	Repayment conditions	Guarantee by
		2004	2003			
1. L H Muangmai Co., Ltd.	Bank	408.57	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	3.75 - 5.75	Due repayment in 2008	Mortgage land and construction of each project
3. L H Asset Co., Ltd.	Finance company	-	53.36	MLR	Due repayment in 2004 onwards	Pledge promissory notes and mortgage land and construction of the Company
4. L H Real Estate Co., Ltd.	Bank	495.87	-	Fix + 2.75	Due repayment in 2008	Mortgage land and construction of each project
Total		<u>1,300.92</u>	<u>900.99</u>			
Total long-term loans of the Company and subsidiaries						
		<u>5,752.31</u>	<u>3,394.86</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.

14. DEBENTURES - DOMESTIC

	Note	Number of debenture		Amount	
		2004	2003	2004	2003
		(shares)		(Thousand Baht)	
Unsecured debentures					
- # 1/2000	14.1	800,000	800,000	120,000	360,000
- # 1/2004					
- # 1	14.2	1,000,000	0	1,000,000	0
- # 2	14.2	1,000,000	0	1,000,000	0
- # 3	14.2	1,000,000	0	1,000,000	0
Secured debentures					
- # 1/2001	14.1	1,500,000	1,500,000	750,000	1,125,000
Balance		<u>5,300,000</u>	<u>2,300,000</u>	<u>3,870,000</u>	<u>1,485,000</u>
Less Current portion of liabilities				<u>-495,000</u>	<u>-615,000</u>
Balance				<u>3,375,000</u>	<u>870,000</u>

14.1 According to the shareholders' extraordinary meeting no. 1/1997 held on 26th May 1997, the shareholders passed the resolution that the Company to issue and offer debentures with maturity of 5 years in foreign currencies or Baht equalization in the amount not over Baht 3 thousand million by offering to the individual or institute investors both Thai and foreigner. On 30th March 2000, the Company issued the first portion of debentures amounting to Baht 800 million and the second portion amounting to Baht 1,500 million on 4th December 2001 as detailed following :

Name of debentures	"Land and Houses Plc.'s debentures No. 1/2000 with gradually made principal repayment which redeemed in 2005"	"Land and Houses Plc.'s debentures No. 1/2001 with gradually made principal repayment which redeemed in 2006"
Amount of Baht	Baht 800 million	Baht 1,500 million
Period	5 (five) years from issuance date	5 (five) years from issuance date
Issuance date	30th March 2000	4th December 2001
Maturity date	30th March 2005	4th December 2006
Interest rate	1st-2nd year, at 8.5% 3rd-5th year, at MLR-0.25% of 3 banks	The maximum rate of 3 (three) months fixed deposit add 3% per annum, indicated by Bangkok Bank Plc.
Terms of interest payment	Pay every September and March	Pay every three months, from the issuance date
Principal repayment	Repay every 6 months by 7 installments, commencing on 30th March 2002	Repay in equally installments every 3 months by 16 installments, commencing on 4th March 2003.
Collateral	- None -	15 plots of land in Bangkok and perimeter which appraised by the independent appraiser certified by the Securities and Exchange Commission. The appraised value as at 22nd August 2001 equal to Baht 2,550.20 million.

14.2 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.

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	Quarterly from issuance date	Quarterly from issuance date
First period	4th June 2004	4th June 2004	4th June 2004
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 -

15. WARRANTS

15.1 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 19.2).

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 23, 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 1.13390 ordinary shares at Baht 2.293 per share since 30th September 2004 onwards.

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

Number of total warrants	3,076,568,550	units
The number of exercised warrants up to 30th September 2004	<u>1,658,183,317</u>	units
Balance number of warrants	<u><u>1,418,385,233</u></u>	Units

15.2 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.

On 3th March 2004, the Company issued 6,022,500 units of warrants (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 23, resulted to the new exercise ratio to be 1 unit of warrant has a right to purchase 10.75912 ordinary shares at Baht 1.00 per share since 30th September 2004 onwards.

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

Number of total warrants	17,971,850	units
The number of exercised warrants up to 31st December 2004	<u>17,958,850</u>	units
Balance number of warrants	<u><u>13,000</u></u>	Units

16. 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.

