

(UNAUDITED BUT REVIEWED)

TICON INDUSTRIAL CONNECTION PUBLIC COMPANY
LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS
ENDED 30 SEPTEMBER 2005

1. GENERAL INFORMATION

1.1 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standards Pronouncement No. 41 “Interim financial statements”, with the Company choosing to present condensed interim financial statements. However, additional line items are presented in the balance sheets, and the statements of earnings, changes in shareholders’ equity, and cash flows, to bring them into line with the full format used in the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

1.2 Basis of consolidation

These consolidated interim financial statements are prepared by applying the same basis as that applied for the preparation of the consolidated financial statements for the year ended 31 December 2004, but with the following change in the structure of the shareholding in subsidiaries during the current period.

During the current period, The Company invested in ordinary share of TICON Logistics Park Company Limited,

equivalent to 100 percent of its registered capital as described in Note 6. The Company has therefore applied the equity method to account for its investment in that subsidiary and has included their financial statements in the consolidated financial statements as at 30 September 2005.

1.3 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2004, with the following additional policy disclosed.

(UNAUDITED BUT REVIEWED)

Deferred income tax

Deferred income tax is recognised for temporary differences between the tax bases and book values of assets and liabilities, using the liability method. The effective tax rate is used for the calculation of deferred income tax.

This accounting policy is in accordance with the International Accounting Standard but has not been addressed by any Thai Accounting Standard yet.

2. CHANGE IN ACCOUNTING POLICY

The Company and its subsidiary companies adopted an accounting policy regarding deferred income tax, effective from 30 June 2005. As a result, the Company and its subsidiary companies had to restate the previous year's financial statements as though they had always applied the new accounting policy. The adjustment had no significant effect to the net earnings for the three-month and nine-month periods ended 30 September 2004.

3. TRADE ACCOUNTS RECEIVABLE

As at 30 September 2005 and 31 December 2004, the balances of trade accounts receivable are classified by aging as follows: -

(Unit: Thousand Baht)

Aging of receivable	Consolidated		The Company Only	
	30 September 2005	31 December 2004	30 September 2005	31 December 2004
Trade accounts receivable				
Not yet due	431	2,339	431	2,339
Not over 3 months	6,557	10,348	6,231	10,254
3 - 6 months	787	1,287	787	1,287
6 - 12 months	2,274	-	2,274	-
Over 12 months	71	51	71	50
Total	10,120	14,025	9,794	13,930
Less: Allowance for doubtful account	(50)	(50)	(50)	(50)
Trade accounts receivable, net	10,070	13,975	9,744	13,880

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4. RELATED PARTY TRANSACTIONS

During the periods, the Company had significant business transactions with its subsidiary companies, associated company and related companies (related by ways of common directors and/or common shareholders and management). The transactions are summarised below: -

(Unit: Thousand Baht)

	For the three-month periods ended 30 September				Pricing policy
	Consolidated		The Company Only		
	2005	2004	2005	2004	
<u>Transactions with subsidiary companies</u>					
(Eliminated from consolidated)					
Service income	-	-	235	180	2% of rental and service income of subsidiary
Interest income	-	-	3,205	-	MLR
Interest expenses	-	-	627	674	MLR minus certain rates and MLR
<u>Transactions with associated company</u>					
Management fee	7,655	-	7,655	-	5% of rental and service of the associated company, plus an incentive fee of 0-20% of gross operating profit
<u>Transactions with related companies</u>					
Purchase of land	20,800	-	20,800	-	Contract value
Office rental and related fees	1,434	1,434	1,434	1,434	Contract value
Interest expenses	951	2,668	951	2,668	MLR plus/minus certain rates

(Unit: Thousand Baht)					
For the nine-month periods ended					
30 September					
	Consolidated		The Company		Pricing policy
	2005	2004	2005	2004	
<u>Transactions with subsidiary companies</u>					
(Eliminated from consolidated)					
Service income	-	-	704	575	2% of rental and service income of subsidiary
Interest income	-	-	3,205	-	MLR
Interest expenses	-	-	1,848	1,641	MLR minus certain rates and MLR

(UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

For the nine-month periods ended
30 September

	<u>Consolidated</u>		<u>The Company Only</u>		<u>Pricing policy</u>
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	
<u>Transactions with associated company</u>					
Sales of factory buildings	1,730,000	-	1,730,000	-	Contract value
Management fee	13,740	-	13,740	-	5% of rental and service of the associated company, plus an incentive fee of 0-20% of gross operating profit
<u>Transactions with related companies</u>					
Purchase of land	128,140	145,497	128,140	145,497	Contract value
Office rental and related fees	4,303	4,303	4,303	4,303	Contract value
Interest expenses	4,097	8,688	4,097	8,688	MLR plus/minus certain rates

The balances with the related companies as at 30 September 2005 and 31 December 2004 were as follows:

(Unit: Thousand Baht)

	<u>Consolidated</u>		<u>The Company Only</u>	
	<u>30 September 2005</u>	<u>31 December 2004</u>	<u>30 September 2005</u>	<u>31 December 2004</u>
Cash at bank (shown under cash and cash equivalents)				
Bangkok Bank Public Company Limited	<u>52,580</u>	<u>71,421</u>	<u>48,173</u>	<u>3,578</u>
Other receivables - related companies				
ECO Industrial Services Company Limited	-	-	251	480

TICON Logistics Park Company Limited	-	-	3,376	-
TICON Property Fund	2,696	-	2,696	-
TICON General Holding Company Limited	<u>147</u>	<u>-</u>	<u>147</u>	<u>-</u>
	<u>2,843</u>	<u>-</u>	<u>6,470</u>	<u>480</u>
Advance to subsidiary				
TICON Logistics Park Company Limited	<u>-</u>	<u>-</u>	<u>657,118</u>	<u>-</u>
Pledged fixed deposits				
Bangkok Bank Public Company Limited	<u>1,722</u>	<u>1,722</u>	<u>1,422</u>	<u>1,422</u>
Refundable deposits (shown under other non-current assets)				
Sathorn City Tower Property Fund	<u>1,212</u>	<u>1,272</u>	<u>1,212</u>	<u>1,272</u>

(UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

	Consolidated		The Company Only	
	30	31	30	31
	September	December	September	December
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Trade accounts payable - related company				
Rojana Industrial Park Public Company Limited	<u>67,266</u>	<u>133,349</u>	<u>67,266</u>	<u>133,349</u>
Accrued interest (shown under other current liabilities)				
Bangkok Bank Public Company Limited	<u>167</u>	<u>202</u>	<u>167</u>	<u>202</u>
Short-term loans and accrued interest - subsidiaries				
ECO Industrial Services Company Limited				
Principal	-	-	37,500	-
Accrued interest	-	-	1,596	-
	<u>-</u>	<u>-</u>	<u>39,096</u>	<u>-</u>
TICON Logistics Park Company Limited				
Principal	-	-	49,700	-
Accrued interest	-	-	253	-
	<u>-</u>	<u>-</u>	<u>49,953</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>	<u>89,049</u>	<u>-</u>
Long-term loans from related company				
Bangkok Bank Public Company Limited				
Long-term loans	123,355	193,765	123,355	193,765
Less: Current portion of long-term loans	<u>(76,772)</u>	<u>(91,298)</u>	<u>(76,772)</u>	<u>(91,298)</u>
Long-term loans, net	<u>46,583</u>	<u>102,467</u>	<u>46,583</u>	<u>102,467</u>

During the period, the movement of advance to subsidiary are as follows: -

(Unit: Thousand Baht)

	The Company Only			
	<u>1 January</u>	<u>Increase</u>	<u>Decrease</u>	<u>30</u>
	<u>2005</u>			<u>September</u>
				<u>2005</u>
Advance to subsidiary				
TICON Logistics Park Company				
Limited	-	657,118	-	657,118

(UNAUDITED BUT REVIEWED)

During the period, the movement of short-term loans and accrued interest - subsidiaries are as follows: -

(Unit: Thousand Baht)

The Company Only

	<u>1 January</u> <u>2005</u>	<u>Increase</u>	<u>Decrease</u>	<u>30</u> <u>September</u> <u>2005</u>
Short-term loans and accrued interest				
- subsidiaries				
ECO Industrial Services Company Limited				
Principal	-	84,700	(47,200)	37,500
Accrued interest	-	1,596	-	1,596
	-	<u>86,296</u>	<u>(47,200)</u>	<u>39,096</u>
TICON Logistics Park Company Limited				
Principal	-	50,200	(500)	49,700
Accrued interest	-	253	-	253
	-	<u>50,453</u>	<u>(500)</u>	<u>49,953</u>
Total	-	<u><u>136,749</u></u>	<u><u>(47,700)</u></u>	<u><u>89,049</u></u>

