

**SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**Notes to Interim Financial Statements**  
**September 30, 2004 and 2003 (Reviewed)**  
**and December 31, 2003 (Audited)**

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

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

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

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

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

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

			Percentage of Holding		
			September 30, 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	98.00	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 an associated company as follows:

	Business Type	Country of Registration	Percentage of Holding	
			September 30, 2004	December 31, 2003
<u><b>Associated companies</b></u>				
Cathay Asset Management Co., Ltd.	Financial and Investment Advisory Services	Thailand	-	20.00

In the consolidated and the Company's financial statements as at September 30, 2003, the investment by the equity method in an associated company of Baht 17.41 million was calculated based on the financial statements reviewed by another auditor. The related share of attributable profit for the three-month and nine-month periods ended September 30, 2003 amounted to Baht 1.50 million and Baht 2.20 million, respectively, and the Company recognized unrealized gain on securities available for sale amounting to Baht 5.28 million and Baht 6.74 million, respectively.

In the second quarter of 2004, the Company sold the said investment in the said associated company. (See note 11)

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

## **2. SIGNIFICANT ACCOUNTING POLICIES**

The interim financial statements have been prepared in accordance with generally accepted accounting principles. Accounting policies that have been applied in the preparation of the interim financial statements for the nine-month periods ended September 30, 2004 and 2003 are similar to those that have been applied in the financial statements for the year ended December 31, 2003.

## **3. NEGATIVE GOODWILL**

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

Negative goodwill as at September 30, 2004 and December 31, 2003 in the consolidated financial statements consisted of :

	In Million Baht	
	September 30, 2004	December 31, 2003
Balance at beginning of the period	76	80
Occurred during the period	-	-
<u>Less</u> Amortized as income during the period	<u>(3)</u>	<u>(4)</u>
Balance at end of the period	<u>73</u>	<u>76</u>

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**4. TRANSACTIONS WITH PERSON OR RELATED PARTIES**

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

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

Balances with related parties as at September 30, 2004 and December 31, 2003:

The Company	In Million Baht			
	September 30, 2004		December 31, 2003	
	Subsidiaries	Associated and Related Companies	Subsidiaries	Associated and Related Companies
Notes receivable (Note 4.13)	703	-	1,112	-
Receivable from service and commission	85	3	20	-
Allowance for doubtful debt	(19)	-	(19)	-
Unbilled completed work	-	16	-	2
Loans (Note 6)	658	-	1,064	-
Property development for sales	11	681	2	912
Advance payment to constructors	-	43	-	49
Unearned dividend from subsidiary	56	-	-	-
Advances	-	-	1	-
Interest receivable	14	-	9	-
Property development for rent	1	-	1	-
Deferred commission	-	-	34	-
Accounts and notes payable - construction	-	59	-	33
Construction retention	-	32	-	7
Unearned income	-	5	-	4
Accrued expenses	12	-	9	-
Retention	-	1	-	1

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Transactions with related parties for the nine-month periods ended September 30, 2004 and 2003:

The Company	Million Baht			
	2004		2003	
	Subsidiaries	Associated and Related Companies	Subsidiaries	Associated and Related Companies
Revenue from project sale	23	36	-	6
Rental income	-	1	-	1
Revenue from business management and commission	9	2	12	1
Interest and dividend income	115	1	16	1
Gain from investment sale	-	-	38	6
Other income	-	-	-	1
Cost of project sale	23	24	-	4
Management fee	6	-	7	-
Selling and administrative expenses	65	-	12	-
Loan, interest expense and rental expense paid for subsidiary company	-	-	125	-
Purchase equipment	1	-	1	-

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

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

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

4.4 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 Company 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.

4.5 In the second quarter of 2004, Plus Property Partners Company Limited entered into two purchase/sale agreements for condominium with Sansiri Public Company Limited of approximately Baht 8.26 million. As at September 30, 2004 the said subsidiary had paid approximately Baht 1.80 million. In the third quarter of 2004, the said subsidiary had sold one unit.

4.6 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 Company Limited owing to a local commercial bank, in the amount of Baht 600 million.

