



ANNUAL REPORT

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED



2003

AP CITISMART

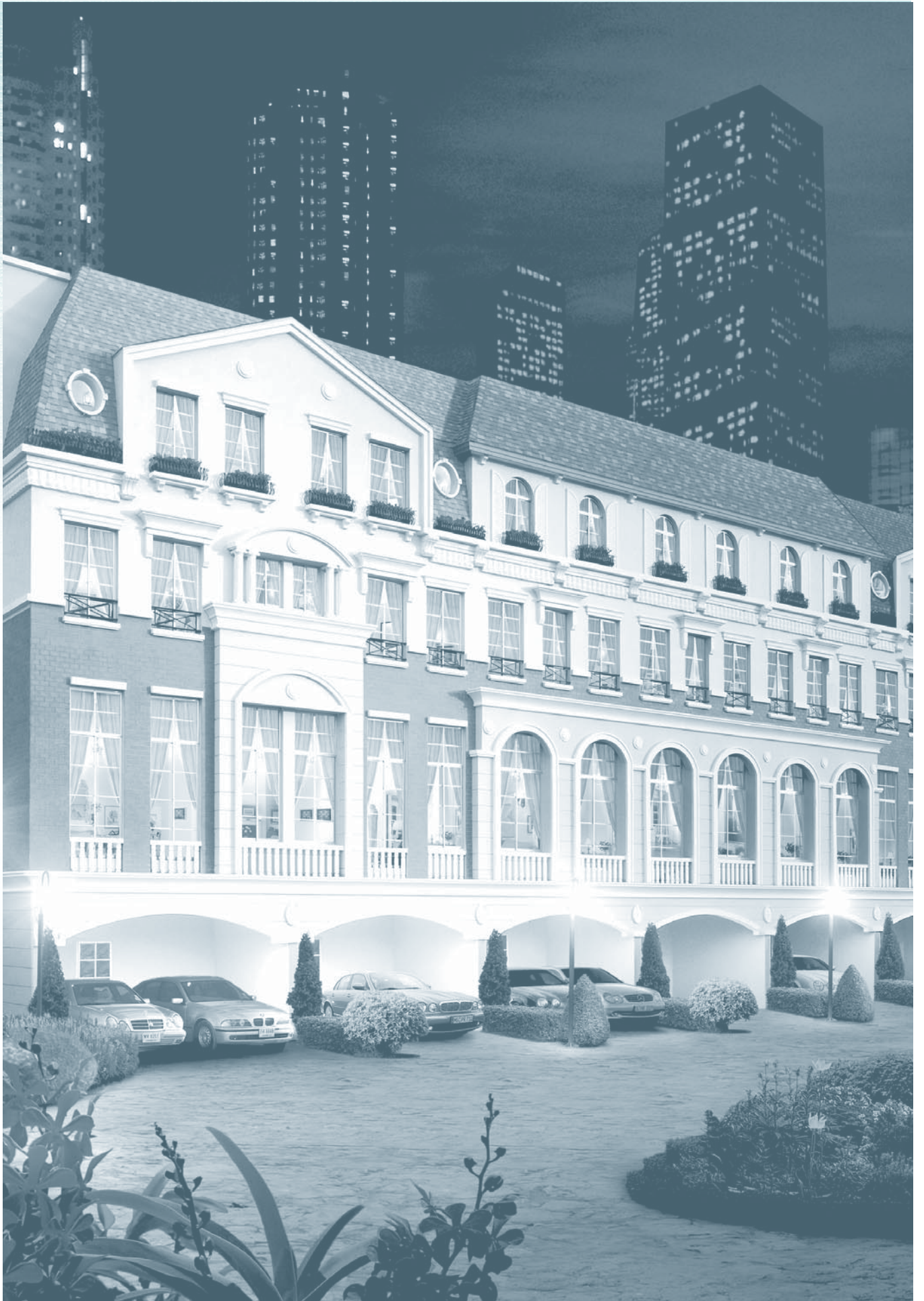
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ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED



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STATEMENT FROM THE CEO

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED



Dear Shareholders:

Thailand's property sector continued its rapid expansion in 2003, thanks to government's economic stimulus measures and positive sentiments in the market. Property developers, both veterans and new comers, have entered the market, which has intensified the already-tough competition.

Under those circumstances, Asian Property Development Public Company Limited has established a set of clear strategies to expand with comparative advantages both in the short and long terms.

As we already informed you in the past years, we always emphasize on strong financial health, forward-looking business expansion, personnel development, and business alliance buildup. These practices have resulted to successes in the past and present and will continue to yield positive results in the future.

In 2003, we launched a series of home projects namely townhouses, detached houses, and condominiums - to serve all kinds of customer's demand and established our "AP Citi Smart" brand well into awareness of consumers who look for a home close to downtown.

Our efforts received excellent responses from customers, which drove the company's revenues and net profit to jump by 76.1 percent and 73.2 percent respectively from a year earlier. Due to our strong cashflow, the net debt to equity ratio reduced to 0.5 time and a return on equity in average of 47.4 percent. In addition, in mid 2003 we successfully issued unsubordinated debentures worth 1,500 millionbaht for the maturity period of 6 years at interest rate of 3.1% per annum.



STATEMENT FROM THE CEO

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED

We plan to launch another approximately 10 housing projects in 2004, all of which will continue to be warmly welcome by the market and target our annual sales growth rate of 30 percent this year.

Demand will continue to grow this year as population expands and people look for a home to start up a family. Banks will continue to be supportive for home buyers as interest rates are expected to remain low and consumer confidence will remain high.

On the supply side, more players will enter the market, which will intensify competition in the already fierce market. However, we believe that the market is big enough for many players.

Finally, the management and I would like to thank everybody who has been kindly supportive to our company.

Anuphong Assavabhokhin

Chief Executive Officer

SUMMARY OF FINANCIAL STATEMENT

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES



Asian Property Development Public Company Limited had an outstanding performance in 2003 as its realized revenues jumped 76.1 percent to 4,757 million baht from 2,701 million baht in 2002.

Revenues from property sales accounted for 91 percent of the total income while the other 9 percent came from PCM Construction Material Co Ltd., a subsidiary that manufactures and distributes construction materials. In comparison, Revenues from PCM accounted for 11 percent of the total revenues in 2002.

We made a net profit of 1,192 million baht in 2003, a 73.2 percent jump from 688 million baht in 2002. Our gross profit leaped by 78.3 percent in 2003 to 1,771 million baht and operating profit went up by 93.4 percent in the same period to 1,441 million baht.

Financial Highlights in 2003

(Baht : Million)

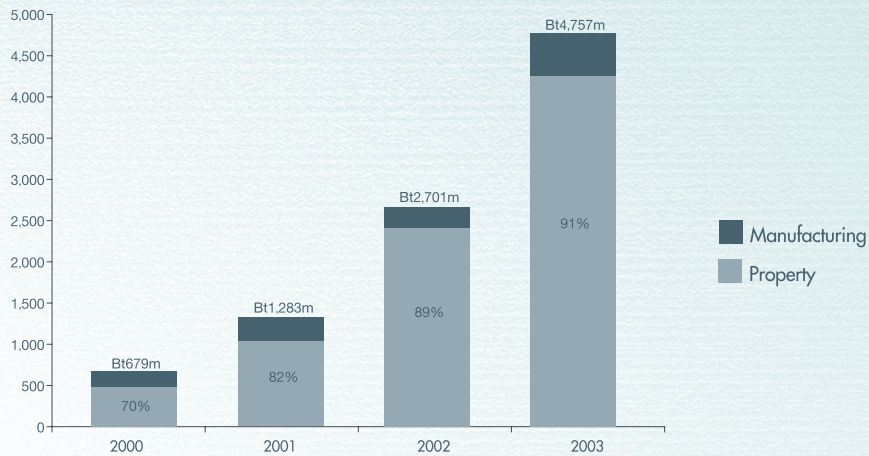
	2003	Q4	Q3	Q2	Q1	2002	Q4	Q3	Q2	Q1
		2003	2003	2003	2003		2002	2002	2002	2002
Revenues (Btm)	4,757	2,117	1,109	836	695	2,701	1,017	609	655	419
YoY Chg (%)	76.1%	108.1%	82.0%	27.6%	65.9%	110.8%	162.6%	89.7%	121.5%	51.3%
QoQ Chg (%)	N/A	90.9%	32.7%	20.3%	-31.7%	N/A	67.0%	-7.0%	56.5%	8.1%
Gross profit (Btm)	1,771	789	401	321	259	993	371	236	244	142
Gross margin (%)	37.2%	37.3%	36.2%	38.4%	37.3%	36.8%	36.5%	38.7%	37.3%	33.8%
Operating profit (Btm)	1,441	677	335	257	173	745	304	184	157	100
Operating margin (%)	30.3%	32.0%	30.2%	30.7%	24.9%	27.6%	29.9%	30.2%	23.9%	23.8%
Net profit (Btm)	1,192	577	269	204	142	688	239	160	192	96
YoY Chg (%)	73.2%	141.0%	67.4%	6.3%	48.1%	160.0%	132.0%	111.6%	260.4%	197.5%
QoQ Chg (%)	N/A	114.8%	31.3%	44.3%	-40.8%	N/A	49.2%	-16.6%	101.0%	-7.2%
EPS (Bt)	0.53	0.26	0.12	0.10	0.07	0.34	0.12	0.08	0.10	0.05
Total assets (Btm)	6,620	6,620	4,964	4,212	4,064	3,586	3,586	3,299	2,985	2,312
Equity (Btm)	3,325	3,325	2,316	1,925	1,921	1,706	1,706	1,451	1,240	1,023
Total outstanding debt (Btm)	2,471	2,471	1,946	1,676	1,688	1,464	1,464	1,415	1,470	1,060
Net debt (Btm)	1,507	1,507	1,472	1,378	1,330	1,108	1,108	1,120	1,208	920
Net debt equity (x)	0.5	0.5	0.6	0.7	0.7	0.6	0.6	0.8	1.0	0.9
ROE (%) (average equity)	47.4%	N/A	N/A	N/A	N/A	52.2%	N/A	N/A	N/A	N/A



SUMMARY OF FINANCIAL STATEMENT

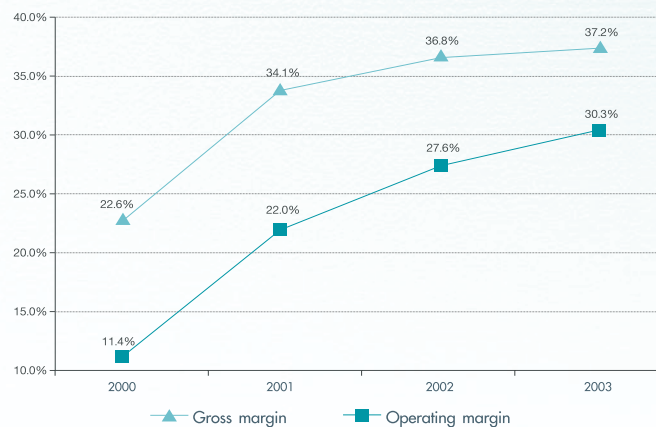
ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

Breakdown of our consolidated revenues



Our gross margin edged up to 37.2 percent in 2003 from 36.8 percent in 2002. Selling and administrative expenses to sales revenues ratio constantly fell to 6.9 percent in 2003 from 9.2 percent in 2002 and 12.1 percent in 2001, largely due to increasing efficiency and economy of scale, thus reducing the per-unit cost.

Gross margins and operating margins



SUMMARY OF FINANCIAL STATEMENT

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES



Net debt to equity (x)



Given the conservative management, net debt to equity declined further to 0.5 time in 2003 from 0.65 time in 2002. Our net debt was at 1,507 million baht and the shareholders' equities stood at 3,325 million baht, a 94.9 growth from 2002. The increase was partly due to unrealized gain of 410 million baht booked in shareholders' equities.

The stake in quality construction was diluted to 17.88 percent from 23.16 percent after an initial public offering in December 2003. The company, therefore, changed the accounting method of investment in such company from investments in affiliates to investments in marketable securities. The difference between book value and fair value of investments of 410.49 million baht was presented as premium on changing in investment value under shareholders' equities.

Our return on equity in average for our shareholders stood at 47.4 percent in 2003.

In 2004, we plan to swap a 100 percent stake in our subsidiary PCM Construction Material Co.,Ltd. for a larger stake in Pre-Built Co.,Ltd. Then we plan to raise our holding in Pre-Built to 64.73 percent by the first quarter of 2004 from 19.8 percent in 2003. We expect to list Pre-Built on the stock Exchange of Thailand by the year.



ECONOMIC OUTLOOK AND PROPERTY PROSPECTS IN 2004

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

2003 Economic Performance

The robust economy continued its pace in 2003, expanding by 6.7 percent from 2002, which registered an annual growth of 5.4 percent, thanks to strong private consumption and excellent export performance.

