

Land and Houses Public Company Limited
and its subsidiaries
Review report and interim financial statements
For the three-month and nine-month periods ended
30 September 2017

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Land and Houses Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Land and Houses Public Company Limited and its subsidiaries as at 30 September 2017, the related consolidated statements of income, and comprehensive income for the three-month and nine-month periods ended 30 September 2017, the related consolidated statements of changes in shareholders' equity, and cash flows for the nine-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Land and Houses Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Emphasis of matter

I draw attention to Note 1.4 and Note 3 to the financial statements, during the current period, the Company made the change in accounting policy as the adoption of TAS 27 (revised 2016) *Separate Financial Statements* which it elected to change the accounting policy for investments in subsidiaries and associates in separate financial statements to equity method. The Company has restated the 2016 financial statements to reflect the changes in the above accounting policy. In my opinion, the adjustments made for the preparation of the restated financial statements are appropriate and have been properly applied. My conclusion is not qualified in respect of this matter.

Rungnapa Lertsuwankul

Certified Public Accountant (Thailand) No. 3516

EY Office Limited

Bangkok: 13 November 2017

Land and Houses Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited) (Restated)
Assets					
Current assets					
Cash and cash equivalents	4, 5	6,114,081	2,600,578	2,817,355	1,443,056
Current investments	4, 6	1,046,633	410,280	1,001,628	-
Trade and other receivables	7	136,754	156,929	30,940	26,065
Short-term loans and accrued interest receivables					
- related parties	4	878	762	1,374,415	265,794
Inventories	8	46,398,992	48,925,724	44,685,956	47,273,349
Advance payment for constructions		575,225	540,773	326,667	412,883
Deposits for purchase of land and others		738,760	341,281	701,962	337,788
Other current assets		552,270	364,321	184,864	65,685
Total current assets		55,563,593	53,340,648	51,123,787	49,824,620
Non-current assets					
Restricted deposit at financial institutions		10,054	-	-	-
Investments in subsidiaries	9	-	-	5,417,396	5,994,791
Investments in associates	10	21,654,524	20,258,980	21,654,524	20,258,980
Other long-term investments	11	5,988,427	5,512,076	4,320,078	4,430,574
Long-term loans and accrued interest					
receivables - related party	4	-	-	9,854,612	9,868,139
Land held for development	12	3,199,436	3,215,936	3,069,893	3,086,393
Investment properties	13	13,680,034	14,545,298	209,338	208,963
Property, plant and equipment	14	581,579	574,092	328,844	281,643
Leasehold rights	15	2,929,101	3,778,856	-	-
Other intangible assets	16	36,790	45,665	18,067	20,320
Deferred tax assets		384,477	215,617	350,782	134,633
Other non-current assets		17,511	18,374	11,552	11,540
Total non-current assets		48,481,933	48,164,894	45,235,086	44,295,976
Total assets		104,045,526	101,505,542	96,358,873	94,120,596

The accompanying notes are an integral part of the financial statements.

Land and Houses Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	As at	As at	As at	As at	
	Note	30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited) (Restated)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	17	2,979,134	3,317,003	2,224,385	2,759,391
Retention guarantees		551,419	574,144	497,690	492,142
Current portion of financial lease liabilities		3,755	3,365	-	-
Current portion of long-term loans	18	3,123,180	3,075,180	3,075,180	3,075,180
Current portion of debentures	19	13,000,000	8,000,000	13,000,000	8,000,000
Income tax payable		385,544	667,247	371,344	491,188
Provisions		1,567,119	656,839	1,541,434	632,919
Advance received from customers		1,590,953	2,737,849	1,555,382	2,706,541
Other current liabilities		520,091	573,492	455,718	517,695
Total current liabilities		23,721,195	19,605,119	22,721,133	18,675,056
Non-current liabilities					
Financial lease liabilities - net of current portion		16,815	17,146	-	-
Long-term loans - net of current portion	18	4,226,803	4,331,056	-	-
Debentures - net of current portion	19	26,250,000	28,250,000	26,250,000	28,250,000
Provision for long-term employee benefits		352,035	330,869	275,614	260,470
Deferred tax liabilities		1,355,962	964,490	-	-
Other non-current liabilities		158,519	55,307	-	-
Total non-current liabilities		32,360,134	33,948,868	26,525,614	28,510,470
Total liabilities		56,081,329	53,553,987	49,246,747	47,185,526

The accompanying notes are an integral part of the financial statements.

Land and Houses Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	As at	As at	As at	As at	
	Note	30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited) (Restated)
Shareholders' equity					
Share capital	20				
Registered					
12,031,105,828 ordinary shares of Baht 1 each		12,031,106	12,031,106	12,031,106	12,031,106
Issued and paid-up					
11,949,713,176 ordinary shares of Baht 1 each (31 December 2016: 11,786,545,992 ordinary shares of Baht 1 each)		11,949,713	11,786,546	11,949,713	11,786,546
Premium on ordinary shares		15,452,854	15,044,936	15,452,854	15,044,936
Cash receipts from share subscription		-	374,493	-	374,493
Retained earnings					
Appropriated - Statutory reserve		1,203,111	1,203,111	1,203,111	1,203,111
Unappropriated		15,849,952	15,673,941	15,849,952	15,673,941
Other components of shareholders' equity		2,656,496	2,852,043	2,656,496	2,852,043
Equity attributable to the shareholders of the Company		47,112,126	46,935,070	47,112,126	46,935,070
Non-controlling interests of subsidiaries		852,071	1,016,485	-	-
Total shareholders' equity		47,964,197	47,951,555	47,112,126	46,935,070
Total liabilities and shareholders' equity		104,045,526	101,505,542	96,358,873	94,120,596
		-	-	-	-

The accompanying notes are an integral part of the financial statements.

Directors

Land and Houses Public Company Limited and its subsidiaries

Income statement

For the three-month period ended 30 September 2017

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

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
					(Restated)
Revenues					
Sales income		9,190,106	6,268,267	8,930,185	6,149,395
Rental and services income		808,556	664,962	-	-
Other income					
Dividend		31,887	26,778	10,777	10,543
Interest income		19,900	6,278	118,359	60,615
Infrastructure service income		58,993	50,589	49,705	42,760
Gain on change in shareholders' equity of an associate	10.3	1,135,221	-	1,135,221	-
Gain on sale of project		-	77,926	-	77,926
Others		22,378	24,375	12,509	8,143
Total revenues		11,267,041	7,119,175	10,256,756	6,349,382
Expenses					
Cost of sales and services		5,930,307	4,005,213	5,744,835	3,912,481
Cost of rental and services		634,384	445,252	-	-
Selling expenses		265,512	241,292	231,153	211,260
Special business tax and transfer fee		355,724	240,468	345,427	232,121
Administrative expenses		490,323	480,870	383,368	375,217
Provision for legal cases		775,309	4,081	775,309	4,081
Other expenses					
Loss on exchange rate		40,425	-	40,425	-
Others		24	184	24	184
Total expenses		8,492,008	5,417,360	7,520,541	4,735,344
Profit before share of profit from investments in subsidiaries and associates, finance cost and income tax expenses		2,775,033	1,701,815	2,736,215	1,614,038
Share of profit (loss) from investments in subsidiaries	9	-	-	(21,279)	20,166
Share of profit from investments in associates	10	830,651	725,848	830,651	725,848
Profit before finance cost and income tax expenses		3,605,684	2,427,663	3,545,587	2,360,052
Finance cost		(160,168)	(77,575)	(127,827)	(56,527)
Profit before income tax expenses		3,445,516	2,350,088	3,417,760	2,303,525
Income tax expenses	23	(318,839)	(342,995)	(292,389)	(310,027)
Profit for the period		3,126,677	2,007,093	3,125,371	1,993,498
Profit attributable to:					
Equity holders of the Company		3,125,371	1,993,498	3,125,371	1,993,498
Non-controlling interests of subsidiaries		1,306	13,595		
		<u>3,126,677</u>	<u>2,007,093</u>		
Earnings per share	24				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.26	0.17	0.26	0.17
Diluted earnings per share					
Profit attributable to equity holders of the Company			0.17		0.17

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Land and Houses Public Company Limited and its subsidiaries
Statement of comprehensive income
For the three-month period ended 30 September 2017

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements		
	2017	2016	2017	2016 (Restated)	
Profit for the period	3,126,677	2,007,093	3,125,371	1,993,498	
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Gain (loss) on change in value of available-for-sales investments - net of income taxes	22	150,685	(258,923)	110,306	(296,566)
Exchange differences on translation of financial statements in foreign currency		(17,503)	(44,243)	-	-
Share of other comprehensive income of subsidiaries	9	-	-	22,876	(6,600)
Share of other comprehensive income of associates	10	27,526	(21,749)	27,526	(21,749)
Other comprehensive income for the period		160,708	(324,915)	160,708	(324,915)
Total comprehensive income for the period		3,287,385	1,682,178	3,286,079	1,668,583
Total comprehensive income attributable to:					
Equity holders of the Company		3,286,079	1,668,583	<u>3,286,079</u>	<u>1,668,583</u>
Non-controlling interests of subsidiaries		1,306	13,595		
		<u>3,287,385</u>	<u>1,682,178</u>		
		-	-	-	-

The accompanying notes are an integral part of the financial statements.

