

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Interim Financial Statements
March 31, 2004 and 2003 (Reviewed)
and December 31, 2003 (Audited)

1. BASIS OF INTERIM FINANCIAL STATEMENT PREPARATION AND PRINCIPLES OF CONSOLIDATION

The accompanying interim financial statements are prepared in Thai Baht in the Thai language in conformity with generally accepted accounting principles in Thailand. Accordingly the accompanying financial statements are intended solely to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in Thailand.

The interim financial statements have been prepared to provide an update on the financial statements for the year ended December 31, 2003. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2003.

Other than those specified in notes to the annual and interim financial statements, the accompanying interim financial statements are prepared under the historical cost convention.

For the convenience of the readers, this English translation of the interim financial statements has been prepared from the statutory Thai language interim financial statements which are issued for domestic financial reporting purposes.

The major shareholder of Sansiri Public Company Limited is Natural Park Public Company Limited.

The accompanying consolidated interim financial statements include the financial statements of Sansiri Public Company Limited and its subsidiaries in which the Company has control or invested over 50% of their voting rights. These subsidiaries are detailed as follows:

			Percentage of Holding		
Business Type			March 31, 2004	December 31, 2003	
<u>Subsidiaries</u>					
1.	Chanachai Co., Ltd.	Property Development	Thailand	99.00	99.00
2.	Sansiri Construction Co., Ltd.	Property Development	Thailand	99.00	99.00
3.	Plus Property Partners Co., Ltd.	Property Development, Office and Condominium Management and representatives	Thailand	95.26	95.26
4.	Sansiri Land Co., Ltd.	Property Development	Thailand	100.00	100.00
5.	Richee Holding Alliance Co., Ltd.	Hotel	Thailand	100.00	100.00
6.	Sansiri Venture Co., Ltd.	Property Development	Thailand	51.00	51.00
7.	S.U.N. Management Co., Ltd.	Property Development	Thailand	51.00	51.00
8.	Siri Phuket Co., Ltd.	Property Development	Thailand	51.00	51.00
9.	Sansiri Ram - Indra Limited	Property Development	Thailand	100.00	100.00
10.	Ram - Indra Real Estate Limited	Property Development	Thailand	100.00	100.00
11.	Clubhouse Property Limited	Property Development	Thailand	100.00	100.00

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In addition, the Company has investments in associated companies as follows:

	Business Type	Country of Registration	Percentage of Holding	
			March 31, 2004	December 31, 2003
<u>Associated companies</u>				
Cathay Asset Management Co., Ltd.	Financial and Investment Advisory Services	Thailand	20.00	20.00

In the consolidated and the Company's financial statements for the three-month period ended March 31, 2004 and 2003, investments by equity method in an associated company of Baht 10.65 million and Baht 9.48 million, which were calculated based on the financial statements reviewed by other auditor and to which the share of profit (loss) was attributable in the amount of Baht (0.34) million and Baht 0.46 million, and the Company recognized unrealized gain (loss) on available securities for sale amounting to Baht (1.62) million and Baht 0.20 million. Investments by equity method in mutual fund in the amount of Baht 5.02 million was calculated based on the financial statements for the three-month period ended March 31, 2003, prepared by the management and not reviewed by an auditor and to which the share of loss was attributable in the amount of Baht 0.72 million.

Significant intercompany transactions between the Company and its subsidiaries have been eliminated.

2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying interim financial statements have been prepared in accordance with generally accepted accounting principles. Accounting policies that have been applied in the preparation of the interim financial statements for the three-month periods ended March 31, 2004 and 2003 are similar to those that have been applied in the financial statements for the year ended December 31, 2003.

3. NEGATIVE GOODWILL

Negative Goodwill is the excess of the fair value of assets and liabilities in a subsidiary company over the cost of acquisition. The goodwill is amortized using the straight-line method over 20 years.

Negative goodwill as at March 31, 2004 and December 31, 2003 in the consolidated financial statements consisted of :

	(Amounts : Million Baht)	
	March 31, 2004	December 31, 2003
Balance at beginning	76	80
Occurred during the period	-	-
<u>Less</u> Amortized as an income during the period	<u>(1)</u>	<u>(4)</u>
Balance at ending	<u>75</u>	<u>76</u>

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4. TRANSACTIONS WITH PERSON OR RELATED PARTIES

The Company has certain transactions with related parties, including certain persons, subsidiaries and other related companies. Certain portions of the Company's assets, liabilities, sales, other income, cost of sales and selling and administrative expenses represent transactions occurring with related parties. These parties are related through common shareholders and/or directorship.