Domestic Consumption Index grew by 5.1 percent in 2003 from just 3.7 percent a year earlier while export value leaped by 17.4 percent to US\$78.4 billion in 2003.

Private Investment Index rose by 13 percent in 2003, compared with a 23.4 percent jump a year earlier as a result of rapid spending on heavy machinery and construction equipment. Imports of capital goods rose significantly in line with capacity expansion and capacity utilization, which climbed to 66.2 percent from 59.3 percent in 2002.

Interest rates remained at their historical low due to excess liquidity in the banking sector. However bank's lending continued to grow, especially in well-performed sectors like export, property development, home mortgage, commerce, and personal finance.

The fast economic growth resulted into a trade surplus of US\$4.2 billion and current account surplus of US\$7.9 billion as of 2003. As a result, the country's foreign reserves rose to US\$ 42.1 billion.

In summary, strong consumer confidence was the main driving force of the Thai economy in 2003 despite the Iraq war and the outbreak of virus SARS.

Economic Outlook in 2004

The National Economic and Social Development Board projected that the economy would expand by 7-8 percent in 2004, mainly driven by continuing export growth, rising public and private investment, and higher earnings of corporations.

Interest rates are expected to remain low, which will facilitate further domestic spending and new private investment. Further economic stimulus policies from the government, i.e. export

ECONOMIC OUTLOOK AND PROPERTY PROSPECTS IN 2004

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES



promotion campaign, domestic fashion industry hub, and securitization scheme, would also benefit the moderate economic growth in 2004.

However, factors that could hurt the economy are the outbreak of bird flu - which could undermine consumer's confidence domestically and internationally - and uncontrollable factors such as terrorist attacks.

Property in Perfect Performance in 2003

The property sector continued its excellent performance in 2003, due to low the interest rate environment, bank's competition on mortgage loans, the government's policies to stimulate demand for homes namely low-cost housing schemes alias Baan Ua Arthorn and a one-year extension scheme for low property tax.

Housing demand grew rapidly in 2003. New homes registered in Bangkok and nearby provinces jumped by 48.7 percent to 50,594 units at the end of 2003, compared with 34,035 units a year earlier.

On the supply side, many developers have returned to the market, after the recovery of property sector and success of debt restructuring. Many projects were launched, which permitted construction in Bangkok Metropolitan rose 39.4 percent in 2003 from a year earlier.

In order to contain the too rapid growth in the sector, the Bank of Thailand ordered commercial banks to limit their mortgage loans for homes worth over 10 million baht at only 70 percent of their price tags. The central bank also demanded commercial banks that lend property developers loans worth over 100 million baht to submit their loan application reports to the BOT.

Realty Trend in 2004

Demand for new homes is expected to continue to grow in 2004 as demand for new homes registered in 2003 of 50,594 units accounted for only 29 percent of its peak demand in 1995.



ECONOMIC OUTLOOK AND PROPERTY PROSPECTS IN 2004

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

On the supply side, already tough competition is expected to intensify this year as more players are coming back to the market.

Sales growth in the first half of this year is expected to slow down because of rushes to buy homes to benefit from the government's special tax reduction scheme by the end of last year. But market players expect the momentum to pick up its pace in the second half of this year as new projects with various offerings will stimulate demand.

In 2004, the overheat of the property market is expected to remain under controlled since it would be regulated by new government zoning rules and the Bank of Thailand regulations, which were imposed to prevent another round of bubble economy.



COMPANY PROFILE

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES



Asian Property Development PCL is an integrated property development firm with its strength in inner city areas under the brand of "AP CITI SMART". It is also involved in other property-related businesses namely production and distribution of construction material and construction contractor. The corporate structure is divided into three main categories:

Real Estate Development

This is the core business of Asian Property Development Plc, which has eight other subsidiaries to develop and sell inner city homes to middle and high-income buyers. They are Asian Property Co.,Ltd. Asian Property Residence Co.,Ltd. Asian Property (Ladphrao) Co.,Ltd. Asian Property (Krungthep) Co.,Ltd. Thonglor Residence Co.,Ltd. Thonglor Property Co.,Ltd. Thonglor Development Co.,Ltd. and Signature Advisory Partners Co.,Ltd.

Manufacturing and Sales of Construction Materials

This was an original business of Asian Property Development before it has shifted the business focus to property development. There are two subsidiaries under this segment. PCM Construction Material Co.,Ltd. is a manufacturer and distributor of Concrete Product while Quality Construction Products Co.,Ltd. is a manufacturer and distributor of Light-Weighted concrete.

Others

There are three main companies under this category:

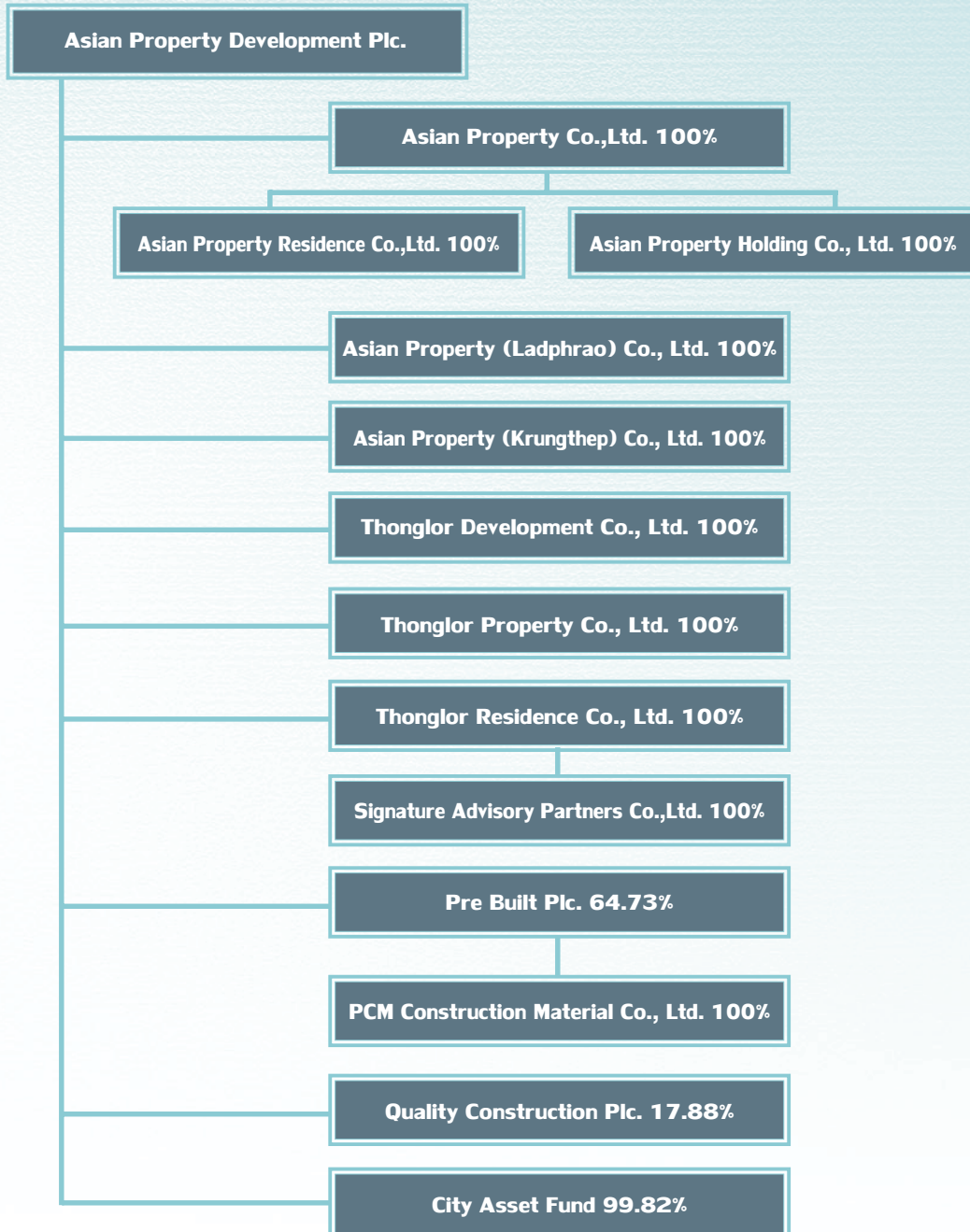
- 1) Pre-Built Plc is a construction sub-contract firm,
- 2) Asian Property Holding Co.,Ltd. is an investment firm.
- 3) City Asset Fund is a property management fund.



COMPANY PROFILE

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

Investment structure



Shareholding Structure and the Management

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES



Shareholding Structure and the Management

As of December 31, 2003, Asian Property Development Plc has a registered capital of 2,275 million baht, which comprises of 2,275 million common shares with a par value of 1 baht each. Our paid-up capital is 2,242,184,220 baht, which consists of 2,242,184,220 common shares with a par value of 1 baht each.

The top ten shareholders at the last closing date of January 27, 2004

Rank	Personal or Corporate Name	Number of Shares held	Percentage to total sold shares
1.	MR. ANUPHONG ASSAVABHOKHIN	551,823,910	24.61
2.	MR. PICHET VIPAVASUPHAKORN	273,719,400	12.21
3.	LAND & HOUSES PLC	225,191,800	10.04
4.	THAI NVDR CO., LTD.	186,968,548	8.34
5.	STATE STREET BANK AND TRUST COMPANY	55,547,900	2.48
6.	SOMER (U.K.) LIMITED	53,145,300	2.37
7.	MR. CHANCHAI KRAIRITTICHAJ	34,900,080	1.56
8.	FORTIS GLOBAL CUSTODY SERVICE N.V.	27,500,000	1.23
9.	THE BANK OF NEW YORK (NOMINEES) LIMITED	23,482,800	1.05
10	TFB FOR MFC-THAI FUND INVESTMENT PLAN	23,359,200	1.04
	TOTAL	1,455,638,938	64.93



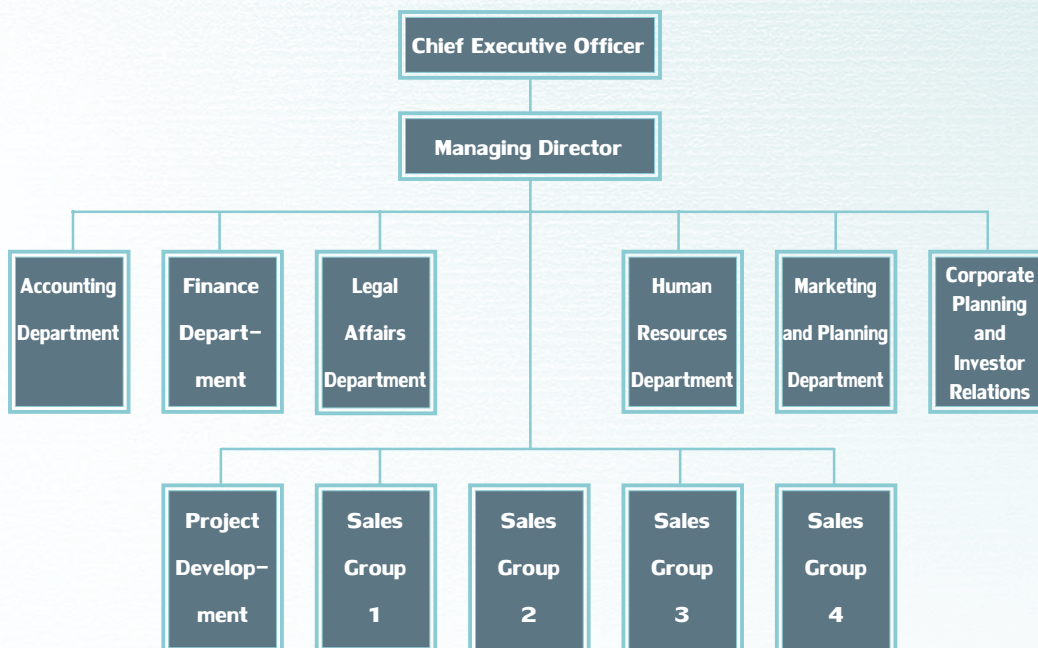
Shareholding Structure and the Management

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

Dividend policy

Our policy is to pay our shareholders dividend not above 50 percent of our annual net profit. We must take all factors into account to decide on how much we will pay dividend on that year ranging from the company's results and its financial status, its liquidity, business expansion plans, and other related issues. Dividend payment has to be approved by shareholders and the board of directors.

Management Structure



Shareholding Structure and the Management

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES



Board of Directors

As of December 31, 2003, there are 12 members on the board of directors of Asian Property Development Plc., whose qualifications are in accordance with Article 68 in the Public Company Act B.E. 2535 and the regulations of the Securities and Exchange Commission.

