

(Unaudited but reviewed)

Land and Houses Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2011 and 2010

1. General information

1.1 Corporate information

Land and Houses Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in property development. The registered office of the Company is at 1 South Sathorn Road, 37th-38th Floor, Q.House Lumpini Building, Tungmahamek, Sathorn, Bangkok.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standard No. 34 (revised 2009) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for 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.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

1.3 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 2010, with there being no changes in the structure of shareholding in subsidiaries during the period.

1.4 Application of new accounting standards during the period

During the current period, the Company adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions, as listed below.

Accounting standards:

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property

Financial reporting standards:

TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

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Financial Reporting Standard Interpretations:

TFRIC 15 Agreements for the Construction of Real Estate

Accounting Standard Interpretations:

SIC 31 Revenue-Barter Transactions Involving Advertising Services

These accounting standards will not have any significant impact on the financial statements for the current period, except for the following accounting standards.

TAS 19 Employee Benefits

This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefits using actuarial techniques. The Company and its subsidiaries previously accounted for such employee benefits when they were incurred.

The Company and its subsidiaries have changed this accounting policy in the current period and recognise the liability in the transition period through an adjustment to the beginning balance of retained earnings in the current period. The change has the effect of decreasing the profit of the Company and its subsidiaries for the three-month and nine-month periods ended 30 September 2011 by Baht 6.0 million (Baht 0.001 per share) and Baht 17.6 million (Baht 0.002 per share), respectively (Separate financial statements: decreasing profit by Baht 3.0 million (Baht 0.0003 per share) and Baht 9.1 million (Baht 0.001 per share), respectively). The cumulative effect of the changes in the accounting policy has been presented in Note 2.

As at 30 September 2011, the Company and its subsidiaries recognised Baht 129.8 million of such long-term employee benefit liabilities (Separate financial statements: Baht 125.2 million).

1.5 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 2010, except for the changes in the following accounting policies and accounting estimates due to the adoption of revised and new accounting standards.

Employee benefits

Post-employment benefits

Defined contribution plans

The Company, its subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company and its subsidiaries' contributions are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary, based on actuarial techniques, using the projected unit credit method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rates.

For the first-time adoption of TAS 19 Employee Benefits, the Company and its subsidiaries elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in the current period.

Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment.

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 10 - 30 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

(Unaudited but reviewed)

2. Cumulative effect of changes in accounting policies due to the adoption of new accounting standards

During the current period, the Company and its subsidiaries made the changes to its significant accounting policies described in Note 1.5 to the financial statements, as a result of the adoption of revised and new accounting standards. The cumulative effect of the changes in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

3. New accounting standards issued during the period not yet effective

During the current period, the Federation of Accounting Professions issued the below listed new accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting Standards Interpretations:

SIC 10 Government Assistance - No Specific Relation to Operating Activities

SIC 21 Income Taxes - Recovery of Revalued Non-Depreciable Assets

SIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

4. Related party transactions

The relationships between the Company and its related parties are summarised below.

<u>Name of related parties</u>	<u>Relationship</u>
Atlantic Real Estate Co., Ltd.	Subsidiary
Pacific Real Estate Co., Ltd.	Subsidiary
Land and Houses North Co., Ltd.	Subsidiary
Land and Houses Northeast Co., Ltd.	Subsidiary
Siam Tanee Property Co., Ltd.	Subsidiary
Siam Tanee Real Estate Co., Ltd.	Subsidiary (99.99 percent held by Siam Tanee Property Co., Ltd.)
L H Real Estate Co., Ltd.	Subsidiary
L H Asset Co., Ltd.	Subsidiary
L H Muang Mai Co., Ltd.	Subsidiary
Phuket Future Plan Co., Ltd.	Subsidiary (99.99 percent held by L H Muang Mai Co., Ltd.)
Double Tree Co., Ltd.	Subsidiary (99.99 percent held by L H Muang Mai Co., Ltd.)
L&H Property Co., Ltd.	Subsidiary

(Unaudited but reviewed)

<u>Name of related parties</u>	<u>Relationship</u>
L&H Sathon Co., Ltd.	Subsidiary (99.99 percent held by L&H Property Co., Ltd.)
LH Financial Group Plc.	Associate
Land and Houses Retail Bank Plc.	Associate (99.99 percent held by LH Financial Group Plc.)
Bangkok Chain Hospital Plc.	Associate (The Company sold all investments in this company in March 2011.)
Quality Construction Products Plc.	Associate
Home Product Center Plc.	Associate
Asia Asset Advisory Co., Ltd.	Associate
L&H Management Co., Ltd.	Associate (99.99 percent held by Asia Asset Advisory Co., Ltd.)
Land and Houses Property Fund	Associate
Land and Houses Property and Loan Fund-II	Associate
Quality Houses Plc.	Associate
Q.H. International Co., Ltd.	Associate (99.99 percent held by Quality Houses Plc.)
Quality Houses Property Fund	Associate of Quality Houses Plc.
Polar Property Holdings Corporation	Associate
Muang Mai Property Co., Ltd.	Shareholder of subsidiary
Reco Resorts Pte Ltd.	Shareholder of subsidiary
Siam Retail Development Co., Ltd.	Common shareholder

During the periods, the Company and its subsidiaries had significant business transactions with related parties, which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between the Company and those related parties. Below is summary of those transactions.

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2011	2010	2011	2010	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	13.5	10.0	MLR - 1.5% p.a. and 5.00 - 7.50% p.a.
Management fee income	-	-	3.9	2.9	Approximate cost
Dividend income	-	-	150.0	24.8	Declared rate
Interest expenses	-	-	0.7	4.1	3.00% p.a.
Sale of land	-	-	-	69.8	Approximate cost
<u>Transactions with associates</u>					
Interest income	2.1	0.4	1.8	0.2	Market rate
Dividend income	25.7	47.7	25.7	47.7	Declared rate
Purchase of goods	46.6	22.9	39.8	19.5	Market price
Sales promotion expenses	4.5	3.3	4.5	3.1	Market rate
Services expenses	0.3	0.2	-	-	Contract price
Accounting services expenses	0.4	0.4	-	-	Contract price
Project management fee expenses	17.8	15.3	-	-	Contract price
Commission expenses	-	0.1	-	-	Contract price
<u>Transactions with related companies</u>					
Dividend income	5.4	5.3	5.4	5.3	Declared rate
Rental and service expenses	9.7	9.8	9.7	9.8	Baht 500 - 798 per square metre per month
Interest expenses	8.4	5.2	-	-	MLR - 1.5% p.a. and 7.00 - 7.50% p.a.
Commission expenses	1.6	-	-	-	Contract price
Project management fee expenses	4.4	-	-	-	Contract price
<u>Transactions with directors of subsidiary</u>					
Interest expenses	0.6	0.6	-	-	7.00 - 7.50% p.a.