The significant balances of assets, liabilities, and other transactions occurring with related parties are as follows:

Balances with related parties as at March 31, 2004 and December 31, 2003:

The Company	Million Baht			
	March 31, 2004		December 31, 2003	
	Subsidiaries	Other related parties	Subsidiaries	Other related parties
Notes receivable without Interest due within June 30, 2004 (Note 4.6)	1,112	-	1,112	-
Receivable from service and commission	24	-	20	-
Allowance for doubtful debt	-	-	(19)	-
Unbilled completed work	-	6	-	2
Loans	625	-	1,064	-
Property development for sales	2	1,056	2	912
Advance payment to constructors	-	46	-	49
Interest receivable	5	-	9	-
Advances	1	-	1	-
Investment	-	-	-	3
Property development for rent	1	-	1	-
Deferred commission	-	-	34	-
Accounts and notes payable - construction	-	56	-	33
Construction retention	-	15	-	7
Unearned income	-	10	-	4
Accrued expenses	7	-	9	-
Retention	-	1	-	1

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Transactions with related parties for the three-month periods ended March 31, 2004 and 2003:

The Company	Million Baht			
	2004		2003	
	Subsidiaries	Associated and Related Companies	Subsidiaries	Associated and Related Companies
Revenue from project sale	-	11	-	-
Rental income	-	-	-	-
Revenue from business management and commission	4	-	3	-
Interest and dividend income	18	1	8	-
Cost of project sale	-	6	-	-
Management fee	3	-	2	-
Selling and administrative expenses	39	-	-	-
Purchase equipment	1	-	7	-

4.1 The Company charged interest on loans to related parties at rates of 4.5% to 15% per annum.

4.2 The operating income and expenses were charged according to the nature of each type of work.

4.3 The Company had entered into a purchase/sale agreement of certain part of land with many individuals , in the amount of Baht 225 million. The Company had paid a deposit on land amounting to Baht 22.50 million. On the date of the registration of the consolidated right of ownership of the land under the said purchase/sale agreement, the Company had authorized Chanachai Co., Ltd. to hold the said right on its behalf, for which the said subsidiary company had paid for the cost of land in the amount of Baht 168.75 million. The remaining portion of the cost of land will be paid at a date on which the seller will hand over the whole area of land to be purchased/sold to the prospective buyer by November 2004.

4.4 Plus Property Partner Co., Ltd. entered into a purchase/sale agreement for condominium with Sansiri Venture Co., Ltd. approximately Baht 9.31 million, for which the said subsidiary had paid in full. The date of transfer of ownership was April 12, 2004.

4.5 According to the Board Meeting minutes, held on March 19, 2004, a resolution had been passed authorizing the Company to guarantee all the debts incurred by Sansiri Ram-Indra Co., Ltd, and/or Ram Indra Real Estate Co.,Ltd, and/or Club House Property Company Ltd owing to a commercial local bank, in the amount of Baht 1,310 million. As at March 31, 2004, there was no loan agreement.

4.6 At the Board of Directors' Meeting, held on December 18, 2003, a resolution was passed to sell the Company's land, being a project for sale, for Baht 1,111.76 million. The Company entered into the purchase/sale agreement with 3 new subsidiaries i.e. Sansiri Ram-Indra Co., Ltd, Ram-Indra Real Estate Co., Ltd. and Club House Property Co., Ltd. in the said amount. The payment will be made in the form of promissory notes, without interest, in June 30, 2004.

According to the agreement on December 31, 2003, the Company agreed to sell the land of Sansiri Ram-Indra Ltd, and Ram Indra Real Estate Ltd, and Club House Property Company Ltd of Baht 1,056 million, plus costs of the design and the development of the land, amounting to Baht 35.30 million, and other related costs incurred by the Company, in the amount of Baht 20.46 million.

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4.7 As at November 25, 2003, a subsidiary Sansiri Construction Co., Ltd entered into a purchase/sale agreement for land with an individual for 2 title deeds, in the amount of Baht 24.61 million. The said subsidiary purchased only one title deed amounting to Baht 16.50 million, which the seller agreed to sell only the specific portion. In February 2004, the division of the mutual ownership of the said plot of land had been registered between the subsidiary and the seller and the compulsive obligation for the whole title deed had been made for the Company as per the MOU dated February 17, 2004.

4.8 As at November 25, 2003, a subsidiary Sansiri Construction Co., Ltd entered into a purchase/sale agreement for land with an individual for 2 title deeds, in the amount of Baht 15 million and Baht 33.75 million respectively, which the seller agreed to sell only the specific part. In February 2004, the division of the mutual ownership of the said plot of land had been registered between the subsidiary and the seller and the compulsive obligation for the whole title deed had been made for the Company as per the MOU dated February 17, 2004.

4.9 As at March 31, 2004, a subsidiary, S.U.N. Management Co., Ltd had commitments resulting from project management agreements and financial advisory service agreement with two related companies of Baht 0.33 million per month for 18 months or until the commercial building project is completed.

4.10 As at March 31, 2004 and December 31, 2003, a subsidiary Sansiri Venture Co., Ltd had commitments resulting from project management agreements and financial advisory service agreement with two related companies of Baht 1.02 million and Baht 0.33 million per month, respectively, for 18 months or until the condominium are completed.

4.11 As at March 31, 2004 a subsidiary Sansiri Construction Co., Ltd pledged a commitment to secure a letter of guarantee issued by bank, in the amount of Baht 3.73 million, by using cash at banks of the Company.

4.12 The Company has contingent liabilities from retention on loans of related party with local financial institutions.

5. ACCOUNTS RECEIVABLE, NOTES RECEIVABLE AND UNBILLED COMPLETED SERVICES - NET

	Consolidated		(Amounts : Million Baht) The Company	
	March 31, 2004	December 31, 2003	March 31, 2004	December 31, 2003
Sales with signed agreements	11,446	9,965	7,681	6,814
Total project sales	26,021	23,489	20,066	17,464
The ratio of sales with signed agreements and total project sales	43.99%	42.42%	38.28%	39.02%

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Unbilled completed work and unearned income.

