

Land and Houses Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month period ended 31 March 2015

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 37th Floor, Q. House Lumpini Building, South Sathorn Road, 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 2014) "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 2014, with there being no changes in the structure of shareholding in subsidiaries during the period.

1.4 New financial reporting standards

During the period, the Company and its subsidiaries have adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognize actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company and its subsidiaries already recognise actuarial gains and losses immediately in other comprehensive income.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 *Consolidated and Separate Financial Statements* dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Company's and its subsidiaries' financial statements.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 *Interests in Joint Ventures*. This standard requires an entity investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements (if any), and at cost in the separate financial statements.

This standard does not have any impact on the Company's and its subsidiaries' financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

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 2014.

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% 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% held by L H Muang Mai Co., Ltd.)
Double Tree Co., Ltd.	Subsidiary (99.99% held by L H Muang Mai Co., Ltd.)
L&H Property Co., Ltd.	Subsidiary
L&H Sathon Co., Ltd.	Subsidiary (99.99% held by L&H Property Co., Ltd.)
L&H Retail Management Co., Ltd.	Subsidiary (99.95% held by L&H Property Co., Ltd.)
L&H Hotel Management Co., Ltd.	Subsidiary (99.97% held by L&H Property Co., Ltd.)
L&H Management Co., Ltd.	Subsidiary (99.93% held by L&H Property Co., Ltd.)
Land and Houses U.S.A., Inc.	Subsidiary
Asia Asset Advisory Co., Ltd.	Subsidiary
LH Financial Group Plc.	Associate
Land and Houses Bank Plc.	Associate (99.99% held by LH Financial Group Plc.)
Land and Houses Fund Management Co., Ltd.	Associate (99.99% held by the subsidiary of LH Financial Group Plc.)
Quality Construction Products Plc.	Associate
Home Product Center Plc.	Associate
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% held by Quality Houses Plc.)
Quality Houses Leasehold Property Fund	Associate of Quality Houses Plc.
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
LH Shopping Centers Leasehold Real Estate Investment Trust	Common shareholder
Trinity Securities Company Limited	Common director

(Unaudited but reviewed)

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	
	2015	2014	2015	2014	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	43.3	42.2	4.00% - 5.50% p.a. (2014: MLR - 1.5% and 4.00% - 5.50% p.a.)
Management fee income	-	-	3.0	2.9	Approximate cost
Cash paid for use of land	-	-	-	26.3	Approximate cost
Interest expenses	-	-	3.4	1.2	3.00% p.a.
Rental and service expenses	-	-	0.4	0.1	Market price
<u>Transactions with associates</u>					
Interest income	9.0	1.2	7.7	1.1	Market rate
Purchase of goods	23.7	31.4	23.0	29.5	Market price
Commission fee expenses	-	0.1	-	-	Market rate
Project management expenses	6.1	17.3	-	-	Contract price
Rental expenses	31.0	-	-	-	Contract price
<u>Transactions with related companies</u>					
Dividend income	23.8	22.7	23.8	22.7	Declared rate
Rental and service expenses	11.2	10.7	11.2	10.7	Baht 750 - 800 per square metre per month (2014: Baht 500 - 800 per square metre per month)
Interest expenses	0.1	4.5	-	-	5.50% p.a. (2014: MLR - 1.5% and 5.50% p.a.)
Commission expenses	3.0	1.2	-	-	Contract price
Project management expenses	6.9	5.3	-	-	Contract price
Property management fee	24.9	-	-	-	Contract price
<u>Transactions with directors of subsidiary</u>					
Interest expenses	0.5	0.5	-	-	5.50% 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 and the actual net income for the year 2012 and Baht 243.16 million and the actual net income for the year 2013 - 2015. The Company and Reco Plaza Pte Ltd. guarantee at the portions of 52% and 48%, respectively. However, the guarantee income must not exceed 50% of actual net income before income guarantee. As at 31 March 2015, the outstanding provision to guarantee income of the fund is represented as a short-term provisions at Baht 27.1 million (31 December 2014: Baht 42.5 million).

(Unaudited but reviewed)

As at 31 March 2015 and 31 December 2014, 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 2015	31 December 2014	31 March 2015	31 December 2014
Deposit at financial institution				
(shown under cash and cash equivalents)				
<u>Associate</u>				
Land and Houses Bank Plc.	1,416.7	3,152.2	755.2	2,851.4
Current investments (Note 4)				
<u>Associate</u>				
Land and Houses Fund Management Co., Ltd.	500.9	301.4	500.9	301.4
Amounts due from and accounts receivables - related parties (Note 5)				
<u>Subsidiaries</u>				
(Eliminated from the consolidated financial statements)				
L H Asset Co., Ltd.	-	-	0.2	0.3
Land and Houses Northeast Co., Ltd.	-	-	0.5	0.2
	-	-	0.7	0.5
<u>Associates</u>				
Land and Houses Fund Management Co., Ltd.	-	0.1	-	-
Land and Houses Property and Loan Fund-II	0.1	7.5	-	-
	0.1	7.6	-	-
<u>Related companies</u>				
Land and Houses Freehold and Leasehold				
Property Fund	-	1.8	-	-
LH Shopping Centers Leasehold				
Real Estate Investment Trust	10.2	7.3	-	-
	10.2	9.1	-	-
Total	10.3	16.7	0.7	0.5
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.	-	-	100.5	131.6
L H Asset Co., Ltd.	-	-	20.0	-
L H Muang Mai Co., Ltd.	-	-	105.1	104.0
Land and Houses U.S.A., Inc.	-	-	1,936.6	32.8
	-	-	2,162.2	268.4
<u>Associate</u>				
Land and Houses Bank Plc.	0.3	6.9	-	6.9
Total	0.3	6.9	2,162.2	275.3
Long-term loans to and accrued interest receivables from related party				
<u>Subsidiary</u>				
(Eliminated from the consolidated financial statements)				
Land and Houses U.S.A., Inc.	-	-	3,611.1	3,154.1
Deposit to related companies				
(shown under other non-current assets)				
<u>Related company</u>				
Quality Houses Leasehold Property Fund	11.1	9.3	10.1	9.3
Total	11.1	9.3	10.1	9.3

