

PART 2: SUMMARY INFORMATION

Since the owner of K.C. Group became major shareholders of the Company in October 2003, the Company has bought eight property projects as follows.

Table 1: List of projects

Projects	Date	Location
(1) K.C.Garden 1	Sept. 26, 2003	Nimitmai Road, Minburi, Bangkok
(2)K.C.Ramindra 8*	Dec. 1-19, 2003	Thai-raman Road, Klongsamwa, Bangkok
(3) K.C.Lake View*	Dec. 3-31, 2003	Ramkamhaeng 118 Road, Sapansoong, Bangkok
(4) K.C.Green Ville 2*	Dec. 19-30, 2003	Mitmaitri Road, Nongchok, Bangkok
(5) K.C.Ramindra-Ring	Dec. 26-31, 2003	Outer Ring Road (East-side), Bangkhen, Road * Bangkok
(6) K.C. Park Ville Road,Muang-Samutprakarn,	Apr. 26, 2004	Bangplee-Tamru Samutprakarn
(7) K.C.Natural Ville Road,Muang-Samutprakarn,	Apr. 29, 2004	Bangplee-Tamru Samutprakarn
(8) K.C.Cluster House	Sept. 15, 2004	Mitrijit Road, Lamlukka, Pathumthani

Remark: The marked projects took several days to complete the transferring transactions because there were many land owners and deeds of land involved.

From table above, five projects are in Bangkok area, two projects are in Samutprakarn province, and one in Pathumthani province, all of them are in the eastern area of Bangkok.

From eight projects above, the Company acquired 233,467 square wah of land. Some projects were being in construction process, i.e. Ramindra 8 project and Lake View project, while the others were under development, as shown in table 2.

Table 2: Size and status of projects

Projects	Size (sq. wah)	Status
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(1) K.C.Garden 1 land height, public 70% done,	37,880.80	Project under development, level up to street utility at sample house at 100% done.
(2) K.C.Ramindra 8 construction.	12,993.50	Project started since April 2001, 22% sold in phase 1, the rest are under
(3) K.C.Lake View construction.	9,514.30	Project started since February 2001, 40% sold, the rest are under
(4) K.C.Green Ville 2	56,652.00	Project under development, land level up to street height, public utility at 0% done, house construction at 0% done.
(5) K.C.Ramindra-Ring street height, public utility	13,927.00	Project under development, land level up to Road at 5% done, house construction at 3% done.
(6) K.C.Park Ville	40,727.00	Project under development, land level under process.
(7) K.C.Natural Ville partially, street within the	47,059.00	Project under development, land level up to street height project is 20% done, sample houses are 10% done.
(8) K.C.Cluster House	14,713.40	Project under development, land level is 1 meter below street height.
Total	233,467.00	

According to the rehabilitation plan, any acquisition of assets at the amount of 100 million Baht or more needs an assets valuations by an independent valuator who are approved by the SEC (item number 2 in part 3).

In this case, the Company had appointed 2 valuers who were Simon Lim and Partners Company and BCA Valuation Company. Both valuation companies were in the SEC approved list. Date of valuation and land size at the date is shown in table 3.

Table 3: Valuation made by independent valuator

Projects	Simon Lim	BCA	Land size by
Valuation date	Land size	Valuation date	Land size transaction

	(sq. wah)		(sq. wah)	(sq. wah)
(1) Garden 1				
Aug. 13,2003	95,768.80	July 11,2003	95,768.80	37,880.80
(2) Ramindra 8 (phase 1)				
Sept.12,2003	7,592.00	Sept.16,2003	8,105.40	12,993.50
Ramindra 8 (phase 2)				
Sept.12,2003	13,410.30	Sept.16,2003	13,410.00	
(3) Lake View (zone A,D)				
Aug. 13,2003	8,229.80	July 17,2003	8,605.80	9,514.30
Lake View (zone B,C,E)	Sept.12,2003	7,056.40	July 17,2003	7,035.40
(4) Green Ville 2				
Sept.12,2003	59,942.00	Aug. 9,2003	59,942.90	56,652.00
(5) Ramindra- Ring Road				
Sept.12,2003	13,927.00	Aug. 8,2003	13,927.00	13,927.00
(6) Park Ville				
Feb. 27,2004	40,176.00	Mar. 29,2003	40,732.00	40,727.00
(7) Natural Ville				
Dec. 22,2003	47,142.00	Dec. 24,2003	47,142.00	47,059.00
(8) Cluster House				
July 15,2004	14,713.40	July 14,2004	14,713.40	14,713.40
Total	1307,957.70		262,240.70	233,467.00