	Consolidated		(Amounts : Million Baht) The Company	
	March 31, 2004	December 31, 2003	March 31, 2004	December 31, 2003
Installments due	4,697	4,052	3,218	2,873
<u>Less</u> : cash received	<u>(4,674)</u>	<u>(4,049)</u>	<u>(3,206)</u>	<u>(2,872)</u>
Installment accounts receivable	<u>23</u>	<u>3</u>	<u>12</u>	<u>1</u>
Installments due	4,697	4,052	3,218	2,873
<u>Less</u> sales recognized to date	<u>(4,716)</u>	<u>(3,899)</u>	<u>(3,057)</u>	<u>(2,542)</u>
	<u>(19)</u>	<u>153</u>	<u>161</u>	<u>331</u>
The balance consisted of:	996	608	528	245
Unbilled completed work	<u>(977)</u>	<u>(761)</u>	<u>(689)</u>	<u>(576)</u>
Unearned income	<u>19</u>	<u>(153)</u>	<u>(161)</u>	<u>(331)</u>

Accounts receivable, notes receivable and unbilled completed work - net as at March 31, 2004 and December 31, 2003 consisted of:

	Consolidated		(Amounts : Million Baht) The Company	
	March 31, 2004	December 31, 2003	March 31, 2004	December 31, 2003
Unbilled completed work	996	608	528	245
Notes receivable	55	65	45	2
Service receivables	113	80	35	29
Installment accounts receivable	<u>23</u>	<u>3</u>	<u>12</u>	<u>1</u>
Total accounts and notes receivable and unbilled completed work	1,187	756	620	277
<u>Less</u> Allowance for doubtful accounts	<u>(9)</u>	<u>(6)</u>	<u>(20)</u>	<u>(20)</u>
Total accounts and notes receivable and unbilled completed work - net	<u>1,178</u>	<u>750</u>	<u>600</u>	<u>257</u>

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Accounts receivable, notes receivable and unbilled completed services - net as at March 31, 2004 and December 31, 2003 classified by the ageing of the receivable were as follows:

	Consolidated		(Amounts : Million Baht) The Company	
	March 31, 2004	December 31, 2003	March 31, 2004	December 31, 2003
Unbilled completed receivables	996	608	528	245
Over 1 - 3 months	141	113	70	12
Over 3 - 6 months	16	6	2	-
Over 6 - 12 months	7	5	-	-
Over 12 months	27	24	20	20
<u>Less</u> Allowance for doubtful accounts	<u>(9)</u>	<u>(6)</u>	<u>(20)</u>	<u>(20)</u>
Net	<u>1,178</u>	<u>750</u>	<u>600</u>	<u>257</u>

6. LOAN TO RELATED PARTIES - NET

Loan to related parties - net as at March 31, 2004 and December 31, 2003 consisted of:

	Consolidated		(Amounts : Million Baht) The Company	
	March 31, 2004	December 31, 2003	March 31, 2004	December 31, 2003
Subsidiary companies				
- Chanachai Limited	-	-	63	101
- Sansiri Construction Co., Ltd.	-	-	73	73
- Sansiri Land Co., Ltd.	-	-	157	132
- Sansiri Venture Co., Ltd.	-	-	-	131
- Richee Holding Alliance Co., Ltd.	-	-	71	233
- S.U.N. Management Co., Ltd.	-	-	19	9
- Siri Phuket Co., Ltd.	-	-	78	78
- Sansiri Ram - Indra Limited	-	-	34	7
- Plus Property Partners Co., Ltd.	-	-	130	300
Related companies				
- Regency One Co., Ltd.	<u>5</u>	<u>5</u>	<u>-</u>	<u>-</u>
Total	<u>5</u>	<u>5</u>	<u>625</u>	<u>1,064</u>
<u>Less</u> Allowance for doubtful accounts	<u>(5)</u>	<u>(5)</u>	<u>-</u>	<u>-</u>
Net	<u>-</u>	<u>-</u>	<u>625</u>	<u>1,064</u>

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As at March 31, 2004, the Company had loans to related parties and interest receivable classified by the aging of the receivable as follows:

	Consolidated		(Amounts : Million Baht) The Company	
	Principal	Interest receivable	Principal	Interest receivable
Undue	-	-	-	-
At call	-	-	625	-
Over 1 - 3 months	-	-	-	2
Over 3 - 6 months	-	-	-	1
Over 6 -12 months	-	-	-	1
Over 12 months	5	-	-	1
<u>Less</u> Allowance for doubtful accounts	<u>(5)</u>	<u>(-)</u>	<u>(-)</u>	<u>(-)</u>
Net	<u>-</u>	<u>-</u>	<u>625</u>	<u>5</u>

As at December 31, 2003, the Company had loans to related parties and interest receivable classified by the aging of the receivable as follows:

	Consolidated		(Amounts : Million Baht) The Company	
	Principal	Interest receivable	Principal	Interest receivable
Undue	-	-	-	-
At call	-	-	1,064	-
Over 1 - 3 months	-	-	-	2
Over 3 - 6 months	-	-	-	1
Over 6 -12 months	-	-	-	5
Over 12 months	5	-	-	1
<u>Less</u> Allowance for doubtful accounts	<u>(5)</u>	<u>(-)</u>	<u>(-)</u>	<u>(-)</u>
Net	<u>-</u>	<u>-</u>	<u>1,064</u>	<u>9</u>

7. ASSETS UNDER CONSTRUCTION

The Parent Company

7.1 The Company has undertaken the development of 3 real estate projects on a piece of land owned by an Asset Management Company (See notes 10.1, 10.2 and 10.3), the costs of which are mainly on construction, design and decoration, and direct project costs. As at March 31, 2004, income has been recognized in respect of some projects in the consolidated and the Company's financial statements.

