

Land and Houses Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month period ended 31 March 2013

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 Thai 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 2012, 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

The Federation of Accounting Professions issued the following accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

- TAS 12 Income Taxes
- TAS 20 (revised 2009) Accounting for Government Grants and Disclosure of Government Assistance
- TAS 21 (revised 2009) The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

- TFRS 8 Operating Segments

Accounting Standard Interpretations:

- TSIC 10 Government Assistance - No Specific Relation to Operating Activities
- TSIC 21 Income Taxes - Recovery of Revalued Non-Depreciable Assets
- TSIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except for the following accounting standard.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base and recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company and its subsidiaries have changed this accounting policy in this current quarter and restated the prior year's financial statements, presented as comparative information, as though the Company and its subsidiaries had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 3.

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 2012, except for the change in the accounting policies due to the adoption of TAS 12 *Income Taxes* as follow:

Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

2. New accounting standards issued during the period and not yet effective

The Federation of Accounting Professions has issued notifications, which are published in the Royal Gazette during the current period, mandating the use of financial reporting standard, accounting standard interpretation and financial reporting standard interpretations as follows.

		<u>Effective date</u>
Financial Reporting Standard:		
TFRS 4	Insurance Contracts	1 January 2016
Accounting Standard Interpretation:		
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under <i>TAS 29 Financial Reporting in Hyperinflationary Economies</i>	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014

The management of the Company has assessed the effect of the above financial reporting standard, accounting standard interpretation and financial reporting standard interpretations and believes that they are not relevant to the business of the Company, except TFRIC 4 and TFRIC 10, for which the management is still evaluating the first-year impact to the financial statements and has yet to reach a conclusion.

3. Cumulative effect of the change in accounting policies due to the adoption of new accounting standard

During the current period, the Company and its subsidiaries made the change described in Note 1.5 to its significant accounting policies, as a result of the adoption of TAS 12 *Income Taxes*. The cumulative effect of the change in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

(Unaudited but reviewed)

The amounts of adjustments affecting the statements of financial position and the statements of income and comprehensive income are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	As at	As at	As at	As at	As at	As at
	31 March 2013	31 December 2012	1 January 2012	31 March 2013	31 December 2012	1 January 2012
Statements of financial position						
Increase in investment in associates	120,605	97,203	101,096	-	-	-
Increase in deferred tax assets	540,958	554,955	494,177	403,453	400,584	306,619
Increase in deferred tax liabilities	15,358	15,499	16,158	-	-	-
Increase in unappropriated retained earnings	612,793	594,585	542,516	379,424	369,236	297,459
Increase (decrease) in other components of shareholders' equity	2,272	3,921	(14,176)	24,029	31,348	9,160
Increase in non-controlling interests of the subsidiaries	31,140	38,153	50,775	-	-	-
(Unit: Thousand Baht)						
	Consolidated financial statements		Separate financial statements			
	For the three-month period ended	For the three-month period ended	For the three-month period ended	For the three-month period ended		
	31 March 2013	31 March 2012	31 March 2013	31 March 2012		
Income statements						
Increase (decrease) in income tax expenses	6,537	(11,146)	(10,188)	(18,593)		
Increase in share of income from investments in associates	15,359	3,882	-	-		
Increase in profit attributable to non-controlling interests of the subsidiaries	7,014	2,316	-	-		
Increase in profit attributable to equity holders of the Company	1,808	12,712	10,188	18,593		
Increase in basic earnings per share (Baht)	0.0002	0.0013	0.0010	0.0019		
Statements of comprehensive income						
Decrease in gain on change in value of available-for-sale investments	(7,319)	(2,632)	(7,319)	(2,632)		
Increase in share of other comprehensive income of associates	6,264	13,443	-	-		

4. 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 (99.95 percent held by L&H Property Co., Ltd.)
L&H Hotel Management Co., Ltd.	Subsidiary (99.97 percent held by L&H Property Co., Ltd.)
Land and Houses U.S.A., Inc.	Subsidiary
LH Financial Group Plc.	Associate
Land and Houses Bank Plc.	Associate (99.99 percent held by LH Financial Group Plc.)
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.)

(Unaudited but reviewed)

Name of related parties	Relationship
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.
Starmalls, Inc.	Associate (The Company reclassified the type of investment from investment in associate to available-for-sale investment in June 2012.)
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 Freehold and Leasehold Property Fund	Common shareholder
Trinity Securities Company Limited	Common director

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	financial statements	financial statements	
	2013	2012	2013	2012	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	10.8	14.0	MLR - 1.5% and 7.00 - 7.50% p.a.
Management fee income	-	-	4.8	2.9	Approximate cost
Cash paid for use of land	-	-	-	3.7	Approximate cost
Purchase of land	-	-	-	0.5	Approximate cost
Interest expenses	-	-	0.7	1.4	3.00% p.a.
Rental and service expenses	-	-	0.9	-	Market price
<u>Transactions with associates</u>					
Interest income	2.1	11.4	2.0	11.4	Market rate
Dividend income	21.2	225.7	21.2	225.7	Declared rate
Purchase of goods	23.9	35.2	23.2	34.8	Market price
Services expenses	-	0.7	-	-	Contract price
Accounting services expenses	-	0.5	-	-	Contract price

(Unaudited but reviewed)