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2011	2010	2011	2010	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	32.7	35.3	MLR - 1.5% p.a. and 5.00 - 7.50% p.a.
Management fee income	-	-	10.6	8.7	Approximate cost
Guarantee fee income	-	-	-	0.2	0.50% p.a.
Dividend income	-	-	407.7	24.8	Declared rate
Sale of land	-	-	2.8	120.0	Approximate cost
Cash paid for use of land	-	-	2.8	76.2	Approximate cost
Interest expenses	-	-	1.8	7.9	3.00% p.a.
<u>Transactions with associates</u>					
Interest income	9.4	4.2	8.6	2.4	Market rate
Dividend income	388.2	591.9	388.2	591.9	Declared rate
Purchase of goods	112.9	70.8	98.2	62.3	Market price
Sales promotion expenses	5.9	14.5	5.9	12.6	Market rate
Services expenses	0.9	0.5	-	-	Contract price
Accounting services expenses	1.4	1.4	-	-	Contract price
Project management fee expenses	50.2	44.4	-	-	Contract price
Commission expenses	0.4	0.2	-	-	Contract price
<u>Transactions with related companies</u>					
Dividend income	12.5	16.4	12.5	16.4	Declared rate
Rental and service expenses	29.8	29.4	29.8	29.4	Baht 500 - 798 per square metre per month
Guarantee fee expenses	-	0.1	-	-	0.50% p.a.
Interest expenses	19.9	14.8	-	-	MLR - 1.5% p.a. and 7.00 - 7.50% p.a.
Commission expenses	21.9	-	-	-	Contract price
Project management fee expenses	6.8	-	-	-	Contract price
<u>Transactions with directors of subsidiary</u>					
Interest expenses	1.7	1.1	-	-	7.00 - 7.50% p.a.

(Unaudited but reviewed)

The balances of the accounts as at 30 September 2011 and 31 December 2010 between the Company and those related companies are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Short-term bill of exchange and deposit at financial institution (shown under cash and cash equivalents)				
<u>Associate</u>				
Land and Houses Retail Bank Plc.	885.5	1,200.7	750.2	1,115.4
Amounts due from and accounts receivables - related parties				
<u>Subsidiaries</u>				
(Eliminated from the consolidated financial statements)				
L H Asset Co., Ltd.	-	-	0.7	2.4
Atlantic Real Estate Co., Ltd.	-	-	0.6	1.4
L H Muang Mai Co., Ltd.	-	-	0.1	0.1
	-	-	1.4	3.9
<u>Associate</u>				
Home Product Center Plc.	0.1	0.1	0.1	0.1
Total	0.1	0.1	1.5	4.0
Short-term loans to and accrued interest receivables from related parties				
<u>Subsidiaries</u>				
(Eliminated from the consolidated financial statements)				
Siam Tanee Property Co., Ltd.	-	-	3.0	23.4
L H Muang Mai Co., Ltd.	-	-	64.5	61.8
L&H Property Co., Ltd.	-	-	1,011.0	651.9
	-	-	1,078.5	737.1
<u>Associate</u>				
Land and Houses Retail Bank Plc.	0.2	0.3	0.1	0.3
Total	0.2	0.3	1,078.6	737.4
Deposit to related company				
<u>Related company</u>				
Quality Houses Property Fund	8.5	8.5	8.5	8.5
Trade accounts payables - related parties				
<u>Associates</u>				
Quality Construction Products Plc.	17.6	12.3	17.6	12.3
Home Product Center Plc.	0.5	0.7	0.3	0.1
Total	18.1	13.0	17.9	12.4

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2011	2010	2011	2010
Amounts due to related parties				
<u>Associates</u>				
Home Product Center Plc.	6.3	2.4	3.5	2.0
Quality Houses Plc.	8.6	10.8	-	-
Q.H. International Co., Ltd.	-	-	-	-
	<u>14.9</u>	<u>13.2</u>	<u>3.5</u>	<u>2.0</u>
<u>Related companies</u>				
Quality Houses Property Fund	0.1	0.4	0.1	0.4
Siam Retail Development Co., Ltd.	2.3	-	-	-
	<u>2.4</u>	<u>0.4</u>	<u>0.1</u>	<u>0.4</u>
Total	<u>17.3</u>	<u>13.6</u>	<u>3.6</u>	<u>2.4</u>
Short-term loans from and accrued interest payables to related parties				
<u>Subsidiary</u>				
(Eliminated from the consolidated financial statements)				
Pacific Real Estate Co., Ltd.	-	-	-	120.8
<u>Related parties</u>				
Muang Mai Property Co., Ltd.	11.7	11.2	-	-
Reco Resorts Pte Ltd.	673.9	434.5	-	-
Directors of subsidiary	42.4	40.7	-	-
	<u>728.0</u>	<u>486.4</u>	<u>-</u>	<u>-</u>
Total	<u>728.0</u>	<u>486.4</u>	<u>-</u>	<u>120.8</u>

Loans to/loans from related parties are in the form of promissory notes without collateral which are due at call.

During the nine-month period ended 30 September 2011, movements of loans to/loans from the Company, subsidiaries and related companies were as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	31 December			30 September
	2010	Increase	Decrease	2011
Short-term loans to and accrued interest receivables from related party				
<u>Associate</u>				
Land and Houses Retail Bank Plc.	0.3	9.4	(9.5)	0.2
Short-term loans from and accrued interest payables to related parties				
<u>Related parties</u>				
Muang Mai Property Co., Ltd.	11.2	0.5	-	11.7
Reco Resorts Pte Ltd.	434.5	239.4	-	673.9
Directors of subsidiary	40.7	1.7	-	42.4
Total	<u>486.4</u>	<u>241.6</u>	<u>-</u>	<u>728.0</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements			
	31 December		30 September	
	2010	Increase	Decrease	2011
Short-term loans to and accrued interest receivables from related parties				
<u>Subsidiaries</u>				
Atlantic Real Estate Co., Ltd.	-	73.5	(73.5)	-
Siam Tanee Property Co., Ltd.	23.4	0.4	(20.8)	3.0
L H Asset Co., Ltd.	-	45.1	(45.1)	-
L H Muang Mai Co., Ltd.	61.8	2.7	-	64.5
L&H Property Co., Ltd.	651.9	359.1	-	1,011.0
	<u>737.1</u>	<u>480.8</u>	<u>(139.4)</u>	<u>1,078.5</u>
<u>Associate</u>				
Land and Houses Retail Bank Plc.	0.3	8.6	(8.8)	0.1
Total	<u>737.4</u>	<u>489.4</u>	<u>(148.2)</u>	<u>1,078.6</u>
Short-term loans from and accrued interest payables to related parties				
<u>Subsidiaries</u>				
Pacific Real Estate Co., Ltd.	120.8	44.4	(165.2)	-
Land and Houses Northeast Co., Ltd.	-	86.9	(86.9)	-
Atlantic Real Estate Co., Ltd.	-	174.2	(174.2)	-
L H Asset Co., Ltd.	-	302.6	(302.6)	-
Total	<u>120.8</u>	<u>608.1</u>	<u>(728.9)</u>	<u>-</u>

Management's benefits

During the three-month and nine-month periods ended 30 September 2011 and 2010, the Company had salaries, provident fund, meeting allowance, gratuities, bonus and provision for long-term employee benefits of its management recognised as expenses as follows:

(Unit: Thousand Baht)

	Consolidated and Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2011	2010	2011	2010
Management's benefits	25,273	16,148	62,642	46,808

(Unaudited but reviewed)

5. Trade accounts receivables

The balances of trade accounts receivables as at 30 September 2011 and 31 December 2010 aged on the basis of due dates, are summarised below:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
	September	December	September	December
	2011	2010	2011	2010
Age of receivables				
Not yet due	1,227	2,225	-	-
Past due				
Less than 3 months	21,087	15,726	-	-
3 - 6 months	3,260	210	-	-
6 - 9 months	-	41	-	-
9 - 12 months	17	3	-	-
More than 12 months	220	283	-	-
Total	25,811	18,488	-	-
Less: Allowance for doubtful debts	(173)	(173)	-	-
Net	25,638	18,315	-	-