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Trade accounts payable - related parties (Note 16)				
<u>Associates</u>				
Quality Construction Products Plc.	8.2	8.2	8.2	7.8
Home Product Center Plc.	0.4	0.5	0.2	0.4
Quality Houses Plc.	0.1	0.1	-	-
Q.H. International Co., Ltd.	5.4	8.7	-	-
	<u>14.1</u>	<u>17.5</u>	<u>8.4</u>	<u>8.2</u>
<u>Related companies</u>				
Land and Houses Freehold and Leasehold Property Fund	0.5	-	-	-
Siam Retail Development Co., Ltd.	7.0	7.2	-	-
	<u>7.5</u>	<u>7.2</u>	<u>-</u>	<u>-</u>
Total	<u>21.6</u>	<u>24.7</u>	<u>8.4</u>	<u>8.2</u>
Amounts due to related parties (Note 16)				
<u>Associates</u>				
Q.H. International Co., Ltd.	4.5	4.4	-	-
Quality Construction Products Plc.	0.1	0.1	-	-
Home Product Center Plc.	0.1	0.6	-	0.1
Land and Houses Bank Plc.	-	12.7	-	-
Land and Houses Property and Loan Fund-II	30.3	1.1	-	-
	<u>35.0</u>	<u>18.9</u>	<u>-</u>	<u>0.1</u>
<u>Related companies</u>				
LH Shopping Centers Leasehold Real Estate Investment Trust	2.6	28.2	-	-
Siam Retail Development Co., Ltd.	17.7	9.0	-	-
Quality Houses Leasehold Property Fund	0.1	-	0.2	-
	<u>20.4</u>	<u>37.2</u>	<u>0.2</u>	<u>-</u>
Total	<u>55.4</u>	<u>56.1</u>	<u>0.2</u>	<u>0.1</u>
Short-term loans from and accrued interest payables to related parties				
<u>Subsidiaries</u>				
(Eliminated from consolidated financial statements)				
Pacific Real Estate Co., Ltd.	-	-	-	300.3
Siam Tanee Property Co., Ltd.	-	-	-	201.1
Atlantic Real Estate Co., Ltd.	-	-	-	86.6
	<u>-</u>	<u>-</u>	<u>-</u>	<u>588.0</u>
<u>Related companies/persons</u>				
Muang Mai Property Co., Ltd.	13.7	13.6	-	-
Directors of subsidiaries	55.9	55.4	-	-
	<u>69.6</u>	<u>69.0</u>	<u>-</u>	<u>-</u>
Total	<u>69.6</u>	<u>69.0</u>	<u>-</u>	<u>588.0</u>
Provision for guarantee income of fund				
(Shown under short-term provisions)				
<u>Related company</u>				
Land and Houses Freehold and Leasehold Property Fund	27.1	42.5	27.1	42.5

(Unaudited but reviewed)

Short-term loans from/to related parties are in the form of promissory notes without collateral which are due within 1 year or at call.

Long-term loans to related party is unsecured loan which is due in December 2017 and February 2020. Interest charged at the rate of 4% per annum.

During the three-month period ended 31 March 2015, movements of loans from/loans to the Company, subsidiaries and related companies were as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	1 January 2015	Increase	Decrease	31 March 2015
Short-term loans to and accrued interest receivables from related party				
<u>Associate</u>				
Land and Houses Bank Plc.	6.9	7.4	(14.3)	-
Short-term loans from and accrued interest payables to related parties				
<u>Related companies/persons</u>				
Muang Mai Property Co., Ltd.	13.6	0.1	-	13.7
Directors of subsidiaries	55.4	0.5	-	55.9
Total	69.0	0.6	-	69.6

(Unit: Million Baht)

	Separate financial statements			
	1 January 2015	Increase	Decrease	31 March 2015
Short-term loans to and accrued interest receivables from related parties				
<u>Subsidiaries</u>				
Land and Houses Northeast Co., Ltd.	131.6	1.5	(32.6)	100.5
L H Asset Co., Ltd.	-	20.0	-	20.0
L H Muang Mai Co., Ltd.	104.0	21.1	(20.0)	105.1
Land and Houses U.S.A., Inc.	32.8	1,903.8	-	1,936.6
	268.4	1,946.4	(52.6)	2,162.2
<u>Associate</u>				
Land and Houses Bank Plc.	6.9	7.4	(14.3)	-
Total	275.3	1,953.8	(66.9)	2,162.2
Long-term loan to and accrued interest receivables from related party				
<u>Subsidiary</u>				
Land and Houses U.S.A., Inc.	3,154.1	457.0	-	3,611.1
Short-term loans from and accrued interest payables to related parties				
<u>Subsidiaries</u>				
Pacific Real Estate Co., Ltd.	300.3	1.5	(301.8)	-
Siam Tanee Property Co., Ltd.	201.1	1.4	(202.5)	-
Atlantic Real Estate Co., Ltd.	86.6	0.6	(87.2)	-
Total	588.0	3.5	(591.5)	-

(Unaudited but reviewed)

Directors and management's benefit

During the three-month period ended 31 March 2015 and 2014, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2015	2014
Short-term employee benefits	31,978	22,838
Post-employment benefits	1,147	1,084
Total	<u>33,125</u>	<u>23,922</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 25.