Project management fee expenses	29.2	28.7	-	-	Contract price
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(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 31 March				Transfer pricing policy
	Consolidated financial statements		Separate financial statements		
	2013	2012	2013	2012	
<u>Transactions with related companies</u>					
Dividend income	22.7	5.4	22.7	5.4	Declared rate
Rental and service expenses	10.0	9.9	10.0	9.9	Baht 500 - 800 per square metre per month
Interest expenses	5.7	8.8	-	-	MLR-1.5% p.a. and 7.00 - 7.50% p.a.
Commission expenses	1.4	-	-	-	Contract price
Project management fee expenses	5.5	5.6	-	-	Contract price
Sales of project	-	628.0	-	-	Market price
<u>Transactions with directors of subsidiary</u>					
Interest expenses	0.6	0.6	-	-	7.00 - 7.50% p.a.

According to the undertaking agreement with Land and Houses Freehold and leasehold Property Fund, the Company and Reco Plaza Pte. Ltd. guarantee income of such fund. They 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 net income. The Company and Reco Plaza Pte Ltd. guarantee at the portion of 52 percent and 48 percent, respectively. However, the guarantee income must not exceed 50 percent of actual net income before income guarantee. During the current period, the Company made payment to guarantee income of the fund amounting to Baht 21.9 million to Land and Houses Freehold and Leasehold Property Fund. As at 31 March 2013, the outstanding provision to guarantee income of the fund is amounting to Baht 50.9 million. The amount are represented as short-term provision amounting to Baht 28.4 million and long-term provision amounting to Baht 22.5 million in the statement of financial position.

As at 31 March 2013 and 31 December 2012, 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	31 December	31 March	31 December
	2013	2012	2013	2012
Deposit at financial institution				
(shown under cash and cash equivalents)				
<u>Associate</u>				
Land and Houses Bank Plc.	1,690.7	919.0	1,471.0	722.4

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2013	2012	2013	2012
Amounts due from and accounts receivables - related parties (Note 6)				
<u>Subsidiaries</u>				
(Eliminated from the consolidated financial statements)				
Land and Houses Northeast Co., Ltd.	-	-	0.1	-
L H Asset Co., Ltd.	-	-	3.6	1.1
Atlantic Real Estate Co., Ltd.	-	-	2.2	0.8
	-	-	5.9	1.9
<u>Associates</u>				
Quality Houses Plc.	0.1	0.2	-	-
Land and Houses Bank Plc.	0.2	0.1	-	-
	0.3	0.3	-	-
<u>Related company</u>				
Land and Houses Freehold and Leasehold Property Fund	0.8	3.5	-	-
Total	1.1	3.8	5.9	1.9
Short-term loans to and accrued interest receivables from related parties				
<u>Subsidiaries</u>				
(Eliminated from the consolidated financial statements)				
Land and Houses Northeast Co., Ltd.	-	-	60.8	50.1
L H Asset Co., Ltd.	-	-	76.0	60.1
L H Muang Mai Co., Ltd.	-	-	69.7	68.8
L&H Property Co., Ltd.	-	-	698.2	745.5
	-	-	904.7	924.5
<u>Associate</u>				
Land and Houses Bank Plc.	0.3	0.1	0.3	0.1
Total	0.3	0.1	905.0	924.6
Deposit to related companies				
<u>Subsidiary</u>				
(Eliminated from the consolidated financial statements)				
L&H Property Co., Ltd.	-	-	0.4	0.4
<u>Related company</u>				
Quality Houses Leasehold Property Fund	8.6	8.6	8.6	8.6
Total	8.6	8.6	9.0	9.0

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2013	2012	2013	2012
Trade accounts payables - related parties (Note 17)				
<u>Associates</u>				
Quality Construction Products Plc.	10.9	9.9	10.9	9.9
Home Product Center Plc.	0.3	0.8	0.2	0.3
Quality Houses Plc.	8.5	16.8	-	-
Total	19.7	27.5	11.1	10.2
<u>Related companies</u>				
Land and Houses Freehold and Leasehold				
Property Fund	2.1	2.4	-	-
Siam Retail Development Co., Ltd.	6.5	7.6	-	-
	8.6	10.0	-	-
Total	28.3	37.5	11.1	10.2
Amounts due to related parties (Note 17)				
<u>Associates</u>				
Asia Asset Advisory Co., Ltd.	15.7	-	-	-
Home Product Center Plc.	2.4	4.5	2.3	4.6
Quality Houses Plc.	7.7	5.7	-	-
	25.8	10.2	2.3	4.6
<u>Related company</u>				
Siam Retail Development Co., Ltd.	5.3	4.3	-	-
Total	31.1	14.5	2.3	4.6
Short-term loans from and accrued interest payables to related parties				
<u>Subsidiaries</u>				
(Eliminated from the consolidated financial statements)				
Pacific Real Estate Co., Ltd.	-	-	-	42.6
Siam Tanee Property Co., Ltd.	-	-	-	9.0
Land and Houses North Co., Ltd.	-	-	-	22.1
	-	-	-	73.7
<u>Related companies/persons</u>				
Muang Mai Property Co., Ltd.	12.6	12.5	-	-
Reco Resorts Pte Ltd.	465.4	496.9	-	-
Directors of subsidiaries	45.8	45.2	-	-
	523.8	554.6	-	-
Total	523.8	554.6	-	73.7

