

Land and Houses Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month periods ended 31 March 2012 and 2011

1. General information

1.1 Corporation 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 No. 1 South Sathon Road, 37th-38th Floor, Q. House Lumpini Building, Tungmahamek, Sathon, 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 2011, with there being no changes in the structure of shareholding in subsidiaries during the period.

1.4 New accounting standard issued during the year not yet effective

During the period, the Federation of Accounting Professions issued the financial reporting standard No. 8 "Operating Segments" that is effective for fiscal years beginning on or after 1 January 2013.

The Company's management believes that the above accounting standard will not have any significant impact on the financial statements for the year when it is initially applied.

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 2011.

2. Related party transactions

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

Name of related parties	Relationship
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
L&H Sathon Co., Ltd.	Subsidiary (99.99 percent held by L&H Property Co., Ltd.)
L&H Retail Management Co., Ltd.	Subsidiary (99.99 percent held by L&H Property Co., Ltd.)
L&H Hotel Management Co., Ltd.	Subsidiary (99.99 percent held by L&H Property Co., Ltd.)
LH Financial Group Plc.	Associate
Land and Houses Bank Plc.	Associate (99.99 percent held by LH Financial Group Plc.)

(Unaudited but reviewed)

<u>Name of related parties</u>	<u>Relationship</u>
Land and Houses Fund Management Co., Ltd.	Associate (99.99 percent held by Land and Houses Bank 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 Leasehold 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
Land and Houses Freedhold and Leasehold Property Fund	Common shareholder

During the periods, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	For the three-month periods ended 31 March				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2012	2011	2012	2011	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	14.0	8.4	MLR-1.5 p.a. and 7.00 - 7.50% p.a.
Management fee income	-	-	2.9	2.9	Approximate cost

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 31 March				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2012	2011	2012	2011	
Sale of land	-	-	-	2.8	Approximate cost
Cash paid for use of land	-	-	3.7	2.8	Approximate cost
Purchase of land	-	-	0.5	-	Approximate cost
Interest expenses	-	-	1.4	0.9	3.00% p.a.
<u>Transactions with associates</u>					
Interest income	11.4	2.5	11.4	2.5	Market rate
Dividend income	225.7	45.3	225.7	45.3	Declared rate
Purchase of goods	35.2	36.5	34.8	33.1	Market price
Services expenses	0.7	0.3	-	-	Contract price
Accounting services expenses	0.5	0.5	-	-	Contract price
Project management fee expenses	28.7	16.5	-	-	Contract price
<u>Transactions with related companies</u>					
Dividend income	5.4	1.7	5.4	1.7	Declared rate
Rental and service expenses	9.9	9.9	9.9	9.9	Baht 500 - 798 per square metre per month
Interest expenses	8.8	5.0	-	-	MLR-1.5% p.a. and 7.00 - 7.50% p.a.
Commission expenses	-	9.0	-	-	Contract price
Project management fee	5.6	-	-	-	Contract price
Sales of project	628.0	-	-	-	Note 9
<u>Transactions with directors of subsidiary</u>					
Interest expenses	0.6	0.6	-	-	7.00 - 7.50% p.a.

On 28 February 2012, the meeting of the Company's Board of Directors approved to set up Land and Houses Freehold and Leasehold Property Fund whereby the Company is a co-sponsor with Government of Singapore Investment Corporation Pte Ltd. (GIC). The Company and GIC individually hold 15 percent of shareholding in Land and Houses Freehold and Leasehold Property Fund and the remaining of 70 percent are held by the general investors. The new property fund purchased a project of L&H Villa Sathon from L&H Sathon Company Limited, the Company's subsidiary, and purchased Center Point Sukhumvit - Thonglor and Center Point Residence Phrompong from Land and Houses Property and Loan Fund-II, an associated company. In addition, the Company and Reco Plaza Pte Ltd. will guarantee profit of such fund whereby they will guarantee between the different amount of Baht 179.88 million for the year 2012 and Baht 243.16 million per year for the year 2013-2015 and the actual profit. The Company and Reco Plaza Pte Ltd. will guarantee at the portion of 52 percent and 48 percent, respectively. However, the guarantee profit must not exceed 50 percent of

(Unaudited but reviewed)

actual net profit before income guarantee. As at 31 March 2012, the Company calculated a provision for guarantee of profit of such fund to be Baht 57.3 million. The Company recorded it as short-term provision totaling Baht 18.7 million and long-term provision totaling Baht 38.6 million in the statement of financial position as at 31 March 2012.