17. OTHER PAID-IN CAPITAL

Revaluation increment in assets of Baht 130.72 million (as at 31st December 2003, of Baht 132.31 million) and premium on share capital of affiliates in 2004 of Baht 165.57 million is belong to Bangkok Chain Hospital Plc. in which the Company recognized under the equity method.

18. UNREALIZED GAIN (LOSS) OF INVESTMENTS

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

	Consolidated		Parent company	
	2004 (Thousand Baht)	2003	2004 (Thousand Baht)	2003
Affiliates' investment	267,409	182,263	267,409	182,263
Company's investment	402,285	1,770,215	402,285	1,770,215
Total	669,694	1,952,478	669,694	1,952,478

19. SHARE CAPITAL

According to the shareholders' extraordinary meeting no. 1/2003 held on 20th January 2003, the Company passed the resolution as follows:

19.1 To approve the changing par value of ordinary share from Baht 10.00 each to Baht 1.00 each together with amended the memorandum of association no. 4 to conform with the changing of par value. The Company has registered such resolution with the Ministry of Commerce on 22nd January 2003, the changing would be caused as following:

1. The Company's share capital was changed from 1,080,673,720 shares of Baht 10.00 each to 10,806,737,200 shares of Baht 1.00 each.
2. The Company's paid-up share capital was changed from 645,014,115 shares of Baht 10.00 each to 6,450,141,150 shares of Baht 1.00 each.
3. The Company's 307,656,855 units of warrants (the second) (LH-W2) was issued. On 22nd January 2003, the remaining 292,338,719 units of warrants was altered to 2,923,387,190 units.

The exercise ratio was changed from 1 unit of warrants has a right to purchase 1.00757 ordinary shares at Baht 25.805 each to 1 unit of warrants has a right to purchase 1.00757 ordinary shares at Baht 2.5805 of which became effective from March 2003 onwards.

4. The exercise ratio of remaining 9,300 units of ESOP warrants (the first) will be changed from 1 unit of warrants has a right to purchase 1 ordinary share at Baht 10.00 each to 1 unit of warrants has a right to purchase 10 ordinary shares at Baht 1.00 each of which became effective in February 2003 onwards.
5. The exercise ratio of 6,000,000 units of ESOP warrants (the second) will be issued after the SEC have approved. It will be changed from 1 unit of warrants has a right to purchase 1 ordinary shares at Baht 10.00 each to 1 unit of warrants has a right to purchase to 10 ordinary shares at Baht 1.00 each.

19.2 To approve the allotment 1,770,000 units of warrants to directors which are being employees of the Company and subsidiaries (ESOP) in the second year in accordance with the approval of the shareholders' ordinary meeting no. 1/2001, passed to allot warrants to purchase ordinary shares to the directors which are being employees of the Company and subsidiaries of Baht 30 million units with the exercise period of 5 years and gradually allotted at 6 million units per year. 1 unit of warrants has a right to purchase 10 ordinary shares at Baht 1.00 each.

20. 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 the year ended 31st December 2004 and 2003 is Baht 3.60 million and Baht 3.12 million, respectively.

21. LOSS FROM IMPAIRMENT

For the year ended 31st December, loss from impairment of assets consist of :

(Unit : Thousand Baht)

	Consolidated		Parent company	
	2004	2003	2004	2003
- Investment in affiliate				
- ML&H Corporation	0.00	298,911.00	0.00	298,911.00
- Long-term investment				
Investments in equity and debt securities of				
- Bangkok Mass Transit System Plc.	0.00	58,401.00	0.00	58,401.00
- Other assets	35,235.00	0.00	0.00	0.00
Total	35,235.00	357,312.00	0.00	357,312.00

22. EARNINGS PER SHARE

Consolidated and parent's financial statements

For the year ended 31st December 2004

	Profit (Thousand Baht)	Number of share weight average	Baht/share
<u>Basic earnings per share</u>			
Net profit of common share	6,100,737	7,760,533,583	0.79
Effects of diluted potential common share			
- Exercise rights		1,243,299,572	-
<u>Diluted earnings per share</u>			
Profit of common shareholders assumed as conversion to common share	6,100,737	9,003,833,155	0.68