The Company had outstanding guarantee obligations with its related parties, as described in Note 25.3.

3. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Cash	4,232	4,849	1,915	1,905
Bank deposits	1,303,196	2,481,180	556,986	1,345,127
Due cheques not yet deposited	403,035	296,207	385,794	281,228
Bill of exchange	612,730	3,654,208	350,000	3,400,000
Total	<u>2,323,193</u>	<u>6,436,444</u>	<u>1,294,695</u>	<u>5,028,260</u>

As at 31 March 2015, bank deposits and bill of exchange carried interests between 0.375 and 1.25 percent per annum (31 December 2014: 0.375 and 2.50 percent per annum).

(Unaudited but reviewed)

4. Current investments

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	31 March 2015	31 December 2014
Investments in LH Money Market Fund, Cost	499,345	300,000
Add: Unrealised gain on changes in value of investments	1,520	1,415
Trading securities - fair value	500,865	301,415

5. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
<u>Trade accounts receivable - unrelated parties</u>				
Past due				
Less than 3 months	99,155	115,802	-	-
3 - 6 months	4,814	3,712	-	-
6 - 9 months	2,529	3,043	-	-
9 - 12 months	3,143	2,241	-	-
Over 12 months	294	224	-	-
Total trade accounts receivable - unrelated parties, net	109,935	125,022	-	-
<u>Other receivables</u>				
Amounts due from and accounts receivable - related parties	10,303	16,735	730	534
Other	26,912	30,371	24,174	26,843
Total other receivables	37,215	47,106	24,904	27,377
Total trade and other receivables	147,150	172,128	24,904	27,377

6. 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 2015	31 December 2014	31 March 2015	31 December 2014
Net book value of land and structures thereon mortgaged as collateral	10,199	9,834	9,327	8,924

Movements in the allowance for loss on diminution in value of projects during the three-month period ended 31 March 2015 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2015	159,902	60,926
Add: Additional set up	650	-
Less: Reversal due to sale	(111)	(111)
Balance as at 31 March 2015	<u>160,441</u>	<u>60,815</u>

7. Investments in subsidiaries

7.1 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 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014
			(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.	620,000	620,000	99.99	99.99	620,000	620,000	-	-	620,000	620,000
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
LH 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	616,427	616,427	-	-	616,427	616,427
Asia Asset Advisory Co., Ltd.	5,000	5,000	99.99	99.99	5,000	5,000	-	-	5,000	5,000
					<u>3,623,517</u>	<u>3,623,517</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>3,573,517</u>	<u>3,573,517</u>

(a) As at 31 March 2015 and 31 December 2014, Land and Houses U.S.A., Inc. had paid-up capital amounted to USD 20.0 million.

7.2 Significant changes in investments in subsidiaries

L&H Property Co., Ltd. and its subsidiaries

On 7 February 2014, the Board of Directors' meeting of L&H Sathon Co., Ltd., the subsidiary of L&H Property Co., Ltd., passed a resolution approving the dissolution of the Company. The subsidiary filed for deregistration on 18 March 2014. Currently, the subsidiary has been completely the liquidation process.

L H Muang Mai Co., Ltd. and its subsidiaries

As at 31 March 2015 and 31 December 2014, L H Muang Mai Co., Ltd. pledged the ordinary shares of its subsidiaries, Phuket Future Plan Co., Ltd. and Double Tree Co., Ltd., as collateral of long-term loans.

8. Investments in associates

8.1 Details of investments in associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014
LH Financial Group Plc.	Holding company	Thai	33.98 (Percent)	33.98 (Percent)	4,538,712	4,538,712	5,672,796	5,543,973
Quality Construction Products Plc.	Manufacture of construction materials	Thai	21.16	21.16	179,178	179,178	427,590	425,860
Home Product Center Plc.	Trading of construction materials	Thai	30.23	30.23	1,489,020	1,489,020	5,570,375	5,365,640
Land and Houses Property Fund*	Real estate business	Thai	-	49.94	-	20,692	-	32,402
Land and Houses Property and Loan Fund-II	Real estate business	Thai	49.99	49.99	785,330	785,330	490,965	482,209
Quality Houses Plc.	Real estate business	Thai	24.98	24.98	3,282,682	3,282,682	5,786,481	5,646,905
					<u>10,274,922</u>	<u>10,295,614</u>	<u>17,948,207</u>	<u>17,496,989</u>

* Registered its termination on 11 December 2007 and completed the liquidation process on 20 January 2015.