It is shown in the table that the land size that the Company bought is less than that the valuations were made. That because during the valuation date and the transaction date some units of the project are sold, and some parts of the land are considered as the public utility area.

By the way, the Park Ville project and Natural Ville project were bought by the Company and Modern Street Company which is a wholly-owned subsidiary of the Company. Parts of land area bought by the Company and subsidiary are shown below.

Projects Modern	Total	Land size (sq. wah)	
		Bought by the Company	Bought by Street
Park Ville	40,727	36,004	4,723
Natural Ville	47,059	35,972	11,087
Total	87,786	71,976	15,810

Since Modern Street Company bought the land in above 2 projects at the same price as the Company, and source of fund used to buy the land was borrowed from the Company, the Financial Advisor has considered this case as if the Company and its subsidiary are the one party to do those transactions.

Considering table 3, there are 6 projects that differences occurred between the size of land specified in valuation report and that the Company bought.

Four of these are Garden1, Ramindra 8, Lake View, and Green Ville 2, in which the size of land bought by the Company was essentially differed from the valuation. Thus the transfer prices were less than the appraised value proportionally.

The other two of those are Park Ville and Natural Ville. The differences in land size is insignificant (totally less than 100 square wah) which is the result from re-measurement and arrangement of land deeds. Thus the transactions were made at the appraised value.

Table 4: Appraised value versus transfer prices

(Thousand Baht)					
Projects prices	Appraised value				(6) Transfer
	Simon Lim (1)	BCA (2)	(5) (3)	(4)	Average
	Total area	Transfer area	Total area	Transfer area	transfer area (2+4)
(1) K.C. Garden 1					
	335,260	323,080	339,220	329,822	326,451
(2) K.C. Ramindra 8					
	240,903	190,297	242,982	195,247	192,772
(3) K.C. Lake View					
	474,706	387,497	473,365	376,773	382,135
	382,135				
(4) K.C. Green Ville 2					

188,957	178,910	189,263	178,589	178,749
178,749				

(5) K.C. Ramindra- Ring Road

208,303	208,303	208,590	208,590	208,447
208,450				

(6) K.C. Park Ville

198,677	198,677	215,126	215,126	206,901
206,901				

(7) K.C. Natural Ville

188,827	188,827	204,454	204,454	196,640
196,630				

(8) K.C. Cluster House

29,846	29,846	37,789	37,789	33,818
33,818				

Total

1,865,479	1,705,437	1,910,789	1,746,390	1,725,913
1,725,906				

From table 4 above, the average appraised value of projects (column 5) was equal or more than the transfer prices (column 6), except those of Ramindra-Ring Road project. The transfer price of such project that exceeded the appraised value was only 3,000 Baht which the Financial Advisor considered it was not an insignificant value.

The total amount of these transactions of purchasing 8 projects was 1,726 million Baht. The Company had four sources of fund.

(1) Fund from capital increase. The Company increased capital in October 2003 to buy Garden 1 project at the amount of 327 million Baht.

(2) Fund from working capital. The Company bought Cluster House project at the amount of 34 million Baht.

(3) Fund from borrowing. The Company had loans from financial institutions at the total amount of 411 million Baht to buy Ramindra-Ring Road project, Park Ville project and Natural Ville project.

(4) Fund from issuing promissory notes. The company issued 3 percent interest paid promissory notes to the seller of land for the remaining three projects at the total amount of 954 million Baht. The Company later partially paid the promissory notes so that the remaining amount was 257 million Baht at the end of September 2004

The payment for buying 8 projects is shown in table 5.

