

LAND AND HOUSES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT 30th SEPTEMBER 2005 (UNAUDITED/REVIEWED ONLY)

AND AS AT 31st DECEMBER 2004 (AUDITED)

1. PREPARATION OF INTERIM FINANCIAL STATEMENTS BASIS

1.1 These financial statements have been presented in accordance with the notification of the Department of Business Development 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.

1.2 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.

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 31st December 2004.

3. SHORT-TERM LOANS TO RELATED PARTIES

	<u>31st December 2004</u>		Increase	Decrease	<u>30th June 2005</u>	
	Amount of	Rate of			Amount of	Rate of
	(Thousand Baht)	interest %			(Thousand Baht)	interest %
Loans to subsidiaries :-						
Pacific Real Estate Co., Ltd.	724,000	4	848,000	194,700	1,377,300	4
Land and Houses Northeast Co., Ltd.	464,000	4	58,000	522,000	0	4
L H Muangmai Co., Ltd.	171,745	3.5	10,400	182,145	0	4
Atlantic Real Estate Co., Ltd.	96,000	4	0	0	96,000	4
L H Real Estate Co., Ltd.	1,900,000	4	656,000	1,393,000	1,163,000	4
L H Assets Co., Ltd.	447,500	4	329,000	226,500	550,000	4
Total	<u>3,803,245</u>		<u>1,901,400</u>	<u>2,518,345</u>	<u>3,186,300</u>	

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

4. INVENTORIES

In 2005, the Company separately presented undevelopment land purchased for over 2 years of the Company and subsidiaries including related expenses to be land held for development in non-current assets and will be shown as goods when the development is made. The Company has adjusted the accounts for the period ended 31st December 2004 for comparison purpose.

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

5. INVESTMENT IN SUBSIDIARIES AND AFFILIATES is detailed as follows :

Type of business	(Million Baht)		(Thousand Baht)		(Thousand Baht)		(Thousand Baht)		(Thousand Baht)		
	Paid-up capital		% of investment		Cost method		Equity method		Dividend		
	30th Sep.05	31st Dec.04	30th Sep.05	31st Dec.04	30th Sep.05	31st Dec.04	30th Sep.05	31st Dec.04	30th Sep.05	31st Dec.04	
Investments in subsidiaries :-											
- Atlantic Real Estate Co., Ltd.	Real Estate	15.00	15.00	99.99	99.99	14,998	14,998	26,247	29,319	0	0
- Pacific Real Estate Co., Ltd.	Real Estate	371.62	371.62	99.99	99.99	371,614	371,614	115,238	0	0	0
- Land and Houses North Co., Ltd.	Real Estate	13.50	13.50	99.99	99.99	13,500	13,500	19,118	45,404	29,999	24,999
- Land and Houses Northeast Co., Ltd.	Real Estate	570.00	570.00	99.99	99.99	569,999	569,999	726,989	610,368	0	0
- Siamtanee Property Co., Ltd. and subsidiaries	Real Estate	100.00	100.00	99.99	99.99	64,859	64,859	375,478	522,422	163,399	124,999
- L H Real Estate Co., Ltd.	Real Estate	116.00	116.00	99.99	99.99	50,000	50,000	1,030,871	237,365	0	0
- L H Asset Co., Ltd.	Real Estate	100.00	100.00	99.99	99.99	52,734	52,734	165,022	35,216	0	0
- L H Muangmai Co., Ltd. and subsidiaries	Real Estate	900.00	360.80	55.00	55.00	495,000	198,440	560,446	203,389	0	0
- Royal Excellency Co., Ltd. and subsidiaries	Real Estate for lease	550.00	0.00	60.00	0.00	426,000	0	419,540	0	0	0
Total investments in subsidiaries						2,058,704	1,336,144	3,438,949	1,683,483	193,398	149,998
Investments in affiliates :-											
- Land and Houses Credit Foncier Plc.	Retail bank	1,100.00	0.00	43.00	0.00	661,960	0	627,038	0	0	0
- Bangkok Chain Hospital Co., Ltd.	Hospital	950.00	950.00	25.68	25.68	517,839	517,839	567,689	553,462	24,400	0
- Quality Construction Products Plc.	Building material	400.00	400.00	31.41	31.41	265,980	265,981	350,043	361,367	31,406	25,125
- Home Products Center Plc.	Trading of construction materials	944.00	756.09	26.30	29.87	380,091	264,360	642,807	459,748	42,473	27,097
- Cameron Global Limited	Investment business	0.00	0.04	0.00	40.00	0	15	0	74	0	0
- Asia Assets Advisory Co., Ltd.	Investment advisor	5.00	12.50	39.99	39.99	2,000	4,999	11,024	11,331	0	4,953
- Land and Houses Property Fund I	Real Estate	639.94	639.94	49.94	49.94	328,452	328,452	463,606	451,275	14,063	20,143
- Land and Houses Property Fund II	Real Estate	3,215.57	3,613.00	49.99	49.99	1,609,896	1,808,872	1,871,397	2,163,928	104,483	177,575
- Quality Houses Plc.	Real Estate	6,263.73	6,113.24	23.14	21.84	2,141,824	1,983,854	2,265,480	2,120,986	101,472	0
- Polar Property Holdings Corporation	Real Estate	4,149.00	2,810.17	29.48	29.48	866,849	866,849	916,656	866,849	0	0
Total investments in affiliates						6,774,891	6,041,221	7,715,740	6,989,020	318,297	254,893
Total investments in subsidiaries and affiliates						8,833,595	7,377,365	11,154,689	8,672,503	511,695	404,891