Land and Houses Public Company Limited and its subsidiaries

Income statement

For the nine-month period ended 30 September 2017

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

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
					(Restated)
Revenues					
Sales income		24,760,963	20,495,283	24,226,442	20,021,915
Rental and services income		2,330,947	1,871,080	-	-
Other income					
Dividend		99,645	99,553	36,294	47,228
Interest income		39,152	31,000	329,740	184,711
Infrastructure service income		195,429	176,326	174,177	154,696
Gain on change in shareholders' equity of an associate	10.3	1,135,221	-	1,135,221	-
Gain on sale of property, plant and equipment		14,652	-	13,121	-
Gain on sale of project		-	77,926	-	77,926
Gain on sale of land held for development		80,195	1,240,000	80,195	-
Gain on sales of assets to REIT	15	2,080,095	-	-	-
Others		44,302	173,110	45,283	162,316
Total revenues		30,780,601	24,164,278	26,040,473	20,648,792
Expenses					
Cost of sales and services		15,934,425	13,277,034	15,575,061	12,931,242
Cost of rental and services		1,752,555	1,361,172	-	-
Selling expenses		728,614	681,478	626,469	595,391
Special business tax and transfer fee		953,561	727,871	932,331	707,289
Administrative expenses		1,466,276	1,478,461	1,155,955	1,226,012
Provision for legal cases		786,994	32,560	786,994	32,560
Other expenses					
Loss on derivatives		-	121,406	-	121,406
Loss on exchange rate		206,767	-	206,767	-
Others		-	16,241	-	16,932
Total expenses		21,829,192	17,696,223	19,283,577	15,630,832
Profit before share of profit from investments in subsidiaries and associates, finance cost and income tax expenses		8,951,409	6,468,055	6,756,896	5,017,960
Share of profit from investments in subsidiaries	9	-	-	875,493	595,830
Share of profit from investments in associates	10	2,274,658	2,178,442	2,274,658	2,178,442
Profit before finance cost and income tax expenses		11,226,067	8,646,497	9,907,047	7,792,232
Finance cost		(449,451)	(254,528)	(348,819)	(186,869)
Profit before income tax expenses		10,776,616	8,391,969	9,558,228	7,605,363
Income tax expenses	23	(1,580,276)	(1,269,090)	(1,050,271)	(985,423)
Profit for the period		9,196,340	7,122,879	8,507,957	6,619,940
Profit attributable to:					
Equity holders of the Company		8,507,957	6,619,940	8,507,957	6,619,940
Non-controlling interests of subsidiaries		688,383	502,939	-	-
		<u>9,196,340</u>	<u>7,122,879</u>		
Earnings per share	24				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.71	0.56	0.71	0.56
Diluted earnings per share					
Profit attributable to equity holders of the Company		0.71	0.56	0.71	0.56

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Land and Houses Public Company Limited and its subsidiaries
Statement of comprehensive income
For the nine-month period ended 30 September 2017

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements		
	2017	2016	2017	2016 (Restated)	
Profit for the period	9,196,340	7,122,879	8,507,957	6,619,940	
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Gain (loss) on change in value of available-for-sales investments - net of income taxes	22	(66,591)	217,817	(88,397)	4,109
Exchange differences on translation of financial statements in foreign currency		(81,746)	(23,605)	-	-
Share of other comprehensive income of subsidiaries	9	-	-	(59,940)	190,103
Share of other comprehensive income of associates	10	(47,210)	166,180	(47,210)	166,180
Other comprehensive income for the period		(195,547)	360,392	(195,547)	360,392
Total comprehensive income for the period		9,000,793	7,483,271	8,312,410	6,980,332
Total comprehensive income attributable to:					
Equity holders of the Company		8,312,410	6,980,332	<u>8,312,410</u>	<u>6,980,332</u>
Non-controlling interests of subsidiaries		688,383	502,939		
		<u>9,000,793</u>	<u>7,483,271</u>		
		-	-	-	-

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Land and Houses Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2017

(Unit: Thousand Baht)

Consolidated financial statements															
Equity attributable to the shareholders of the Company															
	Note	Other components of shareholders' equity										Total equity attributable to the shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
		Retained earnings					Other comprehensive income								
		Issued and paid-up share capital	Premium on ordinary shares	Cash receipts from share subscription	Appropriated - Statutory reserve	Unappropriated	Surplus on change in value of available-for-sale investments	Exchange differences on translation of financial statements in foreign currency	Share of other comprehensive income of associates	Premium on share capital of associates	Other surplus				Total other components of shareholders' equity
Balance as at 31 December 2015		11,730,035	14,903,658	61,419	1,203,111	15,287,289	982,277	181,496	(41,719)	91,042	1,227,782	2,440,878	45,626,390	1,268,736	46,895,126
Profit for the period		-	-	-	-	6,619,940	-	-	-	-	-	-	6,619,940	502,939	7,122,879
Other comprehensive income for the period		-	-	-	-	-	217,817	(23,605)	166,180	-	-	360,392	360,392	-	360,392
Total comprehensive income for the period		-	-	-	-	6,619,940	217,817	(23,605)	166,180	-	-	360,392	6,980,332	502,939	7,483,271
Converted warrants to share capital	20	49,036	122,592	(61,419)	-	-	-	-	-	-	-	-	110,209	-	110,209
Cash receipts from share subscription		-	-	26,161	-	-	-	-	-	-	-	-	26,161	-	26,161
Dividend paid	25	-	-	-	-	(8,202,104)	-	-	-	-	-	-	(8,202,104)	-	(8,202,104)
Subsidiary additional called up share capital from non-controlling interests of subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	60,000	60,000
Capital refund of subsidiaries to non-controlling interests of subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	(384,800)	(384,800)
Subsidiaries paid dividend to non-controlling interests of subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	(345,593)	(345,593)
Income tax from unpaid dividend		-	-	-	-	(8,176)	-	-	-	-	-	-	(8,176)	-	(8,176)
Balance as at 30 September 2016		<u>11,779,071</u>	<u>15,026,250</u>	<u>26,161</u>	<u>1,203,111</u>	<u>13,696,949</u>	<u>1,200,094</u>	<u>157,891</u>	<u>124,461</u>	<u>91,042</u>	<u>1,227,782</u>	<u>2,801,270</u>	<u>44,532,812</u>	<u>1,101,282</u>	<u>45,634,094</u>
Balance as at 31 December 2016		11,786,546	15,044,936	374,493	1,203,111	15,673,941	1,231,959	292,822	8,438	91,042	1,227,782	2,852,043	46,935,070	1,016,485	47,951,555
Profit for the period		-	-	-	-	8,507,957	-	-	-	-	-	-	8,507,957	688,383	9,196,340
Other comprehensive income for the period		-	-	-	-	-	(66,591)	(81,746)	(47,210)	-	-	(195,547)	(195,547)	-	(195,547)
Total comprehensive income for the period		-	-	-	-	8,507,957	(66,591)	(81,746)	(47,210)	-	-	(195,547)	8,312,410	688,383	9,000,793
Converted warrants to share capital	20	163,167	407,918	(374,493)	-	-	-	-	-	-	-	-	196,592	-	196,592
Dividend paid	25	-	-	-	-	(8,326,134)	-	-	-	-	-	-	(8,326,134)	-	(8,326,134)
Capital refund of subsidiaries to non-controlling interests of subsidiaries	9.3	-	-	-	-	-	-	-	-	-	-	-	-	(491,397)	(491,397)
Subsidiaries paid dividend to non-controlling interests of subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	(361,400)	(361,400)
Income tax from unpaid dividend		-	-	-	-	(5,812)	-	-	-	-	-	-	(5,812)	-	(5,812)
Balance as at 30 September 2017		<u>11,949,713</u>	<u>15,452,854</u>	<u>-</u>	<u>1,203,111</u>	<u>15,849,952</u>	<u>1,165,368</u>	<u>211,076</u>	<u>(38,772)</u>	<u>91,042</u>	<u>1,227,782</u>	<u>2,656,496</u>	<u>47,112,126</u>	<u>852,071</u>	<u>47,964,197</u>
		-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-

The accompanying notes are an integral part of the financial statements.

