

Land and Houses Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the three-month period ended 31 March 2017

1. General information

1.1 The Company's general information

Land and Houses Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in property development. The registered office of the Company is at No. 1 South Sathon Road, 37th Floor, Q. House Lumpini Building, Tungmahamek, Sathon, Bangkok.

1.2 Basis of preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2016) Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income statement, 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 2016, 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 financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. 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 and its subsidiaries' financial statements. However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

The Company has decided to change its accounting policy for investment in subsidiaries and associates in separate financial statements from cost method to equity method since 1 January 2017. The Company adjusted the transaction retrospectively. The cumulative effect of the change is described in Note 3.

2. 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 2016, except change in accounting policy as described in Note 1.4 to the financial statements.

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

During the current period, as described in Note 1.4 and Note 2, the Company has changed its significant accounting policy, as a result of the adoption of the revised financial reporting standards. The cumulative effect of the change in the accounting policy has been separately presented in the statements of changes in shareholders' equity.

(Unaudited but reviewed)

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

(Unit: Million Baht)

	Separate financial statements	
	31 March	31 December
	2017	2016
Statements of financial position		
Increase in investments in subsidiaries	709	802
Increase in investments in associates	10,657	10,025
Increase in unappropriated retained earnings	11,093	10,500
Increase in other components of shareholders' equity	273	327

(Unit: Million Baht, except earnings per share expressed in Baht)

	Separate financial statements	
	For the three-month period ended 31 March	
	2017	2016
Statements of comprehensive income		
Profit or loss:		
Decrease in gain on exchange rate	-	(59)
Decrease in dividend income from associates	(44)	-
Increase in share of profit (loss) from investments in subsidiaries	(55)	25
Increase in share of profit from investments in associates	692	654
Decrease in finance cost	-	1
Increase in profit for the period	593	621
Other comprehensive income:		
Increase in share of other comprehensive income of subsidiaries	(38)	137
Increase in share of other comprehensive income of associates	(16)	119
Earnings per share:		
Increase in basic earnings per share	0.05	0.05
Increase in diluted earnings per share	0.05	0.05

4. Related party transactions

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

Name of related parties	Relationship
Atlantic Real Estate Co., Ltd.	Subsidiary
LH Mall & Hotel Co., Ltd.	Subsidiary
L&H Retail Management Co., Ltd.	Subsidiary (99.95 percent held by LH Mall & Hotel Co., Ltd.)
L&H Management Co., Ltd.	Subsidiary (99.93 percent held by LH Mall & Hotel Co., Ltd.)
Land and Houses North Co., Ltd.	Subsidiary
Land and Houses Northeast Co., Ltd.	Subsidiary
Siam Tanee Property Co., Ltd.	Subsidiary
Siam Tanee Real Estate Co., Ltd.	Subsidiary (99.99 percent held by Siam Tanee Property Co., Ltd.)
L H Real Estate Co., Ltd.	Subsidiary
L H Asset Co., Ltd.	Subsidiary
L H Muang Mai Co., Ltd.	Subsidiary
Phuket Future Plan Co., Ltd.	Subsidiary (99.99 percent held by L H Muang Mai Co., Ltd.)
Double Tree Co., Ltd.	Subsidiary (99.99 percent held by L H Muang Mai Co., Ltd.)
L&H Property Co., Ltd.	Subsidiary
L&H Hotel Management Co., Ltd.	Subsidiary (99.99 percent 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 percent held by LH Financial Group Plc.)
Land and Houses Fund Management Co., Ltd.	Associate (99.99 percent held by LH Financial Group Plc.)
Quality Construction Products Plc.	Associate
Home Product Center Plc.	Associate
Land and Houses Property and Loan Fund-II	Associate
Quality Houses Plc.	Associate
Q.H. International Co., Ltd.	Associate (99.99 percent held by Quality Houses Plc.)

Name of related parties	Relationship
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	Related company
LH Hotel Leasehold Real Estate Investment Trust	Related company
Trinity Securities Company Limited	Common director

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

(Unit: Million Baht)

	For the three-month periods ended 31 March				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2017	2016	2017	2016	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	96	53	3.5% - 4.48% p.a. (2016: 4.00% - 5.50% p.a.)
Management fee income	-	-	2	2	Approximate cost
<u>Transactions with associates</u>					
Management fee	1	-	-	-	Contract price
Interest income	3	12	1	6	The interest rate as declared by the bank
Purchases of goods	12	28	12	25	Market price
Property rental fee expenses	45	45	-	-	Contract price
<u>Transactions with related companies</u>					
Property management fee income	37	27	-	-	Contract price
Human-resources management income	6	6	-	-	Contract price
Dividend income	26	41	11	23	Declared rate
Rental and services expenses	16	16	13	13	Baht 250 - 880 per square meter per month
Property rental fee expenses	104	98	-	-	Contract price
Commission expenses	-	1	-	-	Contract price
Project management fee expenses	-	2	-	-	Contract price
<u>Transactions with directors of subsidiaries</u>					
Interest expenses	-	1	-	-	5.50% p.a.

