



บ้านกลางกรุง บ้านกลางเมือง *The City*

Annual Report 2004

Asian Property Development Public Company Limited





City Life



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Message from the CEO

Dear Shareholders,

The local property market saw an intense competition in 2004 as government tax incentives were expired since the end of 2003 and housing supply continuously surged. Several developers launched a number of new development projects, particularly detached houses and luxury condominiums. The worsening pressure was the big amount of pre-built units by some developers, so many of them offered discounts and special promotion campaigns to attract potential homebuyers, especially during the middle of 2004.

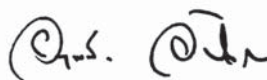
The Company has been conservative for both strategic management and operation development in preparation for future business expansion in the long term. Moreover, the Company also would like to have strong financial position. By the middle of the year, it successfully issued unsubordinated debentures, unsecured and without debentureholders' representative, worth 1 billion baht with interest rate at 4.25% for three-year maturity. Together with the 1.5-billion-baht bond issued in mid-2003 with a 3.1% interest rate for six-year maturity, the company's average cost of these long-term bonds will stay around only 3.6% over the next three years.

Throughout 2004, the Company launched six new residential projects, which got warm response from homebuyers despite the tough market competition. The company continued to have business growth with revenue rising 20.7% from 2003 but net profit slightly declining due to higher expenses caused from an increase of Specific Business Tax to 3.3% from 0.11% and a property Transfer Fee to 2% from 0.01%.

In 2005, the Company will continue to emphasize on developing quality products and maintain sustainable growth with plans to launch at least six new projects. We will continue our conservative financial strategy and control our net debt-to-equity ratio to prevent higher risks. Meanwhile, the Company also controls the net debt to EBITDA (earning before interest, tax and depreciation costs) to make shareholders and bondholders more confident.

The overall property industry in 2005 is forecast to expand in line with the country's economic growth. We believe that the market is still in its upward cycle and competition, hopefully, will be less intense than last year as the number of pre-built houses would be reduced and, on the other hand, financial institutions would be more serious when extending credits to finance property projects. On the demand side, it will increase along with the rising population and the smaller household size and the establishment of more nucleus families.

Lastly, the management and I would like to thank you everybody, who always gives us full support throughout the year.



Anuphong Assavabhokhin
Chief Executive Officer





Highlight Projects from AP

Condominium
Baan Klang Krung
Siam-Patumwan





Baan Klang Muang
Ratchavipa 3 and 4 Storey



Baan Klang Krung
Sathorn-Narathiwat

The City
Pinklao-Rama 5





Baan Klang Muang
British Town Thonglor

Baan Klang Muang British Town Srinakarin

The City Pinklao



Board of Directors



1. Mr. Chatchaval Bhanalaph
*Chairman of the Board of Directors/
Chairman of the Audit Committee*

2. Mr. Anuphong Assavabhokhin
*Vice Chairman/
Chief Executive Officer*

3. Mr. Pichet Vipavasuphakorn
Managing Director

4. Mr. Payont Sakdeyjont
Director

5. Mr. Chaiyarat Thampeera
Director

6. Mr. Pong Sarasin
Director



7. Mr. Shaw Singhaseni
Director

8. Dr. Naris Chaiyasoot
Director

9. Mr. Vilas Pilakasiri
Director and Secretary

10. Mr. Nontajit Tulayanonda
Audit Director

11. Mr. Kosol Suriyaporn
Audit Director

12. Mr. Siripong Sombutsiri
Audit Director

Board of Management



- | | | | |
|--|---|--|--|
| <p>1. Mr. Anuphong Assavabhokhin
<i>Vice Chairman/
Chief Executive Officer</i></p> | <p>2. Mr. Pichet Vipavasuphakorn
<i>Managing Director</i></p> | <p>3. Mr. Jaroonsak Buntoonginda
<i>Senior Executive Vice President,
Project Group 1</i></p> | <p>4. Mr. Wason Naruenatpaisan
<i>Senior Executive Vice President,
Project Group 2</i></p> |
| <p>5. Mr. Visanu Suchatlumpong
<i>Senior Executive Vice President,
Project Group 3</i></p> | | <p>6. Ms. Kittiya Pongpuchaneekul
<i>Executive Vice President,
Accounting</i></p> | <p>7. Mr. Opas Ruangrajitpakorn
<i>Executive Vice President,
Finance</i></p> |



8. Mr. Piyawat Suepaisarn
*Senior Vice President,
Project Group 1*

9. Mr. Chaiyayuth Thampeera
*Senior Vice President,
Project Group 3*

10. Mr. Thongchai Jaraskulchai
*Vice President,
Project Development*

11. Mr. Pumipat Sinacharoen
*Vice President,
Corporate Planning and
Investor Relation*

12. Mr. Kovit Kokilakanistha
*Vice President ,
Legal Affairs*

13. Mr. Siriwat Wiwatsakulcharoen
*Vice President,
Human Resources*







Company Background

Asian Property Development Public Company Limited (“the Company”) and subsidiaries is an integrated property firm engaging in property development for sales, construction and material manufacturing and distribution. The company’s main business can be classified as following;

Real Estate Development

It is the core business which has been handled by Asian Property Development Plc. and eight subsidiaries;

- (1) Asian Property Co., Ltd.
- (2) Asian Property Residence Co., Ltd. *(no business activities at the moment)*
- (3) Asian Property (Lad Phrao) Co., Ltd.
- (4) Asian Property (Krungthep) Co., Ltd.
- (5) Asian Property (Ratchavipa) Co., Ltd.
- (6) Thonglor Development Co., Ltd.
- (7) Thonglor Residence Co., Ltd. *(no business activities at the moment)*
- (8) Signature Advisory Partners Co., Ltd.

Townhouses, detached houses and condominiums have been developed under the brand names of Baan Klang Krung, Baan Klang Muang and The City. Moreover, a new joint venture named **Trillion Development Co., Ltd.** formerly Thonglor Property Co., Ltd. was formed between the Company and Pre-Built Plc. with a 60% stake and 40%, respectively. Trillion involves in property development with the use of pre-fabricated technology for detached housing and townhouse projects. Its target group is the housing segment with more or less 1 million baht, which is far different from Asian Property Development Plc. Trillion has already started building its first project and sales are planned to kick off in the first quarter of 2005.

Construction

Pre-Built Public Company Limited is the main contractor for housing, office buildings and factories

as well as serves for interior decoration. Presently, the Company holds a 64.73% stake in Pre-Built, which is going to become a listed company on the Stock Exchange of Thailand soon.

Material Manufacturing and Distribution

PCM Construction Material Co., Ltd. which is 100% owned by Pre-Built Plc. manufactures and distributes pre-cast concrete panels and floors.

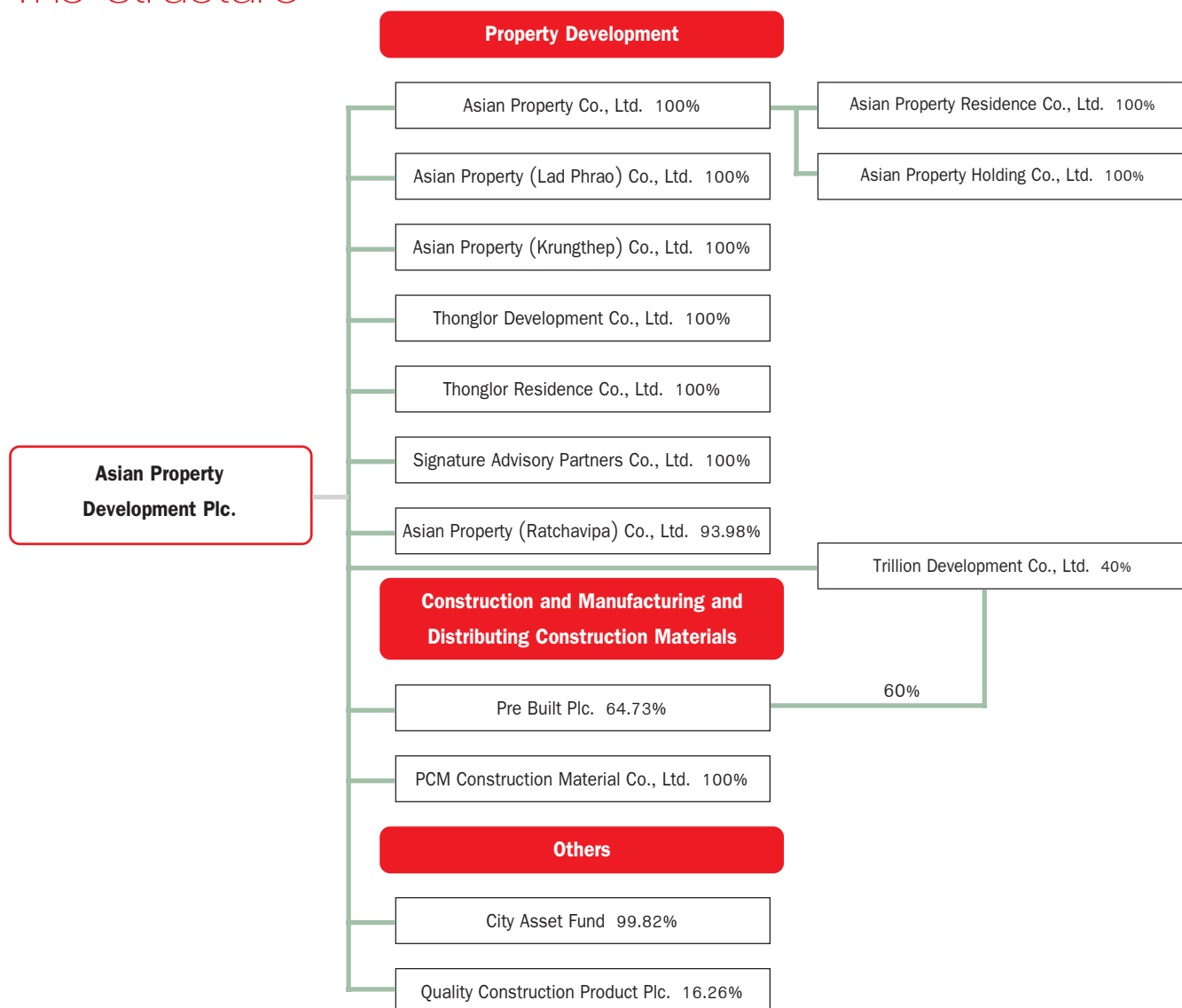
The others

Asian Property Holding Co., Ltd. has no business activities at the moment.

City Asset Fund is a property fund and financial claims.

Quality Construction Products Plc produces and distributes light-weight concrete products.

The structure





Risk Factors

As the company's revenue structure comprises of two categories: real estate development business operated by Asian Property Development Plc. and construction and pre-cast floor manufacturing and distributing business, which is operated by a subsidiary called Pre-Built Plc. (Prebuilt) and PCM Construction Material Co., Ltd. (PCMC), respectively. For this reason, risk factors of the businesses could be analysed separately according to business categories, as follows:

1.1 Real Estate Development Business

1.1.1 Risks from business operation

Risks from fluctuating economic conditions

As the company is in real estate development sector, it would be affected directly by the economic downturn. When the economy began to recover, the company has made adjustment by boosting the standard of its product quality, enhancing consumers' trust in the company's brands, and trying to meet consumers' needs in its attempt to maintain its market share and also expand existing customer base.

1.1.2 Risks from the production and service

Risks from the cost of construction materials

When the company started the construction of a new project, prices of construction materials might rise later. In this case, the costs would also rise, resulting in lower profit margin. Usually, the company sets retail prices of its projects in advance, so that customers could make their purchase before the completion of construction. After the company completes the construction, it would then handover the unit ownership to the customer.

However, the company has tried to reduce the risk related to construction materials by trying to finish the development and sales of each project within one and a half to two years, from the beginning of land acquisition to selling the last unit. It is an attempt to shorten the construction period of each project, which will enable the company to project the cost of its construction materials more

accurately. It will help reduce the fluctuation of the company's cost of construction materials.

At the same time, the company has tried to settle the deals on prices and the quantity of construction materials and sanitary wares with manufacturers/suppliers as much as possible before setting its own selling prices for each project. Moreover, the fact that the company has developed some high-value projects, ranging between 500 million baht and 2,000 million baht per project, has let the company's rather high negotiation power in dealing with construction contractors and material suppliers. Accordingly, the company has experienced lower risk on this matter.

1.1.3 Financial risks

Risks from customers' payment delinquency

The company and its subsidiaries have debtors and trade receipts as of December 31, 2004 altogether 189.3 million baht. Debtors that have difficulty paying their debts have been categorized according to the length of their unpaid debt as follows:

	31 December 2004 (million baht)
More than 3 months to 6 months	0.86
More than 6 months to 12 months	1.13
More than 12 months	42.49
Total	44.48

Debtor delinquency which is longer than 12 months, amounting 42.49 million baht, is from debtors in the construction material production and distribution businesses. It is a result of the economic downturn from the 1997 baht devaluation. It affects the financial status and the ability to repay debts among 17.93% of debtors and all trade receipts. The company risked not to have that amount of debt repaid. However, the company has already set a provision of 43.21 million baht as doubtful debt.

The risks of guaranteeing liabilities for subsidiaries and related companies

The company and its subsidiaries have guaranteed loans for their subsidiaries and other related companies as summarized in the following table. As a result the company and subsidiaries are risking being liable to repay the loans to creditors in case the guaranteed debtors cannot repay their debt on time. This will affect the company's and subsidiaries' performance and financial status. However, given the better performance, the company believes that the guaranteed would be able to repay their own debt.

The Guarantor	The Guaranteed		The amount of guaranteed as of December 31, 2004 (million baht)	Progress
Company	Company	% guarantee		
APD	APL	100.00	335.64	Guaranteeing overdue account partially and the other loans, repaying to creditors by installment on schedule
APD	APK	100.00	1,215.48	Guaranteeing overdue account partially and the other loans, repaying to creditors by installment on schedule
APD	APV	93.97	1,153.16	Guaranteeing overdue account partially and the other loans, repaying to creditors by installment on schedule
APD	Trillion	39.99	271.6	Repaying to creditors by installment on schedule
APD	PB	64.08	102.64	Repaying to creditors by installment on schedule
APD	PCMC	100.00	143.15	Repaying to creditors by installment on schedule
AP	APD	100.00	254.00	Guaranteeing overdue account partially and the other loans, repaying to creditors by installment on schedule
AP	APR	100.00	5.00	Guaranteeing overdue account
AP	APL	100.00	15.00	Guaranteeing overdue account
AP	PB	0.65	0.52	Repaying to creditors by installment on schedule

APD = Asian Property Development Plc.

APL = Asian Property (Ladphrao) Co., Ltd.

APR = Asian Property Resident Co., Ltd.

PB = Pre Built Plc.

Trillion = Trillion Development Co., Ltd.

AP = Asian Property Co.,Ltd.

APV = Asian Property (Ratchavipa) Co., Ltd.

APK = Asian Property (Krungthep) Co., Ltd.

PCMC = PCM Construction Material Co., Ltd.

The company and its subsidiaries' guaranteeing to Pre Built Plc. and PCMC will be ceased when Pre Built Plc. lists in The Stock Exchange of Thailand

The risks of warrant investment

a) The risk of warrants' time value

The company will adjust the conversion prices and the conversion ratio throughout the warrant period as specified in the conversion conditions in the prospectus for existing shareholders. However, the conversion procedures take into account only conversion price and conversion ratio on the conversion day only. The time value of the warrants has not been taken into account. Warrants' time value will reduce when the validity period of the warrants decrease. If the company offers warrants or future warrants, holders of the warrants offered after the adjustment might be entitled to lower right and interest.

b) The risks of warrant exercise price adjustment which would cause the warrant's value to be lower than the company's common shares' prices

In the case that the adjustment of conversion price and conversion ratio as specified in the conversion conditions in the prospectus caused any change in conversion prices, and the new conversion price could lower than the par value of common shares, the company will use the rate of the new conversion price. However, it shall not do so, if the law forbids the company from issuing shares with the price lower than the par value of the company's common shares as a new conversion price. This would prompt warrant holders to have lower right and interest.

The risks of the dilution effect

The company has set aside common shares to accommodate warrant conversion according to the company's common share warrants for 350,000,000 shares. Thus, in the future, if anybody converts these warrants, the proportion of shares held by each share holder will reduce, that is the dilution effect. The ratio of the dilution effect depends on warrant conversion of warrant holders. Thus, shareholders and warrant holders should be aware of the effect. As of December 31, 2004, the warrants that have not been converted yet amounted to 9,885,880 units, and these warrants will expire on March 12, 2007.