Land and Houses Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the nine-month period ended 30 September 2017

(Unit: Thousand Baht)

Separate financial statements																	
											Other components of shareholders' equity						
											Other comprehensive income						
											Surplus on	Share of other	Share of other	Premium on share	Total other		Total
											change in value	comprehensive	comprehensive	capital of	components of		shareholders'
											of available-for-	income of	income of	associates	shareholders' equity		equity
											sale investments	subsidiaries	associates	Other surplus			
Note	Issued and paid-up share capital	Premium on ordinary shares	Cash receipts from share subscription	Retained earnings													
				Appropriated - Statutory reserve	Unappropriated												
Balance as at 31 December 2015 - as previously reported	11,730,035	14,903,658	61,419	1,203,111	5,873,815	969,350	-	-	-	1,501,855	2,471,205	36,243,243					
Cumulative effect of change in accounting policy for investments in subsidiaries and associates	3	-	-	-	9,413,474	-	194,423	(41,719)	91,042	(274,073)	(30,327)	9,383,147					
Balance as at 31 December 2015 - as restated	11,730,035	14,903,658	61,419	1,203,111	15,287,289	969,350	194,423	(41,719)	91,042	1,227,782	2,440,878	45,626,390					
Profit for the period - restated	-	-	-	-	6,619,940	-	-	-	-	-	-	6,619,940					
Other comprehensive income for the period - restated	-	-	-	-	-	4,109	190,103	166,180	-	-	360,392	360,392					
Total comprehensive income for the period - restated	-	-	-	-	6,619,940	4,109	190,103	166,180	-	-	360,392	6,980,332					
Converted warrants to share capital	20	49,036	122,592	(61,419)	-	-	-	-	-	-	-	110,209					
Cash receipts from share subscription	-	-	26,161	-	-	-	-	-	-	-	-	26,161					
Dividend paid	25	-	-	-	(8,202,104)	-	-	-	-	-	-	(8,202,104)					
Income tax from unpaid dividend	-	-	-	-	(8,176)	-	-	-	-	-	-	(8,176)					
Balance as at 30 September 2016 - as restated	11,779,071	15,026,250	26,161	1,203,111	13,696,949	973,459	384,526	124,461	91,042	1,227,782	2,801,270	44,532,812					
Balance as at 31 December 2016 - as previously reported	11,786,546	15,044,936	374,493	1,203,111	5,174,251	1,022,642	-	-	-	1,501,855	2,524,497	36,107,834					
Cumulative effect of change in accounting policy for investments in subsidiaries and associates	3	-	-	-	10,499,690	-	502,139	8,438	91,042	(274,073)	327,546	10,827,236					
Balance as at 31 December 2016 - as restated	11,786,546	15,044,936	374,493	1,203,111	15,673,941	1,022,642	502,139	8,438	91,042	1,227,782	2,852,043	46,935,070					
Profit for the period	-	-	-	-	8,507,957	-	-	-	-	-	-	8,507,957					
Other comprehensive income for the period	-	-	-	-	-	(88,397)	(59,940)	(47,210)	-	-	(195,547)	(195,547)					
Total comprehensive income for the period	-	-	-	-	8,507,957	(88,397)	(59,940)	(47,210)	-	-	(195,547)	8,312,410					
Converted warrants to share capital	20	163,167	407,918	(374,493)	-	-	-	-	-	-	-	196,592					
Dividend paid	25	-	-	-	(8,326,134)	-	-	-	-	-	-	(8,326,134)					
Income tax from unpaid dividend	-	-	-	-	(5,812)	-	-	-	-	-	-	(5,812)					
Balance as at 30 September 2017	11,949,713	15,452,854	-	1,203,111	15,849,952	934,245	442,199	(38,772)	91,042	1,227,782	2,656,496	47,112,126					
-	-	-	-	-	-	-	-	-	-	-	-	-					
-	-	-	-	-	-	-	-	-	-	-	-	-					

The accompanying notes are an integral part of the financial statements.

Land and Houses Public Company Limited and its subsidiaries**Cash flow statement****For the nine-month period ended 30 September 2017**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016 (Restated)
Cash flows from operating activities				
Profit before income tax expenses	10,776,616	8,391,969	9,558,228	7,605,363
Adjustments to reconcile profit before income tax expenses to net cash provided by (paid from) operating activities:				
Inventories and land held for development decrease				
from transfer to cost of sales	15,019,877	12,850,709	14,697,343	12,534,687
Depreciation and amortisation	411,745	274,902	39,685	34,919
Share of profit from investments in subsidiaries	-	-	(875,493)	(595,830)
Share of profit from investments in associates	(2,274,658)	(2,178,442)	(2,274,658)	(2,178,442)
Provision for legal cases	786,994	32,560	786,994	32,560
Gain on sales of assets to REIT	(2,080,095)	-	-	-
Loss on diminution in value of land held for development	-	5,957	-	5,957
Gain on change in shareholders' equity of an associate	(1,135,221)	-	(1,135,221)	-
Loss (gain) on sale of property, plant and equipment	(14,652)	285	(13,121)	975
Loss on impairment of other long-term investments	-	10,000	-	10,000
Gain on sale of land held for development	(80,195)	(1,240,000)	(80,195)	-
Loss on exchange rate	203,377	-	203,377	-
Provision for after - sale maintenance expenses	136,674	36,693	135,915	36,146
Provision for compensation for Housing Estate Juristic Persons	25,392	21,948	24,320	21,218
Provision for public utilities maintenance expenses	41,770	33,414	41,390	33,084
Provision for long-term employee benefits	24,548	34,209	16,237	16,223
Dividend received	(99,645)	(99,553)	(36,294)	(47,228)
Interest income	(39,152)	(31,000)	(329,740)	(184,711)
Interest expenses	444,613	248,197	343,982	180,540
Profit from operating activities before change in operating assets and liabilities	22,147,988	18,391,848	21,102,749	17,505,461
Decrease (increase) in operating assets				
Current investments	(636,353)	1,146,839	(1,001,628)	1,201,839
Trade and other receivables	22,979	47,124	(4,742)	5,884
Inventories	(11,971,252)	(12,193,462)	(11,590,927)	(12,018,115)
Other current assets	(598,636)	320,925	(397,138)	351,573
Other non-current assets	863	5,176	(12)	797
Increase (decrease) in operating liabilities				
Trade and other payables	(583,167)	(97,004)	(776,071)	(211,916)
Retention guarantees	(22,725)	43,140	5,548	3,656
Other current liabilities	(792,374)	186,660	(804,774)	562,358
Provision for long-term employee benefits	(3,382)	(3,400)	(1,093)	(3,400)
Other non-current liabilities	103,212	(15,859)	-	-
Cash flows from operating activities	7,667,153	7,831,987	6,531,912	7,398,137
Cash paid for income tax	(1,649,774)	(1,420,881)	(1,369,977)	(1,237,140)
Net cash flows from operating activities	6,017,379	6,411,106	5,161,935	6,160,997

The accompanying notes are an integral part of the financial statements.

Land and Houses Public Company Limited and its subsidiaries**Cash flow statement (continued)****For the nine-month period ended 30 September 2017**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016 (Restated)
Cash flows from investing activities				
Decrease (increase) in restricted deposit at financial institutions	(10,054)	12,000	-	12,000
Decrease (increase) in short-term loans to related parties	-	-	(1,088,000)	382,294
Increase in long-term loans to related party	-	-	(579,000)	(834,962)
Cash paid for share subscription of subsidiaries	-	-	-	(1,575,700)
Cash paid for purchase of other long-term investments	(559,590)	-	-	-
Cash received from share reduction of subsidiaries	-	-	740,850	577,200
Dividend received from subsidiaries	-	-	652,099	518,609
Dividend received from associates	1,967,125	1,718,428	1,967,125	1,718,428
Dividend received from other companies	99,645	99,553	36,294	47,228
Proceeds from sale of land held for development	100,697	2,185,000	100,697	-
Proceeds from sale of property, plant and equipment	21,571	6,159	18,385	3,907
Cash received from sales of assets to REIT	3,749,300	-	-	-
Cash paid for property, plant and equipment, leasehold rights and intangible assets	(999,226)	(1,377,484)	(93,606)	(82,394)
Cash paid for purchase of investment properties	(343,042)	(3,625,236)	(375)	(1,110)
Cash paid for guarantee income of fund	-	(18,171)	-	(18,171)
Cash received from interest income	36,231	39,190	209,666	172,456
Net cash flows from (used in) investing activities	4,062,657	(960,561)	1,964,135	919,785
Cash flows from financing activities				
Decrease in bank overdrafts and short-term loans from financial institutions	-	(219,799)	-	-
Cash paid for financial lease liabilities	(3,510)	(777)	-	-
Increase (decrease) in short-term loans from related parties	-	(46,301)	-	143,000
Increase in short-term loans	-	3,500,000	-	3,500,000
Cash paid for debentures repayment	(4,000,000)	(8,500,000)	(4,000,000)	(8,500,000)
Cash received from issuance of debentures	7,000,000	5,000,000	7,000,000	5,000,000
Cash paid for long-term loans repayment	-	(4,533,440)	-	(3,891,306)
Cash received from drawdown long-term loans	164,000	2,667,074	-	-
Cash received from convert warrants to share capital	196,592	110,209	196,592	110,209
Cash received from share subscription	-	26,161	-	26,161
Cash paid for interest expenses	(737,544)	(847,592)	(622,229)	(738,503)
Cash received from additional called up capital from non-controlling interests of subsidiaries	-	60,000	-	-
Cash paid for capital refund to non-controlling interests of subsidiaries	(491,397)	(384,801)	-	-
Subsidiaries paid dividend to non-controlling interest of subsidiaries	(361,400)	(345,593)	-	-
Dividend paid	(8,326,134)	(8,202,104)	(8,326,134)	(8,202,104)
Net cash flows used in financing activities	(6,559,393)	(11,716,963)	(5,751,771)	(12,552,543)
Exchange differences on translation of financial statements in foreign currency	(7,140)	189,132	-	-
Net increase (decrease) in cash and cash equivalents	3,513,503	(6,077,286)	1,374,299	(5,471,761)
Cash and cash equivalents at beginning of period	2,600,578	8,956,752	1,443,056	7,108,991
Cash and cash equivalents at end of period	6,114,081	2,879,466	2,817,355	1,637,230

The accompanying notes are an integral part of the financial statements.