As at 31 March 2017 and 31 December 2016, 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 2017	31 December 2016	31 March 2017	31 December 2016
Deposit at financial institution (shown under cash and cash equivalents)				
Associate	1,692	1,420	1,014	589
Current investments (Note 6)				
Associate.	103	70	-	-
Amounts due from and accounts receivables - related parties (Note 7)				
Subsidiaries	-	-	1	-
Associates	1	1	-	-
Related companies	18	28	-	-
Total	19	29	1	-
Short-term loans and accrued interest receivables - related parties				
Subsidiaries	-	-	569	266
Associate	1	1	-	-
Total	1	1	569	266
Long-term loans and accrued interest receivables - related party				
Subsidiary	-	-	9,788	9,868
Deposit to related companies (shown under other non-current assets)				
Related company	15	15	12	12
Trade accounts payable - related parties (Note 18)				
Associates	3	5	3	5
Amounts due to related parties (Note 18)				
Associates	45	40	-	-
Related companies	105	96	-	-
Total	150	136	-	-
Short-term loans and accrued interest payables - related parties				
Subsidiary	-	-	141	-

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

Long-term loans - related party are unsecured loans to Land and Houses U.S.A. Inc. ("LH USA") in the form of promissory notes without collateral. Interest charged at the rate between 4% and 4.48% per annum. The current portion of long-term loans is presented in long-term loans - related party due to the Company has no intension to call for such loans from LH USA within next in 12 months.

(Unaudited but reviewed)

During the three-month period ended 31 March 2017, movements of loans to/loans from the Company, subsidiaries and related companies were as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	1 January			31 March
	2017	Increase	Decrease	2017
Short-term loans and accrued interest receivables - related party				
<u>Associate</u>				
Land and Houses Bank Plc.	1	3	(3)	1

(Unit: Million Baht)

	Separate financial statements			
	1 January			31 December
	2017	Increase	Decrease	2017
Short-term loans and accrued interest receivables - related parties				
<u>Subsidiaries</u>				
Atlantic Real Estate Co., Ltd.	17	-	-	17
LH Mall & Hotel Co., Ltd.	133	307	-	440
L H Asset Co., Ltd.	116	1	(5)	112
	266	308	(5)	569
<u>Associate</u>				
Land and Houses Bank Plc.	-	1	(1)	-
Total	266	309	(6)	569

Long-term loan and accrued interest receivables - related party

<u>Subsidiary</u>				
Land and Houses U.S.A., Inc.	9,868	304	(384)	9,788

Short-term loans and accrued interest payables - related parties

<u>Subsidiaries</u>				
L H Real Estate Co., Ltd.	-	16	-	16
Siam Tanee Property Co., Ltd.	-	110	-	110
Land and Houses North Co., Ltd.	-	15	-	15
Total	-	141	-	141

Directors and management's benefits

During the three-month periods ended 31 March 2017 and 2016, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Short-term employee benefits	59	51	48	45
Post-employment benefits	2	2	1	1
Total	61	53	49	46

Commitments and contingent liabilities of related parties

The Company and its subsidiaries had commitments related to project management, consulting, and operating lease and service agreement with related companies as described in Note 28.

The Company had outstanding guarantee obligations with its related parties, as described in Note 28.3.

5. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
Cash	4,265	4,128	2,170	2,015
Bank deposits	1,931,311	2,261,662	1,011,916	1,312,945
Cheques in transit	805,512	128,096	798,522	128,096
Fixed deposits receipt	994,143	206,692	400,000	-
Total	3,735,231	2,600,578	2,212,608	1,443,056

As at 31 March 2017, bank deposits and fixed deposits receipt carried interests between 0.25% and 2.76% per annum (31 December 2016: 0.25% and 1.40% per annum).

6. Current investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
Fixed deposits over three months but not over one year	103,358	410,280	-	-
Total	103,358	410,280	-	-

As at 31 March 2017, fixed deposits carried interests between 1.35% and 1.40% per annum (31 December 2016: between 1.35% and 1.40% per annum).

(Unaudited but reviewed)

7. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
<u>Trade receivables - unrelated parties</u>				
Not yet due	-	-	-	-
Past due				
Less than 3 months	84,191	84,776	-	-
3 - 6 months	206	2,255	-	-
6 - 9 months	6	-	-	-
9 - 12 months	-	-	-	-
Over 12 months	8,256	8,622	-	-
Total trade receivables - unrelated parties	92,659	95,653	-	-
Less: Allowance for doubtful debts	(2,000)	-	-	-
Total trade receivables - unrelated parties, net	90,659	95,653	-	-
<u>Other receivables</u>				
Amounts due from and accounts receivables - related parties	19,168	29,178	1,012	157
Other	74,234	32,098	70,393	25,908
Other receivables	93,402	61,276	71,405	26,065
Total trade and other receivables - net	184,061	156,929	71,405	26,065

8. Real estate development cost (inventories)

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
Net book value of land and structures thereon mortgaged as collateral	835	819	-	-