4.7 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.

4.8 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 Club House Property Limited by a commercial local bank in the amount of Baht 1,100 million.

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4.9 As at September 30, 2004, 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 0.28 million per month for 18 months or until the condominiums are completed.

4.10 As at September 30, 2004 a subsidiary Sansiri Construction Co., Ltd, pledged a commitment to secure a letter of guarantee issued by bank, in the amount of Baht 3.73 million, by using cash at banks of the Company.

4.11 As at November 25, 2003, a subsidiary, 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 the year 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 the transfer of 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..

4.12 Furthermore, as at November 25, 2003, a subsidiary, Sansiri Construction Co., Ltd entered into a purchase/sale agreement for land with an individual for 2 title deeds, in the amount of Baht 15 million and Baht 33.75 million respectively, which the seller agreed to sell only the specific part. In February 2004, the division of the mutual ownership of the said plot of land 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.(See Note 4.11)

4.13 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 the transfer of ownership of the said land to 3 new subsidiaries i.e. Sansiri Ram-Indra Co., Ltd, Ram-Indra Real Estate Co., Ltd. and Club House Property Co., Ltd. in the said amount. The three subsidiaries issued promissory notes to the Company payable by June 30, 2004, without interest.

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

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

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

	In Million Baht			
	Consolidated		The Company	
	September 30, 2004	December 31, 2003	September 30, 2004	December 31, 2003
Sales with signed agreements	14,486	9,965	9,175	6,814
Total project sales	27,709	23,489	20,526	17,464
The ratio of sales with signed agreements and total project sales	52.28%	42.42%	44.70%	39.02%

**The Company**

5.1 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.

**Subsidiaries**

5.2 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.

	In Million Baht			
	Consolidated		The Company	
	September 30, 2004	December 31, 2003	September 30, 2004	December 31, 2003
Installments due	7,154	4,052	4,827	2,873
<u>Less : cash received</u>	<u>(7,127)</u>	<u>(4,049)</u>	<u>(4,805)</u>	<u>(2,872)</u>
Installment accounts receivable	<u>27</u>	<u>3</u>	<u>22</u>	<u>1</u>
Installments due	7,154	4,052	4,827	2,873
<u>Less sales recognized to date</u>	<u>(7,824)</u>	<u>(3,899)</u>	<u>(5,385)</u>	<u>(2,542)</u>
	<u>(670)</u>	<u>153</u>	<u>(558)</u>	<u>331</u>
The balance consisted of:	1,542	608	1,014	245
Unbilled completed work	<u>(872)</u>	<u>(761)</u>	<u>(456)</u>	<u>(576)</u>
Unearned income	<u>670</u>	<u>(153)</u>	<u>558</u>	<u>(331)</u>

Accounts receivable, notes receivable and unbilled completed work - net as at September 30, 2004 and December 31, 2003 consisted of:

	In Million Baht			
	Consolidated		The Company	
	September 30, 2004	December 31, 2003	September 30, 2004	December 31, 2003
Unbilled completed work	1,542	608	1,014	245
Notes receivable	51	65	22	2
Service receivables	91	80	42	29
Installment accounts receivable	<u>27</u>	<u>3</u>	<u>22</u>	<u>1</u>
Total accounts and notes receivable and unbilled completed work	1,711	756	1,100	277
<u>Less Allowance for doubtful accounts</u>	<u>(12)</u>	<u>(6)</u>	<u>(20)</u>	<u>(20)</u>
<b>Total accounts and notes receivable and unbilled completed work - net</b>	<u>1,699</u>	<u>750</u>	<u>1,080</u>	<u>257</u>

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Accounts receivable, notes receivable and unbilled completed services - net as at September 30, 2004 and December 31, 2003 classified by the ageing of the receivable were as follows:

	In Million Baht			
	Consolidated		The Company	
	September 30, 2004	December 31, 2003	September 30, 2004	December 31, 2003
Unbilled completed receivables	1,542	608	1,014	245
Over 1 - 3 months	146	113	61	12
Over 3 - 6 months	9	6	2	-
Over 6 - 12 months	4	5	3	-
Over 12 months	10	24	20	20
<u>Less</u> Allowance for doubtful accounts	<u>(12)</u>	<u>(6)</u>	<u>(20)</u>	<u>(20)</u>
Net	<u>1,699</u>	<u>750</u>	<u>1,080</u>	<u>257</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 September 30, 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 0.60 million.

