

LAND AND HOUSES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT 31st DECEMBER 2005 AND 2004

Assets	Note	Consolidated		Parent company	
		2005 (Thousand Baht)	2004 (Adjustment)	2005 (Thousand Baht)	2004 (Adjustment)
Current assets					
Cash and cash equivalents		1,132,438	728,805	889,157	419,934
Short-term investments	3	1,442,000	600,000	1,442,000	600,000
Short-term loans to related parties	4	0	0	2,456,000	3,803,245
Inventories	5	22,539,955	22,579,649	16,912,786	16,224,854
Other current assets					
Accrued interest income - net		2,081	0	63,531	76,501
Withholding income tax		78,476	32,961	0	0
Others		272,204	243,632	184,822	130,240
Total current assets		25,467,154	24,185,047	21,948,296	21,254,774
Non-current assets					
Investments in subsidiaries and affiliates	6	8,098,931	7,110,652	11,798,354	8,794,135
Long-term investments	7	995,034	1,656,437	769,293	1,430,652
Land held for development		3,489,869	3,378,697	2,050,379	3,022,235
Land under contracts to buy and to sell	8	226,000	226,000	226,000	226,000
Property, plant and equipment - net	9	369,071	323,756	268,301	244,168
Leasehold	9	596,892	843	0	26
Other non-current assets		43,378	85,458	4,350	7,800
Total non-current assets		13,819,175	12,781,843	15,116,677	13,725,016
Total assets		39,286,329	36,966,890	37,064,973	34,979,790

Notes to financial statements are parts of these financial statements.

LAND AND HOUSES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (Cont.)

AS AT 31st DECEMBER 2005 AND 2004

Liabilities and shareholders' equity	Note	Consolidated		Parent company	
		2005 (Thousand Baht)	2004 (Adjustment)	2005 (Thousand Baht)	2004 (Adjustment)
Current liabilities					
Banks overdraft and short-term loans					
from financial institutions	10	311,516	1,815,267	311,516	1,795,437
Trade accounts and notes payable		617,051	937,141	330,563	550,451
Current portion of long-term debts	12, 13	2,769,779	1,398,082	2,755,559	1,398,082
Short-term loans from related parties	11	0	1,025	28,500	285,000
Other current liabilities					
Unearned revenue		294,792	329,731	238,430	238,400
Accrued income tax		414,021	795,211	376,098	710,784
Others		775,705	783,547	613,349	584,703
Total current liabilities		5,182,864	6,060,004	4,654,015	5,562,857
Non-current liabilities					
Long-term loans	12	3,222,237	4,849,229	2,279,068	3,548,303
Domestic debentures	13	7,000,000	3,375,000	7,000,000	3,375,000
Other non-current liabilities					
Excess loss from investments					
in subsidiaries and affiliates	6.1.2	0	0	0	46,388
Others		65,058	68,936	0	0
Total non-current liabilities		10,287,295	8,293,165	9,279,068	6,969,691
Total liabilities		15,470,159	14,353,169	13,933,083	12,532,548

LAND AND HOUSES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (Cont.)

AS AT 31st DECEMBER 2005 AND 2004

Liabilities and shareholders' equity (cont.) Note	Consolidated		Parent company	
	2005 (Thousand Baht)	2004 (Adjustment)	2005 (Thousand Baht)	2004 (Adjustment)
Shareholders' equity				
Share capital				
Authorized share capital				
10,806,737,200 common shares of Baht 1 each	10,806,737	10,806,737	10,806,737	10,806,737
Issued and paid-up share capital				
8,311,327,906 common shares of Baht 1 each	8,311,328		8,311,328	
8,155,734,577 common shares of Baht 1 each		8,155,734		8,155,734
Paid-in capital				
Premium on share capital	8,919,095	8,792,576	8,919,095	8,792,576
Retained earnings				
Appropriated				
Legal reserve 16	1,064,620	805,585	1,064,620	805,585
Unappropriated	4,045,581	3,592,218	4,045,581	3,592,218
Other paid-in capital				
Revaluation increment in assets of affiliates 17	116,807	130,717	116,807	130,717
Premium on share capital of affiliates 17	300,718	300,718	300,718	300,718
Unrealized gain (loss) of investments 18	373,741	669,694	373,741	669,694
Total shareholders' equity	23,131,890	22,447,242	23,131,890	22,447,242
Minority interest	684,280	166,479	0	0
Total shareholders' equity and minority interest	23,816,170	22,613,721	23,131,890	22,447,242
Total liabilities and shareholders' equity	39,286,329	36,966,890	37,064,973	34,979,790

Notes to financial statements are parts of these financial statements.