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2013	2012	2013	2012
Provision for guarantee income of fund				
<u>Related company</u>				
Land and Houses Freehold and Leasehold Property Fund	50.9	72.8	50.9	72.8

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

During the three-month period ended 31 March 2013, movements of loans from/loans to the Company, subsidiaries and related companies were as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	1 January 2013	Increase	Decrease	31 March 2013
Short-term loans to and accrued interest receivables from related party				
<u>Associate</u>				
Land and Houses Bank Plc.	0.1	2.1	(1.9)	0.3
Short-term loans from and accrued interest payables to related parties				
<u>Related companies/persons</u>				
Muang Mai Property Co., Ltd.	12.5	0.1	-	12.6
Reco Resorts Pte Ltd.	496.9	5.6	(37.1)	465.4
Directors of subsidiaries	45.2	0.6	-	45.8
Total	554.6	6.3	(37.1)	523.8

(Unit: Million Baht)

	Separate financial statements			
	1 January 2013	Increase	Decrease	31 March 2013
Short-term loans to and accrued interest receivables from related parties				
<u>Subsidiaries</u>				
Land and Houses Northeast Co., Ltd.	50.1	10.7	-	60.8
L H Asset Co., Ltd.	60.1	15.9	-	76.0
L H Muang Mai Co., Ltd.	68.8	0.9	-	69.7
L&H Property Co., Ltd.	745.5	8.4	(55.7)	698.2
	924.5	35.9	(55.7)	904.7
<u>Associate</u>				
Land and Houses Bank Plc.	0.1	2.0	(1.8)	0.3
Total	924.6	37.9	(57.5)	905.0

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements			
	1 January 2013	Increase	Decrease	31 March 2013
Short-term loans from and accrued interest payables to related parties				
<u>Subsidiaries</u>				
Pacific Real Estate Co., Ltd.	42.6	40.2	(82.8)	-
Siam Tanee Property Co., Ltd.	9.0	13.0	(22.0)	-
Land and Houses North Co., Ltd.	22.1	0.1	(22.2)	-
Atlantic Real Estate Co., Ltd.	-	50.2	(50.2)	-
Total	<u>73.7</u>	<u>103.5</u>	<u>(177.2)</u>	<u>-</u>

Directors and management's benefit

During the current period, the Company nominated the additional management of 10 persons resulting in the Company had employee benefit expenses payable to their directors and management for the three-month periods ended 31 March 2013 and 2012 as below.

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	For the three-month periods ended 31 March	
	2013	2012
Short-term employee benefits	36,560	18,694
Post-employment benefits	2,128	798
Total	<u>38,688</u>	<u>19,492</u>

Commitments and contingent liabilities of related parties

The Company and its subsidiaries had commitments related to project management, finding lessees, consulting, operating lease and service agreement with related companies as described in Note 23.

The Company had outstanding guarantee obligations with its related parties, as described in Note 23.3.

(Unaudited but reviewed)

5. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2013	2012	2013	2012
Cash	4,684	5,271	2,059	1,798
Bank deposits	1,833,043	1,028,121	1,483,929	761,615
Due cheques not yet deposited	492,566	278,704	471,797	268,039
Treasury bills	-	149,989	-	149,989
Total	<u>2,330,293</u>	<u>1,462,085</u>	<u>1,957,785</u>	<u>1,181,441</u>

As at 31 March 2013, bank deposits and treasury bills carried interests between 0.625 to 2.70 percent per annum (31 December 2012: 0.625 to 3.00 percent per annum).

6. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2013	2012	2013	2012
<u>Trade receivables - unrelated parties</u>				
Past due				
Less than 3 months	89,938	78,743	-	-
3 - 6 months	853	10,186	-	-
6 - 9 months	1,311	553	-	-
9 - 12 months	54	-	-	-
Over 12 months	894	567	-	-
Total trade receivables - unrelated parties	<u>93,050</u>	<u>90,049</u>	<u>-</u>	<u>-</u>
<u>Other receivables</u>				
Amounts due from and accounts receivable				
- related parties	1,075	3,776	5,853	1,876
Other	26,431	26,421	25,849	25,879
Total other receivables	<u>27,506</u>	<u>30,197</u>	<u>31,702</u>	<u>27,755</u>
Total trade and other receivables	<u>120,556</u>	<u>120,246</u>	<u>31,702</u>	<u>27,755</u>

7. 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: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
Net book value of land and structures thereon mortgaged as collateral	9,583	9,571	8,720	8,762

Movements in the allowance for loss on diminution in value of projects during the three-month period ended 31 March 2013 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2013	113,626	78,952
Less: Reversal due to sale	(2,847)	(2,204)
Balance as at 31 March 2013	<u>110,779</u>	<u>76,748</u>

8. Investments in subsidiaries

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

Company's name	(Unit: Thousand Baht)									
	Separate financial statements									
	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment		Carrying amount based on cost method - net	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 December 2012
			(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
Land and Houses U.S.A., Inc.	(a)	(a)	100.00	100.00	346,466	346,466	-	-	346,466	346,466
					<u>2,734,366</u>	<u>2,734,366</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>2,684,366</u>	<u>2,684,366</u>

(a) As at 31 March 2013 and 31 December 2012, Land and Houses U.S.A., Inc. had paid-up capital amounted to USD 11.3 million.