Land and Houses Public Company Limited and its subsidiaries**Cash flow statement (continued)****For the nine-month period ended 30 September 2017**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
				(Restated)
Supplemental cash flow information				
Non-cash items				
Purchases of investment property, property, plant and equipment, leasehold rights and intangible assets recorded as liabilities	138,714	78,313	2,618	17,335
Transfer inventories to land held for development (book value)	-	73,191	-	73,191
Transfer inventories to property, plant and equipment (book value)	-	1,527	-	1,527
Increase (decrease) in revaluation surplus on change in value of available-for-sale investments - net of income taxes	(66,591)	217,817	(88,397)	4,109
Exchange differences on translation of financial statements in foreign currency	(81,746)	(23,605)	-	-
Share of other comprehensive income of subsidiaries	-	-	(59,940)	190,103
Share of other comprehensive income of associates	(47,210)	166,180	(47,210)	166,180
Interest expenses recorded as cost of projects	533,415	695,585	519,022	681,496
Income tax payable from unpaid dividend	5,812	8,176	5,812	8,176

The accompanying notes are an integral part of the financial statements.

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 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, except the significant changes of investments in subsidiaries and associates as described in Note 9 and Note 10.

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, the income statements and the statements of comprehensive income are summarised below.

(Unit: Million Baht)

	Separate financial statements		
	30 September	31 December	31 December
	2017	2016	2015
Statements of financial position			
Increase in investments in subsidiaries	965	802	653
Increase in investments in associates	11,421	10,025	8,730
Increase in unappropriated retained earnings	12,166	10,500	9,413
Increase (decrease) in other components of shareholders' equity	220	327	(30)

(Unit: Million Baht)

	Separate financial statements			
	For the three-month periods ended		For the nine-month periods ended	
	30 September	30 September	30 September	30 September
	2017	2016	2017	2016
Statements of income				
Decrease in dividend income from subsidiaries	-	(1)	(652)	(519)
Decrease in dividend income from associates	(871)	(716)	(1,967)	(1,718)
Increase (decrease) in gain on exchange rate	-	27	-	(33)
Increase in gain on change in shareholders' equity of an associate	1,135	-	1,135	-
Increase (decrease) in share of profit from investments in subsidiaries	(22)	20	875	596
Increase in share of profit from investments in associates	831	726	2,275	2,178
Decrease in finance cost	-	1	-	2
Increase in profit for the period	1,073	57	1,666	506
Statements of comprehensive income				
Increase (decrease) in share of other comprehensive income of subsidiaries	23	(7)	(60)	190
Increase (decrease) in share of other comprehensive income of associates	28	(22)	(47)	166
Earnings per share (Baht)				
Increase in basic earnings per share	0.09	0.01	0.14	0.04
Increase in diluted earnings per share*	-	0.01	0.14	0.05

* There is no calculation of diluted earnings per share for the three-month period ended 30 September 2017 as warrants (LH-W3) were expired on 4 May 2017.

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.)
Quality Houses Leasehold Property Fund	Associate of Quality Houses Plc.

(Unaudited but reviewed)

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.

	For the three-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2017	2016	2017	2016	
(Unit: Million Baht)					
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	107	57	3.00% - 4.60% p.a. (2016: 3.50% - 4.17% p.a.)
Management fee income	-	-	2	2	Approximate cost
Dividend income	-	-	-	1	Declared rate
Sale of land	-	-	-	6	Approximate cost
Cash paid for use of land	-	-	-	49	Approximate cost
Purchase of land	-	-	-	4	Approximate cost
<u>Transactions with associates</u>					
Management fee	1	1	-	-	Contract price
Interest income	7	2	4	1	The interest rate as declared by the bank
Dividend income	871	716	871	716	Declared rate
Purchase of goods	14	18	14	18	Cost plus margin
Property rental fee expenses	47	48	-	-	Contract price
<u>Transactions with related companies</u>					
Property management fee	42	48	-	-	Contract price
Human-resources management income	6	6	-	-	Contract price
Dividend income	32	24	11	11	Declared rate
Rental and service expenses	18	17	14	13	Baht 750 - 880 per square metre per month
Property rental fee expenses	197	97	-	-	Contract price

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Transfer pricing policy
	Consolidated financial statements		Separate financial statements		
	2017	2016	2017	2016	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	309	166	3.00% - 4.60% p.a. (2016: 3.50% - 5.50% p.a.)
Management fee income	-	-	6	6	Approximate cost
Dividend income	-	-	652	519	Declared rate
Sale of land	-	-	-	12	Approximate cost
Cash paid for use of land	-	-	-	56	Approximate cost
Interest expenses	-	-	1	1	2.00% p.a.
Purchase of land	-	-	-	4	Approximate cost
<u>Transactions with associates</u>					
Management fee	3	1	-	-	Contract price
Interest income	19	21	12	13	The interest rate as declared by the bank
Dividend income	1,967	1,718	1,967	1,718	Declared rate
Purchase of goods	39	71	38	66	Cost plus margin
Property rental fee expenses	125	124	-	-	Contract price
<u>Transactions with related companies</u>					
Property management fee	129	103	-	-	Contract price
Human-resources management income	19	17	-	-	Contract price
Dividend income	90	97	36	47	Declared rate
Sale of assets to REIT	3,749	-	-	-	Contract price
Rental and services expenses	51	48	40	40	Baht 750 - 880 per square metre per month
Property rental fee expenses	409	282	-	-	Contract price
Commission expenses	-	1	-	-	Contract price
Project management fee expenses	-	2	-	-	Contract price
<u>Transactions with directors of subsidiary</u>					
Interest expenses	-	1	-	-	5.50% p.a.

As at 30 September 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	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
Deposit at financial institution				
(shown under cash and cash equivalents)				
Associate	1,943	1,420	1,086	589
Current investments (Note 6)				
Associate	1,047	70	1,002	-

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
Amounts due from and other receivables - related parties (Note 7)				
Subsidiaries	-	-	1	-
Associate	-	1	-	-
Related companies	19	28	-	-
Total	19	29	1	-
Short-term loans and accrued interest receivables - related parties				
Subsidiaries	-	-	1,374	266
Associate	1	1	-	-
Total	1	1	1,374	266
Long-term loans and accrued interest receivables - related party				
Subsidiary	-	-	9,855	9,868
Deposit to related company (shown under other non-current assets)				
Related company	15	15	12	12
Trade accounts payable - related parties (Note 17)				
Associates	4	5	4	5
Amounts due to related parties (Note 17)				
Associates	47	40	-	-
Related companies	199	96	-	-
Total	246	136	-	-

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 3.0% and 4.6% per annum. The current portion of long-term loans is presented in long-term loans - related party because the Company has no intention to call for such loans from LH USA within next 12 months.

During the nine-month period ended 30 September 2017, movements of loans to/loans from between the Company, subsidiaries and related companies were as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	1 January			30 September
	2017	Increase	Decrease	2017
Short-term loans and accrued interest receivables - related party				
<u>Associate</u>				
Land and Houses Bank Plc.	1	17	(17)	1

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements			
	1 January	Increase	Decrease	30 September
	2017			2017
Short-term loans and accrued interest receivables - related parties				
<u>Subsidiaries</u>				
Atlantic Real Estate Co., Ltd.	17	51	-	68
LH Mall & Hotel Co., Ltd.	133	1,087	-	1,220
Land and Houses Northeast Co., Ltd.	-	40	(40)	-
L H Asset Co., Ltd.	116	57	(87)	86
	<u>266</u>	<u>1,235</u>	<u>(127)</u>	<u>1,374</u>
<u>Associate</u>				
Land and Houses Bank Plc.	-	11	(11)	-
Total	<u>266</u>	<u>1,246</u>	<u>(138)</u>	<u>1,374</u>
Long-term loan and accrued interest receivables - related party				
<u>Subsidiary</u>				
Land and Houses U.S.A., Inc.	<u>9,868</u>	<u>867</u>	<u>(880)</u>	<u>9,855</u>
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	<u>-</u>	<u>141</u>	<u>(141)</u>	<u>-</u>

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2017 and 2016, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2017	2016	2017	2016
Short-term employee benefits	42	53	152	155
Post-employment benefits	2	1	7	13
Total	<u>44</u>	<u>54</u>	<u>159</u>	<u>168</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2017	2016	2017	2016
Short-term employee benefits	33	43	125	130
Post-employment benefits	1	1	4	4
Total	34	44	129	134

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 27.

The Company had outstanding guarantee obligations with its related parties, as described in Note 27.3.

5. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
Cash	5,073	4,128	2,145	2,015
Bank deposits	4,027,657	2,261,662	1,060,098	1,312,945
Cheques in transit	458,252	128,096	455,112	128,096
Fixed deposits receipt	1,623,099	206,692	1,300,000	-
Total	6,114,081	2,600,578	2,817,355	1,443,056

As at 30 September 2017, bank deposits and fixed deposits receipt carried interests between 0.25% and 1.25% per annum (31 December 2016: 0.25% and 1.40% per annum).

