

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES

Notes to Financial Statements

December 31, 2004 and 2003

1. GENERAL

Sansiri Public Company Limited, the “Company”, is a company registered in Thailand and listed on the Stock Exchange of Thailand. The registered office of the Company is at 475, Siripinyo Building, Sri Ayutthaya Road, Rajthevi, Phayathai, Bangkok, Thailand.

The principal activities of the Company are property development.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are presented in Thai Baht, in the Thai language, and in conformity with generally accepted accounting standards in Thailand. Accordingly, the 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 financial statements are prepared under the historical cost convention except as disclosed in the accounting policies.

For the convenience of the readers, an English version of financial statements has been prepared from the Thai language financial statements which are issued for domestic reporting purposes.

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

The consolidated financial statements of the Company for the year ended December 31, 2004 comprise with the financial statement of the Company, its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates. Details of the Company’s subsidiaries are as follows:

			Percentage of Holding		
			December 31, 2004	December 31, 2003	
<u>Subsidiaries</u>					
1.	Chanachai Limited	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	100.00	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	
			December 31, 2004	December 31, 2003
<u>Associated company</u>				
Cathay Asset Management Co., Ltd.	Financial and Investment Advisory Services	Thailand	-	20.00

In the consolidated and the Company's financial statement as at December 31, 2003, the investment recorded by the equity method in an associated company of Baht 13.11 million, was calculated based on the financial statements audited by another auditor. The Company's share of attributable profit for the year ended December 31, 2003 amounted to Baht 1.65 million, and the Company recognized unrealized gain on securities available for sale amounting to Baht 2.98 million.

In the second quarter of 2004, the Company sold the investment in the said associated company. (See note 6)

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

3. RESULTS OF OPERATIONS

In 2004, the Company and its subsidiaries launched various property projects in Bangkok, Pathumthani and Nonthaburi. Most of the income and expense for the year ended December 31, 2004 result from income recognition under the percentage of completion method.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of consolidation

The consolidated financial statements of the Company comprise the Company and its subsidiaries, (together referred to as the "Group") and the Group's interest in associates.

Subsidiaries

Subsidiaries are those entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Associates

Associates are those entities in which the Group has significant influence, over the financial and operating policies decision but not control, the consolidated financial statements include the Group's share of the total recognized gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has made a guarantee or agreed to undertake constructive obligations or make payments on behalf of an associate.

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Notes to Financial Statements (Continued)

December 31, 2004 and 2003

4.2 Use of estimates

In order to prepare financial statements in conformity with generally accepted accounting standards in Thailand, management needs to make estimates and set assumptions that affect income, expenditure, assets and liabilities in order to disclose information on the valuation of assets, liabilities and contingent liabilities. Actual outcomes may, therefore, differ from the estimates used.

The estimates and underlying assumptions used in the preparation of these financial statements are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.3 Foreign currencies

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Thai baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the date of the transaction.

4.4 Property, plant and equipment

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Property and plant that is being constructed or developed for future use as investment property is classified as property, plant and equipment and stated at cost until construction or development is complete.

Leasehold is stated at cost, net of accumulated depreciation and allowance for diminution in value.

Land is stated at cost, including cost of land and related expenses of acquisition. Buildings and equipment are stated at cost less accumulated depreciation and transferred into income statement for computation gain (loss) from sale of assets when sale of assets incurred.

Revalued assets of subsidiary

Revaluations are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the balance sheet date.

Any increase in value, on revaluation, is credited to the revaluation reserve unless it offsets a previous decrease in value recognized in the income statement. A decrease in value is recognized in the income statement to the extent it exceeds an increase previously recognized in the revaluation reserve. The revaluation surplus is utilized by reference to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost and credited to the income statement.

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Revaluation

A subsidiary company has the policy of revaluation of land, hotel buildings and hotel renovation by the categories of such assets.

In June and October 2002, the subsidiary company commissioned an independent appraiser to appraise land, hotel building and hotel renovation. It applied the comparative market price for land and replacement cost less accumulated depreciation for hotel renovation.

Land is presented at a revalued amount. Hotel buildings and hotel renovation are carried at their revalued amounts, less accumulated depreciation.

Depreciation of the appraisal increase is calculated by the straight-line method over the remaining useful lives of such assets and recognized as an expense in the statements of income. Revaluation surplus of land, hotel buildings and hotel renovation is presented in shareholders' equity.

Valuation from historical cost in case of sale of appraised assets, the revaluation surplus from sale of assets will be transferred to the statement of income for the calculation of gain/loss from sale.

Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each asset. The estimated useful lives are as follows:

Leasehold	30	years
Building and improvement	20-40	years
Construction and improvement	5	years
Hotel renovation	5	years
Fixtures and equipment	3-5	years
Furniture, fixtures and equipment - Hotel	5	years
Operating equipment - hotel	5	years
Temporary office	2-2	years and 6 months
Vehicles	5	years

4.5 Intangible assets

Negative Goodwill

Negative goodwill arising on acquisition represents the excess of the fair value of the Group's share of the identifiable net assets acquired over the cost of acquisition.

Negative goodwill is stated at cost less accumulated amortization and impairment losses. Negative goodwill arising on acquisition of shares in subsidiaries, in the Company's separate financial statements is included in investments.

The gain or loss on disposal of an entity includes the unamortized balance of goodwill relating to the entity disposed of.

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Notes to Financial Statements (Continued)

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Amortization

Amortization is charged to the income statement on a straight-line basis over the estimated useful lives of each intangible asset unless such lives are indefinite. Intangible assets with an indefinite useful life are systematically tested for impairment at each balance sheet date. Negative goodwill and other intangible assets are amortized from the date they are available for use. The estimated useful lives are as follows:

Negative goodwill 20 years

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

	(In Million Baht)	
	2004	2003
Beginning balance	76.43	80.53
Occurred during the year	-	-
Less Amortized during the year	(4.10)	(4.10)
Write off resulting from net decrease in appraisal value of fixed assets	(23.62)	-
Ending balance	<u>48.71</u>	<u>76.43</u>

4.6 Investments

Investments in subsidiaries and associates

Investments in subsidiaries and associates in the separate financial statements of the Company are accounted for using the equity method.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognized in the income statement.

Investment property

Investment properties are properties, including properties held under an operating lease which would otherwise qualify as investment properties, which are held to earn rental income, for capital appreciation or for both.

Investment properties are stated at cost less accumulated depreciation and impairment losses in accordance with the cost model adopted for the recognition of property, plant and equipment. (See accounting policy No. 4.4)

4.7 Trade and Other Receivables

Trade and other receivables (including balances with related parties) are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Allowances made are based on historical write-off patterns and the aging of accounts receivables. Bad debts are written off when incurred.

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December 31, 2004 and 2003

4.8 Inventories

Inventories are stated at the lower of cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Inventories - hotel represents food, beverages and others items, available for sale and are stated at the average cost.

Construction in progress

Construction in progress consisted of cost of construction and interest capitalization.

Property development

Properties under development are stated at individually identified cost, including borrowing costs capitalized, aggregate cost of development, materials and supplies, wages and other direct expenses and any allowance considered necessary by the management. Properties held for sale are stated at the lower of cost and their estimated net realizable value.

Interest expense related to financing construction has been capitalized as project costs up to the completion of construction or until the project development is suspended.

In 2004, interest expenses were capitalized to project cost amounting to approximately Baht 313.92 million and Baht 233.02 million in the consolidated and the Company's financial statements, respectively.

In 2003, interest expenses were capitalized to project cost amounting to approximately Baht 96.50 million and Baht 76.16 million in the consolidated and the Company's financial statements, respectively.

4.9 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquidity short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

4.10 Impairment

The carrying amounts of the Group's assets, other than inventories, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the income statement.

Calculation of recoverable amount

The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

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An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. All reversals of impairment losses are recognized in the income statement.

4.11 Employee benefits

No compensation cost or obligation is recognized when share options are issued under employee incentive programmes. When options are exercised, equity is increased by the amount of the proceeds received.

4.12 Provisions

A provision is recognized in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

4.13 Revenue

Revenue is recognized on the accrual basis.

Property developments

Revenue from property development projects is recognized in the same manner as for construction contracts and after meeting further conditions, including among others:

- finalized sales agreements or in the case of condominium developments finalized sales agreements for a minimum of 40% of the area offered for sale;
- non-refundable deposits from customers of at least 20% of the value of each sales agreement; and
- the development is a minimum of 10% complete (as measured by construction costs incurred compared to budgeted construction costs).

Rental income

Rental income from investment property is recognized in the income statement on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income.

Room revenues are recognized on an accrual basis over the period of the guests stay.

Food and beverage revenues are recognized after the food and beverages have been served.

Services rendered

As soon as the outcome of a contract for the rendering of services can be estimated reliably, revenue associated with the contract is recognized in the income statement in proportion to the stage of completion of the contract. When the outcome of the contract cannot be estimated reliably, revenue is recognized only to the extent of the expenses recognized that are recoverable.

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4.14 Expenses

Operating leases

Payments made under operating leases are recognized in the income statement on a straight line basis over the term of the lease. Lease incentives received are recognized in the income statement as an integral part of the total lease payments made. Contingent rentals are charged to the income statement in the accounting period in which they are incurred.

Other income and expenses

Other income and expenses are recognized on the accrual basis interest expenses and similar costs are charged to the income statement in the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

Interest income is recognized in the income statement on the accrual basis.

Dividend income is recognized in the income statement on the date the Group's right to receive payments is established.

4.15 Income tax

Income tax is recognized on a tax basis based on the conditions described in the Revenue code.

4.16 Deferred Charges

Deferred charges, which are presented in other non current assets, consist of business taxes and commission expenses of projects, amortized by the percentage of completion method, and deferred interest on hire purchase.

4.17 Discount on Share Capital

Discount on share capital is presented net of the expense of issuing share capital.

4.18 Provident Fund

The provident fund of the Company complies with the Provident Fund Act B.E. 2530. The fund is independently maintained and therefore does not appear in the balance sheets

4.19 Basic Earnings per Share

Basic earnings per share is computed by dividing the net profit for the years by the weighted average number of fully paid shares in issue during the year of 1,349,447,795 shares and 872,378,862 shares for the years 2004 and 2003, respectively.

5. TRANSACTIONS WITH RELATED PARTIES

Related parties are those parties linked to companies in the Group by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or at contractually agreed prices where no market prices exist. Significant balances at each balance sheet date, and transactions for the financial years then ended, with related parties are as follows:

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2004 and 2003

For the years ended December 31, 2004 and 2003

	Thousand Baht			
	Consolidated		The Company	
	2004	2003	2004	2003
Notes receivable (See note 5.10)				
Subsidiaries				
Sansiri Ram - Indra Limited	-	-	307,000	477,775
Ram - Indra Real Estate Limited	-	-	342,000	579,444
Clubhouse Property Limited	-	-	54,542	54,542
Total	<u>-</u>	<u>-</u>	<u>703,542</u>	<u>1,111,761</u>
Receivable from service and commission				
Subsidiaries (included in note 9)				
Sansiri Ram - Indra Limited	-	-	-	-
Ram - Indra Real Estate Limited	-	-	-	-
Clubhouse Property Limited	-	-	-	-
Sansiri Construction Co., Ltd.	-	-	19,467	19,467
Chanachai Limited	-	-	5,112	-
Plus Property Partners Co., Ltd.	-	-	218	30
Sansiri Venture Co., Ltd.	-	-	1,009	-
S.U.N. Management Co., Ltd.	-	-	5,537	-
Richee Holding Alliance Co., Ltd.	-	-	80	-
Siri Phuket Co., Ltd.	-	-	2,568	-
Associate				
Cathay Asset Management Co., Ltd.	56	67	56	67
Related companies				
Univentures Public Company Limited	161	161	161	161
Syntec Constuction Public Co., Ltd.	1,695	-	1,695	-
Univentures Consulting Co., Ltd.	65	-	65	-
Univentures Asset Management Co., Ltd.	50	-	50	-
Pronothnom Co., Ltd.	80	187	-	-
Total	<u>2,107</u>	<u>415</u>	<u>36,018</u>	<u>19,725</u>
Allowance for doubtful accounts				
Subsidiary				
Sansiri Construction Co., Ltd.	-	-	(19,467)	(19,467)
Related company				
Regency One Co., Ltd.	(5,000)	(5,000)	-	-
Total	<u>(5,000)</u>	<u>(5,000)</u>	<u>(19,467)</u>	<u>(19,467)</u>
Unbilled completed work				
Subsidiary				
Plus Property Partners Co., Ltd.	-	-	16,519	-
Related person and companies				
Univentures Asset Management Co., Ltd.	526	1,508	526	1,508
Related persons	8,298	-	8,298	-
Total	<u>8,824</u>	<u>1,508</u>	<u>25,343</u>	<u>1,508</u>