	NAME & SURNAME	POSITION
1.	Mr. Anuphong Assavabhokhin	Chairman
2.	Mr. Payont Sakdejyont	Vice Chairman
3.	Mr. Pichet Vipavasuphakorn	Director and Managing Director
4.	Mr. Pong Sarasin	Director
5.	Mr. Chaiyarat Thampeera	Director
6.	Mr. Shaw Singhaseni	Director
7.	Mr. Naris Chaiyasoot	Director
8.	Mr. Vilas Pilakasiri	Director and Secretary
9.	Mr. Saravut Butsayarat	Director and Chairman of Audit Committee
10.	Mr. Kosol Suriyaporn	Director and Audit Director
11.	Mr. Nontajit Tulyanond	Director and Audit Director
12.	Mr. Siripong Sombutsiri	Director and Audit Director





Shareholding Structure and the Management

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

Authorized directors

There are four directors who are authorized to act on behalf of the company. Two of the following four must co-sign an authorized document with the company's imprint:

Mr. Anuphong Assavabhokhin, Mr. Pichet Vipavasupakorn, Mr. Chaiyarat Thampeera, and Mr. Vilas Piloksiri.

THE MANAGEMENT

All members of the management are qualified under Article 68 in the Public Company Act B.E. 2535 and the regulations of the Securities and Exchange Commission.

	NAME & SURNAME	POSITION
1.	Mr. Anuphong Assavabhokhin	Chief Executive Officer
2.	Mr. Pichet Vipavasupakorn	Managing Director and Vice President of Marketing
3.	Mr. Wasan Narunatpaisarn	Executive Vice President of Sales Group
4.	Mr. Piyawat Suepaisarn	Senior Vice President of Sales Group
5.	Mr. Chaiyayuth Thampeera	Vice President of Sales Group
6.	Mr. Opas Ruangrajitpakorn	Executive Vice President of Finance
7.	Mrs. Kittiya Pongpuchaneekul	Executive Vice President of Accounting
8.	Mr. Thongchai Jaraskulchai	Vice President of Project Development
9.	Mr. Pumipat Sinacharoen	Vice President of Corporate Planning and Investor Relation
10.	Mr. Kovit Kokilakanit	Vice President of Legal Affairs
11.	Mr. Siriwat Wiwatsakulcharoen	Vice President of Human Resources

Shareholding Structure and the Management

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES



COMPENSATION FOR DIRECTORS WHO ATTENDED BOARD MEETINGS

TIME OF MEETINGS IN 2003 : 17					
	NAME	ATTENDANCE PERCENTAGE	POSITION	MONTHLY	TOTAL
1	Saravut Butsayarat	100%	Chairman Of Auditing Committee	25,000	300,000
2	Anuphong Assavabhokhin	100%	Chairman	NO COMPENSATION	
3	Pichet Vipavasuphakorn	100%	Managing Director	NO COMPENSATION	
4	Chaiyarat Thampeera	100%	Director	NO COMPENSATION	
5	Vilas Pilakasiri	100%	Director and Secretary	NO COMPENSATION	
6	Shaw Singhaseni	94%	Director	20,000	240,000
7	Nontajit Tulyanond	94%	Audit Director	20,000	240,000
8	Kosol Suriyaporn	94%	Audit Director	20,000	240,000
9	Chalerm* Kiettitanabumroong	100%	Director	20,000	207,350
10	Siripong Sombutsiri	82%	Audit Director	20,000	240,000
11	Pong Sarasin	65%	Director	20,000	240,000
12	Payon Sakdejoynt	91%	Vice Chairman	20,000	160,000
13	Naporn* Soonthornchitcharoen	80%	Director	20,000	80,000
14	Dr.Naris** Chaiyasoot	67%	Director	20,000	32,650
			TOTAL	205,000	1,980,000

* No longer serves as director

** Took position on November 12, 2003. Attended two thirds of all meetings.



Shareholding Structure and the Management

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

Corporate Governance

The Board of Directors always emphasizes on the Code of Best Practices recommended for listed companies and has set up its own criteria to improve efficiency in the firm in all aspects, for instance:

On the Board:

The board of directors regularly holds a meeting with a full team of members when there are important issues to be discussed. Information of the issues on the meeting agenda will be sent to all board members in advance for their preparation.

The company encourages the board of directors to freely monitor its operations. The secretary of the company has been appointed to facilitate activities of the board and to ensure that the company has abided by all regulations and rules of involved authorities



Shareholding Structure and the Management

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES



Exploitation of Inside Information

We have set up regulations and practices to prevent our managers and directors of the board in exploiting internal information for their own benefits, which are as followed:

- Educating managers in all divisions about their shareholding in the company and their duty to report their holding under the Securities and Stock Exchange Act B.E. 2535 and under the regulations by the Stock Exchange of Thailand,
- We require our executives to report their turnovers of shares in the form provided by the Securities & Exchange Commission (SEC) under the Securities and Stock Exchange Act B.E. 2535 to the company on the same day as they submitted to the SEC,
- We will send an internal circular to our executives that those who have been informed of the company's significant information must cease their trading on the company stock a month before that information will be released to the public. The company has enforced this rule to those involved in the inside information that they must not disclose this piece of information to others until it is reported to the Stock Exchange of Thailand.





Shareholding Structure and the Management

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STAFF

We promote training for our staff regularly by organizing internal courses for them to understand the company's values and goals as well as sponsoring them to attend external seminars to strengthen their competitiveness. A new batch of staff was recruited last year to cope with the higher amount of workload.

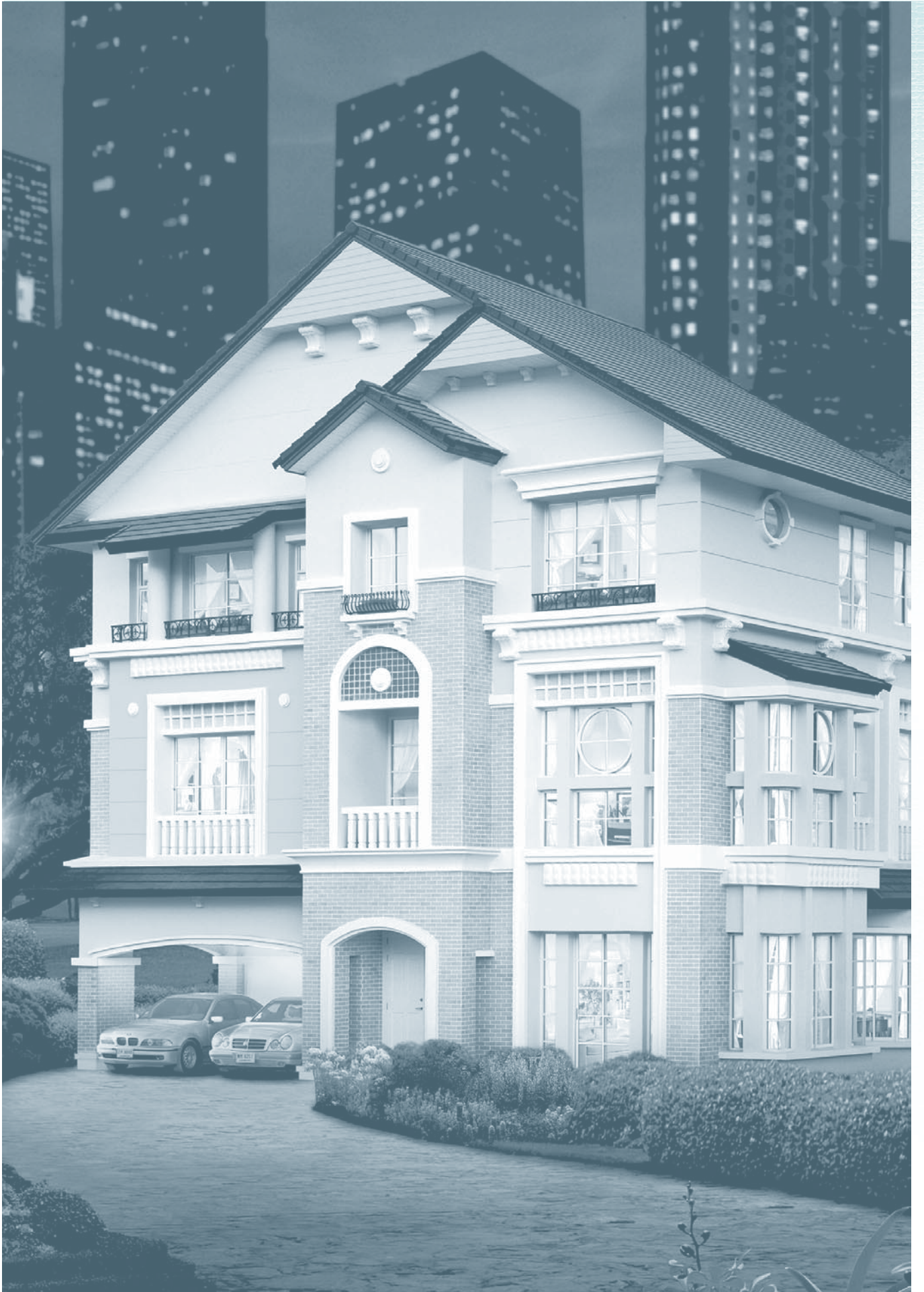
INTERNAL AUDITING

The company's auditing panel has found that we have adequate internal control system for the effectiveness of the organization. The inspection touched upon five aspects in the firm: organization and environment, risk management, control system for the management, information technology and communication, and the follow-up system. But the company is lack of a written Code of Conducts for all staff to abide by, which we now have educated those through training courses and conditions stated in employment contracts.

On the risk management, we have sufficiently managed risks at an appropriate level. The company has enforced adequate controls over the transactions of major shareholders, board of directors, and involved parties. We also have a satisfactory internal control and supervision system.

We have hired Pantamitr Co.,Ltd. to conduct an internal auditing session to check on the risks of businesses and the operations in order to enhance the company efficiency and the executive's confidence on our information and the maximum utilization of the company's resources. The internal audition has also ensured that we have a decent internal regulatory system that effectively makes all staff comply with.

Our accounting auditor, Mrs. Suvimol Krittayakien, has suggested that she did not find any loopholes in our internal accounting system.





AUDIT COMMITTEE'S REPORT

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED

Dear Shareholders

An audit committee, which consisted of four non-staff members, held four meetings during the financial year ending December 31, 2003 to review the efficiency of internal auditing, corporate operation supervisory, and to give advice to raise the company efficiency. The committee has supplied an external auditing team to make internal auditing process more prudent and responsive to suggestions made by the committee. It also worked closely with the center to develop good corporate governance of listed companies.

The committee viewed that the internal auditing system of Asian Property Development PLC was effective and transparent.

The committee, in cooperation with the company's auditor and related management team, has completed a review on the company's quarterly and annually financial statements ending December 31, 2003 and believed the financial statements were complete and accurate in accordance with Generally Accepted Accounting Principle.

The committee has also advised the company's board of directors to nominate Mrs. Suvimol Kritiyakian of D I A Co. at a meeting of shareholders to appoint her an accounting auditor for the company's financial statements ending December 31, 2004.

Mr. Sarawut Butsayarat

Chief of Auditor Committee
Asian Property Development Public Company Limited

AUDITOR'S REPORT

*ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
AUDITOR'S REPORT AND FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2003 AND 2002*



To The Shareholders of

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED

I have audited the consolidated balance sheets of ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES and the balance sheets of ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED as at December 31, 2003 and 2002, the related of consolidated statements of income and statements of income, consolidated statements of changes in shareholders' equity and statements of changes in shareholders' equity, and consolidated statements of cash flows and statements of cash flows of ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES and of ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED for the years then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits. I did not audit the financial statements as at December 31, 2002 of Asian Property (Ladphrao) Co., Ltd. a subsidiary and included in the consolidated financial statements which represented total assets of Baht 618.20 million total revenues for four months then ended of Baht 5.78 million and total net profit of Baht 3.04 million. In addition, the parent financial statements as at December 31, 2002 are included investments in such subsidiary under equity method of Baht 213.61 million and share of profit of Baht 2.52 million for the year then ended. Those financial statements were audited by the other auditors whose report has been furnished to me, and my opinion, insofar as it relates to the amounts included in the consolidated and parent financial statements for Asian Property (Ladphrao) Co., Ltd., is based solely on the report of the other auditors.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. I believe that my audit provides a reasonable basis for my opinion.



AUDITOR'S REPORT

*ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
AUDITOR'S REPORT AND FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2003 AND 2002*

I have reported the auditing in the 2002 financial statements dated February 10, 2003 by expressing a qualify opinion relating to the adjustments as might have been determined to be necessary to the consolidated financial statements of ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES and the financial statements of ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED since investments in an associate which was brought into the computation under equity method, had share of profit for six months of Baht 15.42 million, was taken from the unaudited financial statements. Later, after the report date, I have audit the statements of income for six months ended December 31, 2002 of such associate, I found that there are no material discrepancy to the consolidated financial statements and parent financial statements. Therefore, my currently opinion for the 2002 financial statements have been changed.