8.2 L H Muang Mai Company Limited and its subsidiaries

As at 31 March 2013 and 31 December 2012, L H Muang Mai Company Limited pledged the ordinary shares of Phuket Future Plan Company Limited and Double Tree Company Limited which are subsidiaries, as collateral of long-term loans.

9. Investments in associates

9.1 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 March 2013	31 December 2012	1 January 2012	31 March 2013	31 December 2012	1 January 2012	31 March 2013	31 December 2012	1 January 2012
			(Percent)	(Percent)	(Percent)				(Restated)	(Restated)	
LH Financial Group Plc.	Holding company	Thai	34.39	35.07	35.43	4,254,008	4,254,008	4,254,008	5,013,151	4,974,354	4,726,552
Quality Construction Products Plc.	Manufacture of construction materials	Thai	21.16	21.16	21.16	179,178	179,178	179,178	409,025	397,458	320,149
Home Product Center Plc.	Trading of construction materials	Thai	30.21	30.11	30.07	1,465,710	1,337,231	1,175,060	3,807,119	3,470,119	2,801,956
Asia Asset Advisory Co., Ltd.	Investment advisor	Thai	40.00	40.00	40.00	2,000	2,000	2,000	5,912	5,142	2,623
Land and Houses Property Fund	Real estate business	Thai	49.94	49.94	49.94	20,692	20,692	20,692	32,402	32,402	32,402
Land and Houses Property and Loan Fund-II	Real estate business	Thai	49.99	49.99	49.94	785,330	785,330	1,512,269	526,792	542,334	1,260,648
Quality Houses Plc.	Real estate business	Thai	24.86	24.86	24.86	3,252,802	3,252,802	3,252,802	4,923,253	4,780,100	4,187,038
Starmalls, Inc.	Real estate business	Philippines	-	-	25.00	-	-	866,849	-	-	1,148,654
						<u>9,959,720</u>	<u>9,831,241</u>	<u>11,262,858</u>	<u>14,717,654</u>	<u>14,201,909</u>	<u>14,480,022</u>

(Unit: Thousand Baht)

		Separate financial statements						
Company's name	Nature of business	Country of incorporation	Shareholding percentage			Cost		
			31 March 2013	31 December 2012	1 January 2012	31 March 2013	31 December 2012	1 January 2012
			(Percent)	(Percent)	(Percent)			
LH Financial Group Plc.	Holding company	Thai	34.39	35.07	35.43	4,254,008	4,254,008	4,254,008
Quality Construction Products Plc.	Manufacture of construction materials	Thai	21.16	21.16	21.16	179,178	179,178	179,178
Home Product Center Plc.	Trading of construction materials	Thai	30.21	30.11	30.07	1,465,710	1,337,231	1,175,060
Asia Asset Advisory Co., Ltd.	Investment advisor	Thai	40.00	40.00	40.00	2,000	2,000	2,000
Land and Houses Property Fund	Real estate business	Thai	49.94	49.94	49.94	20,692	20,692	20,692
Land and Houses Property and Loan Fund-II	Real estate business	Thai	49.99	49.99	49.99	785,330	785,330	1,512,269
Quality Houses Plc.	Real estate business	Thai	24.86	24.86	24.86	3,252,802	3,252,802	3,252,802
Starmalls, Inc.	Real estate business	Philippines	-	-	25.00	-	-	866,849
						<u>9,959,720</u>	<u>9,831,241</u>	<u>11,262,858</u>

9.2 Significant changes in investments in associates

9.2.1 LH Financial Group Public Company Limited

During the three-month period ended 31 March 2013, the warrant holders of LH Financial Group Public Company Limited exercised their rights to convert warrants to 235 million ordinary shares. As a result, the Company's shareholding percentage in that company has changed from 35.07% to 34.39%.

On 22 April 2013, the Annual General Meeting of the shareholders of LH Financial Group Public Company Limited approved the payment of dividend to its shareholders of Baht 0.0333 per share, is scheduled for payment on 16 May 2013.

9.2.2 Home Product Center Public Company Limited

During the three-month period ended 31 March 2013, the Company additionally purchased the ordinary shares of Home Product Center Public Company Limited totaling 8 million shares or Baht 128 million and the warrant holders of Home Product Center Public Company Limited exercised their rights to convert warrants to 3 million ordinary shares. As a result, the Company's percentage shareholding in that company has changed from 30.11% to 30.21%.

On 5 April 2013, the Annual General Meeting of the shareholders of Home Product Center Public Company Limited approved the payment of dividend to its shareholders. This comprised a stock dividend at rate of 1 dividend share for every 6 existing shares, or equivalent to Baht 0.1667 per share and a cash dividend of Baht 0.0186 per share, is scheduled for payment on 30 April 2013.

9.2.3 Quality Houses Public Company Limited

On 19 April 2013, the Annual General Meeting of the shareholders of Quality Houses Public Company Limited approved the payment of dividend to its shareholders. This comprised a cash dividend of Baht 0.12 per share, is scheduled for payment on 13 May 2013.