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements			
			Shareholding percentage		Cost	
			31 March 2015	31 December 2014	31 March 2015	31 December 2014
LH Financial Group Plc.	Holding company	Thai	33.98 (Percent)	33.98 (Percent)	4,538,712	4,538,712
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	30.23	30.23	1,489,020	1,489,020
Land and Houses Property Fund *	Real estate business	Thai	-	49.94	-	20,692
Land and Houses Property and Loan Fund-II	Real estate business	Thai	49.99	49.99	785,330	785,330
Quality Houses Plc.	Real estate business	Thai	24.98	24.98	3,282,682	3,282,682
					<u>10,274,922</u>	<u>10,295,614</u>

* Registered its termination on 11 December 2007 and completed the liquidation process on 20 January 2015.

8.2 Significant changes in investments in associates

Land and Houses Property Fund

On 20 January 2015, the Liquidator of Land and Houses Property Fund already completed the liquidation process.

8.3 Share of profit (loss) and dividend received

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

(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	
	2015	2014	2015	2014	2015	2014
LH Financial Group Plc.	111,533	76,930	17,290	19,829	-	-
Quality Construction Products Plc.	1,730	14,470	-	-	-	-
Home Product Center Plc.	221,805	219,400	(17,070)	28	-	-
Asia Asset Advisory Co., Ltd ⁽²⁾	-	803	-	-	-	-
Land and Houses Property Fund ⁽¹⁾	-	-	-	-	-	-
Land and Houses Property and Loan Fund-II	8,756	953	-	-	-	-
Quality Houses Plc.	139,684	157,809	(108)	3,108	-	-
Total	483,508	470,365	112	22,965	-	-

⁽¹⁾ Registered its termination on 11 December 2007 and completed the liquidation process on 20 January 2015.

⁽²⁾ The Company reclassified the type of investment from investment in associates to investment in subsidiaries in November 2014.

8.4 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 as at 31 March 2015 and 31 December 2014 are as follows:

(Unit: Million Baht)

Company's name	Fair values	
	31 March	31 December
	2015	2014
LH Financial Group Plc.	8,074	8,791
Quality Construction Products Plc.	694	732
Home Product Center Plc.	30,378	30,565
Quality Houses Plc.	8,670	8,395
Total	47,816	48,483

(Unaudited but reviewed)

- 8.5** The Company's interim consolidated financial statements for the three-month period ended 31 March 2015 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.

(Unit: Thousand Baht)

	Consolidated financial statements		
	Investments under the equity method as at 31 March	Share of profit from investments under the equity method for the year ended 31 March	
		2015	2015
Reviewed by auditor and other auditors of the same firm			
LH Financial Group Plc.	5,672,796	111,533	76,930
Home Product Center Plc.	5,570,375	221,805	219,400
Asia Asset Advisory Co., Ltd. ⁽²⁾	-	-	803
Land and Houses Property Fund ⁽¹⁾	-	-	-
Land and Houses Property and Loan Fund-II	490,965	8,756	953
Quality Houses Plc.	5,786,481	139,684	157,809
Reviewed by other auditors			
Quality Construction Products Plc.	427,590	1,730	14,470
Total	17,948,207	483,508	470,365

⁽¹⁾ Registered its termination on 11 December 2007 and completed the liquidation process on 20 January 2015.

⁽²⁾ The Company reclassified the type of investment from investment in associates to investment in subsidiaries in November 2014.

9. Other long-term investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Available-for-sale securities				
Equity securities - Overseas	2,368,704	2,368,704	2,368,704	2,368,704
Investment units - Domestic	1,231,613	1,231,613	1,231,613	1,231,613
Less: Changes in fair value of securities	1,769,909	1,676,283	1,769,909	1,676,283
Available-for-sale securities - net	5,370,226	5,276,600	5,370,226	5,276,600
Other investments				
Equity securities - Domestic	204,239	204,239	26,000	26,000
Investment units - Domestic	174	198	-	-
Less: Allowance for impairment	(100,500)	(100,500)	(16,000)	(16,000)
Other investments - net	103,913	103,937	10,000	10,000
Total	5,474,139	5,380,537	5,380,226	5,286,600

10. Land held for development

As at 31 March 2015 and 31 December 2014, 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 financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Net book value of mortgaged land held for development to secure loans	3,496	3,496	2,551	2,551

11. Investment properties

Movements of the investment properties account during the three-month period ended 31 March 2015 are presented below.

	(Unit: Thousand Baht) Consolidated financial statements
Net book value as at 1 January 2015	3,726,501
Acquisitions during period - at cost	2,411,740
Depreciation for period	(24,393)
Translation adjustment	(46,117)
Net book value as at 31 March 2015	<u>6,067,731</u>

12. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2015 are presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2015	751,240	620,866
Acquisitions during period - at cost	80,923	73,226
Disposals during period - net book value	(6,360)	(6,353)
Depreciation for period	(45,443)	(32,873)
Translation adjustment	(5)	-
Net book value as at 31 March 2015	<u>780,355</u>	<u>654,866</u>

13. Leasehold rights

(Unit: Thousand Baht)

Consolidated financial statements					
Project	Remaining periods of leasehold rights (years)	1 January			31 March
		2015	Increase	Amortisation	2015
Grande Centre Point Hotel Ratchadamri	23	1,678,597	2,804	(22,484)	1,658,917
Grande Centre Point Hotel Terminal 21	25	1,677,268	-	(16,550)	1,660,718
Grande Centre Point Thonglo	32	311,024	53,829	(1,944)	362,909
Land	12	443	-	(10)	433
Total		3,667,332	56,633	(40,988)	3,682,977

Leasehold rights of Grande Centre Point Hotel Ratchadamri project included the value of premises thereon because L&H Property Co., Ltd., the Company's subsidiary, has to transfer such premises located on the leasehold to the lessor when the construction of such premises completed, in accordance with the conditions stipulated in the agreement.