9. Investments in subsidiaries

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

Company's name	Paid-up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Carrying amount based on equity method	
	31	31	31	31	31	31	31	31
	March	December	March	December	March	December	March	December
	2017	2016	2017	2016	2017	2016	2017	2016
			(Percent)	(Percent)				(Restated)
Atlantic Real Estate Co., Ltd.	15,000	15,000	99.99	99.99	14,998	14,998	(8,869)	3,758
LH Mall & Hotel Co., Ltd. and its subsidiaries	2,000,000	2,000,000	99.99	99.99	2,000,000	2,000,000	2,245,021	2,210,556
Land and Houses North Co., Ltd.	13,500	13,500	99.99	99.99	13,500	13,500	15,849	15,831
Land and Houses Northeast Co., Ltd.	150,000	150,000	99.99	99.99	149,999	149,999	308,890	301,166
Siam Tanee Property Co., Ltd. and its subsidiary	100,000	100,000	99.99	99.99	64,859	64,859	237,000	237,055
L H Real Estate Co., Ltd.	58,000	58,000	99.99	99.99	25,000	25,000	18,993	19,123
L H Asset Co., Ltd.	100,000	100,000	99.99	99.99	52,734	52,734	479,336	466,968
L H Muang Mai Co., Ltd. and its subsidiaries	900,000	900,000	55.00	55.00	495,000	495,000	698,403	702,302
L&H Property Co., Ltd. and its subsidiary	1,638,000	1,638,000	60.00	60.00	1,078,800	1,078,800	701,129	669,892
Land and Houses U.S.A., Inc.	(a)	(a)	100.00	100.00	1,343,127	1,343,127	1,200,097	1,368,847
Asia Asset Advisory Co., Ltd.	5,000	5,000	99.99	99.99	5,000	5,000	6,215	(707)
					<u>5,243,017</u>	<u>5,243,017</u>	<u>5,902,064</u>	<u>5,994,791</u>

(a) As at 31 March 2017 and 31 December 2016, Land and Houses U.S.A., Inc. had paid-up capital amounted to USD 40 million, respectively.

9.2 Share of comprehensive income

During the periods, the Company has recognised its share of comprehensive income from investments in subsidiaries in the separate financial statements as follows:

Company's name	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March			
	Share of profit or loss		Share of other comprehensive income	
	2017	2016	2017	2016
		(Restated)	(Restated)	
Atlantic Real Estate Co., Ltd.	(12,627)	453	-	-
LH Mall & Hotel Co., Ltd. and its subsidiaries	21,918	8,342	12,547	113,823
Land and Houses North Co., Ltd.	18	(12)	-	-
Land and Houses Northeast Co., Ltd.	7,724	17,716	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	For the three-month periods ended 31 March			
	Share of profit or loss		Share of other comprehensive income	
	2017	2016	2017	2016
	(Restated)		(Restated)	
Siam Tanee Property Co., Ltd. and its subsidiary	(55)	(785)	-	-
L H Real Estate Co., Ltd.	(130)	(158)	-	-
LH Asset Co., Ltd.	12,368	573	-	-
L H Muang Mai Co., Ltd. and its subsidiaries	(3,899)	(4,394)	-	-
L&H Property Co., Ltd. and its subsidiaries	31,237	29,865	-	-
Land and Houses U.S.A., Inc.	(118,530)	(27,415)	(50,220)	22,998
Asia Asset Advisory Co., Ltd.	6,922	943	-	-
	<u>(55,054)</u>	<u>25,128</u>	<u>(37,673)</u>	<u>136,821</u>

10. Investments in associates

10.1 Details of investments in associates

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method			
			31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 December 2016		
			(Percent)							
LH Financial Group Plc.	Holding company	Thai	33.98	33.98	4,538,712	4,538,712	7,099,221	6,913,223		
Quality Construction Products Plc.	Manufacture of construction materials	Thai	21.16	21.16	179,178	179,178	375,864	378,263		
Home Product Center Plc.	Trading of construction materials	Thai	30.23	30.23	1,489,020	1,489,020	6,222,632	5,906,439		
Land and Houses Property and Loan Fund-II	Real estate business	Thai	49.99	49.99	743,925	743,925	438,106	467,359		
Quality Houses Plc.	Real estate business	Thai	24.98	24.98	<u>3,282,682</u>	<u>3,282,682</u>	<u>6,754,633</u>	<u>6,593,696</u>		
					<u>10,233,517</u>	<u>10,233,517</u>	<u>20,890,456</u>	<u>20,258,980</u>		

10.2 Share of comprehensive income

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

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	For the three-month periods ended 31 March			
	Share of profit or loss		Share of other comprehensive income	
	2017	2016	2017	2016
LH Financial Group Plc.	199,351	194,195	(13,353)	92,915
Quality Construction Products Plc.	(2,399)	(2,757)	-	-
Home Product Center Plc.	316,296	261,865	(103)	9,688
Land and Houses Property and Loan Fund-II	15,315	15,207	-	-
Quality Houses Plc.	163,048	185,919	(2,111)	16,161
Total	691,611	654,429	(15,567)	118,764

10.3 Significant changes in investments in associates

LH Financial Group Public Company Limited

On 29 March 2016, LH Financial Group Public Company Limited (“LHFG”) entered into a memorandum of understanding in relation to a share subscription agreement (“SSA MOU”) with CTBC Bank Co., Ltd. (“CTBC”). Under the SSA MOU, LHFG agrees in principle to issue 7,545 million new ordinary shares (“Shares”) through a private placement to CTBC and CTBC agrees in principle to subscribe to the Shares at Baht 2.20 per share (the “Transaction”), provided that certain conditions precedent are met. Moreover, the price and the Transaction are subject to change or cancellation should due diligence uncover material adverse findings related to the business or financial position of LHFG.

On the same date, a meeting of the Board of Directors of the Company passed a resolution to approve a memorandum of understanding in relation to the shareholders agreement (“SHA MOU”) with Quality Houses Public Company Limited (“QH”) and CTBC, in order to stipulate the respective rights and obligations as the shareholders of LHFG upon the completion of the Transaction. The SHA MOU was executed by the Company, QH and CTBC on 29 March 2016.

