

Land and Houses Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

For the three-month period ended 31 March 2018

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 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 2017, with there being no changes in the structure of shareholding in subsidiaries during the period.

1.4 New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

(b) Financial reporting standard that will become effective in the future

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019. Key principles of this standard are summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

At present, the management of the Company and its subsidiaries is evaluating the impact of this standard to the financial statements in the year when it is adopted.

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 2017.

3. 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.)
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.

Name of related parties	Relationship
Muang Mai Property Co., Ltd.	Shareholder of subsidiary
Reco Resorts Pte Ltd.	Shareholder of subsidiary
Siam Retail Development Co., Ltd.	Common shareholder
Land and Houses Freehold and Leasehold Property Fund	Common shareholder
LH Shopping Centers Leasehold Real Estate Investment Trust	Related company
LH Hotel Leasehold Real Estate Investment Trust	Related company
Trinity Securities Company Limited	Common director

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

(Unit: Million Baht)

	For the three-month periods ended 31 March				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2018	2017	2018	2017	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	126	96	3.12% - 4.00% p.a. (2017: 3.00% - 4.85% p.a.)
Management fee income	-	-	2	2	Approximate cost
Sales of land	-	-	1	-	Approximate cost
Interest expenses	-	-	2	-	1.65% - 2.00% p.a.
<u>Transactions with associates</u>					
Management fee	1	1	-	-	Contract price
Interest income	5	3	3	1	The interest rate as declared by the bank
Dividend income	47	45	47	45	Declared rate
Purchases of goods	9	12	9	12	Market price
Property rental fee expenses	51	45	-	-	Contract price
<u>Transactions with related companies</u>					
Property management fee income	51	37	-	-	Contract price
Human-resources management income	6	6	-	-	Contract price
IT management fee income	1	-	-	-	Contract price
Interest income	2	-	-	-	3.10% p.a. (2017: Nil)
Dividend income	35	26	11	11	Declared rate
Rental and services expenses	18	16	14	13	Baht 250 - 900 per square meter per month (2017: Baht 250 - 880 per square meter per month)
Property rental fee expenses	209	104	-	-	Contract price

(Unaudited but reviewed)

As at 31 March 2018 and 31 December 2017, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Deposit at financial institution				
(shown under cash and cash equivalents)				
<u>Associate</u>				
Land and Houses Bank Plc.	4,678.6	2,311.4	3,691.2	1,391.2
Current investments (Note 5)				
<u>Associates</u>				
Land and Houses Bank Plc.	438.3	-	-	-
Land and Houses Fund Management Co., Ltd.	-	500.0	-	500.0
Total	438.3	500.0	-	500.0
Amounts due from and accounts receivables - related parties (Note 6)				
<u>Subsidiary</u>				
(Eliminated from the consolidated financial statements)				
Land and Houses Northeast Co., Ltd.	-	-	0.1	0.1
	-	-	0.1	0.1
<u>Associates</u>				
Q.H. International Co., Ltd.	0.9	0.4	-	-
Quality Construction Products Plc.	2.5	-	2.5	-
Land and Houses Property and Loan Fund - II	44.6	-	44.6	-
	48.0	0.4	47.1	-
<u>Related companies</u>				
Quality Houses Leasehold Property Fund	0.7	0.6	-	-
Land and Houses Freehold and Leasehold Property Fund	2.2	1.3	-	-
Siam Retail Development Co., Ltd.	14.0	16.3	-	-
LH Shopping Centers Leasehold Real Estate Investment Trust	9.0	12.1	-	-
LH Hotel Leasehold Real Estate Investment Trust	1.0	-	-	-
	26.9	30.3	-	-
Total	74.9	30.7	47.2	0.1

