

Land and Houses Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 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 Sathon 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

(a) Financial reporting standard that became effective in the current period

The Company and its subsidiaries have adopted the revised (revised 2014) 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 former standard allowed 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 financial reporting standard therefore has no any significant 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.

(b) Financial reporting standard issued during the period and not yet effective

During the period, the Federation of Accounting Professions issued a number of the revised financial reporting standards (revised 2015) which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised financial reporting standards will not have any significant impact on the financial statements when it is initially applied.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 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 (99.99% 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

(Unaudited but reviewed)

Name of related parties	Relationship
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

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 30 September				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	-	-	57.1	42.4	4.00% - 5.50% p.a. (2014: MLR-1.5 and 4.00% - 5.50% p.a.)
Management fee income	-	-	2.0	5.7	Approximate cost
Interest expenses	-	-	0.2	0.8	2.00% - 3.00% p.a.
Rental and service expenses	-	-	-	0.2	Market price
Sales of other long-term investment	-	-	465.6	-	Market price
<u>Transactions with associates</u>					
Interest income	2.6	7.6	0.6	6.7	Market rate
Dividend income	531.4	164.8	531.4	164.8	Declared rate
Purchase of goods	29.6	22.7	28.0	19.7	Market price
Project management fee expenses	4.8	21.7	-	-	Contract price
Rental expense	33.7	-	-	-	Contract price
Purchase of investment properties	23.0	-	-	-	Close to appraisal value

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2015	2014	2015	2014	
<u>Transactions with related companies</u>					
Property management fee income	26.9	-	-	-	Contract price
Human-resources management income	5.1	-	-	-	Contract price
Dividend income	39.2	22.5	39.2	22.5	Declared rate
Rental and service expenses	13.9	11.5	11.8	11.5	Baht 250 - 880 per square metre per month (2014: Baht 750 - 800 per square metre per month)
Interest expenses	0.2	4.2	-	-	5.50% p.a. (2014: MLR-1.5 and 5.50% p.a.)
Commission expenses	4.7	3.4	-	-	Contract price
Project management fee expenses	7.4	6.3	-	-	Contract price
Provision for guarantee income of fund	7.8	-	7.8	-	Contract price
<u>Transactions with directors of subsidiary</u>					
Interest expenses	0.5	0.5	-	-	5.50% p.a.

(Unit: Million Baht)

	For the nine-month periods ended 30 September				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	-	-	159.4	128.4	4.00% - 5.50% p.a. (2014: MLR-1.5 and 4.00% - 5.50% p.a.)
Management fee income	-	-	8.1	12.5	Approximate cost
Dividend income	-	-	160.0	78.5	Declared rate
Sale of land	-	-	1.9	-	Approximate cost
Cash paid for use of land	-	-	3.7	26.3	Approximate cost
Interest expenses	-	-	3.6	3.2	2.00% - 3.00% p.a.
Rental and services expenses	-	-	0.4	0.3	Market price
Sales of other long-term investment	-	-	465.6	-	Market price
<u>Transactions with associates</u>					
Interest income	21.8	13.4	18.0	12.4	Market rate
Dividend income	875.6	583.0	875.6	583.0	Declared rate
Purchase of goods	70.7	73.1	67.6	66.2	Market price
Commission expenses	-	0.1	-	-	Market price
Project management fee expenses	27.2	57.4	-	-	Contract price
Rental expense	87.5	-	-	-	Contract price
Purchase of investment properties	23.0	-	-	-	Close to appraisal value

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Transfer pricing policy
	Consolidated financial statements		Separate financial statements		
	2015	2014	2015	2014	
<u>Transactions with related companies</u>					
Property management fee income	77.5	-	-	-	Contract price
Human-resources management income	15.7	-	-	-	Contract price
Dividend income	68.5	50.8	68.5	50.8	Declared rate
Rental and services expenses	40.6	33.3	35.3	33.3	Baht 250 - 880 per square metre per month (2014: Baht 750 - 800 per square metre per month)
Interest expenses	0.4	13.0	-	-	5.50% p.a. (2014: MLR-1.5 and 5.50% p.a.)
Commission expenses	11.5	9.9	-	-	Contract price
Project management fee expenses	21.3	17.5	-	-	Contract price
Provision for guarantee income of fund	7.8	-	7.8	-	Contract price
<u>Transactions with directors of subsidiary</u>					
Interest expenses	1.5	1.5	-	-	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 30 September 2015, the outstanding provision to guarantee income of the fund is represented as short-term provisions at Baht 18.2 million (31 December 2014: Baht 42.5 million).

As at 30 September 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	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Deposit at financial institution				
(shown under cash and cash equivalents)				
<u>Associate</u>				
Land and Houses Bank Plc.	566.2	3,152.2	261.9	2,851.4