On 8 June 2016, LHFG entered into a share subscription agreement (“SSA”) with CTBC, whereby key terms and conditions are in accordance with the SSA MOU. On the same date, a meeting of the Board of Directors of the Company passed a resolution to approve the entering into the shareholders agreement (“SHA”) with QH and CTBC, in order to stipulate the respective rights and obligations as the shareholders of LHFG upon the completion of the Transaction, whereby key terms and conditions are in accordance with the SHA MOU.

Upon the completion of the Transaction, CTBC will hold 35.6% of the issued and paid-up share capital of LHFG and the Company's shareholding in LHFG will be diluted to 21.9%. However, up to the date of the authorisation of these financial statements, the Transaction is still in process to perform under the terms and conditions as agreed.

On 23 December 2016, a meeting of the Board of Directors of LHFG has passed a resolution to agree the extension of the co-investment with CTBC period from 31 December 2016 to 30 September 2017 for the flexibility of the operational processes period.

Land and Houses Property and Loan Fund - II

During the current period, the Company received dividend income from Land and Houses Property and Loan Fund - II amounting to Baht 45 million.

10.4 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 are as follows:

(Unit: Million Baht)

Company's name	Country of listing	Fair values as at	
		31 March	31 December
		2017	2016
LH Financial Group Plc.	Thai	8,250	7,972
Quality Construction Products Plc.	Thai	470	418
Home Product Center Plc.	Thai	38,168	40,156
Quality Houses Plc.	Thai	6,957	6,904
Total		53,845	55,450

11. Other long-term investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
Available-for-sale securities				
Equity securities - Overseas	2,368,704	2,368,704	2,368,704	2,368,704
Unit trust - Domestic	1,513,912	1,513,912	783,568	783,568
Add: Changes in fair value of securities	1,408,889	1,535,556	1,135,950	1,278,302
Available-for-sale securities - net	5,291,505	5,418,172	4,288,222	4,430,574

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
Other investments				
Equity securities - Domestic	204,239	204,239	26,000	26,000
Unit trust - Domestic	165	165	-	-
Less: Allowance for impairment	(110,500)	(110,500)	(26,000)	(26,000)
Other investments - net	93,904	93,904	-	-
Total	5,385,409	5,512,076	4,288,222	4,430,574

12. Land held for development

As at 31 March 2017 and 31 December 2016, the Company and its subsidiaries have mortgaged some of the land held for development to secure long-term loans with net book value as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
Net book value of mortgaged land held for development to secure loans	2,551	2,551	2,551	2,551

13. Investment properties

Movements of the investment properties account during the three-month period ended 31 March 2017 are presented below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2017	14,545,298	208,963
Acquisition of at cost	107,919	-
Depreciation charged	(74,917)	-
Translation adjustment	(551,556)	-
Net book value as at 31 March 2017	14,026,744	208,963

The apartments with a total net book value as at 31 March 2017 of Baht 6,105 million (31 December 2016: Baht 6,277 million) have been used as collateral for long-term loans from overseas financial institutions.

14. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2017 are presented below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2017	574,092	281,643
Acquisitions - at cost	102,335	70,479
Disposals - net book value	(1,059)	(96)
Depreciation	(28,406)	(11,392)
Translation adjustment	(8)	-
Net book value as at 31 March 2017	646,954	340,634

15. Leasehold rights

(Unit: Thousand Baht)

Project	Remaining periods of leasehold rights (years)	Consolidated financial statements			31 March 2017
		1 January 2017	Increase	Amortisation	
Grande Centre Point Hotel Ratchadamri	21	1,514,203	-	(22,502)	1,491,701
Grande Centre Point Hotel Sukhumvit 55	30	1,613,201	32,936	(6,283)	1,639,854
Grande Centre Point Hotel Pattaya and Terminal 21 Shopping Centre Pattaya	31	651,084	174,671	(2,650)	823,105
Vacant land	10	368	-	(9)	359
Total		3,778,856	207,607	(31,444)	3,955,019

The subsidiary has pledged their land leasehold rights of Grande Centre Point Hotel Ratchadamri and Grande Centre Point Hotel Sukhumvit 55 project with construction as collateral for bank overdrafts and long-term loans.

Grande Centre Point Ratchadamri

L&H Property Co., Ltd. ("LHP"), the subsidiary which the Company hold 60% of shares, wishes LH Hotel Leasehold Real Investment Trust ("LHHOTEL") to invest in the Grande Centre Point Hotel Ratchadamri Project through a sublease of the immovable assets at a term of approximately 21 years, and a purchase of the movable assets of such project from LHP at a total price of not over Baht 3,887 million.

At present, the management is considering the terms and conditions of the relevant agreements to be entered into with LHHOTEL. On 28 April 2017, LHHOTEL received an approval with respect to offering additional trust units from the Securities and Exchange Commission to invest in the Grande Centre Point Hotel Ratchadamri Project.

Leasehold rights of Grande Centre Point Hotel Ratchadamri project included the value of premises thereon because a 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.

16. Other intangible assets

Movements of other intangible assets (computer software) during the three-month period ended 31 March 2017 are presented below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2017	45,665	20,320
Acquisition of computer software	356	-
Amortisation	(2,837)	(914)
Translation adjustment	(656)	-
Net book value as at 31 March 2017	42,528	19,406

17. Short-term loans from financial institutions

	(Unit: Thousand Baht)					
	Interest rate		Consolidated		Separate	
	(Percent per annum)		financial statements		financial statements	
	31	31	31	31	31	31
	March	December	March	December	March	December
	2017	2016	2017	2016	2017	2016
<u>Short-term loans</u>						
Promissory notes	2.76	-	1,000,000	-	1,000,000	-
Less : Prepaid interest			(1,398)	-	(1,398)	-
Total short-term loans from financial institutions			998,602	-	998,602	-

Short-term loans is unsecured loans and repayable in May 2017.