As at 31 March 2012 and 31 December 2011, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Short-term bill of exchange and deposit at financial institution				
(shown under cash and cash equivalents)				
<u>Associate</u>				
Land and Houses Bank Plc.	2,053.9	661.2	1,855.6	530.3
Amount due from and accounts receivables - related parties (Note 3)				
<u>Subsidiaries</u>				
(Eliminated from the consolidated financial statements)				
L H Asset Co., Ltd.	-	-	0.1	0.1
Atlantic Real Estate Co., Ltd.	-	-	0.3	0.1
L H Muang Mai Co., Ltd.	-	-	0.1	-
	-	-	0.5	0.2
<u>Associates</u>				
Home Product Center Plc.	0.1	0.1	0.1	0.1
Quality Houses Plc.	-	0.4	-	-
Land and Houses Property and Loan Fund-II	-	2.9	-	-
Land and Houses Bank Plc.	-	0.2	-	-
	0.1	3.6	0.1	0.1
<u>Related company</u>				
Land and Houses Freehold and Leasehold Property Fund	2.4	-	-	-
Total	2.5	3.6	0.6	0.3
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.	-	-	-	3.1
L H Asset Co., Ltd.	-	-	20.0	-
Land and Houses North Co., Ltd.	-	-	2.0	2.0
L H Muang Mai Co., Ltd.	-	-	66.2	65.3
L&H Property Co., Ltd.	-	-	892.9	1,024.5
	-	-	981.1	1,094.9
<u>Associate</u>				
Land and Houses Bank Plc.	1.3	0.3	1.3	-
Total	1.3	0.3	982.4	1,094.9

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2012	2011	2012	2011
Deposit to related company				
<u>Related company</u>				
Quality Houses Leasehold Property Fund	8.5	8.5	8.5	8.5
Trade accounts payables - related parties				
<u>Associates</u>				
Quality Construction Products Plc.	19.5	2.4	19.5	2.4
Home Product Center Plc.	0.5	0.7	0.3	0.6
Total	20.0	3.1	19.8	3.0
Amounts due to related parties				
<u>Subsidiary</u>				
(Eliminated from the consolidated financial statements)				
L&H Property Co., Ltd.	-	-	-	4.2
<u>Associates</u>				
Asia Asset Advisory Co., Ltd.	10.1	1.6	-	-
Home Product Center Plc.	4.4	1.0	4.1	0.8
Quality Houses Plc.	16.8	16.5	-	-
Q.H. International Co., Ltd.	0.2	-	-	-
	31.5	19.1	4.1	0.8
<u>Related companies</u>				
Land and Houses Freehold and Leasehold Property Fund	17.8	-	-	-
Siam Retail Development Co., Ltd.	7.1	3.3	-	-
	24.9	3.3	-	-
Total	56.4	22.4	4.1	5.0
Short-term loans from and accrued interest payables to related parties				
<u>Subsidiaries</u>				
(Eliminated from the consolidated financial statements)				
Atlantic Real Estate Co., Ltd.	-	-	123.8	-
Pacific Real Estate Co., Ltd.	-	-	40.8	-
Land and Houses Northeast Co., Ltd.	-	-	25.1	-
	-	-	189.7	-
<u>Related companies</u>				
Muang Mai Property Co., Ltd.	12.0	11.8	-	-
Reco Resorts Pte Ltd.	595.1	682.9	-	-
Directors of subsidiaries	43.6	43.0	-	-
	650.7	737.7	-	-
Total	650.7	737.7	189.7	-
Provision for guarantee profit of fund				
<u>Related company</u>				
Land and Houses Freehold and Leasehold Property Fund	57.3	-	57.3	-

(Unaudited but reviewed)

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

During the three-month period ended 31 March 2012, movements of loans to/loan from the Company, subsidiaries and related companies were as follows:

(Unit: Million Baht)

Consolidated financial statements				
31 December 2011	Increase	Decrease	31 March 2012	
Short-term loans to and accrued interest receivables from related parties				
<u>Associate</u>				
Land and Houses Bank Plc.	0.3	11.5	(10.5)	1.3
Short-term loans from and accrued interest payables to related parties				
<u>Related companies</u>				
Muang Mai Property Co., Ltd.	11.8	0.2	-	12.0
Reco Resorts Pte Ltd.	682.9	8.6	(96.4)	595.1
Directors of subsidiaries	43.0	0.6	-	43.6
Total	737.7	9.4	(96.4)	650.7

(Unit: Million Baht)