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Current investments (Note 4)				
<u>Associate</u>				
Land and Houses Fund Management Co., Ltd.	-	301.4	-	301.4
Amounts due from and accounts receivables - related parties (Note 5)				
<u>Subsidiaries</u>				
(Eliminated from the consolidated financial statements)				
Pacific Real Estate Co., Ltd.	-	-	465.6	-
L H Asset Co., Ltd.	-	-	0.1	0.3
Land and Houses Northeast Co., Ltd.	-	-	0.2	0.2
	-	-	465.9	0.5
<u>Associates</u>				
Land and Houses Fund Management Co., Ltd.	-	0.1	-	-
Land and Houses Property and Loan Fund-II	-	7.5	-	-
	-	7.6	-	-
<u>Related companies</u>				
Land and Houses Freehold and Leasehold Property Fund	0.1	1.8	-	-
LH Shopping Centers Leasehold Real Estate Investment Trust	7.7	7.3	-	-
	7.8	9.1	-	-
Total	7.8	16.7	465.9	0.5
Short-term loans to and accrued interest receivables from related parties				
<u>Subsidiaries</u>				
(Eliminated from the consolidated financial statements)				
Pacific Real Estate Co., Ltd.	-	-	70.4	-
Land and Houses Northeast Co., Ltd.	-	-	58.2	131.6
L H Asset Co., Ltd.	-	-	65.1	-
L H Muang Mai Co., Ltd.	-	-	107.1	104.0
Land and Houses U.S.A., Inc.	-	-	-	32.8
	-	-	300.8	268.4
<u>Associate</u>				
Land and Houses Bank Plc.	0.5	6.9	-	6.9
Total	0.5	6.9	300.8	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.	-	-	4,314.0	3,154.1
Deposit to related companies (shown under other non-current assets)				
<u>Related company</u>				
Quality Houses Leasehold Property Fund	12.0	9.3	10.1	9.3

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Trade accounts payable - related parties (Note 16)				
<u>Associates</u>				
Quality Construction Products Plc.	8.2	8.2	8.1	7.8
Home Product Center Plc.	0.6	0.5	0.3	0.4
Quality Houses Plc.	-	0.1	-	-
Q.H. International Co., Ltd.	-	8.7	-	-
Land and Houses Property and Loan Fund-II	5.7	-	-	-
	<u>14.5</u>	<u>17.5</u>	<u>8.4</u>	<u>8.2</u>
<u>Related companies</u>				
Siam Retail Development Co., Ltd.	1.8	7.2	-	-
	<u>1.8</u>	<u>7.2</u>	<u>-</u>	<u>-</u>
Total	<u>16.3</u>	<u>24.7</u>	<u>8.4</u>	<u>8.2</u>
Amounts due to related parties (Note 16)				
<u>Subsidiary</u>				
(Eliminated from consolidated financial statements)				
L&H Property Co., Ltd.	-	-	0.1	-
	<u>-</u>	<u>-</u>	<u>0.1</u>	<u>-</u>
<u>Associates</u>				
Q.H. International Co., Ltd.	0.9	4.4	-	-
Quality Construction Products Plc.	-	0.1	-	-
Home Product Center Plc.	0.3	0.6	0.2	0.1
Land and Houses Fund Management Co., Ltd.	-	12.7	-	-
Land and Houses Property and Loan Fund-II	20.4	1.1	-	-
	<u>21.6</u>	<u>18.9</u>	<u>0.2</u>	<u>0.1</u>
<u>Related companies</u>				
LH Shopping Centers Leasehold				
Real Estate Investment Trust	0.6	28.2	-	-
Siam Retail Development Co., Ltd.	7.4	9.0	-	-
Quality Houses Leasehold Property Fund	0.5	-	0.5	-
	<u>8.5</u>	<u>37.2</u>	<u>0.5</u>	<u>-</u>
Total	<u>30.1</u>	<u>56.1</u>	<u>0.8</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
L H Real Estate Co., Ltd.	-	-	15.0	-
Siam Tanee Property Co., Ltd.	-	-	107.2	201.1
Land and Houses North Co., Ltd.	-	-	14.5	-
Atlantic Real Estate Co., Ltd.	-	-	10.0	86.6
	<u>-</u>	<u>-</u>	<u>146.7</u>	<u>588.0</u>
<u>Related companies/persons</u>				
Muang Mai Property Co., Ltd.	14.0	13.6	-	-
Directors of subsidiaries	56.9	55.4	-	-
	<u>70.9</u>	<u>69.0</u>	<u>-</u>	<u>-</u>
Total	<u>70.9</u>	<u>69.0</u>	<u>146.7</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	18.2	42.5	18.2	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, February 2020 and August 2020. Interest charged at the rate of 4% per annum.

During the nine-month period ended 30 September 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	30 September 2015
Short-term loans to and accrued interest receivables from related party				
<u>Associate</u>				
Land and Houses Bank Plc.	6.9	19.1	(25.5)	0.5
Short-term loans from and accrued interest payables to related parties				
<u>Related companies/persons</u>				
Muang Mai Property Co., Ltd.	13.6	0.4	-	14.0
Directors of subsidiaries	55.4	1.5	-	56.9
Total	69.0	1.9	-	70.9

(Unit: Million Baht)

	Separate financial statements			
	1 January 2015	Increase	Decrease	30 September 2015
Short-term loans to and accrued interest receivables from related parties				
<u>Subsidiaries</u>				
Pacific Real Estate Co., Ltd.	-	70.4	-	70.4
Land and Houses Northeast Co., Ltd.	131.6	3.6	(77.0)	58.2
L H Asset Co., Ltd.	-	151.3	(86.2)	65.1
L H Muang Mai Co., Ltd.	104.0	43.4	(40.3)	107.1
Land and Houses U.S.A., Inc.	32.8	3,125.5	(3,158.3)	-
	268.4	3,394.2	(3,361.8)	300.8
<u>Associate</u>				
Land and Houses Bank Plc.	6.9	15.3	(22.2)	-
Total	275.3	3,409.5	(3,384.0)	300.8
Long-term loan to and accrued interest receivables from related party				
<u>Subsidiary</u>				
Land and Houses U.S.A., Inc.	3,154.1	1,226.3	(66.4)	4,314.0
Short-term loans from and accrued interest payables to related parties				
<u>Subsidiaries</u>				
L H Real Estate Co., Ltd.	-	15.0	-	15.0
Pacific Real Estate Co., Ltd.	300.3	1.4	(301.7)	-
Siam Tanee Property Co., Ltd.	201.1	108.6	(202.5)	107.2
Land and Houses North Co., Ltd.	-	14.5	-	14.5
Atlantic Real Estate Co., Ltd.	86.6	20.6	(97.2)	10.0
Total	588.0	160.1	(601.4)	146.7