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SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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	Thousand Baht			
	Consolidated		The Company	
	2004	2003	2004	2003
Loans to related parties (see details in note 11)				
Construction in progress				
Related companies				
Syntec Constuction Public Co., Ltd.	8,350	-	-	-
Total	<u>8,350</u>	<u>-</u>	<u>-</u>	<u>-</u>
Property development for sales				
Major shareholder				
Natural Park Public Company Limited	-	1,855	-	-
Subsidiaries				
Richee Holding Alliance Co., Ltd.	-	-	134	85
Plus Property Partners Co., Ltd.	-	-	-	1,898
Related companies				
Syntec Constuction Public Co., Ltd.	1,010,433	912,345	881,056	912,345
Univentures Public Company Limited	-	14,606	-	-
Prestige Gift and Premium Company Limited	-	220	-	-
Total	<u>1,010,433</u>	<u>929,026</u>	<u>881,190</u>	<u>914,328</u>
Advance payment to constructor				
Related company				
Syntec Constuction Public Co., Ltd.	110,760	49,088	30,813	49,088
Total	<u>110,760</u>	<u>49,088</u>	<u>30,813</u>	<u>49,088</u>
Prepaid expenses				
Subsidiary				
Plus Property Partners Co., Ltd.	-	-	70	44
Related companies				
Univentures Asset Management Co., Ltd.	1,156	-	-	-
Prestige Gift and Premium Company Limited	782	-	-	-
Total	<u>1,938</u>	<u>-</u>	<u>70</u>	<u>44</u>
Advances				
Subsidiaries				
Sansiri Ram - Indra Limited	-	-	51	51
Ram - Indra Real Estate Limited	-	-	6	6
Clubhouse Property Limited	-	-	6	6
Siri Phuket Co., Ltd.	-	-	-	14
Sansiri Venture Co., Ltd.	-	-	-	600
Total	<u>-</u>	<u>-</u>	<u>63</u>	<u>677</u>

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	Thousand Baht			
	Consolidated		The Company	
	2004	2003	2004	2003
Interest receivables				
Subsidiaries				
Chanachai Limited	-	-	27	531
Sansiri Construction Co., Ltd.	-	-	102	380
Sansiri Land Co., Ltd.	-	-	2,006	1,050
Sansiri Ram - Indra Limited	-	-	3,946	6
Ram - Indra Real Estate Limited	-	-	3,946	-
Clubhouse Property Limited	-	-	619	-
Sansiri Venture Co., Ltd.	-	-	140	3,425
Richee Holding Alliance Co., Ltd.	-	-	793	2,149
Siri Phuket Co., Ltd.	-	-	1,068	959
S.U.N. Management Co., Ltd.	-	-	-	136
Related companies				
Regency One Co., Ltd.	<u>333</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>333</u>	<u>-</u>	<u>12,647</u>	<u>8,636</u>
Property development for rent				
Subsidiary				
Plus Property Partners Co., Ltd.	-	-	938	938
Related companies				
Syntec Constuction Public Co., Ltd.	82,220	38,121	-	-
Univentures Asset Management Co., Ltd.	842	333	-	-
Prestige gift and Premium Company Limited	557	220	-	-
Univentures Consulting Co., Ltd.	<u>1,123</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>84,742</u>	<u>38,674</u>	<u>938</u>	<u>938</u>
Purchase of equipment				
Subsidiary				
Plus Property Partners Co., Ltd.	<u>-</u>	<u>-</u>	<u>886</u>	<u>548</u>
Total	<u>-</u>	<u>-</u>	<u>886</u>	<u>548</u>
Deferred commission				
Subsidiary				
Plus Property Partners Co., Ltd.	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,454</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,454</u>
Promissory Note - Financial Institution				
Related companies				
Finansa Life Assurance Co., Ltd.	50 ,000	-	50 ,000	-
Finansa Securities Co., Ltd.	<u>50 ,000</u>	<u>-</u>	<u>50 ,000</u>	<u>-</u>
Total	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
Bill of Exchange - Land				
Related persons	<u>133,805</u>	<u>244,513</u>	<u>133,805</u>	<u>244,513</u>
Total	<u>133,805</u>	<u>244,513</u>	<u>133,805</u>	<u>244,513</u>

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	Thousand Baht			
	Consolidated		The Company	
	2004	2003	2004	2003
Account payable for land				
Subsidiary				
Chanachai Limited	-	-	36,355	-
Total	-	-	36,355	-
Accounts payable - construction				
Related company				
Syntec Constuction Public Co., Ltd.	115,426	42,894	80,632	32,958
Total	115,426	42,894	80,632	32,958
Accounts payable				
Subsidiary				
Plus Property Partners Co., Ltd.	-	-	25	-
Total	-	-	25	-
Loans from related parties (see details in note 19)				
Retention				
Related company				
Syntec Constuction Public Co., Ltd.	48,237	9,065	41,402	7,469
Total	48,237	9,065	41,402	7,469
Revenue in advance				
Subsidiary				
S.U.N. Management Co., Ltd.	-	-	3,600	-
Total	-	-	3,600	-
Unearned income				
Related person and company				
Univentures Asset Management Co., Ltd.	-	1,224	-	1,224
Related persons	434	2,604	434	2,604
Total	434	3,828	434	3,828
Accrued interest				
Major shareholder				
Natural Park Public Company Limited	6,538	-	-	-
Subsidiary				
S.U.N. Management Co., Ltd.	-	-	243	-
Related companies				
Univentures Public Company Limited	175	415	-	-
Prestige gift and Premium	-	274	-	-
Company Limited	-	-	-	-
Total	6,713	689	243	-
Accrued expenses				
Major shareholder				
Natural Park Public Company Limited	-	1,855	-	-

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	Consolidated		The Company	
	2004	2003	2004	2003
Subsidiaries				
Plus Property Partners Co., Ltd.	-	-	12,390	8,991
Richee Holding Alliance Co., Ltd.	-	-	-	41
Related companies				
Prestige Gift and Premium Company Limited	1,043	-	-	-
Univentures Consulting Co., Ltd.	<u>1,540</u>	<u>10,499</u>	<u>-</u>	<u>-</u>
Total	<u><u>2,583</u></u>	<u><u>12,354</u></u>	<u><u>12,390</u></u>	<u><u>9,032</u></u>
Provision for possible loss				
Related company				
Syntec Constuction Public Co., Ltd.	<u>8,350</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>8,350</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Rental deposits				
Associate				
Cathay Asset Management Co., Ltd.	247	247	247	230
Related company				
Univentures Public Company Limited	<u>845</u>	<u>845</u>	<u>845</u>	<u>845</u>
Total	<u><u>1,092</u></u>	<u><u>1,092</u></u>	<u><u>1,092</u></u>	<u><u>1,075</u></u>

Transactions with related parties as at December 31, 2004 and 2003

	Thousand Baht			
	Consolidated		The Company	
	2004	2003	2004	2003
Revenue from project sale				
Subsidiary				
Sansiri Ram - Indra Limited	-	-	-	477,775
Ram - Indra Real Estate Limited	-	-	-	579,444
Clubhouse Property Limited	-	-	-	54,542
Plus Property Partners Co., Ltd.	-	-	22,180	-
Related company				
Univentures Asset Management Co., Ltd.	2,344	7,169	2,344	7,169
Related Persons	<u>26,489</u>	<u>-</u>	<u>26,489</u>	<u>-</u>
Total	<u><u>28,833</u></u>	<u><u>7,169</u></u>	<u><u>51,013</u></u>	<u><u>1,118,930</u></u>
Rental income				
Associate				
Cathay Asset Management Co., Ltd.	215	413	215	413
Related companies				
Univentures Public Company Limited	752	774	752	774
Univentures Consulting Co., Ltd.	<u>406</u>	<u>-</u>	<u>406</u>	<u>-</u>
Total	<u><u>1,373</u></u>	<u><u>1,187</u></u>	<u><u>1,373</u></u>	<u><u>1,187</u></u>

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2004 and 2003

	Thousand Baht			
	Consolidated		The Company	
	2004	2003	2004	2003
Revenue from business				
Service				
Subsidiaries				
Plus Property Partners Co., Ltd.	-	-	563	421
Sansiri Venture Co., Ltd.	-	-	4,131	8,359
S.U.N. Management Co., Ltd.	-	-	4,425	3,750
Siri Phuket Co., Ltd.	-	-	4,800	4,400
Associate				
Cathay Asset Management Co., Ltd.	183	370	183	370
Related companies				
Univentures Public Company Limited	1,198	1,069	1,198	1,069
Univentures Consulting Co., Ltd.	376	-	376	-
Syntec Constuction Public Co., Ltd.	30	-	-	-
Total	<u>1,787</u>	<u>1,439</u>	<u>15,676</u>	<u>18,369</u>
Interest income				
Subsidiaries				
Chanachai Limited	-	-	7,582	2,067
Sansiri Construction Co., Ltd.	-	-	2,985	376
Plus Property Partners Co., Ltd.	-	-	7,092	338
Sansiri Land Co., Ltd.	-	-	980	723
Sansiri Ram - Indra Limited	-	-	3,940	6
Ram - Indra Real Estate Limited	-	-	3,946	-
Clubhouse Property Limited	-	-	619	-
Sansiri Venture Co., Ltd.	-	-	9,772	7,732
S.U.N. Management Co., Ltd.	-	-	3,182	40
Richee Holding Alliance Co., Ltd.	-	-	6,243	5,820
Siri Phuket Co., Ltd.	-	-	93	2,561
Related companies				
Univentures Asset Management Co., Ltd.	110	-	-	-
Prestige Gift and Premium Company Limited	73	-	-	-
Grand Unity Development Co., Ltd.	-	1,373	-	1,373
Total	<u>183</u>	<u>1,373</u>	<u>46,434</u>	<u>21,036</u>

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2004 and 2003

	Thousand Baht			
	Consolidated		The Company	
	2004	2003	2004	2003
Dividend income				
(Net present in investment in related parties)				
Subsidiary				
Sansiri Venture Co., Ltd.	-	-	76,500	-
Associates				
Cathay Asset Management Co., Ltd.	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>
Total	<u>500</u>	<u>-</u>	<u>77,000</u>	<u>-</u>
Gain an sale of investments				
Subsidiary				
Siri Phuket Co., Ltd.	-	-	-	37,828
Associates				
Starwood Thailand Property Fund 1	-	156	-	156
Cathay Asset Management Co., Ltd.	6,608	-	6,608	-
Related company				
Grand Unity Development Co., Ltd.	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,400</u>
Total	<u>6,608</u>	<u>156</u>	<u>6,608</u>	<u>43,384</u>
Other income				
Subsidiary				
Chanachai Limited	-	-	205	-
Associates				
Starwood Thailand Property Fund 1	-	(928)	-	(928)
Cathay Asset Management Co., Ltd.	<u>338</u>	<u>1,653</u>	<u>338</u>	<u>1,653</u>
Total	<u>538</u>	<u>725</u>	<u>543</u>	<u>725</u>
Cost of project sales				
Subsidiaries				
Sansiri Ram - Indra Limited	-	-	-	477,363
Ram - Indra Real Estate Limited	-	-	-	578,923
Clubhouse Property Limited	-	-	-	54,495
Plus Property Partners Co., Ltd.	-	-	14,527	-
Associates				
Univentures Asset Management Co., Ltd.	1,676	3,875	1,676	3,875
Univentures Public Company Limited	16,087	-	-	-
Related Persons	<u>18,416</u>	<u>-</u>	<u>18,416</u>	<u>-</u>
Total	<u>36,179</u>	<u>3,875</u>	<u>34,619</u>	<u>1,114,656</u>

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2004 and 2003

	Thousand Baht			
	Consolidated		The Company	
	2004	2003	2004	2003
Management fee				
Subsidiary				
Plus Property Partners Co., Ltd.	-	-	8,392	9,756
Related company				
Univentures Asset Management Co., Ltd.	<u>385</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>385</u>	<u>-</u>	<u>8,392</u>	<u>9,756</u>
Selling and administrative expenses				
Subsidiaries				
Plus Property Partners Co., Ltd.	-	-	84,808	24,145
Richee Holding Alliance Co., Ltd.	-	-	444	242
Total				
Related company				
Syntec Constuction Public Co., Ltd.	<u>154</u>	<u>-</u>	<u>154</u>	<u>-</u>
Total	<u>154</u>	<u>-</u>	<u>85,406</u>	<u>24,387</u>
Interest expense				
Major shareholder				
Natural Park Public Company Limited	2,429	-	-	-
Subsidiary				
S.U.N. Management Co., Ltd.	-	-	243	-
Related companies				
Univentures Public Company Limited	945	2,301	-	-
Univentures Asset Management Co., Ltd.	1,078	-	-	-
Prestige Gift and Premium Company Limited	<u>712</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>5,164</u>	<u>2,301</u>	<u>243</u>	<u>-</u>
Loan, interest and rental expenses paid for subsidiary				
Subsidiary				
Chanachai Limited	<u>-</u>	<u>-</u>	<u>-</u>	<u>124,997</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>124,997</u>
Paid dividend (see note 27)				
Related company				
Univentures Public Company Limited	<u>73,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>73,500</u>	<u>-</u>	<u>-</u>	<u>-</u>

5.1 For the years 2004 and 2003, the Company charged interest on loans to related parties at rates of from 4.5% to 15% per annum.