LAND AND HOUSES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE YEARS ENDED 31st DECEMBER 2005 AND 2004

	Note	Consolidated		Parent company	
		2005 (Thousand Baht)	2004	2005 (Thousand Baht)	2004
Revenues					
Sales and hire of works		22,744,830	18,290,868	14,873,908	14,768,184
Other income					
Gain from sales of investments		314,877	1,166,565	314,869	1,166,560
Gain on reversal of impairment loss	8.1	76,277	199,526	76,277	199,526
Dividend income		36,255	197,188	36,217	197,112
Others		230,627	440,990	359,255	545,706
Equity gain from investments in subsidiaries and affiliates		520,778	980,552	2,310,830	1,741,384
Total revenues		<u>23,923,644</u>	<u>21,275,689</u>	<u>17,971,356</u>	<u>18,618,472</u>
Expenses					
Cost of sales and hire of works		15,073,199	11,355,879	9,796,831	9,073,925
Selling and administrative expenses		1,313,270	1,022,934	1,027,677	877,473
Specific business tax and transfer fee		903,499	704,667	592,828	568,667
Equity loss from investments in subsidiaries and affiliates		114,271	798	103,772	89,464
Loss on declining value of inventories 4		13,147	35,235	0	0
Total expenses		<u>17,417,386</u>	<u>13,119,513</u>	<u>11,521,108</u>	<u>10,609,529</u>
Profit before interest expenses and income tax		6,506,258	8,156,176	6,450,248	8,008,943
Interest expenses		(210,222)	(121,116)	(262,648)	(154,464)
Income tax		(1,154,038)	(1,938,775)	(1,051,928)	(1,767,257)

LAND AND HOUSES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME (Cont.)

FOR THE YEARS ENDED 31st DECEMBER 2005 AND 2004

	Note	Consolidated		Parent company	
		2005 (Thousand Baht)	2004	2005 (Thousand Baht)	2004
Profit after income tax		5,141,998	6,096,285	5,135,672	6,087,222
Net profit of minority interest		(6,326)	(9,063)	0	0
Net profit from ordinary activities		5,135,672	6,087,222	5,135,672	6,087,222
Gain on debt restructuring (net of minority interest)		45,023	0	45,023	0
Net profit		5,180,695	6,087,222	5,180,695	6,087,222
Basic earnings per share (Baht/share)	23				
Before extraordinary items		0.62	0.78	0.62	0.78
Gain on debt restructuring (net of minority interest)		0.01	0.00	0.01	0.00
Net profit		0.63	0.78	0.63	0.78
Diluted earnings per share (Baht/share)	23				
Before extraordinary items		0.55	0.68	0.55	0.68
Gain on debt restructuring (net of minority interest)		0.00	0.00	0.00	0.00
Net profit		0.55	0.68	0.55	0.68

Notes to financial statements are parts of these financial statements.

LAND AND HOUSES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31st DECEMBER 2005 AND 2004

Consolidated		(Unit : Thousand Baht)						
Note	Issued and paid-up share capital	Premium on share capital	Legal reserve	Retained earnings (Deficit)	Other paid-in capital	Unrealized gain on non-current marketable securities	Minority interest	Total
Balance as at 1st January 2004	7,107,566	7,386,019	500,548	5,550,467	132,305	1,952,478	134,916	22,764,299
Cumulative adjustment	19	0	0	0	135,147	0	0	135,147
Balance after adjustment	7,107,566	7,386,019	500,548	5,550,467	267,452	1,952,478	134,916	22,899,446
Revaluation increment in assets	0	0	0	0	(1,588)	0	0	(1,588)
Premium on share capital of affiliates	0	0	0	0	165,571	0	0	165,571
Unrealized gain on securities available for sales	0	0	0	0	0	(1,282,784)	0	(1,282,784)
Dividend paid	23	0	0	(7,692,298)	0	0	0	(7,692,298)
Income tax from unpaid dividend	23	0	0	(48,136)	0	0	0	(48,136)
Net profit	0	0	0	6,087,222	0	0	9,063	6,096,285
Increase ordinary shares - minority interest	0	0	0	0	0	0	22,500	22,500
Warrants - exercised to purchase ordinary shares	1,048,168	1,406,557	0	0	0	0	0	2,454,725
Legal reserve	0	0	305,037	(305,037)	0	0	0	0
Balance as at 31st December 2004	8,155,734	8,792,576	805,585	3,592,218	431,435	669,694	166,479	22,613,721
Balance as at 1st January 2005	8,155,734	8,792,576	805,585	3,605,733	296,288	669,694	166,479	22,492,089
Cumulative adjustment	19	0	0	(13,515)	135,147	0	0	121,632
Balance after adjustment	8,155,734	8,792,576	805,585	3,592,218	431,435	669,694	166,479	22,613,721
Revaluation increment in assets	0	0	0	0	(13,910)	0	0	(13,910)
Unrealized gain on securities available for sales	0	0	0	0	0	(295,953)	0	(295,953)
Dividend paid	23	0	0	(4,447,121)	0	0	0	(4,447,121)
Income tax from unpaid dividend	23	0	0	(21,176)	0	0	0	(21,176)
Net profit	0	0	0	5,180,695	0	0	43,163	5,223,858
Ordinary shares - minority interest	0	0	0	0	0	0	474,638	474,638
Warrants - exercised to purchase ordinary shares	155,594	126,519	0	0	0	0	0	282,113
Legal reserve	0	0	259,035	(259,035)	0	0	0	0
Balance as at 31st December 2005	8,311,328	8,919,095	1,064,620	4,045,581	417,525	373,741	684,280	23,816,170