6. Land, construction in progress and utilities (inventories)

The Company and its subsidiaries have mortgaged land and structures thereon to secure the loans of the Company and its subsidiaries, of which net book values as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
	September	December	September	December
	2011	2010	2011	2010
Net book value of land and structures				
thereon mortgaged as collateral	6,213	7,056	5,760	6,644

(Unaudited but reviewed)

Movements in the provision for loss on diminution in value of projects during the nine-month period ended 30 September 2011 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2011	87,168	53,662
Add: Addition	6,990	-
Less: Reversal of allowance of diminution in value of inventory from sale	(22,946)	(14,462)
Balance as at 30 September 2011	<u>71,212</u>	<u>39,200</u>

7. Investments in subsidiaries

7.1 Details of investments in subsidiaries as presented in the separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment		Carrying accounts based on cost method		Dividend received for the nine-month periods ended 30 September	
	30	31	30	31	30	31	30	31	30	31	2011	2010
	September	December	September	December	September	December	September	December	September	December		
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010		
			(Percent)	(Percent)								
Atlantic Real Estate Co., Ltd.	15,000	15,000	99.99	99.99	14,998	14,998	-	-	14,998	14,998	149,979	-
Pacific Real Estate Co., Ltd.	5,810	92,904	99.99	99.99	5,810	92,904	-	-	5,810	92,904	7,756	24,787
Land and Houses North Co., Ltd.	13,500	13,500	99.99	99.99	13,500	13,500	-	-	13,500	13,500	-	-
Land and Houses Northeast Co., Ltd.	150,000	150,000	99.99	99.99	149,999	149,999	(50,000)	(50,000)	99,999	99,999	-	-
Siam Tanee Property Co., Ltd. and its subsidiary	100,000	100,000	99.99	99.99	64,859	64,859	-	-	64,859	64,859	-	-
L H Real Estate Co., Ltd.	58,000	58,000	99.99	99.99	25,000	25,000	-	-	25,000	25,000	-	-
L H Asset Co., Ltd.	100,000	100,000	99.99	99.99	52,734	52,734	-	-	52,734	52,734	249,998	-
L H Muang Mai Co., Ltd. and its subsidiaries	900,000	900,000	55.00	55.00	495,000	495,000	-	-	495,000	495,000	-	-
L&H Property Co., Ltd. and its subsidiary	2,450,000	2,170,000	60.00	60.00	1,566,000	1,398,000	-	-	1,566,000	1,398,000	-	-
					<u>2,387,900</u>	<u>2,306,994</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>2,337,900</u>	<u>2,256,994</u>	<u>407,733</u>	<u>24,787</u>

7.2 L H Muang Mai Company Limited and its subsidiaries

As at 30 September 2011 and 31 December 2010, L H Muang Mai Company Limited pledged the ordinary shares of its subsidiaries, Phuket Future Plan Company Limited and Double Tree Company Limited, as collateral of long-term loans.

(Unaudited but reviewed)

7.3 Reduction of share capital of subsidiaries

During the nine-month period ended 30 September 2011 and 2010, there are reductions of share capital of subsidiaries as detailed below:

(Unit: Million Baht)

Company's name	Date of approval by the Meeting of subsidiaries	Date of registration of reduction of share capital at the Ministry of Commerce	Paid up share capital		
			Old	Reduction	New
Pacific Real Estate Co., Ltd.	9 August 2010	22 September 2010	371.6	(278.7)	92.9
	10 January 2011	11 March 2011	92.9	(69.7)	23.2
	18 April 2011	2 June 2011	23.2	(17.4)	5.8
Land and Houses Northeast Co., Ltd.	9 August 2010	27 September 2010	270.0	(120.0)	150.0
L H Real Estate Co., Ltd.	9 August 2010	22 September 2010	116.0	(58.0)	58.0

The Company received cash from the aforesaid decrease of capital. The reductions of share capital of LH Real Estate Co., Ltd. resulted in Baht 33.0 million gain on sale of the investment for the three-month and nine-month periods ended 30 September 2010 which derived from the lower of investment acquisition cost in comparing with its par values.

7.4 L&H Property Company Limited

For the nine-month period ended 30 September 2011, L&H Property Company Limited called up the remaining uncalled portion of its share price from its shareholders totaling Baht 280 million. The Company therefore paid in the uncalled portion of share amounting to Baht 168 million in July and August 2011.

(Unaudited but reviewed)

8. Investments in associates

8.1 Details of investments in associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements								
			Shareholding percentage		Cost		Carrying amounts based on equity method				
			30	31	30	31	30	31			
			September 2011	December 2010	September 2011	December 2010	September 2011	December 2010			
			(Percent)	(Percent)							
LH Financial Group Plc.	Holding company	Thai	35.75	40.95	4,254,008	2,447,320	4,571,643	2,523,759			
Bangkok Chain Hospital Plc.	Hospital	Thai	-	25.06	-	588,399	-	862,856			
Quality Construction Products Plc.	Manufacture of construction materials	Thai	21.16	21.16	179,178	179,178	309,661	283,968			
Home Product Center Plc.	Trading of construction materials	Thai	30.07	30.24	1,175,060	1,175,060	2,616,267	2,245,291			
Asia Asset Advisory Co., Ltd.	Investment advisor	Thai	40.00	40.00	2,000	2,000	924	6,421			
Land and Houses Property Fund	Real estate business	Thai	49.94	49.94	20,692	20,692	32,402	32,402			
Land and Houses Property and Loan Fund-II	Real estate business	Thai	49.99	49.99	1,512,269	1,512,269	1,272,868	1,346,866			
Quality Houses Plc.	Real estate business	Thai	24.86	24.86	3,252,802	3,252,802	4,100,392	4,177,830			
Polar Property Holdings Corporation	Real estate business	Philippines	25.00	25.00	866,849	866,849	1,122,634	1,045,359			
					<u>11,262,858</u>	<u>10,044,569</u>	<u>14,026,791</u>	<u>12,524,752</u>			

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements								
			Shareholding percentage		Cost		Carrying amounts based on cost method				
			30	31	30	31	30	31			
			September 2011	December 2010	September 2011	December 2010	September 2011	December 2010			
			(Percent)	(Percent)							
LH Financial Group Plc.	Holding company	Thai	35.75	40.95	4,254,008	2,447,320	4,254,008	2,447,320			
Bangkok Chain Hospital Plc.	Hospital	Thai	-	25.06	-	588,399	-	588,399			
Quality Construction Products Plc.	Manufacture of construction materials	Thai	21.16	21.16	179,178	179,178	179,178	179,178			
Home Product Center Plc.	Trading of construction materials	Thai	30.07	30.24	1,175,060	1,175,060	1,175,060	1,175,060			
Asia Asset Advisory Co., Ltd.	Investment advisor	Thai	40.00	40.00	2,000	2,000	2,000	2,000			
Land and Houses Property Fund	Real estate business	Thai	49.94	49.94	20,692	20,692	20,692	20,692			
Land and Houses Property and Loan Fund-II	Real estate business	Thai	49.99	49.99	1,512,269	1,512,269	1,512,269	1,512,269			
Quality Houses Plc.	Real estate business	Thai	24.86	24.86	3,252,802	3,252,802	3,252,802	3,252,802			
Polar Property Holdings Corporation	Real estate business	Philippines	25.00	25.00	866,849	866,849	866,849	866,849			
					<u>11,262,858</u>	<u>10,044,569</u>	<u>11,262,858</u>	<u>10,044,569</u>			