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

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2004 and 2003

5.3 The Company issued bills of exchange covering the cost of land for a project for sale in the amount of Baht 244.51 million, which operating to disclosed information according to Stock Exchange regulations with repayment according to the terms of the contracts within December 2005. As at December 31, 2004, the current portion of the partial bill of exchange which is due to be payable within a year is Baht 133.81 million.

5.4 In the first quarter of 2004, the Company entered into a purchase/sale agreement for a certain piece of land with many individuals, in the amount of Baht 225 million. The Company paid a deposit on the 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 authorized Chanachai Limited to hold the said right on its behalf, for which the said subsidiary company 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. In the third quarter of 2004, the Company received payment of Baht 22.50 million, as a deposit for land, from the said subsidiary. In 2004, the said subsidiary company got the whole right of ownership of the land.

5.5 According to the minutes of the Board of Directors' Meeting, held on May 17, 2004, a resolution has been passed authorizing the Company to guarantee a loan of Chanachai Limited owing to a local commercial bank, in the amount of Baht 600 million. Later on the said subsidiary had made loan agreement.

5.6 According to the minutes of the Board of Directors' Meeting, held on May 17, 2004, a resolution was passed authorizing the Company to guarantee a loan granted to Sansiri Ram-Indra Limited, Ram-Indra Real Estate Limited and Clubhouse Property Limited by a commercial local bank in the amount of Baht 1,100 million. Later on the said subsidiaries had made loan agreement by using land and construction that will construct in the future pledge as collateral.

5.7 According to the minutes of the Board of Director's Meeting, held on November 11, 2004, a resolution was passed authorizing the Company to the purchase the land from Chanachai Limited. As at November 24, 2004, the said subsidiary entered into a sale agreement with the Company in the amount of Baht 36.36 million without margin, the official appraised value of which amounted to Baht 12.44 million.

5.8 The Board of Director resolved on November 11, 2004 to sell back part of the land purchased from Chanachai Limited [See Note 5.7] due to certain restrictions in connection with the development. As at December 31, 2004 the Company has not yet proceeded in accordance with the resolution.

5.9 In the fourth quarter of 2004, the Company issued promissory notes to the S.U.N. Management Co., Ltd. payable in the amount of Baht 36.21 million. The said promissory notes bear interest at 4% per annum.

5.10 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 and the Company had registered to transfer the ownership of the said land to 3 new subsidiaries i.e. Sansiri Ram-Indra Limited, Ram-Indra Real Estate Limited and Clubhouse Property Limited in the said amount. The three subsidiaries issued promissory notes to the Company payable by June 30, 2004, without interest.

On June 30, 2004, the said subsidiary companies replaced the said promissory notes for new ones bearing interest at 4.50% per annum. As at December 31, 2004, the outstanding balance of the said promissory notes was Baht 703.54 million.

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2004 and 2003

According to the agreement dated December 31, 2003, the Company agreed to sell the land to 3 subsidiary companies: Sansiri Ram-Indra Limited, Ram Indra Real Estate Limited and Clubhouse Property Limited for 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 before transfer the ownership by the Company, amounting to Baht 20.46 million.

5.11 In the second quarter of 2003, the Company made payments on behalf of a subsidiary to the bank in the amount of Baht 125 million. Such payment was recorded as an expense of the Company. (See note 21 to financial statements)

5.12 In October 2003, the Company and a subsidiary mutually paid for the remaining cost of land of Baht 454.21 million and Baht 26.79 million, respectively as per the purchase/sale agreement, in respect of which the Company had paid a deposit of Baht 59 million. The piece of land has been owned by the Company and subsidiary in the same title deed under the agreement dated October 30, 2003.

Plus Property Partners Co., Ltd.

5.13 In the second quarter of 2004, Plus Property Partners Co., Ltd. entered into two purchase/sale agreements for condominium with Sansiri Public Company Limited in the amount of Baht 8.26 million. In the third and fourth quarter of 2004, the said subsidiary had sold to other persons.

5.14 In the fourth quarter of 2004, Plus Property Partners Co., Ltd. entered into purchase/ sale agreements for condominium with Sansiri Public Company Limited, S.U.N. Management Co., Ltd. and Sansiri Venture Co., Ltd. of totalling 3 units in the amount of Baht 28.30 million, 7.61 million and 5.31 million, respectively. As at December 31, 2004, the said companies had paid the deposit of Baht 7.36 million, 0.10 million and 0.30 million, respectively.

Sansiri Land Co., Ltd.

5.15 In the year 2004, Sansiri Land Co., Ltd. obtained a loan from Sansiri Public Company Limited amounting to Baht 43.40 for use in purchasing land from Asset Management Financial Institute Company. The said loan had been directly paid to 5 subsidiary companies to enable them to make payment for the said land to Asset Management Financial Institute Company in the total of Baht 42.69 million which consist of:

<u>Subsidiary companies</u>	<u>Amount (Million Baht)</u>
Sansiri Construction Co., Ltd.	9.38
Chanachai Limited	11.23
Sansiri Ram-Indra Limited	10.34
Ram-Indra Real Estate Limited	5.92
Clubhouse Property Limited	<u>5.82</u>
	<u>42.69</u>

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2004 and 2003

The land ownership right has been transferred under the names of the above-stated 5 subsidiary companies and the cost of land has been recorded under Sansiri Land Co., Ltd. Under the prevailing memorandum of understanding, Sansiri Land Co., Ltd. is required to develop and receive the transfer of land ownership of the whole land by the year 2004. But certain plots of land which have been developed and on which houses have been built could not be sold and/or the ownership of which could not be transferred within the identified period. Therefore, in order to reserve the right, it was necessary to receive the ownership transfer of those plots of land from Asset Management Company prior to the due date. But if the subsidiary company was the only company to receive the ownership transfer of land, it will result in that the Company will have to request permission applying for the sale of land before receiving the ownership transfer, and also applying for land allocation.

In the fourth quarter of 2004, Sansiri Land Co., Ltd. issued a memorandum of understanding (MOU) with the 5 subsidiary companies saying that if the subsidiaries obtain any right or benefit, or are to be burdened with any expenses, fees, taxes, liabilities and any other losses as a result of holding the said land, all these will be the benefits and liabilities of Sansiri Land Co., Ltd.

However as at December 31, 2004, Sansiri Land Co., Ltd. has not yet registered sales of land and property development which according to the Land Code, determines a fine not exceeding Baht 50,000 as stated by the company's law division.

5.16 In April 2003, Sansiri Land Co., Ltd. entered into a memorandum of understanding with a related company to transfer to the subsidiary the right to purchase land that the said related company had entered into an agreement to purchase with an asset management company.

Sansiri Construction Co., Ltd

5.17 On November 25, 2003, Sansiri Construction Co., Ltd, entered into a purchase/sale agreement for 2 plots of land with an individual for Baht 24.61 million. The said subsidiary has agreed with the seller to purchase only a portion of one plot of land for Baht 16.50 million. In February 2004, the division of the title to the said portion of land was registered between the subsidiary and the seller and on February 17, 2004 the subsidiary entered into a Memorandum of Understanding ('MOU') for Company to access (for purposes of footpaths, roads, electricity, water supply, drains and other utilities) to the said plot of land.

In the third quarter of 2004, Sansiri Construction Co., Ltd. registered the division of the land title-deed. The undertakings given under the memorandum of agreement dated February 17, 2004 still remain.

According to the minutes of the Board of Directors' Meeting, held on August 17, 2004, a resolution was adopted authorizing Sansiri Construction Co., Ltd. to sell the above land to the Company for Baht 9.09 million. As at September 4, 2004, the Company had registered to transfer the ownership of the said land, and on the same day the Company also registered the cancellation of the commitment given by the subsidiary in the MOU.

5.18 Furthermore, on 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 was registered between the subsidiary and the seller and the compulsive obligation (footpath, roads, electricity, water supply, drains and other utilities) for the whole title deed were made for the Company as per the MOU dated February 17, 2004.

5.19 Board of Directors of Sansiri Construction Co., Ltd. has the resolution on November 12, 2004 to sell all the land to Sansiri Public Co., Ltd. and Chanachai Limited. The land is for the entrance all exit for project of Sansiri Public Co., Ltd. and to reflect the total costs of the project. Chanachai Limited is registered as the joint owners to avoid the restriction regarding the requirement for the right to use.

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2004 and 2003

5.20 On November 17, 2004 Sansiri Construction Co., Ltd. registered the right to use the entrance and the related infrastructures for the benefit of Sansiri Public Co., Ltd. in accordance with the agreement.

On November 19, 2004, Sansiri Construction Co., Ltd. registered the joint ownership right between Company and its parent company, with remuneration of Baht 49.70 million which the parent company had paid for the said land, by deducting from the outstanding loan provided to the said subsidiary, amounting to Baht 44.08 million. The official appraised value of the said land amounted to Baht 32.31 million. On the same day, the said subsidiary with issued a letter selling the specific part with Chanachai Limited in the amount of Baht 0.26 million, on the whole sale of the said land the subsidiary has loss in the amount of Baht 6.26 million due to the wrong calculation of the price per square wah.

5.21 As at December 31, 2004 and 2003, a subsidiary, Sansiri Construction Co., Ltd, requested a letter of guarantee from a bank, in the amount of Baht 3.80 million, by using cash at banks of Sansiri Public Company Limited, pledged as collateral.

Chanachai Limited

5.22 Chanachai Limited engaged Syntec Construction Public Co., Ltd., a related company, to commence the constructions on the land of Sansiri Ramintra Limited and Clubhouse Property Limited before having contract and recognized the construction cost of Baht 8 million although the said invoice was issued to Sansiri Public Co., Ltd.

Clubhouse Property Limited

5.23 Clubhouse Property Limited registered a compulsive obligation (footpath, roads, electricity, water supply, drains and other utilities) with Sansiri Ram-Indra Limited and Ram-Indra Real Estate Limited., as per a memorandum of agreement on the compulsive burden, dated May 26, 2004.

5.24 According to minutes of the Board of Director's Meeting of Clubhouse Property Limited, held on November 1, 2004, a resolution was passed authorizing the Company sell land to Sansiri Ram - Indra Limited and Ram-Indra Real Estate Limited. As at December 31, 2004, the Company has not yet processed the said issue.

Sansiri Ram-Indra Limited

5.25 According to the minutes of the Board of Directors' Meeting of Sansiri Ram-Indra Limited, held on November 1, 2004, a resolution was passed authorizing the Company the purchase of land from Clubhouse Property Limited for entrance/ exit roads of the project. (See note 5.24 to the financial statements)

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2004 and 2003

Ram-Indra Real Estate Limited

5.26 According to the minutes of the Board of Directors' Meeting, of Ram-Indra Real Estate Limited, held on November 1, 2004, a resolution was passed authorizing the Company the purchase of land from Clubhouse Property Limited for the entrance/ exit roads of the project. (See note 5.24 to financial statement)

Sansiri Venture Co., Ltd.

5.27 In the year 2003, a subsidiary, Sansiri Venture Co., Ltd, had commitments resulting from project management agreements and a financial advisory service agreement with two related companies of Baht 0.91 million and 0.11 million per month for 18 months or until the condominiums are completed.

As at December 31, 2004, Sansiri Venture Co., Ltd. has contingent on financial consulting service with the related company.

5.28 At the Board of Directors' Meeting of Sansiri Venture Co., Ltd. held on October 7, 2003, a resolution was passed to dispose of land without construction buildings in the amount of Baht 138.53 million and on October 10, 2003 the said subsidiary sold and transferred the ownership of the land in the said amount to Chanachai Limited.

S.U.N. Management Co., Ltd.

5.29 According to the minutes of the company's board meeting held on November 11, 2004, a resolution has been approved for the Company to take an additional loan from S.U.N. Management Co., Ltd. in the amount not to exceed Baht 42 million, at the interest rate of 4% per annum, making a total loan of not exceeding Baht 80 million.

5.30 On October 1, 2004, a subsidiary, S.U.N. Management Co., Ltd. entered into a market planning service agreement with a related company, covering 36 months between October 1, 2004 and September 30, 2007, according to the following details:

1. Service of the period between October 1, 2004 and September 30, 2005 is Baht 0.98 million.
2. Service of the period between October 1, 2005 and September 30, 2006 is Baht 0.49 million.
3. Service of the period between October 1, 2006 and September 30, 2007 is Baht 0.49 million.