(Unaudited but reviewed)

6. Current investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Fixed deposits over three months but not over one year	45,005	410,280	-	-
Investments in LH Money Market Fund, Cost	999,908	-	999,908	-
Add: Unrealised gain on changes in value of investments	1,720	-	1,720	-
Investments in LH Money Market Fund - fair value	1,001,628	-	1,001,628	-
Total	1,046,633	410,280	1,001,628	-

As at 30 September 2017, fixed deposits carried interests at 1.25% per annum (31 December 2016: between 1.35% and 1.40% per annum).

7. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
<u>Trade receivables - unrelated parties</u>				
Not yet due	-	-	-	-
Past due				
Less than 3 months	81,538	84,776	-	-
3 - 6 months	122	2,255	-	-
6 - 9 months	72	-	-	-
9 - 12 months	194	-	-	-
Over 12 months	67	8,622	-	-
Total trade receivables - unrelated parties	81,993	95,653	-	-
Amounts due from and accounts receivables - related parties	19,286	29,178	1,281	157
Other receivables	35,475	32,098	29,659	25,908
Total other receivables	54,761	61,276	30,940	26,065
Total trade and other receivables	136,754	156,929	30,940	26,065

8. Real estate development cost (inventories)

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

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
	September	December	September	December
	2017	2016	2017	2016
Net book value of land and structures thereon mortgaged as collateral	829	819	-	-

9. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Separate financial statements							
	Paid-up capital		Shareholding percentage		Cost		Carrying amount based on equity method	
	30	31	30	31	30	31	30	31
	September	December	September	December	September	December	September	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	(10,044)	3,758
LH Mall & Hotel Co., Ltd. and it subsidiaries	2,000,000	2,000,000	99.99	99.99	2,000,000	2,000,000	2,368,212	2,210,556
Land and Houses North Co., Ltd.	13,500	13,500	99.99	99.99	13,500	13,500	15,718	15,831
Land and Houses Northeast Co., Ltd.	150,000	150,000	99.99	99.99	149,999	149,999	358,849	301,166
Siam Tanee Property Co., Ltd. and its subsidiary	100,000	100,000	99.99	99.99	64,859	64,859	114,963	237,055
L H Real Estate Co., Ltd.	58,000	58,000	99.99	99.99	25,000	25,000	18,972	19,123
L H Asset Co., Ltd.	100,000	100,000	99.99	99.99	52,734	52,734	496,618	466,968
L H Muang Mai Co., Ltd. and its subsidiaries	900,000	900,000	55.00	55.00	495,000	495,000	689,046	702,302
L&H Property Co., Ltd. and its subsidiary	409,500	1,638,000	60.00	60.00	341,700	1,078,800	432,340	669,892
Land and Houses U.S.A., Inc.	(a)	(a)	100.00	100.00	1,343,127	1,343,127	930,356	1,368,847
Asia Asset Advisory Co., Ltd.	1,250	5,000	99.99	99.99	1,250	5,000	2,366	(707)
					<u>4,502,167</u>	<u>5,243,017</u>	<u>5,417,396</u>	<u>5,994,791</u>

(a) As at 30 September 2017 and 31 December 2016, Land and Houses U.S.A., Inc. had paid-up capital amounted to USD 40 million.

9.2 Share of comprehensive income and dividend received

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

(Unit: Thousand Baht)

Company's name	Separate financial statements					
	For the three-month periods ended 30 September					
	Share of profit or loss		Share of other comprehensive income		Dividend received	
	2017	2016	2017	2016	2017	2016
		(Restated)		(Restated)		
Atlantic Real Estate Co., Ltd.	(355)	8,266	-	-	-	-
LH Mall & Hotel Co., Ltd. and its subsidiaries	45,911	16,004	40,379	37,643	-	-
Land and Houses North Co., Ltd.	(11)	(8)	-	-	-	-
Land and Houses Northeast Co., Ltd.	48,336	10,957	-	-	-	-
Siam Tanee Property Co., Ltd. and its subsidiary	532	(3,107)	-	-	-	-
L H Real Estate Co., Ltd.	(35)	7	-	-	-	-
L H Asset Co., Ltd.	1,151	3,108	-	-	-	-
L H Muang Mai Co., Ltd. and its subsidiaries	(7,960)	(14,143)	-	-	-	-
L&H Property Co., Ltd. and its subsidiary	11,724	35,950	-	-	-	-
Land and Houses U.S.A., Inc.	(120,523)	(36,805)	(17,503)	(44,243)	-	-
Asia Asset Advisory Co., Ltd.	(49)	(63)	-	-	-	600
Total	(21,279)	20,166	22,876	(6,600)	-	600

(Unit: Thousand Baht)

Company's name	Separate financial statements					
	For the nine-month periods ended 30 September					
	Share of profit or loss		Share of other comprehensive income		Dividend received	
	2017	2016	2017	2016	2017	2016
		(Restated)		(Restated)		
Atlantic Real Estate Co., Ltd.	(13,802)	1	-	-	-	-
LH Mall & Hotel Co., Ltd. and its subsidiaries	135,850	19,873	21,806	213,708	-	-
Land and Houses North Co., Ltd.	(113)	27	-	-	-	-
Land and Houses Northeast Co., Ltd.	57,683	47,367	-	-	-	-
Siam Tanee Property Co., Ltd. and its subsidiary	(12,093)	(4,110)	-	-	109,999	-
L H Real Estate Co., Ltd.	(151)	(88)	-	-	-	-
L H Asset Co., Ltd.	29,650	11,015	-	-	-	-
L H Muang Mai Co., Ltd. and its subsidiaries	(13,256)	543,223	-	-	-	173,250
L&H Property Co., Ltd. and its subsidiary	1,041,647	82,321	-	-	542,100	305,760
Land and Houses U.S.A., Inc.	(356,745)	(104,668)	(81,746)	(23,605)	-	-
Asia Asset Advisory Co., Ltd.	6,823	869	-	-	-	39,599
Total	875,493	595,830	(59,940)	190,103	652,099	518,609

9.3 Significant changes in investments in subsidiaries

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

On 29 June 2017, the Extraordinary General Meeting of Shareholders of Double Tree Co., Ltd. (“DBT”), the Company’s 55% owned indirect subsidiary (99.99% held by L H Muang Mai Co., Ltd.) passed a resolution approving the dissolution of its legal entity which will be effective on 30 June 2017. DBT filed for deregistration on 5 July 2017. DBT has been completely the liquidation process on 31 August 2017.

Reduction of share capital of subsidiaries

During the current period, L&H Property Co., Ltd. (“LHP”), the Company’s 60% owned subsidiary, and Asia Asset Advisory Co., Ltd. (“AAA”), the Company’s 99.99% owned subsidiary, decreased the registered share capital as detailed below:

(Unit: Million Baht)

Company's name	Date of approval the share capital reduction by the Extraordinary General Meeting of subsidiaries	Date of registration of reduction of share capital at the Ministry of Commerce	Paid up share capital		
			Old	Reduction	New
LHP	11 July 2017	16 August 2017	1,638.00	(1,228.50)	409.50
AAA	19 July 2017	24 August 2017	5.00	(3.75)	1.25

The Company received the proceed from the aforesaid share capital reductions of LHP and AAA amounting to Baht 737 million and Baht 3.75 million, respectively, in August 2017.

On 12 September 2017, the Extraordinary General Meeting of Shareholders of LHP and AAA passed a resolution to approve a decrease in the registered share capital as detailed below:

(Unit: Million Baht)

Company's name	Date of approval the share capital reduction by the Extraordinary General Meeting of subsidiaries	Date of registration of reduction of share capital at the Ministry of Commerce	Paid up share capital		
			Old	Reduction	New
LHP	12 September 2017	2 November 2017	409.50	(279.50)	130.00
AAA	12 September 2017	2 November 2017	1.25	(0.94)	0.31

The Company received the proceed from the aforesaid share capital reductions of LHP and AAA amounting to Baht 168 million and Baht 0.9 million, respectively in October 2017.