Notes to financial statements are parts of these financial statements.

LAND AND HOUSES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31st DECEMBER 2005 AND 2004

Parent company

(Unit : Thousand Baht)

Note	Issued and paid-up share capital	Premium on share capital	Legal reserve	Retained earnings (Deficit)	Other paid-in capital	Unrealized gain on non-current marketable securities	Total
Balance as at 1st January 2004	7,107,566	7,386,019	500,548	5,550,467	132,305	1,952,478	22,629,383
Cumulative adjustment	0	0	0	0	135,147	0	135,147
Balance after adjustment	7,107,566	7,386,019	500,548	5,550,467	267,452	1,952,478	22,764,530
Revaluation increment in assets	0	0	0	0	(1,588)	0	(1,588)
Premium on share capital of affiliates	0	0	0	0	165,571	0	165,571
Unrealized gain on securities available for sales	0	0	0	0	0	(1,282,784)	(1,282,784)
Dividend paid	0	0	0	(7,692,298)	0	0	(7,692,298)
Income tax from unpaid dividend	0	0	0	(48,136)	0	0	(48,136)
Net profit	0	0	0	6,087,222	0	0	6,087,222
Warrants - exercised to purchase ordinary shares	1,048,168	1,406,557	0	0	0	0	2,454,725
Legal reserve	0	0	305,037	(305,037)	0	0	0
Balance as at 31st December 2004	8,155,734	8,792,576	805,585	3,592,218	431,435	669,694	22,447,242
Balance as at 1st January 2005	8,155,734	8,792,576	805,585	3,605,733	296,288	669,694	22,325,610
Cumulative adjustment	0	0	0	(13,515)	135,147	0	121,632
Balance after adjustment	8,155,734	8,792,576	805,585	3,592,218	431,435	669,694	22,447,242
Revaluation increment in assets	0	0	0	0	(13,910)	0	(13,910)
Unrealized gain on securities available for sales	0	0	0	0	0	(295,953)	(295,953)
Dividend paid	0	0	0	(4,447,121)	0	0	(4,447,121)
Income tax from unpaid dividend	0	0	0	(21,176)	0	0	(21,176)
Net profit	0	0	0	5,180,695	0	0	5,180,695
Warrants - exercised to purchase ordinary shares	155,594	126,519	0	0	0	0	282,113
Legal reserve	0	0	259,035	(259,035)	0	0	0
Balance as at 31st December 2005	8,311,328	8,919,095	1,064,620	4,045,581	417,525	373,741	23,131,890

Notes to financial statements are parts of these financial statements.