In my opinion, the consolidated financial statements and the financial statements referred to above present fairly, in all material respects, the consolidated financial position and the financial position of ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES and of ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED as at December 31, 2003 and 2002, the results of their operations and its operations and their cash flows and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Office of D I A International Auditing

(Mrs. Suvimol Krittayakiern)
C.P.A. Thailand
Registration No. 2982

February 23, 2004

FINANCIAL STATEMENTS

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES



BALANCE SHEETS

AS AT DECEMBER 31, 2003 AND 2002

Assets	Note	Consolidated		Parent company	
		2003 Thousand Baht	2002 Thousand Baht	2003 Thousand Baht	2002 Thousand Baht
Current assets					
Cash and cash equivalents		584,153	280,271	266,803	192,288
Current investments	4	380,193	75,339	300,000	75,000
Accounts and notes receivable - net	5	63,441	78,492	2,255	14,795
Unbilled construction income	6	18,608	102,776	1,207	87,293
Inventories - net	7	3,922,450	2,530,210	1,758,226	1,226,281
Other current assets					
Deposits for land		173,725	7,500	173,725	7,500
Accrued interest income		8	0	9,601	13,571
Others		63,939	36,192	32,433	12,077
Total current assets		5,206,517	3,110,780	2,544,250	1,628,805
Non-current assets					
Loans to related parties - net	8	0	0	660,968	323,639
Investments by using equity method	9				
Subsidiaries		0	0	2,112,677	978,450
Associates		0	71,223	0	71,223
Long-term investments	10	577,167	681	575,300	0
Other investments	11	400,000	0	0	0
Fixed deposit - commitment		39,459	11,091	18,075	0
Property, plant and equipment - net	12	178,504	193,032	48,071	47,540
Other non-current assets					
Deferred goodwill	9	163,477	156,951	0	0
Withholding income tax		37,990	26,462	3,071	3,071
Others		17,323	15,588	8,477	435
Total non-current assets		1,413,920	475,028	3,426,639	1,424,358
Total assets		6,620,437	3,585,808	5,970,889	3,053,163

Notes to financial statements are parts of these financial statements.



FINANCIAL STATEMENTS

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (Cont.)

AS AT DECEMBER 31, 2003 AND 2002

Liabilities and shareholders' equity	Note	Consolidated		Parent company	
		2003 Thousand Baht	2002 Thousand Baht	2003 Thousand Baht	2002 Thousand Baht
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	13	4,031	328,955	0	326,488
Accounts and notes payable		209,606	102,959	68,091	73,028
Unearned revenue		284,019	117,299	131,639	79,976
Current portion of long-term debts	14	378,610	110,700	360,010	58,150
Other current liabilities					
Accrued interest		20,009	5,082	19,815	4,359
Accrued expense		84,264	38,364	59,977	17,919
Accrued income tax		158,372	65,623	132,255	42,078
Others		37,358	25,027	28,760	14,461
Total current liabilities		1,176,269	794,009	800,547	616,459
Non-current liabilities					
Loans from related companies		0	11,998	75,000	0
Long-term liabilities	14	588,431	1,023,864	242,274	730,824
Bonds	15	1,500,000	0	1,500,000	0
Other non-current liabilities		30,376	9,722	27,709	0
Total non-current liabilities		2,118,807	1,045,584	1,844,983	730,824
Total liabilities		3,295,076	1,839,593	2,645,530	1,347,283

Notes to financial statements are parts of these financial statements.

FINANCIAL STATEMENTS

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES



BALANCE SHEETS (Cont.)

AS AT DECEMBER 31, 2003 AND 2002

Liabilities and shareholders' equity (Cont.)	Note	Consolidated		Parent company	
		2003 Thousand Baht	2002 Thousand Baht	2003 Thousand Baht	2002 Thousand Baht
Shareholders' equity					
Share capital					
Authorized share capital					
2,275,000,000 common					
shares of Baht 1 each	16	2,275,000		2,275,000	
227,500,000 common					
shares of Baht 10 each	16		2,275,000		2,275,000
Issued and paid-up share					
capital 2,242,184,220					
common shares of					
Baht 1 each		2,242,184		2,242,184	
201,585,946 common					
shares of Baht 10 each			2,015,859		2,015,859
Premium (Discount) on share					
capital		(1,007,859)	(1,007,859)	(1,007,859)	(1,007,859)
Premium on changing in					
investments value	9	410,490	0	410,490	0
Retained earnings					
Appropriated					
Legal reserve		96,000	36,400	96,000	36,400
Unappropriated		1,584,544	661,480	1,584,544	661,480
Total shareholders' equity		3,325,359	1,705,880	3,325,359	1,705,880
Minority interest		2	40,335	0	0
Total shareholders' equity including					
minority interest		3,325,361	1,746,215	3,325,359	1,705,880
Total liabilities and shareholders'					
equity		6,620,437	3,585,808	5,970,889	3,053,163

Notes to financial statements are parts of these financial statements.



FINANCIAL STATEMENTS

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2003 AND 2002

	Note	Consolidated		Parent company	
		2003 Thousand Baht	2002 Thousand Baht	2003 Thousand Baht	2002 Thousand Baht
Revenues					
Sales		4,757,356	2,700,863	2,500,382	1,372,044
Share of profits from investments for using the equity method		56,639	15,425	688,041	326,139
Interest income		1,274	3,810	30,708	28,378
Other income		15,429	23,733	4,822	8,984
Total revenues		4,830,698	2,743,831	3,223,953	1,735,545
Expenses					
Cost of sales		2,986,555	1,707,510	1,543,054	831,677
Directors' remuneration		1,980	1,476	1,980	1,476
Selling and administrative expenses		329,571	248,657	221,165	129,290
Total expenses		3,318,106	1,957,643	1,766,199	962,443
Profit before interest expenses and income tax		1,512,592	786,188	1,457,754	773,102
Interest expenses		(47,560)	(41,263)	(45,298)	(30,384)
Income tax		(275,065)	(97,193)	(222,490)	(54,844)
Profit after income tax		1,189,967	647,732	1,189,966	687,874
(Gain) Loss of minority interest		(1)	(438)	0	0
Profit before extraordinary items		1,189,966	647,294	1,189,966	687,874
Extraordinary items					
Gain from debt restructuring	14, 21	1,585	40,580	1,585	0
Net profit		1,191,551	687,874	1,191,551	687,874

FINANCIAL STATEMENTS

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES



STATEMENTS OF INCOME (Cont.)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

	Note	Consolidated		Parent company	
		2003 Baht	2002 Baht	2003 Baht	2002 Baht
Basic earnings per share	22				
Before extraordinary items		0.54	0.31	0.54	0.33
Extraordinary items (net from minority interest)		0.00	0.02	0.00	0.00
Net profit		0.54	0.33	0.54	0.33
Diluted earnings per share	22				
Before extraordinary items		0.53	0.30	0.53	0.32
Extraordinary items (net from minority interest)		0.00	0.02	0.00	0.00
Net profit		0.53	0.32	0.53	0.32

Notes to financial statements are parts of these financial statements.



FINANCIAL STATEMENTS

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2003 AND 2002

Thousand Baht

Consolidated	Note	Issued and paid up share capital	Premium (Discount) on share capital	Premium on changing in investments value	Legal reserve	Retained earnings (Deficit)	Minority interest	Total
Beginning balance as at January 1, 2002		1,925,000	(1,007,859)	0	1,936	8,070	663	927,810
Warrants to purchase common shares	19	90,859	0	0	0	0	0	90,859
Legal reserve	20	0	0	0	34,464	(34,464)	0	0
Purchase of investments in subsidiaries		0	0	0	0	0	39,628	39,628
Dividend paid	18	0	0	0	0	0	(394)	(394)
Net profit		0	0	0	0	687,874	438	688,312
Ending balance as at December 31, 2002		2,015,859	(1,007,859)	0	36,400	661,480	40,335	1,746,215
Beginning balance as at January 1, 2003		2,015,859	(1,007,859)	0	36,400	661,480	40,335	1,746,215
Warrants to purchase common shares	19	226,325	0	0	0	0	0	226,325
Legal reserve	20	0	0	0	59,600	(59,600)	0	0
Purchase of investments in subsidiaries		0	0	0	0	0	(40,324)	(40,324)
Unrealized gain on marketable securities	9	0	0	410,490	0	0	0	410,490
Dividend paid	9, 18	0	0	0	0	(208,887)	(10)	(208,897)
Net profit		0	0	0	0	1,191,551	1	1,191,552
Ending balance as at December 31, 2003		2,242,184	(1,007,859)	410,490	96,000	1,584,544	2	3,325,361

Notes to financial statements are parts of these financial statements.

FINANCIAL STATEMENTS

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES



STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2003 AND 2002

Thousand Baht

Parent company	Note	Issued and paid up share capital	Premium (Discount) on share capital	Premium changing in investments value	Legal reserve	Retained earnings (Deficit)	Total
Beginning balance as at January 1, 2002		1,925,000	(1,007,859)	0	1,936	8,070	927,147
Warrants to purchase common shares	19	90,859	0	0	0	0	90,859
Legal reserve	20	0	0	0	34,464	(34,464)	0
Net profit		0	0	0	0	687,874	687,874
Ending balance as at December 31, 2002		2,015,859	(1,007,859)	0	36,400	661,480	1,705,880
Beginning balance as at January 1, 2003		2,015,859	(1,007,859)	0	36,400	661,480	1,705,880
Warrants to purchase common shares	19	226,325	0	0	0	0	226,325
Legal reserve	20	0	0	0	59,600	(59,600)	0
Unrealized gain on marketable securities	9	0	0	410,490	0	0	410,490
Dividend paid	18	0	0	0	0	(208,887)	(208,887)
Net profit		0	0	0	0	1,191,551	1,191,551
Ending balance as at December 31, 2003		2,242,184	(1,007,859)	410,490	96,000	1,584,544	3,325,359

Notes to financial statements are parts of these financial statements.



FINANCIAL STATEMENTS

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Assets	Consolidated		Parent company	
	2003 Thousand Baht	2002 Thousand Baht	2003 Thousand Baht	2002 Thousand Baht
Cash flows from operating activities				
Net profit	1,191,551	687,874	1,191,551	687,874
Minority interest	1	438	0	0
Adjustments to reconcile net profit to cash receipt (disbursement)				
Depreciation	15,707	17,525	1,837	2,999
Bad debt and doubtful accounts	970	6,721	0	6,706
Reversal of provision for devaluation of investments	(356)	0	0	0
(Gain) Loss from debt restructuring	(1,585)	(40,580)	(1,585)	0
Loss from impairment of assets	5,694	0	0	0
(Gain) Loss from sales of assets	(2,161)	(1,456)	1,021	(189)
Amortization	20,494	18,676	16,423	10,187
Amortization of goodwill income	0	(4,499)	0	(4,499)
Share of profits from investments for using the equity method	(56,639)	(15,425)	(688,041)	(326,139)
Decrease (Increase) in unbilled construction income	84,168	(94,012)	86,086	(85,420)
Decrease (Increase) in accounts and notes receivable	13,675	(24,092)	11,895	3,097
Decrease (Increase) in inventories	(1,392,240)	(930,664)	(531,945)	(640,104)
Decrease (Increase) in accrued interest income	0	0	3,970	(7,902)
Decrease (Increase) in prepaid interest	20,194	(34,498)	20,194	(34,498)
Decrease (Increase) in other current assets	(194,384)	(32,296)	(186,581)	(16,614)
Decrease (Increase) in prepaid income tax	(12,897)	4,223	0	0

FINANCIAL STATEMENTS

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES



STATEMENTS OF CASH FLOWS (Cont.)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

	Consolidated		Parent company	
	2003 Thousand Baht	2002 Thousand Baht	2003 Thousand Baht	2002 Thousand Baht
Decrease (Increase) in other non-current assets	(2,435)	2,194	(8,042)	19
Increase (Decrease) in accounts and notes payable	106,295	50,831	(4,937)	61,331
Increase (Decrease) in unearned revenue	167,477	41,207	52,309	54,582
Increase (Decrease) in accrued interest expenses	16,511	(4,855)	17,041	(994)
Increase (Decrease) in accrued expenses	46,753	5,455	42,058	13,690
Increase in accrued income tax	92,749	65,623	90,177	42,078
Increase (Decrease) in other current liabilities	8,432	6,110	10,889	(5,369)
Increase (Decrease) in other non-current liabilities	20,544	(5,077)	19,792	0
Net cash provided by (used in) operating activities	148,518	(280,577)	144,112	(239,165)
Cash flows from investing activities				
Received (Paid) from loans to subsidiary and related companies	0	6,000	(337,329)	(50,002)
(Increase) Decrease in fixed deposit with commitment	(28,367)	1,108	(18,075)	0
Cash received from sales of investments	71	0	71	0
Dividend received from investments in subsidiaries	0	0	49,999	7,481
Cash paid for short-term investments	(304,854)	(75,000)	(225,000)	(75,000)
Purchase of investments in subsidiaries and associates	(94,940)	(252,531)	(594,940)	(252,931)
Investments in other companies	(1,030)	(1,381)	0	0
Other investments	(400,000)	0	0	0
Cash received from sales of fixed assets	11,047	2,700	111	0
Cash paid for purchase of fixed assets	(15,763)	(14,855)	(3,500)	(2,147)
Net cash provided by (used in) investing activities	(833,836)	(333,959)	(1,128,663)	(372,599)



FINANCIAL STATEMENTS

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Cont.)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

	Consolidated		Parent company	
	2003 Thousand Baht	2002 Thousand Baht	2003 Thousand Baht	2002 Thousand Baht
Cash flows from financing activities				
Cash received (paid) for bank overdrafts and short-term loans from financial institutions	(328,436)	265,497	(330,000)	327,875
Received (Paid) for loans from subsidiary and other companies	(11,998)	11,998	75,000	(5,000)
Received from long-term loans	2,717,945	632,580	2,224,078	287,000
Paid for long-term loans	(1,402,150)	(457,569)	(927,450)	0
Payables and loans from directors	0	(5,000)	0	0
Cash received from increase share capital	226,325	90,859	226,325	90,859
(Paid) for dividend	(208,897)	(394)	(208,887)	0
Net cash provided by (used in) financing activities	992,789	537,971	1,059,066	700,734
Increase (Decrease) in cash and cash equivalents - net	307,471	(76,565)	74,515	88,970
Cash and cash equivalents, beginning of the period	276,682	356,836	192,288	103,318
Cash and cash equivalents, end of the period	584,153	280,271	266,803	192,288

Additional disclosure of cash flows information

Cash paid during the period				
Interest expenses	85,466	140,076	26,830	95,370
Income tax	195,213	31,649	132,312	12,767

Notes to financial statements are parts of these financial statements.