(Unaudited but reviewed)

18. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Trade payables - unrelated parties	1,634,116	1,813,285	1,379,534	1,609,412
Trade payables - related parties	3,151	5,369	3,102	4,881
Other payables - related parties	150,564	135,840	486	162
Accrued expenses	942,312	1,030,037	796,182	860,889
Others	81,261	332,472	27,179	284,047
Total trade and other payables	2,811,404	3,317,003	2,206,483	2,759,391

19. Long-term loans

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Long-term loans	7,356,741	7,406,236	3,075,180	3,075,180
Less: Current portion	(3,091,180)	(3,075,180)	(3,075,180)	(3,075,180)
Net	4,265,561	4,331,056	-	-

Movements in the long-term loans during the three-month period ended 31 March 2017 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2017	7,406,236	3,075,180
Add: Additional borrowing	74,000	-
Add: Translation adjustment	(123,495)	-
Balance as at 31 March 2017	7,356,741	3,075,180

As at 31 March 2017 and 31 December 2016, the Company and its subsidiaries have pledged part of land and structures there on of projects, investment properties, land held for development and land leasehold rights as collateral for long-term loans.

(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 2017 and 31 December 2016, there were available long-term loan facilities from financial institutions as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Undrawdown loan facilities	172	290	70	70

20. 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 2017, the Company has unissued debentures under the above mentioned approval totaling Baht 4,250 million (31 December 2016: Baht 3,750 million).

The outstanding balance of debentures as at 31 March 2017 and 31 December 2016 are detailed below.

No.	Interest rate per annum	Age	Repayment	Maturity	Consolidated and Separate financial statements			
					Number of debenture (Shares)		Amount (Thousand Baht)	
					31 March 2017	31 December 2016	31 March 2017	31 December 2016
<u>Unsubordinated and unsecured debentures</u>								
No. 1/2014	Fixed rate 3.63%	3 years	At maturity	27 February 2017	-	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. 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

(Unaudited but reviewed)

Consolidated and Separate financial statements								
No.	Interest rate per annum	Age	Repayment	Maturity	Number of debenture (Shares)		Amount (Thousand Baht)	
					31 March	31 December	31 March	31 December
					2017	2016	2017	2016
No. 1/2015	Fixed rate 3.02%	3.5 years	At maturity	25 September 2018	1,000,000	1,000,000	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	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	1,000,000	1,000,000
No. 3/2015 (1)	Fixed rate 2.41%	3 years	At maturity	8 October 2018	4,000,000	4,000,000	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	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	1,000,000	1,000,000
No. 1/2016	Fixed rate 1.82%	3 years	At maturity	29 April 2019	5,000,000	5,000,000	5,000,000	5,000,000
No. 2/2016	Fixed rate 2.23%	3 years	At maturity	28 October 2019	7,250,000	7,250,000	7,250,000	7,250,000
Total					<u>35,750,000</u>	<u>36,250,000</u>	<u>35,750,000</u>	<u>36,250,000</u>
Less: Current portion of debentures							<u>(8,500,000)</u>	<u>(8,000,000)</u>
Net							<u>27,250,000</u>	<u>28,250,000</u>

Movements in the debentures during the three-month period ended 31 March 2017 are summarised below.

	(Unit: Thousand Baht)
Balance as at 1 January 2017	36,250,000
Less: Redemption	(500,000)
Balance as at 31 March 2017	<u>35,750,000</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.

21. Share capital

The increase in share capital of the Company during the three-month period ended 31 March 2017 resulting from exercising of warrants are summarised below.

Date of exercised	Type of warrant	Number of exercised warrants	Ordinary shares issued for exercised warrants	Exercise price	Date of registration of share capital with the Ministry of Commerce	Date of the Stock Exchange of Thailand approved ordinary shares as listed securities
		(Unit)	(Shares)	(Baht per share)		
30 December 2016	LH-W3	106,998,154	106,998,154	3.50	6 January 2017	11 January 2017
Total		<u>106,998,154</u>	<u>106,998,154</u>			

Reconciliation of number of shares

(Unit: Shares)

	Consolidated and separate financial statements	
	For the three-month periods ended 31 March	
	<u>2017</u>	<u>2016</u>
<u>Registered share capital</u>	12,031,105,828	12,031,105,828
<u>Issued and paid-up share capital</u>		
Balance beginning of period	11,786,545,992	11,730,034,787
Increased due to exercise of warrants	106,998,154	17,548,416
Balance ending of period	11,893,544,146	11,747,583,203

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

22. 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 which will be expired in 3 years from issuance date. 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	Number of warrants
			outstanding as at 1 January 2017	warrants exercised during the period	outstanding as at 31 March 2017
			(Units)	(Units)	(Units)
LH-W3	3.50	5 existing shares per 1 unit of warrant	130,562,233	(24,157,575)	106,404,658

23. Cash receipts from share subscription

During the three-month period ended 31 March 2017, 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		Date of registration of share capital with the Ministry of Commerce	Date of the Stock Exchange of Thailand approved ordinary shares as listed securities
			exercised warrants	Exercise price (Baht per share)		
31 March 2017	LH-W3	24,157,575	24,157,575	3.50	5 April 2017	10 April 2017

As at 31 March 2017, the Company record cash received from exercised of warrants Baht 85 million. The amount is represented as cash receipts from share subscription in the statement of financial position.