LAND AND HOUSES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31st DECEMBER 2005 AND 2004

	Consolidated		Parent company	
	2005 (Thousand Baht)	2004	2005 (Thousand Baht)	2004
Cash flows from operating activities				
Net profit (loss)	5,180,695	6,087,222	5,180,695	6,087,222
Minority interest	43,163	9,063	0	0
Adjustments of net profit to cash receipt (disbursement) from operations				
Depreciation	151,642	130,616	106,742	102,796
Amortized leasehold	63	38	26	0
Amortization of withholding income tax	0	31,099	0	31,099
Dividend income	(36,255)	(197,188)	(36,217)	(197,113)
Equity (gain) loss from investments in subsidiaries and affiliates	(406,507)	(979,754)	(2,207,058)	(1,651,920)
Loss from impairment of assets (reverse)	(76,277)	(199,526)	(76,277)	(199,526)
Loss from devaluation of inventories	13,147	35,235	0	0
Gain on debt restructuring	(81,860)	0	(45,023)	0
Doubtful accounts	0	(72,500)	0	(72,500)
(Gain) Loss from sales of investments	(314,877)	(1,166,565)	(314,869)	(1,166,560)
(Gain) Loss from sales of assets	3,066	(1,376)	3,376	(1,702)
Unrealized (gain) from exchange rate	0	(2,324)	0	(2,324)
Decrease (Increase) in inventories	(84,625)	(6,198,986)	283,924	(3,520,659)
Decrease (Increase) in other current assets	76,723	(37,504)	111,280	(11,339)
Decrease (Increase) in other non-current assets	(49,122)	37,741	3,450	14,518
Increase (Decrease) in accounts and notes payables	(320,090)	417,797	(219,888)	163,802
Increase (Decrease) in other current liabilities	(445,147)	140,942	(327,186)	(152,480)

LAND AND HOUSES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Cont.)

FOR THE YEARS ENDED 31st DECEMBER 2005 AND 2004

	Consolidated		Parent company	
	2005 (Thousand Baht)	2004	2005 (Thousand Baht)	2004
Increase (Decrease) in other non-current liabilities	(36,084)	4,847	0	0
Net cash provided by (used in) operating activities	3,617,655	(1,961,123)	2,462,975	(576,686)
Cash flows from investing activities				
Decrease (Increase) in short-term investments	(842,000)	900,000	(842,000)	900,000
Decrease (Increase) in loans to related parties	0	72,500	1,347,245	(1,407,210)
Sales of investments in subsidiaries and affiliates	15	205,813	15	205,813
Purchase of investments in subsidiaries and affiliates	(941,746)	(305,281)	(1,682,307)	(332,781)
Dividend received from subsidiaries and affiliates	327,565	254,892	819,162	404,891
Dividend received from long-term investments	36,255	197,188	36,217	197,113
Sales of long-term investments	614,511	1,307,669	614,460	1,307,590
Cash received from decrease in share capital of affiliates	248,386	0	248,386	0
Purchase of long-term investments	(55,601)	(358,935)	(55,601)	(358,935)
Sales of building and equipment	742	1,853	41	1,853
Purchase of building and equipment	(200,765)	(219,329)	(134,293)	(157,491)
Leasehold land	(504,912)	0	0	0
Net cash provided by (used in) investing activities	(1,317,550)	2,056,370	351,325	760,843

LAND AND HOUSES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (Cont.)
FOR THE YEARS ENDED 31st DECEMBER 2005 AND 2004

	Consolidated		Parent company	
	2005 (Thousand Baht)	2004	2005 (Thousand Baht)	2004
Cash flows from financing activities				
Increase (Decrease) in banks overdraft and loans from financial institutions	(1,522,560)	364,465	(1,502,730)	350,447
Increase in loans from related parties	(1,025)	0	(256,500)	285,000
Cash received from debentures issuance	5,000,000	3,000,000	5,000,000	3,000,000
Cash paid for debentures	(495,000)	(615,000)	(495,000)	(615,000)
Cash received from long-term loans	1,085,700	2,538,659	0	2,085,358
Paid for long-term loans	(2,273,217)	0	(925,839)	0
Warrants - exercised to purchase ordinary shares	282,113	2,454,725	282,113	2,454,725
Dividend paid	(4,447,121)	(7,692,298)	(4,447,121)	(7,692,298)
Increase share capital of minority interest	474,640	22,500	0	0
Subsidiaries paid dividend to minority interest	(2)	0	0	0
Net cash provided by (used in) financing activities	(1,896,472)	73,051	(2,345,077)	(131,768)
Net increase in cash and cash equivalents	403,633	168,298	469,223	52,389
Cash and cash equivalents, beginning of the period	728,805	560,507	419,934	367,545
Cash and cash equivalents, end of the period	1,132,438	728,805	889,157	419,934

Additional disclosure of cash flows information

Cash paid during the period

Interest expenses	409,993	473,418	337,790	417,704
Corporate income tax	1,609,148	1,805,595	1,407,791	1,698,331

Notes to financial statements are parts of these financial statements.