5.1 Investments in subsidiaries

5.1.1 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 2005 and 2004 were brought into the computation of investments under the equity method, were taken from their respective reviewed financial statements.

5.1.2 Pacific Real Estate Co., Ltd.

The financial statements for nine months ended 30th September 2005 of Pacific Real Estate Co., Ltd. which was brought into the computation of investments under equity method, had operating gain of Baht 169.94 million, that resulted the declining in deficit brought forward of which do not exceed the capital. In the balance sheets as at 31st December 2004, such subsidiary has negative capital, the Company, therefore, presented the excess loss over investments in subsidiaries of Baht 46.38 million as other liabilities in "excess loss from investments in subsidiaries. In the financial statements as at 30th September 2005, there are no excess loss from investments in subsidiaries.

5.1.3 L H Muangmai Co., Ltd.

On 1st February 2005, L H Muangmai Co., Ltd. passed the resolution to call for payment of increase share capital from Baht 9.02 per share to Baht 10 per share by calling for payment amounting to Baht 21.56 million. According to minutes the shareholders' extraordinary meeting in March 2005 of L H Muangmai Co., Ltd., passed the resolution to increase its share capital from Baht 400 million to Baht 900 million. The Board of directors shall be authorized to determine the issuance of common shares at intervals. In the first, the Board of directors passed the resolution to increase 1 million common shares of Baht 10.00 each amounting to Baht 10 million. Thus, the Company's proportion of shareholding is increased to 550,000 shares total amount of Baht 5,500,000. In September 2005, L H Muangmai Co., Ltd. call for payment of the second increase share capital for 49 million shares of Baht 10 each amounting to Baht 490 million in proportion of shareholding which belonging to the Company for 26.95 million shares of Baht 269.5 million. Some increase share capital was taken to make repayment for debt restructuring. Therefore, LH Muangmai Co., Ltd. has gain on debt restructuring of Baht 81.86 million and the Company has shown such gain net of minority interest of Baht 45.02 million as extraordinary items in statements of income.

On 15th August 2005, the Board of directors of L H Muangmai Co., Ltd., passed the resolution to purchase 2,099,994 common shares at Baht 100 each equal to 99.99% of Phuket Future Plan Co., Ltd. in the amount of Baht 210 million and purchase 1,899,994 common shares of Baht 100 each equal to 99.99% of Double Three Co., Ltd. in the amount of Baht 190 million from Tantipiriyakit group, a major shareholder of L H Muangmai Co., Ltd.

Details of investment are as follows :

Company's name	Paid-up share capital	Percentage of investment	(Baht : Million)	
			Cost	Equity
Phuket Future Plan Co., Ltd.	210	99.99	210	208.91
Double Three Co., Ltd.	190	99.99	190	189.06
			400	397.97

The financial statements of two subsidiaries were consolidated from their reviewed financial statements.

5.1.4 Siamtanee Property Co., Ltd.

The financial statements of subsidiaries of Siamtanee Property Co., Ltd. which were brought into the preparation for consolidated financial statements and net profit of subsidiaries for nine months ended 30th September 2005 were brought into the computation of investments under the equity method, were taken from their respective reviewed financial statements.