During the period, the movements of long-term loans from related company are as follows: -

(Unit: Thousand Baht)

Consolidated and the Company Only

	<u>1 January</u> <u>2005</u>	<u>Increase</u>	<u>Decrease</u>	<u>30 September</u> <u>2005</u>
Long-term loans from related company				
Bangkok Bank Public Company Limited				
Long-term loans	193,765	67,040	(137,450)	123,355

Less: Current portion of long-term loans	<u>(91,298)</u>	<u>91,298</u>	<u>(76,772)</u>	<u>(76,772)</u>
Long-term loans, net	<u>102,467</u>	<u>158,338</u>	<u>(214,222)</u>	<u>46,583</u>
			<u>)</u>	

5. PLEDGED FIXED DEPOSITS

As at 30 September 2005, fixed deposits of Baht 1.7 million (31 December 2004: Baht 1.7 million) are pledged with a bank as collateral for letters of guarantees issued by that bank in favor of certain state enterprises and a private company.

(UNAUDITED BUT REVIEWED)

6. INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHOD

6.1 Investments in subsidiaries accounted for under equity method

(Unit: Thousand Baht)

		The Company Only				
		As at 30 September 2005				
		Percentage				
Company's name	Nature of business	Type of relationship	Paid up Capital	owned by the Company (Percent)	Investment	
					Cost method	Equity method
ECO Industrial Services Company Limited	Development of real estate	Common shareholders and directors	50,000	99.99	50,000	111,723
TICON Logistics Park Company Limited	Development centre of transportation and warehouse	Common shareholders and directors	250,000	100.00	250,000	246,971
Total					300,000	358,694

(Unit: Thousand Baht)

		The Company Only				
		As at 31 December 2004				
		Percentage				
Company's name	Nature of business	Type of relationship	Paid up capital	owned by the Company (Percent)	Investment	
					Cost method	Equity method
ECO Industrial Services Company Limited	Development of real estate	Common shareholders and directors	50,000	99.99	50,000	87,841

In June 2004, the Company established a subsidiary company named TICON General Holding Company Limited, with a registered share capital of USD 50,000, for the purpose of investing in China. The subsidiary's head office is located in the British Virgin Islands and the Company investment comprises 100 percent of the

subsidiary company's registered capital. As at 30 September 2005, the subsidiary company has not yet called up the share.

On 20 May 2005, the meeting of the Company's Board of Directors approved the Company's investment in TICON Logistics Park Company Limited, which has the registered share capital of Baht 1,000 million and is to be established for the purpose of developing centre of transportation and warehouse. The Company investment comprises 100 percent of the subsidiary company registered capital.

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During the current period, TICON Logistics Park Company Limited called up 25 percent of the par value of its shares or a total of Baht 250 million. The Company made payment of this share subscription in August 2005.

6.2 Investment in associated company accounted for under equity method

(Unit: Thousand Baht)

		<u>Consolidated and the Company Only</u>				
		<u>As at 30 September 2005</u>				
		Percentage				
<u>Company's name</u>	<u>Nature of business</u>	<u>Type of relationship</u>	<u>Paid up capital</u>	<u>owned by the Company</u>	<u>Investment</u>	
				(Percent)	<u>Cost method</u>	<u>Equity method</u>
TICON Property Fund	Investing in properties	Shareholding	1,750,000	34.48	603,354	611,805
Less: Unrealised gain on sales of properties						(273,651)
Investment in associated company, net						<u>338,154</u>

On 24 March 2005, a meeting of the Company's Board of Directors approved the Company's acquisition of 33.33 percent of the units of TICON Property Fund ("the Fund"). The Company purchased 58,333,300 fund units with a par value of Baht 10 each, or a total of Baht 583.3 million, on 7 April 2005.

The Fund was registered as a property fund with the Office of the Securities and Exchange Commission on 18 April 2005, with total fund capital of Baht 1,750 million and is managed by ING Funds (Thailand) Co., Ltd.

In September 2005, the Company acquired an additional 2 million investment units of TICON Property Fund. As a result, the Company's percentage of shareholding in TICON

Property Fund has increased from 33.33 percent to 34.48 percent of the units of the Fund.