## **6. LOANS TO RELATED PARTIES - NET**

Loans to related parties – net as at September 30, 2004 and December 31, 2003 consisted of:

	In Million Baht			
	Consolidated		The Company	
	September 30, 2004	December 31, 2003	September 30, 2004	December 31, 2003
<b>Subsidiary companies</b>				
- Chanachai Limited	-	-	94	101
- Sansiri Construction Co., Ltd.	-	-	63	73
- Sansiri Land Co., Ltd.	-	-	187	132
- Sansiri Venture Co., Ltd.	-	-	17	131
- Richee Holding Alliance Co., Ltd.	-	-	87	233
- S.U.N. Management Co., Ltd.	-	-	-	9
- Siri Phuket Co., Ltd.	-	-	84	78
- Sansiri Ram-Indra Limited	-	-	48	7
- Plus Property Partners Co., Ltd.	-	-	70	300
- Ram-Indra Real Estate Limited	-	-	8	-
<b>Related companies</b>				
- Regency One Co., Ltd.	<u>5</u>	<u>5</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u>5</u>	<u>5</u>	<u>658</u>	<u>1,064</u>
<u>Less</u> Allowance for doubtful accounts	<u>(5)</u>	<u>(5)</u>	<u>-</u>	<u>-</u>
Net	<u>-</u>	<u>-</u>	<u>658</u>	<u>1,064</u>

Interest on the loans to Sansiri Venture Co.,Ltd. and S.U.N. Management Co.,Ltd. is charged at 15% per annum.

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As at September 30, 2004, the Company had loans to related parties and interest receivable classified by the aging of the receivable as follows:

	In Million Baht			
	Consolidated		The Company	
	Principal	Interest receivable	Principal	Interest receivable
Undue	-	-	-	-
At call	-	-	658	-
Over 1 - 3 months	-	-	-	9
Over 3 - 6 months	-	-	-	1
Over 6 -12 months	-	-	-	3
Over 12 months	5	-	-	1
Less Allowance for doubtful accounts	<u>(5)</u>	<u>( - )</u>	<u>( - )</u>	<u>( - )</u>
Net	<u>-</u>	<u>-</u>	<u>658</u>	<u>14</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:

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

As at September 30, 2004, the Company had loans to related parties amounting to principal of Baht 5 million and Baht 516 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.

## **7. ASSETS UNDER CONSTRUCTION**

### **The Company**

7.1 The Company has undertaken the development of 3 real estate projects on a piece of land owned by an Asset Management Company (See notes 10.1, 10.2 and 10.3), the costs of which are mainly on construction, design and decoration, and direct project costs. As at September 30, 2004, income has been recognized in respect of some projects in the consolidated and the Company's financial statements.

### **Subsidiary**

7.2 A subsidiary has undertaken the development of a real estate project on land owned by an Asset Management Company, the costs of which consist of the design and decoration, and direct project costs. As at September 30, 2004, income had been recognized in respect of these projects in the consolidated financial statements in the amount of Baht 51 million.



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**8. PROJECT DEVELOPMENT FOR SALE - NET**

**The Company**

**The year 2004**

8.1 The Company issued bills of exchange covering the cost of land for a project for sale in the amount of Baht 244.51 million, with repayment according to the terms of the contracts, by December 2005. The current portion of the partial bill of exchange which is due to be payable within a year is Baht 110.71 million.

8.2 In the first quarter of 2004, the Company entered into agreement to sell land and property 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.

8.3 In the second quarter of 2004, the Company entered into agreements to sell land and property with persons in the amount of Baht 171.96 million, the official appraised value of which amounted to Baht 62.13 million.

8.4 In the second quarter of 2004, increases to the estimated cost of the new project amounting to Baht 831.05 million have resulted in the reduction of the income from the sale of the project recognized in the first quarter of 2004 by Baht 11.31 million.