(Unaudited but reviewed)

8.2 Share of income and dividend received

During the periods, the Company has recognised its share of income (loss) from investments in associates in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements				Separate financial statements			
	Share of income (loss) from							
	investments in associates				Dividend received			
	For the three-month periods ended 30		For the nine-month periods ended 30		For the three-month periods ended 30		For the nine-month periods ended 30	
	September		September		September		September	
2011	2010	2011	2010	2011	2010	2011	2010	
LH Financial Group Plc.	41,658	45,729	123,827	122,156	-	-	-	16,938
Bangkok Chain Hospital Plc.	-	51,805	29,886	139,898	-	47,758	-	119,396
Quality Construction Products Plc.	16,272	5,146	32,823	6,063	-	-	4,231	-
Home Product Center Plc.	150,601	119,300	419,584	337,782	-	-	25,402	178,549
Asia Asset Advisory Co., Ltd.	96	344	(540)	747	-	-	-	-
Land and Houses Property Fund*	-	-	-	-	-	-	-	-
Land and Houses Property and Loan Fund-II	12,099	7,259	31,699	30,239	25,669	-	105,696	24,159
Quality Houses Plc.	68,467	50,854	199,075	367,503	-	-	252,905	252,905
Polar Property Holdings Corporation	9,398	8,781	38,475	101,961	-	-	-	-
Total	298,591	289,218	874,829	1,106,349	25,669	47,758	388,234	591,947

* Registered its termination on 11 December 2007

8.3 Fair values of investments in associates which are listed companies

In respect of investments in associates that are listed companies, their fair values are as follows:

(Unit: Million Baht)

Company's name	Country of listing	Fair values as at	
		30 September	31 December
		2011	2010
LH Financial Group Plc.	Thai	5,488	-
Bangkok Chain Hospital Plc.	Thai	-	2,645
Quality Construction Products Plc.	Thai	423	345
Home Product Center Plc.	Thai	14,280	11,582
Quality Houses Plc.	Thai	3,035	4,426
Polar Property Holdings Corporation	Philippines	2,066	4,554
Total		25,292	23,552

(Unaudited but reviewed)

8.4 Summarised financial information of associates

a) Financial information (after adjust the impact of using the different accounting policies) of the domestic associates is summarised below:

(Unit: Million Baht)

Company's name	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues for the nine-month periods ended 30 September		Profit (loss) for the nine-month periods ended 30 September	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010	30 September 2011	31 December 2010	2011	2010	2011	2010
	LH Financial Group Plc.	11,371	5,516	77,921	62,223	65,159	56,083	1,324	1,762	331
Bangkok Chain Hospital Plc.	-	1,662	-	5,493	-	1,809	-	3,415	-	613
Quality Construction Products Plc.	400	400	1,941	1,796	477	454	1,346	847	155	29
Home Product Center Plc.	5,106	4,353	19,280	16,592	11,778	10,277	22,082	18,509	1,387	1,109
Asia Asset Advisory Co., Ltd.	5	5	29	33	26	16	59	59	(1)	2
Land and Houses Property and Loan Fund-II	3,021	3,021	2,575	2,724	28	30	180	187	63	60
Quality Houses Plc.	8,477	8,477	36,680	30,549	23,619	17,176	8,656	10,673	801	1,592

b) Financial information of the overseas associate is summarised below:

(Unit: Million Peso)

Company's name	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues for the six-month periods ended		Profit for the six-month periods ended	
	30 June		30 June		30 June		30 June		30 June	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Polar Property Holdings Corporation	4,892	4,892	6,267	5,963	127	100	160	122	143	111

8.5 The Company's interim consolidated financial statements for the three-month and nine-month periods ended 30 September 2011 included investments in the following associates accounted for under the equity method, and share of income (loss) from investments in the associates under the equity method, determined based on the financial statements of those companies which have been reviewed or not been reviewed as stipulated.

(Unit: Thousand Baht)

	Consolidated financial statements				
	Investments under the equity method as at 30 September	Share of income (loss) from investments under the equity method			
		For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
		2011	2010	2011	2010
Reviewed by auditor and another auditors of the same firm					
LH Financial Group Plc.	4,571,643	41,658	45,729	123,827	122,156
Asia Asset Advisory Co., Ltd.	924	96	344	(540)	747
Land and Houses Property Fund ⁽¹⁾	32,402	-	-	-	-
Land and Houses Property and Loan Fund-II	1,272,868	12,099	7,259	31,699	30,239
Quality Houses Plc.	4,100,392	68,467	50,854	199,075	367,503
Home Product Center Plc.	2,616,267	150,601	119,300	419,584	337,782

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements				
	Investments under the equity method as at 30 September	Share of income (loss) from investments under the equity method			
		For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
		2011	2010	2011	2010
Reviewed by other auditors					
Bangkok Chain Hospital Plc.	-	-	29,886	-	
Quality Construction Products Plc.	309,661	16,272	32,823	5,146	6,063
Unreviewed by auditor					
Bangkok Chain Hospital Plc.	-	-	-	51,805 ⁽²⁾	139,898 ⁽²⁾
Polar Property Holdings Corporation	1,122,634 ⁽³⁾	9,398 ⁽³⁾	38,475 ⁽³⁾	8,781 ⁽⁴⁾	101,961 ⁽⁴⁾
Total	14,026,791	298,591	874,829	289,218	1,106,349

⁽¹⁾ Registered its termination on 11 December 2007

⁽²⁾ Determined based on the financial statements for the nine-month period ended 30 September 2010 which prepared by the management

⁽³⁾ Determined based on the financial statements for the six-month period ended 30 June 2011 which prepared by the management

⁽⁴⁾ Determined based on the financial statements for the six-month period ended 30 June 2010 which prepared by the management

Polar Property Holdings Corporation

During the year 2010, the Company did not receive the financial statements for the year ended 31 December 2010 of Polar Property Holdings Corporation. The value of investment of this associate accounted for under the equity method in the consolidated financial statements as at 31 December 2010, amounting to Baht 1,045 million and share of income from this associate accounted for under the equity method in the consolidated financial statements for the year then ended Baht 111 million were determined based on the financial statements for the nine-month period ended 30 September 2010 provided by that company's management, which were not reviewed by its auditor. In addition, the Company has not adjusted for the possible effect of application of different accounting policies.

(Unaudited but reviewed)

During the current period, the Company received the audited financial statements for the year ended 31 December 2010 of Polar Property Holdings Corporation whose auditor expressed an unqualified opinion on those statements. In addition, the Company received the financial statements for the six-month period ended 30 June 2011 of the aforesaid associate which were prepared by the management of such associate. The Company used such financial statements for the six-month period ended 30 June 2011 to calculate share of income under the equity method for the purposes of the consolidated financial statements for the nine-month period ended 30 September 2011 because the deadline for submission of the financial statements of Polar Property Holdings Corporation to the Stock Exchange of Philippines is after the deadline for preparation of the consolidated financial statements of the Company. In addition, certain accounting policies of Polar Property Holdings Corporation differ from those of the Company's group. However, the management of the Company believes that the effect of the difference of accounting period and differences in accounting policies will not have a material impact on the consolidated financial statements of the Company.

8.6 Home Product Center Public Company Limited

During the nine-month period ended 30 September 2011, the warrant holders of Home Product Center Public Company Limited exercised their rights to convert warrants to 27.0 million ordinary shares. As a result, the Company's percentage shareholding in that company has changed from 30.24 percent to 30.07 percent.