9.3 Share of profit (loss) and dividend received

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

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	For the three-month periods ended 31 March					
	Consolidated financial statements				Separate financial statements	
	Share of profit from investments in associates		Share of other comprehensive income of associates		Dividend received	
	2013	2012	2013	2012	2013	2012
		(Restated)	(Restated)			
LH Financial Group Plc.	59,455	53,687	(20,658)	(40,958)	-	-
Quality Construction Products Plc.	11,567	39,376	-	-	-	-
Home Product Center Plc.	208,669	184,817	(147)	(6)	-	-
Asia Asset Advisory Co., Ltd.	770	628	-	-	-	-
Land and Houses Property Fund*	-	-	-	-	-	-
Land and Houses Property and Loan Fund-II	5,629	523,503	-	-	21,171	225,738
Quality Houses Plc.	145,287	73,586	(2,134)	(8,748)	-	-
Starmalls, Inc.	-	10,206	-	1,005	-	-
Total	431,377	885,803	(22,939)	(48,437)	21,171	225,738

* Registered its termination on 11 December 2007

9.4 Fair values of investments in listed associates

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

Company's name	(Unit: Million Baht)	
	Fair values	
	31 March 2013	31 December 2012
LH Financial Group Plc.	6,133	5,713
Quality Construction Products Plc.	1,769	1,244
Home Product Center Plc.	36,180	26,715
Quality Houses Plc.	10,137	4,886
Total	54,219	38,558

9.5 The Company's interim consolidated financial statements for the three-month period ended 31 March 2013 included investments in the following associates accounted for under the equity method, and share of profit from investments in the associates under the equity method, determined based on the financial statements of those companies which have been reviewed as stipulated.

(Unaudited but reviewed)

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	Investments under the equity method as at 31 March 2013	Share of profit from investments under the equity method for the three-month periods ended 31 March	
		2013	2012
(Restated)			
Reviewed by auditor and another auditor of the same firm			
LH Financial Group Plc.	5,013,151	59,455	53,687
Home Product Center Plc.	3,807,119	208,669	184,817
Asia Asset Advisory Co., Ltd.	5,912	770	628
Land and Houses Property Fund ⁽¹⁾	32,402	-	-
Land and Houses Property and Loan Fund-II	526,792	5,629	523,503
Quality Houses Plc.	4,923,253	145,287	73,586
Reviewed by other auditor			
Quality Construction Products Plc.	409,025	11,567	39,376
Unreviewed by auditor			
Starmalls, Inc.	-	-	10,206 ⁽²⁾
Total	14,717,654	431,377	885,803

⁽¹⁾ Registered its termination on 11 December 2007⁽²⁾ Determined based on the audited financial statements for the year ended 31 December 2011**10. Other long-term investments**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
Available-for-sale securities				
Equity securities - Domestic	783,568	783,568	783,568	783,568
Equity securities - Overseas	2,368,704	2,368,704	2,368,704	2,368,704
Less: Changes in fair value of securities	(120,143)	(156,740)	(120,143)	(156,740)
Available-for-sale securities - net	3,032,129	2,995,532	3,032,129	2,995,532
Other investments				
Equity securities - Domestic	250,089	250,089	26,000	26,000
Less: Allowance for impairment	(37,064)	(37,064)	(16,000)	(16,000)

(Unaudited but reviewed)

Other investments - net	<u>213,025</u>	<u>213,025</u>	<u>10,000</u>	<u>10,000</u>
Total	<u>3,245,154</u>	<u>3,208,557</u>	<u>3,042,129</u>	<u>3,005,532</u>

11. Land held for development

As at 31 March 2013 and 31 December 2012, the Company and its subsidiaries have mortgaged land held for development to secure long-term loans with net book value as follows:

	Consolidated financial statements		Separate financial statements	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
Net book value of mortgaged land held for development to secure loans	2,116	2,116	1,171	1,171

12. Investment properties

The net book value as at 31 March 2013 and 31 December 2012 of investment properties, representing apartments of Land and Houses U.S.A., Inc. is presented below.

	(Unit: Thousand Baht) Consolidated financial statements	
	31 March 2013	31 December 2012
Cost	305,544	313,974
Less: Accumulated depreciation	(1,693)	(291)
Net book value	<u>303,851</u>	<u>313,683</u>

A reconciliation of the net book value of investment properties for the three-month period ended 31 March 2013 is presented below.

	(Unit: Thousand Baht) Consolidated financial statements
Net book value as at 1 January 2013	313,683
Acquisitions during period - at cost	5,132
Depreciation for period	(1,430)
Translation adjustment	(13,534)
Net book value as at 31 March 2013	<u>303,851</u>

(Unaudited but reviewed)

13. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2013 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	<u> </u>	<u> </u>
Net book value as at 1 January 2013	650,991	431,864
Acquisitions during period - at cost	38,697	27,623
Disposals during period - net book value at disposal date	(10)	-
Depreciation for period	(49,291)	(37,429)
Translation adjustment	(17)	-
Net book value as at 31 March 2013	<u>640,370</u>	<u>422,058</u>

14. Leasehold rights

		(Unit: Thousand Baht)	
		Consolidated	
	Remaining period of leasehold rights (years)	financial statements	
Project		31 March 2013	31 December 2012
		<u> </u>	<u> </u>
Grande Centre Point Hotel & Residence	24.9	1,836,970	1,856,398
Terminal 21 Shopping Mall and Grande Centre Point Hotel and Residence Sukhumvit - Terminal 21	27.9	4,527,122	4,563,155
Vacant Land	13.9	508	517
		<u>6,364,600</u>	<u>6,420,070</u>

Subsidiary has pledged their land leasehold rights with construction thereon with a total net book value as at 31 March 2013 of Baht 1,837 million (31 December 2012: Baht 1,856 million) as collateral for bank overdrafts and long-term loans.

15. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month periods ended 31 March 2013 and 2012 are made up as follows:

(Unaudited but reviewed)

(Unaudited but reviewed)

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Current income tax:				
Interim corporate income tax charge	250,922	175,660	232,138	158,592
Deferred tax:				
Relating to origination and reversal of temporary differences	6,537	(11,146)	(10,188)	(18,593)
Income tax expense reported in the statements of income	<u>257,459</u>	<u>164,514</u>	<u>221,950</u>	<u>139,999</u>

The amounts of income tax relating to each component of other comprehensive income for the three-month periods ended 31 March 2013 and 2012 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Deferred tax relating to gain on changes in value of available-for-sale investments	(7,319)	(2,632)	(7,319)	(2,632)
Deferred tax relating to share of other comprehensive income of associates	6,264	13,443	-	-

16. 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
	2013	2012	2013	2012	2013	2012
Bank overdrafts and short-term loans from financial institutions						
Bank overdrafts	MOR	MOR	21,699	15,061	-	-
Promissory notes	MOR - 1.5	3.2 and MOR -1.5	40,000	310,000	-	300,000
Total bank overdrafts and short-term loans from financial institutions			<u>61,699</u>	<u>325,061</u>	<u>-</u>	<u>300,000</u>

(Unaudited but reviewed)

(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
	2013	2012	2013	2012	2013	2012
<u>Short-term loans</u>						
Bills of exchange	2.85 - 2.99	2.9 - 2.99	1,400,000	900,000	1,400,000	900,000
Less: Prepaid interest			(4,379)	(6,018)	(4,379)	(6,018)
Total short-term loans			<u>1,395,621</u>	<u>893,982</u>	<u>1,395,621</u>	<u>893,982</u>

As at 31 March 2013 and 31 December 2012, bank overdrafts and short-term loans from financial institutions are secured by the pledge of land leasehold rights and mortgage of land and structures thereon of projects of the subsidiaries.

17. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2013	2012	2013	2012
Trade payables - unrelated parties	1,596,730	1,318,789	1,366,637	1,111,370
Trade payables - related parties	28,294	37,455	11,104	10,195
Other payables - related parties	31,098	14,481	2,264	4,578
Accrued expenses	563,256	753,302	433,546	617,979
Others	21,849	21,825	19,912	19,812
Total trade and other payables	<u>2,241,227</u>	<u>2,145,852</u>	<u>1,833,463</u>	<u>1,763,934</u>

18. Long-term loans

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2013	2012	2013	2012
Long-term loans	10,643,769	10,707,662	6,552,345	6,552,345
Less: Current portion	(1,601,082)	(1,545,010)	(1,000,000)	(1,000,000)
Net	<u>9,042,687</u>	<u>9,162,652</u>	<u>5,552,345</u>	<u>5,552,345</u>

Movements in the long-term loans during the three-month period ended 31 March 2013 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2013	10,707,662	6,552,345
Add: Additional borrowing	1,046,100	1,000,000
Less: Repayment	(1,109,993)	(1,000,000)
Balance as at 31 March 2013	<u>10,643,769</u>	<u>6,552,345</u>

During the three-month period ended 31 March 2013, the Company entered into a loan agreement with a commercial bank of Baht 1,000 million which carry interest at a fixed rate of 3.63 per annum. The loan is payable within 2 years. As at 31 March 2013, the Company fully drawdown the loan facilities.

As at 31 March 2013 and 31 December 2012, the Company and its subsidiaries have pledged part of land and structures thereon of projects, land held for development, land leasehold rights and shares of subsidiaries as collateral for long-term loans.

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 2013 and 31 December 2012, there were available long-term loan facilities from financial institutions as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2013	2012	2013	2012
Undrawdown loan facilities	2,072	2,633	1,254	1,254

19. 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 currencies
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

As at 31 March 2013, the Company has unissued debentures under the above mentioned approval totalling Baht 3,500 million. (31 December 2012: Baht 5,000 million).

The outstanding balance of debentures as at 31 March 2013 and 31 December 2012 are detailed below.

No.	Interest rate per annum	Age	Repayment	Maturity	Consolidated and Separate financial statements			
					Number of debenture (Shares)		Amount (Thousand Baht)	
					31 March	31 December	31 March	31 December
					2013	2012	2013	2012
Unsubordinated and unsecured debentures								
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
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	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	3,100,000	3,100,000
No. 2/2012 (1)	Fixed rate 4.10%	3 years	At maturity	30 September 2015	2,500,000	2,500,000	2,500,000	2,500,000
No. 1/2013	Fixed rate 3.59%	3 years	At maturity	31 March 2016	3,500,000	-	3,500,000	-
Total					16,500,000	15,000,000	16,500,000	15,000,000

(Unaudited but reviewed)

Less: Current portion of debentures	(4,500,000)	(4,000,000)
Net	<u>12,000,000</u>	<u>11,000,000</u>

Movements in the debentures during the three-month period ended 31 March 2013 are summarised below.