8.5 In the third quarter of 2004, increases to the estimated cost of the new project amounting to Baht 131.74 million have resulted in the reduction of the income from the sale of the project recognized in the second quarter of 2004 by Baht 10.27 million.

8.6 In the third quarter of 2004, the Company transferred project development for sale to project development for rent amounting to Baht 206.79 million.

**Subsidiary**

**The year 2004**

8.7 In the third quarter of 2004, 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.

8.8 In the third quarter of 2004, 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.

**9. 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 September 30, 2004, the ownership of the land has not been transferred to the Company as the Company wishes to transfer the ownership directly to the purchaser in the future.

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**10. DEPOSITS FOR LAND AND CONDOMINIUM**

As at September 30, 2004, deposits for land and condominium consisted of :

**The Company**

10.1 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.

10.2 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.

10.3 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.

In June, 2004, the Company requested for adjustment of the terms of the agreements described in Notes 10.1, 10.2 and 10.3 above, the approval of which is under process, since the Company was not able to comply the payment with the conditions of the said agreements.

10.4 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.

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10.5 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 16.00 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.

**Subsidiaries**

10.6 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. In 2004 the bank has transferred ownership of more units in the condominium, and as at September 30, 2004, the balance of deposit with the bank was Baht 2.54 million.

**SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
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**11. INVESTMENTS IN RELATED PARTIES - NET**

Investments in related parties - net as at September 30, 2004 and December 31, 2003 consisted of:

	In Million Baht							
	Paid up Capital		Cost Method		Equity Method		Deficit on Investment	
	September 30, 2004	December 31, 2003	September 30, 2004	December 31, 2003	September 30, 2004	December 31, 2003	September 30, 2004	December 31, 2003
<b>Subsidiaries</b>								
Chanachai Limited	90	90	102	102	-	-	(282)	(255)
Sansiri Construction Co., Ltd. (Formerly : Jainad Limited)	30	30	52	52	-	-	(10)	(8)
Plus Property Partners Co., Ltd. (Formerly : Sansiri Property Plus Limited)	400	169	400	169	540	170	-	-
Sansiri Land Co., Ltd. (Formerly : Sansiri Home Network Co., Ltd.)	1	1	1	1	-	-	(51)	(39)
Richee Holding Alliance Co., Ltd.	700	700	687	687	593	596	-	-
Sansiri Venture Co., Ltd. (Formerly : Absolute Business Co., Ltd.)	3	3	1	1	25	92	-	-
S.U.N. Management Co., Ltd.	10	10	5	5	-	-	(9)	(3)
Siri Phuket Co., Ltd.	1	1	1	1	-	-	(12)	(7)
Sansiri Ram - Indra Limited	3	3	3	3	-	2	(5)	-
Ram - Indra Real Estate Limited	1	1	1	1	-	-	(6)	-
Clubhouse Property Limited	1	1	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>
Total investments in subsidiaries			<u>1,254</u>	<u>1,023</u>	<u>1,158</u>	<u>861</u>	<u>(375)</u>	<u>(312)</u>
Associated companies								
Cathay Asset Management Co., Ltd.	-	25	<u>-</u>	<u>6</u>	<u>-</u>	<u>13</u>	<u>-</u>	<u>-</u>
Total investments in associated companies			<u>-</u>	<u>6</u>	<u>-</u>	<u>13</u>	<u>-</u>	<u>-</u>
Related companies								
Regency One Co., Ltd.	200	200	20	20	20	-	20	-
<u>Less</u> Allowance for diminution in value			<u>(20)</u>	<u>(20)</u>	<u>(20)</u>	<u>-</u>	<u>(20)</u>	<u>-</u>
Total investments in related companies - net			<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investments in associated and related companies			<u>-</u>	<u>6</u>	<u>-</u>	<u>13</u>	<u>-</u>	<u>-</u>
Total investments in related parties - net			<u>1,254</u>	<u>1,029</u>	<u>1,158</u>	<u>874</u>	<u>(375)</u>	<u>(312)</u>

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

11.1 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.