Table 5: Name of sellers and amount of transactions

(Million Baht)						
Sellers	Projects transferred in 2003					
	Garden	Ramindra	Lake	Green	Ramindra-	
Total	1	8	View	Ville 2	Ring	2003
Road						
K.C.Group(1993) Co.	-	-	-	-	-	-
Modern Ramindra Co.	-	-	-	-	-	-
Baanmai Plywood Co.	-	102.11	225.51	-	-	327.62
Udomsook Niran Co.	-	-	156.63	-	-	156.63
K.C.Siam Inter Co.	-	-	-	-	106.35	106.35
Ruamchai Plywood Products Co.	-	-	-	-	88.00	88.00
Green Park Land Co.	-	-	-	82.46	-	82.46
Orchard Land Co.	-	-	-	55.71	-	55.71
Day Woo Development Co.	-	90.66	-	-	-	90.66
Mr.Somsak Ngarm-Achariyakul	-	-	-	40.58	14.10	54.68
Relevant parties who hold common shares issued in October 2003	326.45	-	-	-	-	326.45
Total	326.45	192.77	382.14	178.75	208.45	1,288.56

Projects transferred in 2004				Total	Unpaid	
Park Ville	Natural Ville	Cluster House	Total 2004		amount as of Sept. 2004	
K.C.Group(1993) Co.						
-	14.92	-	14.92	14.92	14.92	
Modern Ramindra Co.						
-	-	33.82	33.82	33.82	-	
Baanmai Plywood Co.						
-	-	-	-	327.61	-	
Udomsook Niran Co.						
-	181.71	-	181.71	338.34	41.71	
K.C.Siam Inter Co.						
-	-	-	-	106.35	-	
Ruamchai Plywood Products Co.						
-	-	-	-	88.00	86.00	
Green Park Land Co.						
-	-	-	-	82.46	64.82	
Orchard Land Co.						
206.90	-	-	206.90	262.60	49.87	
Day Woo Development Co.						
-	-	-	-	90.65	-	
Mr.Somsak Ngarm-Achariyakul						
-	-	-	-	54.68	-	
Relevant parties who hold common shares issued in October 2003						
-	-	-	-	326.45	-	
Total	206.90	196.63	33.82	437.35	1,725.91	257.32

Remark:

- Garden 1 paid by issuing common shares in October 2003.
- Cluster House paid by cash from company's working capital.

- The other six projects paid by promissory notes, 3 percent interest.

- The Company has paid some part of the promissory notes by cash from capital increase.

Considering relationship between the sellers and the Company, Mr. Somsak Ngarm-Achariyakul is directly involved with the Company, while the other juristic persons are also involved indirectly as shown below.

Table 6: Shareholders of the related parties

Sellers	Shareholders of seller companies
K.C. Siam Inter Co	Mr. Apisit Ngarm-Achariyakul holds 30%, Mr. Somsak Ngarm-Achariyakul holds 20%
Ruamchai Plywood Products Co.	Mr. Apisit Ngarm-Achariyakul holds 35%, Mr. Somsak Ngarm-Achariyakul holds 10%
Green Park Land Co.	Mr. Apisit Ngarm-Achariyakul holds 70%, Mr. Somsak Ngarm-Achariyakul holds 5%
Udomsook Niran Co.	Mr. Apisit Ngarm-Achariyakul is a close relative with the family of Udomsook Nirandorn who holds 70%
Baanmai Plywood Co.	Mr. Apisit Ngarm-Achariyakul is a close relative with the family of Dech Vorapat who holds 17%
Day Woo Development Co.	Mr. Apisit Ngarm-Achariyakul is a close relative with the family of Dech Vorapat who holds 90%
K.C. Group (1993) Co.	Mr. Apisit Ngarm-Achariyakul holds 60%, Mr. Somsak Ngarm-Achariyakul holds 10%, Ms. Piangjai Ngow holds 5%
Modern Ramindra Co.	Mr. Somsak Ngarm-Achariyakul holds 25%, Mr. Thanakris Ngarm-Achariyakul holds 5%

Remark: Mr. Apisit Ngarm-Achariyakul is an authorized director of Modern Home Planner Company, the Company's rehabilitation plan manager.