10. Investments in associates

10.1 Details of investments in associates as presented in the consolidated and separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated and separate financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016
			(Percent)	(Percent)				
LH Financial Group Plc.	Holding company	Thailand	21.88	33.98	4,538,712	4,538,712	8,231,235	6,913,223
Quality Construction Products Plc.	Manufacture of construction materials	Thailand	21.16	21.16	179,178	179,178	380,243	378,263
Home Product Center Plc.	Trading of construction materials	Thailand	30.23	30.23	1,489,020	1,489,020	5,792,335	5,906,439
Land and Houses Property and Loan Fund-II	Real estate business	Thailand	49.99	49.99	743,925	743,925	426,233	467,359
Quality Houses Plc.	Real estate business	Thailand	24.98	24.98	3,282,682	3,282,682	6,824,478	6,593,696
					<u>10,233,517</u>	<u>10,233,517</u>	<u>21,654,524</u>	<u>20,258,980</u>

10.2 Share of comprehensive income and dividend received

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

(Unit: Thousand Baht)

Company's name	Consolidated and separate financial statements					
	For the three-month periods ended 30 September					
	Share of profit or loss		Share of other comprehensive income		Dividend received	
	2017	2016	2017	2016	2017	2016
LH Financial Group Plc.	168,670	237,346	40,073	(17,495)	129,773	-
Quality Construction Products Plc.	6,435	(6,860)	-	-	-	-
Home Product Center Plc.	357,647	286,765	(16,298)	(1,298)	516,865	477,106
Land and Houses Property and Loan Fund-II	16,227	16,738	-	-	37,139	51,995
Quality Houses Plc.	281,672	191,859	3,751	(2,956)	187,316	187,316
Total	<u>830,651</u>	<u>725,848</u>	<u>27,526</u>	<u>(21,749)</u>	<u>871,093</u>	<u>716,417</u>

(Unit: Thousand Baht)

Company's name	Consolidated and separate financial statements					
	For the nine-month periods ended 30 September					
	Share of profit or loss		Share of other comprehensive income		Dividend received	
	2017	2016	2017	2016	2017	2016
LH Financial Group Plc.	577,612	704,135	(24,040)	139,357	370,781	152,947
Quality Construction Products Plc.	1,980	(15,034)	-	-	-	11,848
Home Product Center Plc.	1,015,928	848,132	(16,786)	4,251	1,113,246	1,073,487
Land and Houses Property and Loan Fund-II	40,580	39,988	-	-	81,706	51,995
Quality Houses Plc.	638,558	601,221	(6,384)	22,572	401,392	428,151
Total	<u>2,274,658</u>	<u>2,178,442</u>	<u>(47,210)</u>	<u>166,180</u>	<u>1,967,125</u>	<u>1,718,428</u>

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.

On 23 December 2016, 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.

On 12 July 2017, Extraordinary General Meeting of Shareholders of LHFG approved the following transactions:

- 1) Approved reduction of the registered capital by Baht 5,998 by cancelling the authorised but unissued shares, from the registered capital of Baht 13,638,705,250 to Baht 13,638,699,252.
- 2) Approved increase of the registered capital by Baht 7,544,961,342 from the registered capital of Baht 13,638,699,252 to Baht 21,183,660,594.

- 3) Approved the issuance and allotment of 7,544,961,342 newly issued ordinary shares, each with a par value of Baht 1, to be allotted to CTBC under the private placement scheme at Baht 2.20 per share of Baht 16,598,914,952 or 35.62% of the registered share capital.
- 4) Approved CTBC request for waiver from the requirement to make a tender offer for all of the LHFG's securities, by virtue of the resolution of the LHFG's shareholders meeting

On 27 July 2017, LHFG received the subscription of the newly issued ordinary shares from CTBC of Baht 16,599 million and register the increase of its share capital with the Ministry of Commerce. As a result, CTBC hold 35.62% of the issued and paid-up share capital of LHFG. The Company's shareholding in LHFG diluted from 33.98% to 21.88% of the issued and paid-up share capital. The Company recorded the net result from the change in the shareholders' equity of Baht 1,135 million, presenting it as other income in the profit or loss for the current period and recognised the same amount in investments in associates.

10.4 Fair values of investments in listed associates

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

Company's name	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	30 September 2017	31 December 2016
LH Financial Group Plc.	8,342	7,972
Quality Construction Products Plc.	542	418
Home Product Center Plc.	48,108	40,156
Quality Houses Plc.	7,332	6,904
Total	64,324	55,450

- 10.5 The Company's interim financial statements for the three-month and nine-month periods ended 30 September 2017 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 and/or have not been reviewed as stipulated.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated and separate financial statements				
	Investments under the equity method as at 30 September 2017	Share of profit or loss from investments under the equity method			
		For the three-month periods ended 30 September 2017		For the nine-month periods ended 30 September 2016	
		2017	2016	2017	2016
Reviewed by auditor and other auditors of the same firm					
Home Product Center Plc.	5,792,335	357,647	286,765	1,015,928	848,132
Land and Houses Property and Loan Fund-II	426,233	16,227	16,738	40,580	39,988
LH Financial Group Plc.	8,231,235	168,670	237,346	577,612	704,135
Reviewed by other auditors					
Quality Construction Products Plc.	380,243	6,435	(6,860)	1,980	(15,034)
Unreviewed by auditor					
Quality Houses Plc. ⁽¹⁾	6,824,478	281,672	191,859	638,558	601,221
Total	21,654,524	830,651	725,848	2,274,658	2,178,442

⁽¹⁾ Determined based on the financial statements for the three-month and nine-month periods ended 30 September 2017 which were prepared by its management.

11. Other long-term investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Available-for-sale securities				
Equity securities - Overseas	2,368,704	2,368,704	2,368,704	2,368,704
Unit trust - Domestic	2,073,502	1,513,912	783,568	783,568
Add: Changes in fair value of securities	1,452,317	1,535,556	1,167,806	1,278,302
Available-for-sale securities - net	5,894,523	5,418,172	4,320,078	4,430,574
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	5,988,427	5,512,076	4,320,078	4,430,574

12. Land held for development

As at 30 September 2017 and 31 December 2016, the Company has 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	
	30 September	31 December	30 September	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 nine-month period ended 30 September 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 at cost	343,042	375
Depreciation	(222,710)	-
Translation adjustment	(985,596)	-
Net book value as at 30 September 2017	<u>13,680,034</u>	<u>209,338</u>

The apartments with a total net book value as at 30 September 2017 of Baht 6,079 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 nine-month period ended 30 September 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	160,863	89,416
Disposals - net book value	(62,140)	(5,264)
Depreciation	(91,225)	(36,951)
Translation adjustment	(11)	-
Net book value as at 30 September 2017	<u>581,579</u>	<u>328,844</u>

15. Leasehold rights

(Unit: Thousand Baht)

Consolidated financial statements						
Project	Remaining periods of leasehold rights (years)	1 January 2017	Increase	Disposal - net book value	Amortisation	30 September 2017
Grande Centre Point Hotel Ratchadamri	-	1,514,203	7,171	(1,476,304)	(45,070)	-
Grande Centre Point Hotel Sukhumvit 55	30	1,613,201	18,236	-	(33,332)	1,598,105
Grande Centre Point Hotel Pattaya and Terminal 21 Shopping Center Pattaya	31	651,084	663,761	-	(7,949)	1,306,896
Vacant land	10 and 40	368	23,760	-	(28)	24,100
Total		3,778,856	712,928	(1,476,304)	(86,379)	2,929,101

The land leasehold rights of Grande Centre Point Hotel Sukhumvit 55 project, Grande Centre Point Hotel Pattaya and Terminal 21 Shopping Center Pattaya project and structures thereon have been pledged as collateral for bank overdrafts and long-term loans.

Grande Centre Point Hotel Ratchadamri

On 15 June 2017, L&H Property Co., Ltd. (“LHP”), the subsidiary which the Company hold 60% of shares, entered into an agreement to transfer the leasehold rights (lease agreement has a term of 21 years) and an agreement to sell movable assets of Grande Centre Point Hotel Ratchadamri Project to LH Hotel Leasehold Real Estate Investment Trust (“LHHOTEL”) at a total price of Baht 3,749 million. The management of LHP considered the selling prices was appropriated, considering to the equivalent assets. LHP had gains on such transactions totaling Baht 2,080 million (net of relevant expenses), and recognised such transactions in the profit or loss for the current period.

In this connection, LH Mall & Hotel Company Limited (“LHMH”), a subsidiary in which the Company holds 99.99% of the total share capital, invested Baht 560 million in the additional trust units of LHHOTEL, comprising 43,045,410 trust unit at Baht 13 each (offering price). This results in a change of shareholding of LHMH in LHHOTEL from 9% to 13.25%. The investment in LHHOTEL is included in other long-term investments.

In addition, the Company provided letter of comfort to the lenders of LHHOTEL, relating to maintain the percentage of unit holding in LHHOTEL by LHMH and maintain the period of the sublease of the Grand Centre Point Terminal21 and the Grand Centre Point Ratchadamri by L&H Hotel Management Company Limited.

(Unaudited but reviewed)

16. Other intangible assets

Movements of other intangible assets (computer software) during the nine-month period ended 30 September 2017 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2017	45,665	20,320
Acquisitions - at cost	968	481
Disposal - Net book value	(383)	-
Amortisation	(8,362)	(2,734)
Translation adjustment	(1,098)	-
Net book value as at 30 September 2017	<u>36,790</u>	<u>18,067</u>

17. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Trade payables - unrelated parties	1,437,389	1,813,285	1,202,542	1,609,412
Trade payables - related parties	3,834	5,369	3,797	4,881
Other payables - related parties	246,308	135,840	590	162
Accrued expenses	1,205,674	1,030,037	991,396	860,889
Others	85,929	332,472	26,060	284,047
Total trade and other payables	<u>2,979,134</u>	<u>3,317,003</u>	<u>2,224,385</u>	<u>2,759,391</u>

18. Long-term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Long-term loans	7,349,983	7,406,236	3,075,180	3,075,180
Less: Current portion	(3,123,180)	(3,075,180)	(3,075,180)	(3,075,180)
Net	<u>4,226,803</u>	<u>4,331,056</u>	<u>-</u>	<u>-</u>

(Unaudited but reviewed)

Movements in the long-term loans during the nine-month period ended 30 September 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	164,000	-
Less: Translation adjustment	(220,253)	-
Balance as at 30 September 2017	<u>7,349,983</u>	<u>3,075,180</u>

As at 30 September 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 leasehold rights as collateral for long-term loans.