11.2 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.

## **12. LOANS FROM RELATED PARTIES - NET**

Loans from related parties - net as at September 30, 2004 and December 31, 2003 consisted of:

	In Million Baht	
	Consolidated	
	September 30, 2004	December 31, 2003
<b>Promissory notes at call</b>		
Univentures Public Company Limited	16	131
Natural Park Public Company Limited	81	75
Prestige Gift and Premium Company Limited	-	4
<b>Total</b>	<u>97</u>	<u>210</u>
<b>Loans from related parties</b>		
Beginning balance	210	61
Addition during the period	77	275
Deduction during the period	(190)	(126)
Ending balance	<u>97</u>	<u>210</u>

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

Interest on the loans from Univentures Public Company Limited and Prestige Gift and Premium Company Limited is charged at 15% per annum.

**SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
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**13. LONG-TERM LIABILITIES**

Long-term liabilities as at September 30, 2004 and December 31, 2003 consisted of:

	In Million Baht			
	Consolidated		The Company	
	September 30, 2004	December 31, 2003	September 30, 2004	December 31, 2003
Loan from bank and finance company with security guarantee	7,746	4,155	4,924	2,498
<u>Less</u> current portion of long - term debts	<u>(1,733)</u>	<u>(542)</u>	<u>(1,263)</u>	<u>(210)</u>
Net	<u>6,013</u>	<u>3,613</u>	<u>3,661</u>	<u>2,288</u>

	In Million Baht	
	Consolidated	The Company
Loan from bank and finance company with security guarantee		
Beginning balance	4,154	2,498
Addition during the period	5,137	3,587
Repaid during the period	<u>(1,545)</u>	<u>(1,161)</u>
Ending balance	<u>7,746</u>	<u>4,924</u>

**The Parent Company**

**The year 2004**

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

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

13.3 In February 2004, the Company obtained loan facilities under an agreement with a finance company of Baht 576 million, the principal of which will be repaid within February, 2007 and every time in accordance with the conditions of the agreement.

13.4 In May 2004, the Company obtained loan facilities under an agreement with a local bank of Baht 500 million, the principal of which will be repaid within 3 years and every time in accordance with the conditions of the agreement.

13.5 In June 2004, the Company obtained loan facilities under an agreement with a finance company of Baht 128 million, the principal of which will be repaid within 2 years 6 months and every time in accordance with the conditions of the agreement.

13.6 In June 2004, the Company obtained loan facilities under an agreement with a finance company of Baht 704 million, the principal of which will be repaid within June, 2009 and every time in accordance with the conditions of the agreement.

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**The year 2003**

13.7 In January 2003, the Company obtained loan facilities under an agreement with a local bank of Baht 750 million, the principal of which will be repaid within 54 months and in accordance with the conditions of the agreement.

13.8 In June 2003, the Company obtained loan facilities under three agreements with a local bank of Baht 166 million, 338 million and 281 million, respectively, the principal of which will be repaid within 25 months, 26 months, 36 months and every time in accordance with the conditions of the agreements.

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

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

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

13.12 In November 2003, the Company obtained loan facilities under an agreement with a local bank of Baht 260.3 million, the principal of which will be repaid within 2 years 6 months and every time in accordance with the conditions of the agreement.

**Subsidiaries**

**The year 2004**

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

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

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

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

13.17 In June 2004, a subsidiary obtained loan facilities under two agreements with a local bank of Baht 290 million and Baht 150 million, the principal of which will be repaid within 3 years 6 months and every time in accordance with the conditions of the agreements.

13.18 In June 2004, a subsidiary obtained loan facilities under two agreements with a local bank of Baht 270 million and Baht 150 million, the principal of which will be repaid within 3 years 6 months and every time in accordance with the conditions of the agreements.

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13.19 In June 2004, a subsidiary obtained loan facilities under two agreements with two local banks of Baht 383 million and Baht 257.28 million, the principal of which will be repaid within 3 years and 30 months, respectively and every time in accordance with the conditions of the agreements.