* Par value 1 baht

1.2 Construction business and precast floor manufacturing and distributing business

Pre Built – Risks of Business Operation

a) The risk from the construction contracts which depends on housing estate businesses

Since the economy began to recover in 2002, the number of housing estate operators has also been rising. Most of the time, those operators outsource construction work to small and medium-sized contractors. Pre Built is a medium-sized company that has won a lot of construction contracts. For this reason, a risk could be that most of the company's revenue is from housing estate businesses. Nevertheless, Pre Built has a policy to minimise risk by spreading the source of its revenue to other market segments, such as residential houses, factories, public utility systems, condominiums, office building, and governmental projects. This is expected to help reduce the risk.

b) The risk of depending on a major customer

Pre Built has been in construction business for about a decade. With the quality of its work and

customer loyalty, the company has been entrusted with a lot of construction contracts. However, during the economic crisis, the real estate sector had been seriously affected. The number of housing estate operators decreased due to the stage of exceeding supply. Pre Built accordingly has reduced its production capacity to match the size of contracts at hand. Most of the contracts then were from the company. Between 2001 and 2004, Pre Built's revenue from Asian Property Development accounted for 65, 75, 76 and 48% of its total revenue, respectively. After all, the conditions and construction prices, Pre Built was given, were market rates. The company has also extended its services to the public sector. It has been registered contractor of the Department of Irrigation, Bangkok Metropolitan Administration. Nevertheless, some government agencies still require contractors to have done other construction works for government agencies before. Hence, it will take some more time for Pre Built to win more construction contracts from government agencies and other housing estate businesses. This will lead to the reduction in the proportion of revenue from Asian Property Development.

Pre Built – Risks of Production/Service

a) The risk from the fluctuation of raw material prices

Raw materials that are the major cost of the construction are cement and iron. In certain projects, Pre Built will purchase the raw materials itself and include it in the construction cost. For this reason, the increase of those raw materials' prices will directly affect the company's profit. However, Pre Built has tried to minimize risk by signing construction contract phase by phase, so that it could close each project quicker, and also know the material prices in advance. The company could also stock materials in advance, if necessary. Furthermore, Pre Built may ask its customers to be the purchaser of certain materials, of which market prices change rather quickly. In some projects, however, Pre Built customers have already agreed to purchase key raw materials themselves as they could get discount for large orders. Pre Built, accordingly, could reduce the impact of fluctuating raw material prices.

b) The risk from worker and personnel shortage

Workers are the factor affecting the period of construction and on-time delivery of finished construction work. Sometimes, there are problems of worker shortage during long holiday seasons when most workers tend to return to their hometown upcountry. Other problems include the fact that some workers change their places of work to get better pay. Pre Built, accordingly, has adjust its operation plans to fit in with the long-holiday conditions, pay wages on time, and provide appropriate welfare to workers according to the continuous length of time that they had been working for the company. This is to build bonds with workers and to make them feel secure about the job they are doing. In the past, Pre Built has never encountered any serious shortage of workers.

Pre Built – Financial Risk

Liquidity Risk

In construction business, the company needs a high level of liquidity for the bidding process for new contracts, for guaranteeing finished projects, and for the construction work, especially at the beginning of the project. Most of the construction expenses go to wage and construction materials, for example. Pre Built has reduced the risk by expanding its customer base in all business segments. The construction period of each project will be rather short, between one to two years per project only. Additionally, Pre Built has managed to maintain enough funding from all financial institutes, setting appropriate time frame and loan and interest payment conditions to suit all the company's operations.

PCMC – Risks of Business operation

A construction material production business does not require high amount of investment or high technology. When real estate sector is recovering as a whole, and constructors are needing more ready-made construction materials to reduce both time and relevant cost of the construction, some new operators have emerged to serve that needs. PCMC has tried to maintain its market share in the precast floor segment.

The company is one of the two major companies producing this product. Another one is DCON Products Plc. Both companies controlled 80% market share in the market of solid planks and hollow core slab. The company has tried to maintain its market share by controlling the cost of production, controlling product quality and after-sale services. For glass fiber reinforced concrete, the company has tried to develop its quality and also variety.

PCMC – Risks of Production/Service

The Risk of Fluctuating Raw Material Prices

Materials used in the production are mostly cement and irons, and they accounted between 50 and 80% of material costs of the precast floor production. The prices of these raw materials are also highly fluctuating. The company has attempted to minimize risk. It has stocked in advance for important raw materials, so that it does not have to make purchases when the market prices of the materials were too high. The company's purchasing department also keeps recording raw material prices in the market.

However, the market of precast floor is highly competitive as there are a lot of small producers. They offer products and services at similar prices and similar quality. Customers, therefore, make purchasing decision, given on-time delivery and better after-sale services. PCMC has been operating under the brand PCM for more than 20 years, and has been recognized by customers in general. The management understood that the company's share in the market of solid planks is 40%.

For fiber-glass concrete, of which key material is fiber glass which accounted 80% of the material cost. PCMC imported fiber-glass through an agent, but it had little risk over the change in fiber glass prices. As fiber-glass concrete products are produced according to orders placed by each customer. Their prices could be set according to material costs. For this reason, selling prices of the products tend to be higher comparing to material cost, the change in material cost, therefore, does not have much impact.







The Economic Outlook

Thailand's economy in 2004 still expanded continuously. It was expected that the economy would grow 6.2%, compared to 6.7% in 2003. A number of negative factors affecting the economic expansion last year included the bird flu, the violence in three southern-most provinces and the sharp rise of oil prices.

However, the export sector was a key engine to drive the Thai economy last year. Shipment from Thailand to worldwide rose dramatically by 23.6% to US\$87.7 billion in 2004 from the year earlier. Imports also increased significantly with values of US\$86.6 billion and trade surplus of US\$1.1 billion. While balance of service showed a surplus of US\$5.5 billion, contributing to a current account surplus of US\$6.2 billion.

Other engines, private expenditure was projected to have an expansion between 4% and 5%, private investment would increase between 13% and 14% while corporate lending would grow by 7.8% from a 3.1% growth of the year before.

In 2005, the growth momentum could remain from last year. The growth of world economy is expected to continue, driving the country export engine. Interest rates will remain acceptably low and incomes are likely to increase. These factors will spur household expenditures. Private investment, government expenses, and government investment, in particular, infrastructure and mega project will drive the growth this year.

However, there are several factors that will limit the economic growth this year. Though the interest rate is low but it is likely to go up in the near future. Diesel price will rise because the government has planned to end its long price intervention and subsidy program in the beginning of the year. The fluctuation of foreign exchange will be risky for businessmen.

Earlier, many research centers forecast that the economic growth for 2005 would register between 5% and 6%. However, they reviewed the projection since the killing tsunami hit six provinces in the south of Thailand (see table).

Research House	2005 GDP forecast	
	(earlier)	(revised)
Standard Charter Bank	6 - 6.5%	5.5 - 6%
Phatra Securities	4.7%	5%
Finance Ministry	6 - 6.1%	5.8%
Bank of Thailand	5.5 - 6.5%	4.2 - 5.2%
National Economic & Social Development Board	5.7 - 6.2%	6 - 6.5%
Lehman Brothers	6%	6%
JP Morgan	5.1 - 5.4%	4.6 - 4.9%
Merrill Lynch	5%	4.7%
Morgan Stanley	6%	5.7%

Source : Krungthep thurakit

Due to damages from the tidal waves, the country has lost incomes from tourism sector and many workers who have lost their jobs will spend less. However, the National Economic and Social Development Board (NESDB) said that on the other hand, the new investment and the rebuilding of damaged properties will substitute some losses. As a result, the economic growth this year will be slightly hit.

The company believes that the county's economy grows up to 5% will enough to be able to drive the property market.



The Property Outlook

The property market in 2004 grew up continuously from the year earlier though it was slowed down in the beginning of the year because measures stimulating the property market and a reduction of 3.3% Specific Business Tax and 2% property Transfer Fee were ended since the end of 2003. Furthermore, the market was marginally slowed down in line with the country's economy affected by the bird flu outbreak, the sharp rise of oil prices, and the unrest in the three - deep southern provinces, which affected consumer confidence from time to time.

However, there were several positive factors driving the property market last year, for example, financial institutions were active to provide mortgage to homebuyers, the interest rate remained low and Thailand's economy still registered a healthy growth at 6.2% last year. As a result, new housing registration in BMA reached 62,796 units in Bangkok Metropolitan (BMA) in 2004, up 24.1% from the year 2003. Moreover, property developers believe that there still have strong housing demands in line with a growth of population and an increase of nucleuse family currently, which gets smaller than previously.

Competition in the property business was tough as developers had returned to the market again, triggering an oversupply in some sectors, particularly, the high-ended residential products. So, the developers were forced to enter a price cut-throat war.

Furthermore, the negative factors mentioned above were shaking consumer confidence and delaying homebuyers' decision to purchase new houses. Some developers wanted to speed up sales, in particular those with a lot of pre-built units, had introduced various promotion campaigns. They offered discounts, premiums as well as other promotions to attract customers. As a result, other rivals had forced to jump into the race, which was not good to business at all, especially in Q3 2004.

However, the situation in the fourth quarter had improved, thanks to the stable oil price levels and an elimination of direct price war, while construction material costs continue to hike, and these encouraged homebuyers to make a final buying decision.

The launch of new projects in 2004, mostly, focused on high – end projects with prices exceeding over 10 million per unit. Due to the worries over speculations, the Bank of Thailand imposed a measure to slow down the booming market. The central bank has allowed commercial banks to lend housing loans to homebuyers, wishing to buy a house costing more than 10 million baht, only 70% of property valuation. Eventually, sales of high-end residents showed a slowdown.

The outlook of property market this year is expected to continue to grow. Developers will carefully develop new projects and at the same time, their investment decisions and business plans will be made, based on reliable property market databases. Though the commercial banks strictly have extended credits to developers, they are active to lend housing loans to homebuyers.

As well, the government is enthusiastic to establish the national real estate information center to build up databases for the property business and create an early warning system for the economy as well as prevent a new property crisis.

The rising interest rate trend is unlikely to affect the market expansion as long as macro economy keeps expanding and consumer confidence toward the economy is high. Furthermore, the interest rate will gradually go up step by step.

The country's property market can expect a long-term growth thanks to the government's mass transportation routes linking the city and suburb. For instance, an extension of subway and skytrain systems to other suburban areas around Bangkok will make the city gets bigger, creating business opportunity for developers. They will be able to buy lands and develop a variety of property products to serve needs in the changing market.



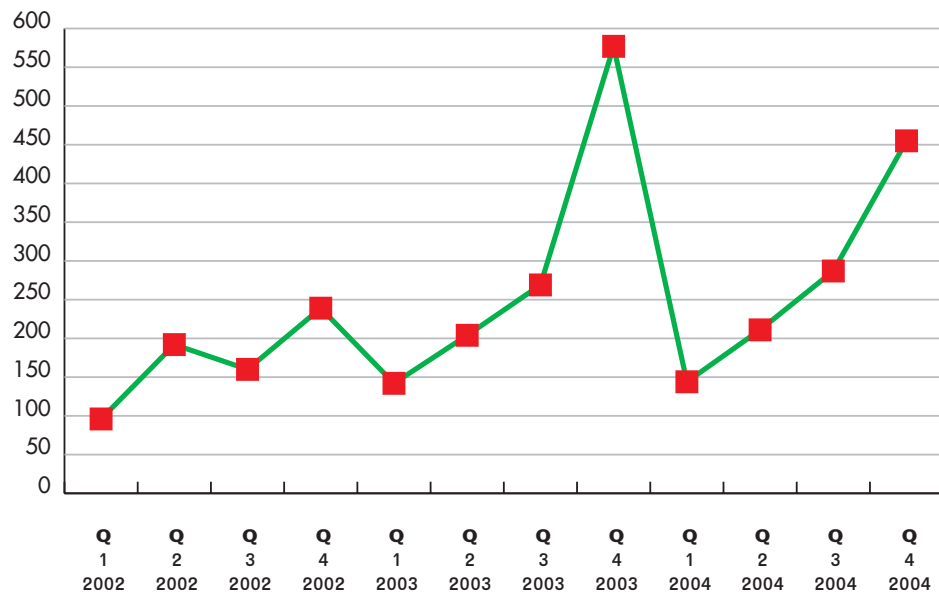


2004 Financial Result

Asian Property Development (AP.BK / AP TB) released net profit of 1,097 million baht (EPS of 0.48 Baht / share) in 2004, versus 1,192 million baht (EPS of 0.53 baht / share) in 2003. A 7.9% year-on-year drop in net profit was mainly affected by a sharp rise of SG&A expenses due to the expiration of government property tax incentives at the end of 2003. Specific Business Tax of 3.3% has been charged to developers (based on our property development revenues) while transferred Fee of 2%, in general, has been paid 50 - 50 between a developer and homebuyer. As a result, SG&A expenses as a percentage of revenues rose to 11.1% in 2004 from 6.9% in the previous year.

Consolidated revenues in 2004 were reported at 5,740 million baht, rising 20.7% year-on-year. Despite the negative sentiment on the overall residential property market last year, revenues from our property development of 4,793 million baht, accounting for 83.5% of total, still grew 11.2% year-on-year. On the other hand, Pre-Built Plc. (a contractor and construction material manufacturer) represented 16.5% of our 2004 consolidated revenues after the consolidation of Pre-Built Plc. into our financial statements. Asian Property Development has sold out 100% in PCMC to Pre-Built Plc. and, meanwhile, has increased the stake of Pre-Built from 19.8% to 64.73% since mid-Feb 2004.

Figure 1 : Net Profit (million baht)

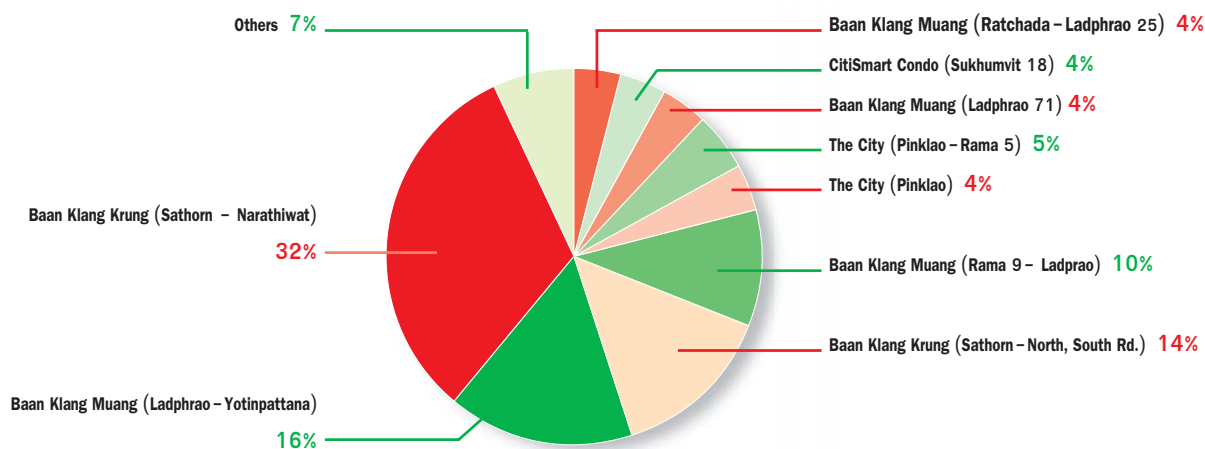


Source: Asian Property Development

Revenues from residential property development in 2004 derived from as following.

- Baan Klang Krung (Sathorn - Narathiwat) 32%
- Baan Klang Muang (Ladphrao - Yotinpattana) 16%
- Baan Klang Krung (Sathorn - North, South Road) 14%
- Baan Klang Muang (Rama 9 - Ladphrao) 10%
- The City (Pinklao - Rama 5) 5%
- The City (Pinklao) 4%
- Baan Klang Muang (Ladphrao 71) 4%
- Others [i.e. Condo (Sukhumvit 18), Baan Klang Muang (Ratchada-Ladprao 25), Baan Klang Muang (Mengjai-Ladphrao 80)] 15%

Figure 2 : Breakdown of Property Development Revenues by projects in year 2004



Overall gross margin was 34.9% in 2004, versus 37.2% in 2003 due mainly to the consolidation of lower margin business from Pre-Built Plc. Separately, gross margin from the property development was a high of 38.0% while gross margin from Pre-Built Plc. was 19.3% in 2004. Overall, our effective tax rate was 22.5% in 2004. On the balance sheet side, net debt was 3,322 million baht and net debt to equity was 0.78x as of 2004. EBITDA was about 1,531 million baht and our net debt to EBITDA was 2.2x.

Our 65% - owned Pre-Built Plc. achieved sales of 1,446 million baht, substantial growth of 33.9% year-on-year, in 2004. Net profit of Pre-Built Plc. in 2004 was 76.4 million baht.

Figure 3 Quarterly Net Debt to Equity Ratio (x)



Outlook

Property sales backlog as of 2004 was approximately 1,565 million baht, which mostly will be recognised as an income within the first half of 2005. In 2004, the company spent approximately two billion baht on the land acquisition. Furthermore, we recently acquired a new plot of land, nearby our old Mengjai project, at about 220 million baht (18 rais). We plan to develop a townhouse project called Baan Klang Muang (Ratchada - Rama 9) and launch within the second half of this year.