Separate financial statements				
31 December 2011	Increase	Decrease	31 March 2012	
Short-term loans to and accrued interest receivables from related parties				
<u>Subsidiaries</u>				
Siam Tanee Property Co., Ltd.	3.1	-	(3.1)	-
L H Asset Co., Ltd.	-	22.0	(2.0)	20.0
Land and Houses North Co., Ltd.	2.0	-	-	2.0
L H Muang Mai Co., Ltd.	65.3	0.9	-	66.2
L&H Property Co., Ltd.	1,024.5	13.0	(144.6)	892.9
	1,094.9	35.9	(149.7)	981.1
<u>Associate</u>				
Land and Houses Bank Plc.	-	14.0	(12.7)	1.3
Total	1,094.9	49.9	(162.4)	982.4
Short-term loans from and accrued interest payables to related parties				
<u>Subsidiaries</u>				
Atlantic Real Estate Co., Ltd.	-	143.8	(20.0)	123.8
Pacific Real Estate Co., Ltd.	-	40.8	-	40.8
Land and Houses Northeast Co., Ltd.	-	55.7	(30.6)	25.1
L H Asset Co., Ltd.	-	30.0	(30.0)	-
L H Real Estate Co., Ltd.	-	14.6	(14.6)	-
Total	-	284.9	(95.2)	189.7

(Unaudited but reviewed)

Management's benefits

During the three-month periods ended 31 March 2012 and 2011, 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 ended 31 March	
	2012	2011
Management's benefits	19,457	17,929

Commitments and contingent liabilities of related parties

The Company and subsidiaries had commitments related to project management, finding lessees, consulting, operating lease and service agreement and agreement to purchase/sale of products with related companies as described in Note 18.

The Company and a subsidiary had outstanding guarantee obligations with its related parties, as described in Note 18.3

3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
	<u>Trade receivables - unrelated parties</u>			
Aged on the basis of due dates				
Not yet due	20,633	13,835	-	-
Past due				
Less than 3 months	45,979	49,350	-	-
3 - 6 months	1,729	3,084	-	-
6 - 9 months	321	1,670	-	-
9 - 12 months	430	6	-	-
Over 12 months	63	230	-	-
Total	69,155	68,175	-	-
Less: Allowance for doubtful debts	-	(173)	-	-
Total trade receivables - unrelated parties, net	69,155	68,002	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
<u>Other receivables</u>				
Amount due from and account receivables				
- related parties	2,507	3,607	612	281
Other	32,634	32,902	31,332	31,696
Other receivables	35,141	36,509	31,944	31,977
Total trade and other receivables - net	104,296	104,511	31,944	31,977

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

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Net book value of land and structures thereon mortgaged as collateral	6,333	6,345	5,937	5,938

Movements in the allowance for loss on diminution in value of projects during the three-month period ended 31 March 2012 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2012	74,216	37,286
Less: Reversal due to sale	(2,607)	(2,341)
Balance as at 31 March 2012	71,609	34,945

5. Investments in subsidiaries

5.1 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 amount based on cost method	
	31	31	31	31	31	31	31	31	31	31
	March	December	March	December	March	December	March	December	March	December
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
			(Percent)	(Percent)						
Atlantic Real Estate Co., Ltd.	15,000	15,000	99.99	99.99	14,998	14,998	-	-	14,998	14,998
Pacific Real Estate Co., Ltd.	5,810	5,810	99.99	99.99	5,810	5,810	-	-	5,810	5,810
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
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 subsidiaries	2,450,000	2,450,000	60.00	60.00	1,566,000	1,566,000	-	-	1,566,000	1,566,000
					<u>2,387,900</u>	<u>2,387,900</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>2,337,900</u>	<u>2,337,900</u>

During the three-month periods ended 31 March 2012 and 2011, the Company did not received dividend from subsidiaries.

5.2 L H Muang Mai Company Limited and its subsidiaries

As at 31 March 2012 and 31 December 2011, 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.

5.3 L&H Property Company Limited

L&H Property Company Limited, established 2 new subsidiaries as following details:

1. L&H Retail Management Co., Ltd. was established on 30 January 2012 which a registered capital of 100,000 Baht consisting of 10,000 ordinary shares with a par value 10 Baht each. L&H Property Company Limited holds 99.99 percent of share ownership and paid all subscription already. The new subsidiary will operate the retail management business.
2. L&H Hotel Management Co., Ltd. was established on 7 February 2012 which a registered capital of 100,000 Baht consisting of 10,000 ordinary shares with a par value 10 Baht each. L&H Property Company Limited holds 99.99 percent of share ownership and paid all subscription already. The new subsidiary will operate the hotel management business.