7. INVESTMENT IN RELATED COMPANY

(Unit: Thousand Baht)

Company's name	Nature of business	Relation	Paid up capital	Percentage owned by the Company (percent)	Investment	
					30 September 2005	31 December 2004
The Bangkok Club Co., Ltd.	Sale of food and beverages	Shareholding	450,000	0.11	1,000	1,000
Less: Allowance for impairment					(557)	(557)
Investment in related company, net					<u>443</u>	<u>443</u>

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8. PROPERTY UNDER DEVELOPMENT AND AVAILABLE FOR RENT/SALE/ PROPERTY FOR RENT

As at 30 September 2005, property under development and available for rent/sale, property for rent of the Company with net a book value of Baht 4,107.2 million (31 December 2004: Baht 2,904.2 million) and that of its subsidiary with a net book value of Baht 119.7 million (31 December 2004: Baht 124.8 million) and leasehold rights of the Company and its subsidiary with a state enterprise have been used as collateral for bank overdrafts and short-term loans from financial institutions and for long-term loans.

As at 30 September 2005, the net book values of property for rent where the lessees have an option to buy are as follows: -

<u>Option expiring in</u>	(Unit: Thousand Baht)
2005	123,94 0
2006	142,28 1
2007	328,41 5
2008	119,73 7
Total	<u>714,37</u> <u>3</u>

On 20 January 2005, a meeting of the Company's Board of Directors approved the Company's sales of 39 factory already - occupied buildings to TICON Property Fund. The fair values of these factory buildings as appraised by two independent valuers at Baht 1,881.2 million. Subsequently, on 22 April 2005, the Company transferred the 39 factory buildings with net book

values of Baht 909 million to TICON Property Fund at a price of Baht 1,730 million. The Company recorded the gain on the sales of the factory building in the statement of earnings.

The Company treated certain part of its gain on sales of factory and buildings to the fund as unrecognised gain since it has yet to actually occurred and have been shown as a separate item under the statements of earnings under the caption "Deferred gain on sales of properties to TICON Property Fund". Corporate income tax expenses as of the percentage of this investment have been shown in the balance sheets under balance sheets under the caption "Deferred tax assets".

(UNAUDITED BUT REVIEWED)

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

(Unit: Thousand Baht)

	Consolidated and the Company Only	
	30 September 2005	31 December 2004
Bank overdrafts	10,887	21,057
Short-term loans from financial institutions	1,524,500	350,000
Liabilities under trust receipts	40,621	45,947
Total	1,576,008	417,004

Most of the property under development and available for rent/sale, property for rent, leasehold rights and investment units in TICON Property Fund of the Company and its subsidiary has been placed as collateral for short-term loans from financial institutions.

10. LONG-TERM LOANS

(Unit: Thousand Baht)

	Consolidated		The Company Only	
	30 September 2005	31 December 2004	30 September 2005	31 December 2004
Long-term loans	1,781,723	1,374,205	1,734,728	1,275,790
Less: Current portion of long-term loans	(225,305)	(215,330)	(196,865)	(186,890)

Long-term loans, net	<u>1,556,</u>	<u>1,158,</u>	<u>1,537,</u>	<u>1,088,</u>
	<u>418</u>	<u>875</u>	<u>863</u>	<u>900</u>

Long-term loans of the Company and its subsidiary carry interest at market rates and are payable in installments up to 2014.

As at 30 September 2005, there were available long-term loan facilities from financial institutions which had not yet been drawn down by the Company approximately Baht 406.5 million (31 December 2004: Baht 394.2 million).

Most of the loan agreements include covenants and restrictions. These pertain to, among other things, dividend payment and the maintenance of certain financial ratios.

(UNAUDITED BUT REVIEWED)

Most of the property under development and available for rent/sale, property for rent and leasehold rights of the Company and its subsidiary has been placed as collateral for long-term loans.

11. SHARE CAPITAL

On 30 December 2004, the Company received additional capital contributions totaling Baht 50,660 as a result of the exercise of 10,000 warrants to purchase 50,660 shares at Baht 1 each. The Company recorded the cash receipts from the exercise of such warrants under the caption “Cash receipts from share subscription”, presenting it under shareholders’ equity in the balance sheets as at 31 December 2004. The Company registered the above increase in its paid up share capital with the Ministry of Commerce on 11 January 2005.