Figure 4 : Financial summary

	2004	2003	2002	2001
Revenues (Btm)	5,740	4,757	2,701	1,281
YoY Chg (%)	20.7%	76.1%	110.8%	88.6%
Gross profit (Btm)	2,004	1,771	993	437
Gross margin (%)	34.9%	37.2%	36.8%	34.1%
Operating profit (Btm)	1,369	1,441	745	282
Operating margin (%)	23.9%	30.3%	27.6%	22.0%
Net profit (Btm)	1,097	1,192	688	265
YoY Chg (%)	- 7.9%	73.2%	160.0%	334.3%
EPS (Bt)	0.48	0.53	0.34	0.14
Total assets (Btm)	9,247	6,620	3,586	2,198
Equity (Btm)	4,266	3,325	1,706	927
Outstanding debt (Btm)	4,030	2,471	1,464	1,058
Net debt (Btm)	3,322	1,507	1,108	910
Net debt to equity (x)	0.78	0.45	0.65	1.0
ROE (%) (average equity)	28.9%	47.4%	52.2%	34.8%

Figure 5 : Ongoing projects

	Type	Rai	No of units	Project value (Btm)	Land acquisition	Launch year	Completion (last unit transferred)	% sold (in values)
Place & Park	SDH	120.0	378	1,500	Q1 1996		N / A	
Condo CitiSmart (Sukhumvit 18)	Condo	2.9	192	900	Q1 2003	Q2 2003	Q2 2005	SOLD OUT
Baan Klang Krung (Sathorn Narathiwat)	TH & SDH	21.3	144	1,500	Q1 2003	Q4 2003	Q2 2005	SOLD OUT
– Townhouse	TH		120	940	Q1 2003	Q4 2003	Q2 2005	SOLD OUT
– SDH	SDH		24	560	Q1 2003	Q4 2003	Q2 2005	SOLD OUT
Baan Klang Krung (Sathorn North South Road)	TH	11.5	90	730	Q1 2002	Q1 2004	Q2 2005	SOLD OUT
Baan Klang Muang (Ladphrao Yotinpattana)	TH	20.8	214	700	Q2 2003	Q1 2004	Q1 2005	SOLD OUT
Baan Klang Muang (Rama 9 Ladphrao)	TH	18.2	170	650	Q3 2003	Q3 2004	Q2 2005	89%
The City (Rama 5 – Pinklao)	SDH	90.0	258	1,700	Q4 2003	Q3 2004	Q4 2005	26%
The City (Pinklao)	SDH	38.0	88	700	Q4 2003	Q3 2004	Q4 2005	32%
Baan Klang Muang (Ladphrao 71) I	TH	8.0	93	350	Q4 2003	Q3 2004	Q2 2005	80%
Baan Klang Muang (Srinakarin)	TH	43.5	413	1,630	Q1 2004	Q1 2005	Q4 2006	19%
Baan Klang Krung (Siam – Patumwan)	Condo	4.7	580	2,400	Q2 2004	Q1 2005	Q2 2007	17%
Total		379	2,620	12,760				

Figure 6 : Projects in the pipeline (planned to be launched)

	Type	Rai	No of units	Project value (Btm)	Land acquisition	Launch year	Completion (last unit transferred)
Baan Klang Muang (Ratchayotin – Prachacheun)	TH	17.0	137	684	Q1 2004	Q2 2005	Q4 2006
Baan Klang Krung (Ratchayotin – Prachacheun)	SDH	18.2	50	670	Q1 2004	Q2 2005	Q4 2006
Baan Klang Muang (Ladphrao 71) II	TH	11.5	76	420	Q3 2004	Q3 2005	Q4 2006
Baan Klang Muang (Bangna)	TH	19.0	179	1,040	Q1 2004	Q3 2005	Q4 2006
Baan Klang Muang (Rama III)	TH	15.5	169	1,000	Q1 2004	Q3 2005	Q4 2006
Baan Klang Krung (Rama III)	SDH	11.9	24	500	Q1 2004	Q3 2005	Q4 2006
Baan Klang Muang (Ratchada – Rama 9)	TH	18.0	186	750	Q1 2005	Q3 2005	Q4 2006
Total		111	821	5,064			

Note: 1 rai = 0.4 acres = 400 sq.w. = 1,600 sq.m.

Figure 7 : Summary of Projects (million baht)

Property sales backlog as of 2004	1,565
Additional property sales backlog YTD as of Feb 05	1,097
Existing projects for sales	5,253
Future projects in the pipeline	5,064
Total	12,979

Shareholding Structure and the Management

As of December 31, 2004, the Company had its registered capital at 2,275,000,000 baht or 2,275,000,000 common shares with the par value of 1 baht apiece. The paid-up capital was 2,265,114,120 baht or 2,265,114,120 common shares with the par value of 1 baht each.

Ten largest shareholders as of the register book closing on January 12, 2005

Rank	Individual / Juristic person	No. of shares	Percentage of holding in all sold shares
1.	MR. ANUPHONG ASSAVABHOKHIN	552,823,910	24.42
2.	MR. PICHET VIPAVASUPHAKORN	273,719,400	12.09
3.	THAI NVDR CO.,LTD.	198,339,386	8.76
4.	LAND & HOUSES PLC.	144,023,600	6.36
5.	STATE STREET BANK AND TRUST COMPANY FOR LONDON	126,660,800	5.59
6.	STATE STREET BANK AND TRUST COMPANY	66,738,821	2.95
7.	MR. CHARNCHEI KRAIRITTICHAJ	66,570,080	2.94
8.	NORTRUST NOMINEES LTD.	42,842,000	1.89
9.	FORTIS GLOBAL CUSTODY SERVICE N.V.	39,000,000	1.72
10.	HSBC (SINGAPORE) NOMINEES PTE LTD	32,491,100	1.43
	TOTAL	1,543,209,097	68.15

Dividend payment policy

The Company and Pre Built Plc. have a policy to pay dividend to its shareholders for the amount of not more than 50% of its net profit each year. To consider the payments, the following factors are to be taken into consideration: the company's operating results and financial position, liquidity, expansion plans and other related factors. Dividend payments are subjected to approval by the company's board of directors and shareholders. For the 2003 and 2004 performances, the Company paid dividend of 0.20 baht / share to shareholders or about 40% and 41% of net profit respectively.

The Management Structure



The Board of Directors

As of December 31, 2004, the board of directors consists of 12 members, whose qualifications are in accordance with the Article 68 of the Public Company Act B.E. 2535 and the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.

Name	Position
1. Mr. Chatchaval Bhanalaph	Chairman of Board and Chairman of Audit Committee
2. Mr. Anuphong Assavabhokhin	Vice Chairman and Chief Executive Officer
3. Mr. Payont Sakdejjont	Vice Chairman
4. Mr. Pichet Vipavasuphakorn	Director and Managing Director
5. Mr. Pong Sarasin	Director
6. Mr. Chaiyarat Thampeera	Director
7. Mr. Shaw Sinhaseni	Director
8. Mr. Naris Chaiyasoot	Director
9. Mr. Vilas Pilakasiri	Director and Secretary
10. Mr. Kosol Suriyaporn	Audit Director
11. Mr. Nontajit Tulayanonda	Audit Director
12. Mr. Siripong Sombutsiri	Audit Director

The Executive Board

Members of the Executive Board, who are executives of the company, are:

Name	Position
1. Mr. Anuphong Assavabhokhin	Vice Chairman and Chief Executive Officer
2. Mr. Pichet Vipavasuphakorn	Director and Managing Director

Members of the Executive Board, who are executives from subsidiaries, are:

Name	Position
1. Mr. Chaiyarat Thampeera	Director
2. Mr. Vilas Pilakasiri	Director and Secretary

Members of the Executive Board, who are executives from related companies, are:

Name	Position
1. Mr. Payont Sakdejyont	Vice Chairman
2. Mr. Pong Sarasin	Director

Authorized Signatories

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 Vipavasuphakorn
Mr. Vilas Pilakasiri	Mr. Chaiyarat Thampeera

Authority and responsibilities of the Board of Directors

1. The board of directors has authority and responsibilities to manage the company in compliance with its objectives, regulations and resolutions of shareholders' meetings.

2. Members of the board of directors are not allowed to enter partnership or become directors of the other companies running similar business and compete with the company, except they inform the shareholders' meeting before their appointments.

3. Members of the board of directors must inform immediately if they have direct and indirect involvement in contracts made with the company or report changes of their shareholdings or warrants in the company and subsidiaries.

4. The board of directors must meet at least once in every three month.
5. The board of directors must hold the annual shareholders' meeting within four months after the end of company's financial year.
6. The board of directors must conduct the company's balance sheet and financial statement as of the end of financial year and propose them for consideration at the shareholders' meeting.
7. The board of directors shall consider transactions with major shareholders, directors and management executives as well as those who may have conflicts of interests or connection with the mentioned persons.

Scope of duties of Audit Committee

The Audit Committee has the following duties and responsibilities to report to the Board of Directors:

1. Review the company's financial statements to ensure accuracy and adequate disclosure
2. Review the company's internal control and audit system to ensure appropriateness and effectiveness
3. Review the operations of the company to ensure they are in compliance with the laws on securities and stock exchange or those related to the company's business
4. Recommend the company the nomination of auditors and their remuneration
5. Determine proper and adequate disclosure of the company's information in case of connected transactions or lists with potential conflict of interests
6. Perform other duties as assigned by the board of directors and approved by the audit committee
7. Prepare reports on the activities of the audit committee to be included in the company's annual reports. The reports must be signed by the chairman of audit committee.

Scope of duties of Managing Director

Managing director has authority from the board of directors to take responsibilities as following:

1. Direct and handle the company's routine operations
2. Consider and screen the company's investment plans before proposing to the board of directors for approval
3. Prepare annual budget allocations and submit them to the board of directors for approval
4. Perform other duties assigned by the board of directors on a case-by-case basis

Any transactions might not result in a conflict of interests with the company and subsidiaries or affect the company's interests in any manner, except those with clear business scopes.

The Management

The company's executives have qualifications in accordance with the Public Company Act B.E. 2535 and the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Name	Position
1. Mr. Anuphong Assavabhokhin	Chief Executive Officer
2. Mr. Pichet Vipavasuphakorn	Managing Director
3. Mr. Jaroonsak Buntoonginda	Senior Executive Vice President, Project Group 1
4. Mr. Wasan Naruenatpaisan	Senior Executive Vice President, Project Group 2
5. Mr. Visanu Suchatlumpong	Senior Executive Vice President, Project Group 3
6. Ms. Kittiya Pongpuchaneekul	Senior Executive Vice President, Accounting
7. Mr. Opas Ruangrajitpakorn	Senior Executive Vice President, Finance
8. Mr. Piyawat Suepaisarn	Executive Vice President, Project Group 1
9. Mr. Chaiyayuth Thampeera	Senior Vice President, Project Group 3
10. Mr. Thongchai Jaraskulchai	Senior Vice President, Project Development
11. Mr. Pumipat Sinacharoen	Senior Vice President, Corporate Planning and Investor Relations
12. Mr. Kovit Kokilakanistha	Vice President, Legal Affairs
13. Mr. Siriwat Wiwatsakulcharoen	Vice President, Human Resources

Remuneration of top 6 executives in 2004 (Executives mean Chief Executive Officer (CEO), the first top four executives following the CEO and all forth executives) was 7.05 million baht which is salary and bonus only.

The Selection Committee and Remuneration

The board of directors approved the establishment of the selection committee and remuneration which will set remuneration for directors and select directors when directorship is vacant.

The selection committee consists of:

Name	Position
1. Mr. Shaw Singhaseni	Chairman
2. Mr. Anuphong Assavabhokhin	Director
3. Mr. Siripong Sombutsiri	Director
4. Mr. Nontajit Tulayanonda	Director
5. Mr. Chaiyarat Thampeera	Director
6. Mr. Vilas Pilakasiri	Director
7. Mr. Pichet Vipavasuphakorn	Director and Secretary

Scope of duties of the selection committee and remuneration

1. Outline policy and rule of remuneration for chief executive officer and managing director
2. Outline policy and rule in selecting directors
3. Consider and set remuneration for directors, chief executive officer and managing director
4. Consider and select directors when any director post is vacant
5. Propose the board of directors and then the shareholders' meeting for final approval

The committee on corporate governance

The board of directors has emphasized the importance of corporate governance and imposed the policy on corporate governance, which is a guideline for the company's operation. To follow up the policy implementation and improve practices on corporate governance, the board has set up a sub-committee to monitor the issue.

The sub-committee consists of:

Name	Position
1. Mr. Kosol Suriyaporn	Chairman
2. Mr. Pichet Vipavasuphakorn	Director
3. Ms. Kittiya Pongpuchaneekul	Director
4. Mr. Opas Ruangrajitpakorn	Director
5. Mr. Pumipat Sinacharoen	Director
6. Mr. Vilas Pilakasiri	Director and Secretary

Executives of Asian Property Development Plc. As of January 12, 2005

Name	Age Yrs	Education	Shares Held (%)	Relationship between Management	Experiences		Company	Type of Business
					Period	Position		
Mr. Chatchaval Bhanalaph	61	- M.Sc., Forthays Kansas State College, U.S.A. - B.A. Chulalongkorn University	0.00	-	2004 – Present	Chairman of Board and Chairman of Audit Committee	Asian Property Development Plc.	Property Development
					2004 – Present	Chairman of Board and Chairman of Audit Committee	Pre Built Plc.	Construction
					1999 – 2004	Senior Executive Vice President, Corporate Banking Group	Siam Commercial Bank Plc.	Bank
Mr. Anuphong Assarabhokhin	43	- M.B.A. Wayne State University, Detroit, Michigan U.S.A. - Bachelor of Engineering (Industrial) Chulalongkorn University	24.42	-	2002–Present	Vice Chairman and Chief Executive Officer	Asian Property Development Plc.	Property Development
					1999–2001	Vice Chairman	Asian Property Development Plc.	Property Development
					2002–Present	Director	Asian Property (Ladphrao) Co., Ltd.	Property Development
					2003–Present	Director	Asian Property (Krungthep) Co., Ltd.	Property Development
					1994–Present	Director	Asian Property Co., Ltd.	Property Development
					1996–Present	Director	Asian Property Holding Co., Ltd.	Asset Management
					1996–Present	Director	Asian Property Residence Co., Ltd.	Property Development
					1994–Present	Director	Pathumwan Asset Co., Ltd.	Property Development
					2004–Present	Director	Asian Property (Ratchavipa) Co., Ltd	Property Development
					2004–Present	Director	Signature Advisory Partners Co., Ltd.	Property Development
2004–Present	Director	Pre Built Plc.	Construction					
2000–2004	Director	PCM Construction Material Co., Ltd.	Manufacturing and distributing construction material					

Name	Age Yrs	Education	Shares Held (%)	Relationship between Management	Experiences		Company	Type of Business
					Period	Position		
Mr. Payont Sakdejyong	60	- M.B.A. Thammasat University - Bachelor of Engineering (Civil) Chulalongkorn University	0.00	-	2003-Present	Vice Chairman	Asian Property Development Plc.	Property Development
					2003-2004	Director	PCM Construction Material Co., Ltd.	Manufacturing and distributing construction material
					1983-Present	Director	Land and Houses Plc.	Property Development
					2000-Present	Managing Director	Quality Construction Products Plc.	Manufacturing and distributing construction material
					2001 -Present	Director	LH Muang Mai Co., Ltd.	Property Development
					2001 -2003	Director	Christiant&Neilsen (Thai)	Construction
					1995-Present	Executive Director	SCB Holding Co., Ltd.	Investment
					1993-Present	Director	Mayland Co., Ltd.	Investment
					1988-Present	Director	Atlantic Real Estate Co., Ltd.	Property Development
					Mr. Pichet Vipavasuphakom	48	Bachelor of Business Administration (Hon), Ramkhamhaeng University	12.09
2003-Present	Director	Asian Property (Krungthep) Co., Ltd	Property Development					
2002-Present	Director	Asian Property (Ladphrao) Co., Ltd.	Property Development					
2002-Present	Director	Thonglor Development Co., Ltd.	Property Development					
2002-Present	Director	Thonglor Residence Co., Ltd.	Property Development					
1993-Present	Managing Director	Asian Property Co., Ltd.	Property Development					
1996-Present	Director	Asian Property Residence Co., Ltd.	Property Development					
2000-2004	Director	PCM Construction Material Co., Ltd.	Manufacturing and distributing construction materials					
2001 -Present	Director	Asian Property Holding Co., Ltd.	Asset Management					
1994-Present	Director	Pathumwan Asset Co., Ltd.	Property Development					
2004-Present	Director	Signature Advisory Partners Co., Ltd.	Property Development					
2004-Present	Director	Trillion Development Co., Ltd.	Property Development					
2004-Present	Director	Asian Property (Ratchavipha) Co., Ltd.	Property Development					