The subsidiary have pledged their land leasehold rights of Grande Centre Point Hotel Ratchadamri project with construction thereon with a total net book value as at 31 March 2015 of Baht 1,659 million (31 December 2014: Baht 1,679 million) as collateral for bank overdrafts and long-term loans.

14. 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 2015 and 2014 are made up as follows:

	Consolidated		(Unit: Thousand Baht) Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Current income tax:				
Interim corporate income tax charge	214,480	259,123	198,084	236,938
Deferred tax:				
Relating to origination and reversal of temporary differences	30,602	(7,473)	3,862	(16,764)
Income tax expense reported in the statements of income	245,082	251,650	201,946	220,174

(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month periods ended 31 March 2015 and 2014 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Deferred tax relating to gain (loss) on changes in value of available-for-sale investments	(18,725)	14,015	(18,725)	14,015

15. Bank overdrafts and short-term loans

(Unit: Thousand Baht)

	Interest rate		Consolidated		Separate	
	(percent per annum)		financial statements		financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014
<u>Bank overdrafts and short-term loans from financial institutions</u>						
Bank overdrafts	MOR	MOR	10,778	19,161	-	-
Promissory notes	MOR - 1.5	MOR - 1.5	130,000	100,000	-	-
Total bank overdrafts and short-term loans from financial institutions			140,778	119,161	-	-

As at 31 March 2015 and 31 December 2014, 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.

16. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Trade payables - unrelated parties	2,019,954	1,783,101	1,905,131	1,613,131
Trade payables - related parties	21,629	24,713	8,438	8,256
Other payables - related parties	55,439	56,155	193	62
Accrued expenses	753,569	1,190,408	521,781	891,653
Others	72,338	34,458	21,856	21,126
Total trade and other payables	2,922,929	3,088,835	2,457,399	2,534,228

(Unaudited but reviewed)

17. Long-term loans

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Long-term loans	8,118,706	9,882,929	6,966,986	7,966,986
Less: Current portion	(424,274)	(2,176,646)	(500)	(1,000,500)
Net	<u>7,694,432</u>	<u>7,706,283</u>	<u>6,966,486</u>	<u>6,966,486</u>

Movements in the long-term loans during the three-month period ended 31 March 2015 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2015	9,882,929	7,966,986
Add: Additional borrowing	32,800	-
Less: Repayment	(1,797,023)	(1,000,000)
Balance as at 31 March 2015	<u>8,118,706</u>	<u>6,966,986</u>

As at 31 March 2015 and 31 December 2014, 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 the Company's 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.

(Unaudited but reviewed)

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 2015 and 31 December 2014, 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
	2015	2014	2015	2014
Undrawdown loan facilities	2,169	2,201	1,795	1,795

18. 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 24 April 2014
Amount	Revolving amount of Baht 40,000 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 debenture holder representation
Method of issuance	To be issued in Thailand and/or offshore

As at 31 March 2015, the Company has unissued debentures under the above mentioned approval totalling Baht 4,000 million. (31 December 2014: Baht 2,000 million).

(Unaudited but reviewed)

The outstanding balance of debentures as at 31 March 2015 and 31 December 2014 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	2015	2014	2015	2014
<u>Unsubordinated and unsecured debentures</u>								
No. 1/2009	Fixed rate 4.50%	5.5 years	At maturity	19 June 2015	2,000,000	2,000,000	2,000,000	2,000,000
No. 1/2012 (2)	Fixed rate 3.99%	3 years	At maturity	30 March 2015	-	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	3,500,000	3,500,000
No. 2/2013	Fixed rate 4.03%	3 years	At maturity	30 September 2016	3,500,000	3,500,000	3,500,000	3,500,000
No. 1/2014	Fixed rate 3.63%	3 years	At maturity	27 February 2017	500,000	500,000	500,000	500,000
No. 2/2014	Fixed rate 3.59%	3 years	At maturity	4 April 2017	3,500,000	3,500,000	3,500,000	3,500,000
No. 3/2014	Fixed rate 3.25%	2 years	At maturity	9 May 2016	1,500,000	1,500,000	1,500,000	1,500,000
No. 4/2014	Fixed rate 3.30%	3.5 years	At maturity	17 March 2018	1,000,000	1,000,000	1,000,000	1,000,000
No. 5/2014	Fixed rate 3.50%	3 years	At maturity	6 October 2017	4,000,000	4,000,000	4,000,000	4,000,000
No. 1/2015	Fixed rate 3.02%	3.5 years	At maturity	25 September 2018	1,000,000	-	1,000,000	-
Total					<u>23,000,000</u>	<u>25,100,000</u>	<u>23,000,000</u>	<u>25,100,000</u>
Less: Current portion of debentures							<u>(8,000,000)</u>	<u>(7,600,000)</u>
Net							<u>15,000,000</u>	<u>17,500,000</u>

Movements in the debentures during the three-month period ended 31 March 2015 are summarised below.