Directors and management's benefit

During the three-month and nine-month periods ended 30 September 2015 and 2014, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2015	2014	2015	2014
Short-term employee benefits	37,635	23,732	109,254	72,332
Post-employment benefits	1,460	1,085	4,382	3,254
Total	39,095	24,817	113,636	75,586

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2015	2014	2015	2014
Short-term employee benefits	35,193	23,732	101,928	72,332
Post-employment benefits	1,146	1,085	3,440	3,254
Total	36,339	24,817	105,368	75,586

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 26.

The Company had outstanding guarantee obligations with its related parties, as described in Note 26.3.

(Unaudited but reviewed)

3. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2015	2014	2015	2014
Cash	4,011	4,849	2,020	1,905
Bank deposits	2,460,793	2,481,180	2,111,162	1,345,127
Due cheques not yet deposited	359,852	296,207	351,407	281,228
Bill of exchange	273,882	3,654,208	-	3,400,000
Total	<u>3,098,538</u>	<u>6,436,444</u>	<u>2,464,589</u>	<u>5,028,260</u>

As at 30 September 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).

4. Current investments

(Unit: Thousand Baht)

	Consolidated and separate	
	financial statements	
	30 September	31 December
	2015	2014
Investments in LH Money Market Fund, Cost	-	300,000
Add: Unrealised gain on changes in value of investments	-	1,415
Trading securities - fair value	<u>-</u>	<u>301,415</u>

(Unaudited but reviewed)

5. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
<u>Trade accounts receivable - unrelated parties</u>				
Past due				
Less than 3 months	99,099	115,802	-	-
3 - 6 months	2,919	3,712	-	-
6 - 9 months	2,174	3,043	-	-
9 - 12 months	3,135	2,241	-	-
Over 12 months	366	224	-	-
Total trade accounts receivable - unrelated parties, net	107,693	125,022	-	-
<u>Other receivables</u>				
Amounts due from and accounts receivable				
- related parties	7,813	16,735	465,912	534
Other	26,859	30,371	26,127	26,843
Total other receivables	34,672	47,106	492,039	27,377
Total trade and other receivables	142,365	172,128	492,039	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	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Net book value of land and structures thereon mortgaged as collateral	6,900	9,834	6,076	8,924

(Unaudited but reviewed)

Movements in the allowance for loss on diminution in value of projects during the nine-month period ended 30 September 2015 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate 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 30 September 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	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014	30 September 2015	31 December 2014	30 September 2015	31 December 2014	30 September 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 30 September 2015 and 31 December 2014, Land and Houses U.S.A., Inc. had paid-up capital amounted to USD 20.0 million.

During the periods, the Company received dividend income from subsidiaries as detailed below.

Company's name	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2015	2014	2015	2014
Atlantic Real Estate Co., Ltd.	-	-	59,992	70,490
Land and houses North Co., Ltd.	-	-	-	8,000
Siam Tanee Property Co., Ltd.	-	-	99,999	-

(Unaudited but reviewed)

Company's name	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2015	2014	2015	2014
Total	-	-	159,991	78,490

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. The subsidiary has been completely the liquidation process on 19 January 2015.

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

As at 30 September 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	
			30 September 2015	31 December 2014	30 September 2015	31 December 2014	30 September 2015	31 December 2014
			(Percent)	(Percent)				
LH Financial Group Plc.	Holding company	Thai	33.98	33.98	4,538,712	4,538,712	5,945,602	5,543,973
Quality Construction Products Plc.	Manufacture of construction materials	Thai	21.16	21.16	179,178	179,178	417,397	425,860
Home Product Center Plc.	Trading of construction materials	Thai	30.23	30.23	1,489,020	1,489,020	5,390,823	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	510,668	482,209
Quality Houses Plc.	Real estate business	Thai	24.98	24.98	3,282,682	3,282,682	5,920,346	5,646,905
					<u>10,274,922</u>	<u>10,295,614</u>	<u>18,184,836</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	
			30 September 2015	31 December 2014	30 September 2015	31 December 2014
			(Percent)	(Percent)		
LH Financial Group Plc.	Holding company	Thai	33.98	33.98	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

(Unaudited but reviewed)

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	<u>3,282,682</u>	<u>3,282,682</u>
					<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 30 September					
	Consolidated financial statements				Separate financial statements	
	Share of profit (loss) from investments in associates		Share of other comprehensive income of associates		Dividend received	
	2015	2014	2015	2014	2015	2014
LH Financial Group Plc.	150,488	124,607	(12,453)	(1,473)	-	-
Quality Construction Products Plc.	1,471	8,551	-	-	-	-
Home Product Center Plc.	242,702	231,625	(165)	(2,430)	397,588	-
Asia Asset Advisory Co., Ltd. ⁽²⁾	-	419	-	-	-	4,200
Land and Houses Property Fund ⁽¹⁾	-	-	-	-	-	-
Land and Houses Property and Loan Fund-II	13,439	(48,463)	-	-	-	-
Quality Houses Plc.	142,341	267,177	(1,979)	(232)	133,797	160,557
Total	550,441	583,916	(14,597)	(4,135)	531,385	164,757

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

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

(Unit: Thousand Baht)