6. Investments in associates

6.1 Details of investments in associates

(Unit: Thousand Baht)

			Consolidated financial statements					
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			31	31	31	31	31	31
			March	December	March	December	March	December
			2012	2011	2012	2011	2012	2011
			(Percent)	(Percent)				
LH Financial Group Plc.	Holding company	Thai	35.40	35.43	4,254,008	4,254,008	4,726,209	4,726,443
Quality Construction Products Plc.	Manufacture of construction materials	Thai	21.16	21.16	179,178	179,178	338,489	304,873
Home Product Center Plc.	Trading of construction materials	Thai	30.18	30.07	1,267,960	1,175,060	3,054,708	2,777,661
Asia Asset Advisory Co., Ltd.	Investment advisor	Thai	40.00	40.00	2,000	2,000	2,006	1,387
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	1,615,105	1,260,648
Quality Houses Plc.	Real estate business	Thai	24.86	24.86	3,252,802	3,252,802	4,194,036	4,126,857
Polar Property Holdings Corporation	Real estate business	Philippines	25.00	25.00	866,849	866,849	1,154,712	1,148,654
					11,355,758	11,262,858	15,117,667	14,378,925

(Unit: Thousand Baht)

			Separate financial statements			
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost	
			31	31	31	31
			March	December	March	December
			2012	2011	2012	2011
			(Percent)	(Percent)		
LH Financial Group Plc.	Holding company	Thai	35.40	35.43	4,254,008	4,254,008
Quality Construction Products Plc.	Manufacture of construction materials	Thai	21.16	21.16	179,178	179,178
Home Product Center Plc.	Trading of construction materials	Thai	30.18	30.07	1,267,960	1,175,060
Asia Asset Advisory Co., Ltd.	Investment advisor	Thai	40.00	40.00	2,000	2,000
Land and Houses Property Fund	Real estate business	Thai	49.94	49.94	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
Quality Houses Plc.	Real estate business	Thai	24.86	24.86	3,252,802	3,252,802
Polar Property Holdings Corporation	Real estate business	Philippines	25.00	25.00	866,849	866,849
					11,355,758	11,262,858

6.2 Share of income (loss) 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:

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of income (loss) from investments in associates for the three-month periods ended 31 March		Dividend received for the three-month periods ended 31 March	
	2012	2011	2012	2011
LH Financial Group Plc.	54,167	39,440	-	-
Bangkok Chain Hospital Plc.	-	29,886	-	-
Quality Construction Products Plc.	33,616	9,965	-	-
Home Product Center Plc.	184,154	123,497	-	-
Asia Asset Advisory Co., Ltd.	618	(346)	-	-
Land and Houses Property Fund*	-	-	-	-
Land and Houses Property and Loan Fund-II	523,503	9,959	225,738	45,299
Quality Houses Plc.	75,657	39,208	-	-
Polar Property Holdings Corporation	10,206	13,405	-	-
Total	881,921	265,014	225,738	45,299

* Registered its termination on 11 December 2007

6.3 Fair values of investments in listed associates

In respect of investments in associated companies that are listed companies on the Stock Exchange, their fair values are as follows:

(Unit: Million Baht)

Company's name	Country of listing	Fair values as at	
		31 March 2012	31 December 2011
LH Financial Group Plc.	Thai	5,813	5,650
Quality Construction Products Plc.	Thai	533	504
Home Product Center Plc.	Thai	24,312	19,303
Quality Houses Plc.	Thai	3,794	3,140
Polar Property Holdings Corporation	Philippines	2,734	2,034
Total		37,186	30,631

(Unaudited but reviewed)

6.4 The Company's interim consolidated financial statements for the three-month period ended 31 March 2012 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 31 March 2012	Share of income (loss) from investments under the equity method for the three-month periods ended 31 March	
		2012	2011
Reviewed by auditor and another auditors of the same firm			
LH Financial Group Plc.	-	-	39,440
Asia Asset Advisory Co., Ltd.	2,006	618	(346)
Land and Houses Property Fund ⁽¹⁾	32,402	-	-
Land and Houses Property and Loan Fund-II	1,615,105	523,503	9,959
Quality Houses Plc.	4,194,036	75,657	39,208
Home Product Center Plc.	3,054,708	184,154	123,497
Reviewed by other auditors			
Bangkok Chain Hospital Plc.	-	-	29,886
Quality Construction Products Plc.	338,489	33,616	9,965
Unreviewed by auditors			
LH Financial Group Plc.	4,726,209	54,167 ⁽²⁾	-
Polar Property Holdings Corporation	1,154,712	10,206 ⁽³⁾	13,405 ⁽⁴⁾
Total	<u>15,117,667</u>	<u>881,921</u>	<u>265,014</u>

⁽¹⁾ Registered its termination on 11 December 2007

⁽²⁾ Determined based on the financial statements for the three-month period ended 31 March 2012 which prepared by the management

⁽³⁾ Determined based on the audited financial statements for the year ended 31 December 2011

⁽⁴⁾ Determined based on the audited financial statements for the year ended 31 December 2010

Polar Property Holdings Corporation

During the year 2011, the Company did not receive the financial statements for the year ended 31 December 2011 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 2011, amounting to Baht 1,149 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 49 million were determined based on the financial statements for the nine-month period ended 30 September 2011 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.