(Unit: Thousand Baht)

	Consolidated and Separate financial statements
Balance as at 1 January 2013	15,000,000
Add: Issue of new debenture	3,500,000
Less: Redemption	(2,000,000)
Balance as at 31 March 2013	<u>16,500,000</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.

20. Revaluation deficit in investments

During the three-month periods ended 31 March 2013 and 2012, movements of revaluation deficit in investments are as follows:

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	2013	2012
Balance as at beginning of period	(125,392)	(36,641)
Changes during the period due to		(Restated)
- Revaluation	36,597	13,162
- Income taxes	(7,319)	2,632
Balance as at end of period	<u>(96,114)</u>	<u>(26,111)</u>

21. 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.

22. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make about the allocation of resources to the segment and assess its performance.

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have two reportable segments as follows:

- Real estate business segment which consists of houses, townhouses and residence condominium projects for sale.
- Rental and service business segment which consists of shopping mall, hotel and apartment for rent.

The chief operating decision maker monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements. However, the Company and its subsidiaries financing activities (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. Inter-segment revenues are eliminated on consolidation.

(Unaudited but reviewed)

Revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month periods ended 31 March 2013 and 2012 are as follows.

(Unit: Million Baht)

For the three-month period ended	Real estate business	Rental and service business	Total segments	Eliminations	Consolidated financial statements
31 March 2013					
Revenue					
External customers	5,380	502	5,882	-	5,882
Inter-segment	-	1	1	(1)	-
Total revenue	5,380	503	5,883	(1)	5,882
Results					
Segment profit	1,215	144	1,359	-	1,359
Other income					39
Share of profit from investments in associates					431
Finance cost					(125)
Non controlling interests of subsidiaries					(25)
Profit before income tax expenses					1,679
Income tax expenses					(257)
Profit for the period					1,422

(Unit: Million Baht)

For the three-month period ended	Real estate business	Rental and service business	Consolidated financial statements
31 March 2012			
Revenue			
External customers	4,258	435	4,693
Total revenue	4,258	435	4,693
Results			
Segment profit	765	86	851
Other income			51
Share of profit from investments in associates			886
Finance cost			(122)
Non controlling interests of subsidiaries			(26)
Profit before income tax expenses			1,640
Income tax expenses			(165)

(Unaudited but reviewed)

Profit for the period

1,475

23. Commitments and contingent liabilities

23.1 Commitments

23.1.1 As at 31 March 2013 and 31 December 2012, the Company and its subsidiaries have commitments under construction contracts as follows:

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	31	31	31	31
	March	December	March	December
	2013	2012	2013	2012
Commitments under construction contracts	3,804	2,904	3,633	2,772

23.1.2 As at 31 March 2013 and 31 December 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	From 1 June 2008, the following rental is to be paid in monthly installments 1st - 5th year, total rental payment of Baht 33.15 million (As at 31 March 2013: already paid Baht 31.94 million in total (31 December 2012: Baht 30.12 million)) 6th - 10th year, total rental payment of Baht 42.31 million 11th - 15th year, total rental payment of Baht 54.00 million 16th - 20th year, total rental payment of Baht 68.92 million 21th - 25th year, total rental payment of Baht 87.97 million 26th - 30th year, total rental payment of Baht 112.27 million

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

In addition, as at 31 March 2013 and 31 December 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*	Land leasing fee is to be monthly paid as follows: 1st - 5th year, total rental of Baht 20.16 million (As at 31 March 2013: already paid Baht 10.41 million in total (31 December 2012: Baht 9.41 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.

23.1.3 As at 31 March 2013, the Company had outstanding commitment of Baht 90 million in respect of uncalled portion of investment in L&H Property Company Limited (31 December 2012: Baht 90 million).

As at 31 March 2013, the Company had outstanding commitments of USD 8.7 million in respect of the uncalled portion of investment in Land and Houses U.S.A., Inc. (31 December 2012: USD 8.7 million).

23.1.4 As at 31 March 2013, L&H Property Company Limited is committed to pay the management fee to Asia Asset Advisory Company Limited, which is an associate of the Company, totalling Baht 50.1 million. (31 December 2012: Baht 66.8 million).

23.1.5 As 31 March 2013 and 31 December 2012, L&H Property Company Limited is committed to pay project management fees to the following associate.

Associate	Project	Service fee rates	Term
Quality Houses Public Company Limited	Grande Centre Point	2% of total revenue plus	From 1 October
	Hotel and Residence	additional 4.0% of operating income (31 December 2012: 2% of total revenue plus additional 5.5% of operating income and Baht 100,000 per month of software service)	2010 to 30 September 2013
	Grande Centre Point	2% of total revenue plus	From 1 November
	Hotel and Residence	additional 4.0% of operating income (31 December 2012: 2% of total revenue plus	2011 to 31 December 2014
	Sukhumvit Terminal 21	additional 5.5% of	

(Unaudited but reviewed)

operating income)

23.1.6 As at 31 March 2013 and 31 December 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.

23.1.7 As at 31 March 2013 and 31 December 2012, the Company has commitment related to purchase of land as follows.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31	31	31	31
	March	December	March	December
	2013	2012	2013	2012
Commitment to purchase of land	1,368	2,490	1,368	2,490