On 5 April 2011, the Annual General Meeting of the shareholders of Home Product Center Public Company Limited, passed a resolution to approve payment of dividend to its shareholders, comprising a stock dividend at a rate of 1 dividend shares for every 6 existing shares, or equivalent to Baht 0.1667 per share, and payment of a cash dividend of Baht 0.0193 per share. The Company received 219.4 million shares of stock dividend and Baht 25.4 million of cash dividend on 29 April 2011.

On 29 September 2011, the Extraordinary General Meeting of the shareholders of Home Product Center Public Company Limited, passed a resolution to approve payment of a stock dividend at a rate of 1 dividend share for every 7 existing shares, or equivalent to dividend payment of Baht 0.1429 per share. The closing of the share register will be made on 12 October 2011 and the dividend payment is to be made within 27 October 2011. The Company received a stock dividend of 219.4 million shares and will record this transaction in the fourth quarter of the year 2011. It was recalculated the average cost of this investment, using the total shares held after receiving of stock dividend in the fourth quarter of the year 2011.

(Unaudited but reviewed)

8.7 Bangkok Chain Hospital Public Company Limited

On September 2010, the Company sold the investments in Bangkok Chain Hospital Public Company Limited totaling 61 million shares. The Company received net consideration from selling this investments totalling Baht 380 million. As the result, the Company's percentage shareholding in that company has changed from 28.73 to 25.06 percent. As a result, the Company has gain on sale of the investment as follows:

(Unit: Thousand Baht)

	For the three-month period ended 30 September 2010		For the nine-month period ended 30 September 2010	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Gain on sale of investments	280,789*	293,642	280,789*	293,642

* Including a Baht 21 million from the transfer of share premium of associate to profit due to disposals of investments

In March 2011, the Company sold all investments in Bangkok Chain Hospital Public Company Limited totaling 416.6 million shares at a price of Baht 8.5 each. The Company received net consideration from selling this investments totaling Baht 3,501 million. As a result, the Company has gain on sale of the investment as follows:

(Unit: Thousand Baht)

	For the three-month period ended 30 September 2011		For the nine-month period ended 30 September 2011	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Gain on sale of investments	-	-	2,765,536*	2,912,262

* Including a Baht 144.4 million from the transfer of share premium of associate to profit due to disposals of investments.

During the nine-month period ended 30 September 2011, the Company determined share of income from this associate from the beginning of this period until the disposal date of this investment amounting to Baht 29.9 million.

(Unaudited but reviewed)

8.8 Quality Construction Products Public Company Limited

On 23 February 2010, the Company and major shareholders of Quality Construction Products Public Company Limited entered into purchase and sale agreements with SCG Building Materials Company Limited with respect to the sale of shares of Quality Construction Products Public Company Limited to SCG Building Materials Co., Ltd. (wholly owned at 100% by Siam Cement Public Company Limited). The Company agreed to sell of the 40,997,300 shares, which is equivalent to 10.25% of the issued shares of Quality Construction Products Public Company Limited at a price of Baht 4 each. The Company received net consideration from selling this investment a total of Baht 164 million. The settlement and share transfer was made on 24 February 2010. After the sale, the Company continues to hold 84,627,680 shares, or 21.16% of its issued shares. As a result, the Company has gain on sale of the investment as follows:

(Unit: Thousand Baht)

	For the three-month period ended 30 September 2010		For the nine-month period ended 30 September 2010	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Gain on sale of investments	-	-	77,022*	77,187

* Including a Baht 44 million from the transfer of share premium of associate to profit due to disposals of investments

In addition, on 2 March 2010, the Company entered into an agreement to purchase/sale of products with Quality Construction Products Public Company Limited, with a tenor of 3 years. Under the agreement, the Company agrees to purchase autoclaved aerated concrete blocks from such company at the minimum volume and price as stipulated in the agreement.

8.9 LH Financial Group Public Company Limited

During the third quarter of the year 2010, the Company reviewed the recoverable amount of the investment in LH Financial Group Public Company Limited, presented at cost method in the Company's separate financial statement. In addition, during 2007 to 2009, such company had net income from its operations and paid dividends to its shareholders. The management of the Company assessed that the indication of the impairment loss may no longer exist, the Company therefore reversed the Baht 344.7 million provision for impairment of investment, recognising it in the separate income statements for the three-month and nine-month periods ended 30 September 2010.

(Unaudited but reviewed)

In November 2010, LH Financial Group Public Company Limited allotted its new ordinary shares to be offered to its shareholders in a ratio of 4 new shares for every 5 existing shares, at a price of Baht 1 each. In February 2011, the Company subscribed 1,807 million new ordinary shares from this allotment or a total of Baht 1,807 million and made payment for such shares on 4 February 2011.

In May 2011, LH Financial Group Public Company Limited offered 1,443 million new ordinary shares with a par value of Baht 1 each through an Initial Public Offering (IPO), at a price of Baht 1.40 per share. The Company did not acquire additional shares of LH Financial Group Public Company Limited. Consequently, the percentage shareholding of the Company's in the associated company has decreased from 40.95% to 35.75%. The increase in share capital of such associate resulted in increasing in the investment in associate accounted for under the equity method amounting to Baht 136.1 million, presented as other income in the consolidated statement of income for the current period.

9. Other long-term investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2011	2010	2011	2010
Available-for-sale securities				
Equity securities - Domestic	288,568	292,490	288,568	292,490
Less: Changes in fair value of securities	(58,963)	(19,012)	(58,963)	(19,012)
Available-for-sale securities - net	229,605	273,478	229,605	273,478
Other investments				
Equity securities - Domestic	250,267	250,267	26,000	26,000
Equity securities - Overseas	1,962,616	1,962,616	1,962,616	1,962,616
Less: Allowance for impairment	(1,999,680)	(1,377,671)	(1,978,616)	(1,356,607)
Other investment - net	213,203	835,212	10,000	632,009
Total	442,808	1,108,690	239,605	905,487

During the nine-month period ended 30 September 2011, the Company set up provision for impairment of investment in a company in Indonesia totaling Baht 622 million because, at present, the invested company has had retained loss and low ability to generate profit. Such company needs much time to recover which depends on uncertainty factors in the future. Consequently, the Company set up the full provision for such investment during the first quarter of 2011.

(Unaudited but reviewed)

10. Land held for development

As at 30 September 2011 and 31 December 2010, the Company and its subsidiaries have mortgaged land held for development to secure long-term loans with net book value as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2011	2010	2011	2010
Net book value of mortgaged land held for development to secure loans	945	1,313	-	290

11. Investment properties

Movements of the investment properties account during the nine-month period ended 30 September 2011 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements
Net book value as at 1 January 2011	412,309
Depreciation for period	(19,299)
Net book value as at 30 September 2011	<u>393,010</u>

A subsidiary has placed its investment properties which located on land sub-leasehold rights which have net book value as at 30 September 2011 of Baht 393 million (31 December 2010: Baht 412 million) as collateral of the long-term loans.