5.1.5 Royal Excellency Co., Ltd.

In June 2005, the Company has purchased 2,399,994 shares of Royal Excellency Co., Ltd. at par value of Baht 100.00, paid-up of Baht 25.00 each in the amount of Baht 156 million, Baht 65.00 per shares or equal to 60% of paid-up share capital which was paid for the remaining of Baht 180 million, of Baht 75 per share total Baht 336 million of the purchasing date. Such company has investment in leasehold land amount of Baht 306.98 million which belong to the Company amount of Baht 183.95 million or 60% and minority interest of Baht 122.63 million or 40%. In the consolidated financial statements, the Company recorded the exceeding cost of such investment over net book value of such company in the amount of Baht 96 million as leasehold land. As at 30th September 2005, the Company has recorded leasehold land of Baht 400.59 million.

On 16th July 2005, the shareholders' extraordinary meeting of Royal Excellency Co., Ltd., passed the resolution to increase additional its share capital for the amount of Baht 600 million by issuing 6 million common shares of Baht 100.00 each. The Board of directors shall be authorized to determine the issuance of common shares at intervals. In the first, the Board of directors passes the resolution to increase 150 million common shares. The Company held the increase share capital in the existing proportion of Baht 90 million.

On 28th July 2005, Royal Excellency Co., Ltd. has purchased 679,994 common shares of Baht 100.00 each of Siam Sindhorn City Co., Ltd. at Baht 20.59 per share equal to 99.99% of paid-up share capital. Royal Excellency Co., Ltd. recorded the exceeding cost of such investment over net book value

in the amount of Baht 14 million as leasehold land in whole amount. On 31st August 2005, Siam Sindhorn City Co., Ltd. has changed its title name to "L & H Sathorn Co., Ltd. at the Ministry of Commerce and also has resolution to increase share capital from Baht 68 million to Baht 268 million. The Board of directors shall be authorized to determine the issuance of common shares at intervals. In this quarter, such company has resolution to increase share capital for the amount of Baht 190 million and offering to Royal Excellency Co., Ltd. in total amount and has fully received the payment in this quarter, total paid-up share capital of Baht 258 million. The money from increase share capital was taken to pay for accrued leasehold. As at 30th September 2005, L&H Sathorn Co., Ltd. has leasehold of Baht 193.27 million.

5.2 Investments in affiliates

5.2.1 Net profit (loss) of 9 affiliates for nine months ended 30th September 2005 which were brought into the computation of investment under equity method, were taken from their respective reviewed financial statements of 5 affiliates, the remaining were computed from unreviewed financial statements, the equity gain (loss) are as follows :

	(Baht : Thousand)	
	2005	2004
Land & Houses Credit Foncier Plc.	-35,905	0
Bangkok Chain Hospital Plc.	50,809	0
Polar Property Holdings Corporation	5,104	0
Land and Houses Property Fund I	26,577	22,133
Land and Houses Property Fund II	0	351,070
Cameron Global Limited	0	-41
Total equity gain of affiliates under equity method	46,585	373,162

5.2.2 Home Products Center Public Company Limited

In 2005, the Company has converted 22.05 million units of warrants of Home Products Center Public Company Limited, an affiliate into 22,382,380 common shares, amount to Baht 115.73 million. The other warrant holders exercised right to purchase common shares too, therefore, the percentage of investments as at 30th September 2005 was decreased to 26.30%.

5.2.3 Land & Houses Credit Foncier Public Company Limited

The Company has investment in Land & Houses Credit Foncier Public Company Limited (LHCF) for the total amount of Baht 661.36 million which is the connected transaction by acquiring 4,724,000 newly issued ordinary shares of LHCF (par value of Baht 10.00 each) at Baht 140.00 per share. As a result, the percentage of Company's shareholding in LHCF will increase from 0.60% to 43%. The Company has changed the accounting record from long-term investments to investment in affiliates.

5.2.4 Quality Construction Products Public Company Limited

As at 30th September 2005, investments in Quality Construction Products Public Company Limited, a listed company in the Stock Exchange of Thailand had total market value of Baht 487 million (as at 31st December 2004, had market value of Baht 1,407 million).