Name	Age Yrs	Education	Shares Held (%)	Relationship between Management	Experiences		Company	Type of Business
					Period	Position		
Mr. Pong Sarasin	78	Ph.D. (Hon) in Business Administration, Chulalongkorn University	0.03	-	1990 - Present	Director	Asian Property Development Plc.	Property Development
					1995 - Present	Director	Home Product Center Plc.	Distributing construction materials
					2000 - Present	Chairman	Thai Pure Drinks Ltd.	Beverage
					1994 - Present	Director	Sammakorn Plc.	Property Development
					1996 - Present	Director	Asoke Motors Holding Co., Ltd.	Property Development
					1996 - Present	Chairman	Shangri-la Hotel	Hotel
					1996 - Present	Director	Thairarom Enterprise Plc.	Property Development
					1994 - Present	Director	Quality Construction Product Plc.	Manufacturing and distributing construction materials
					1999 - Present	Director	Asian Property Development Plc.	Property Development
					2003 - Present	Director	Asian Property (Krungthep) Co., Ltd	Property Development
Mr. Chaiyarat Thampeera	49	- M.B.A. Anelo State University, Texas, U.S.A. - Bachelor of Law, Chulalongkorn University - Bachelor of Business Administration, Ramkhamhaeng University	0.00	Mr. Chaiyayuth's brother	2002 - Present	Director	Asian Property (Ladphrao) Co., Ltd.	Property Development
					2002 - Present	Director	Asian Property Residence Co., Ltd.	Property Development
					2001 - Present	Director	Quality Construction Products Plc.	Manufacturing and distributing construction material
					1999 - Present	Director	Siam Sinthorn Co., Ltd.	Property Development
					1994 - Present	Director	Pathumwan Asset Co., Ltd.	Property Development
					1993 - Present	Vice Chairman	Asian Property Co., Ltd.	Property Development
					1993 - 2004	Managing Director	Wave Development Co., Ltd.	Property Development
					1993 - Present	Managing Director	Asian Cuisine Co., Ltd.	Restaurant
					2000 - Present	Director	PCM Construction Material Co., Ltd.	Manufacturing and distributing construction material
					2000 - 2004	Chief Executive Officer	PCM Construction Material Co., Ltd.	Manufacturing and distributing construction material
					2001 - 2002	Director	Siam System Built Co., Ltd.	Construction
					2001 - Present	Director	Asian Property Holding Co., Ltd.	Asset Management
					1994 - Present	Director	Sahathun Holding Co., Ltd.	Property Development
					2004 - Present	Vice Chairman and Chief Executive Officer	Pre Built Co., Ltd.	Construction
					2004 - Present	Director	Signature Advisory Partners Co., Ltd.	Property Development
					2004 - Present	Director	Asian Property (Ratchavipa) Co., Ltd	Property Development
2004 - Present	Director	Trillion Development Co., Ltd.	Property Development					

Name	Age Yrs	Education	Shares Held (%)	Relationship between Management	Experiences		Company	Type of Business
					Period	Position		
Mr. Shaw Singhaseni	52	M.B.A. (Management), University of San Francisco, U.S.A.	0.00	-	1993 – Present 1998 – Present 2001 – 2003	Director Director Director	Asian Property Development Plc. The Thai Insurance Plc. Home Product Center Plc.	Property Development Insurance Distributing construction materials
Dr. Naris Chalyasoot	49	- Ph.D. (Economics) University of Hawaii - M.A. Economics (English Program) Thammasat University - B.A. Economics (Hon) Thammasat University	0.00	-	2003 – Present 2004 – Present 1998 – 2004 1998 – Present 2002 – Present 2003 – Present 1998 – Present	Director Director – General Rector Chairman Director Director Chairman	Asian Property Development Plc. Fiscal Policy Office, Ministry of Finance Thammasat University National Research Council (Economics) Attorney General Office Credit Bureau Sirinthorn International Institute of Technology Government Savings Bank State Council Anti-Money Laundering Office	Property Development - Education - - - Education
Mr. Vilas Pliakasiri	52	- M.B.A., Thammasat University - Bachelor of Economics, Thammasat University	0.00	-	1996 – Present 2000 – Present 2004 – Present	Director and Board Secretary Director Board Secretary	Asian Property Development Plc. PCM Construction Material Co., Ltd. Pre Built Plc.	Property Development Manufacturing and distributing construction materials Construction
Mr. Kosol Suriyaporn	42	Bachelor of Law, Chulalongkorn University Barrister at Law	0.00	-	2000 – Present 2001 – Present 1988 – 2001	Director and Audit Committee Lawyer Lawyer	Asian Property Development Plc. Price Sanond Prabhas&Wynne Ltd. Natee International Law Office Ltd.	Property Development Business Law, Taxation Business Law, Taxation

Name	Age Yrs	Education	Shares Held (%)	Relationship between Management	Experiences		Company	Type of Business
					Period	Position		
Mr. Nontachit Tulayanonda	46	M.A at Tarleton State University, Texas U.S.A.	0.00	-	2000 - Present	Director and Audit Committee	Asian Property Development Plc.	Property Development
					2003 - Present	Executive Vice President Lending Group	Book Club Finance Plc.	Finance Company
					2001 - 2003	Chief Executive Officer	Wongpaitoon Group Plc.	Factory
Mr. Siripong Sombutsiri	50	M.B.A. Sull Ross University, U.S.A.	0.00	-	2002 - Present	Director and Audit Director	Asian Property Development Plc.	Property Development
					2004 - Present	Director and Audit Director	Bangkok Chain Hospital Plc.	Hospital
					2003 - Present	Director	Siam Chai Sri Co., Ltd.	Consultant
					2002 - Present	Director	Muang Thai Insurance Co., Ltd.	Insurance
					2001 - Present	Director and Managing Director	United Advisory Services Co., Ltd.	Consultant
					2000 - 2003 1998 - 2000	Director Managing Director (for)	United Securities Plc. Dhana Siam Securities Company Limited	Securities Securities
Mr. Jaroonsak Buntoonginda	50	Bachelor of Business Administration, Ramkhamhaeng University	0.02	-	2005 - Present	Senior Executive Vice President, Project Group 1	Asian Property Development Plc.	Property Development
					2004 - Present	Director	Pre Built Plc.	Construction
					2004 - Present	Director	Trillion Development Co., Ltd.	Property Development
Mr. Wason Naruenatpaisan	41	- M.B.A., Burapha University - B.BA, Bangkok University	0.02	-	2001 - Present	Senior Executive Vice President, Project Group 2	Asian Property Development Plc.	Property Development
					1993 - Present	Executive Vice President	Asian Property Co., Ltd.	Property Development
Mr. Wisanu Suchatlumppong	43	- M.B.A., Thammasat University - Bachelor of Civil Engineering, Chiang Mai University	0.00		2005 - Present	Senior Executive Vice President, Project Group 3	Asian Property Development Plc.	Property Development
					2000 - 2004 1994 - 1999	Deputy Managing Director Executive Vice President	United Home Co., Ltd. Quality House Public Co., Ltd.	Property Development Property Development

Name	Age Yrs	Education	Shares Held (%)	Relationship between Management	Experiences		Company	Type of Business
					Period	Position		
Ms. Kittiya Pongpuchaneekul	41	Ms. In Accounting, Chulalongkorn University	0.00	-	2001 – Present	Executive Vice President, Accounting	Asian Property Development Plc.	Property Development
					1993 – Present	Executive Vice President, Accounting	Asian Property Co., Ltd.	Property Development
					1996 – Present	Executive Vice President, Accounting	Asian Property Residence Co., Ltd.	Property Development
Mr. Opas Ruangrajitpakorn	45	- M.B.A., Kasetsart University - Bachelor of Economics, Thammasat University	0.00	-	2001 – Present	Senior Executive Vice President, Finance	Asian Property Development Plc.	Property Development
					2002 – Present	Director	Thonglor Development Co., Ltd.	Property Development
					2002 – Present	Director	Thonglor Residence Co., Ltd.	Property Development
					1994 – Present	Executive Vice President, Finance	Asian Property Co., Ltd.	Property Development
Mr. Piyawat Suepaisarn	46	Bachelor of Business Administration, Ramkhamhaeng University	0.00	-	1995 – Present	Director	Pre Built Plc.	Construction
					2001 – Present	Senior Vice President, Project Group 1	Asian Property Development Plc.	Property Development
					1994 – Present	Executive Vice President, Sales	Asian Property Co., Ltd.	Property Development
Mr. Chaiyayuth Thampeera	42	- M.B.A., Kasetsart University - Bachelor Degree of Law, Thammasat University	0.00	Mr. Chaiyarat's brother	2004 – Present	Director	Trillion Development Co., Ltd.	Property Development
					2002 – Present	Senior Vice President, Project Group 3	Asian Property Development Plc.	Property Development
					2001 – 2002	Assistant Managing Director	PCM Construction Material Co., Ltd.	Manufacturing and distributing construction materials
					1998 – 2001	Branch Manager	Thai Patanasin(Jinseng) 2000	Equipment Industry

Name	Age Yrs	Education	Shares Held (%)	Relationship between Management	Experiences		Company	Type of Business	
					Period	Position			
Mr. Thongchai Jaraskulchai	44	Bachelor of Engineering (Civil), Kasetsart University	0.01	-	2001 – Present	Senior Vice President, Project Development	Asian Property Development Plc.	Property Development	
					2000 – 2001	Project Manager		Engineering Plus Co., Ltd.	Construction
Mr. Pumipat Sinacharoen	34	M.B.A. The American Graduate School of International Management (Thunderbird), U.S.A.	0.00	-	2002 – Present	Senior Vice President, Corporate Planning and Investor Relations	Asian Property Development Plc.	Property Development	
					2005 – Present	Director and Audit Director		Fortune Parts Industry Plc.	Manufacturing and distributing auto parts
					2001 – 2002	Financial Planning Manager		Hutchinson CAT Wireless Multimedia Company Limited	Communication
					1997 – 2001	Equity Analyst		ING Baring Securities (Thailand) Co., Ltd.	Equity Broker
Mr. Kovit Kokilakanistha	38	Bachelor of Law, Ramkhamhaeng University	0.00	-	2001 – Present	Vice President, Legal Affairs	Asian Property Development Plc.	Property Development	
					1994 – Present	Vice President, Legal Affairs		Asian Property Co., Ltd.	Property Development
					2002 – Present	Director		Thonglor Development Co., Ltd.	Property Development
					2002 – Present	Director		Thonglor Residence Co., Ltd.	Property Development
Mr. Siritwat Wiwatsakulcharoen	33	- Master degree in Public Administration, NIDA - Bachelor Degree of Arts, Faculty of Political Sciences, Ramkham-haeng University - Bachelor Degree of Arts, Faculty of Humanities, The University of the Thai Chamber of Commerce	0.00	-	2003 – Present	Vice President, Human Resources	Asian Property Development Plc.	Property Development	
					2001 – 2003	Assistant Vice President, Human Resources & Admin Dept		Trinity Securities Co., Ltd.	Finance and Securities
					1999 – 2001	Assistant Manager, Human Resources Dept		KGI Securities One Plc.	Finance and Securities

The Numbers of attended meetings and Remuneration for directors in 2004

Name	Type	Position	IOD Course Attended	No. of attended meetings/Total meetings	Percentage	Remuneration in 2004 (batt)
Mr. Chatchavai* Bhanalaph	Audit Director	Chairman of Board and Chairman of Audit Committee	Director Accreditation Program (DAP)	12/14	86%	200,000
Mr. Anuphong Assavabhoihin	Director Representing Management of the Company	Vice Chairman and Chief Executive Officer	Director Accreditation Program (DAP)	19/19	100%	None
Mr. Pichet Vipavasuphakorn	Director Representing Management of the Company	Managing Director	Director Accreditation Program (DAP)	19/19	100%	None
Mr. Chaiyarat Thampeera	Director Representing Subsidiaries	Director	Finance for Non-finance Directors	18/19	95%	None
Mr. Vilas Pilakasiri	Director Representing Subsidiaries	Director and Secretary	Finance for Non-finance Directors	19/19	100%	None
Mr. Pong Sarasin	Director Representing Related Companies	Director	-	18/19	95%	240,000
Mr. Payont Sakdeyont	Director Representing Related Companies	Vice Chairman	Director Accreditation Program (DAP)	15/19	79%	240,000
Mr. Nontajit Tulayanonda	Audit Director	Director and Audit Director	Audit Committee Program (ACP)	17/19	89%	240,000
Mr. Kosol Suriyaporn	Audit Director	Director and Audit Director	Audit Committee Program (ACP)	17/19	89%	240,000
Mr. Siripong Sombutsiri	Audit Director	Director and Audit Director	Director Accreditation Program (DAP)	16/19	84%	240,000
Mr. Shaw Singhaseni	Independent Director	Director	Director Accreditation Program (DAP)	19/19	100%	240,000
Dr. Naris Chaiyasoot	Independent Director	Director	Director Accreditation Program (DAP)	17/19	89%	240,000
Mr. Saravut** Butsayarat	Audit Director	Director and Chairman of Audit Committee		5/5	100%	100,000

* became director in April 2004

** not serving the company's director at the moment

Definition : Independent Directors are directors who are independent from major shareholders or executives and not related to any shareholders holding no more than 5% stake in the company. The independent directors must not be executives of the company and subsidiaries. They will protect interests and work on behalf of all group of shareholders equally.

Subsidiaries are juristic entities of which the company holds stakes directly and indirectly from 50%.

Related Companies are juristic entities of which the company holds stakes directly and indirectly less than 50%. They are also juristic entities with the definition notified in the Article 258 (3) to (7) in the Securities and Exchange Act B.E. 2535.

“The board of directors consists of 12 members, of which 6 members or 50% of the board are independent directors.”

Supervision

The company board has recognized the importance of the Code of Best Practice, therefore the board has set standard practices and activities to enhance regular efficiency development in all aspects as follows:

The directors

The company organizes regular meetings of the board of director and the full board meetings for consideration or voting of significant issues. The company has sent in advance relevant information to assist the board members to understand clearly the company's purposes.

The company supports the board members to independently follow up the company's business operations and the implementations of legal practices and topics stated in agreements related to the company's business. The board will also receive reports from the company's executives regarding the significant operations in the company. The company has appointed a secretary to assist the board members in organizing their activities. The secretary will also ensure that the board and the company have followed laws and related regulations.

The company boards who are also the company's executives and/or managing director and/or chief executive officer can take a director position in not more than 5 group of companies, which their business operation would have no conflict of interest with the company's benefits (the definition of the group of companies means companies which have been hold directly or indirectly by the same group of shareholders more than 50%). Non-executive board members can use their own judgment in taking the director position in other companies.

Supervision of the use of insider information

The company adopts the following policies and methods in monitoring the use of insider information by its executives for their own interests:

- Inform the executives of their duties to report their holding of the company's shares as stipulated in the Act on Securities and Stock Exchange Act B.E. 2535 (1992) and the regulations of the Stock Exchange of Thailand and of related penalties.
- The company requires that its executives report on changes in their holding of the company's shares to the Securities and Exchange Commission as stipulated under Section 59 of the Act on Securities and Stock Exchange B.E. 2535 (1992) and submit a copy to the company on the same day it is sent to the Securities and Exchange Commission and the Stock Exchange of Thailand.
- The board has endorsed the strict regulations and punishment guidelines about the abuse of insider information. The board agrees to set policy and methods in supervising directors, executives and employees on the use of insider information, particularly the audited information related to the company's financial position as approved by the certified accountant and the meeting of the Audit Committee, prior to the submission to the board and the Stock Exchange of Thailand and the public for their own interests as follows:

1. Prohibit directors, executives, employees and their spouses and children not yet reached the legal age to use insider information to buy, sell, transfer and receive the company's shares prior to the disclosure of the information to the public (since April 15 till the disclosure of the first quarter financial statement / since July 15 till the disclosure of the second quarter financial statement / since October 15 till the disclosure of the third quarter financial statement / since Feb 1 till the disclosure of the annual report). The above mentioned persons should also withhold from conducting any trading transactions of the company's shares until the public have sufficient time to evaluate the company's shares (15 days after the disclosure).

2. Inform directors, executives and employees the duty to report their holding and the trading of the company's shares including those of their spouses and children not yet reached the legal ages as stipulated in the announcement No. 14/2540 of the Office of the Securities and Exchange Commission about the reports and the disclosure of the holding of shares and penalties under the Act on Securities and Stock Exchange B.E. 2535 (1992).

If employees violate the above regulation, the company will take discipline punishment as follows:

First mistake	Written warning
Second mistake	Salary cut, suspension of work
Third mistake	Termination of work without compensation

Personnel

The company has a policy to constantly develop personnel potential with regular and continuous trainings to improve staff knowledge and expertise as well as the understanding about the company's policies. The trainings were instructed by eminent persons from inside and outside the company in courses such as Service Beyond Expectations, Skills Workshop, Systematic Problem Solving & Decision making, Personality for Smart Works and Modern Construction Technique. The company also provided training courses for executives such as Strategic Planning Workshop and Corporate Culture Workshop. The company was of opinion that these courses would benefit employees and executives as well as improve the company's personal efficiency. The company also considers employing more staff to support more works and to ensure the operation effectiveness.

Internal controls

The company's Audit Committee has evaluated the internal controls of the company in five key-areas; organization and environments, risk management, management control, information technology and communications, and the follow-up system. The board members and the Audit Committee were of the opinion that the company had adequate international control in area of organization and environments. The company had adequate and appropriate internal control in area of risk management. The company had adequate internal control in terms of transactions with major shareholders, board members, executives and

related parties. The company had adequate and appropriate internal control in area of the follow-up system.

The company provided internal control system by hiring Alliance Office Co., Ltd. to handle the duty by emphasized in business risk and operational system. The company had the purpose to increase the operation efficiency and raise the confidence of the Audit Committee and high-level executives so they would realize that the company had reliable information and that the company's assets utilization was correct. The board and the Audit Committee had acknowledged the possible problems and were confident that the company had a good internal control system and employees had implemented the system.