(Unaudited but reviewed)

12. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2011 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2011	487,786	306,236
Acquisitions during period - at cost	204,480	148,490
Disposals during period - net book value at disposal date	(2,068)	(655)
Depreciation for period	(151,330)	(91,550)
Net book value as at 30 September 2011	<u>538,868</u>	<u>362,521</u>

13. Leasehold rights

(Unit: Thousand Baht)

Project	Remaining period of leasehold rights (years)	Consolidated financial statements	
		30 September 2011	31 December 2010
Grande Centre Point Hotel & Residence	26.7	1,969,486	2,037,382
L&H Villa Sathon	26.8	161,528	166,029
L&H Sukhumvit	28.9	4,523,553	2,731,808
Vacant Land	15.0	564	592
		<u>6,655,131</u>	<u>4,935,811</u>

Subsidiaries have pledged their land leasehold rights and land sub-leasehold rights with a total net book value as at 30 September 2011 of Baht 2,131 million (31 December 2010: Baht 2,203 million) as collateral for long-term loans.

14. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Bank overdrafts	23,764	12,422	-	-
Promissory notes	-	500,000	-	500,000
Bill of exchange	5,752,000	2,725,000	5,752,000	2,725,000
Less: Prepaid interest	(59,917)	(19,836)	(59,917)	(19,836)
Net	<u>5,715,847</u>	<u>3,217,586</u>	<u>5,692,083</u>	<u>3,205,164</u>

(Unaudited but reviewed)

Bank overdrafts and short-term loans from financial institutions are secured by the pledge of land leasehold rights, land sub-leasehold rights and mortgage of construction thereon of the subsidiaries.

15. Long-term loans

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Long-term loans	9,559,618	7,614,046	5,923,000	4,670,260
Less: Current portion	(569,273)	(477,511)	-	(138,260)
Net	<u>8,990,345</u>	<u>7,136,535</u>	<u>5,923,000</u>	<u>4,532,000</u>

Movements in the long-term loans during the nine-month period ended 30 September 2011 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2011	7,614,046	4,670,260
Add: Additional borrowing on existing loan agreements	2,326,500	1,391,000
Less: Repayment	(380,928)	(138,260)
Balance as at 30 September 2011	<u>9,559,618</u>	<u>5,923,000</u>

During the current period, the Company entered into loan agreements with a domestic commercial bank for the purpose of project development as detailed below:

(Unit: Million Baht)

	Facilities	Draw down amount	Interest rate	Principal	Collateral
		during the nine-month period ended		repayments	
		30 September 2011			
The Company	1,391.0	1,391.0	Year 1-2 4% p.a. Thereafter MLR-1.75% p.a.	Repayments within 4 years from the first drawdown date	Land of project
Total	<u>1,391.0</u>	<u>1,391.0</u>			

(Unaudited but reviewed)

As at 30 September 2011 and 31 December 2010, long-term loans from banks secured by the mortgage of land and structures thereon, land held for development, investment properties, land leasehold rights, land sub-leasehold rights and clubhouses and furniture and fixture which located on land sub-leasehold rights of the Company and its subsidiaries.

Most loan agreements contain certain covenants and restrictions imposed by the lenders regarding, the proportion of shareholding of the major shareholders, changes in directors, guarantees to loans or aval to promissory notes of any other persons or other companies, dividend payments, merger or consolidation with any other companies, the maintenance of certain financial ratios and formal reporting when there is a legal case which may affect its ability to repay loan.

In addition, the Company agreed to provide assurance to the lender of L&H Property Company Limited which is a subsidiary, whereby there are certain covenants pertaining to, among other things, the maintenance of its level of shareholding in the subsidiary, the provision of financial support to the subsidiary as may be required to ensure that the subsidiary is able to meet its payment obligations under this facility. In addition, the Company needs to obtain the written consent from the lender should the Company sells, transfers or pledges the shares of such subsidiary.

As at 30 September 2011 and 31 December 2010, there were available long-term loan facilities from financial institutions as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2011	2010	2011	2010
Undrawdown loan facilities	1,145	4,976	-	2,456

In addition, as at 30 September 2011, a subsidiary has available long-term loan facilities from shareholder, except for facilities from the Company, totally Baht 260 million (31 December 2010: Baht 480 million).

(Unaudited but reviewed)

16. Debentures

Details of approval to issue the debenture are as follows:

Date of approval of the Annual General Meeting of the Company's shareholders	28 April 2009	26 April 2011
Amount	Up to Baht 10,000 million or the equivalent in any other currency	Revolving amount of Baht 20,000 million or the equivalent in any other currency
Term	Maximum terms of 10 years	Maximum terms of 10 years
Type	Any types of debentures such as unsubordinated and/or subordinated, unsecured and/or secured, with and/or without debentureholder representation	
Method of issuance	To be issued in Thailand and/or offshore	

As at 30 September 2011, the Company has unissued debentures under the above mentioned approval totalling Baht 8,500 million.

The outstanding balance of debentures as at 30 September 2011 and 31 December 2010 are detailed below.

					Consolidated and Separate financial statements			
					Number of debenture (Shares)		Amount (Thousand Baht)	
					30 September	31 December	30 September	31 December
Debenture	Interest rate per annum	Age	Repayment	Maturity	2011	2010	2011	2010
Unsubordinated and unsecured debentures								
- No. 1/2007	Fixed rate 4.6%	4 years	At maturity	13 September 2011	-	2,000,000	-	2,000,000
- No. 1/2008	Fixed rate 5.33% for 1st - 2nd year and 6.5% for 3rd - 4th year	4 years	At maturity	24 July 2012	3,000,000	3,000,000	3,000,000	3,000,000
- No. 1/2009	Fixed rate 4.5%	5.5 years	At maturity	19 June 2015	2,000,000	2,000,000	2,000,000	2,000,000
- No. 1/2010	Fixed rate 3.4%	3.5 years	At maturity	30 September 2013	1,000,000	1,000,000	1,000,000	1,000,000
- No. 2/2010	Fixed rate 3%	3 years	At maturity	29 March 2013	2,000,000	2,000,000	2,000,000	2,000,000
- No. 3/2010	Fixed rate 2.89%	3 years	At maturity	27 July 2013	1,000,000	1,000,000	1,000,000	1,000,000
- No. 1/2011	Fixed rate 3.54%	3 years	At maturity	20 January 2014	2,500,000	-	2,500,000	-
Total					<u>11,500,000</u>	<u>11,000,000</u>	<u>11,500,000</u>	<u>11,000,000</u>
Less: Current portion of debentures							<u>(3,000,000)</u>	<u>(2,000,000)</u>
Net							<u><u>8,500,000</u></u>	<u><u>9,000,000</u></u>

(Unaudited but reviewed)

Movements in the debentures during the nine-month period ended 30 September 2011 are summarised below.

(Unit: Thousand Baht)

	Consolidated and Separate financial statements
Balance as at 1 January 2011	11,000,000
Add: Issue of new debentures	2,500,000
Less: Repayment	(2,000,000)
Balance as at 30 September 2011	<u>11,500,000</u>

Prospectus contains certain covenants and restrictions regarding the maintenance of certain financial ratios, dividend payments and formal reporting when the significant events occurred such as a legal case.