5.2.5 On 3rd August 2005, the Company has entered into contract to sell common shares of Cameron Global Limited for 400 shares at the cost of Baht 36,523.14 at US\$ 1 each, amounting to US\$ 400 in worth Baht 16,400.00, resulted in loss from sales of investment of Baht 21,242.14 for the purpose to reduce the immaterial investment of the Company. On 11th August 2005, the Company has fully received the payment for such shares.

5.2.6 Asia Asset Advisory Co., Ltd.

In May 2005, Asia Asset Advisory Co., Ltd. has decreased share capital for the amount of Baht 7.50 million by reducing share capital in the proportion of shareholding. The Company recovered the money for the amount of Baht 3 million.

5.2.7 Land and Houses Property Fund II

On 28th June 2005, Land and Houses Property Fund II has decreased investment unit for 39,743,000 units of Baht 397.43 million by reducing the proportion of investment of unitholder. The Company recovered the money in the proportion of 49.99% for the amount of Baht 245.39 million.

5.2.8 Quality House Public Company Limited

In 2005, the Company converted 112,500,000 units of warrants of Quality House Public Company Limited into 14,273,000 common shares by amounting to Baht 157.97 million, therefore, from the exercise right to convert warrant to common shares, the percentage of investments as at 30th June 2005 was increased to 23.14%.

5.2.9 Polar Property Holding Corporation

The Company has entered into contract in November 2004 to buy share capital of Polar Property Holdings Corporation for 1,223,102,790 shares at par value of Peso 1, totalling Peso 1,223.10 million. At present, such shares are under the process of listing in the Stock Exchange of Philippines.

5.2.10 Some affiliates are listed in the Stock Exchange of Thailand had the total market value as follows :

Company's name	30th Sep. 2005 (Million Baht)	31st Dec. 2004
Bangkok Chain Hospital Plc.	673	698
Quality Construction Products Plc.	487	1,407
Home Products Center Plc.	1,601	1,007
Quality Houses Plc.	1,812	1,562

6. LONG-TERM INVESTMENTS

As at 30th September 2005

	Consolidated			Parent Company		
	(Thousand Baht)					
	Securities held for sales	Other investments	Total	Securities held for sales	Other investments	Total
Debt securities held for maturity						
Bangkok Mass Transit						
System Public Plc.	0	150,000	150,000	0	0	0
Equity security - Indonesia	0	1,963,199	1,963,199	0	1,963,199	1,963,199
- Domestic	118,800	140,643	259,443	118,800	64,902	183,702
Add Unrealized gain of investment	19,196	0	19,196	19,196	0	19,196
Less Provision for impairment of assets - investment						
- Indonesia	0	(1,340,957)	(1,340,957)	0	(1,340,957)	(1,340,957)
- Domestic	0	(39,151)	(39,151)	0	(39,151)	(39,151)
Total	137,996	873,734	1,011,730	137,996	647,993	785,989

As at 31st December 2004

	Consolidated			Parent Company		
	(Thousand Baht)					
	Securities held for sales	Other investments	Total	Securities held for sales	Other investments	Total
Debt securities held for maturity						
Bangkok Mass Transit						
System Public Plc.	0	150,000	150,000	0	0	0
Equity security - Indonesia	0	1,963,199	1,963,199	0	1,963,199	1,963,199
- Domestic	456,051	141,287	597,338	456,051	65,502	521,553
Add Unrealized gain of investment	402,285	0	402,285	402,285	0	402,285
Less Provision for impairment of assets - investment						
- Indonesia	0	(1,340,957)	(1,340,957)	0	(1,340,957)	(1,340,957)
- Domestic	(76,277)	(39,151)	(115,428)	(76,277)	(39,151)	(115,428)
Total	782,059	874,378	1,656,437	782,059	648,593	1,430,652