On 31 March 2005, the Company received additional capital contributions totaling Baht 77,761 as a result of the exercise of 15,350 warrants to purchase 77,761 shares at Baht 1 each. The Company registered the above increase in its paid up share capital with the Ministry of Commerce on 12 April 2005.

On 30 June 2005, the Company received additional capital contributions totaling Baht 23,959,539 as a result of the exercise of 4,684,850 warrants to 23,959,539 shares at Baht 1 each. The Company registered the above increase in its paid up share capital with the Ministry of Commerce on 11 July 2005.

On 30 September 2005, the Company received additional capital contributions totaling Baht 46,028 as a result of the exercise of 9,000 warrants to purchase 46,028 shares at Baht 1 each. The Company recorded the cash receipts from the exercise of such warrants under the caption “Cash receipts from share subscription”, presenting it under shareholders’ equity in the

balance sheets as at 30 September 2005. The Company registered the above increase in its paid up share capital with the Ministry of Commerce on 7 October 2005.

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12. WARRANTS

Warrants registered in The Stock Exchange of Thailand (TICON-W1)

In June 2002, the Company sold 15 million ordinary shares with 3.75 million warrants attached. The Company also issued 15 million warrants to its existing shareholders and 3.75 million warrants to its directors and selected employees. All 22.5 million warrants (TICON-W1) were offered at no cost.

The warrants are exercisable in a ratio of 1 warrant to 1 ordinary share at an exercise price of Baht 5 per share and have an exercise period of 5 years from the issue date. They can be exercised on the last business day of each quarter throughout the period of 5 years. The first exercise date and the last exercise date are 28 June 2002 and 3 June 2007, respectively.

On 19 September 2003, an extraordinary general meeting of the Company's shareholders approved a change in the par value of the Company's ordinary shares from Baht 5 each to Baht 1 each, and a change in the exercise ratio and exercise price of the TICON-W1 warrants, from a ratio of 1 warrant to 1 ordinary share at an exercise price of Baht 5 per share, to a ratio of 1 warrant to 5 ordinary shares at an exercise price of Baht 1 each.

On 16 April 2004, the Company readjusted the exercise ratio and exercise price of the TICON-W1 warrants, from a ratio of 1 warrant to 5 ordinary shares at an exercise price of Baht 1 per share, to a ratio of 1 warrant to 5.06603 ordinary shares at an exercise price of Baht 0.987 per share. However, since the exercise price was lower than the par value of the ordinary shares, the Company therefore applied the par value of Baht 1 as

the new exercise price of warrants. This is effective for the exercise of warrants as from 30 June 2004.

On 11 April 2005, the Company readjusted the exercise ratio of the TICON-W1 warrants, from a ratio of 1 warrant to 5.06603 ordinary shares at an exercise price of Baht 1 per share, to a ratio of 1 warrant to 5.11426 ordinary shares at an exercise price of Baht 1 per share. This is effective for the exercise of warrants as from 30 June 2005.

(UNAUDITED BUT REVIEWED)

During the current period, warrant holders exercise TICON-W1 warrants as follows:-

	Warrant (Units)
31 March 2005	15,350
30 June 2005	4,684,850
30 September 2005	9,000
Total	<u>4,709,200</u>

Outstanding warrants as at 30 September 2005 155,725

Warrants issued to directors and employees (ESOP-W)

On 3 August 2004, the Company issued 25,618,000 warrants to subscribe the Company's ordinary shares to its directors and employees (ESOP-W), without charge. The warrants are exercisable every quarter for a period of 5 years, in a ratio of 1 warrant to 1 new ordinary share at an exercise price of Baht 9.05 per share. The first exercise date and the last exercise date are 30 September 2005 and 2 August 2009, respectively.

On 11 April 2005, the Company adjusted the exercise ratio and exercise price of the ESOP-W warrants, from a ratio of 1 warrant to 1 ordinary share at an exercise price of Baht 9.05 per share, to a ratio of 1 warrant to 1.00952 ordinary shares at an exercise price of Baht 8.965 per share. This is effective for the exercise of warrants as from 30 September 2005.