Moreover, the company's auditor, Mrs Suvimol Krittayakiat who audited the company's financial statement was of the opinion related to the evaluation of the company internal accounting control that there was no substantial weakness in the system.

Connected transactions

The company has a policy to record connected transactions with listed companies or the acquiring and releasing of assets of listed companies as stipulated in the announcement of the Stock Exchange of Thailand. All details of connected transactions are shown in the annex of the financial statement.

Good Corporate Governance

The company has recognized the importance of good corporate governance, which is the major factor improving the organization and efficiency as well as leading to long-term sustainable growth. The company has complied with the 15 principles of good corporate governance recommended by the Stock Exchange of Thailand.

1. Policy on corporate governance

The Board of Directors recognizes the importance of good corporate governance and adopts policies on corporate governance with details as following:

- Recognize the importance of controlling system and internal audit, which will supervise the management to comply with the company's policies and objectives efficiently under the framework of legal regulations and business ethics.

- Provide fairness and equal treatment to the company's shareholders and stakeholders

- The board is determined to manage the company with carefulness, responsibility and efficiency to maximize benefits for shareholders in the long run and prevent conflicts of interests.

- The board operates the business with concerns about risks and nominates the internal control system and risk management.

- The board focuses on transparency, accountability and disclosure to keep the public, investors and related parties informed of its operation

- The board emphasizes on the company's Code of Conduct which has been already announced and employees are being encouraged to implement the Code of Conduct as well.

2. Right of Shareholders

The company will organize an ordinary shareholders meeting within four months after the end of financial year. By doing so, the company will send, at least seven days in advance written notices of the meetings, which include information related to each agenda, including opinions of the board, so that shareholders can study information before voting on an agenda at the meeting. In case when shareholders are unable to attend the meeting, they can authorize independent directors to act on their behalf. If the company has an urgent agenda to be considered, it can call on an extraordinary shareholders' meeting on a case-by-case basis.

In 2004, the company held two shareholders meetings, one extraordinary on February 17, 2004, and the other ordinary on April 1, 2004. For the two meetings, the company sent written notices of the meetings and information related to each agenda 14 days in advance. Each agenda had opinions of the board and meeting minutes were recorded accurately and adequately with questions from shareholders and explanations of the management. The company arranged for the independent directors to be authorized

to act on behalf of shareholders who were unable to attend the meetings and vote for them on agendas.

3. Right of Stakeholders

The company valued the rights of all stakeholders both inside and outside the organization such as employees, creditors, trading partners, related government agencies and shareholders to ensure fairness for all parties.

- Employees : the company has treated its employees fairly and paid them appropriately. Moreover, the company has provided scholarships to staff and continuously held training programs for them. In 2004, the company organized many training programs such as Service Beyond Expectations, Skills Workshops, Systematic Problem Solving & Decision Making, Personality for Smart Works and Modern Construction Techniques.

- Trading partners : in purchasing goods and services from its trading partners, the company has complied with trade terms and fulfilled contractual obligations. For its contractors, the company has checked product quality and awarded those who have work consistency to improve product quality.

- Customers : the company has taken good care of and acted responsibly to its customers. It has produced standard and quality products and set up Call Center for after-sale services.

- Creditors : the company has complied with the terms of lending agreements.

- Competitors : the company has competed within the framework of good competition and avoided dishonest methods to destroy competitors.

- Community : the company is responsible for community environment and society. It donated to help many organizations including the victims of the tsunami in the South, scholarships for poor students through the association of alumni at Chulalongkorn University, donations to build salas at some temples, Thai Help Thai in the South, the Foundation for the Welfare of Mentally Retarded of Thailand and joint budgets to help Bangkok Metropolitan Administration develop district communities.

4. Shareholders' Meetings

At shareholders' meetings, the chairman of the meetings has provided an equal opportunity for all groups of shareholders to review the company's operations, raise questions, and express opinions and suggestions. The key points of discussions and opinions have also been recorded in the meeting's minutes.

In 2004, the company held two shareholders' meetings, the first one extraordinary staged on February 17, 2004, and the other ordinary meeting on April 1, 2004. At the two meetings, the chairman of the meeting, the chairman of Audit Committee and the chairman of sub-committee all attended the meetings while most of the company's directors participated and made explanations when shareholders raised questions and expressed opinions. The questions and answers were recorded in the meetings' minutes. At the first meeting, 10 directors out of the total 12 attended the meeting and 11 directors were at the second meeting.

5. Leadership & Vision

The management has proposed strategic and business plans to the board, which has actively participated in determining the company's policy, vision, strategy and business plans. The board will ensure that the business has been implemented in line with the laid-down plans, maximizing profits for shareholders and follow-ups and evaluations will be conducted to assess the management and employees. Moreover, to segregate the duties and make a balance of management, the chairman of the board of directors is independent director and not the same person as the chairman of the executive board.

6. Conflict of Interest

The company has prevented potential conflicts of interests by assigning its Audit Committee to examine and consider the rationality of connected transactions based on the criteria of the Stock Exchange of Thailand. Details of connected transactions have been disclosed in notes to financial statements.

7. Business Ethics

The company has focused on running business with honesty and transparency and issued the Code of Conduct for the board of directors, management, and employees so that the related parties can use it as guidelines in performing their duties with pride and integrity according to the company's objective and mission. The company also follows up the compliance of the code regularly. A sub-committee was established to implement policies on corporate governance and improved corporate governance practices.

8. Balance of Power for Non-executive Directors

The board of directors consists of 12 members, of which two are the company's executive directors (Mr. Anuphong Assavabhokhin and Mr. Pichet Vipavasuphakorn), two are executives from subsidiaries (Mr. Chaiyarat Thampeera and Mr. Vilas Pilakasiri), and two are executives from related companies (Mr. Pong Sarasin and Mr. Payont Sakdejyont). The remaining six or a half of the board are independent directors, of which four of them are audit directors. The audit directors have authority to review the company's operation and make a balance of power on the board. Moreover, they can reject or act against some issues at the meetings independently and this will make the board approve resolutions with the highest efficiency.

9. Aggregation or Segregation of Positions

The chairman of the board of directors comes from one of the independent directors while the chief executive officer and managing director hold 24.42% and 12.09% of the total paid-up shares, respectively, so that, the chief executive officer and managing director are the company's shareholders, representing all groups of shareholders in managing the company and maximizing profits for them. However, the chairman of the board of directors, chief executive officer and managing director are not the same persons as this will create work separation, making a balance of management power.

10. Remuneration for Directors and the Management

The company appointed the selection committee and remuneration for directors to consider remuneration for directors and the management by comparing with the standard of remunerations paid by the other companies in the same business. The compensation for directors and the management will be paid in the form of monthly salaries and bonuses, based on the company's operating result and the performance of each executive. For non-executive directors, they will be remunerated in the form of monthly returns and lump-sum pension. The company has sought approval on remuneration from the shareholders' meetings.

11. Board of Directors' meetings

The board of directors normally holds a number of meetings every month and special meetings may be held if necessary. Agendas with clear information and those related to the follow-ups of work implementations as well as the minutes of the previous meeting will be prepared and sent to directors seven days in advance, so that the directors will have times to study the details before the meeting is staged. At each meeting, the meeting minutes will be recorded and the board will sign to approve the report of the meeting every time at the next meeting.

In case independent directors express opinions and call on a special meeting to consider special agendas, the management is assigned to hold the special meeting for them as soon as possible.

In 2004, the company held 19 times of board meetings with directors attending the meetings as following:

		No. of meeting attended	%
1.	Mr. Chatchaval Bhanalaph	Chairman of the Board of Directors / Chairman of the Audit Committee	12 86
2.	Mr. Anuphong Assavabhokhin	Vice Chairman / Chief Executive Officer	19 100
3.	Mr. Pichet Vipavasuphakorn	Managing Director	19 100
4.	Mr. Chaiyarat Thampeera	Director	18 95
5.	Mr. Vilas Pilakasiri	Director and Secretary	19 100
6.	Mr. Pong Sarasin	Director	18 95
7.	Mr. Payont Sakdejyont	Vice Chairman	15 79
8.	Mr. Nontajit Tulayanonda	Vice Chairman	17 89
9.	Mr. Kosol Suriyaporn	Audit Director	17 89
10.	Mr. Siripong Sombutsiri	Audit Director	16 84
11.	Mr. Shaw Singhaseni	Director	19 100
12.	Dr. Naris Chaiyasoot	Director	17 89
13.	Mr. Saravut Butsayarat	Chairman of the Audit Committee	5 100

Note:

Rank 1 Mr Chatchaval Bhanalaph is served as director in April 2004 and attended the meetings 12 times from the total of 14.

Rank 13 Mr Saravut Butsayarat had been director and the chairman of audit committee until April 2004. Now, he is not served as company director. He attended the meetings 5 times from the total of 5.

12. Committees

The company nominated the Audit Committee, which is responsible to consider and give opinions toward special agendas before submitting them for approval by the board of directors. Moreover, the company appointed the selection committee and remuneration for directors and the management, which will select and nominate qualified persons to become a member of the board in case when any director position is vacant. The selection committee will also consider remuneration and compensation for directors and the management as well.

The company also appointed a sub-committee on corporate governance, which has followed the implementation of corporate governance policy, outline action plans and improve policies to meet with changing conditions. The sub-committee will report directly to the board of directors.

13. Controlling System and Internal Audit

The company selected and appointed Alliance Office Co., Ltd., of which it has no stakes in or no relation with, as an internal audit for the company. The internal audit has duties to review and evaluate the company's internal control system whether it was sufficient and appropriate. Moreover, the internal audit will consult and assist the company to improve weak points in the internal control system to ensure that it is efficient and effective. Alliance Office Co., Ltd. will conduct an assessment report on the internal control system and make suggestions about weak points before submitting the report directly to the Audit Committee.

14. Directors' Reporting

The board of directors and the audit committee has considered financial statements of the company and subsidiaries to ensure these financial statements show financial positions and operating results with accuracy and adequate information disclosure. Moreover, the board reviewed the internal control system and was of the opinion that the system was satisfactory and can ensure that the information disclosed to investors was sufficient in the annual report.

15. Investor Relations

The company always recognizes the importance of disclosing adequate, reliable and timely information to investors and related parties with equal access. It also set up an investor relations unit to provide information, so that investors can monitor corporate status and communicate with the company through the telephone number (66) 2261-2518-22 and e-mail : investor@ap-thai.com and web site at www.ap-thai.com

Directors' Report on Financial Statement

The Board of Directors of Asian Property Development Public Company Limited is responsible for the consolidated financial statement of the company and its subsidiaries and financial information as prepared in the annual report. The financial statements were prepared based on generally accepted accounting standards in Thailand. The accounting standards have been appropriate and used regularly and carefully, providing adequate information disclosure in notes to financial statements.

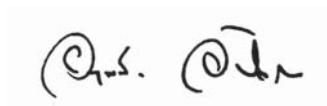
The board established and maintained an efficient controlling system and internal audit to ensure that accounting information stated in financial statements was accurate and reliable. The adequate internal controls were also to maintain the company's assets and recognize corporate weakness, which would significantly prevent corruptions and wrong-doings.

Therefore, the board nominated the Audit Committee, which consists of non-executive members who are responsible for the quality of financial statements and internal control system. The Audit Committee also has opinions about the company's internal audit system in the annual reports.

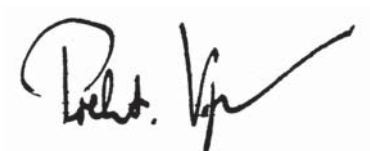
The board was of the opinion that the internal control system was satisfactory and can create confidence in relation to the credibility of financial statements of the company and its subsidiaries as of December 31, 2004. The financial statements showed financial position, operation performance and cash flow with accuracy and reliability.



Mr. Chatchaval Bhanalaph
Chairman of the Audit Committee



Mr. Anuphong Assavabhokhin
Chief Executive Officer



Mr. Pichet Vipavasuphakorn
Managing Director



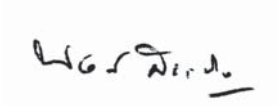
Mr. Siripong Sombutsiri
Audit Director



Mr. Nontajit Tulayanonda
Audit Director



Mr. Kosol Suriyaporn
Audit Director



Mr. Pong Sarasin
Director



Mr. Shaw Singhaseni
Director



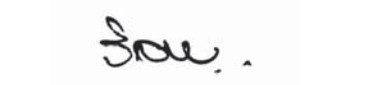
Dr. Naris Chaiyasoot
Director



Mr. Payont Sakdejoynt
Director



Mr. Chaiyarat Thampeera
Director



Mr. Vilas Pilakasiri
Director

Report of the Audit Committee

Dear Shareholders

Asian Property Development Public Company Limited

For the financial year ended December 31, 2004, the Audit Committee, consisting of four directors who are not executives and employees of the company, held seven meetings to review the adequacy of the company's internal control system and propose measures to increase work efficiency and effectiveness. The Audit Committee also appointed an outside auditor to help inspect the work procedure to ensure that the internal control and audit system is appropriate. Major findings and suggestions from the internal control inspection were to be taken into accounts and upgraded the overall system.

The Audit Committee was of the opinion that the company's internal control system was satisfactory, a dequate, efficient and transparent for the business operation.

The Audit Committee reviewed quarterly and yearly financial statements ended December 31, 2004, along with the company's auditor and the executive management and found that the financial statements showed the adequacy and credibility of financial positions and operating results based on the widely accepted accounting standards.



(Mr. Chatchaval Bhanalaph)
Chairman of the Audit Committee



(Mr. Siripong Sombutsiri)
Audit Director



(Mr. Nontajit Tulayanonda)
Audit Director



(Mr. Kosol Suriyaporn)
Audit Director



AUDITOR'S REPORT AND FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2004 AND 2003

AUDITOR'S REPORT

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, 2004 and 2003, 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 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.

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, 2004 and 2003, 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 18, 2005

BALANCE SHEETS

AS AT DECEMBER 31, 2004 AND 2003

Assets	Note	Consolidated		Parent company		
		2004	Thousand Baht	2003	2004	Thousand Baht
Current assets						
Cash and cash equivalents		592,699	584,153	197,731		266,803
Short-term investments	4	114,976	380,193	114,843		300,000
Accounts and notes receivable - net	5	146,094	63,441	695		2,255
Unbilled construction income	6	499,769	18,608	369,191		1,207
Inventories - net	7	5,902,467	3,922,450	2,286,113		1,758,226
Other current assets						
Deposits for land		84,900	173,725	84,900		173,725
Accrued interest income		76	8	56,371		9,601
Others		134,586	63,939	41,536		32,433
Total current assets		7,475,567	5,206,517	3,151,380		2,544,250

BALANCE SHEETS

AS AT DECEMBER 31, 2004 AND 2003

Assets	Note	Consolidated		Parent company		
		2004	Thousand Baht	2003	2004	Thousand Baht
Non-current assets						
Loans to related parties-net	21	0		0	1,600,880	660,968
Investments in subsidiaries	8	0		0	2,612,413	2,112,677
Long-term investments	9	732,999		577,167	731,769	575,300
Other investments	10	400,000		400,000	0	0
Cash at banks - commitment		58,006		39,459	34,725	18,075
Property, plant and equipment-net	11	380,258		178,504	49,345	48,071
Other non-current assets						
Deferred goodwill	8	147,321		163,477	0	0
Withholding income tax		22,304		37,990	0	3,071
Others		30,053		17,323	11,514	8,477
Total non-current assets		1,770,941		1,413,920	5,040,646	3,426,639
Total assets		9,246,508		6,620,437	8,192,026	5,970,889

Notes to financial statements are parts of these financial statements.

BALANCE SHEETS (Cont.)

AS AT DECEMBER 31, 2004 AND 2003

Liabilities and shareholders' equity	Note	Consolidated		Parent company		
		2004	Thousand Baht	2003	2004	Thousand Baht
Current liabilities						
Bank overdrafts and short-term loans from financial institutions	12	334,312	4,031	147,658	0	
Accounts and notes payable		263,890	209,606	72,394	68,091	
Unearned revenue		82,751	284,019	13,683	131,639	
Current portion of long-term debts	13	289,840	378,610	250,000	360,010	
Other current liabilities						
Accrued interest		38,759	20,009	37,186	19,815	
Accrued expense		79,566	84,264	41,719	59,977	
Accrued income tax		183,150	158,372	119,238	132,255	
Others		113,373	37,358	45,567	28,760	
Total current liabilities		1,385,641	1,176,269	727,445	800,547	
Non-current liabilities						
Loans from related companies		0	0	75,000	75,000	
Long-term liabilities	13	805,713	588,431	498,008	242,274	
Debentures	14	2,600,000	1,500,000	2,600,000	1,500,000	
Other non-current liabilities		42,510	30,376	25,124	27,709	
Total non-current liabilities		3,448,223	2,118,807	3,198,132	1,844,983	
Total liabilities		4,833,864	3,295,076	3,925,577	2,645,530	

Notes to financial statements are parts of these financial statements.

BALANCE SHEETS (Cont.)