7. PROPERTY, PLANT AND EQUIPMENT - NET

Consolidated	(Baht : Thousand)			
	31st December 2004	Increase	Decrease	30th September 2005
Cost :				
Leased office building				
improvement	55,838	0	6,039	49,799
Office equipment	87,158	13,296	27	100,427
Office and club furnitures	101,470	4,200	2,831	102,839
Machinery and equipment	1,273	5	0	1,278
Vehicles	39,527	7,311	1,169	45,669
Kindergarten	931	0	0	931
Nursery garden	96	0	0	96
Club houses, swimming pool				
and tennis court	906,120	91,703	118,296	879,527
Leasehold	26,658	0	0	26,658
Other assets	29,963	5,903	489	35,377
Assets in progress	14,641	20,715	2,673	32,683
Total	<u>1,263,675</u>	<u>143,133</u>	<u>131,524</u>	<u>1,275,284</u>
Accumulated depreciation :				
Leased office building				
improvement	28,592	1,449	2,634	27,407
Office equipment	54,244	13,423	14	67,653
Office and club furnitures	57,392	10,912	2,831	65,473
Machinery and equipment	1,122	23	0	1,145
Vehicles	12,553	6,100	779	17,874
Kindergarten	514	35	0	549
Nursery garden	78	3	0	81
Club houses, swimming pool				
and tennis court	729,508	76,870	118,296	688,082
Leasehold	25,815	36	0	25,851
Other assets	21,091	2,852	489	23,454
Total	<u>930,909</u>	<u>111,703</u>	<u>125,043</u>	<u>917,569</u>

Consolidated		(Baht : Thousand)		
	31st December 2004	Increase	Decrease	30th September 2005
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>324,599</u>			<u>349,548</u>
Parent's financial statements		(Baht : Thousand)		
	31st December 2004	Increase	Decrease	30th September 2005
Cost :				
Leased office building				
improvement	37,587	0	6,039	31,548
Office equipment	79,132	11,630	27	90,735
Office and club furnitures	81,170	3,157	2,831	81,496
Vehicles	33,449	3,977	34	37,392
Kindergarten	931	0	0	931
Nursery garden	59	0	0	59
Club houses, swimming pool				
and tennis court	719,444	66,523	118,296	667,671
Leasehold	25,475	0	0	25,475
Other assets	22,636	2,881	489	25,028
Assets in progress	7,604	12,842	2,673	17,773
Total	<u>1,007,487</u>	<u>101,010</u>	<u>130,389</u>	<u>978,108</u>
Accumulated depreciation :				
Leased office building				
improvement	11,944	1,336	2,634	10,646
Office equipment	47,704	13,031	14	60,721
Office and club furnitures	39,867	10,055	2,831	47,091

Parent's financial statements (Baht : Thousand)

	31st December 2004	Increase	Decrease	30th September 2005
Vehicles	10,203	5,019	34	15,188
Kindergarten	514	35	0	549
Nursery garden	59	0	0	59
Club houses, swimming pool and tennis court	612,970	47,067	118,296	541,741
Leasehold	25,449	25	0	25,474
Other assets	14,583	2,404	489	16,498
Total	763,293	78,972	124,298	717,967
Net book value	244,194			260,141

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

As at 30th September 2005 and 31st December 2004, plant and equipment before accumulated depreciation which were fully depreciated amounting to Baht 74.21 million and Baht 57.63 million, respectively are still being operated.

8. BANKS OVERDRAFT AND LOANS FROM FINANCIAL INSTITUTIONS

	Consolidated		Parent company	
	30th Sep. 2005 (Thousand Baht)	31st Dec. 2004	30th Sep. 2005 (Thousand Baht)	31st Dec. 2004
Banks overdraft	4,266	23,115	3,141	3,285
Bill of exchange	1,014,537	1,814,463	1,014,537	1,814,463
Less Prepaid interest	-1,791	-22,311	-1,791	-22,311
Net	1,017,012	1,815,267	1,015,887	1,795,437

9. SHORT-TERM LOANS FROM SUBSIDIARIES

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.

10. LONG-TERM LOANS

	Consolidated		Parent company	
	30th Sep. 2005 (Thousand Baht)	31st Dec. 2004	30th Sep. 2005 (Thousand Baht)	31st Dec. 2004
Long-term loans	5,183,995	6,043,342	4,058,576	4,742,416
Less Current portion due				
within 1 year	-370,048	-903,082	-370,048	-903,082
Prepaid interest	-185,002	-291,031	-185,002	-291,031
Total	4,628,945	4,849,229	3,503,526	3,548,303

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

Institute	(Million Baht)				Repayment conditions	Guarantee by
	30th Sep. 2005		31st Dec. 2004			
	Credit amount	Interest %	Credit amount	Interest %		
One bank	2,346.28	2.25 - 3.90	2,375.11	3	Repayment from October 2005 to November 2007	-
Domestic finance companies	1,712.29	2.25 - 3.97	2,367.31	2.43 - 3.97	Repayment from April 2004 to June 2007	-
Total	4,058.57		4,742.42			