5.31 On October 4, 2004, a subsidiary, S.U.N. Management Co., Ltd., entered into a financial advisory service agreement with a related company covering 36 months from the date of signing the agreement totalling Baht 2.95 million according to the following details:

1. The service for the 1st - 12th months is Baht 1.44 million.
2. The service for the 13th - 24th months is Baht 0.76 million.
3. The service for the 25th - 36th months is Baht 0.76 million.

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES**Notes to Financial Statements (Continued)****December 31, 2004 and 2003**

5.32 On December 15, 2004, a subsidiary, S.U.N. Management Co., Ltd., entered into a project management agreement after project development with the Company, covering 3 years from the date of signing the agreement totalling Baht 5.40 million. Advance payment for the service was made in the amount of Baht 3.60 million. Payment for the remaining service will be made in the amount of Baht 0.05 million per month.

5.33 As at December 31, 2003, a subsidiary, S.U.N. Management Co., Ltd., had entered into a project management and financial advisory service agreement of Baht 0.33 million per month for 18 months or until the commercial building is completed.

Siri Phuket Co., Ltd.

5.34 As at December 31, 2004 and 2003, a subsidiary, Siri Phuket Co., Ltd., had entered into a project management agreement with related company of Baht 0.4 million per month until the project is completed.

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2004 and 2003

6. INVESTMENTS RECORDED BY THE EQUITY METHOD

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

(Amounts : Million Baht)

Subsidiaries	<u>Paid up Capital</u>		<u>Cost Method</u>		<u>Equity Method</u>		<u>Deficit on Investments</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Chanachai Limited	90.00	90.00	101.52	101.52	-	-	(244.59)	(255.18)
Sansiri Construction Co., Ltd. (Formerly : Jainad Limited)	30.00	30.00	51.95	51.95	-	-	-	(8.48)
Plus Property Partners Co., Ltd. (Formerly : Sansiri Property Plus Limited)	450.00	168.64	460.52	169.43	620.13	170.24	-	-
Sansiri Land Co., Ltd. (Formerly : Sansiri Home Network Co., Ltd.)	1.00	1.00	1.00	1.00	-	-	-	(38.53)
Richee Holding Alliance Co., Ltd.	700.00	700.00	687.22	687.22	597.75	595.53	-	-
Sansiri Venture Co., Ltd.	3.00	3.00	1.49	1.49	48.31	92.47	-	-
S.U.N. Management Co., Ltd.	10.00	10.00	5.10	5.10	-	-	(7.91)	(2.78)
Siri Phuket Co., Ltd.	1.00	1.00	0.51	0.51	-	-	-	(7.50)
Sansiri Ram - Indra Limited	2.50	2.50	2.50	2.50	-	1.68	-	-
Ram - Indra Real Estate Limited	1.00	1.00	1.00	1.00	-	0.03	(0.53)	-
Clubhouse Property Limited	1.00	1.00	<u>1.00</u>	<u>1.00</u>	<u>0.22</u>	<u>0.90</u>	<u>-</u>	<u>-</u>
Total investments in subsidiaries			<u>1,313.81</u>	<u>1,022.72</u>	<u>1,266.41</u>	<u>860.85</u>	<u>(253.03)</u>	<u>(312.47)</u>
Associated companies								
Cathay Asset Management Co., Ltd.	-	25.00	-	6.00	-	13.11	-	-
Starwood Thailand Property Fund 1	-	-	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investments in associated companies			<u>-</u>	<u>6.00</u>	<u>-</u>	<u>13.11</u>	<u>-</u>	<u>-</u>
Related companies								
Regency One Co., Ltd	-	200.00	20.00	20.00	-	-	-	-
Grand Unity Development Co., Ltd.	-	-	-	-	-	-	-	-
<u>Less</u> Allowance for diminution in value			<u>(20.00)</u>	<u>(20.00)</u>	<u>(-)</u>	<u>(-)</u>	<u>(-)</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>-</u>	<u>6.00</u>	<u>-</u>	<u>13.11</u>	<u>-</u>	<u>-</u>
Total investments in related parties - net			<u>1,313.81</u>	<u>1,028.72</u>	<u>1,266.41</u>	<u>873.96</u>	<u>(253.03)</u>	<u>(312.47)</u>

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2004 and 2003

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

The year 2004

6.1 In the first quarter, the Company received dividend from Cathay Asset Management Co., Ltd., at Baht 1 per share on the 500,000 outstanding shares, totaling Baht 500,000.

6.2 According to the minutes of the Board of Directors' Meeting held on May 19, 2004, a resolution has been adopted authorizing the Company to sell all the investment in Cathay Asset Management Co., Ltd. to a person, totaling 500,000 shares, in the amount of Baht 13.30 million and the Company has recorded a gain Baht 6.6 million.

6.3 According to the minutes of the Board of Directors' Meeting held on August 11, 2004 and the minutes of the Extraordinary Meeting of the shareholders of Plus Property Partner Co., Ltd, held on September 10, 2004, the meetings adopted a resolution to increase the authorized share capital amounting to Baht 431.36 million, by the issue of 43.136 million new ordinary shares, at Baht 10 par value per share, offering to the original shareholders according to the shareholding ratio, at which the board of directors had been authorized to consider allocating and offering the said authorized share capital. If there is a balance from the said offering, the board of directors will allocate it to the other shareholders.

According to the minutes of the Board Meeting of Plus Property Partner Co., Ltd, held on September 10, 2004, a resolution was adopted to offer 23.136 million shares of the increased ordinary share capital at Baht 10 par value per share to the original shareholders according to the shareholding ratio stated in the shareholders registration dated September 10, 2004. The increased share capital was registered on September 27, 2004.

Sansiri Public Company Limited purchased the said shares in amount of Baht 231.56 million.

6.4 According to the minutes of the Board Meeting of Plus Property Partner Co., Ltd, held on December 7, 2004, a resolution was adopted to offer 5 million shares of the increased ordinary share capital at Baht 10 par value per share to the original shareholders according to the shareholding ratio stated in the shareholders registration date December 7, 2004. The increased share capital was registered on December 27, 2004.

Sansiri Public Company Limited purchased the said shares in amount of Baht 50 million.

6.5 According to the minutes of the Board Meeting held on December 20, 2004, a resolution was adopted to increase the proportion of investment in Plus Property Partner Company Limited, from the original share holding proportion of 98% to 100%, by purchasing shares from other shareholders, amounting to 800,000 shares at Baht 12.16 per share.

The year 2003

6.6 According to the resolution of the Board of Directors' Meeting held on November 28, 2003, the Company established three new 100% owned subsidiary companies as follows:

- Sansiri Ram-Indra Limited issued ordinary share Baht 10 million and paid up Baht 2.50 million, comprising 1,000,000 shares at Baht 2.5 each.
- Ram-Indra Real Estate Limited with an authorized and fully paid capital of Baht 1 million, comprising 100,000 shares at Baht 10 each.
- Clubhouse Property Limited with an authorized and fully paid capital of Baht 1 million, comprising 100,000 shares at Baht 10 each.

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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The Company holds 100% of the equity of these three subsidiaries, which were registered in December 2003.

6.7 According to the resolution of the Board of Directors' Meeting held on November 28, 2003, the Company resolved to increase its investment in Plus Property Partners Co., Ltd. from 60.48% to 100% by 31 December 2003. As at December 31, 2003, the Company held 95.26% of this subsidiary.

6.8 At the Board of Directors' Meeting held on March 25, 2003, a resolution was passed to sell 49,000 shares, being 49% of the investment of the said subsidiary to a company, at Baht 782 per share. As a result, the Company made a profit from the sale of investment of Baht 37.83 million.

6.9 At the Board of Directors' Meeting, held on March 25, 2003, a resolution was passed to sell all the investment held by the Company in a related company, totaling 156,250 shares in the amount of Baht 6.96 million, with the result that the Company had gain on sale of investment of Baht 5.40 million together with the disposal of the debt, being a loan to the related company, according to the investment proportion, amounting to Baht 8.44 million. The Company sold the said investment on April 1, 2003 and has been paid the interest on the said loan by the related company, amounting to Baht 1.70 million.

6.10 At the Ordinary Shareholders' Meeting, held on April 30, 2003 and the Extraordinary Shareholders' Meeting held on May 26, 2003 of Jainad Limited, it was resolved to change the company's name to "Sansiri Construction Co., Ltd.". The company registered the change in its name on May 28, 2003.

6.11 At the Shareholders' Meeting, held on April 30, 2003 and the Extraordinary Shareholders' Meeting held on May 26, 2003 of Sansiri Home Network Co., Ltd., it was resolved to change the company's name to "Sansiri Land Co., Ltd.". The company registered the change in its name on May 28, 2003.

6.12 The Company received dividends from an associated company in the amount of Baht 0.35 million in the second quarter of 2003.

6.13 At a Board of Directors' Meeting, held on September 4, 2003, a resolution was passed to sell all the investment held by the Company in a mutual fund totaling Baht 4.92 million. As a result, the Company made a profit from the sale of investment of Baht 0.16 million.

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at December 31, 2004 and 2003 consisted of :

	Consolidated		(Amounts : Million Baht) The Company	
	2004	2003	2004	2003
Cash and cash at banks	395.22	598.73	175.98	189.17
Short term investments-fixed deposits	5.15	0.32	3.51	3.19
<u>Less</u> Cash at banks and short term investments - committed cash at banks fixed deposit which is due over 3 months	<u>(58.34)</u>	<u>(48.01)</u>	<u>(41.81)</u>	<u>(41.34)</u>
Cash and cash equivalents	<u>342.03</u>	<u>551.04</u>	<u>137.68</u>	<u>151.02</u>

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
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8. INVESTMENTS IN SECURITIES - NET

Investments in securities - net as at December 31, 2004 and 2003 consisted of the said reduction in sale has no effect statement income.

(Amounts : Million Baht)				
	Consolidated and The Company			Fair value
	Securities	Unrealized gain on Securities	Allowances for diminution in value	
Trading Securities	0.33	-	-	0.33

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

	(Amounts : Million Baht)			
	Consolidated		The Company	
	2004	2003	2004	2003
Sales with signed agreements	15,092.33	9,964.96	8,986.20	6,813.87
Total project sales	26,716.78	23,489.25	18,870.72	17,463.53
The ratio of sales with signed agreements and total project sales	56.49%	42.42%	47.62%	39.02%

The Company

9.1 In the third quarter of the year 2004, the Company reduced the total expected value of project sales by Baht 774 million from the estimated value in the second quarter of the year 2004. (The said reduction in sale of which has no effect to statements of income).

Subsidiary

9.2 In the third quarter of the year 2004, Sansiri Land Co Ltd. reduced the size of a property development project from the original 241 plots of land to only 53 plots due to the problems arising from development including the acceptance of the land transfer by the Assets Management Company.

Unbilled completed work and unearned income.

	(Amounts : Million Baht)			
	Consolidated		The Company	
	2004	2003	2004	2003
Installments due	8,830.91	4,051.65	6,029.85	2,873.08
Less : cash received	<u>(8,812.51)</u>	<u>(4,049.19)</u>	<u>(6,017.50)</u>	<u>(2,872.35)</u>
Installment accounts receivable	<u>18.40</u>	<u>2.46</u>	<u>12.35</u>	<u>0.73</u>
Installments due	8,830.91	4,051.65	6,029.85	2,873.08
Less sales recognized to date	<u>(9,601.95)</u>	<u>(3,898.93)</u>	<u>(6,707.19)</u>	<u>(2,542.21)</u>
	<u>(771.04)</u>	<u>152.72</u>	<u>(677.34)</u>	<u>330.87</u>
The balance consisted of:				
Unbilled completed work	1,554.70	608.61	1,085.91	245.04
Unearned income	<u>(783.66)</u>	<u>(761.33)</u>	<u>(408.57)</u>	<u>(575.91)</u>
	<u>771.04</u>	<u>(152.72)</u>	<u>677.34</u>	<u>(330.87)</u>

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
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Accounts receivable, note receivables and unbilled completed work - net as at December 31, 2004 and 2003 consisted of:

	Consolidated		(Amounts : Million Baht) The Company	
	2004	2003	2004	2003
Unbilled completed work	1,554.70	609.15	1,085.91	245.04
Notes receivable	32.78	63.89	24.00	2.74
Service receivables	93.94	80.09	43.82	28.86
Installment accounts receivable	<u>18.40</u>	<u>2.46</u>	<u>12.35</u>	<u>0.73</u>
Total accounts and notes receivable and unbilled completed work	1,699.82	755.59	1,166.08	277.37
<u>Less</u> Allowance for doubtful accounts	<u>(10.72)</u>	<u>(5.96)</u>	<u>(19.98)</u>	<u>(19.98)</u>
Total accounts and notes receivable and unbilled completed work - net	<u>1,689.10</u>	<u>749.63</u>	<u>1,146.10</u>	<u>257.39</u>

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

	Consolidated		(Amounts : Million Baht) The Company	
	2004	2003	2004	2003
Unbilled completed receivables	1,554.70	609.15	1,085.91	245.04
Over 1 - 3 months	118.23	112.29	52.93	12.35
Over 3 - 6 months	10.83	6.10	5.45	0.08
Over 6 - 12 months	5.54	4.52	1.82	-
Over 12 months	10.52	23.53	19.97	19.90
<u>Less</u> Allowance for doubtful accounts	<u>(10.72)</u>	<u>(5.96)</u>	<u>(19.98)</u>	<u>(19.98)</u>
Net	<u>1,689.10</u>	<u>749.63</u>	<u>1,146.10</u>	<u>257.39</u>

If the receivable has been in default of payment for more than three months consecutively, the recognition of income will be ceased immediately and consideration given to setting up a provision for doubtful debt.