FINANCIAL STATEMENTS

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES



NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2003 AND 2002

1. FINANCIAL STATEMENTS PREPARATION BASIS

These financial statements have been prepared in conformity with the generally accepted accounting principles and presented under the Department of Commercial Registration Notification dated September 14, 2001 regarding "The abbreviate items must be shown in the financial statements."

2. CONSOLIDATED FINANCIAL STATEMENTS

2.1 These financial statements are consolidated by including the accounts of its subsidiaries which controlled by Asian Property Development Public Company Limited.

2.2 Transactions between subsidiary companies

Transactions between Asian Property Development Public Company Limited and its subsidiaries have been eliminated under the equity method as if Asian Property Development Public Company Limited owns 100 per cent shareholding in those subsidiaries, and the interest of other shareholders is shown as "Minority interest". The significant outstanding balance and transactions between Asian Property Development Public Company Limited and its subsidiaries were eliminated from the consolidated financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Income and expenses are recorded on an accrual basis except for no. 3.1.1.

3.1.1 Revenue from sales of real estate

Revenue from sales of real estate is recorded on the percentage of completion which is based on the proportion of actual costs (excluding cost of land) to the total estimated costs. The Company recognized revenues when collection received exceeds 20 per cent of each contract value and the progress of completed construction work is more than 10 per cent of total construction project.

3.2 Inventories Valuation

Inventories are valued at the lower of cost or net realizable value. Cost price of inventories are detailed as follows :

3.2.1 Land for sales

Land purchased for sales is valued at cost on a weighted average method (calculated separately for each project).



FINANCIAL STATEMENTS

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2003 AND 2002

3.2.2 Deferred interest

Interest expenses relating to land purchased for sales are recorded as deferred interest as a part of inventories. Such deferred interest is recognized as cost of sales in accordance with the average revenues recognition (calculated separately for each project).

3.2.3 Central utilities

The cost of construction for utilities like road, electricity system, water supply system and other central utilities are recorded as a part of inventories and recognized as cost of sales in accordance with the average revenues recognition.

3.2.4 Deferred project development costs

Project development costs and preparation costs before sales are recorded as a part of inventories and recognized as cost of sales in accordance with the average revenues recognition.

3.2.5 Finished goods, direct raw materials and indirect raw materials are valued at the lower of cost on a first-in first-out (FIFO) basis or net realizable value.

3.3 Depreciation

Depreciation are presented on a straight-line basis over the estimated useful lives of the assets as follows :

Land improvement	5 years
Building and construction	20 years
Club houses, swimming pool and play ground	20 years
Sample houses and sales' office	5 years
Machinery, fixtures and equipment	5 years
Vehicles	5 years
Other assets	5 years

Sand pit land is depreciated based on the quantity of sand excavated. The Company's engineer estimated its useful lives of such land capable of giving sand 2.9 million cubic meters. (Sand pit land is located at Kanchanaburi Province with an area of 155 rais).

FINANCIAL STATEMENTS

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES



NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2003 AND 2002

3.4 Transactions in foreign currencies

Foreign currency transactions are converted into Thai Baht at the exchange rate prevailing on the transaction date. The outstanding foreign currency accounts as at the Balance Sheets date are converted by using the exchange rates prevailing at that date.

Gain or loss from exchange rates are taken into income or expenses as incurred.

3.5 Allowance for doubtful accounts

The Company provides the allowance for doubtful accounts equal to the amount of accounts receivable that have been inactive over three months and expected to be uncollectable under the management consideration.

3.6 Investments in subsidiaries and associates

Investments in subsidiaries and associates are recorded under the equity method.

3.7 Investments in equity securities

3.7.1 Short-term investment in type of securities available for sales are stated at fair value. The changes in value have been recorded in statements of income.

3.7.2 Investments in other companies in type of equity securities, which are non-market-able securities, the Company assumes them as other investments and its values are stated at cost less the provision for impairment of investment (if any).

3.7.3 Short-term investments and long-term investments which sold during the period, are valued at the weighted average cost.

3.8 Capitalized interest costs

Interest from long-term loans for acquiring fixed assets are gradually recorded as cost of assets until the assets can be used.

3.9 Corporate income tax

Current corporate income tax is calculated by net profit from transactions incurred in the same period.

3.10 Impairment of assets



FINANCIAL STATEMENTS

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2003 AND 2002

The Company has considered the impairment of investment, property, plant and equipment and intangible assets whenever events or changes indicate that the carrying amount of an asset exceeds its net realizable value. The Company will consider the impairment for each asset item or each asset unit generating cash flow, whichever is practical.

In case the carry amount of an asset exceeds its net realizable value, the Company will recognize an impairment loss in the statements of income. The Company will reverse the impairment loss whenever there is an indication that there is no longer impairment or reduction in impairments as "other income".

3.11 Deferred goodwill

Deferred goodwill is premium of investment over the fair value of net assets of subsidiary and associated companies at the date of investment which is shown as goodwill and amortized by straight - line method within 5-20 years.

3.12 Cash and cash equivalents

Cash and cash equivalents mean cash on hand and all type of bank deposit excluding deposit which held to maturity and liquid short-term investments that had slightly risk in changing valuation.

3.13 Earnings per share

3.13.1 Basic earnings per share

Earnings (Loss) per share as presented in the statements of income is the basic earnings (loss) per share which is determined by dividing the net profit (loss) for the year by the weighted average number of share issued and paid-up during the year.

3.13.2 Diluted earnings per share

Diluted earnings per share is calculated by dividing net profit for the year by the sum of weighted average number of common share issued during the period and the number of common shares issued in the conversion of potential common shares to common shares.

For the comparison purpose, the basic earnings per share for the year ended December 31, 2002 was recalculated by dividing net profit for the year by the weighted average number of shares issued and paid-up during the year multiply the number of shares which calculated from fair value of common shares before and after exercise right.

FINANCIAL STATEMENTS

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES



NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2003 AND 2002

4. CURRENT INVESTMENT

Current investment are equity securities for trading in units trust of opened fund.

5. ACCOUNTS AND NOTES RECEIVABLE - NET

	Consolidated		Parent company	
	2003 Thousand Baht	2002 Thousand Baht	2003 Thousand Baht	2002 Thousand Baht
Accounts receivable	87,852	100,771	21,332	44,421
Notes receivable	14,524	45,118	14,030	32,674
Less Allowance for doubtful accounts	(38,935)	(67,397)	(33,107)	(62,300)
Accounts and notes receivable - net	63,441	78,492	2,255	14,795

The Company's delinquent accounts receivable classified by aging as follows :

	Consolidated		Parent company	
	2003 Thousand Baht	2002 Thousand Baht	2003 Thousand Baht	2002 Thousand Baht
Over 3 months to 6 months	1,058	613	0	0
Over 6 months to 12 months	873	1,490	0	1,165
Over 12 months	39,023	74,365	33,481	67,303
Total	40,954	76,468	33,481	68,468



FINANCIAL STATEMENTS

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2003 AND 2002

6. UNBILLED CONSTRUCTION INCOME

The Company and subsidiaries have the project on hand as detailed following :

	Consolidated		Parent company	
	2003 Thousand Baht	2002 Thousand Baht	2003 Thousand Baht	2002 Thousand Baht
Recognized revenue	7,480,195	6,127,078	2,535,198	1,564,309
Less Receipt of payment	(7,461,587)	(6,024,302)	(2,533,991)	(1,477,016)
Unbilled construction income	18,608	102,776	1,207	87,293

CONTRACTED SALES VALUE AND ITS PROPORTION TO PROJECT TOTAL SALES

	Consolidated		Parent company	
	2003	2002	2003	2002
Beginning project on hand	13	10	6	4
Closed project	(3)	(5)	(2)	(2)
New opened project	9	8	5	4
Ending project on hand	19	13	9	6
Project total sales (million Baht)	8,054	2,815	4,084	1,291
% Sales value of project on hand to total sales	82.05	35.11	83.67	39.82

FINANCIAL STATEMENTS

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES



NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2003 AND 2002

7. INVENTORIES – NET

	Consolidated		Parent company	
	2003 Thousand Baht	2002 Thousand Baht	2003 Thousand Baht	2002 Thousand Baht
Land	3,259,380	2,016,734	1,499,454	949,732
Land improvement	130,842	84,438	29,534	28,039
Work in progress	335,253	257,086	159,586	184,831
Deferred interest expenses	295,433	322,253	20,364	25,987
Utilities	88,334	79,508	45,718	37,692
Deferred project development	19,100	5,212	3,570	0
Finished goods	11,344	13,324	0	0
Raw materials and supplies	20,934	5,161	0	0
Total	4,160,620	2,783,716	1,758,226	1,226,281
Less Allowance for devalue of inventories	(238,170)	(253,506)	0	0
Inventories - net	3,922,450	2,530,210	1,758,226	1,226,281

The Company mortgaged land and construction as collateral for long-term loans (note 14).

Asian Property Co., Ltd. mortgaged part of land as collateral for banks overdrafts and long-term loans of Asian Property Co., Ltd. and subsidiaries (note 13 and 14).



FINANCIAL STATEMENTS

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2003 AND 2002

8. LOANS TO RELATED PARTIES – NET

	Consolidated		Parent company	
	2003 Thousand Baht	2002 Thousand Baht	2003 Thousand Baht	2002 Thousand Baht
Subsidiary companies				
- Asian Property Co., Ltd.	0	0	0	120,000
- PCM Construction Material Co., Ltd.	0	0	107,970	145,637
- Asian Property (Ladphrao) Co., Ltd.	0	0	0	58,002
- Asian Property (Krungthep) Co., Ltd.	0	0	528,580	0
- Thong - lor Property Co., Ltd.	0	0	100	0
- Thong - lor Development Co., Ltd.	0	0	100	0
- Thong - lor Residence Co., Ltd.	0	0	7,300	0
- Signature Advisory Partners Co., Ltd.	0	0	16,918	0
Total loans	0	0	660,968	323,639

8.1 The Company has loan to Asian Property Co., Ltd. for credit line by receiving promissory notes, due at call at the interest rate MLR+0.25% per annum without collateral. In 2003, the Company received the repayment of this loan in full.

8.2 The Company has loan to PCM Construction Material Co., Ltd. by receiving promissory notes, due at call at the interest rate of MLR per annum without collateral.

8.3 The Company has loans to Asian Property (Ladphrao) Co., Ltd. by receiving promissory notes, due at call at the interest rate of 4.20% per annum without collateral. In 2003, the Company received the repayment of this loan in full.

8.4 The Company has loans to Asian Property (Krungthep) Co., Ltd., Thong - lor Property Co., Ltd., Thong - lor Development Co., Ltd., Thong - lor Residence Co., Ltd. and Signature Advisory Partners Co., Ltd. by receiving promissory notes, due at call at the interest rate of 4.20% per annum without collateral.