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

Company	Balance		Interest		Repayment conditions	Guarantee by
	(Million Baht)		rate			
	30th Sep.05	31st Dec.04	%			
1. L H Muangmai Co., Ltd. and subsidiaries	1,039.28	0.00	MLR-1.5 in 1st year	55% of selling price of land and construction	Mortgage land and construction of each project and share capital of subsidiaries	
	-	408.05	MLR thereafter			
2. Pacific Real Estate Estate Co., Ltd.	86.14	397.00	3.75 - 5.75	Due repayment in 2008	Mortgage land and construction of each project	
3. L H Real Estate Co., Ltd.	-	495.87	Fix+2.75	Due repayment in 2008	Mortgage land and construction of each project	
Total	1,125.42	1,300.92				
Total long-term loans of the Company and subsidiaries	5,183.99	6,043.34				

11. DEBENTURES - DOMESTIC

	Number of debenture		Amount	
	(shares)		(Thousand Baht)	
	30th Sep. 2005	31st Dec. 2004	30th Sep. 2005	31st Dec. 2004
Unsecured debentures				
- # 1/2000	0	800,000	0	120,000
- # 1/2004				
- # 1	1,000,000	1,000,000	1,000,000	1,000,000
- # 2	1,000,000	1,000,000	1,000,000	1,000,000
- # 3	1,000,000	1,000,000	1,000,000	1,000,000
- # 1/2005				
- # 1	1,500,000	0	1,500,000	0
- # 2	1,500,000	0	1,500,000	0
- # 3	2,000,000	0	2,000,000	0
Secured debentures				
- # 1/2001	468,750	1,500,000	468,750	750,000
Balance	<u>8,468,750</u>	<u>5,300,000</u>	<u>8,468,750</u>	<u>3,870,000</u>
Less Current portion of liabilities			<u>-1,375,000</u>	<u>-495,000</u>
Balance			<u><u>7,093,750</u></u>	<u><u>3,375,000</u></u>

12. WARRANTS

The detail of warrants issuance to the existing shareholders in 2001, as at 30th September 2005, one unit of warrant has exercise right to purchase 1.19460 ordinary shares at Baht 2.1770 each.

Number of total warrants	3,076,568,550	Units
The number of exercised warrants up to 30th September 2005	<u>1,735,198,597</u>	Units
Balance number of warrants	<u><u>1,341,369,953</u></u>	Units

The warrants issuance to directors and employees (ESOP) in April 2005, one unit of warrant has exercise right to purchase 10 ordinary shares at Baht 1.00 each as detailed following :

Number of total warrants	5,964,350	Units
The number of exercised warrants up to 30th September 2005	<u>4,984,400</u>	Units
Balance number of warrants	<u><u>979,950</u></u>	Units

13. SHARE CAPITAL

During the first nine months of 2005 ended September 30, 2005, the Company's paid-up share capital was changed from 8,155.73 million shares to 8,295.84 million shares or increasing 140.11 million shares arose from conversion of warrants issued to the existing shareholders and also issued to the employees.

14. UNREALIZED GAIN (LOSS) OF INVESTMENTS

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

	Consolidated		Parent company	
	30th Sep. 2005 (Thousand Baht)	31st Dec. 2004	30th Sep. 2005 (Thousand Baht)	31st Dec. 2004
Different between book value and fair value of investment available for sales				
- Affiliates' investment	232,383	267,409	232,383	267,409
- Company's investment	19,196	402,285	19,196	402,285
Gain from exchange rates of investment in overseas affiliates	44,703	0	44,703	0
Total	296,282	669,694	296,282	669,694

15. 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 for nine months ended 30th September 2005 and 2004 amount of Baht 3.57 million and Baht 3.09 million.

16. EARNINGS PER SHARE

Consolidated and parent's financial statements

	For three months ended 30th September 2005		
	Profit (Thousand Baht)	Number of share weighted average	Baht/share
<u>Basic earnings per share of common shareholders</u>			
Profit before extraordinary items	1,439,157	8,239,972,813	0.17
Gain on debt restructuring (net of minority interest)	45,023		0.01
Net profit	1,484,180		0.18
Effects of diluted potential common share			
- Exercise rights		1,200,644,106	