Company's name	For the nine-month periods ended 30 September					
	Consolidated financial statements				Separate financial statements	
	Share of profit (loss) from investments in associates		Share of other comprehensive income of associates		Dividend received	
	2015	2014	2015	2014	2015	2014
LH Financial Group Plc.	404,786	303,293	13,438	34,500	16,595	144,541
Quality Construction Products Plc.	3,384	27,145	-	-	11,848	21,157
Home Product Center Plc.	712,503	690,703	(16,403)	(2,573)	670,917	46,095
Asia Asset Advisory Co., Ltd. ⁽²⁾	-	1,732	-	-	-	4,200
Land and Houses Property Fund ⁽¹⁾	-	-	-	-	-	-
Land and Houses Property and Loan Fund-II	28,459	(49,535)	-	-	-	-
Quality Houses Plc.	452,455	669,547	(2,737)	5,393	176,276	366,987
Total	1,601,587	1,642,885	(5,702)	37,320	875,636	582,980

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

⁽²⁾ The Company reclassified the type of 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 30 September 2015 and 31 December 2014 are as follows:

(Unit: Million Baht)

Company's name	Fair values	
	30 September 2015	31 December 2014
LH Financial Group Plc.	7,277	8,791
Quality Construction Products Plc.	533	732
Home Product Center Plc.	27,036	30,565
Quality Houses Plc.	6,476	8,395
Total	41,322	48,483

8.5 The Company's interim consolidated financial statements for the three-month and nine-month periods ended 30 September 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)

Investments under the equity method as at 30 September 2015	Consolidated financial statements				
	Share of profit from investments under the equity method				
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September		
	2015	2014	2015	2014	
Reviewed by auditor and other auditors of the same firm					
LH Financial Group Plc.	5,945,602	150,488	124,607	404,786	303,293
Home Product Center Plc.	5,390,823	242,702	231,625	712,503	690,703
Asia Asset Advisory Co., Ltd. ⁽²⁾	-	-	419	-	1,732
Land and Houses Property Fund ⁽¹⁾	-	-	-	-	-
Land and Houses Property and Loan Fund-II	510,668	13,439	(48,463)	28,459	(49,535)
Quality Houses Plc.	5,920,346	142,341	267,177	452,455	669,547
Reviewed by other auditors					
Quality Construction Products Plc.	417,397	1,471	8,551	3,384	27,145
Total	18,184,836	550,441	583,916	1,601,587	1,642,885

⁽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.

(Unaudited but reviewed)

9. Other long-term investments

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2015	31 December 2014	30 September 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	783,568	1,231,613
Add: Changes in fair value of securities	2,412,391	1,676,283	2,399,213	1,676,283
Available-for-sale securities - net	<u>6,012,708</u>	<u>5,276,600</u>	<u>5,551,485</u>	<u>5,276,600</u>
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	<u>103,913</u>	<u>103,937</u>	<u>10,000</u>	<u>10,000</u>
Total	<u><u>6,116,621</u></u>	<u><u>5,380,537</u></u>	<u><u>5,561,485</u></u>	<u><u>5,286,600</u></u>

10. Land held for development

As at 30 September 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		Separate financial	
	statements		statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Net book value of mortgaged land held for development to secure loans	3,496	3,496	2,551	2,551

Movements in the allowance for loss on diminution in value of land held for development during the nine-month period end 30 September 2015 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2015	801,172	690,179
Add: Additional set up	1,850	-

(Unaudited but reviewed)

Less: Reversal due to sale	(92)	-
Balance as at 30 September 2015	<u>802,930</u>	<u>690,179</u>

11. Investment properties

Movements of the investment properties account during the nine-month period ended 30 September 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	2,717,498
Disposals during period - net book value	(418,337)
Depreciation for period	(90,975)
Translation adjustment	378,608
Net book value as at 30 September 2015	<u>6,313,295</u>

The subsidiary has pledged investment properties with a total net book value as at 30 September 2015 of Baht 2,600 million as collateral for long-term loans (31 December 2014: Nil).

12. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2015 are presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2015	288,335	179,883
Acquisitions during period - at cost	84,962	68,573
Disposals during period - net book value	(7,701)	(7,396)
Depreciation for period	(68,007)	(37,800)
Translation adjustment	32	-
Net book value as at 30 September 2015	<u>297,621</u>	<u>203,260</u>

13. Leasehold rights

(Unit: Thousand Baht)

Consolidated financial statements					
Project	Remaining periods of leasehold rights (years)	1 January			30 September
		2015	Increase	Amortisation	2015
Grande Centre Point Hotel Ratchadamri	22	1,678,597	16,396	(68,039)	1,626,954
Grande Centre Point Hotel Terminal 21	25	1,677,268	9,061	(49,208)	1,637,121
Grande Centre Point Hotel Thonglo	32	311,024	212,703	(5,834)	517,893
Land	12 and 33	443	85,000	(28)	85,415
Total		3,667,332	323,160	(123,109)	3,867,383

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.

On 20 October 2015, the Board of Directors Meeting of L&H Property Co., Ltd., the Company's subsidiary, passed the resolution to approve the offering of properties which consist of leasehold right, furniture, fixture and equipment of Grande Centre Point Hotel Terminal 21 Project ("the main assets") to LH Hotel Leasehold Real Estate Investment Trust ("the Trust"). Currently, the Trust is undertaking the listing process on the Stock Exchange of Thailand. The Company expects to sell the properties in the fourth quarter of 2015 at a total price of not over Baht 4,010 million.