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Short-term loans and accrued interest receivables - related parties				
<u>Subsidiaries</u>				
(Eliminated from the consolidated financial statements)				
Atlantic Real Estate Co., Ltd.	-	-	79.1	78.5
LH Mall & Hotel Co., Ltd.	-	-	1,028.4	1,019.8
L H Asset Co., Ltd.	-	-	243.7	241.6
	-	-	1,351.2	1,339.9
<u>Associate</u>				
Land and Houses Bank Plc.	3.4	1.0	2.4	0.1
	3.4	1.0	2.4	0.1
<u>Related company</u>				
Reco Resorts Pte Ltd.	576.1	-	-	-
	576.1	-	-	-
Total	579.5	1.0	1,353.6	1,340.0
Long-term loans and accrued interest receivables - related party				
<u>Subsidiary</u>				
(Eliminated from the consolidated financial statements)				
Land and Houses U.S.A., Inc.	-	-	13,293.0	13,566.6
Deposit to related company				
(shown under other non-current assets)				
<u>Related company</u>				
Quality Houses Leasehold Property Fund	15.3	14.6	12.1	11.6
Trade accounts payable - related parties (Note 18)				
<u>Associates</u>				
Quality Construction Products Plc.	2.7	2.9	2.7	2.9
Home Product Center Plc.	0.4	0.3	0.2	0.1
	3.1	3.2	2.9	3.0
<u>Related company</u>				
Land and Houses Freehold and Leasehold Property Fund	-	0.1	-	-
Total	3.1	3.3	2.9	3.0
Amounts due to related parties (Note 18)				
<u>Subsidiary</u>				
(Eliminated from the consolidated financial statements)				
Siam Tanee Property Co., Ltd.	-	-	-	38.0
	-	-	-	38.0
<u>Associates</u>				
Home Product Center Plc.	0.1	3.8	0.1	3.7
Land and Houses Property and Loan Fund-II	51.1	47.3	-	-
	51.2	51.1	0.1	3.7
<u>Related companies</u>				
Quality Houses Leasehold Property Fund	0.4	0.5	0.4	0.5
LH Hotel Leasehold Real Estate Investment Trust	210.3	191.3	-	-
LH Shopping Centers Leasehold Real Estate Investment Trust	0.1	-	-	-
	210.8	191.8	0.4	0.5
Total	262.0	242.9	0.5	42.2

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
Short-term loans and accrued interest payables - related parties				
<u>Subsidiaries</u>				
(Eliminated from the consolidated financial statements)				
Land and Houses Northeast Co., Ltd.	-	-	-	130.3
L H Real Estate Co., Ltd.	-	-	-	15.0
Land and Houses North Co., Ltd.	-	-	-	15.1
L&H Property Co., Ltd.	-	-	871.3	-
Total	-	-	871.3	160.4

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 3.12% and 4.00% per annum (31 December 2017: 3.00% and 4.85% per annum). The current portion of long-term loans is presented in long-term loans - related party due to the Company has no intention to call for such loans from LH USA within next in 12 months.

During the three-month period ended 31 March 2018, movements of loans to/loans from the Company, subsidiaries and related companies were as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	1 January	Increase	Decrease	31 March
	2018			2018
Short-term loans and accrued interest receivables - related parties				
<u>Associate</u>				
Land and Houses Bank Plc.	1.0	4.9	(2.5)	3.4
<u>Related company</u>				
Reco Resorts Pte Ltd.	-	576.1	-	576.1
Total	1.0	581.0	(2.5)	579.5

(Unit: Million Baht)

	Separate financial statements			
	1 January	Increase	Decrease	31 March
	2018			2018
Short-term loans and accrued interest receivables - related parties				
<u>Subsidiaries</u>				
Atlantic Real Estate Co., Ltd.	78.5	0.6	-	79.1
LH Mall & Hotel Co., Ltd.	1,019.8	8.6	-	1,028.4
L H Asset Co., Ltd.	241.6	2.1	-	243.7
	1,339.9	11.3	-	1,351.2
<u>Associate</u>				
Land and Houses Bank Plc.	0.1	3.1	(0.8)	2.4
Total	1,340.0	14.4	(0.8)	1,353.6

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements			
	1 January			31 March
	2018	Increase	Decrease	2018
Long-term loan and accrued interest receivables - related party				
<u>Subsidiary</u>				
Land and Houses U.S.A., Inc.	13,566.6	347.6	(621.2)	13,293.0
Short-term loans and accrued interest payables - related parties				
<u>Subsidiaries</u>				
L H Real Estate Co., Ltd.	15.0	-	(15.0)	-
Land and House Northeast Co., Ltd.	130.3	0.5	(130.8)	-
Land and Houses North Co., Ltd.	15.1	-	(15.1)	-
L&H Property Co., Ltd.	-	871.3	-	871.3
Total	160.4	871.8	(160.9)	871.3

Directors and management's benefits

During the three-month periods ended 31 March 2018 and 2017, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	2018	2017	2018	2017
Short-term employee benefits	50	59	41	48
Post-employment benefits	2	2	1	1
Total	52	61	42	49

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 26.