	(Unit: Thousand Baht)
Balance as at 1 January 2015	25,100,000
Add: Issue of new debenture	1,000,000
Less: Redemption	<u>(3,100,000)</u>
Balance as at 31 March 2015	<u>23,000,000</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.

19. Share capital

During the three-month period ended 31 March 2015, the increase in share capital of the Company resulting from exercising of warrants are summarised below.

Date of exercised	Type of warrant	Number of exercised warrants (Unit)	Ordinary shares issued for exercised warrants (Shares)	Exercise price (Baht per share)	Date of registration of share capital with the Ministry of Commerce	Date of the Stock Exchange of Thailand approved ordinary shares as listed securities
30 December 2014	LH-W3	10,644,015	10,644,015	3.50	9 January 2015	14 January 2015
Total		10,644,015	10,644,015			

Reconciliation of number of shares

	(Unit: Shares)	
	Consolidated and separate financial statements	
	For the three-month periods ended 31 March	
	<u>2015</u>	<u>2014</u>
<u>Registered share capital</u>		
Balance beginning of period	12,031,105,828	10,354,268,670
Decreased in registered share capital	-	-
Increased in registered share capital	-	-
Balance ending of period	<u>12,031,105,828</u>	<u>10,354,268,670</u>
<u>Issued and paid-up share capital</u>		
Balance beginning of period	10,985,568,017	10,025,921,523
Increased due to exercise of warrants	10,644,015	-
Balance ending of period	<u>10,996,212,032</u>	<u>10,025,921,523</u>

The registered ordinary shares which are not issued and paid-up are the ordinary shares reserved for exercise of warrants.

20. Warrants

On 6 May 2014, the Company issued of 1,998,184,856 registered warrants free of charge to existing shareholders (LH-W3) in a ratio of 5 existing shares per 1 unit of warrant. These warrants have an exercise price of Baht 3.50 per share, an exercise ratio of 1 warrant to 1 new ordinary share, and can be exercised on the last working day of every March, June, September and December, beginning on 30 June 2014 and with a final exercise date of 4 May 2017. The Stock Exchange of Thailand accepted the warrants as listed securities, to be traded as from 30 May 2014.

Details of the warrants of the Company (LH-W3) are as follows:

Type of warrant	Exercise price (Baht per share)	Exercise ratio per 1 warrant	Number of warrants	
			Number of warrants outstanding as at issuance dated 1 January 2015 (Units)	Number of warrants exercised during the period (Units)
LH-W3	3.50	5 existing shares per 1 unit of warrant	1,027,894,347	(698,783,500)
				Number of warrants outstanding as at 31 March 2015 (Units)
				329,110,847

21. Cash receipts from share subscription

During the three-month period ended 31 March 2015, the Company received cash from exercise of warrants to purchase its ordinary shares as follows.

Date of exercise	Type of warrant	Number of exercised warrants (Unit)	Ordinary shares issued for exercised warrants (Shares)	Exercise price (Baht per share)	Date of registration of share capital with the Ministry of Commerce	Date of the Stock Exchange of Thailand approved ordinary shares as listed securities
31 March 2015	LH-W3	698,783,500	698,783,500	3.50	3 April 2015	8 April 2015

As at 31 March 2015, the Company record cash received from exercised of warrants Baht 2,446 million. The amount is represented as cash receipts from share subscription in the statement of financial position.

22. Revaluation surplus (deficit) in investments

During the three-month periods ended 31 March 2015 and 2014, movements of revaluation surplus (deficit) in investments are as follows:

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	2015	2014
Balance as at beginning of period	1,341,026	(325,272)
Changes during the period due to		
- Revaluation	93,626	(70,074)
- Income taxes	(18,725)	14,015
Balance as at end of period	<u>1,415,927</u>	<u>(381,331)</u>

23. 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.

Diluted 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, plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued.

	Consolidated financial statements					
	For the three-month periods ended 31 March					
	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	2015	2014	2015	2014	2015	2014
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	1,345,330	<u>1,420,917</u>	11,003,976*	<u>10,025,922</u>	<u>0.12</u>	<u>0.14</u>
Effect of dilutive potential ordinary shares						
Warrants (LH-W3)	-		<u>647,820</u>			
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>1,345,330</u>		<u>11,651,796</u>		<u>0.12</u>	

* Included ordinary shares from cash receipts from share subscription.

(Unaudited but reviewed)

Separate financial statements					
For the three-month periods ended 31 March					
Profit for the period		Weighted average number of ordinary shares		Earnings per share	
2015	2014	2015	2014	2015	2014
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share					
Profit attributable to equity holders of the Company					
825,144	893,018	11,003,976*	10,025,922	0.07	0.09
Effect of dilutive potential ordinary shares					
Warrants (LH-W3)		647,820			
Diluted earnings per share					
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares					
825,144		11,651,796		0.07	

* Included ordinary shares from cash receipts from share subscription.

24. Segment information

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services. During the period, the Company and its subsidiaries have no change on operating segment information.

Revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month periods ended 31 March 2015 and 2014 are as follows.