AS AT DECEMBER 31, 2004 AND 2003

Liabilities and shareholders' equity	Note	Consolidated		Parent company		
		2004	Thousand Baht	2003	2004	Thousand Baht
Shareholders' equity						
Share capital						
Authorized share capital						
2,275,000,000 common shares						
of Baht 1 each	15	2,275,000	2,275,000	2,275,000	2,275,000	
Issued and paid-up share capital						
2,265,114,120 common shares		2,265,114		2,265,114		
of Baht 1 each						
2,242,184,220 common shares			2,242,184			2,242,184
of Baht 1 each						
Premium (Discount) on share capital		(1,007,859)	(1,007,859)	(1,007,859)	(1,007,859)	
Premium on changing in						
investments value	9	581,555	410,490	581,555	410,490	
Premium on common shares-from	8	102,662	0	102,662	0	
investment in subsidiaries						
Retained earnings						
Appropriated						
Legal reserve		151,000	96,000	151,000	96,000	
Unappropriated		2,173,977	1,584,544	2,173,977	1,584,544	
Total shareholders' equity		4,266,449	3,325,359	4,266,449	3,325,359	
Minority interest		146,195	2	0	0	
Total shareholders' equity including						
minority interest		4,412,644	3,325,361	4,266,449	3,325,359	
Total liabilities and shareholders' equity		9,246,508	6,620,437	8,192,026	5,970,889	

Notes to financial statements are parts of these financial statements.

STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	Note	Consolidated		Parent company		
		2004	Thousand Baht	2003	2004	Thousand Baht
Revenues						
Sales and services		5,740,205	4,757,356	2,768,536	2,500,382	
Share of profits from investments						
for using the equity method		0	56,639	516,554	688,041	
Interest income		1,931	1,274	49,536	30,708	
Dividend received		25,197	0	14,300	0	
Gain on sales of investments	9	87,600	1,790	87,452	1,658	
Other income		24,260	13,639	7,403	3,164	
Total revenues		5,879,193	4,830,698	3,443,781	3,223,953	
Expenses						
Cost of sales and services		3,736,011	2,986,555	1,728,120	1,543,054	
Directors' remuneration		1,980	1,980	1,980	1,980	
Selling and administrative expenses		634,796	329,571	330,368	221,165	
Total expenses		4,372,787	3,318,106	2,060,468	1,766,199	
Profit before interest expenses and income tax		1,506,406	1,512,592	1,383,313	1,457,754	
Interest expenses		(66,263)	(47,560)	(113,030)	(45,298)	
Income tax		(323,958)	(275,065)	(173,101)	(222,490)	
Profit after income tax		1,116,185	1,189,967	1,097,182	1,189,966	
(Gain) Loss of minority interest		(19,003)	(1)	0	0	
Profit before extraordinary items		1,097,182	1,189,966	1,097,182	1,189,966	
Extraordinary items						
Gain from debt restructuring	13	0	1,585	0	1,585	
Net profit		1,097,182	1,191,551	1,097,182	1,191,551	

STATEMENTS OF INCOME (Cont.)

FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	Note	Consolidated		Parent company		
		2004	Thousand Baht	2003	2004	Thousand Baht
Basic earnings per share	3.13, 20					
Before extraordinary items			0.48	0.54	0.48	0.54
Extraordinary items (net from minority interest)			0.00	0.00	0.00	0.00
Net profit			0.48	0.54	0.48	0.54
Diluted earnings per share	3.13, 20					
Before extraordinary items			0.48	0.53	0.48	0.53
Extraordinary items (net from minority interest)			0.00	0.00	0.00	0.00
Net profit			0.48	0.53	0.48	0.53

Notes to financial statements are parts of these financial statements.

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

Consolidated	Note	Issued and paid up share capital	Premium (Discount) on share capital	Premium on changing in investments value	Premium on common shares from investment in subsidiaries	Legal reserve	Retained earnings (Deficit)	Minority interest	(Thousand Baht)
Beginning balance as at January 1, 2003		2,015,859	(1,007,859)	0	0	36,400	661,480	40,335	1,746,215
Warrants to purchase common shares	17	226,325	0	0	0	0	0	0	226,325
Legal reserve	18	0	0	0	0	59,600	(59,600)	0	0
Purchase of investments in subsidiaries		0	0	0	0	0	0	(40,324)	(40,324)
Unrealized gain on marketable securities	9	0	0	410,490	0	0	0	0	410,490
Dividend paid	19	0	0	0	0	0	(208,887)	(10)	(208,897)
Net profit		0	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	0	96,000	1,584,544	2	3,325,361
Beginning balance as at January 1, 2004		2,242,184	(1,007,859)	410,490	0	96,000	1,584,544	2	3,325,361
Warrants to purchase common shares	17	22,930	0	0	0	0	0	0	22,930
Legal reserve	18	0	0	0	0	55,000	(55,000)	0	0
Purchase of investments in subsidiaries	8	0	0	0	102,662	0	0	127,190	229,852
Unrealized gain on marketable securities	9	0	0	171,065	0	0	0	0	171,065
Dividend paid	19	0	0	0	0	0	(452,749)	0	(452,749)
Net profit		0	0	0	0	0	1,097,182	19,003	1,116,185
Ending balance as at December 31, 2004		2,265,114	(1,007,859)	581,555	102,662	151,000	2,173,977	146,195	4,412,644

Notes to financial statements are parts of these financial statements.

ASIAN PROPERTY DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

Parent company	Note	Issued and paid up share capital	Premium (Discount) on share capital	Premium on changing in investments value	Premium on common shares from investment in subsidiaries	Legal reserve	Retained earnings (Deficit)	(Thousand Baht)
Beginning balance as at January 1, 2003		2,015,859	(1,007,859)	0	0	36,400	661,480	1,705,880
Warrants to purchase common shares	17	226,325	0	0	0	0	0	226,325
Legal reserve	18	0	0	0	0	59,600	(59,600)	0
Unrealized gain on marketable securities	9	0	0	410,490	0	0	0	410,490
Dividend paid	19	0	0	0	0	0	(208,887)	(208,887)
Net profit		0	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	0	96,000	1,584,544	3,325,359
Beginning balance as at January 1, 2004		2,242,184	(1,007,859)	410,490	0	96,000	1,584,544	3,325,359
Warrants to purchase common shares	17	22,930	0	0	0	0	0	22,930
Legal reserve	18	0	0	0	0	55,000	(55,000)	0
Purchase of investments in subsidiaries	8	0	0	0	102,662	0	0	102,662
Unrealized gain on marketable securities	9	0	0	171,065	0	0	0	171,065
Dividend paid	19	0	0	0	0	0	(452,749)	(452,749)
Net profit		0	0	0	0	0	1,097,182	1,097,182
Ending balance as at December 31, 2004		2,265,114	(1,007,859)	581,555	102,662	151,000	2,173,977	4,266,449

Notes to financial statements are parts of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	Consolidated		Parent company	
	2004	2003	2004	2003
	Thousand Baht		Thousand Baht	
Cash flows from operating activities				
Net profit	1,097,182	1,191,551	1,097,182	1,191,551
Minority interest	19,003	1	0	0
Adjustments to reconcile net profit to cash receipt (disbursement)				
Depreciation	25,038	15,707	1,873	1,837
Bad debt and doubtful accounts	5,485	970	0	0
Reversal of provision for devaluation of investments	0	(356)	0	0
Reversal of impairment loss of assets	(595)	0	(595)	0
Loss from impairment of assets	0	5,694	0	0
Share of profits from investments for using the equity method	0	(56,639)	(516,554)	(688,041)
(Gain) from debt restructuring	0	(1,585)	0	(1,585)
(Gain) Loss from sales of assets	(749)	(2,161)	263	1,021
(Gain) on sales of investments	(87,600)	(1,790)	(87,452)	(1,658)
Amortization of prepaid interest	14,219	21,028	14,219	21,028
Other amortizations	49,981	20,494	19,851	16,423
Profit from operation before changes in operating assets and liabilities	1,121,964	1,192,914	528,787	540,576
(Increase) Decrease in operating assets				
Accounts and notes receivable	(70,545)	13,675	1,560	11,895
Unbilled construction income	(439,311)	84,168	(367,984)	86,086
Inventories	(1,984,725)	(1,392,240)	(527,887)	(531,945)
Accrued interest income	(73)	0	(46,770)	3,970
Prepaid interest	(4,249)	(834)	(4,249)	(834)
Other current assets	40,371	(194,384)	79,714	(186,581)
Other non-current assets	(15,862)	(15,332)	(3,047)	(8,042)

STATEMENTS OF CASH FLOWS (Cont.)

FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	Consolidated		Parent company	
	2004	Thousand Baht 2003	2004	Thousand Baht 2003
Increase (Decrease) in operating liabilities				
Accounts and notes payable	21,861	106,295	4,303	(4,937)
Unearned revenue	(207,799)	167,477	(117,956)	52,309
Accrued interest expenses	17,900	16,511	17,371	17,041
Accrued expenses	1,358	46,753	(18,258)	42,058
Accrued income tax	22,031	92,749	(13,017)	90,177
Other current liabilities	(9,162)	8,432	16,807	10,889
Other non-current liabilities	30,309	20,544	5,183	19,792
Net cash provided by (used in) operating activities	(1,475,932)	146,728	(445,443)	142,454
Cash flows from investing activities				
Received (Paid) from loans to subsidiary and related companies	0	0	(939,912)	(337,329)
(Increase) Decrease in cash at banks with commitment	(7,537)	(28,367)	(16,649)	(18,075)
Cash received from sales of short-term investments	380,613	1,780,416	300,405	1,720,138
Cash paid for purchase of short-term investments	(114,843)	(2,083,480)	(114,843)	(1,943,480)
Dividend received from investments in subsidiaries	0	0	262,500	49,999
Purchase of investments in subsidiaries and associates	(37,592)	(95,840)	(167,587)	(594,940)
Sales of investments in subsidiaries	0	71	37	71
Long-term investments	(400)	(130)	0	0
Other investments	0	(400,000)	0	0
Cash received from sales of marketable equity securities	101,642	0	101,642	0
Cash received from sales of fixed assets	1,667	11,047	456	111
Cash paid for purchase of fixed assets	(54,033)	(15,763)	(3,271)	(3,500)
Net cash provided by (used in) investing activities	269,517	(832,046)	(577,222)	(1,127,005)

STATEMENTS OF CASH FLOWS (Cont.)

FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	Consolidated		Parent company	
	2004	2003	2004	2003
Cash flows from financing activities				
Cash received (paid) for bank overdrafts and short-term loans from financial institutions	332,624	(328,436)	150,000	(330,000)
Received (Paid) for loans from subsidiary and other companies	0	(11,998)	0	75,000
Received from long-term loans	2,511,000	1,217,945	1,059,000	724,078
(Paid) for long-term loans	(1,323,510)	(1,402,150)	(925,588)	(927,450)
Debentures issuance	0	1,500,000	1,100,000	1,500,000
Payables and loans from directors	(10,204)	0	0	0
Cash received from increase share capital	72,881	226,325	22,930	226,325
Dividend paid	(452,749)	(208,897)	(452,749)	(208,887)
Net cash provided by (used in) financing activities	1,130,042	992,789	953,593	1,059,066
Increase (Decrease) in cash and cash equivalents-net	(76,373)	307,471	(69,072)	74,515
Cash and cash equivalents, beginning of the period	669,072	276,682	266,803	192,288
Cash and cash equivalents, end of the period	592,699	584,153	197,731	266,803

Additional disclosure of cash flows information

1. Cash paid during the period

Interest expenses	121,657	85,466	89,639	26,830
Income tax	317,513	195,213	186,118	132,312

Interest expenses consist of interest for operating and capitalized as project cost.

2. Non-cash transaction

During the year 2004, PCM Construction Material Co., Ltd. has taken part of its finished goods to use in building and equipment construction in the amount of Baht 1.16 million.

Notes to financial statements are parts of these financial statements.

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2004 AND 2003

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 shareholder 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.

2.3 The results of operations of subsidiaries are included in the consolidated financial statements from the control date to the selling date.

2.4 The consolidated financial statements have been prepared in conformity with the same accounting policy for the accounts and accounting events to the Company and subsidiaries.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Income and expenses are recorded on an accrual basis except for no. 3.1.1 and no. 3.1.2.

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.

Revenues from sales of condominium is recorded on the installment due. The Company recognizes revenues when sales contracts have been executed not less than 40 per cent of the area opened for sales and collection received exceeds 20 per cent of each contract value, and the progress of completed construction work is more than 10 per cent.

3.1.2 Revenues from construction work

Revenues from construction are recognized as income on the percentage of completion. Undue of realized income are shown as unbilled construction income in balance sheets.

Costs of construction of each project are recognized on the percentage of completion to the total estimated costs.

The different of the estimated costs and the actual costs are recorded as current liabilities in balance sheets. Provision for possible loss will be recorded when a project encounters potential operating loss.

Cost of construction consists of raw materials, direct labour and construction overhead. Other expenses and administrative expenses are recorded as expenses occurred during a period in the income statement.

3.2 Inventories Valuation

Inventories are valued at the lower of cost or net realizable value. Cost 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).

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 cost on a first-in first-out (FIFO) basis.

3.3 Property, plant and equipment, and depreciation”

Land are stated at cost, building and equipment are stated at cost less accumulated depreciation and provision for impairment of assets.

Property, plant and equipment of subsidiary “PCM Construction Material Co., Ltd. in the preparing of consolidated financial statements are stated at fair value since the appraised fair value of assets was indicated for the investment purchasing.

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 life of such land capable of giving sand 2.9 million cubic meters. (Sand pit land is located at Kranchanaburi Province with an area of 155 rais).

In the preparing of consolidated financial statements, fixed assets which were appraised fair value of PCM Construction Material Co., Ltd. are redepicted for building and equipment on the straight-line basis over the estimated useful life of assets from the date of changes in investment restructuring.

Building and construction	12 - 44 years
Machinery and equipment	2 - 14 years

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 of accounts receivable outstanding over three months and expected to be uncollectible 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 the form of securities for trading are stated at fair value. The changes in value have been recorded in statements of income.

3.7.2 Long-term investments in the form of securities available for sales are stated at fair value. The different between book value and fair value are separately presented in shareholders' equity. Premium or discount from changes in investments value are recognized in the statements of income whenever investments were sold.

3.7.3 Investments in other companies in the form of non-marketable equity securities are held as other investments and are stated at cost less the provision for impairment of investment (if any).

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

3.8 Corporate income tax

The Company recognizes tax obligations on a tax basis on the condition described in the Revenue Code.

3.9 Impairment of assets

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”.

3.10 Intangible assets

The Company’s intangible assets comprise of deferred goodwill which is the premium of investment exceeds the fair value of net assets of subsidiary and associated companies at the investment date by presenting as intangible assets and amortized on a straight-line method within 5 - 20 years.

3.11 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.

3.12 Provident fund

In 2004, the Company and its employees joined to be member of “ The Welfare Development Registered Provident Fund ” in accordance with the Provident Fund Act B.E. 2530 by appointing Kasikorn Thai Asset Management Co., Ltd. to be fund manager. The fund is to be contributed to by both the employees and the Company at the rate of 3% or 5% or 6% of employee wages based on the length of their work. The benefits will be paid to employees upon their retirement, death or resignation.

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 using net profit (loss) after adjustment by relevant revenues or expenses, net from income tax divided 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, 2003 was re-calculated 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.

3.14 Use of accounting estimates

The preparation of financial statements in conformity with generally accepted accounting principles required the management to make estimates for certain accounting transactions that affect to the amounts in the financial statements. Subsequent actual results may differ from those estimates.

4. CURRENT INVESTMENT

In 2004, short-term investment are in form of treasury bill and was units trust of opened-end fund for fixed-income investment in 2003.

5. ACCOUNTS AND NOTES RECEIVABLE-NET

	Consolidated		Parent company	
	2004	2003	2004	2003
Accounts receivable	164,112	87,852	19,772	21,332
Notes receivable	25,191	14,524	14,030	14,030
Less Allowance for doubtful accounts	(43,209)	(38,935)	(33,107)	(33,107)
Accounts and notes receivable-net	146,094	63,441	695	2,255

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

	Consolidated		Parent company	
	2004	2003	2004	2003
Over 3 months to 6 months	866	1,058	0	0
Over 6 months to 12 months	1,128	873	0	0
Over 12 months	42,489	39,023	33,945	33,481
Total	44,483	40,954	33,945	33,481

6. UNBILLED CONSTRUCTION INCOME

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

	Consolidated		Parent company	
	2004	2003	2004	2003
Recognized revenue	8,022,739	7,480,195	3,488,262	2,535,198
Less Receipt of payment	(7,522,970)	(7,461,587)	(3,119,071)	(2,533,991)
Unbilled construction income	499,769	18,608	369,191	1,207

CONTRACTED SALES VALUE AND ITS PROPORTION TO PROJECT TOTAL SALES

	Consolidated		Parent company	
	2004	2003	2004	2003
Beginning project on hand	19	13	9	6
Closed project	(6)	(3)	(2)	(2)
New opened project	6	9	3	5
Ending project on hand	19	19	10	9
Project total sales (million Baht)	7,753	8,054	3,607	4,084
% Sales value of project on hand to total sales	93.36	82.05	97.96	83.67

7. INVENTORIES-NET

	Consolidated			Parent company		
	2004	Thousand Baht	2003	2004	Thousand Baht	2003
Land	4,057,563		3,259,380	1,712,304		1,499,454
Land improvement	400,289		130,842	125,616		29,534
Work in progress	1,014,644		335,253	376,640		159,586
Utilities	224,930		88,334	47,983		45,718
Deferred interest expenses	321,781		295,433	3,981		20,364
Deferred project development	45,708		19,100	19,589		3,570
Finished goods	18,901		11,344	0		0
Raw materials and supplies	50,132		20,934	0		0
Total	6,133,948		4,160,620	2,286,113		1,758,226
Less Allowance for devalue of inventories	(231,481)		(238,170)	0		0
Inventories-net	5,902,467		3,922,450	2,286,113		1,758,226

The Company and subsidiaries mortgaged part of land as collateral for overdrafts and loans from banks (note 12 and 13).