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 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	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
Undrawdown loan facilities	<u>3,382</u>	<u>268</u>	<u>70</u>	<u>70</u>

19. Debentures

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

Approved by	The Annual General Meeting of the Company's shareholders held on 27 April 2017
Amount	Revolving amount of Baht 60,000 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 2017, the Company has unissued debentures under the approved facilities totaling Baht 20,750 million (31 December 2016: Baht 3,750 million).

The outstanding balance of debentures as at 30 September 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)	
					30 September 2017	31 December 2016	30 September 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
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	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
No. 1/2017	Fixed rate 2.48%	3 years	At maturity	28 April 2020	6,000,000	-	6,000,000	-
No. 2/2017	Fixed rate 2.22%	2 years	At maturity	28 April 2019	1,000,000	-	1,000,000	-
Total					<u>39,250,000</u>	<u>36,250,000</u>	<u>39,250,000</u>	<u>36,250,000</u>
Less: Current portion of debentures							<u>(13,000,000)</u>	<u>(8,000,000)</u>
Net							<u>26,250,000</u>	<u>28,250,000</u>

Movements in the debentures during the nine-month period ended 30 September 2017 are summarised below.

	(Unit: Thousand Baht)
	Consolidated and separate financial statements
Balance as at 1 January 2017	36,250,000
Addition: Issue of new debenture	7,000,000
Less: Redemption	(4,000,000)
Balance as at 30 September 2017	<u>39,250,000</u>

Prospectus contains certain covenants and restrictions regarding the maintenance of certain financial ratios, dividend payments and formal reporting when the significant events occurred such as a legal case.

20. Share capital

The increase in share capital of the Company during the nine-month period ended 30 September 2017 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 2016	LH-W3	106,998,154	106,998,154	3.50	6 January 2017	11 January 2017
31 March 2017	LH-W3	24,157,575	24,157,575	3.50	5 April 2017	10 April 2017
4 May 2017 (a final exercise date)	LH-W3	32,011,455	32,011,455	3.50	23 May 2017	25 May 2017
Total		<u>163,167,184</u>	<u>163,167,184</u>			

Reconciliation of number of shares

(Unit: Share)

	Consolidated and separate financial statements	
	For the nine-month periods ended 30 September	
	<u>2017</u>	<u>2016</u>
Registered share capital	12,031,105,828	12,031,105,828
<u>Issue and paid-up share capital</u>		
Balance as at beginning of period	11,786,545,992	11,730,034,787
Increased in registered share capital	163,167,184	49,036,642
Balance as at end of period	11,949,713,176	11,779,071,429

21. 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	Exercise ratio per 1 warrant	Number of warrants outstanding as at 1 January 2017	Number of warrants exercised during the period	Number of warrants expired during the period	Number of warrants outstanding as at 30 September 2017
	(Baht per share)		(Unit)	(Unit)	(Unit)	(Unit)
LH-W3	3.50	5 existing shares per 1 unit of warrant	130,562,233	(56,169,030)	(74,393,203)	-

(Unaudited but reviewed)

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

During the nine-month periods ended 30 September 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	financial statements	financial statements
	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	(83,239)	272,271	(110,496)	5,136
- Income taxes	16,648	(54,454)	22,099	(1,027)
Balance as at end of period	1,165,368	1,200,094	934,245	973,459

23. 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 2017 and 2016 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2017	2016	2017	2016
Current income tax:				
Interim corporate income tax charge	500,571	371,172	457,429	310,410
Deferred tax:				
Relating to origination and reversal of temporary differences	(181,732)	(28,177)	(165,040)	(383)
Income tax expenses reported in the statements of income	318,839	342,995	292,389	310,027

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Current income tax:				
Interim corporate income tax charge	1,341,015	1,321,418	1,244,320	989,165
Deferred tax:				
Relating to origination and reversal of temporary differences	239,261	(52,328)	(194,049)	(3,742)
Income tax expenses reported in the statements of income	1,580,276	1,269,090	1,050,271	985,423

The amounts of income tax relating to each component of other comprehensive income for the three-month and nine-month periods ended 30 September 2017 and 2016 are as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Deferred tax relating to gain/loss on changes in value of available-for- sale investments	(37,671)	64,731	(27,577)	74,142

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Deferred tax relating to gain/loss on changes in value of available-for- sale investments	16,648	(54,454)	22,099	(1,027)

24. 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. There is no calculation of diluted earnings per share for the three-month period ended 30 September 2017 as warrant (LH-W3) were expired on 4 May 2017.

Consolidated financial statements					
For the three-month periods ended 30 September					
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 Company					
<u>3,125,371</u>	1,993,498	<u>11,949,713</u>	11,779,153*	<u>0.26</u>	<u>0.17</u>
Effect of dilutive potential ordinary shares					
Warrants (LH-W3)					
	-		155,368		
Diluted earnings per share					
Profit of ordinary shareholders					
assuming the conversion of					
warrants to ordinary shares					
	<u>1,993,498</u>		<u>11,934,521</u>		<u>0.17</u>

* Included ordinary shares from cash receipts from share subscription

(Unaudited but reviewed)

Separate financial statements					
For the three-month periods ended 30 September					
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)
	(Restated)				(Restated)
Basic earnings per share					
Profit attributable to equity holders of the Company					
3,125,371	1,993,498	11,949,713	11,779,153*	0.26	0.17
Effect of dilutive potential ordinary shares					
Warrants (LH-W3)			155,368		
Diluted earnings per share					
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares					
	1,993,498		11,934,521		0.17

* 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	
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 Company					
8,507,957	6,619,940	11,927,415	11,766,509*	0.71	0.56
Effect of dilutive potential ordinary shares					
Warrants (LH-W3)		36,098	159,385		
Diluted earnings per share					
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares					
8,507,957	6,619,940	11,963,513	11,925,894	0.71	0.56

* 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	
2017	2016	2017	2016	2017	2016
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
	(Restated)				(Restated)
Basic earnings per share					
Profit attributable to equity holders of the Company					
8,507,957	6,619,940	11,927,415	11,766,509*	0.71	0.56
Effect of dilutive potential ordinary shares					
Warrants (LH-W3)		36,098	159,385		
Diluted earnings per share					
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares					
8,507,957	6,619,940	11,963,513	11,925,894	0.71	0.56

* Included ordinary shares from cash receipts from share subscription

25. 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 2015	Annual General Meeting of the shareholders on 26 April 2016	0.60	(0.25)	0.35	4,120	(12)	4,108
Interim dividend for 2016	Board of Directors' meeting on 11 August 2016	0.35	-	0.35	4,122	(28)	4,094
							8,202
Final dividend for 2016	Annual General Meeting of the shareholders on 27 April 2017	0.65	(0.35)	0.30	3,575	(12)	3,563
Interim dividend for 2017	Board of Directors' meeting on 11 August 2017	0.40	-	0.40	4,780	(17)	4,763
							8,326

26. 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 the nine-month periods ended 30 September 2017 and 2016 are as follows.

	(Unit: Million Baht)					
	For the three-month period ended 30 September 2017					
	Real estate business	Rental and service business	Others	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	9,190	809	-	9,999	-	9,999
Inter-segment revenue	-	58	-	58	(58)	-
Interest revenue	119	9	-	128	(108)	20
Infrastructure service income	59	-	-	59	-	59
Interest expense	(128)	(140)	-	(268)	108	(160)
Depreciation and amortisation	(14)	(108)	-	(122)	-	(122)
Gain on change in shareholders' equity of an associate	-	-	1,135	1,135	-	1,135
Share of profit from investments in associates	288	17	526	831	-	831
Segment profit (loss)	1,825	(49)	1,662	3,438	(6)	3,432
Unallocated revenue and expenses:						
Other income						54
Other expenses						(41)
Income tax expenses						(319)
Non-controlling interests of the subsidiaries						(1)
Profit for the period						3,125

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month period ended 30 September 2016						
	Real estate business	Rental and service business	Others	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	6,268	665	-	6,933	-	6,933
Inter-segment revenue	11	41	-	52	(52)	-
Interest revenue	63	1	-	64	(58)	6
Infrastructure service income	50	-	-	50	-	50
Interest expense	(58)	(79)	-	(137)	59	(78)
Depreciation and amortisation	(11)	(81)	-	(92)	-	(92)
Gain on sale of assets	78	-	-	78	-	78
Share of profit from investments in associates	185	17	524	726	-	726
Segment profit	1,664	53	524	2,241	58	2,299
Unallocated revenue and expenses:						
Other income						51
Income tax expenses						(343)
Non-controlling interests of the subsidiaries						(14)
Profit for the period						1,993

(Unit: Million Baht)