13.20 In August 2004, a subsidiary obtained loan facilities under an agreement with a local bank of Baht 600 million, the principal of which will be repaid within 42 months, and every time in accordance with the conditions of the agreement.

**The year 2003**

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

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

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

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

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

13.26 In October 2003, a subsidiary obtained loan facilities under an agreement with a local bank of Baht 159.90 million, the principal of which will be repaid in 2 years 6 months and every time in accordance with the conditions of the agreement.

13.27 In November 2003, a subsidiary obtained loan facilities under an agreement with a local bank of Baht 328.88 million, the principal of which will be repaid within December 2006 and every time in accordance with the conditions of the agreement.

13.28 A subsidiary obtained a loan facility under an agreement dated May 30, 2001 and a memorandum of understanding dated May 3, 2002 with a local bank. The amount according to the first agreement was Baht 1,200 million, and had 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 completed by June 30, 2012.

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. Under the revised terms of repayment, principal and interest are due to be paid by September 30, 2012.

Loans are for project development.

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



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**14. BOND**

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.

**15. SHARE CAPITAL**

**The year 2004**

15.1 At the Extraordinary Shareholders' Meeting on November 17, 2003 and the Board of Directors' Meeting on October 10, 2003, the following resolutions were passed:

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 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 decreased paid up 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 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 decreased 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 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 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 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 exercise right of the warrants issued under the plan to privately issue and offer 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 exercise 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

**SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
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15.2 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

15.3 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.

**16. ASSETS PLEDGED AS COLLATERAL**

16.1 As at September 30, 2004, the major portion of land and leasehold including the building of a Company project and leasehold of buildings had been pledged as collateral for loans from financial institutions.

16.2 As at September 30, 2004, the shares of Richee Holding Alliance Co., Ltd. held by the Company had been pledged as collateral for a loan from a bank.

16.3 As at September 30, 2004, cash at bank and fixed deposit with commitment of approximately Baht 20.83 million and Baht 8.62 million in the consolidated and the Company's financial statements, respectively were pledged for debts and/or commitments and to secure letters of guarantee issued by banks.

16.4 As at September 30, 2004 and December 31, 2003, a subsidiary's Hotel's plot of land including the existing structures (balance per book totaled Baht 2,010.79 million and Baht 2,048.72 million, respectively) and structures to be constructed in the future were mortgaged as collateral for short-term and long-term loans with a domestic commercial bank in the amount of Baht 1,200 million and promissory notes were guaranteed by the Company in the amount of Baht 200 million.

16.5 As at September 30, 2004 the major portion of land and building of subsidiary companies' projects had been pledged as collateral for loans from banks and financial institutions.

16.6 As at September 30, 2004, the land of a subsidiary company, Sansiri Land Limited, held under mutual ownership had been pledged as collateral for a loan of the Company.

**17. COMMITMENTS AND CONTINGENT LIABILITIES**

**The Company**

17.1 As at September 30, 2004, the Company had commitments resulting from project construction agreements, decoration agreements, advisory service agreement and system development agreement of Baht 2,755.47 million, SGD 0.09 million and USD 0.84 million in the consolidated financial statements and Baht 1,823.70 and million SGD 0.09 in the Company's financial statements and from letters of guarantee issued by banks of Baht 52.19 million and Baht 5.09 million in the consolidated financial statements and the Company's financial statements, respectively.

17.2 As at September 30, 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.

17.3 On June 17, 2004, the Company entered into an agreement with a local commercial bank to guarantee the loan of Sansiri Ram-Indra Limited and Ram-Indra Real Estate Limited.

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**Subsidiaries**

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

**18. 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.

**19. DIVIDEND**

**The Parent 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.

**20. LONG-TERM LEASE AGREEMENTS**

**The Company**

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

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

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

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

20.4 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 April 28, 2004 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 13<sup>th</sup> month from the date of the agreement, the Company shall make payment of Baht 15.95 million.
3. The Company agrees to make payment of the remaining rent together with compound interest at 7% per annum based on the number of units derived from the registration of sublease.
  - The rent for the 1<sup>st</sup>-15<sup>th</sup> units is approximately Baht 0.72 million per unit.
  - The rent for the 16<sup>th</sup>-37<sup>th</sup> 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 Bureau renting part of their land for a period of 30 years from April 28, 2004 to April 27, 2034.