As at December 31, 2004, the Company has receivable in default of payment for more than three months and ceased the recognition of income in the amount of Baht 1.31 million.

10. INVENTORIES - HOTEL BUSINESS

Inventories - hotel business as at December 31, 2004 and 2003 consisted of :

	Consolidated		(Amounts : Million Baht) The Company	
	2004	2003	2004	2003
Food	1.40	3.87	0.03	0.03
Beverages	2.81	2.47	0.04	0.07
Supplies	2.23	2.27	0.07	0.13
Office supplies	0.67	0.80	-	-
Fuel	0.10	0.06	-	-
Tobacco and others	<u>0.21</u>	<u>0.13</u>	<u>-</u>	<u>-</u>
Total	<u>7.42</u>	<u>9.60</u>	<u>0.14</u>	<u>0.23</u>

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2004 and 2003

11. LOANS TO RELATED PARTIES - NET

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

	Consolidated		(Amounts : Million Baht) The Company	
	2004	2003	2004	2003
Subsidiary companies				
- Chanachai Limited	-	-	33.50	100.46
- Sansiri Construction Co., Ltd.	-	-	19.17	72.82
- Sansiri Land Co., Ltd.	-	-	242.38	131.98
- Sansiri Venture Co., Ltd.	-	-	9.18	130.82
- Richee Holding Alliance Co., Ltd.	-	-	86.92	233.42
- S.U.N. Management Co., Ltd.	-	-	-	9.18
- Siri Phuket Co., Ltd.	-	-	85.78	78.13
- Sansiri Ram - Indra Limited	-	-	48.00	7.00
- Plus Property Partners Co., Ltd.	-	-	20.00	300.00
- Ram - Indra Real Estate Ltd.	-	-	8.25	-
Related companies				
- Univenture Asset Management Co., Ltd.	13.57	-	-	-
- Prestige Gift and Premium Company Limited	8.97	-	-	-
- Regency One Co., Ltd.	<u>5.00</u>	<u>5.00</u>	<u>-</u>	<u>-</u>
Total	<u>27.54</u>	<u>5.00</u>	<u>553.18</u>	<u>1,063.81</u>
<u>Less</u> Allowance for doubtful accounts	<u>(5.00)</u>	<u>(5.00)</u>	<u>(166.69)</u>	<u>-</u>
Net	<u><u>22.54</u></u>	<u><u>-</u></u>	<u><u>386.49</u></u>	<u><u>1,063.81</u></u>

Changes in loans to related parties for the years ended December 31, 2004 and 2003 were as follows :

	Consolidated		(Amounts : Million Baht) The Company	
	2004	2003	2004	2003
Subsidiary companies				
Beginning balance	-	-	1,063.81	332.61
Increase during the year	-	-	1,476.08	1,170.07
Decrease during the year	<u>(-)</u>	<u>(-)</u>	<u>(1,986.71)</u>	<u>(438.87)</u>
Ending balance	<u>-</u>	<u>-</u>	<u>553.18</u>	<u>1,063.81</u>
Related companies				
Beginning balance	-	8.44	-	-
Increase during the year	22.54	-	-	-
Decrease during the year	<u>(-)</u>	<u>(8.44)</u>	<u>(-)</u>	<u>(-)</u>
Ending balance	<u>22.54</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>22.54</u></u>	<u><u>-</u></u>	<u><u>553.18</u></u>	<u><u>1,063.81</u></u>

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2004 and 2003

As at December 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	22.54	-	553.18	-
Over 1 - 3 months	-	0.18	-	0.58
Over 3 - 6 months	-	-	-	8.25
Over 6 -12 months	-	-	-	1.44
Over 12 months	5.00	-	-	2.38
Less Allowance for doubtful accounts	(5.00)	(-)	(166.69)	(-)
Net	<u>22.54</u>	<u>0.18</u>	<u>386.49</u>	<u>12.65</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	-	-	1,063.81	-
Over 1 - 3 months	-	-	-	1.98
Over 3 - 6 months	-	-	-	0.84
Over 6 -12 months	-	-	-	5.01
Over 12 months	5.00	-	-	0.80
Less Allowance for doubtful accounts	(5.00)	(-)	(-)	(-)
Net	<u>-</u>	<u>-</u>	<u>1,063.81</u>	<u>8.63</u>

As at December 31, 2004, the Company had loans to related parties amounting to principal of Baht 5.00 million and Baht 414.40 million in the consolidated and the Company's financial statements, respectively, on which the recognition of interest has ceased due to default of interest payment for 3 consecutive installments.

12. ASSETS UNDER CONSTRUCTION

The Company

12.1 The Company has undertaken the development of 3 real estate projects on a piece of land owned by an Asset Management Company (See notes 15.1, 15.2 and 15.3), the costs of which are mainly on construction, design and decoration, and direct project costs. As at December 31, 2004, income has been recognized in respect of some projects in the consolidated and the Company's financial statements.

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2004 and 2003

13. PROJECT DEVELOPMENT FOR SALE - NET

Land and cost of project development for sale as at December 31, 2004 and 2003 are as follows:

	Consolidated		(Amounts : Million Baht) The Company	
	2547	2546	2547	2546
Land	10,026.53	6,901.39	6,910.34	4,440.93
Interest expenses were capitalized to project cost	776.42	472.10	652.24	419.22
Construction and other costs	<u>9,663.21</u>	<u>4,987.67</u>	<u>7,667.70</u>	<u>4,118.22</u>
Total cost	20,466.16	12,361.16	15,230.28	8,978.37
Transfer to cost of sales from starting project to December 31	<u>(7,896.24)</u>	<u>(3,976.66)</u>	<u>(6,189.65)</u>	<u>(3,222.21)</u>
Outstanding balance	12,569.92	8,384.50	9,040.63	5,756.16
Allowance for devaluation	(69.42)	(4.57)	(4.57)	(4.57)
Eliminated transaction	<u>(43.30)</u>	<u>(44.87)</u>	-	-
Outstanding balance - net	<u>12,457.20</u>	<u>8,335.06</u>	<u>9,036.06</u>	<u>5,751.59</u>

The Company

The year 2004

13.1 The Company entered into agreement to sell land with a person in the amount of Baht 707.31 million, the official appraised value of which amounted to Baht 340.77 million.

13.2 The Company entered into agreement to sell land with a person in the amount of Baht 284.99 million, the official appraised value of which amounted to Baht 182.39 million.

13.3 The Company entered into an agreement to sell land with a company and persons in the amount of Baht 563.74 million, the official appraised value of which amounted to Baht 211.44 million.

13.4 The Company entered into agreements to sell land with persons in the amount of Baht 171.96 million, the official appraised value of which amounted to Baht 62.13 million.

13.5 The Company transferred cost of project development for sale to cost of project development for rent amounting to Baht 206.79 million.

13.6 The Company was registered of the mutual ownership of the land with the seller in the amount of Baht 253.50 million under the agreement dated December 27, 2004, the official appraised value of which amounted of Baht 46.88 million.

13.7 The Company transferred project development for sale to project development for rent amounting to Baht 77.61 million.

The year 2003

13.8 The Company entered into an agreement to buy and sell land with a person in the amount of Baht 188.14 million, the independently appraised value of which amounted to Baht 134.31 million.

13.9 The Company entered into an agreement to sell land with a company in the amount of Baht 486.42 million, the official appraised value of which amounted to Baht 457.88 million.

13.10 The Company entered into a land purchase / sale agreement with persons in the amount of Baht 25 million, the official appraised value of which amounted to Baht 5.22 million.

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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Subsidiaries

The year 2004

13.11 Chanachai Limited entered into an agreement to sell land and property with a person in the amount of Baht 26.36 million, the official appraised value of which amounted to Baht 10.24 million.

13.12 Chanachai Limited entered into an agreement to sell land and property with a company in the amount of Baht 10 million, the official appraised value of which amounted to Baht 2 million.

13.13 Sansiri Public Company Limited had received a report summarizing the result of the survey and appraised value of the land in Phuket belonging to Siri Phuket Co., Ltd. The land value of appraised by an independent appraiser amounted to Baht 261.14 million. The project development cost for the real estate for sale was Baht 326 million. The Subsidiary company set up loss asset devaluation of property development in the amount of Baht 64.86 million.

The year 2003

13.14 Sansiri Venture Limited entered into a land purchase / sale agreement with two persons in the amount of Baht 58.97 million, the official appraised value of which amounted to Baht 23.67 million.

14. ADVANCE PAYMENT FOR LAND

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

15. DEPOSIT FOR LAND AND CONDOMINIUM

As at December 31, 2004, deposits for land and condominium consisted of :

The Company

15.1 The Company entered into a joint venture agreement for the development and sale of property with an Asset Management Company, the owner of land and/or property, which required the Company to jointly develop the property for approximately Baht 66.90 million. The Company made advance payment of approximately Baht 17.19 million, the balance 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 stipulated in the agreement.

15.2 The Company entered into a joint venture agreement for the development and sale of property with an Asset Management Company, the owner of land and/or property, and which required the Company to jointly develop and dispose of property of approximately Baht 129.47 million. The Company made advance payment of approximately Baht 33.26 million, the balance 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.

In June, 2004, the Company requested for adjustment of the terms of the agreements described in Notes 15.1 and 15.2 above, the approval of which is under process, since the Company was not able to comply with the conditions of the said agreements.

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
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15.3 The Company entered into a purchase/sale agreement for the development and sale 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 will be paid, plus interest, by December 2006 in 4 semi-annual installments of not less than Baht 50.76 million each for the principal. 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.

As at December 30, 2004, the Company had entered into a purchase/sale contract (Additional Amendment No.1) with the Asset Management Financial Institute. The said contract has been in force since November 17, 2004 onwards. The remaining asset which was supposed to be sold amounted to Baht 203.06 million. The prospective buyer agreed to make complete final payment to the prospective seller, together with the identified interest rate and to be transferred the ownership right of all the said asset to be sold from the seller by December 2006. Prior to the due date of said payment, the prospective buyer has agreed to pay both the principal and interest by instalment to the seller according to the following terms and conditions:

The prospective buyer has agreed to pay the principal of Baht 203.06, by instalment, under the following terms and conditions:

Payment of principal in the amount of Baht 10 million by December 2004.

Payment of the outstanding amount, by 4 instalments of 6 months each, and each not less than Baht 48.26 million, the first installment to be paid within the last working day of June 2005 onwards, and the following instalments to be paid on the last working day of the month being due.

Payment of interest by instalment to the prospective seller together with payment of principal until the payment of principal to the prospective seller has been finalized under the following conditions of interest calculation made by the prospective seller:

From June 9, 2003 to June 8, 2004, interest to be calculated at 10% per annum.

From June 9, 2004 to December 31, 2005, interest to be calculated at Minimum Loan Rate or MLR of a commercial bank

From January 1, 2006 to December 31, 2006, interest to be calculated at 10.56% per annum

In case of the prospective buyer being in default of payment of both the principal and interest for any period and for whatever reason, and that the prospective seller has not terminated the contract, the prospective buyer agreed to pay interest at the rate of 15% per annum to be calculated as from the date of being in default until payment of principal and interest to the prospective seller, for the outstanding period of instalment has been finalized and completed.

15.4 The Company entered into a purchase/sale agreement of land with a company in the amount of approximately Baht 521.86 million. A deposit for the cost of land in the amount of approximately Baht 57.19 million was made, the balance will be paid on the date of ownership transfer by May 2004. As per the memorandum of agreement amending the purchase/sale agreement of land dated June 20, 2004, the Company has already postponed the registration date of ownership transfer of land from the former date, to be within June 15, 2005. On the date of issuing the memorandum of agreement, the Company made additional payment of land deposit in the amount of Baht 78.28 million, the remaining amount of Baht 386.39 million will be made on the ownership-transfer date. The Company was not able to make payment on the date specified in the agreement. During the period of postponement of the date of registration of ownership and transfer of land, the Company has agreed to pay compensation to the prospective seller at a monthly rate of Baht 2.01 million.