23.1.8 Obligation and commitment to complete projects on hand

	Consolidated		Separate	
	financial statements		financial statements	
	31	31	31	31
	March	December	March	December
	2013	2012	2013	2012
Number of projects on hand at beginning of period/year	54	53	46	46
Number of closed projects during period/year	(2)	(13)	-	(12)
Number of new projects during period/year	3	14	1	12
Number of projects on hand at end of period/year	55	54	47	46
Accumulative value of sales already contracted (Million Baht)	74,120	88,773	64,883	75,955
As percentage of total sales of projects on hand	60	66	58	63
Value of sales already contracted during period/year (Million Baht)	5,300	22,225	4,987	20,874
As percentage of total sales of projects on hand	4	16	5	17
Commitments in respect of the installation of central utilities of projects on hand (Million Baht)	1,629	1,393	1,530	1,309

23.1.9 As at 31 March 2013, the subsidiaries have servitude over land of approximately 82 rai (31 December 2012: 85 rai), which the cost is included in the cost of projects.

23.1.10 Operating lease commitments

The Company has entered into lease agreements and service agreements in respect of the lease of office building space with L&H Property Company Limited and Quality Houses Leasehold Property Fund which are a subsidiary and a related company, respectively. The terms of the agreements are 3 years.

As at 31 March 2013 and 31 December 2012, the future minimum lease payments and services fee payments required under these non-cancellable contracts were as follows.

	(Unit: Million Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	31 March	31 December	31 March	31 December
	2013	2012	2013	2012
Payable:				
In up to 1 year	30	31	32	33
In over 1 and up to 3 years	22	29	24	32

23.1.11 As at 31 March 2013, Land and Houses U.S.A., Inc. has a commitment regarding renovation project, which the fee rate is 20% of the total renovation cost.

23.2 Bank guarantees

As at 31 March 2013 and 31 December 2012, 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	
	31	31	31	31
	March	December	March	December
	2013	2012	2013	2012
Letter of guarantee for arrangement and maintenance of public utilities	1,782	2,014	1,616	1,871
Letter of guarantee for electricity usage	52	51	42	41
Other letter of guarantees	30	30	22	22

(Unaudited but reviewed)

1,864 2,095 1,680 1,934

23.3 Guarantees

23.3.1 As at 31 March 2013 and 31 December 2012, the Company have the following obligations in respect of guarantee.

(Unit: Million Baht)

Guarantor	Guarantee	31 March 2013	31 December 2012
Land and Houses Plc.	Customers	7	7

23.3.2 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 and guarantee facilities obtained for development of the subsidiary's project. As at 31 March 2013, the subsidiary has outstanding loans related to guarantee portion of the Company as specified in the letter of comfort amounting to Baht 1,975 million (31 December 2012: Baht 2,021 million).

23.4 Cross Currency and Interest Rate Swap agreement

The details of the Cross Currency and Interest Rate Swap agreements outstanding as at 31 March 2013 and 31 December 2012 are as follows:

As at 31 March 2013 and 31 December 2012				
Currency and Interest Revenue Rate Swap agreements		Currency and Interest Expense Rate Swap agreements		Termination date
Principal amount	Interest rate	Principal amount	Interest rate	
Baht 346 million	Floating rate MLR - 2.25%	USD 11 million	Floating rate LIBOR 6 month plus 3.25%	8 December 2017

23.5 Litigations

The Company and its subsidiaries

The following significant lawsuits have 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 additional sued 2 lawsuits which are under the claims amounting to Baht 310 million and Baht 102 million, in accordance with the Land Allocation Act and Customer Protect Act. The Company has set aside a provision of Baht 25 million

(31 December 2012: Baht 25 million) for liabilities arising as a result of these cases.

Subsequently, on 10 August 2012, the Court of First Instance issued a verdict on a civil case with the amount in dispute of Baht 102 million between the Company, and two housing estate juristic persons together with co-defendant. The Court ordered the Company to pay for damages of Baht 104 million plus interest at a rate of 7.5% per annum, commencing from 8 December 2008 until the full amount is paid. The Company has set aside a provision including interest of Baht 138 million (31 December 2012: Baht 136 million) for liabilities arising as a result of these cases, based on the opinion of the Company's management and its legal. However, as at 31 March 2013 the Company had already filed an appeal against the judgment to clarify the case.

- b) As at 31 March 2013, the Company and its subsidiaries have been sued for a total of approximately Baht 521 million (31 December 2012: Baht 524 million). To date, the Court of First Instance and the Appeal Court have ordered the Company and its subsidiaries to pay compensation plus interest totaling Baht 50 million (31 December 2012: Baht 50 million). The Company has set aside a provision of Baht 50 million (31 December 2012: Baht 50 million) for liabilities arising as a result of these cases, based on the opinion of their legal department.

Associates

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. The Court of First Instance and the Appeal Court dismissed the lawsuit. And in 2008, the plaintiff filed the petition to the Supreme Court. At current, 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.

24. Event after the reporting period

The Annual General Meeting of the Company's shareholders, held on 23 April 2013, passed the resolution to declare the dividend for the year 2012 of Baht 0.45 per share. Since the Board of Directors previously approved an interim dividend from income of

(Unaudited but reviewed)

the year 2012 of Baht 0.30 per share, the remaining dividend payment of Baht 0.15 per share, amounting to Baht 1,504 million, is scheduled for payment on 22 May 2013.

25. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 13 May 2013.