Subsidiary

7.2 A subsidiary has undertaken the development of a real estate project of land owned by an Asset Management Company, the costs of which consist of the design and decoration, and direct project costs. As at March 31, 2004, income had been recognized in respect of these projects in the consolidated financial statements.

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8. PROJECT DEVELOPMENT FOR SALE - NET

The Parent Company

Bill of exchange covering the cost of land for a project for sale in the amount of Baht 244.51 million, with repayment according to the terms of the contract, by December 2005. The current portion of the partial bill of exchange is Baht 110.71 million.

9. ADVANCE PAYMENT FOR LAND

The Company entered into a land purchase / sale agreement with a company at an amount of Baht 130 million. The Company has paid in full. According to the agreement, ownership will be transferred in March, 2004. However, as at March 31, 2004, land has not been transferred to the Company.

10. DEPOSIT FOR LAND AND CONDOMINIUM

As at March 31, 2004, deposit for land and condominium consisted of :

The Parent Company

10.1 The Company entered into a Joint Venture Agreement for the Development and Disposal of Property with an Asset Management Company, the owner of land and/or property, and which required the Company to jointly develop approximately of Baht 66.90 million. The Company had made advance payment approximately of Baht 17.19 million, the balance of which will be paid within 38 months from the agreement date with interest payable according to the value of the plot/unit transferred or the actual area of land as per the agreement procedure.

10.2 The Company entered into another Joint Venture Agreement for the Development and Disposal of Property of with an Asset Management Company, the owner of land and/or property, and which required the Company to jointly develop and dispose of property approximately of Baht 129.47 million. The Company had made advance payment approximately of Baht 33.26 million, the balance of which will be paid within 24 months from the agreement date with interest payable. The Company agreed to dispose of the property to minor buyers and/or receive the transfer of ownership rights of the AMC as stipulated in the agreement.

10.3 The Company entered into a purchase/sale agreement of property with an Asset Management Company amounting to Baht 270.74 million, for which the Company made an advance deposit of Baht 67.69 million, the balance of which will be paid, plus interest by December 2006, by 4 semi-annual installments for the principal, of not less than Baht 50.76 million each. The first installment will be due by June 2004. Payment of the interest will be made together with the principal and transfer of ownership rights of land will be as stipulated in the agreement.

10.4 The Company entered into a purchase/sale agreement of land with two companies of approximately Baht 521.86 million, for which the Company has made an advance deposit of approximately Baht 57.19 million, and the balance of which will be paid on the date of transfer of ownership by May 2004.

10.5 The Company entered into a purchase / sale agreement for land with a person of approximately Baht 250 million, for which the Company has made an advance deposit of approximately Baht 50 million, and the balance of which will be paid on the date to transfer of ownership by January 2004.

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Subsidiaries

10.6 In 2003, a subsidiary company had entered into a purchase/sale agreement of the condominium units with a local commercial bank, in the amount of Baht 138.35 million, after which the transfer of ownership of nearly all the units of the condominium was made, resulting in the balance of deposit amounting to Baht 0.10 million. Furthermore, in November 2003, the Company had recorded an amendment to the said purchase/sale agreement of condominium for an additional amount of Baht 61 million. The said subsidiary company had paid for the deposit of Baht 6.10 million. Further in 2004 the transfer of ownership of a certain portion of condominium was made, as a result as at March 31, 2004, the Company had a remaining balance of deposit of Baht 3.61 million.

10.7 A subsidiary entered into a purchase/sale agreement for land with persons approximately Baht 193.09 million, for which the said subsidiary has made an advance deposit of approximately Baht 7 million.

10.8 A subsidiary entered into a purchase/sale agreement for land with a person approximately Baht 12.76 million, for which the said subsidiary has made an advance deposit of approximately Baht 0.5 million.

10.9 A subsidiary entered into a purchase/sale agreement for land with persons and a company approximately Baht 101.74 million, for which the said subsidiary has made an advance deposit of approximately Baht 1 million.

10.10 A subsidiary entered into a purchase/sale agreement for land with persons approximately Baht 7.74 million, for which the said subsidiary has made an advance deposit of approximately Baht 1 million.

10.11 A subsidiary entered into a purchase/sale agreement for land with a person and two companies approximately Baht 62.40 million, for which the said subsidiary has made an advance deposit of approximately Baht 1 million.