24. Surplus on changes in value of available-for-sale investments

During three-month periods ended 31 March 2017 and 2016, movement of surplus on changes in value of available-for-sale investments are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2017	2016	2017	2016
Balance as at beginning of period	1,231,959	982,277	1,022,642	969,350
Changes during the period due to				
- Revaluation	(126,668)	877,448	(142,352)	735,169
- Income taxes	25,334	(175,490)	28,470	(147,034)
Balance as at end of period	1,130,625	1,684,235	908,760	1,557,485

25. 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.

(Unaudited but reviewed)

Income tax expenses for the three-month period ended 31 March 2017 and 2016 are made up as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2017	2016	2017	2016
Current income tax:				
Interim corporate income tax charge	330,955	352,233	300,239	319,528
Deferred tax:				
Relating to origination and reversal of temporary differences	(2,634)	(5,888)	(17,623)	2,730
Income tax expenses reported in the statements of income	328,321	346,345	282,616	322,258

The amounts of income tax relating to each component of other comprehensive income for the three-month period ended 31 March 2017 and 2016 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2017	2016	2017	2016
Deferred tax relating to gain/loss on changes in value of available-for-sale investments	25,334	(175,490)	28,470	(147,034)
	<u>25,334</u>	<u>(175,490)</u>	<u>28,470</u>	<u>(147,034)</u>

26. 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.

(Unaudited but reviewed)

Consolidated financial statements						
For the three-month periods ended 31 March						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
2017	2016	2017	2016	2017	2016	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders						
of the parent						
1,773,553	1,995,515	11,893,813*	11,747,855*	0.15	0.17	
Effect of dilutive potential ordinary shares						
Warrants (LH-W3)						
-	-	83,570	163,824			
Diluted earnings per share						
Profit of ordinary shareholders						
assuming the conversion of						
warrants to ordinary shares						
1,773,553	1,995,515	11,977,383	11,911,679	0.15	0.17	

* Included ordinary shares from cash receipts from share subscription

Separate financial statements						
For the three-month periods ended 31 March						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
2017	2016	2017	2016	2017	2016	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders						
of the parent						
1,773,553	1,995,515	11,893,813*	11,747,855*	0.15	0.17	
Effect of dilutive potential ordinary shares						
Warrants (LH-W3)						
-	-	83,570	163,824			
Diluted earnings per share						
Profit of ordinary shareholders						
assuming the conversion of						
warrants to ordinary shares						
1,773,553	1,995,515	11,977,383	11,911,679	0.15	0.17	

* Included ordinary shares from cash receipts from share subscription

27. 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.

(Unaudited but reviewed)

Revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month periods ended 31 March 2017 and 2016 are as follows.

(Unit: Million Baht)

For the three-month period ended 31 March 2017						
	Real estate business	Rental and service business	Others	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	6,369	785	-	7,154	-	7,154
Inter-segment revenue	-	34	-	34	(34)	-
Interest revenue	99	2	-	101	(96)	5
Infrastructure service income	77	-	-	77	-	77
Interest expense	(87)	(133)	-	(220)	97	(124)
Depreciation and amortisation	(13)	(132)	-	(145)	-	(145)
Gain on sales of assets	91	2	-	93	-	93
Share of profit from investments in associates	161	15	516	692	-	692
Segment profit	1,678	(25)	516	2,169	50	2,219
Unallocated revenue and expenses:						
Other income						34
Loss on exchange rate						(132)
Income tax expenses						(328)
Non-controlling interests of the subsidiaries						(19)
Profit for the period						1,774

(Unit: Million Baht)

For the three-month period ended 31 March 2016						
	Real estate business	Rental and service business	Others	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	7,016	629	-	7,645	-	7,645
Inter-segment revenue	-	33	-	33	(33)	-
Interest revenue	62	6	-	68	(54)	14
Infrastructure service income	76	-	-	76	-	76
Interest expense	(71)	(72)	-	(143)	55	(88)
Depreciation and amortisation	(13)	(78)	-	(91)	-	(91)
Gain on sales of assets	-	1	-	1	-	1
Share of profit from investments in associates	183	15	456	654	-	654
Segment profit	1,788	48	456	2,292	3	2,295
Unallocated revenue and expenses:						
Other income						187
Loss on derivatives						(122)
Income tax expenses						(346)
Non-controlling interests of the subsidiaries						(18)
Profit for the period						1,996

28. Commitments and contingent liabilities

28.1 Commitments

28.1.1 As at 31 March 2017 and 31 December 2016, the Company and its subsidiaries have commitments to complete projects on hand as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
Commitments under				
construction contracts	5,693	3,546	1,604	1,917
Commitment in respect of the				
installation of central utilities				
of projects on hand	1,399	1,311	1,341	1,249

28.1.2 As at 31 March 2017 and 31 December 2016, L&H Property Company Limited (“LHP”), the subsidiary which the Company hold 60% of shares and LH Mall & Hotel Company Limited (“LHMH”), the subsidiary which the Company hold 99.99% of shares, have the following commitments under, land and construction lease agreement and land lease agreement as follows:

a) Land and construction lease agreement - LHP

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 million (Full amount has been paid) 6th - 10th year, total rental payment of Baht 42 million (As at 31 March 2017: already paid Baht 32 million in total) 11th - 15th year, total rental payment of Baht 54 million 16th - 20th year, total rental payment of Baht 69 million 21st - 25th year, total rental payment of Baht 88 million 26th - 30th year, total rental payment of Baht 112 million