8. INVESTMENTS FOR USING THE EQUITY METHOD

Subsidiaries Companies	Type of business	Million Baht			Thousand Baht			Thousand Baht				
		Paid-up of share capital		Percentage of investments	Investments (Equity method)		Investments (Cost method)		Dividend			
		2004	2003		2004	2003	2004	2003	2004	2003		
Asian Property Co., Ltd. and subsidiaries	Real estate	660	660	100	724,620	708,400	191,400	191,400	0	0	0	0
Deferred goodwill					121,706	129,550	0	0	0	0	0	0
Net					846,326	837,950	191,400	191,400	0	0	0	0
Asian Property (Ladphrao) Co., Ltd.	Real estate	350	350	100	736,157	720,618	255,789	255,789	262,500	0	0	0
Deferred goodwill					13,518	18,375	0	0	0	0	0	0
Net					749,675	738,993	255,789	255,789	262,500	0	0	0
Asian Property (Krungthep) Co., Ltd.	Real estate	26	26	100	174,889	0	20,016	20,016	0	0	0	0
Deferred goodwill					12,097	15,552	0	0	0	0	0	0
Net					186,986	15,552	20,016	20,016	0	0	0	0
Pre-Built Co., Ltd. and subsidiaries	Construction contractor	153	5	64	259,598	0	119,401	0	0	0	0	0
PCM Construction Material Co., Ltd.	Manufacturing of precast	30	5	100	0	20,991	0	5,000	0	49,999	0	0
Thong-lor Residence Co., Ltd.	Real estate	0.10	0.10	100	3,170	0	100	100	0	0	0	0
Trillian Development Co., Ltd. (Formerly named Thong-lor Property Co., Ltd. in 2003)	Real estate	100	0.10	40	39,168	63	40,023	100	0	0	0	0
Thong-lor Development Co., Ltd.	Real estate	0.10	0.10	100	0	42	100	100	0	0	0	0
City Assets Mutual Fund	Property and loan fund	500	500	100	498,366	499,086	499,100	499,100	0	0	0	0
Asian Property (Ratchavipa) Co., Ltd.	Real estate	207	827	94	29,124	0	37,592	0	0	0	0	0
Total investments in subsidiaries					2,612,413	2,112,677	1,163,521	971,605	262,500	49,999	0	0

8.1 The financial statements and net profit of subsidiary companies for the year ended December 31, 2004 and 2003 were consolidated under equity method have already been audited by the auditor.

8.2 According to the minutes of shareholders' extraordinary meeting no. 1/2004 held on February 17, 2004, passed the resolution to proceed as following:

(1) The Company sold 499,993 common shares of PCM Construction Material Co., Ltd. which is 99.99% held by "the Company to Pre-Built Public Company Limited in the amount of Baht 8.01 million on February 17, 2004."

(2) The Company purchased the new common share of Pre-Built Public Company Limited for 98,048,898 shares at Baht 1.00 each by dividing the payment as follows:

(2.1) The 8,013,536 common shares valued at Baht 8.01 million was exchanged by selling PCM Construction Material Co, Ltd. of 499,993 shares at the same value of Baht 8.01 million on February 17, 2004."

From such exchange, Pre-Built Public Company Limited recorded investments in common shares of PCM Construction Material Co., Ltd. at fair value by calculating from net assets value at the purchasing date added revaluation increment which appraised by the independent appraisal hired by PCM Construction Material Co., Ltd. to appraise parts of property, plant and equipment on replacement cost method due to the appraisal report dated November 23, 2004. The different between fair value of investments and increase share capital value are shown as "Premium on common shares from investments in subsidiaries" "in shareholders' equity."

(2.2) The remaining 90,035,362 common shares of Baht 90.03 million paid on February 27, 2004 were offered to the existing shareholders at 1 old share for 10 new shares.

8.3 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 share capital	Percentage of investment	Cost method	Equity method	
		Thousand Baht	%	Thousand Baht	2004 (Thousand Baht)	2003
Asian Property Residence Co., Ltd.	Real estate	20,000	100	12,008	1,578	36,998
Asian Property Holding Co., Ltd.	Assets Management	100	100	100	2,211	2,062
Total					23,789	39,060

Investments in two subsidiaries consolidated under the equity method were taken from their audited financial statements.

8.4 According to minutes of shareholders' extraordinary meeting of Asian Property (Ladphrao) Co., Ltd. no. 1/2004 held on December 22, 2004, passed the resolution to pay interim dividend at Baht 7.50 per share for

35 million shares, amounting to Baht 262.50 million which paid on December 27, 2004.

8.5 According to the minutes of shareholders' extraordinary meeting of Pre-Built Public Company Limited no. 1/2003 held on December 29, 2003 and no. 2/2004 held on January 30, 2004, passed the resolution to change par value of common shares and increase its share capital as follows:

- Change par value of 500,000 common shares of Baht 10.00 each to 5,000,000 shares of Baht 1.00 each and registered this change with the Ministry of Commerce on February 10, 2004.

- Increase share capital from 195,000,000 shares of Baht 1.00 each, Baht 195,000,000 to 200,000,000 shares of Baht 1.00 each, Baht 200,000,000 and registered the increase with the Ministry of Commerce and amended the memorandum of association on February 10, 2004.

Pre-Built Public Company Limited has investment in common shares of subsidiaries which were included the equity gain (loss) from operation as detailed following:

Name of companies	Type of business	Paid-up of share capital	Percentage of investment	Cost method	Equity method
		Thousand Baht	%	Thousand Baht	December 31, 2004
PCM Construction Material Co., Ltd.	Manufacturing of Precast	30,000	100	219,555	201,126
Trillion Development Co., Ltd.	Real estate	100,000	60	59,977	58,550
Total					259,676

Investments in a subsidiary consolidated under the equity method was taken from their audited financial statements.

According to the minutes of shareholders' extraordinary meeting of PCM Construction Material Co., Ltd. no. 1/2004 held on January 6, 2004 and no. 3/2003 held on December 19, 2003, passed the resolution to increase its share capital of Baht 25 million, 2.5 million shares at Baht 10.00 each, by offering to Pre-Built Public Company Limited, total registered share capital is Baht 30 million, 3 million shares at Baht 10.00 each. The change of share capital was registered at the Ministry of Commerce on March 29, 2004. Finally, Pre-Built Public Company Limited holds 99.99% in PCM Construction Material Co., Ltd. and the Company indirectly held 64.73% through Pre-Built Public Company Limited.

8.6 As at June 11, 2004, the Company sold 6,000 million common shares of Trillion Development Co., Ltd. to Pre-Built Public Company Limited at book value of Baht 6.17 each, amounting to Baht 37,020.00. After selling such shares, the company has directly held 40% of its total share capital.

According to the minutes of shareholders' extraordinary meeting of Trillion Development Co., Ltd. no. 1/2004 and no. 2/2004 held on June 14, 2004 and July 2, 2004, passed the resolution to increase its share capital of Baht 0.10 million (10,000 shares at Baht 10.00 each) to Baht 100 million (10,000,000 shares at Baht 10.00 each). The Company and Pre-Built Public Company Limited increase funding proportionally in the amount of Baht 39.96 million and Baht 59.94 million, respectively.

8.7 The financial statements as at December 31, 2004 of Thong-lor Development Co., Ltd. consolidated under the equity method, had capital deficiency. The Company recorded investment balance equal to zero and recognized the retained loss over investment in subsidiaries of Baht 0.15 million, presented in other liabilities.”

8.8 On April 7, 2004 and June 17, 2004, the company purchased 7.77 million common shares of Asian Property (Ratchavipa) Co., Ltd. from the existing shareholders at Baht 4.84 totalling Baht 37.59 million. The exceeding of investment in subsidiaries over fair value of net assets of subsidiaries at the purchasing date of Baht 0.61 million was recorded as loss on purchase of investments in the whole amount.

According to the minutes of shareholders’ extraordinary meeting no. 3/2004 and no. 4/2004 held on July 14, 2004 and August 20, 2004, passed the resolution to decrease share capital of Asian property (Ratchavipa) Co., Ltd. for Baht 620,078,400 by decreasing 6,200,784 common shares, remaining 2,066,928 common shares of Baht 100 each, amounting to Baht 206,692,800, and has registered the change with the Ministry of Commerce on December 9, 2004.

9. LONG-TERM INVESTMENTS

	Consolidated		Parent company	
	2004	Thousand Baht 2003	2004	Thousand Baht 2003
Quality Construction Products Plc.	146,914	161,510	146,914	161,510
Add Premium on changing in investment value	581,555	410,490	581,555	410,490
Total	728,469	572,000	728,469	572,000
Siam System Built Co., Ltd.	3,300	3,300	3,300	3,300
Pre-Built Plc.	0	1,037	0	0
Government bonds	1,230	830	0	0
Total	732,999	577,167	731,769	575,300

In 2004, the Company sold investment in Quality Construction Products Public Company Limited at the amount of Baht 101.64 million, resulted gain from sales of investments of Baht 87.05 million. The Company recorded gain from sales of investments as revenues in statements of income.

10. OTHER INVESTMENTS

Other investments was the investment in City Assets Mutual Fund for purchasing the right to claim on repayment of debt of another company. Such debt was guaranteed by 6 title deed of land with its construction.

11. PROPERTY, PLANT AND EQUIPMENT-NET
Consolidated

Baht : Thousand

	December 31, 2003	Increase from purchase investment in subsidiaries	Increase	Disposal	Transfer in (out)	December 31, 2004
Cost :						
Land and improvement	102,392	132,071	0	0	0	234,463
Building and construction	60,121	(14,709)	48	(359)	242	45,343
Sample houses and sales' office	48,046	19,847	1,393	(39,353)	(9,075)	20,858
Club houses-swimming pool and play ground	42,474	0	0	0	0	42,474
Tools and machinery	97,537	86,885	11,616	(68,579)	(6,563)	120,896
Fixtures and equipment	12,185	4,839	6,970	(2,093)	(2,888)	19,013
Vehicles	12,964	17,773	6,834	(7,443)	(10,449)	19,679
Other fixed assets	7,102	4,499	1,902	(1,682)	616	12,437
Assets under installation	3,963	0	26,432	0	(10,587)	19,808
Total	386,784	251,205	55,195	(119,509)	(38,704)	534,971
Accumulated depreciation :						
Land improvement	10,889	0	940	0	0	11,829
Building and construction	8,511	(435)	2,675	(135)	0	10,616
Sample houses and sales' office	45,333	13,390	3,257	(39,353)	(9,075)	13,552
Club houses-swimming pool and play ground	30,056	0	496	0	0	30,552
Tools and machinery	78,675	47,743	11,050	(67,943)	(15,358)	54,167
Fixtures and equipment	8,134	4,433	2,217	(2,079)	(3,821)	8,884
Vehicles	9,316	12,354	2,922	(7,401)	(10,449)	6,742
Other fixed assets	3,916	1,797	1,481	(1,678)	0	5,516
Total	194,830	79,282	25,038	(118,589)	(38,703)	141,858
Provision for impairment :						
Land and improvement	6,639	0	0	0	0	6,639
Building and construction	522	0	0	0	0	522
Club houses-swimming pool and play ground	5,694	0	0	0	0	5,694
Tools and machinery	595	0	0	0	(595)	0
Total	13,450	0	0	0	(595)	12,855
Net book value	178,504	171,923				380,258

	Parent company				Baht : Thousand
	December 31, 2003	Increase	Disposal	Transfer in (out)	December 31, 2004
Cost :					
Land and improvement	55,801	0	0	0	55,801
Building and construction	4,443	0	(359)	0	4,084
Tools and machinery	68,210	0	(68,210)	0	0
Fixtures and equipment	3,602	1,827	(131)	0	5,298
Vehicles	7,719	0	(7,092)	0	627
Other fixed assets	3,596	437	(1,643)	599	2,989
Assets under installation	5	1,007	0	(599)	413
Total	143,376	3,271	(77,435)	0	69,212
Accumulated depreciation :					
Land improvement	8,558	0	0	0	8,558
Building and construction	1,566	212	(135)	0	1,643
Tools and machinery	67,570	163	(67,733)	0	0
Fixtures and equipment	783	855	(117)	0	1,521
Vehicles	7,131	126	(7,091)	0	166
Other fixed assets	1,941	517	(1,640)	0	818
Total	87,549	1,873	(76,716)	0	12,706
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	(595)	0
Total	7,756	0	0	(595)	7,161
Net book value	48,071				49,345

In 2004, the Company and subsidiaries sold their fixed assets which were obsolete with total cost of Baht 158.21 million, thus, the Company reversed the relevant impairment amount of Baht 0.595 million which has already recorded.

As at December 31, 2004, the Company has an unused property, plant and equipment-net amounting to Baht 16.31 million and held for sales (as at December 31, 2003 amounting to Baht 16.74 million).

Cost of land, building and equipment of PCM Construction Materials Co., Ltd. in the consolidated financial statements presented at fair value of purchased investment which the appraisal fair value of assets for purchasing was done, thus, resulted increase in appraised value of land of Baht 132,071,473.16, building and equipment of Baht 30,612,974.49.

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

	Consolidated		Parent company			
	2004	Thousand Baht	2003	2004	Thousand Baht	2003
Bank overdrafts	2,754		4,031	0		0
Short-term loans from financial institutions	334,000		0	150,000		0
Less Prepaid interest	(2,442)		0	(2,342)		0
Total	334,312		4,031	147,658		0

12.1 As at December 31, 2004, 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, 2004, subsidiaries have overdrafts line with several banks totalling of Baht 135 million, guaranteed by Asian Property Development Public Company Limited and mortgaging land project which belong to subsidiaries.

12.2 As at December 31, 2004, the Company has loans from bank by issuing bill of exchange of Baht 150 million at the interest rate of 3.125% per annum, due on July 8, 2005.

As at December 31, 2004, subsidiaries have loans from banks and finance company by issuing promissory notes and bill of exchange totalling Baht 180 million at the interest rate of 3.75 - 4.52% per annum, guaranteed by Asian Property Development Public Company Limited.

13. LONG-TERM LIABILITIES

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

	Consolidated		Parent company	
	2004	Thousand Baht 2003	2004	Thousand Baht 2003
Long-term loans	1,097,545	981,345	750,000	616,588
Less Current portion of long-term debt	(289,840)	(378,610)	(250,000)	(360,010)
Prepaid interest	(1,992)	(14,304)	(1,992)	(14,304)
Long-term loans - net	805,713	588,431	498,008	242,274

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

Institute	Balance (Thousand Baht)		Interest rate	Repayment	Guarantee by
	2004	Thousand Baht 2003			
Bank	0	6,588	MLR	70% of selling price whenever redemption of selling project was made	Mortgage land and construction of each project
Bank	200,000	200,000	3.75 to 4.228	Due in October 27, 2005	Redemption
Opened fund (Net book value of Baht 548.01 million)	550,000	410,000	3.85 to 4.50	Due in October 2005 - June 2007	Redemption
Total	750,000	616,588			

In 2004 and 2003, the Company has loans from 3 and 5 opened funds, respectively by issuing bill of exchange. On January 29, 2003, the Company agreed the debt restructuring (the second) with a financial institution. After the fulfillment under the agreement, the Company had a gain from debt restructuring of Baht 1.59 million which shown as an extraordinary item in statements of income.

13.2 Long-term loans-subsiidiaries consist of :

Company	Institute	Balance (Thousand Baht)		Interest rate	Repayment	Guarantee by
		2004	2003			
1. Asian Property (Ladphrao) Co., Ltd.	Bank	10	65,922	MLR FIX*	65 - 70% of selling price whenever redemption of selling project was made, due in November 2005 to February 2006	Mortgage land of project and guarantee by Asian Property Development Plc.
2. PCM Construction Material Co., Ltd.	Bank	90,050	41,350	4.5	Installment repayment of Baht 1,550,000.00 to Baht 1,770,000.00, due in August 2008	Mortgage land, factory building and parts of machinery
3. Asian Property (Krungthep) Co., Ltd.	Bank	257,485	257,485	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		347,545	364,757			

* Fixed rate (change interest rate every three months during 3.75 - 5.50% per annum).

** Fixed rate at 3.9% per annum up to the year 2005 and MLR thereafter.

14. DEBENTURES

14.1 On July 30, 2003, the Company issued and offered debentures according to the Board of directors' 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 were offered to the institute investors 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 has been paid 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.