	For three months ended 30th September 2005		
	Profit	Number of share	Baht/share
	(Thousand Baht)	weighted average	
<u>Diluted earnings per share of common shareholders</u>			
<u>assumed as conversion to common share</u>			
Profit before extraordinary items	1,439,157	9,440,616,919	0.15
Gain on debt restructuring (net of minority interest)	45,023		0.01
Net profit	1,484,180		0.16
	For nine months ended 30th September 2005		
	Profit	Number of share	Baht/share
	(Thousand Baht)	weighted average	
<u>Basic earnings per share of common shareholders</u>			
Profit before extraordinary items	3,978,496	8,199,842,701	0.48
Gain on debt restructuring (net of minority interest)	45,023		0.01
Net profit	4,023,519		0.49
Effects of diluted potential common share			
- Exercise rights		1,200,644,106	
<u>Diluted earnings per share of common shareholders</u>			
<u>assumed as conversion to common share</u>			
Profit before extraordinary items	3,978,496	9,400,486,807	0.42
Gain on debt restructuring (net of minority interest)	45,023		0.01
Net profit	4,023,519		0.43

Consolidated and parent's financial statements

	For three months ended 30th September 2004		
	Profit	Number of share	Baht/share
	(Thousand Baht)	weighted average	
<u>Basic earnings per share of common shareholders</u>			
Net profit	1,960,860	7,973,756,621	0.24
Effects of diluted potential common share			
- Exercise rights		1,252,511,398	-
<u>Diluted earnings per share of common shareholders</u>			
<u>assumed as conversion to common share</u>			
Net profit	1,960,860	9,226,268,019	0.21

	For nine months ended 30th September 2004		
	Profit (Thousand Baht)	Number of share weighted average	Baht/share
<u>Basic earnings per share of common shareholders</u>			
Net profit	4,917,551	7,649,143,725	0.64
Effects of diluted potential common share			
- Exercise rights		1,252,511,398	-
<u>Diluted earnings per share of common shareholders</u> <u>assumed as conversion to common share</u>			
Net profit	4,917,551	8,901,655,123	0.55

17. APPROPRIATED PROFIT AND DIVIDEND PAID

According to the minutes of shareholders' general meeting no. 1/2005 held on April 19, 2005, the Company passed the resolution to pay additional dividend for the year 2004 from appropriated its profit at Baht 0.30 per share amounting to Baht 2,455.85 which was paid on 11th May 2005 for the amount of Baht 2,417.34 million, the remaining of Baht 38.51 million is belong to the shareholders of which has not a right to receive dividend.

According to the minutes of the Board of directors' meeting no. 4/2005 held on 15th August 2005, the Company passed the resolution to pay interim dividend for six months operation of 2005 at Baht 0.25 per share amounting to Baht 2,061.86 million which was paid on 13th September 2005 for the amount of Baht 2,029.78 million, the remaining of Baht 32.08 million is belong to the shareholders of which has not a right to receive dividend.

18. TRANSACTION WITH ITS RELATED PARTIES

	Type of business	Relationship
Quality Construction Products Plc.	Construction material manufacturer	Affiliate of Company and directorship
Home Products Center Plc.	Construction material retailer and wholesaler	Affiliate of Company and directorship
Quality Houses Plc.	Real Estate	Affiliate of Company and directorship
Asian Property Development Plc. and subsidiaries	Real Estate	The Company is a shareholder and directorship

	Consolidated		Parent company	
	30th Sep. 2005 (Thousand Baht)	31st Dec. 2004	30th Sep. 2005 (Thousand Baht)	31st Dec. 2004
Purchase goods				
Quality Construction Products Plc.	163.51	214.17	107.00	175.20
Home Products Center Plc.	290.24	222.46	188.85	180.38
Asian Property Development Plc. and subsidiaries	26.67	30.52	17.37	27.72
Total	480.42	467.15	313.22	383.30
	Consolidated		Parent company	
	30th Sep. 2005 (Thousand Baht)	31st Dec. 2004	30th Sep. 2005 (Thousand Baht)	31st Dec. 2004
Services				
Quality Houses Plc.	17.95	12.28	17.48	11.71
Total	17.95	12.28	17.48	11.71
	Consolidated		Parent company	
	30th Sep. 2005 (Thousand Baht)	31st Dec. 2004	30th Sep. 2005 (Thousand Baht)	31st Dec. 2004
Trade accounts payable				
Quality Construction Products Plc.	11.88	23.34	8.30	16.38
Home Products Center Plc.	26.47	29.29	13.72	20.87
Quality Houses Plc.	0.34	1.78	0.34	0.00
Asian Property Development Plc. and subsidiaries	1.48	3.08	1.23	3.07
Total	40.17	57.49	23.59	40.32

19. LITIGATION

As at 30th September 2005, the Company has no material litigation.