During the current period, the Company received the audited financial statements for the year ended 31 December 2011 of Polar Property Holdings Corporation whose auditor expressed an unqualified opinion on those statements. The Company used such financial statements for the year ended 31 December 2011 to calculate share of income under the equity method for the purposes of the consolidated financial statements for the three-month period ended 31 March 2012 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.

6.5 LH Financial Group Public Company Limited

During the three-month period ended 31 March 2012, the warrant holders of LH Financial Group Public Company Limited exercised their rights to convert warrants to 12 million ordinary shares. As a result, the Company's percentage shareholding in that company has changed from 35.43 percent to 35.40 percent.

6.6 Bangkok Chain Hospital Public Company Limited

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:

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the three-month period ended
31 March 2011

	Consolidated financial statements	Separate financial statements
Gain on sale of investments	2,765,536*	2,912,262

* Including a Baht 144 million from the transfer of share premium of associate to profit due to disposals of investments.

During the three-month period ended 31 March 2011, the Company determined share of income from this associate from the beginning of this year until the disposal date of this investment amounting to Baht 29.9 million.

6.7 Home Product Center Public Company Limited

During the three-month period ended 31 March 2012, the Company additional purchased the ordinary shares of Home Product Center Public Company Limited totaling 6.9 million shares or Baht 92.9 million and the warrant holders of Home Product Center Public Company Limited exercised their rights to convert warrants to 1 million ordinary shares. As a result, the Company's percentage shareholding in that company has changed from 30.07 percent to 30.18 percent.

7. Other long-term investments

7.1 Details of investment in other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Available-for-sale securities				
Equity securities	783,568	288,568	783,568	288,568
Less: Changes in fair value of securities	(32,639)	(45,801)	(32,639)	(45,801)
Available-for-sale securities - net	750,929	242,767	750,929	242,767
Other investments				
Equity securities	250,267	250,267	26,000	26,000
Less: Allowance for impairment	(37,064)	(37,064)	(16,000)	(16,000)
Other investments - net	213,203	213,203	10,000	10,000
Total	964,132	455,970	760,929	252,767

(Unaudited but reviewed)

- 7.2** During the three-month period ended 31 March 2011, the Company set up provision for impairment of investment in company incorporated in Indonesia totaling Baht 622 million because the invested companies 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.

In December 2011, the Company sold investments in ordinary share and preferred share of 5 companies incorporated in Indonesia. The Company received net consideration from selling this investments totaling Baht 347 million. As a result, the Company had gain on sale of investments amounting to Baht 347 million in the fourth quarter of the year 2011.

- 7.3** During the three-month period ended 31 March 2012, the Company invested in Land and Houses Freehold and Leasehold Property Fund totaling Baht 495 million as described in Note 2.

8. Land held for development

As at 31 March 2012 and 31 December 2011, 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	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Net book value of mortgaged land held for development to secure loans	945	945	-	-

During the current period, the Company transferred land held for development with net book value of Baht 12 million to inventories.

Movements in the allowance for loss on diminution in value of land held for development during the three-month period ended 31 March 2012 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2012	774,022	692,504
Less : Reversal due to sales	(7,320)	-
Balance as at 31 March 2012	<u>766,702</u>	<u>692,504</u>

(Unaudited but reviewed)

9. Investment properties

The net book value of investment properties, representing houses for rent of L&H Villa Sathon Project, as at 31 March 2012 and 31 December 2011 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 March 2012	31 December 2011
Cost	-	496,905
Less: Accumulated depreciation	-	(110,392)
Net book value	-	386,513

A reconciliation of the net book value of investment properties for the period ended 31 March 2012 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements
Net book value as at 1 January 2012	386,513
Depreciation charged	(5,721)
Disposals during the period - net book value at disposal date	(380,792)
Net book value as at 31 March 2012	-

As at 31 December 2011, the fair value of investment properties as determined based on valuations performed by an accredited independent valuer using the income approach was Baht 644 million. The main assumptions used in the valuation are yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates which have been determined based on rental information of tenants of the building. The aforementioned fair value included leasehold rights of land which has the net book value of Baht 160 million.