14.2 On May 13, 2004, the Company issued and offered debentures according to the shareholders' extraordinary meeting no. 1/2004 held on April 1, 2004 by issuing and offering unsubordinated debentures, unsecured and with debentureholders' representative for 1 million units at the offering price of Baht 1,000.00 each, amounting to Baht 1,000 million with the 3 years term at the fixed interest rate of 4.25% per annum. Such debentures were offered to the public and institute investors in accordance with the Securities Exchange and Commission's notification no. Kor. Jor. 32/2001. The interest payment was paid quarterly, commencing on August 13, 2004 and the debentures will be redeemed on May 13, 2007. The Company has registered such debentures with the Thai Bond Dealing Centre on May 26, 2004.

14.3 On December 3, 2004, the Company issued and offered unsecured debentures, named, unsubordinated and with debentureholders' representative for 1 unit at the offering price of Baht 100 million per unit, amounting to Baht 100 million for the maturity period of 2 years and 43 days at the interest rate of 4.125% per annum. Such debenture were offered to private placement in accordance with no. 4 of the Securities and Exchange Commission's notification no. Kor. Jor. 34/2004. The interest payment was paid quarterly, commencing on January 15, 2005 and the debentures will be redeemed on January 15, 2007.

15. 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, 227,500,000 common shares at Baht 10.00 each, to Baht 2,275,000,000.00, 2,275,000,000 common shares at Baht 1.00 each. The Company has registered the change of par value of share capital at 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, 2003 as similar to change for comparable with the year 2004.

16. PREFERRED SHARES

The Company held preferred shares of Asian Property Co., Ltd. for 26 million shares of Baht 10.00 each (100% holding) with 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 of December 31, 2004, the accrued preferred dividend of Baht 185.60 million was not recorded (in 2003, amounted to Baht 146.60 million). However, the preferred shares transaction was eliminated from the consolidated financial statements preparation.

17. 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
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 1.00 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."

As stated in note 15, 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.

	Number of units	
	2004	2003
Warrants issued as at March 13, 2002	350,000,000	350,000,000
Less Cumulative number of exercise warrants	(340,114,120)	(317,184,220)
Balance of warrants at the end of the period	9,885,880	32,815,780

The Company has registered the issued and paid-up share capital in the 4th quarter of 2004 at the Ministry of Commerce on January 12, 2005.

18. LEGAL RESERVE

According to the Public Company Limited Act, appropriated legal reserve must be retained by not less than 5% of the annual net profit deducted by the retained loss brought forward (if any) until the reserve reached an amount not less than 10% of the authorized share capital.

19. DIVIDEND PAID

According to the minutes of shareholders' general meeting no. 1/2004 held on April 1, 2004, the Company passed the resolution to pay dividend to the shareholders from its operation for the year 2003 at Baht 0.20 per share (par value at Baht 1 each), amounting to Baht 452.75 million and paid on April 23, 2004.

According to the minutes of shareholders' general meeting no. 1/2003 held on April 22, 2003, the Company passed the resolution to pay dividend to the shareholders from its operation for the year 2002 at Baht 1 per share (calculated from par value of Baht 10 each and Baht 0.10 per share from changed par value from Baht 10 to Baht 1 each). On May 14, 2003, the Company paid dividend to the shareholders total amount of Baht 208.87 million.

20. DILUTED EARNINGS PER SHARE

Consolidated and parent's financial statements

For the year ended December 31, 2004

	Profit (Baht)	Number of share	Baht/share
<u>Basic earnings per share</u>			
Net profit of common share	1,097,181,211.54	2,277,188,396	0.48
Effects of diluted potential common share			
Exercise rights		17,670,749	
<u>Diluted earnings per share</u>			
Profit of common shareholders assumed			
as conversion to common share	1,097,181,211.54	2,294,859,145	0.48

Consolidated and parent's financial statements

For the year ended December 31, 2003

	Profit (Baht)	Number of share	Baht/share
<u>Basic earnings per share</u>			
Net profit of common share	1,191,550,946.00	2,224,470,698	0.54
Effects of diluted potential common share			
Exercise rights		27,108,688	
<u>Diluted earnings per share</u>			
Profit of common shareholders assumed			
as conversion to common share	1,191,550,946.00	2,251,579,386	0.53

21. TRANSACTIONS BETWEEN RELATED COMPANIES

The Company's financial statements are included the transaction with its related companies classified by common shareholders and/or directorship. These related transaction are determined the policy as follows :

Type of inter – transaction	Policy to determine price
Trading transaction between the Company and subsidiaries with related companies	Price and benefits are concluded in the normal course of business or the agreement concerned for non-market value transactions.
<ul style="list-style-type: none"> • Quality Construction Products Plc. • Land and Houses Plc. • Quality House Plc. • United Advisory Services Co., Ltd. • Siam Chai Sri Co., Ltd. 	<ul style="list-style-type: none"> Common director and the Company is a shareholder Common director and the Company's shareholder Common shareholder Common director Common director

	Consolidated		Parent company	
	2004	Thousand Baht 2003	2004	Thousand Baht 2003
Accounts receivable :				
- Land and House Plc.	7,794	12,730	0	0
- Quality House Plc.	2,338	2,161	0	0
Total	10,132	14,891	0	0
Accrued interest income :				
- Asian Property (Krungthep) Co., Ltd.	0	0	34,574	9,461
- Asian Property (Ratchavipa) Co., Ltd.	0	0	13,284	0
- Thong-lor Development Co., Ltd.	0	0	7,644	0
- Thong-lor Residence Co., Ltd.	0	0	4	71
- Trillion Development Co., Ltd.	0	0	0	0
- Signature Advisory Partners Co., Ltd.	0	0	865	69
Total	0	0	56,371	9,601
Accounts payable :				
- Pre-Built Plc.	0	14,283	3,283	5,340
- PCM Construction Material Co., Ltd.	0	0	9,334	1,514
- Quality Construction Products Plc.	118	1,928	118	1,928
Total	118	16,211	12,735	8,782
Retention payable :				
- Pre-Built Plc.	0	16,896	11,228	10,758
Accrued interest expenses :				
- City Assets Mutual Fund	0	0	0	46
Accrued expenses :				
- United Advisory Services Co., Ltd.	107	321	107	321
Sales :				
- Quality House Plc.	14,754	15,525	0	0
- Land and House Plc.	26,365	42,908	0	0
Total	41,119	58,433	0	0

	Consolidated		Parent company	
	2004	Thousand Baht 2003	2004	Thousand Baht 2003
Interest income :				
- Asian Property Co., Ltd.	0	0	44	5,162
- Asian Property (Ladphrao) Co., Ltd.	0	0	0	9,290
- Asian Property (Krungthep) Co., Ltd.	0	0	25,113	9,461
- PCM Construction Material Co., Ltd.	0	0	1,045	5,849
- Trillion Development Co., Ltd.	0	0	323	0
- Thong-lor Development Co., Ltd.	0	0	7,644	0
- Thong-lor Residence Co., Ltd.	0	0	220	81
- Signature Advisory Partners Co., Ltd.	0	0	796	69
- Asian Property (Ratchavipa) Co., Ltd.	0	0	13,284	0
Total	0	0	48,469	29,912
Goods purchases :				
- PCM Construction Material Co., Ltd.	0	0	34,767	25,013
- Quality Construction Products Plc.	18,000	12,076	17,417	12,076
Total	18,000	12,076	52,184	37,089
Wage under construction				
- Pre-Built Plc.	0	485,719	280,175	228,234
Consultant and other fees :				
- United Advisory Services Co., Ltd.	2,354	3,691	2,354	3,691
- Siam Chai Sri Co., Ltd.	4,280	0	4,280	0
Total	6,634	3,691	6,634	3,691
Interest expenses :				
- City Assets Mutual Fund	0	0	2,820	46
- Asian Property Residence Co., Ltd.	0	0	0	450
Total	0	0	2,820	496

In 2004 and 2003, the Company has lend to subsidiaries and related companies as detailed following :

Company	Relationship	Thousand Baht			
		2003	Increase	Decrease	2004
Asian Property (Krungthep) Co., Ltd.	A	528,580	655,000	(435,000)	748,580
Asian Property (Ratchavipa) Co., Ltd.	A	0	571,350	(40,000)	531,350
Thong-lor Development Co., Ltd.	A	100	297,982	0	298,082
Thong-lor Residence Co., Ltd.	A	7,300	0	(7,000)	300
PCM Construction Material Co., Ltd.	A	107,970	0	(107,970)	0
Trillion Development Co., Ltd.	A	100	18,832	(18,932)	0
Signature Advisory Partners Co., Ltd.	A	16,918	5,650	0	22,568
Total		660,968	1,548,814	(608,902)	1,600,880

As at December 31, 2004 and 2003, the Company has lend to subsidiaries by receiving their promissory notes, due at call with the interest rate of 4.20% per annum without collaterals except loans to PCM Construction Material Co., Ltd. was charged interest at the rate of MLR per annum.

Company	Relationship	Thousand Baht			
		2002	Increase	Decrease	2003
Asian Property (Krungthep) Co., Ltd.	A	0	795,580	(267,000)	528,580
Thong-lor Development Co., Ltd.	A	0	100,100	(100,000)	100
Thong-lor Residence Co., Ltd.	A	0	7,300	0	7,300
PCM Construction Material Co., Ltd.	A	145,637	20,000	(57,667)	107,970
Trillion Development Co., Ltd.	A	0	100	0	100
Signature Advisory Partners Co., Ltd.	A	0	16,973	(55)	16,918
Asian Property (Ladphrao) Co., Ltd.	A	58,002	710,514	(768,516)	0
Asian Property Co., Ltd.	A	120,000	160,000	(280,000)	0
Asian Property Holding Co., Ltd.	A	0	100	(100)	0
Total		323,639	1,810,667	(1,473,338)	660,968

As at December 31, 2003 and 2002, the Company has lent to related companies by receiving promissory notes, due at call with the interest rate of 4.20% per annum without collaterals except loans to PCM Construction Material Co., Ltd. and Asian Property Co., Ltd. were charged interest rate at the rate of MLR per annum and MLR+0.25% per annum, respectively.

In 2004 and 2003, the Company has obtained loans from related parties as follows :

Fund	Relationship	Thousand Baht			
		Brought forward 2002	2002 Increase (Decrease)	2003 Increase (Decrease)	Carried forward 2004
City Asset Mutual Fund	B	0	75,000	0	75,000

Remark Relationship

A = Directorship and common shareholders

B = Company is unit trust holder

22. SEGMENT INFORMATION

Consolidated												Million Baht	
For the year ended December 31, 2004 and 2003													
	Real estate development		Sales and installation service		Construction work		Total		Elimination		Total		
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	
Sales and services income	4,836	4,312	538	446	892	0	6,266	4,758	(526)	0	5,740	4,758	
Gross profit	1,821	1,674	111	97	87	0	2,019	1,771	(15)	0	2,004	1,771	
Other income											139	17	
Share of profit from investment for using the equity method											0	57	
Selling and administrative expenses											(637)	(332)	
Profit before interest expenses and income tax											1,506	1,513	
Interest expenses											(66)	(48)	
Income tax											(324)	(275)	
Profit including minority interest											1,116	1,190	
Gain (Loss) of minority interest											(19)	(1)	
Profit from normal activities											1,097	1,189	
Extraordinary items											0	2	
Net profit											1,097	1,191	
Fixed assets - net	70	17	290	162	20	0	380	179			380	179	

For the parent financial statement, it does not present the segmental information since the Company's operations involve virtually a single real estate development business in one geographical segment and the Company has operated only in domestic.

23. COMMITMENT AND CONTINGENT LIABILITIES

The Company has commitment and contingent liabilities as follows :

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

	Guarantee lines (Million Baht)	
	2004	2003
Subsidiaries company		
Asian Property (Ladphrao) Co., Ltd.	335.64	458.98
Asian Property (Krungthep) Co., Ltd.	1,215.48	257.48
Asian Property (Ratchavipa) Co., Ltd.	1,153.16	0.00
Pre-Built Plc.	102.64	0.00
PCM Construction Material Co., Ltd.	143.15	143.15
Trillion Development Co., Ltd.	271.60	0.00
Related company		
Quality Construction Products Plc.	0.00	119.00

Such commitment are included the unused credit line of subsidiaries and/or the credit which was repaid for the part of loans without redemption of such commitment.

The guarantee to Pre-Built Public Company Limited and Trillion Development Co., Ltd. depends on the percentage of the Company's shareholding.

23.2 The Company and subsidiaries have commitment and contingent liabilities to complete developing projects and from bank's issuance of letter of guarantee as detailed following :

(Million Baht)

	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	
	2004	2003	2004	2003
Asian Property Development Plc.	1,570.79	560.00	165.91	146.30
Asian Property Co., Ltd.	72.83	83.10	11.05	12.83
Asian Property (Krungthep) Co., Ltd.	460.14	0.00	81.14	0.15
Asian Property (Ladphrao) Co., Ltd.	118.39	748.39	39.70	47.71
Pre-Built Plc.	0.00	0.00	43.71	0.00
Trillion Development Co., Ltd.	0.00	0.00	21.92	0.00
Asian Property Residence Co., Ltd.	0.00	0.00	0.20	0.20
PCM Construction Material Co., Ltd.	0.00	0.00	28.60	22.97
Total	2,222.15	1,391.49	392.23	230.16

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

	Guarantee lines (Million Baht)	
	2004	2003
Asian Property Development Public Company Limited	254.00	43.00
Asian Property Residence Co., Ltd.	5.00	5.00
Asian Property (Ladphrao) Co., Ltd.	15.00	15.00
Pre-Built Plc.	0.52	0.00

23.3 In 2004, PCM Construction Material Co., Ltd., a subsidiary was sued by the another company in which filed the petition to the Central Intellectual Property and International Trade Court for the alleged patent infringement and claim on loss at the amount of Baht 210.50 million.

Such subsidiary has not recorded loss from that prosecution since the case is under the consideration by the Court and on December 8, 2004, PCM Construction Material Co., Ltd. filed the petition to the Central Intellectual Property and International Trade Court to sue such company for alleged copy right infringement and claim on loss at the amount of Baht 510 million and the lawyer expected to win this case.

24. DISCLOSURE AND PRESENTATION OF FINANCIAL INSTRUMENTS

24.1 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.

24.2 Credit risk

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

24.3 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.

24.4 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.

24.5 Fair value of financial instruments

Financial assets and liabilities shown in balance sheets as at December 31, 2004 and 2003 carried value equal to the estimated fair value except short-term loans, long-term loans and debentures total amount of Baht 3,348.01 and Baht 2,095.69, respectively were charged interest at the lower rate than market rate. If such loans were charged interest at the rate of 5.7% by using present value of cash flows that fair value of loans equal to Baht 3,203.94 million and Baht 1,658.18 million, respectively.

25. SUBSEQUENT EVENTS

According to the minutes of shareholders' extraordinary meeting of Asian Property (Ratchavipa) Co., Ltd., no.5/2004 held on December 27, 2004 and no. 1/2005 held on January 17, 2005, unanimously passed the resolution to decrease its share capital for the amount of Baht 155,019,600 by decreasing common share value at Baht 75 per share to be 2,066,928 shares of Baht 25 each, amounting to Baht 51,673,200.

26. OTHERS

26.1 According to the minutes of shareholders' extraordinary meeting of Asian Property (Ratchvipa) Co., Ltd., no. 3/2004 held on July 14, 2004, passed the resolution to change its title name from "Green Union Co., Ltd." to "Asian Property (Ratchavipa) Co., Ltd." which was registered with the Ministry of Commerce on August 26, 2004.

26.2 According to the minutes of shareholders' extraordinary meeting of Thong-lor Property Co., Ltd., a subsidiary of Pre-Built Public Company Limited, no.1/2004 held on June 14, 2004 and no. 2/2004 held on July 2, 2004, passed the resolution to change its title name to "Trillion Development Co., Ltd." which was registered with the Ministry of Commerce on July 5, 2004.

Audit Fee

In 2004, the company and its subsidiaries paid for an audit fee to the office of DIA International Auditing totaling 3,169,000 baht.

Company Information

Name	:	Asian Property Development Public Company Limited
Office	:	170/57 18 Fl., Ocean Tower 1, Ratchadapisek Road, Klongtoey, Bangkok 10110
Type of Business	:	Property Development
Company Registration	:	Bor Mor Jor 261
Telephone	:	0-2261-2518-22
Facsimile	:	0-2261-2548-9
Home Page	:	www.ap-thai.com

Subsidiary

Name	:	Pre Built Public Company Limited
Office	:	409 Muangthong Thanee 3, Floor 3, Bond Street Road, Bangpood, Pakkred, Nonthaburi 11120
Type of Business	:	Construction
Company Registration	:	0107574700068
Telephone	:	0-2961-0172-9
Facsimile	:	0-2961-0134
Home Page	:	www.prebuilt.co.th

Auditor

Name	:	Office of DIA International Auditing
Office	:	316/32 Soi Sukhumvit 22, Sukhumvit Road, Klongtoey, Bangkok 10110
Telephone	:	0-2259-5300
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