After the Company bought the projects, it continued the development for sales in some projects. So the status of sales in each project is shown below.

Table 7: Status of sales and transfer

(Unit)
Projects

Full project	KC buy	Sold and transferred	Remaining at Q3/2004	Waiting for transfer	Available for sale at Q3/2004
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(1) Garden 1 **3/

95	95	-	95	-	95
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(2) Ramindra 8 (phase 1)

489	188	130	58	10	48
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Ramindra 8

488	485	164	321	153	168
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(phase 2)

977	673	294	379	163	216
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(3) Lake View (zone A,D)

112	47	10	37	2	35
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Lake View

127	54	28	26	-	26
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(zone B,C,E)

239	101	38	63	2	61
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(4) Green Ville 2 **2/

420	420	-	420	-	420
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(5) Ramindra- Ring Road

165	165	-	165	38	127
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(6) Park Ville **3/

473	473	-	473	-	473
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(7) Natural Ville **1/

391	391	-	391	4	387
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(8) Cluster House **3/

468	468	-	468	-	468
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Total

3,228	2,786	332	2,454	207	2,247
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% of full project

86.31	76.02	69.61
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Remark:

** Number of unit at full project can be changed later.

1/ Natural Ville project is open for sale recently.

2/ Green Ville project will be open for sale in December 2004

3/ Projects will be open for sale in late 2005

As a result of sale shown in table 7, the Company's financial status and operation improves significantly, as shown below.

Table 8: Balance sheet of K.C. Property Public Company Limited

	June 30,2003	Dec.31,2003	(Thousand Baht) Sept.30,2004
Current assets	368,654	93,082	162,537
Cost of project development	-	902,408	1,528,924
Total current assets	368,654	995,490	1,691,461
Non-current assets	7,368	8,268	23,939
Land bank	-	333,559	316,579
Total non-current assets	7,368	341,827	340,518
Total assets	376,022	1,337,317	2,031,979

A/P -related parties	-	920,259	289,740
Other current liabilities	1,697,246	15,900	222,888
Total current liabilities	1,697,246	936,159	512,628
Non-current liabilities	-	-	458,526
Total liabilities	1,697,246	936,159	971,154
Paid-up capital	84,977	350,000	875,000
Premium on share	-	95,019	95,019
Retained earnings	(1,406,201)	(43,861)	90,806
Total equity	(1,321,224)	401,158	1,060,825
Total liabilities and equity	376,022	1,337,317	2,031,979

Table 9: Profit and loss statements of K.C. Property Public Company Limited

	(Thousand Baht)		
	6 months Jan.1,2003 to June 30,2003	6 months July 1,2003 Dec.31,2003	9 months Jan.1,2004 Sept.30,2004
Revenue from sales	-	97,378	329,432
Cost of sales	-	68,377	218,271
Gross profit	-	29,001	111,161
Net profit (from operation)	(3,563)	16,510	134,667

PART 3: OPINION OF FINANCIAL ADVISOR

Based on the information provided by the Company, the Financial Advisor would like to note some points as follows.

(1) Financial status of the Company

At the time before the owner of K.C. Group invested in the Company, the Company's balance sheet, reviewed by the auditor, was as shown below.

(Thousand Baht)

Balance sheet June 30, 2003

Assets

Assets to be transferred by the rehabilitation plan	358,184
Other assets	17,838
Total assets	376,022

Liabilities and equity

Liabilities by the rehabilitation plan	1,696,228
Other liabilities	1,018
Total liabilities	1,697,246
Shareholders' equity (deficit)	(1,321,224)
Total liabilities and equity	376,022

The table shows that the Company had no operating assets, thus the plan manager could not operate any business without fund from new investor.

(2) Framework of the operation according to the rehabilitation plan.

In chapter 5 of the Company's rehabilitation plan, the description of business framework is....

"...After the increasing of capital to the new investor, they can have the company purchases new assets which can be relating to the major shareholders or other shareholders of the Company at that time. If the said assets have value of more than 100,000,000 Baht, the plan manager or new investor must arrange an appraisal of assets by a valuation company who is approved by the Securities and Exchange Commission or the Bank of Thailand.