The subsidiary has pledged their land leasehold rights of Grande Centre Point Hotel Ratchadamri and Grande Centre Point Hotel Thonglo project with construction thereon with a total net book value as at 30 September 2015 of Baht 1,627 million and Baht 518 million, respectively as collateral for bank overdrafts and long-term loans (31 December 2014: Only Grande Centre Point Hotel Ratchadamri project Baht 1,679 million).

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 and nine-month periods ended 30 September 2015 and 2014 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Current income tax:				
Interim corporate income tax charge	273,082	303,793	239,550	257,702
Deferred tax:				
Relating to origination and reversal of temporary differences	(11,542)	(1,694)	(1,033)	(6,700)
Income tax expenses reported in the statements of income	<u>261,540</u>	<u>302,099</u>	<u>238,517</u>	<u>251,002</u>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Current income tax:				
Interim corporate income tax charge	743,809	948,732	680,083	866,561
Deferred tax:				
Relating to origination and reversal of temporary differences	26,516	(24,820)	2,107	(52,120)
Income tax expenses reported in the statements of income	<u>770,325</u>	<u>923,912</u>	<u>682,190</u>	<u>814,441</u>

(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month and nine-month periods ended 30 September 2015 and 2014 are as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	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	(183,063)	(28,789)	(183,942)	(28,789)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2014	2013
Deferred tax relating to gain/loss on changes in value of available-for-sale investments	(143,707)	(318,924)	(144,586)	(318,924)

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

(Unit: Thousand Baht)

	Interest rate		Consolidated		Separate	
	(percent per annum)		financial statements		financial statements	
	30	31	30	31	30	31
	September	December	September	December	September	December
2015	2014	2015	2014	2015	2014	
Bank overdrafts and short-term loans from financial institutions						
Bank overdrafts	MOR	MOR	10,079	19,161	-	-
Promissory notes	MOR - 2.0 and 1.75	MOR - 1.5	1,580,000	100,000	1,400,000	-
Total bank overdrafts and short-term loans from financial institutions			<u>1,590,079</u>	<u>119,161</u>	<u>1,400,000</u>	<u>-</u>
Short-term loans						
Bill of exchange	1.57	-	1,000,000	-	1,000,000	-
Less: Prepaid interest			(301)	-	(301)	-
Total short-term loans			<u>999,699</u>	<u>-</u>	<u>999,699</u>	<u>-</u>

(Unaudited but reviewed)

As at 30 September 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	
	30 September	31 December	30 September	31 December
	2015	2014	2015	2014
Trade payables - unrelated parties	2,238,757	1,783,101	2,152,333	1,613,131
Trade payables - related parties	16,269	24,713	8,433	8,256
Other payables - related parties	30,128	56,155	825	62
Accrued expenses	868,103	1,190,408	751,581	891,653
Others	103,142	34,458	86,065	21,126
Total trade and other payables	<u>3,256,399</u>	<u>3,088,835</u>	<u>2,999,237</u>	<u>2,534,228</u>

17. Long-term loans

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2015	2014	2015	2014
Long-term loans	9,241,097	9,882,929	6,966,486	7,966,986
Less: Current portion	(525,107)	(2,176,646)	-	(1,000,500)
Net	<u>8,715,990</u>	<u>7,706,283</u>	<u>6,966,486</u>	<u>6,966,486</u>

Movements in the long-term loans during the nine-month period ended 30 September 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	1,346,536	-

(Unaudited but reviewed)

Less: Repayment	(1,988,368)	(1,000,500)
Balance as at 30 September 2015	<u>9,241,097</u>	<u>6,966,486</u>

As at 30 September 2015 and 31 December 2014, the Company and its subsidiaries have pledged part of land and structures thereon of projects, land held for development, investment properties, 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.

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 30 September 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	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Undrawdown loan facilities	3,368	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 30 September 2015, the Company has unissued debentures under the above mentioned approval totalling Baht 13,500 million. (31 December 2014: Baht 14,900 million).

The outstanding balance of debentures as at 30 September 2015 and 31 December 2014 are detailed below.

No.	Interest rate per annum	Age	Repayment	Maturity	Consolidated and Separate financial statements			
					Number of debenture (Shares)		Amount (Thousand Baht)	
					30	31	30	31
					September	December	September	December
					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
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
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 3.70%	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	-
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	-
Total					<u>26,500,000</u>	<u>25,100,000</u>	26,500,000	25,100,000
Less: Current portion of debentures							<u>(8,500,000)</u>	<u>(7,600,000)</u>
Net							<u>18,000,000</u>	<u>17,500,000</u>

(Unaudited but reviewed)

Movements in the debentures during the nine-month period ended 30 September 2015 are summarised below.

	(Unit: Thousand Baht)
	Consolidated and separate financial statements
Balance as at 1 January 2015	25,100,000
Add: Issue of new debenture	9,000,000
Less: Redemption	(7,600,000)
Balance as at 30 September 2015	<u>26,500,000</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.