On 28 February 2012, the Board of Director's meeting of L&H Sathon Company Limited, a Company's subsidiary, approved to sell L&H Villa Sathon Project to Land and Houses Freehold and Leasehold Property Fund at a total price of Baht 628 million (including leasedhold rights of the land on which such project is located and furniture and equipment). The Company recognised gain on sale of this transaction in the consolidated profit or loss for the three-month period ended 31 March 2012 totalling Baht 21 million (net of relevant sales expenses).

(Unaudited but reviewed)

10. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2012 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2012	638,422	363,449
Acquisitions during period - at cost	85,044	74,002
Disposals during period - net book value at disposal date	(7,626)	(945)
Depreciation for period	(53,903)	(29,524)
Net book value as at 31 March 2012	661,937	406,982

11. Leasehold rights

(Unit: Thousand Baht)

Project	Remaining period of leasehold rights (years)	Consolidated financial statements	
		31 March 2012	31 December 2011
Grande Centre Point Hotel & Residence	26.2	1,924,693	1,946,802
L&H Villa Sathon	-	-	160,011
Terminal 21 Shopping Mall and Grande Centre Point Hotel and Residence Sukhumvit - Terminal 21	28.4	4,727,197	4,763,345
Vacant Land	14.5	546	556
		6,652,436	6,870,714

During the three-month period ended 31 March 2012 L&H Sathon Company Limited, a Company's subsidiary, sold land leasehold rights of L&H Villa Sathon Project as detailed in Note 9. Such leasehold rights had net book value as at the disposed date of Baht 159 million.

Subsidiaries have pledged their land leasehold rights with construction with a total net book value as at 31 March 2012 of Baht 1,925 million (31 December 2010: land leasehold rights with construction and land sub-leasehold rights Baht 2,107 million) as collateral for long-term loans.

(Unaudited but reviewed)

12. Bank overdrafts and short-term loans

(Unit: Thousand Baht)

	Interest rate		Consolidated		Separate	
	(percent per annum)		financial statements		financial statements	
	31	31	31	31	31	31
	March	December	March	December	March	December
	2012	2011	2012	2011	2012	2011
<u>Bank overdrafts</u>						
Bank overdrafts	-	MOR	-	22,951	-	-
<u>Short-term borrowings</u>						
Bills of exchange	3.1 - 4.05	3.4 - 4.05	2,124,000	4,463,000	2,124,000	4,463,000
Less: Prepaid interest			(8,201)	(34,932)	(8,201)	(34,932)
Total short-term borrowings			<u>2,115,799</u>	<u>4,428,068</u>	<u>2,115,799</u>	<u>4,428,068</u>

As at 31 December 2011, bank overdrafts are secured by the pledge of land leasehold rights and land sub-leasehold rights and mortgage of construction thereon of the subsidiaries.

13. Long-term loans

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2012	2011	2012	2011
Long-term loans	8,729,469	10,014,290	4,923,000	5,923,000
Less: Current portion	(1,577,273)	(573,031)	(1,000,000)	-
Net	<u>7,152,196</u>	<u>9,441,259</u>	<u>3,923,000</u>	<u>5,923,000</u>

Movements in the long-term loans during the three-month period ended 31 March 2012 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2012	10,014,290	5,923,000
Add: Additional borrowing on existing loan agreements	27,000	-
Less: Repayment	(1,311,821)	(1,000,000)
Balance as at 31 March 2012	<u>8,729,469</u>	<u>4,923,000</u>

(Unaudited but reviewed)

The Company and Reco Resorts Pte Ltd., as shareholders of L&H Property Company Limited, 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.

Most loan agreements contain certain covenants and restrictions imposed by the lenders regarding, the proportion of shareholding of the major shareholders, changes in management, 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 the Company has a legal case which may affect its ability to repay loan.

As at 31 March 2012 and 31 December 2011, there were available long-term loan facilities from financial institutions as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Undrawdown loan facilities	1,011	1,038	-	-

In addition, as at 31 March 2012, a subsidiary has available long-term loan facilities from shareholder, except for facilities from the Company, totally Baht 260 million (31 December 2011: Baht 260 million).

14. Debentures

Details of approval to issue the debenture of the Company are as follows:

Approved by	The Annual General Meeting of the Company's shareholders held on 26 April 2011
Amount	Revolving amount of Baht 20,000 million or the equivalent in any other currency
Term	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

(Unaudited but reviewed)

As at 31 March 2012, the Company has unissued debentures under the above mentioned approval totalling Baht 4,500 million.

The outstanding balance of debentures as at 31 March 2012 and 31 December 2011 are detailed below.