The plan manager must carefully consider that the purchase of such assets is for the best benefit of the Company's business operation. The Company may choose to pay for the purchasing by cash, by issuing new common shares, or the borrowing from financial institutions or other persons as in appropriate with the condition and circumstance at that time..."

Based on the said framework, the Company is allowed to buy income-generating assets from the shareholders or relating persons.

(3) Location of the assets

All of the eight projects bought by the Company are located in the east side of Bangkok (five projects in Bangkok, two projects in Samutprakarn, and one project in Pathumthani) which is a fast

growing area and holds great potential due to the new international airport project nearby.

Moreover, most of the eight projects are located near the old projects developed by K.C. Group. This can be advantage to the Company in two aspects. In marketing aspect, the customers have more confident in the Company's operation as the old projects nearby are the proofs of performance. In management aspect, the management team can do their jobs in a more convenience and effective way.

(4) Status of assets

Status of assets in eight transactions can be divided into three groups.

(1) The projects, which are income-generating, Ramindra 8 project and Lake View project. In these two projects, the public utility was completely developed and some units were partially built at the time the Company bought. The Company could take advantages of these projects' status by continuing the business operation of the projects and thus earned reputation and confidence from customers and shareholders.

At the end of September 2004, the two projects have remaining units for sale about of the projects.

(2) The projects which would be ready for sale in late 2004, Ramindra-Ring Road project, Natural Ville project, and Green Ville project.

(3) The projects which would be starting development in 2005, Garden 1 project, Park Ville project, and Cluster House project.

The status of assets said above shows that the management team had done all the transactions appropriately. The assets acquired are sufficient to the Company's financial status and can consecutively generate income and business operation for the Company starting from the buying date to the year 2006.

(5) Value of the assets

According to the rehabilitation plan, the value of land must be calculated by averaging of assets' price appraised by at least two independent valuers who are approved by the Stock Exchange Commission.

Before entering into the transactions, the Company had two independent valuers, Simon Lim and Partners Company Limited and BCA Valuation Company Limited to do the assets valuation as required. However, after the date of valuation, some parts of the assets were sold and thus the price of transactions must be recalculated proportionally.

Among eight transactions, only one project, Ramindra-Ring Road project, was bought at 3,000 Baht higher than the valuation.

The Financial Advisor considers this amount as insignificant when comparing with 208.45 million Baht, the value of the whole projects. The other transactions were made at the price less than, or equal to, the valuation.

(6) Payment of the transactions

The payment of the transactions was made by issuing promissory notes to the sellers. Even though the notes bore 3 percent interest, the Company still had advantages over the other source of fund available to the Company. If the Company borrowed from the financial institutions, the possible lowest interest rate that the Company would have to pay was 5.75 percent at the time.

At the end of September 2004, the remaining amount of promissory notes was 257.32 million Baht.

(7) Operation performance after the transactions

Among eight projects bought, two projects were ready for sale at the time, Ramindra 8 project and Lake View project. The two projects had 776 units for sale, 673 units of Ramindra 8 project and 101 units of Lake View project. The Company had sold 332 units between December 2003 and September 2004, generating 426.80 million Baht revenue from sales, and 141.61 million Baht profits.

Summary

Considering the information and seven points noted above, the Financial Advisor has opinion for this case that the eight transactions made by the Company are done within the framework of the Company's rehabilitation plan.

It is rational to consider that the rehabilitation plan manager of the Company had done these for the best benefit of the Company. The assets acquired were income-generated and sufficient for doing business operation in the future. And the payment was made by the way appropriate to the Company's financial status.

Considering whether the transactions price at 1,725.9 million Baht is a fair price or not, the Financial Advisor has opinion that the transactions were made at the price lower than the average valuation price given by two independent valuers who are approved by the SEC. It is considered fair enough for the reason that the price of transactions was made without any interference of any related beneficiaries of those transactions.

However, the opinion of the Financial Advisor does not guarantee that the assets bought in those transactions will bring out profit to the Company in the future. The time needed to develop all those projects is 1 to 2 years, and during the time, circumstances can change especially uncontrollable ones, economy in general, interest rate, government policy in property sectors, for example.