

KEY ELEMENTS OF THE REHABILITATION PLAN

(A) Settlement of the Creditors'' Debts

Total creditors'' claim to be restructured is approximately Baht 7,726 million

- (1) Baht 1,048 million would be repaid by transfer of the secured assets to secured creditors
- (2) Baht 75 million would be repaid by cash payment to unsecured financial creditors and the debenture holders
- (3) Baht 16 million would be repaid by cash payment to trade creditors, customer deposit creditors and other unsecured creditors
- (4) Baht 20 million would be repaid by conversion of unsecured financial debt to equity (representing 16.25% of the share capital)
- (5) Baht 6,567 million would be forgiven by the creditors

(B) Subscription by New Investors and Debt/Equity Conversion

- (1) The paid-up capital would be reduced from Baht 568,000,000 divided into 56,800,000 shares at the par value of Baht 10 each share to be Baht 9,372,000 divided into 937,200 shares at the par value of Baht 10 each share.
- (2) After completion of the capital reduction, there would be: (i) a private placement to new investors ("New Investors") of 19,993,600 shares at the par value of Baht 10 each share at the offer price of Baht 5.002 per share, totalling Baht 100 million (representing 80% of the share capital); and (ii) debt/equity conversion as part of the repayment under the Rehabilitation Plan (representing 16.25% of the share capital).

The proceeds of Baht 100 million from the private placement to the New Investors would be used for the following purposes:

- Baht 75 million for repayment to unsecured financial creditors and the debenture holders
- Baht 16 million for repayment to trade creditors, customer deposit creditors and other unsecured creditors
- Baht 9 million for working capital of the Company

(C) Shareholding Restructuring

As a result of the private placement and the debt/equity conversion, the shareholding structure of the Company would be as follows:

- New Investors through private placement would hold 80%.
- Creditors thru debt/equity conversion would hold 16.25%.
- Existing shareholders would be diluted from 100% to 3.75%.

After successful implementation of the transactions contemplated in (B) above, there would be a stock split by changing the par value from Baht 10 to Baht 5 per share.

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(D) Rights Issue

After the stock split, the Rehabilitation Plan provides for the fund raising of up to Baht 500 million for the purpose of the working capital of the Company. The subscription price would be at par or at the offer price to be agreed between the Plan Administrator, the Creditors' Committee and the New Investors. Any shares not taken up by existing shareholders under the rights issue would be placed to private placement investors, respectively.

(E) Warrants Issue

The Rehabilitation Plan provides for the issue of warrants by way of a rights issue for the total exercise price of Baht 500 million or more up to Baht 1,500 million. The terms and conditions of the rights warrants would be agreed between the Plan Administrator, the Creditors' Committee and the New Investors.

PROGRESS UNDER THE REHABILITATION PLAN

We set out below the progress under the rehabilitation plan which have been implemented by the Company. For ease of review, each progress is cross-referenced with the paragraph numbering used in the Section heading "Key Elements of the Rehabilitation Plan" above.

(1) Progress under (A) (1)

Secured assets have been offset against the debts owed to the secured creditors in the amount of THB 389 million and released City Villa for transfer ownership to customers in the amount of THB 63 million.

(2) Progress under (B) (1)

A capital reduction from Baht 568,000,000 divided into 56,800,000 shares to be Baht 9,372,000 divided into 937,200 ordinary shares at the par value of Baht 10 each share was completed on 7th February 2002.

(3) Progress under (A) (4) and (B) (2)

On February 8th, Capital increase of another Baht 240,548,000 from Baht 9,372,000 to be Baht 249,920,000 divided into 24,992,000 ordinary shares at the par value of Baht 10 each share by allotted 19,993,600 new ordinary shares to new investors. On March 20th 2002, the allocation of 4,061,200 new ordinary shares to the unsecured financial creditors, debenture holders and guarantee creditors was made as follows:

(i) On March 20th 2002 allotted 3,990,805 shares (par value of Baht 10 each)

(ii) On July 5th 2002, allotted 140,790 shares (par value of Baht 5 each, the

share split by changing the par value from Baht 10 to Baht 5 per share was completed on 24th May 2002)

(4) Progress under (A) (2) and (3)

Cash repayment of Baht 90,442,235.27 to unsecured financial creditors, debenture holders, trade creditors, customer deposit creditors and other unsecured creditors (The amount of THB 89,152,648.87 paid directly to creditors and cash in amount of THB 1,289,586.40 lodged to Deposit of Property Office, The Legal Execution Department) and also the company reserved cash in amount of THB 807,923.33 for debt repayment to debenture holders. The case is still under consideration of the Office Receiver or The Central Bankruptcy Court and the company can pay these amount when the OR or the Court has order.

(5) Progress under (C) (2)

The share split by changing the par value from Baht 10 to Baht 5 per share was completed on 24th May 2002.

PROGRESS UNDER THE REHABILITATION PLAN

(6) Progress under (E) and (F)

6.1) The company sold the capital increase ordinary shares in amount of Baht 499,840,000 which allotted shares of 99,968,000 shares to the existing shareholders in proportion, at the ratio of one existing share to two new ordinary shares, at the offering price of five Baht per share. In case there are unsubscribed shares from the subscription of the existing shareholders in proportion, the said unsubscribed shares shall be offered to the Investor as specified in the Rehabilitation Plan. The existing shareholders who express their intention to subscribe the capital increase ordinary shares in addition to their Excess Right and Private Placement shall receive one free warrant (See warrant details as stated in 6.2.2). However there are shareholders who subscribed 53,655,558 shares and the company had registered increased capital from 249,920,000 Baht to 518,197,790 Baht on 19th August 2002, the remaining of capital increase shares amounting to 46,312,442 shares will be offered by Private Placement later.

6.2) On July 3rd 2002 the Board resolved to allot 299,904,000 free warrants as follows:-

6.2.1 Allotment of shares to the existing shareholders

Allotment of 199,936,000 shares to the existing shareholders whose names appear on the share register book on the book closing date on July 18th 2002 at the ratio of 1 existing share to 4 units of warrants.

6.2.2 Allotment of shares to the existing shareholders whose subscribed as clause 6.1

Allotment of 99,968,0009 shares to the shareholder who subscribed as clause 6.1 at the ratio of 1 existing share to 1 units of warrants.

At present the company sold warrants 253,591,558 units and submitted the warrant listing application which was approved by the SEC on December 16th 2002.