20. COMMITMENT AND CONTINGENT LIABILITIES

20.1 The Company has contingent liabilities to several financial institutions for acting as a guarantor for Bangkok

20.1.1 L H Muangmai Co., Ltd. and subsidiaries have obligations on guarantee balance as at 30th September 2005 in the amount of Baht 522.50 million.

20.1.2 Bangkok Chain Hospital Co., Ltd. has obligations on guarantee balance as at 30th September 2005 and 31st December 2004 in the amount of Baht 651.00 million and Baht 791 million, respectively.

20.2 As at 30th September 2005, 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 1,430.03 million (as at 31st December 2004, the amount was Baht 1,773.85 million).

20.3 As at 30th September 2005, the Company has guaranteed customers' loans to financial institutions of Baht 13.07 million (as at 31st December 2004, the amount was Baht 13.17 million).

20.4 Pacific Real Estate Co., Ltd., a subsidiary, has guaranteed the another company's debts of Baht 29.50 million as at 30th September 2005 (as at 31st December 2004, the amount was Baht 28.28 million).

20.5 As at 30th September 2005 and as at 31st December 2004, the Company and subsidiaries has commitment in compliance with construction contracts to be completed in the amount of Baht 1,619.33 million and Baht 2,008.67 million, respectively and balance in the Company only approximately Baht 1,064.32 million and Baht 1,384.67 million, respectively.

21. OBLIGATION AND COMMITMENT TO COMPLETE PROJECTS ON HAND

	Consolidated		Parent company	
	30th September 2005	31st December 2004	30th September 2005	31st December 2004
Number of project on hand,				
beginning of the period	36	31	26	23
Number of closing project	(9)	(10)	(9)	(7)
Number of new project	8	15	3	10
Number of project on hand,				
ending of the period	35	36	20	26
Contracted sales value				
(million Baht)	45,595	44,085	34,957	38,143
% Sales value of project				
on hand	60.37%	56.95%	61.12%	60.52%

The Company has obligation and commitment to complete all central utilities of developing projects on hand in the amount of Baht 371.78 million (as at 31st December 2004, the amount was Baht 727.42 million).

22. DISCLOSURE AND PRESENTATION OF FINANCIAL INSTRUMENTS

22.1 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.

22.2 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.

22.3 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 30th September 2005 for the consolidated and the Company financial statements in the amount of Baht 1,512.30 million and Baht 471.89 million, respectively, indicated the floating interest rate (as at 31st December 2004, the amounts were Baht 2,143.12 million and Baht 1,047.56 million, respectively).

22.4 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 30th September 2005 are close to their estimated fair value. Except for short-term loans of Baht 1,387.98 million, long-term loans of Baht 3,688.53 million and debentures of Baht 8,468.75 million, were charged interest at the fixed rate which is lower than market rate, if those loans were charged interest at market rate of 6.3893 until the repayment date, the fair value of such loans are equal to Baht 1,383.15 million, Baht 3,534.79 million and Baht 8,006.65 million, respectively. Furthermore, the management believes that there is no material risk financial instruments.

23. RECLASSIFICATION

23.1 In 2005, the Company has reclassified advance to contractors from accounts and notes receivable to be other current assets and cheque in transit to cash and cash equivalents, and the accounts in the financial statements as at 31st December 2004 for comparison purpose as follows :

	Consolidated		Parent company	
	New	Old	New	Old
Cash and cash equivalents	728,805	378,854	419,934	155,861
Trade accounts and notes receivable	0	360,805	0	274,927
Cash and cash equivalents	243,632	232,778	130,240	119,386
Total	972,437	972,437	550,174	550,174

23.2 Inventories as at 31st December 2004 have been reclassified for comparison purpose as following :

	Consolidated		Parent company	
	New	Old	New	Old
Inventories	22,579,649	25,958,346	16,224,854	19,247,089
Land held for development	3,378,697	0	3,022,235	0
Total	25,958,346	25,958,346	19,247,089	19,247,089

24. INTERIM FINANCIAL STATEMENTS APPROVAL

These interim financial statements have been approved to publicize by the Company's authorized directors on 14th November 2005.