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
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The year 2003

15.5 On December 25, 2003, the Company entered into a purchase/sale agreement of land with a person, amounting to Baht 250 million, for which a cheque in the amount of Baht 50 million was issued as payment of a deposit, the balance will be paid on the date of ownership transfer by January 30, 2004, or in the case that the prospective seller was not able to proceed with the termination of the lease with a demand for the original lessee to leave the said land before the ownership transfer was due, both the contracting parties agreed to extend the period of the ownership transfer of the said land to February 29, 2004. If the due date of February 29, 2004 had passed, the prospective seller was not able to proceed with the termination of the lease and the demand for the original lessee to leave the said land, the contracting parties agreed to leave the extended period of the ownership transfer at the discretion of the prospective buyer, as necessary, for the said purpose, or to request the prospective seller to provide another comparable plot of land on which to construct the exit/entry roads for the project.

On July 20 2004, the Company issued a memorandum of agreement amending the purchase/sale agreement of land dated December 25, 2003, in which the prospective buyer/seller had agreed to increase the cost of the proposed purchase/sale of land by approximately Baht 3.50 million, making the total cost of the said land to Baht 253.50 million, and amending the payment conditions thereby canceling the original payment conditions, and requesting the prospective buyer to get back the cheque made payable for the said deposit of land. Under the said amended memorandum of agreement annexed to the purchase/sale agreement of land, the prospective buyer agreed to make the first payment for the said land to the prospective seller in the amount of Baht 35.50 million, on the date of the issue of the amended memorandum of agreement annexed to the purchase/sale agreement of land, the second payment of Baht 16 million on the date the original lessee proceeded with the legal registration of lease of new plot of land with the new lessee or on the date of ownership transfer of the said land whichever event happened earlier, the third payment of Baht 102 million on the transfer-of-ownership date, the balance amount on the handing over date of occupation of the said land free from all obligations under the original agreement and any obligations to the prospective buyer. The prospective seller agreed to transfer the land ownership to the prospective buyer, and/or to a person or any juristic person as a transferee depending on the prospective buyer's determination later, by the agreement to effect the ownership transfer on the same day on which the prospective seller proceeded with the registration terminating the original agreement, which the prospective seller agreed to finalize by July 20, 2005.

On July 20, 2004, the Company issued a memorandum of agreement in the amount of Baht 10 million with a company to lease a new plot of land with the original lessee. As at December 24, 2004, the Company had issued a memorandum of understanding in order to cancel the said land lease. On December 27, 2004, the seller had registered the transfer of the said land ownership to the Company.

As at January 31, 2005, the Company had made payment of the remaining amount in order to enable the seller to hand over the possession of the land to be purchased/sold, the building/construction on which will be demolished by the seller by February 28, 2005, (the date on which the handing over of the asset to be purchased/sold will be completed). The Company will not utilize its right until the handing-over date of the said asset has expired.

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Subsidiary

The year 2003

15.6 In 2003, a subsidiary company entered into an agreement with a local commercial bank to purchase condominium units from the bank for Baht 138.35 million, after which the transfer of ownership of nearly all the units of the condominium was made. The balance of deposit with the bank for the units not yet transferred amounted to Baht 0.10 million. Furthermore, in November 2003, the Company recorded an amendment to the said agreement under which additional units in the condominium were purchased for an additional amount of Baht 61 million. The said subsidiary company has paid the deposit of Baht 6.10 million. As at December 31, 2004, all ownership of the units of the condominium were transferred.

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Notes to Financial Statements (Continued)
December 31, 2004 and 2003

16. COST OF PROPERTY DEVELOPMENT FOR RENT - NET

Cost of property development for rent - net as at December 31, 2004 and 2003 are as follows:

						(Unit : Million Baht)	
	<u>Total cost</u>	Transfer to cost of sales from starting project to <u>December 31</u>	<u>Net</u>	<u>Allowance for devaluation</u>	<u>Eliminated Transaction</u>	<u>Consolidated outstanding balance - net</u>	<u>The Company outstanding balance-net</u>
The year 2004							
Land and project development for rent	1,246.91	(244.63)	1,002.28	-	(2.41)	999.87	373.16
The year 2003							
Land and project development for rent	812.44	(211.51)	600.93	-	-	600.93	110.11

At the Board of Directors' Meeting held on September 26, 2003, a resolution was passed to sell land with property, furnishing and equipment in a building, which is a rental project of the Company, in the amount of Baht 250 million. The Company has entered into a purchase/ sale agreement of land with property with a company at the said price and the payment was made by cash in the amount of Baht 115 million and by promissory notes guaranteed by the company's shares without interest of Baht135 million due within November 14, 2003. The Company made a profit of Baht 153.80 million. Later, the Company has received payment from the said promissory notes.

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2004 and 2003

17. LAND, LEASEHOLD BUILDING AND EQUIPMENT - NET

Land, leasehold building and equipment - net as at December 31, 2004 and 2003 are as follows:

(Amounts in Million Baht)

	Consolidated													
	Cost				Accumulated Depreciation and Amortization				Allowance for devaluation				Book value	
	At beginning of year	Purchase /Transfer	Disposal /Transfer	At end of year	At beginning of year	Purchase /Transfer	Disposal /Transfer	At end of year	At beginning of year	Addition	Reversal	At end of year	At beginning of year	At end of year
Leasehold	548.57	-	-	548.57	170.24	17.07	-	187.31	(29.99)	-	29.99	-	348.34	361.26
Land														
- Historical cost	395.80	0.26	(59.06)	337.00	-	-	-	-	(3.09)	(22.63)	-	(25.72)	392.71	311.28
- Surplus	52.83	-	-	52.83	-	-	-	-	-	-	-	-	52.83	52.83
- Deficit	-	-	(29.35)	(29.35)	-	-	-	-	-	-	-	-	-)29.35(
Building														
- Historical cost	1,442.07	1.67	-	1,443.74	136.36	36.16	-	172.52	-	(7.55)	-	(7.55)	1,305.71	1,263.67
- Surplus	98.25	4.94	-	103.19	4.15	2.52	-	6.67	-	-	-	-	94.10	96.52
Construction and improvement	2.51	-	(2.51)	-	1.78	-	(1.78)	-	-	-	-	-	0.73	-
Improvement and fixtures - hotel														
- Historical cost	178.91	2.06	-	180.97	14.14	8.91	-	23.05	-	-	-	-	164.77	157.92
- Surplus	73.41	0.80	-	74.21	5.81	3.66	-	9.47	-	-	-	-	67.60	64.74
Fixtures and equipment	127.57	72.79	(9.12)	191.24	60.90	29.72	(5.24)	85.38	-	-	-	-	66.67	105.86
Fixtures - hotel	86.67	9.06	-	95.73	15.88	9.86	-	25.74	-	-	-	-	70.79	69.99
Furniture, fixtures and equipment - hotel	16.77	-	-	16.77	4.88	2.93	-	7.81	-	-	-	-	11.89	8.96
Vehicles	38.05	8.16	(1.91)	44.30	17.55	8.39)1.77(24.17	-	-	-	-	20.50	20.13
Temporary office	2.34	78.84	(20.87)	60.31	2.34	24.11)3.73(22.72	-	-	-	-	-	37.59
Construction in progress	-	30.24	(21.44)	8.80	-	-	-	-	-	-	-	-	-	8.80
Total	<u>3,063.75</u>	<u>208.82</u>	<u>(144.26)</u>	<u>3,128.31</u>	<u>434.03</u>	<u>143.33</u>	<u>(12.52)</u>	<u>564.84</u>	<u>(33.08)</u>	<u>(30.18)</u>	<u>29.99</u>	<u>(33.27)</u>	<u>2,596.64</u>	<u>2,530.20</u>

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2004 and 2003

(Amounts in Million Baht)

	The Company													
	Cost				Accumulated Depreciation and Amortization				Allowance for devaluation				Book value	
	At beginning of year	Purchase /Transfer	Disposal /Transfer	At end of year	At beginning of year	Purchase /Transfer	Disposal /Transfer	At end of year	At beginning of year	Addition	Reversal	At end of year	At beginning of year	At end of year
Leasehold	548.57	-	-	548.57	170.24	17.07	-	187.31	(29.99)	-	29.99	-	348.34	361.26
Land	28.07	-	-	28.07	-	-	-	-	-	(22.63)	-	(22.63)	28.07	5.44
Building	9.31	1.67	-	10.98	1.40	1.38	-	2.78	-	(7.55)	-	(7.55)	7.91	0.65
Construction and improvement	2.51	-	(2.51)	-	1.78	-	(1.78)	-	-	-	-	-	0.73	-
Fixtures and equipment	90.23	48.42	(1.54)	137.11	43.72	20.37	(1.54)	62.55	-	-	-	-	46.51	74.56
Vehicles	37.17	8.16	(1.91)	43.42	17.26	8.22	(1.77)	23.71	-	-	-	-	19.91	19.71
Temporary office	-	43.67	(10.70)	32.97	-	13.87	(1.18)	12.69	-	-	-	-	-	20.28
Construction in progress	-	26.56	(21.44)	5.12	-	-	-	-	-	-	-	-	-	5.12
Total	<u>715.86</u>	<u>128.48</u>	<u>(38.10)</u>	<u>806.24</u>	<u>234.40</u>	<u>60.91</u>	<u>(6.27)</u>	<u>289.04</u>	<u>(29.99)</u>	<u>(30.18)</u>	<u>29.99</u>	<u>(30.18)</u>	<u>451.47</u>	<u>487.02</u>

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2004 and 2003

17.1 Revaluation of fixed assets in subsidiary - hotel by independent appraiser in 2002. In June 2002, Richee Holding Alliance Co., Ltd. hired an independent appraiser, Thai Property Appraisal Vigers (Thailand) Co., Ltd., to appraise land, hotel building and hotel renovation, based on the appraisal report dated June 28, 2002. The independent appraiser revalued such assets by their categories, which were land, hotel building and hotel renovation, on June 26, 2002. The revaluation basis is summarized as follows:

- Land has been appraised at Baht 352.20 million.
- Hotel buildings and hotel renovation have been appraised at Baht 1,677.00 million.

The aforementioned appraised values are based on their existing use, by the cost method. The appraiser applied the comparative market price for land and replacement cost less accumulated depreciation for hotel building and hotel renovation.

17.2 Revaluation of fixed asset in subsidiary-hotel by independent appraiser in 2004. In July 2004, Richee Holding Alliance Co., Ltd. hired an independent appraiser, Independent appraiser Thopthavi Appraisal & Service Company Limited to appraise land, hotel building and hotel renovation, based on the appraisal report dated July 27, 2004. The independent appraiser revalued such assets by their categories, which were land, hotel building and hotel renovation, on June July 23, 2004. The revaluation basis is summarized as follows:

- Land has been appraised at Baht 322.85 million.
- Hotel buildings and hotel renovation have been appraised at Baht 1,597.84 million.

As a result, the land value was decreased by Baht 29.35 million, the building and construction were increased by Baht 5 million.

The said assessment value has been made based on the nature of the use of benefit according to the cost method by calculating the compensation cost of the building, less depreciation value by the straight line method, with the working life of the building of 50 years. The depreciation value of the building of 2% per annum, the result of which will be circumstantial value, and included in the land value which was derived from the Weighted Quality Score (WQS) and other land components.

17.3 Depreciation and amortization for the year 2004 were Baht 143.32 million and Baht 60.90 million in the consolidated and in the Company's financial statements, respectively.

Depreciation and amortization for the year 2003 were Baht 86.22 million and Baht 34.38 million in the consolidated and in the Company's financial statements, respectively.

17.4 As at December 31, 2004 equipment at cost of Baht 43.57 million and Baht 35.30 million in the consolidated and in the Company's financial statements, respectively are fully depreciated but still in use.

As at December 31, 2003 equipment at cost of Baht 26.37 million and Baht 21.34 million in the consolidated and in the Company's financial statements, respectively are fully depreciated but still in use.

17.5 Lease agreement is for 30 years, starting from June 1, 1994 to May 31, 2024. (See note 28.2)

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2004 and 2003

18. BILLS OF EXCHANGE AND PROMISSARY NOTES - FINANCIAL INSTITUTIONS

	Consolidated		(Amounts : Million Baht) The Company	
	2004	2003	2004	2003
Promissory note - bank	354.00	1,407.40	50.00	1,210.00
Bill of exchange - Securities Company Limited and Asset Management Co., Ltd	960.00	1,655.00	910.00	1,560.00
Total	<u>1,314.00</u>	<u>3,062.40</u>	<u>960.00</u>	<u>2,770.00</u>

The bills of exchange and promissory notes were charged interest in advance at the rate of 1.55-5.29% per annum

19. LOANS FROM RELATED PARTIES

Loans from related parties as at December 31, consisted of:

	Consolidated		(Amounts : Million Baht) The Company	
	2004	2003	2004	2003
Promissory notes at call				
Parent company				
Natural Park Public Company Limited	82.42	75.06	-	-
Subsidiary company				
S.U.N. Management Co., Ltd.	-	-	36.21	-
Related companies				
Univentures Public Company Limited	19.82	131.01	-	-
Prestige Gift and Premium Company Limited	-	3.51	-	-
Total	<u>102.24</u>	<u>209.58</u>	<u>36.21</u>	<u>-</u>

	Consolidated		(Amounts : Million Baht) The Company	
	2004	2003	2004	2003
Loans from related parties				
Beginning balance	209.58	61.20	-	-
Addition during the year	90.34	274.75	36.21	-
Deduction during the year	(197.68)	(126.37)	-	-
Ending balance	<u>102.24</u>	<u>209.58</u>	<u>36.21</u>	<u>-</u>

Interest is charged at 4.25-15% per annum without security guarantee.