(Unit: Million Baht)					
For the three-month period ended 31 March 2015					
	Real estate business	Rental and service business	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	5,214	482	5,696	-	5,696
Inter-segment revenue	-	50	50	(50)	-
Interest income	58	3	61	(47)	14
Infrastructure service income	77	-	77	-	77
Interest expenses	(52)	(49)	(101)	47	(54)
Depreciation and amortisation	(37)	(75)	(112)	-	(112)
Gain (loss) on disposal of property, plant and equipment	10	-	10	-	10
Loss on diminution in value of project	(1)	-	(1)	-	(1)
Segment profit	1,018	48	1,066	(2)	1,064
Unallocated revenue and expenses:					
Other income					49
Share of profit from investments in associates					483
Income tax expenses					(245)
Non-controlling interests of the subsidiaries					(6)
Profit for the period					1,345

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month period ended 31 March 2014					
	Real estate business	Rental and service business	Total reportable segments	Adjustments and eliminations	Consolidated Financial Statements
Revenue from external customers	5,556	488	6,044	-	6,044
Inter-segment revenue	-	-	-	-	-
Interest income	44	1	45	(43)	2
Infrastructure service income	64	-	64	-	64
Interest expenses	(134)	(84)	(218)	43	(175)
Depreciation and amortisation	(56)	(86)	(142)	-	(142)
Gain (loss) on disposal of property, Plant and equipment	-	-	-	-	-
Loss on diminution in value of project	(26)	-	(26)	-	(26)
Segment profit	1,158	18	1,176	2	1,178
Unallocated revenue and expenses:					
Other income					41
Share of profit from investments in associates					470
Income tax expenses					(252)
Non-controlling interests of the subsidiaries					(16)
Profit for the period					1,421

25. Commitments and contingent liabilities

25.1 Commitments

25.1.1 As at 31 March 2015 and 31 December 2014, the Company and its subsidiaries have commitments under construction contracts as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
	Commitments under construction contracts	8,458	8,498	7,317

25.1.2 As at 31 March 2015 and 31 December 2014, the subsidiaries have 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 (Full amount has been paid) 6th - 10th year, total rental payment of Baht 42.31 million (31 March 2015: already paid Baht 14.36 million in total) (31 December 2014: already paid Baht 12.35 million in total) 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 2015 and 31 December 2014, L&H Property Co., Ltd., the Company subsidiary 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 (31 March 2015: already paid Baht 18.48 million in total) (31 December 2014: already paid Baht 17.47 million in total) 6th - 10th year, total rental of Baht 23.18 million 11th - 15th year, total rental of Baht 26.66 million 16th - 20th year, total rental of Baht 30.66 million 21st - 25th year, total rental of Baht 35.25 million 26th - 30th year, total rental of Baht 40.54 million

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

As at 31 March 2015, rental under the land lease agreement amounting to Baht 34.05 million (at present value) (31 December 2014: Baht 34.67 million) are recognised as expenses in the financial statement as part of relevant expenses of the sales of assets to REIT.

c) Land lease agreements

Agreement date	Agreement period	Maturity date	Rental rate
3 October 2013	30 years*	31 March 2047	From 1 April 2017, the following rental is to be paid in annually installments 1st - 7th year, total rental payment of Baht 35 million 8th - 17th year, total rental payment of Baht 100 million 18th - 27th year, total rental payment of Baht 150 million 28th - 30th year, total rental payment of Baht 75 million

* The agreement runs from 1 April 2017 (3 years after the period of construction).

In addition, as at 31 March 2015 and 31 December 2014, Pacific Real Estate Co., Ltd., the Company's subsidiary is committed to pay commission at Baht 5 million per year in the second and third year of construction period. Currently, the subsidiary paid full amount of land leasing fee.

25.1.3 As at 31 March 2015, the Company had outstanding commitment of Baht 90 million in respect of uncalled portion of investments in L&H Property Co., Ltd., the Company's subsidiary (31 December 2014: Baht 90 million).

25.1.4 As at 31 March 2015 and 31 December 2014, the Company has commitment related to purchase of land as follows.

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	31 March 2015	31 December 2014
Commitment to purchase of land	1,009	988

25.1.5 Obligation and commitment to complete projects on hand

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Number of projects on hand at beginning of the period/year	64	55	54	46
Number of closed projects during the period/year	(2)	(14)	(2)	(11)
Number of new projects during the period/year	2	23	2	19
Number of projects on hand at end of the period/year	64	64	54	54
Accumulative value of sales already contracted (Million Baht)	60,722	79,755	55,175	73,140
As percentage of total sales of projects on hand	54	59	54	59
Value of sales already contracted during year (Million Baht)	5,196	25,823	4,949	24,038
As percentage of total sales of projects on hand	5	19	5	20
Commitments in respect of the installation of central utilities of projects on hand (Million Baht)	1,538	1,282	1,416	1,147

25.1.6 As at 31 March 2015, the subsidiaries have servitude over land of approximately 89 rai of which the cost is included in the cost of projects (31 December 2014: 89 rai).

25.1.7 Operating lease commitments

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

As at 31 March 2015 and 31 December 2014, the future minimum lease payments and services fee payments required under these non-cancellable contracts were as follows.

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Payable:				
In up to 1 year	47	40	40	40
In over 1 and up to 3 years	74	71	61	71

25.2 Bank guarantees

As at 31 March 2015 and 31 December 2014, 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
	2015	2014	2015	2014
Letter of guarantee for arrangement and maintenance of public utilities	2,245	2,419	2,046	2,220
Letter of guarantee for electricity usage	59	59	41	42
	<u>2,304</u>	<u>2,478</u>	<u>2,087</u>	<u>2,262</u>

25.3 Guarantees

25.3.1 As at 31 March 2015 and 31 December 2014, the Company has the following obligations in respect of guarantee.

(Unit: Million Baht)

Guarantor	Guarantee	31 March	31 December
		2015	2014
Land and Houses Plc.	Customers	<u>7</u>	<u>7</u>

25.3.2 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 2015, the subsidiary has outstanding loans related to guarantee portion of the Company as specified in the letter of comfort amounting to Baht 283 million (31 December 2014: Baht 715 million).