	For the year ended 31st December 2003		
	Profit (Thousand Baht)	Number of share weight average	Baht/share
<u>Basic earnings per share</u>			
Net profit of common share	6,085,653	6,708,647,118	0.91
Effects of diluted potential common share			
- Exercise rights		1,936,883,491	-
<u>Diluted earnings per share</u>			
Profit of common shareholders assumed as conversion to common share	6,085,653	8,645,530,609	0.70

23. APPROPRIATION OF RETAINED EARNINGS AND DIVIDENDS

23.1 According to the minutes of Board of directors no. 8/2004 held on 13th September 2004, the Company passed the resolution to pay interim dividend for the results of operation for the first six months of 2004 at Baht 0.30 per share, amounting to Baht 2,418.32 million. The payment of dividend is made on 13th September 2004 for the amount of Baht 2,378.45 million, the remaining of Baht 39.87 million belonging to the shareholders whose have not a right to receive dividend.

23.2 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 additional dividends from the result of its operations for the year 2003 at Baht 0.70 per share, amounting to Baht 5,434.44 which was paid on 27th May 2004 for the amount of Baht 5,313.89 million and the amount of Baht 120.55 million belonging to the shareholders whose have not a right to receive dividend, 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.

24. 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 the

year ended 31st December 2004 and 2003 would be increased by Baht 287.48 million and Baht 46.26 million, respectively and unrealized gain (loss) of investments in balance sheets as at 31st December 2003 would be decreased by Baht 20.05 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.

25. 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 :

	Related by	Consolidated		Parent company	
		2004 (Million Baht)	2003	2004 (Million Baht)	2003
Purchase goods					
Quality Construction Products Plc.	Common shareholders and directorship	280.43	236.61	225.57	214.35
Home Products Center Plc.	Common shareholders and directorship	311.16	343.77	248.77	302.19
Asian Property Development Plc. and subsidiaries	Common shareholders and directorship	38.88	51.06	34.46	51.06
Total		<u>630.47</u>	<u>631.44</u>	<u>508.80</u>	<u>567.60</u>
Services					
Quality Houses Plc.	Common shareholders and directorship	16.73	16.94	15.96	16.09
Total		<u>16.73</u>	<u>16.94</u>	<u>15.96</u>	<u>16.09</u>
Trade accounts payable					
Quality Construction Products Plc.	Common shareholders and directorship	23.34	17.68	16.38	16.47
Home Products Center Plc.	Common shareholders and directorship	29.29	23.18	20.87	19.30
Quality Houses Plc.	Common shareholders and directorship	1.78	0.00	0.00	0.00
Asian Property Development Plc. and subsidiaries	Common shareholders and directorship	3.08	4.54	3.07	4.48
Total		<u>57.49</u>	<u>45.40</u>	<u>40.32</u>	<u>40.25</u>

26. LITIGATION

As at 31st December 2004 and 2003, the Company has no material litigation.

27. 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.

28. COMMITMENT AND CONTINGENT LIABILITIES

28.1 The Company has contingent liabilities to several financial institutions for acting as a guarantor for Bangkok Chain Hospital Plc. an affiliate as at 31st December 2004 and 2003 for the amount of Baht 791 million and Baht 855.1 million, respectively. This guarantee is based on the proportion of shareholding.

28.2 As at 31st December 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 1,773.85 million (as at 31st December 2003, the amount was Baht 1,394.75 million).

28.3 As at 31st December 2004, the Company has guaranteed customers' loans to financial institutions of Baht 13.17 million (as at 31st December 2003, the amount was Baht 17.11 million).

28.4 Pacific Real Estate Co., Ltd., a subsidiary, has guaranteed the another company's debts of Baht 28.28 million as at 31st December 2004 (as at 31st December 2003, the amount was Baht 26.63 million).

28.5 Commitment under leasehold agreement

The Company has entered into long-term operation lease of leasehold land and building as follows :

No.	Date of agreement	Term	Maturity date	Rental fee
1. Land	1st Sep. 1994	30 years	31st Aug. 2024	- The 6th - 10th year, annual fee of Baht 2.70 million. - The 11th - 15th year, annual fee of Baht 4.05 million. - The 16th - 20th year, annual fee of Baht 8.08 million. - The 21st - 25th year, annual fee of Baht 9.11 million. - The 26th - 30th year annual fee of Baht 10.97 million.