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11. INVESTMENTS IN RELATED PARTIES - NET

Investments in related parties - net as at March 31, 2004 and December 31, 2003 consisted of:

(Amounts : Million Baht)

(Amounts : Million Baht)

	Paid up Capital		Cost Method		Equity Method		Deficit on Investment	
	March 31, 2004	December 31, 2003	March 31, 2004	December 31, 2003	March 31, 2004	December 31, 2003	March 31, 2004	December 31, 2003
Subsidiaries								
Chanachai Limited	90	90	102	102	-	-	(260)	(255)
Sansiri Construction Co., Ltd. (Formerly : Jainad Limited)	30	30	52	52	-	-	(10)	(8)
Plus Property Partners Co., Ltd. (Formerly : Sansiri Property Plus Limited)	169	169	169	169	218	170	-	-
Sansiri Land Co., Ltd. (Formerly : Sansiri Home Network Co., Ltd.)	1	1	1	1	-	-	(32)	(39)
Richee Holding Alliance Co., Ltd.	700	700	687	687	595	596	-	-
Sansiri Venture Co., Ltd. (Formerly : Absolute Business Co., Ltd.)	3	3	1	1	92	92	-	-
S.U.N. Management Co., Ltd.	10	10	5	5	-	-	(4)	(3)
Siri Phuket Co., Ltd.	1	1	1	1	-	-	(9)	(7)
Sansiri Ram - Indra Limited	3	3	3	3	1	2	-	-
Ram - Indra Real Estate Limited	1	1	1	1	-	-	-	-
Clubhouse Property Limited	1	1	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>
Total investments in subsidiaries			<u>1,023</u>	<u>1,023</u>	<u>907</u>	<u>861</u>	<u>(315)</u>	<u>(312)</u>
Associated companies								
Cathay Asset Management Co., Ltd.	25	25	6	6	11	13	-	-
Total investments in associated companies			<u>6</u>	<u>6</u>	<u>11</u>	<u>13</u>	<u>-</u>	<u>-</u>
Related companies								
Regency One Co., Ltd.	200	200	20	20	20	-	20	-
<u>Less</u> Allowance for diminution in value			<u>(20)</u>	<u>(20)</u>	<u>(20)</u>	<u>-</u>	<u>(20)</u>	<u>-</u>
Total investments in related companies - net			<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investments in associated and related companies			<u>6</u>	<u>6</u>	<u>11</u>	<u>13</u>	<u>-</u>	<u>-</u>
Total investments in related parties - net			<u>1,029</u>	<u>1,029</u>	<u>918</u>	<u>874</u>	<u>(315)</u>	<u>(312)</u>

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The Company has relationships through shareholdings and/or directors with its related parties.

12. LOANS FROM RELATED PARTIES - NET

Loans from related parties - net as at March 31, 2004 and December 31, 2003 consisted of:

	(Amounts : Million Baht) Consolidated	
	March 31, 2004	December 31, 2003
Promissory notes at call		
Univentures Public Company Limited	11	131
Natural Park Public Company Limited	75	75
Prestige Gift and Premium Company Limited	<u>7</u>	<u>4</u>
Total	<u>93</u>	<u>210</u>
Loans from related parties		
Beginning balance	209	61
Addition during the period	9	275
Deduction during the period	<u>(125)</u>	<u>(126)</u>
Ending balance	<u>93</u>	<u>210</u>

Interest is charged at 6-15% per annum without security guarantee.

13. LONG-TERM LIABILITIES

Long-term liabilities as at March 31, 2004 and December 31, 2003 consisted of:

	Consolidated		(Amounts : Million Baht) The Company	
	March 31, 2004	December 31, 2003	March 31, 2004	December 31, 2003
Loan from bank and finance company with security guarantee	6,855	4,155	4,787	2,498
Hire-purchase payables and installment payables	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
Total	6,858	4,158	4,790	2,501
<u>Less</u> current portion of long - term debts	<u>(1,017)</u>	<u>(542)</u>	<u>(545)</u>	<u>(210)</u>
Net	<u>5,841</u>	<u>3,616</u>	<u>4,245</u>	<u>2,291</u>

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The Parent Company

The Year 2004

13.1 In January 2004, the Company obtained a loan facility under an agreement from a local bank of Baht 2,394 million, the principal of which will be repaid within 5 years and every time in accordance with the conditions of agreement.

13.2 In February 2004, the Company obtained loan facilities under four agreements from a local bank of Baht 150 million, 575 million, 399 million and 278.90 million, respectively, the principal of which will be repaid within 2 year and 6 months, 48 months and 3 years, respectively and every time in accordance with the conditions of agreement.

13.3 In February 2004, the Company obtained loan facilities under an agreements from a finance company of Baht 576 million, the principal of which will be repaid within February, 2550 and every time in accordance with the conditions of agreement.

13.4 In January 2003, the Company obtained a loan facility under an agreement from a local finance company of Baht 750 million, the principal of which will be repaid within 54 months and in accordance with the conditions of agreement.

13.5 In June 2003, the Company obtained loan facilities under agreements from a local bank totaling of Baht 116 million, the principal of which will be repaid within 25 months, 26 months, 36 months and in accordance with the conditions of agreement.

13.6 In June 2003, the Company obtained loan facilities under agreement from banks of Baht 1,156 million, the principal of which will be repaid within 3 years and in accordance with the conditions of agreements.

13.7 In September 2003, the Company obtained loan facilities under an agreement from a local bank totaling Baht 420 million, the principal of which will be repaid within 25 months and in accordance with the conditions of agreements.