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

In addition, as at 31 March 2017 and 31 December 2016, LHP 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 - LHP

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 million (Full amount has been paid) 6th - 10th year, total rental of Baht 23 million (As at 31 March 2017: already paid Baht 7 million in total) 11th - 15th year, total rental of Baht 27 million 16th - 20th year, total rental of Baht 31 million 21st - 25th year, total rental of Baht 35 million 26th - 30th year, total rental of Baht 41 million

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

The rentals under the above land lease agreement are recognised as liabilities in the consolidated financial statement, at present value, as part of relevant expenses in the sales of assets to LH Shopping Centers Leasehold Real Estate Investment Trust and LH Hotel Leasehold Real Estate Investment Trust.

c) Land lease agreements - LHMH

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 2017 and 31 December 2016, LHMH, is committed to pay commission at Baht 5 million per year in the second and third year of construction period.

d) Land lease agreements - LHMH

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 million 4th - 6th year, total rental payment of Baht 78 million 7th - 9th year, total rental payment of Baht 86 million 10th - 12th year, total rental payment of Baht 95 million 13th - 15th year, total rental payment of Baht 104 million

(Unaudited but reviewed)

Agreement date	Agreement period	Rental rate
		16th - 18th year, total rental payment of Baht 115 million
		19th - 21st year, total rental payment of Baht 126 million
		22nd - 24th year, total rental payment of Baht 139 million
		25th - 27th year, total rental payment of Baht 153 million
		28th - 30th year, total rental payment of Baht 168 million

* The agreement runs after the construction period of 3 years. However, the lessor consented to allow LHMH, to develop or construct on the leased land for 3 years after the transfer and lease registration date. LHMH 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.

28.1.3 As at 31 March 2017 and 31 December 2016, the subsidiary, is committed to pay a fixed rental fee and variable rental fee in accordance with the conditions stipulated in the lease agreements to lease assets of the followings:

Fund and/or REIT	Project	Term
Land and Houses Property and Loan Fund-II	Grande Centre Point Hotel Ploenchit	From 1 January 2016 to 31 December 2018
LH Hotel Leasehold Real Estate Investment Trust	Grande Centre Point Hotel Terminal 21	From 1 January 2016 to 31 December 2018

The subsidiary has the following future minimum lease payments required under the lease agreements for the fixed rental.

	(Unit: Million Baht)	
	Consolidated financial statements	
	31 March 2017	31 December 2016
Payable:		
In up to 1 year	317	317
In over 1 and up to 3 years	238	317

28.1.4 As at 31 March 2017 and 31 December 2016, the Company has commitment related to purchase of land as follows.

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	31 March 2017	31 December 2016
Commitment to purchase of land	3,170	2,380

28.1.5 During the current period, LHMH entered into a memorandum of understanding (MOU) in relation to land lease agreement with a company. LHMH had commitment related to the land lease agreement as at transfer and lease registration date. As at 31 March 2017, LHMH has commitment under the MOU amounting to Baht 961 million.

28.1.6 As at 31 March 2017, the subsidiaries have servitude over land of approximately 96 rai (31 December 2016: 96 rai) of which the cost is included in the cost of projects.

28.1.7 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 2017 and 31 December 2016, the future minimum lease payments and services fee payments required under these non-cancellable contracts were as follows.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31	31	31	31
	March	December	March	December
	2017	2016	2017	2016
Payable:				
In up to 1 year	46	57	37	45
In over 1 and up to 3 years	10	19	10	13

28.2 Bank guarantees

As at 31 March 2017 and 31 December 2016, 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.

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	31	31	31	31
	March	December	March	December
	2017	2016	2017	2016
Letter of guarantees for arrangement and maintenance of public utilities	2,621	2,647	2,432	2,458
Letter of guarantees for electricity usage	70	71	57	58
	<u>2,691</u>	<u>2,718</u>	<u>2,489</u>	<u>2,516</u>

28.3 Guarantees

28.3.1 As at 31 March 2017 and 31 December 2016, the Company has the following obligations in respect of guarantees.

(Unit: Million Baht)

Guarantor	Guarantee	31 March	31 December
		2017	2016
Land and Houses Plc.	Customers	<u>7</u>	<u>7</u>

28.3.2 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 the subsidiaries company for loans and guarantee facilities obtained for development of the subsidiary's project. As at 31 March 2017, the subsidiaries have outstanding loans related to guarantee portion of the Company as specified in the letter of comfort amounting to Baht 1,204 million (31 December 2016: Baht 1,130 million).

28.4 Litigations

- 1) In 2006, two housing estate juristic persons and housing residents filed a lawsuit against the Company and Atlantic Real Estate Co., Ltd., the Company's 99.99% owned subsidiary for claim of Baht 1,013 million in relation to access to public thoroughfares. Subsequently, in June 2009, the plaintiffs requested to reduce the claim 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. However, as at 31 March 2017, the Company has set aside a provision of Baht 25 million for liabilities arising as a result of this case (31 December 2016: Baht 25 million).

In February 2009, the Company and its subsidiary were additionally sued in 2 lawsuits which were under the claims Baht 310 million and Baht 102 million, in accordance with the Customer Protect Act.