On 15 August 2005, the Extraordinary Meeting of the Company's shareholders approved the cancellation of the ESOP-W and issue of replacement warrants with the same features and conditions. However, the Company will change the term of the warrants from 5 years to 4 years from the offering

date and will be able to be trade on the stock market. Approval of the new warrants is still being considered by the Office of the Securities and Exchange Commission.

13. PREFERENCE SHARES

The preference shares of the Company are convertible to ordinary shares at a conversion ratio of 1 to 1. The shares can be converted at any time, but if the Company's ordinary shares trade on the Stock Exchange of Thailand at a premium of 40 percent to the price at which the preference shares were acquired (Baht 9.25 per share) for 60 consecutive days, the Company has the right to enforce the conversion of the preference shares.

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The preference shares grant the holders rights identical to those of the ordinary shareholders, except in cases of the return of capital to shareholders upon the Company's bankruptcy, liquidation or discharge of assets and/or any cash surplus after settlement of liabilities and obligations. Capital is to be returned to the Company's shareholders in the following sequence: -

- 1) The preference shareholders are entitled to the return of capital per share equal to the full purchase price (par value plus share premium) in preference to the ordinary shareholders. If total assets and/or cash surplus are inadequate to return all capital to preference shareholders, such assets and/or cash surplus that remain will be distributed to the preference shareholders in proportion to their shareholdings.
- 2) After the distribution of the assets and/or cash surplus to preference shareholders in 1), any remaining assets and/or cash surplus will be allocated to the ordinary shareholders in an amount equal to the par value of the shares plus the share premium on the preference shares discussed in 1). If total remaining assets and/or cash surplus are inadequate to return such amount to all ordinary shareholders, such assets and/or cash surplus that remain will be distributed to ordinary shareholders in proportion to their shareholdings.
- 3) Any remaining assets and/or cash surplus after the payment in respect of clause 1) and 2), are to be distributed to the preference shareholders and ordinary shareholders in proportion to their shareholdings.

14. STATUTORY RESERVE

According to the Public Limited Companies Act B.E. 2535 under section 116, the Company is required to set aside a

statutory reserve at least 5 percent of its net earnings for the year after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of its registered share capital. The statutory reserve is not available for dividend distribution.

15. CORPORATE INCOME TAX / DEFERRED TAX ASSETS (LIABILITIES)

Corporate income tax for the periods has been calculated at the rate of 25 percent on the net earnings of the Company and 30 percent on the net earnings of the subsidiary company from non-promoted activities, after adding back certain provisions and expenses which are disallowable for tax computation purposes.

(UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

For the three-month periods ended 30
September

	<u>CONSOLIDATED</u>		<u>THE COMPANY ONLY</u>	
	2005	2004	2005	2004
Income tax on net taxable earnings	16,777	22,049	16,777	22,049
Increase in deferred tax	8,961	-	8,961	-
Income tax as included in statements of earnings	<u>25,738</u>	<u>22,049</u>	<u>25,738</u>	<u>22,049</u>

(Unit: Thousand Baht)

For the nine-month periods ended 30
September

	<u>CONSOLIDATED</u>		<u>THE COMPANY ONLY</u>	
	2005	2004	2005	2004
Income tax on net taxable earnings	259,596	68,916	259,593	68,916
Decrease in deferred tax	(57,615)	-	(57,615)	-
Income tax as included in statements of earnings	<u>201,981</u>	<u>68,916</u>	<u>201,978</u>	<u>68,916</u>

The components of deferred tax assets (liabilities) as presented in balance sheets are consist of: -

(Unit: Thousand Baht)

<u>CONSOLIDATED</u>		<u>THE COMPANY ONLY</u>	
30 Septemb er	31 Decembe r	30 Septemb er	31 Decembe r

	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Unearned income from sale: of properties	(5,064)	-	(5,064)	-
Unearned income from construction services	(1,434)	-	(1,434)	-
Share of profit from investment in associated company accounted for under equity method	(4,300)	<u>-</u>	(4,300)	<u>-</u>
Deferred tax liabilities	(10,79 8)	<u>-</u>	(10,79 8)	<u>-</u>
Unrealised gain on transfe of properties to TICON Property Fund	<u>68,413</u>	<u>-</u>	<u>68,413</u>	<u>-</u>
Deferred tax assets	<u>68,413</u>	<u>-</u>	<u>68,413</u>	<u>-</u>
Total	<u>(57,61 5)</u>	<u>-</u>	<u>(57,61 5)</u>	<u>-</u>