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ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES



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9. INVESTMENTS FOR USING THE EQUITY METHOD

	Type of business	Million Baht		%
		Paid-up of share capital		Percenta investm
		2003	2002	2003
Subsidiary companies				
Asian Property Co., Ltd. and subsidiaries	Real estate	660	660	100
Deferred goodwill				
Net				
Asian Property (Ladphrao) Co., Ltd. Deferred goodwill	Real estate	350	350	100
Net				
Asian Property (Krungthep) Co., Ltd. Deferred goodwill	Real estate	26	0	100
Net				
Siam System Built Co., Ltd.	Construction contractor	2.25	2.25	95
PCM Construction Material Co., Ltd.	Manufacturing of precast	5.00	5.00	100
Sukhumvit Residence Co., Ltd.	Real estate	0.10	0.10	0
Thong-lor Residence Co., Ltd.	Real estate	0.10	0.10	100
Thong-lor Property Co., Ltd.	Real estate	0.10	0.10	100
Thong-lor Development Co., Ltd.	Real estate	0.10	0.10	100
City Assets Mutual Fund	Property and loan fund	500	0.00	100
Total investments in subsidiaries				
Associated companies				
Quality Construction Products Plc. Deferred goodwill	Manufacturing of construction materials	400	154	0
Total investments in associate				
Total investments in subsidiaries and associate				



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	% Percentage of investments		Thousand Baht Investments (Equity method)		Thousand Baht Investments (Cost method)		Thousand Baht Dividend	
	2003	2002	2003	2002	2003	2002	2003	2002
660	100	100	708,400	596,180	191,400	191,400	0	0
			129,550	137,393	0	0	0	0
			837,950	733,573	191,400	191,400	0	0
350	100	83	720,618	194,052	255,789	212,305	0	0
			18,375	19,558	0	0	0	0
			738,993	213,610	255,789	212,305	0	0
0	100	0	0	0	20,016	0	0	0
			15,552	0	0	0	0	0
			15,552	0	20,016	0	0	0
2.25	95	95	0	3,336	0	2,137	0	7,481
5.00	100	100	20,991	27,587	5,000	5,000	49,999	0
0.10	0	100	0	86	0	100	0	0
0.10	100	100	0	86	100	100	0	0
0.10	100	100	63	86	100	100	0	0
0.10	100	100	42	86	100	100	0	0
0.00	100	0	499,086	0	499,100	0	0	0
			2,112,677	978,450	971,605	411,242	49,999	7,481
154	0	23	0	61,532	0	119,886	0	0
			0	9,691	0	0	0	0
			0	71,223	0	119,886	0	0
			2,112,677	1,049,673	971,605	531,128	49,999	7,481

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9.1 Investment in subsidiary companies

9.1.1 The financial statements of subsidiary companies were taken into consolidated financial statements and net profit for the year ended December 31, 2003 and 2002 were taken into computation under equity method have been audited by the auditor.

9.1.2 Asian Property Co., Ltd. has investment in common shares of two subsidiary companies which are included the equity gain (loss) from operation as detailed following :

Name of companies	Type of business	Paid-up of	Percentage	Cost	Equity method	
		share capital	of investment	method	(Thousand Baht)	
		Thousand Baht	%	Thousand Baht	2003	2002
Investment in subsidiary companies						
Asian Property						
Residence Co., Ltd.	Real estate	20,000	100	12,008	36,998	0
Asian Property						
Holding Co., Ltd.	Assets Management	100	100	100	2,062	16,563
Total					39,060	16,563

Indirect investments in two subsidiaries which were brought into the computation of investment under equity method were taken from their audited financial statements.

According to the minutes of shareholders' extraordinary meeting no. 1/2003 held on November 17, 2003 of Asian Property Residence Co.,Ltd., it passed the resolution to pay dividend at Baht 25.00 per share for 2,000,000 shares, amounting to Baht 50 million on November 19, 2003. Asian Property Co., Ltd. has received dividend of Baht 49,999,675.00.

According to the minutes of shareholders' extraordinary meeting no. 1/2003 held on November 17, 2003 of Asian Property Holding Co.,Ltd., it passed the resolution to pay dividend at Baht 1,500.00 per share for 10,000 shares, amounting to Baht 15 million on November 18, 2003. Asian Property Co.,Ltd. has received dividend of Baht 14,991,000.00.

9.1.3 As at May 14, 2003 and February 21, 2003, the Company purchased 6 million common shares of Asian Property (Ladphrao) Co.,Ltd. from the existing shareholders at Baht 7.31 per share,



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totalling Baht 43.48 million. The excess of investments value in subsidiary over fair value of net assets of this subsidiary as at December 31, 2002 of Baht 2.26 million and March 31, 2003 of Baht 1.26 million was presented as goodwill and gradually amortized as expenses within 5 years.

9.1.4 On July 8, 2003, the Company purchased 0.26 million shares of Asian Property (Krungthep) Co., Ltd. (formerly named Chokmaitri Co.,Ltd.) from the existing shareholders at Baht 76.99 per shares, totalling Baht 20.02 million. The excess of investment value in subsidiary over fair value of net assets of this subsidiary at the purchasing date of Baht 17.28 million was presented as goodwill and gradually amortized as expenses within 5 years.

9.1.5 According to the minutes of shareholders' extraordinary meeting of Siam System Built Co., Ltd. no. 3/2002 and no. 4/2002 held on December 17, 2002 and January 2, 2003, unanimously passed the resolution to dissolve its operation and taken the dissolution to register with the Ministry of Commerce on January 15, 2003. The Company, therefore, recorded the equity in investment of Siam System Built Co., Ltd. up to January 2, 2003 and presented such investment in other investments. From dissolution of such company, the presentation of cash in the consolidated statements of cash flows as at December 31, 2002 was differed from presentation in the consolidated balance sheets by Baht 3.49 million.

9.1.6 According to the minutes of shareholders' extraordinary meeting no. 2/2003 held on October 17, 2003 of PCM Construction Materials Co., Ltd. that it passed the resolution to pay dividend at Baht 100.00 per shares for 500,000 shares, amounting to Baht 50 million on October 30, 2003. The Company has received the dividend in the amount of Baht 49,999,300.00.

9.1.7 As at November 11, 2003, the Company has sold 9,994 common shares of Sukhumvit Residence Co., Ltd. at the price of Baht 7.10 each, amounting to Baht 71,000.00. From that selling, resulting cash as at December 31, 2002 presented in the consolidated cash flows statements are differed from the present in the consolidated balance sheets of Baht 0.10 million.

9.1.8 The financial statements of Thong-lor Residence Co., Ltd. for the year ended December 31, 2003 and Asian Property (Krungthep) Co., Ltd. for the purchasing date from July 8, 2003 to December 31, 2003 which were brought into the computation of investments under equity method, had capital deficiency. The Company recorded the investments balance equal to zero and recognized the excess of loss over investments in subsidiaries of Baht 0.08 million and Baht 7.83

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million, respectively and presented in other liabilities of Baht 7.91 million and equity loss of Baht 0.17 million and Baht 10.57 million, respectively.

9.1.9 On December 25, 2003, the Company held the unit trust of City Assets Mutual Funds, is a property and loan fund of a closed-end type and an indefinite term for the objective to take the money from unit trust selling to purchase or lease real estate as well as provide the beneficial of real estate or the other assets.

9.2 Investment in associated companies

Net profit of Quality Construction Product Public Company Limited (formerly named Quality Construction Product Co., Ltd.) for the year ended December 31, 2003 was brought into computation of investment under equity method which was taken from its audited financial statements.

In July 2003, Quality Construction Product Public Company Limited has increased its share capital from Baht 154 million to Baht 400 million by issuing 245.6 million new common shares of Baht 1.00 each, which will be allotted to the existing shareholders in proportion of 1 shares for 1 new shares at the offering price of Baht 1.00 each. The Company exercised the right to subscribe 35.75 million common shares and the certain of new common shares will be allotted to the affiliate's directors and the remaining of 80 million shares will be offered to the public on December 16, 2003 and the paid-up shares capital were registered with the Ministry of Commerce on December 24, 2003. From this allocation, the proportion of shareholding of the Company reduced from 23.16% to 17.88%. The Company, therefore, changed the presentation of investments in Quality Construction Products Public Company Limited from investments in affiliates to investments in marketable securities available for sales since December 24, 2003. The difference between book value and fair value of investments of Baht 410.49 million was presented as premium on changing in investment value. Fair value are calculated by using the fair value of securities which Quality Construction Products Public Company Limited offered to the individuals in the primary market on December 24, 2003 since these are no the past trading price in the market.



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10. LONG-TERM INVESTMENTS

	Consolidated		Parent company	
	2003 Thousand Baht	2002 Thousand Baht	2003 Thousand Baht	2002 Thousand Baht
Quality Construction Products Plc.	572,000	0	572,000	0
Siam System Built Co.,Ltd.	3,300	0	3,300	0
Pre Built Co.,Ltd.	1,037	1,037	0	0
Government bonds	830	0	0	0
Less Provision for impairment of investments	0	(356)	0	0
Total	577,167	681	575,300	0

11. OTHER INVESTMENTS

Other investments are in the form of investment by City Assets Mutual Fund.

12. PROPERTY, PLANT AND EQUIPMENT-NET

(Baht : Thousand)

	Consolidated				
	December 31, 2002	Increase	Disposal	Transfer in (out)	December 31, 2003
Cost :-					
Land and improvement	106,334	1,963	(5,949)	44	102,392
Building and construction	72,603	0	(11,998)	(484)	60,121
Sample houses and sales' office	66,104	0	0	(18,058)	48,046
Club houses - swimming pool and play ground	42,474	0	0	0	42,474
Tools and machinery	113,802	434	(6,310)	(17,712)	90,214
Fixtures and equipment	20,314	6,318	0	(7,124)	19,508
Vehicles	11,623	1,706	(347)	(18)	12,964

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(Baht : Thousand)

Consolidated

	December 31, 2002	Increase	Disposal	Transfer in (out)	December 31, 2003
Other fixed assets	5,241	630	0	1,231	7,102
Assets under installation	2,528	4,712	0	(3,277)	3,963
Total	441,023	15,763	(24,604)	(45,398)	386,784
Accumulated depreciation :-					
Land improvement	11,201	1,571	(1,883)	0	10,889
Building and construction	13,792	3,529	(8,326)	(484)	8,511
Sample houses and sales' office	62,267	1,124	0	(18,058)	45,333
Club houses - swimming pool and play ground	29,109	947	0	0	30,056
Tools and machinery	94,564	5,177	(5,179)	(17,832)	76,730
Fixtures and equipment	15,559	1,784	0	(7,264)	10,079
Vehicles	8,851	809	(326)	(18)	9,316
Other fixed assets	3,150	766	0	0	3,916
Total	238,493	15,707	(15,714)	(43,656)	194,830
Provision for impairment :-					
Land and improvement	6,639	0	0	0	6,639
Building and construction	522	0	0	0	522
Club houses - swimming pool and play ground	0	5,694	0	0	5,694
Tools and machinery	595	0	0	0	595
Assets under installation	1,742	0	0	(1,742)	0
Total	9,498	5,694	0	(1,742)	13,450
Net book value	193,032				178,504



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Depreciation after provision for impairment for the year ended December 31, 2003 and 2002 amounted to Baht 15.71 million and Baht 17.52 million, respectively.

Building and equipment at book value before deducting accumulated depreciation in fully amount as at December 31, 2003 amounting to Baht 80.54 million are still being operated (as at December 31, 2002, amounting to Baht 109.24 million).

As at December 31, 2003, the Company has a part of property, plant and equipment - net amounting to Baht 16.74 million as unused and held for sales (as at December 31, 2002 amounting to Baht 17.27 million).

(Baht : Thousand)

Parent company

	December 31, 2002	Increase	Disposal	Transfer in (out)	December 31, 2003
Cost :					
Land and improvement	55,800	0	0	0	55,800
Building and construction	4,443	0	0	0	4,443
Tools and machinery	92,352	0	(6,309)	(17,833)	68,210
Fixtures and equipment	8,837	2,030	0	(7,264)	3,603
Vehicles	7,427	627	(317)	(18)	7,719
Other fixed assets	1,999	367	0	1,230	3,596
Assets under installation	2,501	476	0	(2,972)	5
Total	173,359	3,500	(6,626)	(26,857)	143,376
Accumulated depreciation :					
Land improvement	8,558	0	0	0	8,558
Building and construction	1,344	222	0	0	1,566
Tools and machinery	89,748	832	(5,178)	(17,832)	67,570
Fixtures and equipment	7,557	490	0	(7,264)	783
Vehicles	7,424	42	(317)	(18)	7,131
Other fixed assets	1,690	251	0	0	1,941
Total	116,321	1,837	(5,495)	(25,114)	87,549

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(Baht : Thousand)

Parent company

	December 31, 2002	Increase	Disposal	Transfer in (out)	December 31, 2003
Provision for impairment : -					
Land and improvement	6,639	0	0	0	6,639
Building and construction	522	0	0	0	522
Tools and machinery	595	0	0	0	595
Assets under installation	1,742	0	0	(1,742)	(0)
Total	9,498	0	0	(1,742)	7,756
Net book value	47,540				48,071

Depreciation after provision for impairment for the year ended December 31, 2003 and 2002 amounted to Baht 1.84 million and Baht 3.00 million, respectively.

13. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

The Company and subsidiaries have bank overdrafts and short-term loans from financial institutions as follows :

	Consolidated		Parent company	
	2003 Thousand Baht	2002 Thousand Baht	2003 Thousand Baht	2002 Thousand Baht
Bank overdrafts	4,031	2,467	0	0
Loans from opened fund	0	330,000	0	330,000
Less Prepaid interest	0	(3,512)	0	(3,512)
Total	4,031	328,955	0	326,488



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13.1 As at December 31, 2003, the Company has overdrafts line of Baht 60 million, guaranteed by mortgaging part of land project of the Company and of Asian Property Co.,Ltd.

As at December 31, 2003, subsidiaries have overdrafts line with several banks total amount of Baht 80 million, guaranteed by Asian Property Development Public Company Limited and mortgaging land project which belong to subsidiaries.

13.2 The Company has loans from several opened fund for total credit line of Baht 330 million by issuing bill of exchange at the interest rate of 2.31 - 5.72% per annum, maturing in August 2003.

14. LONG - TERM LIABILITIES

The Company and subsidiaries have long - term loans from bank and financial institutions as following :

	Consolidated		Parent company	
	2003 Thousand Baht	2002 Thousand Baht	2003 Thousand Baht	2002 Thousand Baht
Long-term loans	981,345	1,165,550	616,588	819,960
Less Current portion of long-term debt	(378,610)	(110,700)	(360,010)	(58,150)
Prepaid interest	(14,304)	(30,986)	(14,304)	(30,986)
Total	588,431	1,023,864	242,274	730,824

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14.1 Long-term loans of Asian Property Development Public Company Limited consist of :

Institute	Balance (Thousand Baht)		Interest rate	Repayment	Guarantee by
	2003	2002			
Bank	206,588	390,010	MLR MLR-1, MLR-1.5 ★ FIX	65 - 70% of selling price whenever redemption of selling project was made	Mortgage land and construction of each project
Financial institution	0	19,950	5.25, MLR	60 monthly installments of Baht 333,333.33	Mortgage land, construction and part of equipment
Opened fund (net book value of Baht 395.70 million)	410,000	410,000	4.15-4.75	Due in June 2004 - December 2005	
Total	616,588	819,960			

14.1.1 On January 29, 2003, the Company entered into debt restructuring agreement (the second time) with a financial institution for the principal of Baht 20 million and accrued interest of Baht 3.98 million computed up to December 27, 2002 with the conditions as follows :

1. The repayment of principal will be made 60 monthly installments of Baht 333,333.33 each, commencing in January 2003 and maturing in December 2007.
2. The fix interest rate of 5.25% per annum for the first year and MLR thereafter.
3. Accrued interest of Baht 2.48 million at the agreement date will be made payment. The difference of accrued interest of Baht 1.58 million was reduced by the creditors, therefore, the Company recorded such amount as gain from debt restructuring as extraordinary items in statements of income.

In the third quarter of 2003, the Company has made repayment of such loans in full.



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14.1.2 In 2002, the Company has loans from 5 opened fund by issuing 33 bill of exchange.

14.2 Long-term loans - subsidiaries consist of :

Company	Institute	Balance (Thousand Baht)		Interest rate	Repayment	Guarantee by
		2003	2002			
1. Asian Property Co., Ltd.	Bank	0	10	MLR	65% of selling price whenever redemption of selling project was made	Mortgage land, construction and part of equipment
2. Asian Property Residence Co., Ltd.	Bank	0	52,540	MLR, FIX★	65% of selling price whenever redemption of selling project was made, due in August 2003	Mortgage land of company and guarantee by Asian Property Development Plc.
3. Asian Property (Ladphrao) Co., Ltd.	Bank	65,922	293,040	MLR, MLR-1, FIX★	65 - 70% of selling price whenever redemption of selling project was made, due in October 2004 to February 2006	Mortgage land of project and guarantee by Asian Property Development Plc.
4. PCM Construction Material Co., Ltd.	Bank	41,350	0	6	Installment repayment of Baht 350,000.00 to Baht 1,550,000.00, due in August 2008	Mortgage land, construction and part of equipment and Asian Property Development Plc.

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Company	Institute	Balance (Thousand Baht)		Interest rate	Repayment	Guarantee by
		2003	2002			
5. Asian Property (Krungthep) Co., Ltd.	Bank	257,485	0	3.9	70% of selling price whenever redemption of selling project was made within 3 years.	Mortgage land, of project and guarantee by Asian Property Development Plc.
Total		364,757	345,590			

Fixed rate (change interest rate every three months during 3.75 - 6.00% per annum).

15. DEBENTURES

On July 30, 2003, the Company issued and offered debentures according to the Board of director's meeting no. 4/2003 held on March 18, 2003 and according to the minutes of shareholders ordinary meeting for the year 2003 held on April 22, 2003 by issuing and offering unsubordinated debentures with periodic payments, unsecured and without debentureholders' representative for 1.5 million units at the offering price of Baht 1,000.00 each, amounting to Baht 1,500 million for the maturity period of 5 years 11 months 20 days at the interest rate of 3.1% per annum. Such debentures will be offered to the institute investor in no. 12/1(3) and no. 12/2(5) of the Securities Exchange and Commission's notification no. Kor Jor. 44/2000. The interest payment will be made every January 20, and July 20., commencing on January 20, 2004. The first principal will be repaid on January 20, 2007 and the last principal will be redeemed on July 20, 2009. The Company has registered such debentures with the Thai Bond Dealing Centre on July 31, 2003.

16. SHARE CAPITAL

According to the minutes of shareholders' extraordinary meeting no. 1/2003 held on April 22, 2003, the Company passed the resolution to change the par value of the Company's share capital from Baht 2,275,000,000.00 divided into 227,500,000 common shares of Baht 10.00 each to Baht



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2,275,000,000.00 divided into 2,275,000,000 common shares of Baht 1.00 each. The Company has registered the changing par value of share capital with the Ministry of Commerce on April 28, 2003.

From the Company registered the changing par value of share capital from Baht 10.00 per share to Baht 1.00 each by dividing number of common share. Therefore, the Company has retroactively changed the number and par value of share capital as at December 31, 2002 to compare with the year 2003.

17. PREFERRED SHARES

The Company held preferred shares of Asian Property Co., Ltd. for 26 million shares of Baht 10.00 each (percentage of shareholders of 100 per cent) in the form of accumulated dividend at the rate of 15% per annum of the paid-up of share capital. The Company will record accrued dividend whenever the shareholders' meeting passed the resolution to pay dividend. As at December 31, 2003, the accrued preferred dividend was no recorded of Baht 146.60 million (in 2002, amounted to Baht 107.60 million). The preferred shares transaction was eliminated from the consolidated financial statements preparation.

18. DIVIDEND PAID

On May 14, 2003, the Company has paid dividend to the shareholders for 208,886,746 shares of Baht 1.00 each, amounting to Baht 208,886,746.00 according to the minutes of shareholders' extraordinary meeting no. 1/2003 held on April 22, 2003.

19. WARRANTS

On March 13, 2002, the Company has allotted warrants to purchase common shares as detailed following :-

Type : Warrants to purchase common shares of Asian Property Development Public Company Limited

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Number of warrants	:	35,000,000 units
Allocation	:	Allocate to the existing shareholders who have subscribed for new common shares under the rights issue, excess entitlement at the ratio of 1 new share: 2 units of warrant.
Offering price	:	None
Exercise rights	:	One unit of warrant has a right to purchase one common share at the exercise price of Baht 10.00 for each new common share.
Term	:	5 years (last exercise date on March 12, 2007)
Exercise period	:	Every 3 months, commencing on June 28, 2002 and maturing on March 12, 2007.

The allotment of warrants to purchase common shares have been approved by the Stock Exchange of Thailand. The trading in the Stock Exchange will begin on March 21, 2002 onwards.

	Number of units	
	2003	2002
		(Adjustment)
Warrants issued as at March 13, 2002	350,000,000	350,000,000
Less Cumulative number of warrants	(317,184,220)	(90,859,460)
Balance of warrants at the end of the period	32,815,780	259,140,540

As stated in note 16, the issuance of warrants to purchase common shares on March 13, 2002 was changed from 35 million units to 350 million units by changing the exercise price from 1 unit of warrants for 1 common share at Baht 10.00 each to 1 unit of warrant for 1 common share of Baht 1.00 each.

The Company has registered the issued and paid-up share capital in the 4th quarter of 2003 with the Ministry of Commerce on January 19, 2004.

20. LEGAL RESERVE

According to the Public Company Limited Act, the Company has appropriated legal reserve



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not less than 5% of the annual net profit deducted by the total accumulated deficit brought forward (if any) until the reserve reached an amount not less than 10% of the authorized share capital.

21. EXTRAORDINARY ITEMS

In 2002, subsidiaries have gain from debt restructuring of Baht 40.58 as follows :

21.1 Asian Property Co., Ltd. has gain from debt restructuring of Baht 25.10 million from making repayment loans from a financial institution under the amendment in debt restructuring agreement no. 3 on December 28, 2001, therefore, contingent liabilities under conditions was reversed to gain from debt restructuring.

21.2 Asian Property Holding Co.,Ltd. has gain from debt restructuring of Baht 15.48 million from making repayment loans under debt restructuring agreement in whole amount on February 14, 2000, therefore, contingent liabilities under conditions was reversed to gain from debt restructuring.

22. DILUTED EARNINGS PER SHARE

Consolidated and parent's financial statements

For the year ended December 31, 2003

	Profit (Baht)	Number of share	Baht/share
Basic earnings per share			
Net profit of common share	1,191,550,946.00	2,206,159,574	0.5401
Effects of diluted potential common share			
Exercise rights		27,108,688	0.00
Diluted earnings per share			
Profit of common shareholders assumed			
as conversion to common share	1,191,550,946.00	2,233,268,262	0.5335

FINANCIAL STATEMENTS

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES



NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2003 AND 2002

For the year ended December 31, 2002

	Profit (Baht)	Number of share	Baht/share
Basic earnings per share			
Net profit of common share	687,873,594.19	2,088,920,273 [★]	0.3293 [★]
Diluted earnings per share			
Profit of common shareholders assumed			
as conversion to common share	687,873,594.19	2,169,834,160	0.3170

[★]The number of common shares which was taken to calculate basic earnings per share for the year ended December 31, 2002 have been changed according to the number of exercised right to purchase common shares in 2003 for comparison purpose.

23. TRANSACTIONS BETWEEN RELATED COMPANIES

The Company's financial statements are included the transaction with its related companies of which related by common shareholders and/or directorship. These transaction are determined the value and benefits in the normal course of business based on the market value or the group of company concerned for non-market value.

	Consolidated		Parent company	
	2003 Thousand Baht	2002 Thousand Baht	2003 Thousand Baht	2002 Thousand Baht
Accounts receivable :				
- PCM Construction				
Material Co., Ltd.	0	0	0	1,173
- Land and House Plc.	12,730	18,135	0	1,788
- Quality House Plc.	2,161	3,769	0	(19)
Total	14,891	21,904	0	2,942



FINANCIAL STATEMENTS

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2003 AND 2002

	Consolidated		Parent company	
	2003 Thousand Baht	2002 Thousand Baht	2003 Thousand Baht	2002 Thousand Baht
Receivables and loans :				
- Asian Property Co., Ltd.	0	0	0	120,000
- Asian Property (Ladphrao) Co., Ltd.	0	0	0	58,002
- PCM Construction Material Co., Ltd.	0	0	107,970	145,637
- Asian Property (Krungthep) Co., Ltd.	0	0	528,580	0
- Thong - lor Property Co., Ltd.	0	0	100	0
- Thong - lor Development Co., Ltd.	0	0	100	0
- Thong - lor Residence Co., Ltd.	0	0	7,300	0
- Signature Advisory Partners Co., Ltd.	0	0	16,918	0
Total	0	0	660,968	323,639
Accrued interest income :				
- Asian Property (Krungthep) Co., Ltd.	0	0	9,461	0
- Asian Property (Ladphrao) Co., Ltd.	0	0	0	155
- PCM Construction Material Co., Ltd.	0	0	0	13,416
- Thong - lor Residence Co., Ltd.	0	0	71	0
- Signature Advisory Partners Co., Ltd.	0	0	69	0
Total	0	0	9,601	13,571
Accounts payable :				
- PCM Construction Material Co., Ltd.	0	0	1,514	3,513
- Quality Construction Products Plc.	1,928	454	1,928	454
Total	1,928	454	3,442	3,967