19. Share capital

During the nine-month period ended 30 September 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
31 March 2015	LH-W3	698,783,500	698,783,500	3.50	3 April 2015	8 April 2015
30 June 2015	LH-W3	<u>7,410,808</u>	<u>7,410,808</u>	3.50	3 July 2015	8 July 2015
Total		<u>716,838,323</u>	<u>716,838,323</u>			

Reconciliation of number of shares

	(Unit: Share)	
	Consolidated and separate financial statements	
	For the nine-month periods ended 30 September	
	<u>2015</u>	<u>2014</u>
<u>Registered share capital</u>		
Balance as at beginning of period	12,031,105,828	10,354,268,670
Decreased in registered share capital	-	(328,347,147)
Increased in registered share capital	-	2,005,184,305

(Unaudited but reviewed)

Balance as at end of period	<u>12,031,105,828</u>	<u>12,031,105,828</u>
	(Unit: Share)	
	Consolidated and separate financial statements	
	For the nine-month periods ended 30 September	
	<u>2015</u>	<u>2014</u>
<u>Issued and paid-up share capital</u>		
Balance as at beginning of period	10,985,568,017	10,025,921,523
Increased due to exercise of warrants	<u>716,838,323</u>	<u>772,275,689</u>
Balance as at end of period	<u>11,702,406,340</u>	<u>10,798,197,212</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, for a period of 3 years from the issued date, 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)	Number of warrants outstanding as at 30 September 2015 (Units)
LH-W3	3.50	1 unit of warrant to 1 new ordinary share	1,027,894,347	(733,822,755)	294,071,592

21. Cash receipts from share subscription

During the nine-month period ended 30 September 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	Date of the Stock
					of share capital with the Ministry of Commerce	Exchange of Thailand approved ordinary shares as listed securities
30 September 2015	LH-W3	27,628,447	27,628,447	3.50	6 October 2015	9 October 2015

As at 30 September 2015, the Company records cash received from exercised of warrants Baht 97 million. The amount is represented as cash receipts in advance from share subscription in the statement of financial position.

22. Revaluation surplus (deficit) in investments

During the nine-month periods ended 30 September 2015 and 2014, movements of revaluation surplus (deficit) in investments are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Balance as at beginning of period	1,341,026	(325,272)	1,341,026	(325,272)
Changes during the period due to				
- Sales	-	-	4,393	-
- Revaluation	736,108	1,594,619	718,537	1,594,619
- Income taxes	(143,707)	(318,924)	(144,586)	(318,924)
Balance as at end of period	<u>1,933,427</u>	<u>950,423</u>	<u>1,919,370</u>	<u>950,423</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 30 September						
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						
1,481,660	1,730,739	11,702,707*	10,800,234*	0.13	0.16	
Effect of dilutive potential ordinary shares						
Warrants (LH-W3)						
-	-	182,523	811,199			
Diluted earnings per share						
Profit of ordinary shareholders						
assuming the conversion of						
warrants to ordinary shares						
1,481,660	1,730,739	11,885,230	11,611,433	0.12	0.15	

* Included ordinary shares from cash receipts from share subscription

Separate financial statements						
For the three-month periods ended 30 September						
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						
1,491,069	1,172,108	11,702,707*	10,800,234*	0.13	0.11	
Effect of dilutive potential ordinary shares						
Warrants (LH-W3)						
-	-	182,523	811,199			
Diluted earnings per share						
Profit of ordinary shareholders						
assuming the conversion of						
warrants to ordinary shares						
1,491,069	1,172,108	11,825,230	11,611,433	0.13	0.10	

* Included ordinary shares from cash receipts from share subscription

Consolidated financial statements						
For the nine-month periods ended 30 September						
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						
4,531,394	5,136,970	11,469,813*	10,289,691*	0.40	0.50	
Effect of dilutive potential ordinary shares						
Warrants (LH-W3)						
-	-	342,269	995,468			
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares						
4,531,394	5,136,970	11,812,082	11,285,159	0.38	0.46	

* Included ordinary shares from cash receipts from share subscription

Separate financial statements						
For the nine-month periods ended 30 September						
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						
3,780,873	3,900,400	11,469,813*	10,289,691*	0.33	0.38	
Effect of dilutive potential ordinary shares						
Warrants (LH-W3)						
-	-	342,269	995,468			
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares						
3,780,873	3,900,400	11,812,082	11,285,159	0.32	0.35	

* Included ordinary shares from cash receipts from share subscription

24. Dividend

Dividends	Approved by	Approved dividend per share	Interim dividend per share	Additional dividend paid per share	Total additional dividend paid	Portion belonging to shareholders	
						not entitled to dividend	Net dividend paid
		(Baht)	(Baht)	(Baht)	(Million Baht)	(Million Baht)	(Million Baht)
Final dividend for 2013	Annual General Meeting of the shareholders on 24 April 2014	0.40	(0.25)	0.15	1,504	(5)	1,499
Interim dividend for 2014	Board of Director's meeting on 14 August 2014	0.25	-	0.25	2,700	(7)	2,693
							4,192
Final dividend for 2014	Annual General Meeting of the shareholders on 23 April 2015	0.65	(0.25)	0.40	4,678	(11)	4,667
Interim dividend for 2015	Board of Director's meeting on 13 August 2015	0.25	-	0.25	2,926	(10)	2,916

25. 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 and nine-month periods ended 30 September 2015 and 2014 are as follows.

	(Unit: Million Baht)				
	For the three-month period ended 30 September 2015				
	Real estate business	Rental and service business	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	5,332	517	5,849	-	5,849
Inter-segment revenue	-	29	29	(29)	-
Interest income	62	2	64	(57)	7
Infrastructure service income	47	-	47	-	47
Finance cost	(64)	(61)	(125)	57	(68)
Depreciation and amortisation	(13)	(85)	(98)	-	(98)
Segment profit	1,129	77	1,206	(67)	1,139
Unallocated revenue and expenses:					
Other income					82
Share of profit from investments in associates					550
Income tax expenses					(262)
Non-controlling interests of the subsidiaries					(27)
Profit for the period					1,482