13.8 In October 2003, the Company obtained loan facilities under an agreement from a local bank of Baht 1,087 million and Baht 512.40 million, respectively the principal of which will be repaid within 4 years, 3 years, respectively, and every time in accordance with the conditions of agreements.

13.9 In November 2003, the Company had obtained loan facilities under an agreement from a local bank in the amount of Baht 260.3 million. The said loan is due for repayment in 2 years 6 months and every time in accordance with the conditions of the agreement.

Subsidiaries

13.10 In January 2004, a subsidiary obtained loan facilities under an agreement from a local bank totalling of Baht 151 million, the principal of which will be repaid within 2 years 6 months, respectively and in accordance with the conditions of agreement.

13.11 In January 2004, a subsidiary obtained loan facilities under an agreement from a local bank totalling of Baht 241 million and 103 million, the principal of which will be repaid within 2 years and 2 years 6 months, respectively and in accordance with the conditions of agreement.

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13.12 In February 2004, a subsidiary obtained loan facilities under an agreement from a local bank totalling of Baht 117.30 million, the principal of which will be repaid within 2 years and every time in accordance with the conditions of agreement.

13.13 In March 2004, a subsidiary obtained loan facilities under an agreement from a local bank totalling of Baht 160.40 million, the principal of which will be repaid within 2 years and every time in accordance with the conditions of agreement.

13.14 In February 2003, a subsidiary obtained loan facilities under an agreement from a local bank totalling of Baht 256.73 million, the principal of which will be repaid within February 2006 and every time in accordance with the conditions of agreement.

13.15 In February 2003, a subsidiary obtained a loan facility under an agreement from a local finance company of Baht 36 million, the principal of which will be repaid within 24 months and every time in accordance with the conditions of agreement.

13.16 In May 2003, a subsidiary obtained loan facilities under agreements from a local bank totalling of Baht 112.06 million, the principal of which will be repaid within 3 years and every time in accordance with the conditions of agreement.

13.17 In June 2003, a subsidiary obtained loan facilities under two agreements from two local banks of Baht 113 million and 394 million, the principal of which will be repaid within 3 years and 32 months, respectively and every time in accordance with the conditions of agreements.

13.18 In August 2003, a subsidiary obtained loan facilities under an agreement from a local bank totalling Baht 92 million, the principal of which will be repaid within December 2004 and every time in accordance with the conditions of agreements.

13.19 In September 2003, a subsidiary obtained loan facilities under an agreement from a finance company totalling Baht 110.50 million, the principal of which will be repaid within August 2005 and every time in accordance with the conditions of agreements.

13.20 In October 2003, the Company had a loan from a local bank in the credit term about Baht 159.90 million. The said loan is due for repayment in 2 years 6 months and every time in accordance with the conditions of the agreement.

13.21 In November 2003, a subsidiary had a loan from a local bank in the amount of Baht 328.88 million. The said loan is due for repayment on December 2006 and every time in accordance with the conditions of the agreement.

13.22 A subsidiary obtained a loan facility under a loan agreement dated May 30, 2001 and a memorandum of understanding dated May 3, 2002 from a local bank. The amount according to the first agreement was Baht 1,200 million, and had already been drawn down as at December 31, 2002 in the amount of Baht 1,195.90 million. The first principal repayment was paid in June 2002 and in accordance with the conditions of the agreement. Principal and interest repayments are to be finished by June 30, 2012.

Later on December 24, 2002 the subsidiary received a letter with additional covenants from the commercial bank changing the terms and obligations, the interest rate, repayment and the due date to finish repayments, and terms of repayment prior to principal and interest are due to be paid off by September 30, 2012.

Loans are for project development.

The current portion of long-term debt is presented under current liabilities.

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14. SHARE CAPITAL

The year 2004

14.1 On March 18, 2004, the Company registered to increase the Company's share capital from Baht 4,419,138,555 to Baht 7,365,230,925 by issuing 589,218,474 new common shares of Baht 5 par value by a resolution passed at the Extraordinary Shareholders' Meeting on November 17, 2003

15. ASSETS PLEDGED AS COLLATERAL

15.1 As at March 31, 2004, the major portion of land and leasehold including the building of a Company project and leasehold of buildings had been pledged as collateral against loans from financial institutions.

15.2 As at March 31, 2004, the shares of Richee Holding Alliance Co., Ltd. held by the Company had been pledged as collateral against a loan from a bank.

15.3 As at March 31, 2004, cash at bank and fixed deposit with commitment of approximately Baht 47.07 million and Baht 37.01 million in the consolidated and the Company's financial statements, respectively were pledged against debts and/or commitments and to secure letters of guarantees issued by banks.

15.4 As at March 31, 2004, a subsidiary's Hotel's plot of land including the existing structures (balance per book totaled Baht 2,034.82 million and Baht 2,048.72 million, respectively) and structures to be constructed in the future were mortgaged as collateral for short-term and long-term loans with a domestic commercial bank in the amount of Baht 1,200 million and promissory notes were guaranteed by the Company in the amount of Baht 200 million.

15.5 As at March 31, 2004 the major portion of land and building of subsidiary companies project had been pledged as collateral for a loan from banks and financial institutions.

15.6 As at March 31, 2004, the land of a subsidiary company held under the mutual ownership had been pledged as collateral against a loan of the Company.