29. OBLIGATION AND COMMITMENT TO COMPLETE PROJECTS ON HAND

	Consolidated		Parent company	
	2004	2003	2004	2003
Number of project on hand, beginning of the period	31	30	23	23
Number of closing project	(10)	(13)	(7)	(11)
Number of new project	15	14	10	11
Number of project on hand, ending of the period	36	31	26	23
Contracted sales value (million Baht)	44,085	37,397	38,143	33,521
% Sales value of project on hand	56.95%	54.09%	60.52%	56.68%

The Company has obligation and commitment to complete all central utilities of developing projects on hand in the amount of Baht 727.42 million. (as at 31st December 2003, the amount was Baht 701.13 million).

30. 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 fund manager which complied with the determination of Provident Fund Act B.E. 2542.

31. NON-CASH TRANSACTIONS

- 31.1 In 2003, the Company transferred fixed assets - furnitures of sample houses to be goods for sales. The net value of furnitures in the consolidated and parent financial statements is Baht 17.85 million and Baht 9.37 million, respectively.
- 31.2 In 2004, the Company received the payment of other receivables by receiving investments in Polar Property Holdings Corporation (as stated in note 7.2.6).

32. DISCLOSURE AND PRESENTATION OF FINANCIAL INSTRUMENTS

32.1 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.

32.2 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.

32.3 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 December 2004 for the consolidated and the Company financial statements in the amount of Baht 143.12 million and Baht 1,047.56 million, respectively, indicated the floating interest rate (as at 31st December 2003, the amounts were Baht 2,345.39 million and Baht 1,491.95 million, respectively).

32.4 Foreign currencies exchange rate risk

The Company has a risk on foreign exchange rate since the Company do not make foreign exchange rate risk hedging for other receivables. As at 31st December 2003, the Company and subsidiaries have other receivables of PHP 1,223.10 million in worth Baht 864.53 million which the Company has exchange rate risk from such amount.

32.5 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 December 2004 are close to their estimated fair value. Except for short-term loans of Baht 2,732.85 million, long-term loans of Baht 3,664.03 million and debentures of Baht 3,750 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 2,704.13 million, Baht 3,492.57 million and Baht 3,635.13 million, respectively. Furthermore, the management believes that there is no material risk financial instruments.

33. RECLASSIFICATION

The financial statements as at 31st December 2003 have been reclassified for comparison purpose as follows :

33.1 The Company transferred prepaid interest which was presented as other current assets to reduce short-term loans from financial institutions, current portion of long-term liabilities and long-term loans.

33.2 To transfer the employees' salaries and remuneration which directly related to construction and were presented in selling and administrative expenses to be cost of sales.

	Consolidated		Parent company	
	New	Old	New	Old
Other current assets	244,166	435,071	208,663	399,569
Bank overdrafts and short-term loans from financial institutions	-1,445,393	-1,473,113	-1,439,581	-1,467,301
Current portion of long-term liabilities	-1,008,135	-1,015,000	-1,008,135	-1,015,000
Long-term loans	-3,001,733	-3,158,053	-2,100,737	-2,257,058
Cost of sales and hire of work	11,521,992	10,939,238	10,520,034	9,995,785
Selling and administrative expenses	866,705	1,449,459	816,319	1,340,568
Total	7,177,602	7,177,602	6,996,563	6,996,563

34. OTHER INFORMATIONS

34.1 The Company was registered as a public company limited and listed in the Stock Exchange of Thailand which is located at 38, Convent Road, Silom, Bangrak, Bangkok.

34.2 The Company engaged in real estate business.

34.3 As at 31st December 2004 and 2003, the Company has 606 and 573 staff, respectively, the Company and subsidiaries have 672 and 644 staff, respectively.

34.4 In 2004 and 2003, the Company's staff expenses was Baht 345.99 million and Baht 287.29 million, respectively, the Company and subsidiaries' staff expenses were Baht 373.13 million and Baht 310.81 million, respectively.