	(Unit: Million Baht)				
	For the three-month period ended 30 September 2014				
	Real estate business	Rental and service business	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	5,965	603	6,568	-	6,568
Inter-segment revenue	-	-	-	-	-
Interest income	54	2	56	(43)	13
Infrastructure service income	54	-	54	-	54
Finance cost	(55)	(85)	(140)	42	(98)
Depreciation and amortisation	(15)	(99)	(114)	-	(114)
Loss on disposal of property, plant and equipment	(1)	-	(1)	-	(1)
Segment profit	1,371	69	1,440	(1)	1,439
Unallocated revenue and expenses:					
Other income					42
Share of profit from investments in associates					584
Income tax expenses					(302)
Non-controlling interests of the subsidiaries					(32)

(Unaudited but reviewed)

					1,731
	(Unit: Million Baht)				
	For the nine-month period ended 30 September 2015				
	Real estate business	Rental and service business	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	15,941	1,489	17,430	-	17,430
Inter-segment revenue	-	106	106	(106)	-
Interest income	217	6	223	(163)	60
Infrastructure service income	183	-	183	-	183
Finance cost	(201)	(172)	(373)	163	(210)
Depreciation and amortisation	(42)	(245)	(287)	-	(287)
Gain on disposals of property, plant and equipment, and investment property	9	223	232	-	232
Loss on diminution in value of projects	(1)	-	(1)	-	(1)
Loss on diminution in value of land held development	(2)	-	(2)	-	(2)
Segment profit	3,313	440	3,753	(111)	3,642
Unallocated revenue and expenses:					
Other income					135
Share of profit from investments in associates					1,602
Income tax expenses					(770)
Non-controlling interests of the subsidiaries					(78)
Profit for the period					4,531
	(Unit: Million Baht)				
	For the nine-month period ended 30 September 2014				
	Real estate business	Rental and service business	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	18,596	1,624	20,220	-	20,220
Inter-segment revenue	-	-	-	-	-
Interest income	169	3	172	(131)	41
Infrastructure service income	168	-	168	-	168
Finance cost	(281)	(253)	(534)	130	(404)
Depreciation and amortisation	(145)	(296)	(341)	-	(341)
Loss on diminution in value of project	(31)	-	(31)	-	(31)
Loss on disposal of property, plant and equipment	(1)	-	(1)	-	(1)
Segment profit	4,256	129	4,385	(5)	4,380
Unallocated revenue and expenses:					
Other income					103
Share of profit from investments in associates					1,643
Income tax expenses					(924)

(Unaudited but reviewed)

Non-controlling interests of the subsidiaries	(65)
Profit for the period	5,137

26. Commitments and contingent liabilities

26.1 Commitments

26.1.1 As at 30 September 2015 and 31 December 2014, the Company and its subsidiaries have commitments under construction contracts as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
	September	December	September	December
	2015	2014	2015	2014
Commitments under construction contracts	6,858	8,498	5,872	7,309

26.1.2 As at 30 September 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 (30 September 2015: already paid Baht 18.51 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 30 September 2015 and 31 December 2014, L&H Property Company Limited, 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 (30 September 2015: Full amount has been paid) (31 December 2014: already paid Baht 17.47 million in total) 6th - 10th year, total rental of Baht 23.18 million (30 September 2015: already paid Baht 0.39 million in total) 11th - 15th year, total rental of Baht 26.66 million 16th - 20th year, total rental of Baht 30.66 million 21st - 25th year, total rental of Baht 35.25 million 26th - 30th year, total rental of Baht 40.54 million

* The agreement runs from 1 September 2010 to 31 August 2040. However, the lessor consented to allow L&H Property Company Limited, 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 30 September 2015, rental under the land lease agreement amounting to Baht 32.79 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 30 September 2015 and 31 December 2014, Pacific Real Estate Company Limited the Company's subsidiary is committed to pay commission at Baht 5 million per year in the second and third year of construction period.

d) Land lease agreements

Agreement date	Agreement period	Rental rate
4 August 2015	30 years*	Land leasing fee is to be monthly paid as follows: 1st - 3rd year, total rental payment of Baht 71.28 million 4th - 6th year, total rental payment of Baht 78.41 million 7th - 9th year, total rental payment of Baht 86.26 million 10th - 12th year, total rental payment of Baht 94.86 million 13th - 15th year, total rental payment of Baht 104.36 million 16th - 18th year, total rental payment of Baht 114.80 million 19th - 21st year, total rental payment of Baht 126.29 million 22th - 24th year, total rental payment of Baht 138.89 million 25th - 27th year, total rental payment of Baht 152.78 million 28th - 30th year, total rental payment of Baht 168.08 million

* The agreement runs after the construction period of 3 years. However, the lessor consented to allow Pacific Real Estate Company Limited, the Company's subsidiary, to develop or construct on the leased land for 3 years after the transfer and lease registration date. The subsidiary is committed to pay commission at Baht 1,716,000 per month in the first and second year of construction period and Baht 1,980,000 per month in the third year of construction period.

In addition, as at 30 September 2015, the subsidiary is committed to pay compensation for canceling the former land lease agreement and land leasing fee at Baht 100 million and Baht 150 million, respectively, as at transfer and lease registration date.

26.1.3 As at 30 September 2015, L&H Hotel Management Company Limited, the Company's subsidiary, is committed to pay a fixed rental fee of Baht 14.7 million (31 December 2014: Baht 68.4 million) plus variable rental fee in accordance with the conditions stipulated in the lease agreement to lease assets of Grande Centre Point Hotel Ploenchit with Land and Houses Property and Loan Fund-II, the Company's associate. These are payable within one year.

26.1.4 As at 30 September 2015, the Company had outstanding commitment of Baht 90 million in respect of uncalled portion of investments in L&H Property Company Limited, the Company's subsidiary (31 December 2014: Baht 90 million).