(UNAUDITED BUT REVIEWED)

16. RECONCILIATION OF DILUTED EARNINGS PER SHARE

	For the three-month period ended 30 September 2005		
	Net earnings	Weighted average number of shares	Earnings per share
	(Thousand Baht)	(Thousand shares)	(Baht)
Basic earnings per share			
Net earnings	56,143	537,224	0.10
Effect of dilutive potential ordinary shares			
TICON-W1 - 155,725 warrants exercisable at a ratio of 1 warrant to 5.11426 ordinary shares, at a price of Baht 1 per share	-	759	
Diluted earnings per share	<u>56,143</u>	<u>537,983</u>	0.10
	For the three-month period ended 30 September 2004		
	Net earnings	Weighted average number of shares	Earnings per share
	(Thousand Baht)	(Thousand shares)	(Baht)
Basic earnings per share			
Net earnings	72,798	513,130	0.14
Effect of dilutive potential ordinary shares			
TICON-W1 - 4,874,925 warrants exercisable at a ratio of 1 warrant to 5.06603 ordinary shares, at a price of Baht 1 per share	-	21,015	
Diluted earnings per share	<u>72,798</u>	<u>534,145</u>	0.14

For the nine-month period ended 30
September 2005

	Net earnings <u>(Thousand Baht)</u>	Weighted average number of shares <u>(Thousand shares)</u>	Earnings per share <u>(Baht)</u>
Basic earnings per share			
Net earnings	619,535	521,401	1.19
Effect of dilutive potential ordinary shares			
TICON-W1 - 155,725 warrants exercisable at a ratio of 1 warrant to 5.11426 ordinary shares, at a price of Baht 1 per share	<u>-</u>	<u>22,421</u>	
Diluted earnings per share	<u>619,535</u>	<u>543,822</u>	1.14

(UNAUDITED BUT REVIEWED)

	For the nine-month period ended 30 September 2004		
	Net earnings	Weighted average number of shares	Earnings per share
	(Thousand Baht)	(Thousand shares)	(Baht)
Basic earnings per share			
Net earnings	236,179	504,667	0.47
Effect of dilutive potential ordinary shares			
TICON-W1 - 4,874,925 warrants exercisable at a ratio of 1 warrant to 5.06603 ordinary shares, at a price of Baht 1 per share	-	22,500	
Diluted earnings per share	<u>236,179</u>	<u>527,167</u>	0.45

17. DIVIDEND

Dividends for the nine-month period ended 30 September 2005 consist of the following:

	(Unit: Baht)	
	Dividends	Dividend per Share
<u>Approved by</u>	<u>Dividends</u>	<u>Share</u>

Dividend from the operating results of the second half year 2004	Annual General Meeting of the shareholders on 30 March 2005	153.9	0.3
Dividend from the operating results of the first half year 2005	Board of Directors' meeting on 11 August 2005	<u>322.3</u>	<u>0.6</u>
Total dividends for the nine-month period ended 30 September		<u><u>476.2</u></u>	<u><u>0.9</u></u>

18. STAFF PROVIDENT FUND

The Company and its employees have jointly established a provident fund. The fund is contributed to by both employees and the Company at rates of 2-4 percent of wages. The fund is managed by Bangkok Bank Public Company Limited. During the three-month and nine-month periods ended 30 September 2005, the Company's contributions to the fund totaled Baht 0.3 million and Baht 0.9 million, respectively (2004: Baht 0.3 million and Baht 0.7 million, respectively).

(UNAUDITED BUT REVIEWED)

19. LONG-TERM LEASE AGREEMENTS

19.1 The Company has commitments in respect of three contracts made with "Industrial Estate Authority of Thailand" to rent land for the construction of standard factories for rent. These contracts cover a 30-year period as from 18 August 1999 to 17 August 2029 and a rental fee is charged at Baht 9.6 million per annum. This amount can be raised every ten years by an amount which does not exceed 10 percent of the previous rental fee.

19.2 The Company has commitments in respect of another contract made with “Industrial Estate Authority of Thailand” to rent land for the construction of standard factories for rent. These contracts cover a 14-year period as from 25 January 2005 to 31 December 2018 and a rental fee is charged at Baht 1.4 million per annum. This amount can be raised every five years by an amount which does not exceed 10 percent of the previous rental fee.