17. Deficit on changes in value of available-for-sale investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Associates' investments	1,937	5,820	-	-
Company's investments	(58,963)	(19,012)	(58,963)	(19,012)
Total	<u>(57,026)</u>	<u>(13,192)</u>	<u>(58,963)</u>	<u>(19,012)</u>

18. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Profit for the period (Thousand Baht)	905,211	793,175	694,375	895,010
Weighted average number of ordinary shares (Thousand shares)	10,025,922	10,025,922	10,025,922	10,025,922
Earnings per share (Baht/share)	0.09	0.08	0.07	0.09

(Unaudited but reviewed)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Profit for the period (Thousand Baht)	3,974,897	2,756,395	3,684,443	2,430,923
Weighted average number of ordinary shares (Thousand shares)	10,025,922	10,025,922	10,025,922	10,025,922
Earnings per share (Baht/share)	0.40	0.27	0.37	0.24

19. Dividend

Dividends	Approved by	Approved dividend per share (Baht)	Interim dividend per share (Baht)	Additional dividend paid per share (Baht)	Total dividend paid (Million Baht)	Portion belonging	Net dividend paid (Million Baht)
						to shareholders not entitled to dividend (Million Baht)	
Final dividend for 2009	Annual General Meeting of the shareholders on 28 April 2010	0.34	0.24	0.10	1,003	8	995
Interim dividend for 2010	Board of Director's meeting on 11 August 2010	0.16	-	0.16	1,604	14	1,590
							<u>2,585</u>
Final dividend for 2010	Annual General Meeting of the shareholders on 26 April 2011	0.34	0.16	0.18	1,805	12	1,793
Interim dividend for 2011	Board of Director's meeting on 10 August 2011	0.17	-	0.17	1,704	10	1,694
							<u>3,487</u>

20. Financial information by segment

The Company and its subsidiaries' main business is a real estate developer, which consist of land and house projects, residential condominium projects and residential for rent. The Company and its subsidiaries have only one geographical segment because they operate only in Thailand.

The Company and its subsidiaries' financial information by segment of real estate business and rental and service business in the consolidated financial statements for the three-month and nine-month periods ended 30 September 2011 and 2010 are as follows:

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 30 September					
	Real estate business		Rental and service business		Consolidation	
	2011	2010	2011	2010	2011	2010
Revenues from external customers	4,926	3,154	140	87	5,066	3,241
Total revenues	4,926	3,154	140	87	5,066	3,241
Loss from impairment of project	-	(5)	-	-	-	(5)
Segment profit (loss)	961	520	(51)	(46)	910	474
Unallocated income (expenses):						
Other income					28	15
Gain from sale of investment in associate					-	281
Share of income from investment in associates					299	289
Finance cost					(53)	(51)
Corporate income tax					(294)	(244)
Profit for the period					890	764

(Unit: Million Baht)

	For the nine-month periods ended 30 September					
	Real estate business		Rental and service business		Consolidation	
	2011	2010	2011	2010	2011	2010
Revenues from external customers	13,295	11,187	344	248	13,639	11,435
Total revenues	13,295	11,187	344	248	13,639	11,435
Loss from impairment of projects	(7)	(6)	-	-	(7)	(6)
Segment profit (loss)	2,572	2,255	(73)	(76)	2,499	2,179
Unallocated income (expenses):						
Other income					94	48
Gain from sale of investments in associates					2,766	358
Gain on change in shareholders' equity of an associate					136	-
Share of income from investment in associates					875	1,106
Other expenses					-	(2)
Loss from impairment of other long-term investment					(622)	-
Finance cost					(196)	(194)
Corporate income tax					(1,631)	(804)
Profit for the period					3,921	2,691

(Unaudited but reviewed)

21. Commitment and contingent liabilities

21.1 Commitments

21.1.1 The Company and its subsidiaries have commitments under construction contracts as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Commitments under construction contracts	2,487.5	3,638.5	2,136.9	2,542.7

21.1.2 As at 30 September 2011, L&H Property Company Limited and its subsidiary have the following commitments under land lease agreement, land and construction lease agreement and land sub-lease agreement as follows:

a) Land and construction lease agreement

Agreement date	Agreement period	Maturity date	Rental rate
7 June 2005	30 years*	31 May 2038	From 1 June 2008, the following rental is to be paid in monthly installments - 1st-5th year, total rental of Baht 33.15 million (Already paid Baht 21.23 million) - 6th-10th year, total rental of Baht 42.31 million - 11th-15th year, total rental of Baht 54.00 million - 16th-20th year, total rental of Baht 68.92 million - 21st-25th year, total rental of Baht 87.97 million - 26th-30th year, total rental of Baht 112.27 million

* The agreement runs from 1 June 2008 (three years after the period of construction).

In addition, as at 30 September 2011 L&H Property Company Limited is committed to pay security expenses at the rate of Baht 11,160 per month throughout the period of construction and the period of the lease.

(Unaudited but reviewed)

b) Land sub-lease agreement

Agreement date	Agreement		Rental rate
	period	Maturity date	
28 July 2005	33 years	28 July 2038	<ul style="list-style-type: none">- 1st-3rd year, paid of Baht 3.00 million (already paid)- 4th-8th year, total rental of Baht 25.00 million (Already paid Baht 20.00 million)- 9th-13th year, total rental of Baht 30.00 million- 14th-18th year, total rental of Baht 36.00 million- 19th-23rd year, total rental of Baht 43.20 million- 24th-28th year, total rental of Baht 51.84 million- 29th-33rd year, total rental of Baht 62.21 million

c) Land lease agreement

Agreement date	Agreement period	Rental rate
10 March 2006	30 years *	Rental is to be monthly paid as follows: <ul style="list-style-type: none">- 1st-5th year, total rental of Baht 20.16 million (Already paid Baht 4.37 million)- 6th-10th year, total rental of Baht 23.18 million- 11th-15th year, total rental of Baht 26.66 million- 16th-20th year, total rental of Baht 30.66 million- 21st-25th year, total rental of Baht 35.25 million- 26th-30th year, total rental of Baht 40.54 million

* The agreement runs from 1 September 2010 to 31 August 2040. However, the lessor consented to allow L&H Property Company Limited to develop or construct on the leased land between 1 September 2007 and 31 August 2010, and L&H Property Company Limited agreed to pay additional ground rental fee of Baht 160,000 per month.

21.1.3 As at 30 September 2011, the Company had outstanding commitment of Baht 90 million in respect of uncalled portion of investments in L&H Property Company Limited.

21.1.4 As at 30 September 2011, L&H Property Company Limited and its subsidiary are committed to pay Asia Asset Advisory Company Limited, which is an associate of the Company, management fees at the rates as follows:

- a) Project under construction: Baht 24.9 million per annum.
- b) Operating project: Baht 16.6 million per annum.

21.1.5 As at 30 September 2011, L&H Property Company Limited are committed to pay Siam Retail Development Company Limited, which is a related company of the Company, project management fee totalling Baht 1.3 million.

(Unaudited but reviewed)

21.1.6 As 30 September 2011, L&H Property Company Limited and its subsidiary is committed to pay project management fees to the following associates.

Associate	Service rates	Term
Quality Houses Plc.	- 2% of total revenue plus additional 5.5% of operating income - Baht 100,000 per month of software service - Project management fee charged at actual cost plus 15 percent	3 years commencing from 1 October 2010
Q.H. International Co., Ltd.	- Baht 80,500 per month of project management fee - Baht 75,000 per month of accounting, financing and software service - Baht 53,500 per month of personnel management fee	2 years commencing from 1 January 2011

21.1.7 As at 30 September 2011, L&H Sathon Company Limited is committed to pay Quality Houses Public Company Limited, which is an associate of the Company, commissions for finding lessees for the L&H Villa Sathon Project, as per the conditions specified in the relevant agreement.

21.1.8 As at 30 September 2011, L&H Property Company Limited is committed to pay Siam Retail Development Company Limited, which is a related company of the Company, commissions for finding lessees for L&H Sukhumvit Project, as per the conditions specified in the relevant agreement.