26.1.5 As at 30 September 2015, Pacific Real Estate Company Limited, the Company's subsidiary, is committed to pay the management fee to Q.H. International Company Limited which is an associate of the Company, totaling Baht 2.4 million. These are payable within one year (31 December 2014: Nil).

26.1.6 As at 30 September 2015 and 31 December 2014, the Company has commitment related to purchase of land as follows.

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	30	31
	September 2015	December 2014
Commitment to purchase of land	248	988

26.1.7 Obligation and commitment to complete projects on hand

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2015	31 December 2014	30 September 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	(8)	(14)	(7)	(11)
Number of new projects during the period/year	6	23	6	19
Number of projects on hand at end of the period/year	62	64	53	54
Accumulative value of sales already contracted (Million Baht)	71,561	79,755	65,501	73,140
As percentage of total sales of projects on hand	61	59	61	59
Value of sales already contracted during the period/year (Million Baht)	15,915	25,823	15,259	24,038
As percentage of total sales of projects on hand	13	19	14	20
Commitments in respect of the installation of central utilities of projects on hand (Million Baht)	1,069	1,282	946	1,147

26.1.8 As at 30 September 2015, the subsidiaries have servitude over land of approximately 90 rai of which the cost is included in the cost of projects (31 December 2014: 89 rai).

26.1.9 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.

(Unaudited but reviewed)

As at 30 September 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	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Payable:				
In up to 1 year	47	40	39	40
In over 1 and up to 3 years	52	71	42	71

26.2 Bank guarantees

As at 30 September 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 financial statements		Separate financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Letter of guarantee for arrangement and maintenance of public utilities	2,127	2,419	1,922	2,220
Letter of guarantee for electricity usage	63	59	48	42
	<u>2,190</u>	<u>2,478</u>	<u>1,970</u>	<u>2,262</u>

26.3 Guarantees

26.3.1 As at 30 September 2015 and 31 December 2014, the Company has the following obligations in respect of guarantee.

(Unit: Million Baht)

Guarantor	Guarantee	30 September 2015	31 December 2014
Land and Houses Plc.	Customers	<u>7</u>	<u>7</u>

26.3.2 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 two subsidiaries for loan and guarantee facilities obtained for development of the subsidiaries' projects. As at 30 September 2015, the subsidiaries has outstanding loans related to guarantee portion of the Company as specified in the letter of comfort amounting to Baht 235 million (31 December 2014: Baht 715 million).

26.4 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 30 September 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 30 September 2015, the Company has set aside a provision including interest of Baht 158 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 30 September 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 140 million (31 December 2014: Baht 138 million). However, the Company has set aside a provision of Baht 140 million for liabilities arising as a result of these cases, based on the opinion of their legal department (31 December 2014: Baht 138 million).

26.5 Cross Currency and Interest Rate Swap agreement

The details of the Cross Currency and Interest Rate Swap agreements outstanding as at 30 September 2015 and 31 December 2014 are as follows:

As at 30 September 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 30 September 2015, the Company would have unrealised losses of approximately Baht 618.6 million, if it recorded the above contracts at fair value (31 December 2014: Baht 271.6 million).

27. 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

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 30 September 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: Million Baht)

	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Other long-term investments - Available-for-sale securities				
Equity securities - Overseas	4,834	-	-	4,834
Investment units - Domestic	1,179	-	-	1,179
Financial liabilities measured at fair value	-	-	-	-

(Unit: Million Baht)

	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Other long-term investments - Available-for-sale securities				
Equity securities - Overseas	4,834	-	-	4,834
Investment units - Domestic	717	-	-	717
Financial liabilities measured at fair value	-	-	-	-

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

28. Events after the reporting period

28.1 On 6 October 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 September 2015, as described in Note 21, which increased the Company's paid-up share capital from Baht 11,702 million to Baht 11,730 million. The Stock Exchange of Thailand approved the additional ordinary shares as listed securities on 9 October 2015.

28.2 On 8 October 2015, the Company issued unsubordinated and unsecured debentures as follows:

No.	Interest rate per annum	Age	Repayment	Maturity	Number of debenture (Shares)	Amount (Thousand Baht)
No. 3/2015 (1)	Fixed rate 2.41%	3 years	At maturity	8 October 2018	4,000,000	4,000,000
No. 3/2015 (2)	Fixed rate 2.66%	4 years	At maturity	8 October 2019	1,000,000	1,000,000
No. 3/2015 (3)	Fixed rate 2.99%	5 years	At maturity	8 October 2020	1,000,000	1,000,000

28.3 On 9 October 2015, the Extraordinary General Meeting of shareholders of Pacific Real Estate Co., Ltd., the Company's subsidiary, passed a resolution approving an increase in the registered share capital of Baht 1,380 million by issuing an additional 13.8 million new ordinary shares at the par value of Baht 100 each. The meeting also passed a resolution approving partial call up payment of 13.8 million new ordinary shares of Baht 45 each, or a total of Baht 621 million. The Company has already paid for the subscription.

28.4 On 30 October 2015, Land and Houses Property and Loan Fund-II, the Company's associate, reduced the capital in proportion to unitholding, amounting to Baht 106.47 million, according to a resolution of the meeting of the unitholders on 29 September 2015. The Company received proceeds amounting to Baht 53.22 million, in proportion to its 49.99 percent holding in October 2015. The Company recognised gain on share reduction amounting to Baht 11.82 million in profit or loss in the fourth quarter of 2015.

29. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 9 November 2015.