19.3 The subsidiary company has commitments in respect of a contract made with “Industrial Estate Authority of Thailand” to rent land for the construction of standard factories for rent. This contract covers a period as from May 2001 to 31 December 2018 and a rental fee is charged at Baht 5.6 million per annum. This amount can be raised every five years by an amount which does not exceed 10 percent of the previous rental fee.

19.4 The Company has commitments in respect of office rental and related service agreements made with a related company, with rental and service fees charged at a rate of Baht 5.7 million per annum.

20. COMMITMENTS

As at 30 September 2005, the Company and its subsidiaries have the following outstanding commitments: -

	(Unit: Million Baht)	
	30	31
	Septembe	December
	r <u>2005</u>	<u>2004</u>
Agreement to purchase land for construction of future factories	224.0	115.9
	8	
Vehicle rental contracts	8.2	3.8
Service contracts for the provision of security guards for existing factories	1.2	1.9

(UNAUDITED BUT REVIEWED)

21. BANK GUARANTEES

As at 30 September 2005, there were outstanding bank guarantees of approximately Baht 31 million (31 December 2004: Baht 34 million) issued by the bank on behalf of the Company in respect of certain performance bonds as required in the normal course of business of the Company.

22. FINANCIAL INFORMATION BY SEGMENT

The Company and its subsidiaries' main business is real estate development, which comprises the development of factories and warehouses for rent and occasionally for sale, and the provision of construction services. The Company and its subsidiaries operate only in Thailand.

The Company and its subsidiaries' financial information in the consolidated statements of earnings for the three-month and nine-month periods ended 30 September 2005 and 2004 by real estate business (for sales/rent) segment and construction service business segment is as follows: -

(Unit: Million Baht)

For the three-month periods ended 30 September 2005 and 2004

	Real estate business		Construction service business		Others		Total		Elimination		Grand total	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Revenues	166	174	3	34	32	13	201	221	(9)	(8)	192	213
Operating profit	118	125	-	8	30	10	148	143	(9)	(8)	139	135
Common expenses											(36)	(30)
Earnings before interest expenses and income tax											103	105
Interest expenses											(21)	(10)
Corporate income tax											(26)	(22)
Net earnings for the period											56	73

(Unit: Million Baht)

For the nine-month periods ended 30 September 2005 and 2004

	Real estate business		Construction service business		Others		Total		Elimination		Grand total	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004

Revenues	2,25 0	<u>576</u>	<u>19</u>	<u>100</u>	<u>71</u>	<u>34</u>	2,34 0	<u>710</u>	<u>(27)</u>	<u>(19)</u>	<u>2,313</u>	<u>691</u>
Operating profit	<u>1,20</u> 3	381	5	31	65	25	<u>1,27</u> 3	437	(27)	(19)	1,246	418
Common expenses											<u>(99)</u>	<u>(83)</u>
Earnings before deferred gain on transfer of properties, interest expenses and income tax											1,147	335
Deferred gain on sales of properties											(274)	-
Interest expenses											(51)	(30)
Corporate income tax											<u>(202)</u>	<u>(69)</u>
Net earnings for the period											<u>620</u>	<u>236</u>

(UNAUDITED BUT REVIEWED)

Information in the consolidated balance sheets as at 30 September 2005 and 31 December 2004 is below presented by real estate (for sales/rent) and construction service business segment: -

(Unit: Million Baht)

	Real estate business		Construction service business		Others		Total		Elimination		Grand total	
	30	31	30	31	30	31	30	31	30	31	30	31
	Septem ber 2005	Decem ber 2004	Septem ber 2005	Decem ber 2004	Septem ber 2005	Decem ber 2004	Septem ber 2005	Decem ber 2004	Septem ber 2005	Decem ber 2004	Septem ber 2005	Decem ber 2004
Property under development and available for rent/sale, net	2,75	1,742	-	-	-	-	2,75	1,742	(3)	-	2,74	1,742
Property for rent, net	0	2,425	-	-	-	-	0	2,425	-	(3)	7	2,422
Equipment, net	2,33	7	-	-	-	-	2,33	7	(3)	(3)	4	4
Other assets	-	-	9	7	6	8	15	15	-	-	15	15
Total assets											844	163
											5,94	4,342
											0	0

23. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements have been approved by the Company's directors on 3 November 2005.