20. DEBENTURES

According to the minutes of the Ordinary Shareholders' Meeting held on April 22, 2004 and the minutes of the Board of Directors' Meeting held on March 19, 2004, a resolution was 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. As at December 31, 2004, debentures have not been issued.

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2004 and 2003

21. GAIN ON SETTLEMENT OF DEBTS

Subsidiary

In 2000, a subsidiary company entered into a debt restructuring agreement and a memorandum on the amendment to the first debt restructuring with a commercial bank. Later the subsidiary transferred assets to the bank under the agreement in partial settlement of its debt, leaving a remaining debt balance of Baht 122.98 million.

On April 17, 2003 the Company settled all the debt on behalf of the subsidiary company, by the repayment of principal of Baht 122.98 million and interest of Baht 2.02 million. As a result, a gain from debt restructuring was realized in the amount of Baht 115.71 million in the consolidated financial statements.

22. LONG-TERM LIABILITIES

Long-term liabilities as at December 31 consisted of:

	Consolidated		(Amounts : Million Baht) The Company	
	2004	2003	2004	2003
Loans from banks and finance companies with security guarantee	7,723.10	4,154.32	4,870.69	2,498.02
Long-term lease payables	4.13	3.43	4.13	3.43
<u>Less</u> current portion of long-term debts	<u>(1,783.45)</u>	<u>(541.50)</u>	<u>(1,287.78)</u>	<u>(209.99)</u>
Net	<u>5,943.78</u>	<u>3,616.25</u>	<u>3,587.04</u>	<u>2,291.46</u>

	Million Baht	
	Consolidated	The Company
Loans from banks and finance companies with security guarantee		
Beginning balance	4,154.32	2,498.02
Addition during the year	5,981.27	4,271.47
Repaid during the year	<u>(2,412.49)</u>	<u>(1,898.80)</u>
Ending balance	<u>7,723.10</u>	<u>4,870.69</u>

The Company

Long-term liabilities as at December 31, 2004 and 2003 are payable:

	Consolidated		The Company	
	2004	2003	2004	2003
- Current portion of long-term loan	1,783.45	541.50	1,287.78	209.99
- Loans due within 2 - 5 years	4,972.75	3,612.82	3,582.91	2,288.03
- Loans due more than 5 years	<u>966.90</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>7,723.10</u>	<u>4,154.32</u>	<u>4,870.69</u>	<u>2,498.02</u>

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2004 and 2003

22.1 As at December 31, 2004 long-term credit facility agreements amounted to Baht 17,607.90 million and Baht 12,549.52 million, and the undrawdown amount were Baht 8,180.05 million and Baht 6,010.95 million, in the consolidated and the Company's financial statements, respectively.

22.2 As at December 31, 2003 long-term credit facility agreements amounted to Baht 8,585.18 million and Baht 5,782.12 million, and the undrawdown amount were Baht 3,955.33 million and Baht 2,885.67 million, in the consolidated and the Company's financial statements, respectively.

Subsidiaries

22.3 A subsidiary obtained a loan facility under loan agreement dated May 30, 2001 and 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 due date principal and interest are to be paid off by September 30, 2012.

The loans are for project development.

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

23. SHARE CAPITAL

	Par value (Baht)	2004		2003	
		No. of Shares '000	Baht '000	No. of Shares '000	Baht '000
Authorised					
At January 1					
Ordinary shares	10.00	-	-	1,102,178	11,021,783
Ordinary shares	8.55	902,178	7,713,624	-	-
Reduction in par value:					
from Baht 10.00 to Baht 8.55		-	-	-	(1,598,159)
from Baht 8.55 to Baht 5.00		-	(3,202,733)	-	-
Reduction in share capital		-	-	(200,000)	(1,710,000)
Issue of new shares	5.00	648,778	3,243,887	-	-
At December 31					
Ordinary shares	8.55	-	-	902,178	7,713,624
Ordinary shares	5.00	1,550,956	7,754,778	-	-

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2004 and 2003

		2004		2003	
	Par value (Baht)	No. of Shares '000	Baht '000	No. of Shares '000	Baht '000
Issued and fully paid					
At January 1					
Ordinary shares	10.00	-	-	867,032	8,670,317
Ordinary shares	8.55	883,828	7,556,727	-	-
Reduction in par value					
from Baht 10.00 to Baht 8.55		-	-	-	(1,257,196)
from Baht 8.55 to Baht 5.00		-	(3,137,588)	-	-
Issue of shares					
issues on exercise of warrants	8.55	-	-	16,796	143,606
	5.00	583	2,912	-	-
Ordinary shares	5.00	589,218	2,946,092	-	-
At December 31					
Ordinary shares	8.55	-	-	883,828	7,556,727
Ordinary shares	5.00	1,473,629	7,368,143	-	-

23.1 At the Extraordinary Shareholders' Meeting on November 17, 2003 and Directors' Meeting on October 10, 2003, it was resolved to:

1) Decrease the Company's authorized share capital from Baht 7,713,624,276.90 to Baht 4,510,891,390 by decreasing the share par value from Baht 8.55 per share to Baht 5 per share the resultant decrease of Baht 3,137,588,374.05 in the Company's issued and paid up capital to write off the discount on the value of the shares as recorded in the financial statements of the Company. There will be no refund of the decreased issued and paid up capital to the shareholders as a result of this capital reduction. The Company registered the decrease in share capital on January 27, 2004.

2) Increase the authorized share capital from Baht 4,510,891,390 to Baht 7,754,778,150 by issuing 648,777,352 new ordinary shares of Baht 5 par value after the Company has completed the registration of the decrease of the authorized capital by reducing the registered but un-issued shares and the decrease of the authorised and issued and paid up capital by reducing the par value of each share as required by law as at January 27, 2004. The Company has registered the increase in share capital and allocated as follows:

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
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- Allocate 589,218,474 additional ordinary shares, at the price of Baht 5 per share, to the Company's existing shareholders in proportion to their shareholding entitlements. The subscription ratio is 3 existing shares to 2 newly issued ordinary shares. In case there are any shares remaining unsubscribed by the existing shareholders in proportion to their shareholding entitlement, the remaining shares will be allotted and offered to the directors and/or employees of the Company and its subsidiaries at Baht 5 per share, the same price as offered to the existing shareholders. The number of shares to be offered to each director and/or employee of the Company shall not exceed 1,000,000 shares per person. In the event that there are still unsubscribed shares left over after the allotment, the Board of Directors shall be authorised to allot and offer such left over shares, in whole or in part, and from time to time to specific investors, not more than 35 persons within 12 months and/or institutional investors or specific investors categorized under the Notification of the Securities and Exchange Commission (SEC), price at not less than 80% of the market price of the company share. The market price is calculated based on the weighted average market price, or average closing price of the share as traded in SET for not more than 30 trading days prior to the Board of the Directors' resolution to allot and offer such shares at the time.
- Allocate 6,738,878 additional ordinary shares as additional reserved shares for the adjustment of the exercise rights of the warrants issued under the plan to privately issue and offer of warrants to purchase the newly issued ordinary shares in the Company to the directors and employees of the Company and its subsidiaries # 2, #3 and #4 (ESOP plans)
- 52,820,000 new ordinary shares, at the price of Baht 5 per share as reserved shares for the exercise of warrants issued under the plan to issue and offer warrants to purchase ordinary shares in the Company to the directors and employees of the Company and its subsidiaries # 5

23.2 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

The year 2003

23.3 On May 18, 2004, the Company registered to increase the Company's share capital from Baht 7,365,230,925 to Baht 7,368,143,460 by issuing 582,507 new common shares of Baht 5 par value by resolution passed at the Extraordinary Shareholders' Meeting on November 17, 2003.

23.4 On February 14, 2003, the Company registered to decrease the Company's share capital from Baht 11,021,782,780 to Baht 9,423,624,276.90 by decreasing the share value from Baht 10 per share to Baht 8.55 per share.

23.5 At the Extraordinary Shareholders' Meeting on November 17, 2003 and Director Meeting on October 10, 2003, it was resolved to decrease the share capital from Baht 9,423,624,276.90 to Baht 7,713,624,276.90 by reducing the unissued ordinary shares in the amount of 200,000,000 shares. The Company still has unissued ordinary shares to reserve for the warrants which had already been issued in the amount of 18,350,567 shares. The Company registered the decreased paid up share capital on November 25, 2003 with the Ministry of Commerce. In addition, the Extraordinary Shareholders' Meeting resolved to:

- 1) Decrease the Company's share capital from Baht 7,713,624,276.90 to Baht 4,510,891,390 by decreasing the share par value from Baht 8.55 per share to Baht 5 per share so as to use such amount of Baht 3,137,588,374.05 to write off the discount of the shares value the Company had earlier offered for subscription to the ordinary shares with the discount as recorded in the financial statements of the Company. There will be no refund of the decreased paid up capital to the shareholders as a result of this capital reduction. The Company registered the increased paid up share capital on January 27, 2004.

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
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2) Increase the authorized share capital from Baht 4,510,891,390 to Baht 7,754,778,150 by issuing 648,777,352 new common shares of Baht 5 par value after the Company has completed the registration of the decrease of the registered capital by reducing the registered but un-issued shares and the decrease of the registered and paid up capital by reducing the par value of each share as required by law. As at January 27, 2004, the Company has registered the increased paid up share capital. The increased share capital was allocated as follows:

- 589,218,474 new ordinary shares, at the price of Baht 5 per share, to the Company's existing shareholders in proportion to their shareholding entitlements. The subscription ratio is 3 existing shares to 2 newly issued ordinary shares. In case there are any shares remaining unsubscribed by the existing shareholders in proportion to their shareholding entitlement, the remaining shares will be allotted and offered to the directors and/or employees of the Company and its subsidiaries, priced at Baht 5 per share, the same price as offered to the existing shareholders. The number of shares to be offered to each director and/or employee of the Company shall not exceed 1,000,000 shares per person. In the event that there are still unsubscribed shares left over after the allotment, the Board of Directors shall be authorized to allot and offer such left over shares, in whole or in parts, and from time to time to specific investors, not more than 35 persons, within 12 months and/or institutional investors or specific investors categorized under the Notification of the Securities and Exchange Commission (SEC), priced at not less than 80% of the market price of the share. The market price is calculated based on the weighted average market price, or average closing price of the share as traded in SET for not more than 30 trading days prior to the Board of the Directors' resolution to allot and offer such shares at the time.

- 6,738,878 new ordinary shares as the additional reserved shares for the adjustment of the exercising right of the warrants issued under the plan to privately issue and offer of the warrants to purchase the newly issued ordinary shares in the Company to the directors and employees of the Company and its subsidiaries # 2, #3 and #4 (ESOP plans).

- 52,820,000 new ordinary shares, at the price of Baht 5 per share as the reserved shares for the exercising of the warrants issued under the plan to issue and offer the ordinary share purchase warrants to the directors and employees of the Company and its subsidiaries # 5.

23.6 The Company has issued shares upon exercise of warrants by the Company's and subsidiary companies directors and staff as follows:

	Warrants exercised (Units)	Common shares issued (shares)	Cash receipt from exercise (Baht)	Registration date of increase of share capital
During 2003	110,000	110,000	550,000	April 11, 2003
	40,000	40,000	200,000	May 13, 2003
	28,000	28,000	140,000	June 10, 2003
	39,000	39,000	195,000	July 8, 2003
	2,016,400	2,016,400	10,082,000	August 5, 2003
	1,910,700	1,910,700	11,464,200	August 5, 2003
	2,051,200	2,051,200	10,256,000	September 4, 2003
	4,659,833	4,659,833	27,958,998	September 4, 2003
	498,000	498,000	2,490,000	October 6, 2003
	<u>5,442,900</u>	<u>5,442,900</u>	<u>32,657,400</u>	October 6, 2003
	<u>16,796,033</u>	<u>16,796,033</u>	<u>95,993,598</u>	
During 2004	<u>582,507</u>	<u>582,507</u>	<u>2,912,535</u>	May 18, 2004

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
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The balances of unexercised warrants are as follows:

	Units			Warrants unexercised at December 31	Exercise price (Baht/share)	Expiry date
	Warrants unexercised at January 1	Warrants exercised During the year	Warrants expired During the year			
Year 2003	35,146,600	16,796,033	-	18,350,567	5 and 6	2004 - 2008
Year 2004	18,350,567	582,507	391,106	17,768,060	5	2006 - 2008

24. ASSETS PLEDGED AS COLLATERAL

24.1 As at December 31, 2004 and 2003, the major portion of land and leasehold including the building of the Company project and leasehold of buildings had been pledged as collateral against loans from financial institutions.