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

20.6 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 September 30, 2004, the subsidiary company still has an outstanding payment covering the additional remuneration as per agreement for the said company, of Baht 4.29 million.

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**21. SEGMENT INFORMATION**

Segment information for the nine-month period ended September 30, 2004

	In Million Baht					
	Management					
	Decoration building					
	<u>Real estate</u>	<u>and representative</u>	<u>Hotel</u>	<u>Total</u>	<u>Eliminated</u>	<u>Total</u>
<u>Revenue</u>						
Revenue from project sales	3,959	-	-	3,959	)41(	3,918
Revenue from project for rent	79	-	-	79	-	79
Revenue from other business management	9	212	-	221	)71(	150
Revenue - room	-	-	280	280	-	280
Revenue - food and beverage	-	-	109	109	-	109
Revenue from leasehold right written off	<u>25</u>	<u>-</u>	<u>-</u>	<u>25</u>	<u>-</u>	<u>25</u>
Total	4,072	212	389	4,673	)112(	4,561
<u>Expenses</u>						
Cost of project sales	2,768	-	-	2,768	)49(	2,719
Cost of project for rent	48	-	-	48	-	48
Cost of other business management	5	112	-	117	-	117
Cost - room	-	-	140	140	-	140
Cost - food and beverage	-	-	103	103	-	103
Leasehold and development costs written off	<u>18</u>	<u>-</u>	<u>-</u>	<u>18</u>	<u>-</u>	<u>18</u>
Total	<u>2,839</u>	<u>112</u>	<u>243</u>	<u>3,194</u>	<u>)49(</u>	<u>3,145</u>
Gross profit	<u>1,233</u>	<u>100</u>	<u>146</u>	<u>1,479</u>	<u>)63(</u>	<u>1,416</u>
Fixed assets	551	30	2,023	2,604	)5(	2,599

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Segment information for the nine-month period ended September 30, 2003

	In Million Baht					
	Management					
	Decoration building					
	<u>Real estate</u>	<u>and representative</u>	<u>Hotel</u>	<u>Total</u>	<u>Eliminated</u>	<u>Total</u>
<u>Revenue</u>						
Revenue from project sales	1,771	-	-	1,771	-	1,771
Revenue from project for rent	99	-	-	99	-	99
Revenue from other business management	14	178	28	220	(64)	156
Revenue – room	-	-	152	152	-	152
Revenue - food and beverage	-	-	76	76	-	76
Revenue from leasehold right written off	<u>24</u>	<u>-</u>	<u>-</u>	<u>24</u>	<u>-</u>	<u>24</u>
Total	1,908	178	256	2,342	(64)	2,278
<u>Expenses</u>						
Cost of project sales	1,154	-	-	1,154	(3)	1,151
Cost of project for rent	55	-	-	55	(5)	50
Cost of other business management	11	115	18	144	(3)	141
Cost - room	-	-	89	89	-	89
Cost - food and beverage	-	-	78	78	-	78
Leasehold and development costs written off	<u>15</u>	<u>-</u>	<u>-</u>	<u>15</u>	<u>-</u>	<u>15</u>
Total	<u>1,235</u>	<u>115</u>	<u>185</u>	<u>1,535</u>	<u>(11)</u>	<u>1,524</u>
Gross profit	<u>673</u>	<u>63</u>	<u>71</u>	<u>807</u>	<u>(53)</u>	<u>754</u>
Fixed assets	454	18	2,076	2,548	(6)	2,542

**SANSIRI PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**Notes to Interim Financial Statements (Continued)**  
**September 30, 2004 and 2003 (Reviewed)**  
**and December 31, 2003 (Audited)**

**22. RECLASSIFICATION OF ACCOUNTS**

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

**23. OTHERS**

**The Company**

23.1 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 September 30, 2004, no progress has been made on the above matter.

23.2 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.

**24. APPROVAL FOR THE FINANCIAL STATEMENTS**

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