					Consolidated and Separate financial statements			
					Number of debenture (Shares)		Amount (Thousand Baht)	
					31	31	31	31
					March	December	March	December
No.	Interest rate per annum	Age	Repayment	Maturity	2012	2011	2012	2011
<u>Unsubordinated and unsecured debentures</u>								
No. 1/2008	Fixed rate 5.33% for 1st - 2nd year and fixed rate 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	2,500,000	2,500,000
No. 1/2012 (1)	Fixed rate 3.85%	2.5 years	At maturity	30 September 2014	900,000	-	900,000	-
No. 1/2012 (2)	Fixed rate 3.99%	3 years	At maturity	30 March 2015	3,100,000	-	3,100,000	-
Total					<u>15,500,000</u>	<u>11,500,000</u>	15,500,000	11,500,000
Less: Current portion of debentures							<u>(5,000,000)</u>	<u>(3,000,000)</u>
Net							<u>10,500,000</u>	<u>8,500,000</u>

Movements in the debentures during the three-month period ended 31 March 2012 are summarised below.

(Unit: Thousand Baht)

	Consolidated and Separate financial statements
Balance as at 1 January 2012	11,500,000
Add: Issue of new debentures	4,000,000
Balance as at 31 March 2012	<u>15,500,000</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.

(Unaudited but reviewed)

15. Revaluation surplus (deficit) in investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Associated companies' investments	40,481	102,355	-	-
Company's investments	(32,639)	(45,801)	(32,639)	(45,801)
Total	<u>7,842</u>	<u>56,554</u>	<u>(32,639)</u>	<u>(45,801)</u>

During the three-month period ended 31 March 2012, movement of revaluation surplus (deficit) in investments are as follows:

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2012	56,554	(45,801)
Changes during the period due to		
- revaluation	13,162	13,162
- equity method	(61,874)	-
Balance as at 31 March 2012	<u>7,842</u>	<u>(32,639)</u>

16. 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.

17. 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, service apartment for rent and shopping mall 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 periods ended 31 March 2012 and 2011 are as follows:

(Unaudited but reviewed)

(Unit: Million Baht)

	Real estate business		Rental and service business		Consolidation	
	2012	2011	2012	2011	2012	2011
Revenues from external customers	4,257	3,699	435	102	4,692	3,801
Total revenues	<u>4,257</u>	<u>3,699</u>	<u>435</u>	<u>102</u>	<u>4,692</u>	<u>3,801</u>
Loss from impairment	-	(7)	-	-	-	(7)
Segment profit (loss)	765	703	86	(14)	851	689
Unallocated income (expenses):						
Other income					63	36
Gain from sale of investments					-	2,766
Share of income from investment in associates					882	265
Loss from impairment of other long-term investments					-	(622)
Finance cost					(134)	(80)
Corporate income tax					(176)	(1,041)
Profit for the period					<u>1,486</u>	<u>2,013</u>

18. Commitments and contingent liabilities

18.1 Commitments

18.1.1 As at 31 March 2012 and 31 December 2011, the Company and its subsidiaries have commitments under construction contracts as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	31	31	31	31
	March	December	March	December
	2012	2011	2012	2011
Commitments under construction contracts	2,422	1,744	2,369	1,690

18.1.2 As at 31 March 2012, L&H Property Company Limited has the following commitments under, land and construction lease agreement and land 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	<p>From 1 June 2008, the following rental is to be paid in monthly installments</p> <p>1st - 5th year, total rental payment of Baht 33.15 million (already paid Baht 24.70 million).</p> <p>6th - 10th year, total rental payment of Baht 42.31 million</p> <p>11th - 15th year, total rental payment of Baht 54.00 million</p> <p>16th - 20th year, total rental payment of Baht 68.92 million</p> <p>21th - 25th year, total rental payment of Baht 87.97 million</p> <p>26th - 30th year, total rental payment of Baht 112.27 million</p>

* The agreement runs from 1 June 2008 (3 years after the period of construction).

In addition, as at 31 March 2012 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.

b) Land lease agreement

Agreement date	Agreement period	Rental rate
10 March 2006	30 years*	<p>Land leasing fee is to be monthly paid as follows:</p> <p>1st - 5th year, total rental of Baht 20.16 million (already paid Baht 6.38 million)</p> <p>6th - 10th year, total rental of Baht 23.18 million</p> <p>11th - 15th year, total rental of Baht 26.66 million</p> <p>16th - 20th year, total rental of Baht 30.66 million</p> <p>21st - 25th year, total rental of Baht 35.25 million</p> <p>26th - 30th year, total rental of Baht 40.54 million</p>

* The agreement runs from 1 September 2010 to 31 August 2040.