- a) Currently, the Court has suspended the civil case amounting Baht 310 million while waiting for the Appeals Court decision of the civil case Baht 800 million.
 - b) The Court of First Instance issued a verdict on a civil case with the amount in dispute of Baht 102 million. 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. Subsequently, the Appeals Court rendered a conflict judgement with the Court of First Instance, by instructing the Company to pay 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. However, as at 31 March 2017, the Company has set aside a provision including interest of Baht 169 million for liabilities arising as a result of these cases (31 December 2016: Baht 167 million).
- 2) In 2010 - 2012, a housing estate juristic persons and housing residents filed totaling 9 lawsuits against the Company, involving the construction of a kindergarten demanding damages totaling Baht 492 million. The Court of First Instance ordered the Company to pay for damages of Baht 27 million plus interest at a rate of 7.5% per annum, commencing from 18 January 2008 until the full amount is paid. Subsequently, the Appeal Court rendered a conflict judgement with the Court of First Instance, by instructing the Company to pay for damages of Baht 13.5 million plus interest at a rate of 7.5% per annum, commencing from 18 January 2008 until the full amount is paid. At present, the case is under the process of the Supreme Court. However, as at 31 March 2017 the Company has set aside a provision including interest of Baht 158 million for liabilities arising as a result of these cases (31 December 2016: Baht 156 million).

- 3) In August and September 2016, the Company has been sued by two condominium juristic persons in civil lawsuits (Consumer Protection legal cases) for breach of agreements, claiming for compensation total of Baht 544 million. The lawsuits are currently in the judicial process and the Company is during in negotiation with the plaintiffs. The management believes that the Company is in full compliance with such agreements, and the plaintiffs' claiming are unreasonable, without relevant evidences of demanding. However, for a reasons of prudence, the Company had set aside certain provision which the management deem to be an appropriate amount in the financial statements.
- 4) As at 31 March 2017, the Company has been sued for breach of agreements, claiming for a total of Baht 50 million (31 December 2016: Baht 20 million). However, the Company has set aside a provision including interest of Baht 5 million for liabilities arising as a result of these cases (31 December 2016: Baht 1 million).

28.5 Cross Currency and Interest Rate Swap agreements

The details of the Cross Currency and Interest Rate Swap agreements outstanding as at 31 March 2017 and 31 December 2016 are as follows:

Consolidated and Separate financial statements				
As at 31 March 2017 and 31 December 2016				
Currency and Interest Revenue Rate Swap agreement		Currency and Interest Expense Rate Swap agreement		Termination date
Principal amount	Interest rate	Principal amount	Interest rate	
Baht 3,075 million	Floating rate MLR-2.25%	USD 95.8 million	Floating rate LIBOR 6 month plus 3.19%	8 December 2017
Baht 1,951 million	Fixed rate 3.00%	USD 54.8 million	Fixed rate 2.915%	14 December 2017
Baht 2,385 million	Fixed rate 3.00%	USD 67.0 million	Fixed rate 3.31%	14 December 2021

The estimated fair values of the derivatives are as follows:

	(Unit: Million Baht)	
	As at 31 March 2017	As at 31 December 2016
	Fair value	Fair value
	Gain (loss)	Gain (loss)
Cross Currency and Interest Rate Swap agreements	(118)	(422)

29. Fair value hierarchy

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 at 31 March 2017 and 31 December 2016, the Company and its subsidiaries had the following assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 March 2017			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Other long-term investments - Available-for-sale securities				
Equity securities - Overseas	3,501	-	-	3,501
Investment units - Domestic	1,791	-	-	1,791

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2016			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Other long-term investments - Available-for-sale securities				
Equity securities - Overseas	3,654	-	-	3,654
Investment units - Domestic	1,764	-	-	1,764

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements			
	As at 31 March 2017			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Other long-term investments - Available-for-sale securities				
Equity securities - Overseas	3,501	-	-	3,501
Investment units - Domestic	788	-	-	788

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2016			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Other long-term investments - Available-for-sale securities				
Equity securities - Overseas	3,654	-	-	3,654
Investment units - Domestic	777	-	-	777

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

30. Subsequent events after reporting period

- 30.1 On 5 April 2017, 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 2017, as described in Note 22, which increased the Company's paid-up share capital from Baht 11,893 million to Baht 11,918 million. The Stock Exchange of Thailand approved the additional ordinary shares as listed securities on 10 April 2017.
- 30.2 On 27 April 2017, the Annual General Meeting of the Company's shareholders approved the following resolutions:
- 1) To approve the payment of a dividend for the year 2016 of Baht 0.65 per share. However, since the Board of Directors previously approved an interim dividend from profit of the year 2016 amounting to Baht 0.35 per share, therefore the remaining dividend payment is Baht 0.30 per share. The payment of such dividend shall be made within 24 May 2017.

- 2) To approve the issuance and offering for sale of additional revolving debenture of not exceeding Baht 20,000 million or the equivalent in any other currency. This amount will be added up to the approved revolving debenture in Annual General Meeting of the Company's shareholders of the year 2014 of Baht 40,000 million, totaling Baht 60,000 million.

30.3 On 28 April 2017, the Company issued unsubordinated and unsecured debenture as follow:

No.	Interest rate		Repayment	Maturity	Number of	Amount
	per annum	Age			debenture	(Thousand Baht)
1/2017	Fixed rate 2.48%	3 years	At maturity	28 April 2020	6,000,000	6,000,000
2/2017	Fixed rate 2.22%	2 years	At maturity	28 April 2019	1,000,000	1,000,000

31. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 May 2017.