For the nine-month period ended 30 September 2017						
	Real estate business	Rental and service business	Others	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	24,761	2,331	-	27,092	-	27,092
Inter-segment revenue	-	166	-	166	(166)	-
Interest revenue	334	15	-	349	(310)	39
Infrastructure service income	195	-	-	195	-	195
Interest expense	(349)	(410)	-	(759)	310	(449)
Depreciation and amortization	(41)	(371)	-	(412)	-	(412)
Gain on sale of assets	93	2,058	-	2,151	24	2,175
Gain on change in shareholders' equity of an associate	-	-	1,135	1,135	-	1,135
Share of profit from investments in associates	641	41	1,593	2,275	-	2,275
Segment profit	6,095	1,972	2,729	10,796	43	10,839
Unallocated revenue and expenses:						
Other income						144
Other expenses						(207)
Income tax expenses						(1,580)
Non-controlling interests of the subsidiaries						(688)
Profit for the period						8,508

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month period ended 30 September 2016						
	Real estate business	Rental and service business	Others	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	20,495	1,871	-	22,366	-	22,366
Inter-segment revenue	17	103	-	120	(120)	-
Interest revenue	189	9	-	198	(167)	31
Infrastructure service income	176	-	-	176	-	176
Interest expense	(199)	(226)	-	(425)	170	(255)
Depreciation and amortisation	(36)	(239)	-	(275)	-	(275)
Loss on diminution in value of project and land held for development	(6)	-	-	(6)	-	(6)
Gain on sale of assets	1,318	-	-	1,318	-	1,318
Share of profit from investments in associates	586	40	1,552	2,178	-	2,178
Segment profit	6,545	86	1,552	8,183	67	8,250
Unallocated revenue and expenses:						
Other income						273
Other expenses						(131)
Income tax expenses						(1,269)
Non-controlling interests of the subsidiaries						(503)
Profit for the period						6,620

27. Commitments and contingent liabilities

27.1 Commitments

27.1.1 As at 30 September 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	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Commitments under construction contracts	4,873	3,546	1,504	1,917
Commitment in respect of the installation of central utilities of projects on hand	1,269	1,311	1,184	1,249

27.1.2 As at 30 September 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	<p>From 1 June 2008, the following rental is to be paid in monthly installments</p> <p>1st - 5th year, total rental payment of Baht 33 million (Full amount has been paid)</p> <p>6th - 10th year, total rental payment of Baht 42 million (As at 30 September 2017: already paid Baht 36 million in total)</p> <p>11th - 15th year, total rental payment of Baht 54 million</p> <p>16th - 20th year, total rental payment of Baht 69 million</p> <p>21st - 25th year, total rental payment of Baht 88 million</p> <p>26th - 30th year, total rental payment of Baht 112 million</p>

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

In addition, as at 30 September 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.

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 of Grande Centre Point Hotel Ratchadamri project to REIT.

b) Land lease agreement - LHP

Agreement date	Agreement period	Rental rate
10 March 2006	30 years*	<p>Land leasing fee is to be monthly paid as follows:</p> <p>1st - 5th year, total rental of Baht 20 million (Full amount has been paid)</p> <p>6th - 10th year, total rental of Baht 23 million (As at 30 September 2017: already paid Baht 10 million in total)</p> <p>11th - 15th year, total rental of Baht 27 million</p> <p>16th - 20th year, total rental of Baht 31 million</p> <p>21st - 25th year, total rental of Baht 35 million</p> <p>26th - 30th year, total rental of Baht 41 million</p>

* 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 of Terminal 21 Shopping Center project and Grande Centre Point Hotel Terminal 21 project to REIT.

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 (As at 30 September 2017: already paid Baht 5 million in total) 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 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 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.

e) Land lease agreements - LHMH

Agreement date	Agreement period	Rental rate
1 August 2017	40 years*	Land leasing fee is to be annually paid as follows: 1st - 3rd year, total rental payment of Baht 15 million 4th - 6th year, total rental payment of Baht 17 million 7th - 9th year, total rental payment of Baht 19 million 10th - 12th year, total rental payment of Baht 21 million 13th - 15th year, total rental payment of Baht 23 million 16th - 18th year, total rental payment of Baht 25 million 19th - 21st year, total rental payment of Baht 27 million 22nd - 24th year, total rental payment of Baht 30 million 25th - 27th year, total rental payment of Baht 33 million 28th - 30th year, total rental payment of Baht 36 million 31st - 33th year, total rental payment of Baht 40 million 34th - 36th year, total rental payment of Baht 44 million 37th - 39th year, total rental payment of Baht 48 million 40th year, total rental payment of Baht 18 million

* The agreement runs from 1 April 2019. However, the lessor consented to allow LHMH to develop or construct on the leased land between 1 August 2017 and 31 March 2019.

27.1.3 As at 30 September 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
	Grande Centre Point Hotel Ratchadamri	From 15 June 2017 to 14 June 2020

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

	(Unit: Million Baht)	
	Consolidated	
	financial statements	
	30 September 2017	31 December 2016
Payable:		
In up to 1 year	518	317
In over 1 and up to 3 years	423	317

(Unaudited but reviewed)

27.1.4 As at 30 September 2017 and 31 December 2016, the Company has commitment related to purchase of land as follows.

(Unit: Million Baht)

	Consolidated and separate financial statements	
	30 September	31 December
	2017	2016
Commitment to purchase of land	4,279	2,380

27.1.5 As at 30 September 2017, the subsidiaries have servitude over land of approximately 94 rai (31 December 2016: 96 rai) of which the cost is included in the cost of projects.

27.1.6 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 30 September 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	
	30	31	30	31
	September	December	September	December
	2017	2016	2017	2016
Payable:				
In up to 1 year	23	57	20	45
In over 1 and up to 3 years	4	19	4	13

27.2 Bank guarantees

As at 30 September 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.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
	September	December	September	December
	2017	2016	2017	2016
Letter of guarantees for arrangement and maintenance of public utilities	3,122	2,647	2,884	2,458
Letter of guarantees for electricity usage	69	71	57	58
	<u>3,191</u>	<u>2,718</u>	<u>2,941</u>	<u>2,516</u>

27.3 Guarantees

27.3.1 As at 30 September 2017 and 31 December 2016, the Company has the following obligations in respect of guarantees.

(Unit: Million Baht)

Guarantor	Guarantee	30 September	31 December
		2017	2016
Land and Houses Plc.	Customers	<u>7</u>	<u>7</u>

27.3.2 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 subsidiary for loans and guarantee facilities obtained for development of the subsidiary's project. As at 30 September 2017, the subsidiary has outstanding loans related to guarantee portion of the Company as specified in the letter of comfort amounting to Baht 1,290 million (31 December 2016: Baht 1,130 million).

27.4 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. The Court of First Instance and the Appeal Court dismissed the lawsuit on 24 July 2014 and 24 April 2017, respectively. At present, the case is under the process of the Supreme Court.

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 Court decision of the civil case Baht 800 million.
 - b) 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. 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 Appeal 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.
- 2) In 2010 - 2016, a housing estate juristic persons and housing residents filed totaling 10 lawsuits against the Company, involving the construction of a kindergarten demanding damages totaling Baht 494 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.

(Unaudited but reviewed)

- 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.
- 4) In July 2017, the Company has been sued by condominium juristic persons in civil lawsuits (Consumer Protection legal cases) for breach of agreements, claiming for compensation total of Baht 76 million. The lawsuits are currently in the judicial process and the Company is during in negotiation with the plaintiffs.
- 5) As at 30 September 2017, the Company has been sued for breach of agreements, claiming for a total of Baht 67 million (31 December 2016: Baht 20 million).

As at 30 September 2017, the Company has set aside a provision of Baht 1,136 million for liabilities arising as a result of the legal cases (31 December 2016: Baht 349 million).

27.5 Cross Currency and Interest Rate Swap agreements

The details of the Cross Currency and Interest Rate Swap agreements outstanding as at 30 September 2017 and 31 December 2016 are as follows:

Consolidated and separate financial statements				
As at 30 September 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 30 September 2017	As at 31 December 2016
	Fair value	Fair value
	Gain (loss)	Gain (loss)
Cross Currency and Interest Rate Swap agreements	148	(422)

28. 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 30 September 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 30 September 2017			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Current investments - Trading securities	1,002	-	-	1,002
Other long-term investments - Available-for-sale securities				
Equity securities - Overseas	3,550	-	-	3,550
Investment units - Domestic	2,345	-	-	2,345

	(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 30 September 2017			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Current investments - Trading securities	1,002	-	-	1,002
Other long-term investments - Available-for-sale securities				
Equity securities - Overseas	3,549	-	-	3,549
Investment units - Domestic	771	-	-	771

(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.

29. Subsequent events after reporting period

29.1 On 5 October 2017, the Company issued unsubordinated, unsecured and without holder representation debenture as follow:

No.	Interest rate per annum	Age	Repayment	Maturity	Number of debenture (Shares)	Amount (Thousand Baht)
No. 3/2017	Fixed rate 2.13%	3 years	At maturity	5 October 2020	6,000,000	6,000,000

29.2 On 5 October 2017, LH Mall & Hotel Co., Ltd. ("LHMH"), the Company's 99.99% owned subsidiary, entered into a Memorandum of Understanding (MOU) in relation to land lease agreement with a company. LHMH had commitment under the MOU totaling Baht 1,100 million, comprising Baht 420 million for commission and Baht 42 million of which was already paid as at the MOU date with the remainder of Baht 378 million to be paid as at the lease registration date, and commission for land lease agreement during the construction period and annual rental fee totaling Baht 680 million.

30. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 13 November 2017.