16. COMMITMENTS AND CONTINGENT LIABILITIES

The Parent Company

16.1 As at March 31, 2004, the Company had commitments resulting from project construction agreements, decoration agreements, advisory service agreement and developing system agreement of Baht, 4,477.76 million, USD 0.84 million in the consolidated financial statements and Baht 3,395.66 million in the Company's financial statements and from letters of guarantee issued by banks of Baht 63.20 million and Baht 37.01 million in the consolidated financial statements and the Company's financial statements, respectively.

16.2 As at March 31, 2004, the Company recognized the provision on contingent liabilities from being sued in the financial statements in the amount of Baht 4.61 million and Baht 0.48 million in the consolidated and the Company's financial statements, respectively.

In the first quarter of the year 2004, the bank deposit of Sansiri Construction Company, Ltd had been frozen according to the freezing order dated February 19, 2004, and during the period the said bank had deducted the amount of Baht 5.57 million from the deposit account according to the freezing order. Therefore the Company recorded expenses of Baht 1.08 million in the first quarter of the year 2004.

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17. LEGAL RESERVE

Under the provisions of the Limited Public Company Act. B.E.2535, the Company is required to appropriate at least 5% of its annual net income as reserve fund until the reserve reaches 10% of the authorized capital. This reserve is not available for dividend distribution.

18. DIVIDEND

According to the Board of Directors' Meeting held on March 1, 2004, a resolution was passed approving a dividend payment of Baht 0.15 per share on the 1,473,046,185 outstanding shares, totaling Baht 220,956,927.75, which was approved by the Ordinary Shareholders Meeting held on April 22, 2004.

19. LONG-TERM LEASE AGREEMENTS

The Parent Company

19.1 On December 20, 1999 the Company entered into a lease contract for land with building construction with a person, covering 15 years between January 1, 2000 and December 31, 2014, with total value of Baht 54 million, on an annual basis. Payment of rent is made on the 10th of January of each year according to the following details:

1. Rent of the period between January 1, 2000 and December 31, 2004 is Baht 3.0 million per annum.
2. Rent of the period between January 1, 2005 and December 31, 2009 is Baht 3.6 million per annum.
3. Rent of the period between January 1, 2010 and December 31, 2014 is Baht 4.2 million per annum.

19.2 The Company entered into a space rental agreement with a related company for office accommodation and for rent for a period of 30 years commencing from June 1, 1994 to May 31, 2024. At the date of signing the agreement the Company paid total rental amount of approximately Baht 548.57 million. At the end of the contract, the Company must return the assets to the lessor. The Company cannot demand anything from the lessor under the agreement.

Subsidiaries

19.3 A subsidiary company entered into a land rental agreement with the Royal Palace Office for construction of condominium for the Baan Sansiri Project for a period of 30 years from November 1, 1993. At the date of signing the agreement, the Company made a lump sum payment for rental in amount of Baht 117.70 million.

19.4 A subsidiary company entered into a land rental agreement with the Crown Property Bureau. Buildings and structures will be constructed on the land for rent. The agreement lasts 30 years from September 16, 2002 and the total rent is approximately Baht 88.04 million, which shall be paid in compliance with the terms of the agreement as follows:

1. On the date of signing the agreement, the Company has to pay the rent to the lessor in the amount of Baht 15.95 million.
2. On the 13th month from the date of the agreement, the Company shall make payment of Baht 15.95 million.

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3. The Company agrees to make payment for the remaining rent together with the compound interest at the rate of 7% per annum based on the number of units derived from the registration of sublease.

- The rent for the 1st-15th units is approximately Baht 0.72 million per unit.
- The rent for the 16th-37th units is approximately Baht 2.06 million per unit.

19.5 A subsidiary entered into a building lease agreement for 2 years 11 months and 3 years, which will expire in 2006. The total monthly rental is Baht 591,196.40 and the said subsidiary also had a car leasing commitment, which has no expiry date. The monthly rental is Baht 21,600.

19.6 On May 18, 2001, a subsidiary company entered into a Hotel Management Agreement, in compliance with a letter dated April 29, 2002, with a company to operate and manage the Hotel under a trademark for a period of 12 years. The subsidiary company has to pay a basic management fee at a percentage rate of the gross revenue per annum and an incentive fee at the percentage rate of the gross operational profit per annum. In addition, the company is entitled to an additional incentive fee in accordance with the conditions of the agreement

As at As at March 31, 2004, the subsidiary company still has an outstanding payment covering the additional remuneration as per agreement for the said company, of Baht 52.83 million.