25.4 Litigations

The Company and its subsidiaries

The following significant lawsuits have been filed against the Company and its subsidiaries.

- 1) In 2006, two housing estate juristic persons filed a lawsuit against the Company and Atlantic Real Estate Co., Ltd., the Company's 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. On 24 July 2014, the Court of First Instance dismissed the lawsuit. At present, the case is under the process of the Appeal Court. As at 31 March 2015, the Company has set aside a provision of Baht 25 million for liabilities arising as a result of this case (31 December 2014: Baht 25 million).

In addition, in February 2009, the Company and its subsidiary were additional sued two 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. 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. At present, the case is under the process of the Appeal Court. As at 31 March 2015, the Company has set aside a provision including interest of Baht 154 million for liabilities arising as a result of these cases, based on the opinion of its legal department and its legal advisor (31 December 2014: Baht 152 million).

Subsequently, on 5 November 2014, the Appeal Court rendered a conflict judgement with the Court of First Instance, by instructing the Company to pay a plaintiff for damages of Baht 5 million plus interest at a rate of 7.5% per annum, commencing from 10 December 2008 until the full amount is paid. At present, the case is under the process of the Supreme Court.

- 2) As at 31 March 2015, the Company has been sued for a total of approximately Baht 530 million (31 December 2014: Baht 529 million). To date, the Court of First Instance and the Appeal Court have ordered the Company to pay compensation plus interest totaling Baht 55 million (31 December 2014: Baht 54 million). However, the Company has set aside a provision of Baht 139 million for liabilities arising as a result of these cases, based on the opinion of their legal department (31 December 2013: Baht 138 million).

25.5 Cross Currency and Interest Rate Swap agreement

The details of the Cross Currency and Interest Rate Swap agreements outstanding as at 31 March 2015 and 31 December 2014 are as follows:

As at 31 March 2015 and 31 December 2014				
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 346.0 million	Floating rate MLR - 2.25%	USD 11.3 million	Floating rate LIBOR 6 month plus 3.25%	8 December 2017
Baht 3,075.0 million	Floating rate MLR - 2.25%	USD 95.8 million	Floating rate LIBOR 6 month plus 3.19%	8 December 2017
Baht 15.5 million	Floating rate MLR - 2.25%	USD 0.5 million	Floating rate LIBOR 6 month plus 3.19%	8 December 2017
Baht 254.4 million	Floating rate MLR - 2.25%	USD 8.2 million	Floating rate LIBOR 6 month plus 3.19%	8 December 2017

As at 31 March 2015, the Company would have unrealised losses of approximately Baht 140.0 million, if it recorded the above contracts at fair value (31 December 2014: Baht 271.6 million).

26 Fair value of financial instruments

The Company and its subsidiaries use the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company and its subsidiaries endeavor to use relevant observable inputs as much as possible. TFRS 13 *Fair Value Measurement* establishes a fair value hierarchy categorising such inputs into three levels as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

(Unaudited but reviewed)

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

As of 31 March 2015, the Company and its subsidiaries had the following assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Current investments				
Investment units - Domestic	-	500,865	-	500,865
Other long-term investments - Available-for-sale securities				
Equity securities - Overseas	4,244,265	-	-	4,244,265
Investment units - Domestic	1,125,961	-	-	1,125,961
Financial liabilities measured at fair value				
	-	-	-	-

Valuation techniques and inputs to Level 2 valuation

The fair value of investments in investment units has been determined by using the net asset values of the last working day of the reporting period as announced by the asset management company.

During the current period, there were no transfers within the fair value hierarchy.

27. Events after the reporting period

27.1 On 2 April 2015, the Company issued unsubordinated and unsecured debentures No. 2/2015 as follows:

No.	Interest rate per annum	Age	Repayment	Maturity	Number of debenture (Shares)	Amount (Thousand Baht)
No. 2/2015 (1)	Fixed rate 2.81%	3 years	At maturity	2 April 2018	7,000,000	7,000,000
No. 2/2015 (2)	Fixed rate 3.31%	5 years	At maturity	2 April 2020	1,000,000	1,000,000

27.2 On 3 April 2015, the Company registered the increase in its issued and paid-up share capital as a result of the warrant holders exercising their rights to convert warrants to ordinary shares in March 2015, as described in Note 21, which increased the Company's paid-up share capital from Baht 10,996 million to Baht 11,695 million. The Stock Exchange of Thailand approved the additional ordinary shares as listed securities on 8 April 2015.

27.3 On 23 April 2015, the Annual General Meeting of the Company's shareholders passed the resolution to approve the payment of a dividend for the year 2014 of Baht 0.65 per share. However, since the Board of Directors previously approved an interim dividend from profit of the year 2014 amounting to Baht 0.25 per share, the Board will propose the remaining dividend payment of Baht 0.40 per share, amounting to Baht 4,678 million. The payment of such dividend shall be made within 22 May 2015.

28. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 12 May 2015.