24.2 As at December 31, 2004 and 2003, the shares of Richee Holding Alliance Co., Ltd. held by the Company had been pledged as collateral against a loan from a bank.

24.3 As at December 31, 2004, cash at bank and fixed deposit with collateral commitment of approximately Baht 58.34 million and Baht 41.81 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. (See note 5.2)

As at December 31, 2003, cash at bank and fixed deposit with collateral commitment of approximately Baht 48.01 million and Baht 41.34 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. (See note 5.2)

24.4 As at December 31, 2004, the promissory note of a subsidiary company amounting to Baht 1.10 million approximately, was pledged as collateral against debts and/ or commitments, and letter of guarantees issued by banks.

24.5 As at December 31, 2004 and 2003, a subsidiary's Hotel's plot of land including the existing structures (balance per book totaled Baht 1,992.82 million and Baht 2,048.72 million) 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 note were guaranteed by the Company in the amount of Baht 200 million.

24.6 As at December 31, 2004 and 2003 the major portion of land and building of subsidiary companies' projects had been pledged as collateral for a loan from banks and financial institutions.

As at December 31, 2004 and 2003, the land of a subsidiary company, Sansiri Land Limited, held under mutual ownership had been pledged as collateral for a loan of the Company.

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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25. COMMITMENTS AND CONTINGENT LIABILITIES

The Company

25.1 On June 17, 2004, the Company entered into agreements with local commercial banks to guarantee the loan of Sansiri Ram-Indra Limited and Ram-Indra Real Estate Limited and Clubhouse Property Limited and Chanachai Limited for credit facility amounted to Baht 1,700 million.

25.2 As at December 31, 2004, the Company had commitments resulting from project construction agreements, decoration agreements, advisory service agreement and system development agreement of Baht 2,772.75 million, USD 0.84 million and Singapore dollars 0.03 million in the consolidated financial statements and Baht 1,458.96 million and Singapore dollars 0.03 million in the Company's financial statements and from letters of guarantee issued by banks of Baht 9.14 million and Baht 8.23 million in the consolidated financial statements and the Company's financial statements, respectively.

25.3 As at December 31, 2003, the Company had commitments resulting from project construction agreements, decoration agreements, advisory service agreement and developing system agreement of Baht 4,322.74 million, USD 0.84 million and Singapore dollars 0.15 million in the consolidated financial statements and Baht 3,306.55 million and Singapore dollars 0.15 million in the Company's financial statements and from letters of guarantee issued by banks of Baht 59 million and Baht 37.61 million in the consolidated financial statements and the Company's financial statements, respectively.

25.4 As at December 31, 2004, the Company recognized provisions for contingent liabilities on law suits 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.

25.5 As at December 31, 2003, the Company recognized provision for contingent liabilities on law suits in the financial statements in the amount of Baht 9.10 million and Baht 0.48 million in the consolidated and the Company's financial statements, respectively.

Subsidiary

25.6 In the first quarter of the year 2004, the bank deposit of Sansiri Construction Company Limited was 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.

26. 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.

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2004 and 2003

27. DIVIDENDS

The Company

According to the Board of Directors' Meeting held on March 1, 2004, a resolution was passed approving an interim 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.

Subsidiary

According to the minutes of the Ordinary Shareholders' Meeting held on April 29, 2004, a subsidiary company, Sansiri Venture Company Limited, 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.

28. LONG-TERM LEASE AGREEMENTS

The Company

28.1 On December 20, 1999 the Company entered into a lease contract for land for 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 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.

28.2 The Company entered into a rental agreement with a related company for office accommodation and for rent for a period of 30 years 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

28.3 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 paid total rental amount of approximately Baht 117.70 million.

28.4 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.
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.

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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- 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.

In July 2004, a subsidiary company had already paid the said remaining part of the rent.

As at April 28, 2004, the company had been handed over the buildings and construction for rent from the Crown Property Office.

As at May 28, 2004, the company had entered into an agreement with the Crown Property office renting part of their land for a period of 30 years from April 28, 2004 to April 27, 2034.

28.5 A subsidiary entered into a building lease and service agreement for 3 years, which will expire in 2006. The monthly rental and service fee is Baht 646,790 and the said subsidiary also had a car leasing commitment, which has no expiry date until both parties agreed to cancel the said agreement by written. The monthly rental is Baht 64,800.

28.6 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 December 31, 2004 and 2003, the subsidiary company still has an outstanding payment covering the additional remuneration as per agreement for the said company, of Baht 3.08 million and Baht 1.71 million, respectively.

29. EMPLOYEE INFORMATION

	Consolidated		The Company	
	2004	2003	2004	2003
Number of employees (person)	1,694	1,432	265	178
Employee benefit expenses (Million Baht)	477.61	337.65	126.95	83.24

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2004 and 2003

30. SEGMENTAL INFORMATION

Segmental information for the year ended December 31, 2004

	(Amounts : Million Baht)					
	<u>Real estate</u>	<u>Management</u> <u>Decoration building</u> <u>and representative</u>	<u>Hotel</u>	<u>Total</u>	<u>Eliminated</u>	<u>Total</u>
Revenue						
Revenue from project sales	5,840.22	-	-	5,840.22	(149.39)	5,690.83
Revenue from project for rent	108.98	-	-	108.98	-	108.98
Revenue from other business management	11.56	288.45	-	300.01	(97.09)	202.92
Revenue - room	-	-	381.84	381.84	(0.12)	381.72
Revenue - food and beverage	-	-	150.02	150.02	(0.46)	149.56
Revenue from leasehold right written off	<u>34.91</u>	<u>-</u>	<u>-</u>	<u>34.91</u>	<u>-</u>	<u>34.91</u>
Total	5,995.67	288.45	531.86	6,815.98	(247.06)	6,568.92
Expenses						
Cost of project sales	4,189.06	-	-	4,189.06	(181.32)	4,007.74
Cost of project for rent	66.01	-	-	66.01	(0.10)	65.91
Cost of other business management	6.34	153.58	-	159.92	-	159.92
Cost - room	-	-	187.61	187.61	-	187.61
Cost - food and beverage	-	-	142.84	142.84	-	142.84
Leasehold and development costs written off	<u>24.80</u>	<u>-</u>	<u>-</u>	<u>24.80</u>	<u>-</u>	<u>24.80</u>
Total	<u>4,286.21</u>	<u>153.58</u>	<u>330.45</u>	<u>4,770.24</u>	<u>(181.42)</u>	<u>4,588.82</u>
Gross profit	<u>1,709.46</u>	<u>134.87</u>	<u>201.41</u>	<u>2,045.74</u>	<u>(65.64)</u>	<u>1,980.10</u>
Fixed assets	509.57	31.06	1,987.68	2,528.31	1.89	2,530.20

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2004 and 2003

Segmental information for the year ended December 31, 2003

	(Amounts : Million Baht)					
	<u>Real estate</u>	<u>Management</u> <u>Decoration building</u> <u>and representative</u>	<u>Hotel</u>	<u>Total</u>	<u>Eliminated</u>	<u>Total</u>
Revenue						
Revenue from project sales	4,108.69	-	-	4,108.69	(1,250.29)	2,858.40
Revenue from project for rent	127.57	-	-	127.57	(1.01)	126.56
Revenue from other business management	18.95	258.62	40.24	317.81	(97.40)	220.41
Revenue - room	-	-	231.09	231.09	(0.10)	230.99
Revenue - food and beverage	-	-	112.05	112.05	(0.23)	111.82
Revenue from leasehold right written off	<u>31.92</u>	<u>-</u>	<u>-</u>	<u>31.92</u>	<u>-</u>	<u>31.92</u>
Total	4,287.13	258.62	383.38	4,929.13	(1,349.03)	3,580.10
Expenses						
Cost of project sales	3,111.48	-	-	3,111.48	(1,265.82)	1,845.66
Cost of project for rent	73.19	-	-	73.19	(2.73)	70.46
Cost of other business management	14.64	165.33	25.99	205.96	(8.33)	197.63
Cost - room	-	-	123.10	123.10	-	123.10
Cost - food and beverage	-	-	111.50	111.50	-	111.50
Leasehold and development costs written off	<u>20.45</u>	<u>-</u>	<u>-</u>	<u>20.45</u>	<u>-</u>	<u>20.45</u>
Total	<u>3,219.76</u>	<u>165.33</u>	<u>260.59</u>	<u>3,645.68</u>	<u>(1,276.88)</u>	<u>2,368.80</u>
Gross profit	<u>1,067.37</u>	<u>93.29</u>	<u>122.79</u>	<u>1,283.45</u>	<u>(72.15)</u>	<u>1,211.30</u>
Fixed assets	522.34	19.47	2,060.61	2,602.42	(5.78)	2,596.64

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2004 and 2003

31. RECLASSIFICATION OF ACCOUNTS

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

32. OTHERS

The Company

32.1 According to the minutes of the Board of Directors' Meeting held on October 10, 2003, a resolution was passed to sell 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 sell the assets without any encumbrances to the fund. The said subsidiary will rent the hotel and all the said property from the Fund for a company to manage as before. The rate of rental will provide an appropriate rate of return to investment unit holders. The subsidiary and/or the Company may invest in the said mutual fund by subscribing not more than one third of the total units issued and sold, at the same unit price as offered to other investors. The Board of Directors' Meeting no. 12/2003 held on November 14, 2003, the progress of the establishment of the property fund was reported. It was stated 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 under discussion. As at December 31, 2004, no progress has been made on the above matter.

32.2 The Company is planning to transfer the land and building intended to be used as a club house, and the roads, for 3 projects of the Company, to the respective juristic housing managements without charge. The Company will proceed with the transfers to the juristic housing managements when they have been formed.

33. FINANCIAL INSTRUMENTS

As at December 31, 2004 and 2003, the Company and subsidiaries have no policy to use any kinds of derivative financial instrument for speculation or commercial purposes.

Accounting Policies

Details of significant accounting policies, method adopted, including the basis on which income and expenses are recognized, in respect of each class of financial assets or financial liabilities are disclosed in Note 4.

Credit Risk

The Company and its subsidiaries have determined a risk management policy to analyzes the customers' and counter parties' financial status, and also define the rules for credit approval and debt collection. Deposits are normally requested from customers in advance. The Company and subsidiaries set up an allowance for doubtful accounts in respect of debts which are expected to be uncollectable.

The Company believes that the maximum value of risk equals the carrying amount of debts net of provision for doubtful debts as presented in the balance sheet.

Interest Rate Risk

Financial assets of the Company have interest at both fixed and floating rates.

SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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Financial liabilities comprise principally loans for use in the operations and project development, which mostly are at floating interest rates based on market rates, such as premium client interest rate of commercial local bank.

The Company does not use any financial instruments to reduce the uncertainty of future cash flows that may result from changes of interest rates.

Liquidity Risk

Most of the Company's financial assets consist of cash and cash at banks, short-term investment - fixed deposit, note receivable - financial institutions and loans to related parties. The ability of fund mobilization to timely and adequately accommodate commitments under the financial instruments depends on the debt repayment capacity of project receivables, accounts receivable - services and related parties receivables.

Fair Value of Financial Instruments

The Company uses the following methods and assumptions for estimating fair value of financial instruments as follows:

Cash on hand and at banks, Short-term Investments - fixed deposits, Note receivable - financial institutions and loan to related parties: The book values are similar to the fair value since these financial instruments are held on a short term basis.

Accounts and notes receivable and unbilled completed work: The book values net of provision for doubtful debts are close to the fair value since these financial instruments will be due and settled within a short period.

Investments in subsidiaries - Investments in subsidiaries have no market value. The fair value can be reasonably calculated from the net assets of the subsidiary companies that are close to the carrying value in the balance sheet.

Bank overdrafts and loans from financial institutions, Accounts payable - construction, Accounts payable - trade, Accounts payable - others and Accrued expenses - The book values are close to the fair value since these financial instruments will be due in short period.

Long-term Loans : The book values are close to the fair values since the loans are principally at market floating interest rates.

34. SUBSEQUENT EVENTS

34.1 According to the minutes of the Board Meeting of Sansiri Ram - Indra Company Limited, held on January 12, 2005, a resolution had been adopted authorizing the Company to sell the land, the ownership right of which had been transferred from the Asset Management Company. (See Note to Financial Statements No. 5.15).

34.2 According to the minutes of the Board Meeting of Sansiri Ram - Indra Company Limited, held on January 13, 2005, a resolution had been adopted authorizing the Company to sell the land, the ownership right of which had been transferred from the Asset Management Company. (See Note to Financial Statements No. 5.15).

35. APPROVAL FOR THE FINANCIAL STATEMENTS

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