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20. SEGMENT INFORMATION

Segment information for the three-month period ended March 31, 2004

(Amounts : Thousand Baht)

	<u>Real estate</u>	<u>Management Decoration building and representative</u>	<u>Hotel</u>	<u>Total</u>	<u>Eliminated</u>	<u>Total</u>
<u>Revenue</u>						
Revenue from project sales	817,262	-	-	817,262	(9,308)	807,954
Revenue from project for rent	26,962	-	-	26,962	-	26,962
Revenue from other business management	4,037	60,780	-	64,817	(18,617)	46,200
Revenue - room	1,024	-	96,173	97,197	(92)	97,105
Revenue - food and beverage	414	-	37,886	38,300	(42)	38,258
Revenue from leasehold right written off	<u>7,980</u>	<u>-</u>	<u>-</u>	<u>7,980</u>	<u>-</u>	<u>7,980</u>
Total	857,679	60,780	134,059	1,052,518	(28,059)	1,024,459
<u>Expenses</u>						
Cost of project sales	547,015	-	-	547,015	(7,856)	539,159
Cost of project for rent	15,731	-	-	15,731	-	15,731
Cost of other business management	1,147	32,187	-	33,334	(2,592)	30,742
Cost - room	123	-	44,735	44,858	-	44,858
Cost - food and beverage	245	-	34,071	34,316	-	34,316
Leasehold and development costs written off	<u>5,084</u>	<u>-</u>	<u>-</u>	<u>5,084</u>	<u>-</u>	<u>5,084</u>
Total	<u>569,345</u>	<u>32,187</u>	<u>78,806</u>	<u>680,338</u>	<u>(10,448)</u>	<u>669,890</u>
Gross profit	<u>288,334</u>	<u>28,593</u>	<u>55,253</u>	<u>372,180</u>	<u>(17,611)</u>	<u>354,659</u>
Fixed assets	524,268	23,392	2,045,986	2,593,646	(5,777)	2,587,869

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Segment information for the three-month period ended March 31, 2003

(Amounts : Thousand Baht)

	<u>Real estate</u>	Management decoration building <u>and representative</u>	<u>Hotel</u>	<u>Total</u>	<u>Eliminated</u>	<u>Total</u>
<u>Revenue</u>						
Revenue from project sales	243,536	3,600	-	247,136	-	247,136
Revenue from project for rent	32,749	-	-	32,749	(25)	32,724
Revenue from other business management	3,747	54,348	10,423	68,518	(20,672)	47,846
Revenue - room	-	-	65,004	65,004	(3)	65,001
Revenue - food and beverage	-	-	28,461	28,461	(51)	28,410
Revenue from leasehold right written off	<u>7,980</u>	<u>-</u>	<u>-</u>	<u>7,980</u>	<u>-</u>	<u>7,980</u>
Total	288,012	57,948	103,888	449,848	(20,751)	429,097
<u>Expenses</u>						
Cost of project sales	170,762	3,060	-	173,822	-	173,822
Cost of project for rent	17,925	-	-	17,925	(1,810)	16,115
Cost of other business management	2,309	33,322	7,093	42,724	(762)	41,962
Cost - room	-	-	32,000	32,000	-	32,000
Cost - food and beverage	-	-	27,382	27,382	-	27,382
Leasehold and development costs written off	<u>5,112</u>	<u>-</u>	<u>-</u>	<u>5,112</u>	<u>-</u>	<u>5,112</u>
Total	<u>196,108</u>	<u>36,382</u>	<u>66,475</u>	<u>298,965</u>	<u>(2,572)</u>	<u>296,393</u>
Gross profit	<u>91,904</u>	<u>21,566</u>	<u>37,413</u>	<u>150,883</u>	<u>(18,179)</u>	<u>132,704</u>
Fixed assets	455,889	12,744	2,101,587	2,570,220	(5,709)	2,564,511

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21. RECLASSIFICATION OF ACCOUNTS

Certain accounts in the 2003 interim and annual financial statements have been reclassified to conform with the 2004 interim financial statement presentation.

22. OTHERS

The Parent Company

According to the minutes of the Board of Director Meeting held on October 10, 2003, a resolution was passed to dispose of certain property, i.e. the land, buildings construction of a subsidiary, to a property fund which is able to sell the fund investment units to the general public ("Mutual Fund") which the Company will establish as a joint investment project with a Security Fund Management Company. When the said mutual fund has been established, the subsidiary will dispose of the assets without any obligations to the fund. As such, the said subsidiary will rent the hotel and all the said disposed assets from the Fund for a company to manage as before. The rate of rental which will provide an appropriate rate of return to investment unit holders which the subsidiary and/or the company to invest in the said mutual fund by subscribing the investment units in the amount not exceeding one third of the totally issued and disposed of, at a same unit price the mutual fund has offered to other investors. and at a Board of Directors Meeting no. 12/2003 held on November 14, 2003, the progress about the establishment of the property fund was reported saying that at present the Company had entered into an agreement to sell land and building constructions, with a Security Management Fund Company in the amount of Baht 2,350 million, in order to submit an application for establishment of the said property fund. Currently, the fixing of the selling price and the size of the Fund including the related legal structure is being processed.

As at March 31, 2004, no progress has been made concerning the said mutual fund.

23. SUBSEQUENT EVENTS

The Parent Company

According to the minutes of the Ordinary Shareholders Meeting held on April 22, 2004 and the minutes of the Board Meeting held on March 19, 2004, a resolution had been passed authorizing the Company to issue debenture shares, in the amount not exceeding Baht 3,000 million or in foreign currencies of the equivalent Baht amount.

Subsidiary

According to the minutes of the Ordinary Shareholders Meeting held on April 29, 2004, a subsidiary company passed a resolution approving a dividend payment. This was to be paid to all shareholders whose names were listed as at April 29, 2004, at Baht 500 per share on the 300,000 outstanding shares, totaling Baht 150 million.

24. APPROVAL FOR THE FINANCIAL STATEMENTS

The financial statements have been approved by the directors of the Company.