18.1.3 As at 31 March 2012, the Company had outstanding commitment of Baht 90 million in respect of uncalled portion of investments in L&H Property Company Limited.

18.1.4 As at 31 March 2012, L&H Property Company Limited and its subsidiary are committed to pay Asia Asset Advisory Company Limited, which is an associate of the Company totalling Baht 42 million.

18.1.5 As at 31 March 2012, L&H Property Company Limited are committed to pay Quality House Public Company Limited, which is an associate company of the Company, consultant fee totalling Baht 0.7 million.

(Unaudited but reviewed)

18.1.6 As 31 March 2012, L&H Property Company Limited is committed to pay project management fees to the following associate.

Associate	Service fee rates	Term
Quality Houses Public Company Limited	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

18.1.7 As at 31 March 2012, 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 Terminal 21 Shopping Mall, as per the conditions specified in the relevant agreement.

18.1.8 As at 31 March 2012 and 31 December 2011, the Company has commitment related to purchase of land as follows.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2012	2011	2012	2011
Commitment to purchase of land	749	69	479	69

18.1.9 Obligation and commitment to complete projects on hand

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2012	2011	2012	2011
Number of projects on hand at beginning of period/year	53	45	46	39
Number of closed projects during period/year	(1)	(9)	(1)	(8)
Number of new projects during period/year	4	17	4	15
Number of projects on hand at end of period/year	56	53	49	46
Accumulative value of sales already contracted (Million Baht)	70,984	74,250	59,051	61,887
As percentage of total sales of projects on hand	61	63	58	59
Value of sales already contracted during period/year (Million Baht)	4,194	18,433	3,970	16,824
As percentage of total sales of projects on hand	4	16	4	16
Commitments in respect of the installation of central utilities of projects on hand (Million Baht)	1,099	1,122	1,086	1,100

(Unaudited but reviewed)

18.1.10 As at 31 March 2012, the subsidiaries have servitude over land of approximately 86 rai of which the cost is included in the cost of projects.

18.1.11 Operating lease commitments

The Company has entered into lease agreements and service agreements in respect of the lease of office building space with Quality Houses Leasehold Property Fund which is a related company. The terms of the agreements are 3 years.

As at 31 March 2012, the future minimum lease payments and services fee payments required under these non-cancellable contracts were as follows.

Consolidated and Separate financial statements	
Payable:	Million Baht
In up to 1 year	33
In over 1 and up to 5 years	52

18.1.12 On 2 March 2010, the Company entered into an agreement to purchase/sale of products with Quality Construction Products Public Company Limited, an associate, 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.

18.2 Bank guarantees

As at 31 March 2012 and 31 December 2011, there were the following 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.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	31 March	31 December	31 March	31 December
	2012	2011	2012	2011
Letter of guarantee for arrangement and maintenance of public utilities	1,683	1,543	1,583	1,442
Letter of guarantee for electricity usage	55	55	41	41
Other letter of guarantees	40	40	22	22
	<u>1,778</u>	<u>1,638</u>	<u>1,646</u>	<u>1,505</u>

18.3 Guarantees

18.3.1 As at 31 March 2012 and 31 December 2011, the Company and its subsidiaries have the following obligations in respect of guarantees.

(Unit: Million Baht)

Guarantor	Guarantee	31 March 2012	31 December 2011
Land and Houses Plc.	Customers	7	7
L&H Property Co., Ltd.	L&H Sathon Co., Ltd.	-	390

18.3.2 The Company has contingent liabilities to a bank in relation to the financial support in form of issuance of a letter of comfort to provide to a subsidiary company for loan obtained for development of the subsidiary's project. As at 31 March 2012, the subsidiary has outstanding loans related to guarantee portion of the Company as specified in the letter of comfort amounting to Baht 2,031 million.

18.4 Litigation

The Company and its subsidiaries

As at 31 March 2012, 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 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 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 60 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 12 million. The Company has set aside provision of Baht 12 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 31 March 2012, 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.
- b) Land and Houses Property and Loan Fund-II (“the Fund”) has sued been 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 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.

19. Event after reporting period

The Annual General Meeting of the Company’s shareholders, held on 26 April 2012, passed the resolution to declare the dividend for the year 2011 of Baht 0.40 per share. Since the Board of Directors previously approved an interim dividend from income of the year 2011 of Baht 0.17 per share, the remaining dividend payment of Baht 0.23 per share, amounting to Baht 2,306 million, is scheduled for payment on 18 May 2012.

20. Approval of financial statements

These financial statements were authorised for issue by the Company’s Board of Directors on 10 May 2012.