FINANCIAL STATEMENTS

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES



NOTES TO FINANCIAL STATEMENTS AS AT DECEMBER 31, 2003 AND 2002

	Consolidated		Parent company	
	2003 Thousand Baht	2002 Thousand Baht	2003 Thousand Baht	2002 Thousand Baht
Loans from related company :				
- City Assets Mutual Fund	0	0	75,000	0
Accrued interest expenses :				
- City Assets Mutual Fund	0	0	46	0
Goods purchases :				
- PCM Construction Material Co., Ltd.	0	0	25,013	16,025
- Quality Construction Products Plc.	12,076	13,038	12,076	13,038
Total	12,076	13,038	37,089	29,063
Sales :				
- Asian Property Co., Ltd.	0	0	0	4,036
- PCM Construction Material Co., Ltd.	0	0	0	2,971
- Quality House Plc.	15,525	20,803	0	0
- Land and House Plc.	42,908	42,605	0	0
Total	58,433	63,408	0	7,007
Interest income :				
- Asian Property Co., Ltd.	0	0	5,162	14,766
- Asian Property (Ladphrao) Co., Ltd.	0	0	9,290	166
- Asian Property (Krungthep) Co., Ltd.	0	0	9,461	0
- PCM Construction Material Co., Ltd.	0	0	5,849	10,024
- Thong-lor Residence Co., Ltd.	0	0	81	0
- Signature Advisory Partners Co., Ltd.	0	0	69	0
- Quality Construction Products Plc.	0	2,761	0	2,761
Total	0	2,761	29,912	27,717
Interest expenses :				
- PCM Construction Material Co., Ltd.	0	0	0	26
- Asian Property Residence Co., Ltd.	0	0	450	0
- City Assets Mutual Fund	0	0	46	0
Total	0	0	496	26



FINANCIAL STATEMENTS

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2003 AND 2002

24. SEGMENT INFORMATION

Consolidated

(Baht : Thousand)

For the years ended December 31, 2003

	Real estate develop- ment	Sales and installation service	Other	Total	Inter- transaction	Total
Sales	4,311,739	445,617	0	4,757,356		4,757,356
Cost of sales and services	(2,637,380)	(349,175)	0	(2,986,555)		(2,986,555)
Gross profit	1,674,359	96,442	0	1,770,801		1,770,801
Interest income	31,386	249	47	31,682	(30,408)	1,274
Other income	13,639	1,790	0	15,429		15,429
Gain from debt restructuring	1,585	0	0	1,585		1,585
Share of profit from investment						
for using the equity method	56,639	0	0	56,639		56,639
Total revenues before less expenses	1,777,608	98,481	47	1,876,136		1,845,728
Selling and administrative expenses	299,375	30,135	61	329,571		329,571
Director's remuneration	1,980	0	0	1,980		1,980
Interest expenses	69,463	8,505	0	77,968	(30,408)	47,560
Income tax	256,275	18,790	0	275,065		275,065
Gain (Loss) of minority interests	1	0	0	1		1
Total expenses	627,094	57,430	61	684,585		654,177
Net profit	1,150,514	41,051	(14)	1,191,551		1,191,551
	As at December 31, 2003					
Fixed assets - net	16,675	161,829	0	178,504		178,504

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ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES



NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2003 AND 2002

Parent company

(Baht : Thousand)

For the years ended December 31, 2003

	Real estate develop- ment	Sales and installation service	Total	Inter- transaction	Total
Sales	2,500,382	0	2,500,382		2,500,382
Cost of sales and services	(1,543,054)	0	(1,543,054)		(1,543,054)
Gross profit	957,328	0	957,328		957,328
Interest income	30,639	69	30,708		30,708
Other income	4,747	75	4,822		4,822
Gain from debt restructuring	1,585	0	1,585		1,585
Share of profit from investment					
for using the equity method	688,041	0	688,041		688,041
Total revenues before less expenses	1,682,340	144	1,682,484		1,682,484
Selling and administrative expenses	218,669	2,496	221,165		221,165
Director's remuneration	1,980	0	1,980		1,980
Interest expenses	45,298	0	45,298		45,298
Income tax	222,490	0	222,490		222,490
Total expenses	488,437	2,496	490,933		490,933
Net profit	1,193,903	(2,352)	1,191,551		1,191,551
As at December 31, 2003					
Fixed assets - net	5,039	43,032	48,071		48,071



FINANCIAL STATEMENTS

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS AS AT DECEMBER 31, 2003 AND 2002

Consolidated

(Baht : Thousand)

For the years ended December 31, 2002

	Real estate develop- ment	Sales and installation service	Other	Total	Inter- transaction	Total
Sales	2,408,393	295,441	0	2,703,834	(2,971)	2,700,863
Cost of sales and services	(1,509,318)	(201,163)	0	(1,710,481)	2,971	(1,707,510)
Gross profit	899,075	94,278	0	993,353		993,353
Interest income	18,655	10,137	0	28,792	(24,982)	3,810
Other income	20,262	2,479	992	23,733		23,733
Gain from debt restructuring	40,580	0	0	40,580		40,580
Share of profit from investment						
for using the equity method	15,425	0	0	15,425		15,425
Total revenues before less expenses	993,997	106,894	992	1,101,883		1,076,901
Selling and administrative expenses	178,615	67,201	2,841	248,657		248,657
Director's remuneration	1,476	0	0	1,476		1,476
Interest expenses	56,181	10,064	0	66,245	(24,982)	41,263
Income tax	86,183	11,010	0	97,193		97,193
Gain (Loss) of minority interest	438	0	0	438		438
Total expenses	322,893	88,275	2,841	414,009		389,027
Net profit (loss)	671,104	18,619	(1,849)	687,874		687,874
As at December 31, 2002						
Fixed assets - net	29,184	163,848	0	193,032		193,032

FINANCIAL STATEMENTS

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES



NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2003 AND 2002

Parent company

(Baht : Thousand)

For the years ended December 31, 2002

	Real estate develop- ment	Sales and installation service	Total	Inter- transaction	Total
Sales	1,367,822	4,222	1,372,044		1,372,044
Cost of sales and services	(826,490)	(5,187)	(831,677)		(831,677)
Gross profit	541,332	(965)	540,367		540,367
Interest income	18,347	10,031	28,378		28,378
Other income	8,316	668	8,984		8,984
Share of profit from investment					
for using the equity method	326,139	0	326,139		326,139
Total revenues before less expenses	894,134	9,734	903,868		903,868
Selling and administrative expenses	113,125	16,165	129,290		129,290
Director's remuneration	1,476	0	1,476		1,476
Interest expenses	30,348	36	30,384		30,384
Income tax	54,844	0	54,844		54,844
Total expenses	199,793	16,201	215,994		215,994
Net profit	694,341	(6,467)	687,874		687,874
	As at December 31, 2002				
Fixed assets - net	2,287	45,253	47,540		47,540



FINANCIAL STATEMENTS

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2003 AND 2002

25. COMMITMENT AND CONTINGENT LIABILITIES

25.1 The Company has commitment and contingent liabilities as follows :

25.1.1 The Company has contingent liabilities from guaranteed loans from banks and guarantee all debts of subsidiaries and related companies as follows :

(Baht : Million)

	2003	2002
PCM Construction Material Co., Ltd.	143.15	146.15
Quality Construction Products Plc.	119.00	119.00
Asian Property Residence Co., Ltd.	0.00	114.56
Asian Property (Ladphrao) Co., Ltd.	458.98	487.50
Asian Property (Krungthep) Co., Ltd.	257.48	0.00

25.1.2 The Company has commitment and contingent liabilities from letters of guarantee issued by banks to the Board of land allocation amounting to Baht 146.30 million. (as at December 31, 2002, amounting to Baht 100.98 million).

25.1.3 The Company has obligation to complete developing projects of Baht 560.00 million (as at December 31, 2002, amounting to Baht 463.14 million).



FINANCIAL STATEMENTS

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES



NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2003 AND 2002

25.2 Subsidiaries have details of commitment and contingent liabilities as follows :

(Baht : Million)

	Commitment under contracts to use in development project until completion		Contingent liabilities from bank's issuance of letter of guarantee to Government agency and individuals	
	2003	2002	2003	2002
Asian Property Co., Ltd.	83.10	144.74	12.83	12.06
Asian Property Residence Co., Ltd.	0.00	70.13	0.20	5.26
PCM Construction Material Co., Ltd	0.00	0.00	22.97	11.70
Asian Property (Krungthep) Co., Ltd.	0.00	0.00	0.15	0.00
Asian Property (Ladphrao) Co., Ltd.	748.39	194.91	47.71	51.14
Total	831.49	409.78	83.86	80.16

Asian Property Co., Ltd. has contingent liabilities from being guarantor for loans from banks and all liabilities of subsidiary and related companies totalling Baht 122 million as details following :

- Asian Property Development Public Company Limited for amount of Baht 43 million.
- Asian Property Residence Co., Ltd. for amount of Baht 5 million.
- Asian Property (Ladphrao) Co., Ltd. for amount of Baht 15 million.
- Pre Built Co., Ltd. for amount of Baht 59 million.

26. DISCLOSURE AND PRESENTATION OF FINANCIAL INSTRUMENTS

26.1 Accounting policy

The significant accounting policies and methods adopted including basis of recognition and measurement relating to each class of financial assets and liabilities have been disclosed in notes to financial statements no. 3.

26.2 Credit risk

Credit risk derives from failure by counterparties to discharge their obligations resulting



FINANCIAL STATEMENTS

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2003 AND 2002

in financial loss to the Company and subsidiaries. Financial assets shown in balance sheets at the book value deducted by allowance for doubtful accounts is maximum value of credit risk.

For off-balance sheets, the Company and subsidiaries expect that the accounts of credit risk is immaterial.

26.3 Exchange rate risk

The Company has no exchange rate risk since there are no transactions in foreign currencies as at the end of the period.

26.4 Interest rate risk

Interest rate risk from changes in interest rate resulting in financial loss to the Company and subsidiaries in the current and following period. Information about interest rate, maturity date of loans from bank, loans from financial institutions and long-term liabilities have been disclosed in notes to financial statements no. 13 and 14.

26.5 Fair value of financial instruments

Financial assets show in balance sheets consist of cash, deposit at bank, trade accounts receivable, long-term loans to related company and fixed deposit. Financial liabilities shown in balance sheets consists of bank overdrafts and loans from financial institutions, trade accounts payable and long-term liabilities carrying value equal to the estimated fair value. Due to the majority of the financial assets are short-term and that the loans carry interest at rate close to current market rates, except for :

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ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES



NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2003 AND 2002

(Baht : Million)

	2003		2002	
	Book value	Fair value	Book value	Fair value
Long-term loans				
- Opened fund	240.47	226.30	230.07	224.21
- Debentures	1,500.00	1,103.85	0.00	0.00
- Financial institution	355.22	328.03	148.94	140.42
Total	2,095.69	1,658.18	379.01	364.63

Fair value of long-term loans-opened fund is estimated by discounting the future cash flows of each instrument at rates currently.

27. OTHERS

27.1 In the first quarter of 2002, the Company requested to change the category of business in the Stock Exchange from construction material and decoration business to real estate business.

27.2 The Company has existing location at 26/1 Moo 4, Phaholyothin - Lumlukka Road, Lumlukka, Pathumthani and on May 2, 2002, the Company has changed the location to 170/57 Ocean Tower 18 Floor, Rachadapisek Road, Klongtoey, Bangkok.

27.3 A subsidiary of the Company, Curtain Co., Ltd. was changed its title name to Asian Property (Ladphrao) Co., Ltd. on November 1, 2002.

27.4 Subsidiaries of Asian Property Co., Ltd. have registered to change the title name with the Ministry of Commerce on June 21, 2002.

- Asian Residence Co., Ltd. changed its name to Asian Property Residence Co., Ltd. on June 21, 2002.



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ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2003 AND 2002

- Sivalee Holding Co., Ltd. changed its name to Asian Property Holding Co., Ltd. on October 10, 2002.

28. SUBSEQUENT EVENT

28.1 According to the minutes of shareholders' extraordinary meeting no. 1/2004 held on January 6, 2004 and no. 3/2003 held on December 19, 2003 of PCM Construction Material Co., Ltd., it passed the resolution to increase its share capital from Baht 5 million (divided into 0.50 million shares of Baht 10.00 each) to Baht 50 million (divided into 5 million shares of Baht 10.00 each) by offering to the existing shareholders in proportion of 1 shares for 10 new shares. Such company is under the process to register this special resolution with the Ministry of Commerce.

28.2 According to the minutes of shareholders' extraordinary meeting no. 1/2004 held on February 17, 2004, the Company passed the resolution to sell 499,993 common shares of PCM Construction Material Co., Ltd. of which held by the Company in proportion of 99.99% to Pre Built Co., Ltd. in the amount of Baht 8.01 million and passed the resolution to buy the increased common shares of Pre Built Co., Ltd. for 98,048,898 shares at par value of Baht 1.00 each, total amount of Baht 98.05 million. Hence, after increasing share capital, the percentage of investment of the Company is 64.73% and Pre Built Co., Ltd. has a plan to list in the Stock Exchange within the year 2004.



ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED



Company : Asian Property Development Public Company Limited
Business : Property Development for Sale
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Rachadapisek Road, Klongtoery, Bangkok.
Company registration : Listed company number 261
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