21.1.9 As at 30 September 2011 and 31 December 2010, the Company has commitment related to purchase of land as follows:

(Unit: Million Baht)

	Consolidated and Separate financial statements	
	30 September 2011	31 December 2010
Commitment to purchase of land	555.5	2,117.8

(Unaudited but reviewed)

21.1.10 Obligation and commitment to complete projects on hand

	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
	September	December	September	December
	2011	2010	2011	2010
Number of projects on hand at beginning of period/year	45	45	39	39
Number of closed projects during period/year	(9)	(11)	(8)	(10)
Number of new projects during period/year	13	11	11	10
Number of projects on hand at end of period/year	<u>49</u>	<u>45</u>	<u>42</u>	<u>39</u>
Accumulative value of sales already contracted (Million Baht)	68,963	79,232	56,689	64,807
As percentage of total sales of projects on hand	60.6	68.3	56.6	65.1
Value of sales already contracted during period/year (Million Baht)	13,146	16,384	11,626	14,479
As percentage of total sales of projects on hand	11.6	14.1	11.6	14.6
Commitments in respect of the installation of central utilities of projects on hand (Million Baht)	1,244	926	1,219	875

21.1.11 As at 30 September 2011, the subsidiaries have servitude over land of approximately 90 rai of which the cost is included in the cost of projects.

21.1.12 Operating lease commitments

The Company has entered into lease agreements and service agreements in respect of the lease of office building space. The terms of the agreements are 3 years.

As at 30 September 2011, the future minimum lease payments and services fee payments required under these non-cancellable contracts were as follows:

(Unit: Million Baht)

Payable within	Consolidated and Separate
	financial statements
Less than 1 year	10.6
1 to 5 years	2.9

(Unaudited but reviewed)

21.2 Bank guarantees

As at 30 September 2011 and 31 December 2010, there were the outstanding bank guarantees issued by the banks in respect of certain performance bonds required in the normal course of business by the Company and its subsidiaries balances as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2011	2010	2011	2010
Letter of guarantee for arrangement and maintenance of public utilities	1,693.7	1,727.1	1,593.1	1,525.9
Letter of guarantee for electricity usage	54.2	36.6	40.0	22.7
Other letter of guarantees	22.0	22.0	22.0	22.0
	<u>1,769.9</u>	<u>1,785.7</u>	<u>1,655.1</u>	<u>1,570.6</u>

21.3 Guarantees

As at 30 September 2011 and 31 December 2010, the Company and its subsidiaries have the following obligations in respect of guarantees.

(Unit: Million Baht)

Guarantor	Guarantee	30 September	31 December
		2011	2010
Land and Houses Plc.	Customers	<u>10.6</u>	<u>1.0</u>
L&H Property Co., Ltd.	L&H Sathon Co., Ltd.	<u>390.0</u>	<u>390.0</u>

21.4 Litigation

The Company and its subsidiaries

As at 30 September 2011, the following significant lawsuits had been filed against the Company and its subsidiaries.

- a) In 2006, two housing estate juristic persons filed a lawsuit against the Company and a subsidiary for claim of Baht 1,013.5 million in relation to access to public thoroughfares. In June 2009, the plaintiffs requested to reduce the claim amount to Baht 800 million. In addition, in February 2009, the Company was additionally sued for the claim amounting to Baht 412.3 million in accordance with the Land Allocation Act and Customer Protect Act. Currently, the case is being considered by the court. The Company has set aside a provision of Baht 25 million for liabilities arising as a result of these cases.
- b) The Company and its subsidiaries have been sued for a total of approximately Baht 67.9 million. To date, the Court of the First Instance and the Appeal Court have ordered the Company and its subsidiaries to pay compensation plus interest totaling Baht 11.4 million. The Company and its subsidiaries have set aside provision of Baht 11.4 million for liabilities arising as a result of these cases, based on the opinion of their legal department.

Associates

The following significant lawsuits had been filed against the associates:

- a) Land and Houses Property Fund (“the Fund”) has been sued as second defendant in a civil case in which the plaintiff claims the Fund illegally received the transfer of the land and construction thereon of the “Langsuan Ville” condominium project from Wave Development Company Limited, a debtor of the plaintiff. On 27 July 2004, the Court of First Instance dismissed the lawsuit. On 27 February 2008, the Appeal Court dismissed the lawsuit. As at 30 September 2011, the case is being heard by the Supreme Court. However, the Fund’s legal advisor believes that the outcome of the case will not adversely affect the Fund, as the Fund was a preferred creditor and thus had a preferential right to receipt of payment from the mortgaged assets. In addition, the prices at which the assets were transferred in settlement of debt were those appraised by an independent appraisal firm and thus can be held to be fair price.

(Unaudited but reviewed)

- b) Land and Houses Property and Loan Fund-II (“the Fund”) has been sued in a civil case, related to illegal encroachment on land in order to provide a thoroughfare to Soi Sukhumvit 55. On 18 July 2006, the South Bangkok Civil Court dismissed such lawsuit. Subsequently, the plaintiff appealed the decision and the Appeal Court found in accordance with the Court of First Instance on 20 April 2010. Currently, the lawsuit is in the process of the Supreme Court’s consideration. However, the Fund’s legal advisor believes that the outcome of the case will not adversely affect the Fund because the land under dispute is on a public road and the plaintiff therefore has no right to sue the Fund or to claim damages.
- c) Land and Houses Property and Loan Fund-II (“the Fund”) has been sued by a condominium estate juristic person seeking compensation of Baht 51.6 million for damage to common areas, plus interest at the rate of 7.5 percent per annum calculated from the day following the date of filing of the case. On 8 November 2010, the South Bangkok Civil Court dismissed such lawsuit. Currently, the case is in the process of the Appeal Court’s consideration. However, the Fund’s legal advisor believes that the outcome of the case will not adversely affect the Fund.

22. Reclassification

Certain amounts in the financial statements as presented herein for comparative purposes have been reclassified to conform to the current period’s classification but with no effect to previously reported profit or shareholders’ equity. The reclassifications are as follows:

(Unit: Thousand Baht)

	As at 31 December 2010			
	Consolidated financial statements		Separate financial statements	
	As previously		As previously	
	As reclassified	reported	As reclassified	reported
Statements of financial position				
Investment properties - net	412,309	-	-	-
Property, plant and equipment - net	487,786	3,178,867	-	-
Leasehold rights - net	4,935,811	2,657,039	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the three-month period ended 30 September 2010			
	Consolidated financial statements		Separate financial statements	
	As previously		As previously	
	As reclassified	reported	As reclassified	reported
Income statements				
Administrative expenses	297,913	281,765	240,920	224,772
Management benefit expenses	-	16,148	-	16,148

(Unit: Thousand Baht)

	For the nine-month period ended 30 September 2010			
	Consolidated financial statements		Separate financial statements	
	As previously		As previously	
	As reclassified	reported	As reclassified	reported
Income statements				
Administrative expenses	884,584	837,776	734,507	687,699
Management benefit expenses	-	46,808	-	46,808

23. Subsequent event

In October 2011, there was severe flooding in Nonthaburi, Pathumthani, Nakhonphatom and Bangkok. Some project locations of the Company and its subsidiaries were inundated, which comprise 6 percent of all relevant assets including value of land, forcing the Company and its subsidiaries to temporarily cease construction.

As the flooding has not subsided, the Company and its subsidiaries cannot preliminarily estimate the damage to their assets at this stage. The financial impact of the floods will be reflected in the fourth quarter of the current year.

24. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 14 November 2011.