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

4. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Cash	6,756	4,917	2,320	2,165
Bank deposits	4,011,142	3,499,880	2,643,400	979,763
Cheques in transit	818,975	290,542	807,466	290,542
Fixed deposits receipt	2,682,138	987,669	2,500,000	600,000
Total	7,519,011	4,783,008	5,953,186	1,872,470

As at 31 March 2018, bank deposits and fixed deposits receipt carried interests between 0.10% and 1.25% per annum (31 December 2017: 0.10% and 1.25% per annum).

5. Current investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Fixed deposits over three months but not over one year	438,304	-	-	-
Cost	-	500,000	-	500,000
Add: Unrealised gain on changes in value of investments	-	30	-	30
Trading securities - fair value	-	500,030	-	500,030
Total	438,304	500,030	-	500,030

(Unaudited but reviewed)

6. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
<u>Trade accounts receivable - unrelated parties</u>				
Past due				
Less than 3 months	111,382	100,076	-	-
3 - 6 months	936	161	-	-
6 - 9 months	127	-	-	-
9 - 12 months	-	-	-	-
Over 12 months	116	67	-	-
Total trade receivables - unrelated parties	112,561	100,304	-	-
<u>Other receivables</u>				
Amounts due from and accounts receivables - related parties				
receivables - related parties	74,901	30,672	47,224	122
Other	35,070	31,569	31,572	28,793
Other receivables	109,971	62,241	78,796	28,915
Total trade and other receivables	222,532	162,545	78,796	28,915

7. Real estate development cost (inventories)

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
Net book value of land and structures thereon mortgaged as collateral	5,034	1,510	4,266	699

8. Restricted bank deposit

The balance as at 31 March 2018 and 31 December 2017 represent saving account which a subsidiary pledged with SCB Asset Management Company Limited, trustee of LH Hotel Leasehold Real Estate Investment Trust (“LHHOTEL”), to secure land and building rental guarantees for 1 year of Grande Centre Point Hotel Ratchadamri Project. The subsidiary sold this project to LHHOTEL in June 2017.

9. Investments in subsidiaries

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

Company's name	Paid-up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Carrying amount based on equity method	
	31	31	31	31	31	31	31	31
	March	December	March	December	March	December	March	December
	2018	2017	2018	2017	2018	2017	2018	2017
			(Percent)	(Percent)				
Atlantic Real Estate Co., Ltd.	15,000	15,000	99.99	99.99	14,998	14,998	(11,927)	(11,214)
LH Mall & Hotel Co., Ltd. and it subsidiaries	2,000,000	2,000,000	99.99	99.99	2,000,000	2,000,000	2,596,881	2,528,365
Land and Houses North Co., Ltd.	13,500	13,500	99.99	99.99	13,500	13,500	15,810	15,776
Land and Houses Northeast Co., Ltd.	150,000	150,000	99.99	99.99	149,999	149,999	466,893	406,489
Siam Tanee Property Co., Ltd. and its subsidiary	100,000	100,000	99.99	99.99	64,859	64,859	155,632	155,719
L H Real Estate Co., Ltd.	58,000	58,000	99.99	99.99	25,000	25,000	18,795	18,950
L H Asset Co., Ltd.	100,000	100,000	99.99	99.99	52,734	52,734	494,762	492,464
L H Muang Mai Co., Ltd. and its subsidiary	900,000	900,000	55.00	55.00	495,000	495,000	689,529	686,451
L&H Property Co., Ltd. and its subsidiary	130,000	130,000	60.00	60.00	174,000	174,000	278,799	270,938
Land and Houses U.S.A., Inc.	(a)	(a)	100.00	100.00	1,343,127	1,343,127	804,976	802,039
Asia Asset Advisory Co., Ltd.	10	313	99.94	99.98	100	313	1,103	1,371
					<u>4,333,317</u>	<u>4,333,530</u>	<u>5,511,253</u>	<u>5,367,348</u>

(a) As at 31 March 2018 and 31 December 2017, Land and Houses U.S.A., Inc. had paid-up capital amounted to USD 40 million.

9.2 Share of comprehensive income

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

(Unit: Thousand Baht)

Company's name	For the three-month periods ended 31 March			
	Share of profit or loss		Share of other comprehensive income	
	2018	2017	2018	2017
Atlantic Real Estate Co., Ltd.	(713)	(12,627)	-	-
LH Mall & Hotel Co., Ltd. and its subsidiaries	32,978	21,918	35,539	12,548
Land and Houses North Co., Ltd.	33	18	-	-
Land and Houses Northeast Co., Ltd.	60,404	7,724	-	-
Siam Tanee Property Co., Ltd. and its subsidiary	(87)	(55)	-	-
L H Real Estate Co., Ltd.	(155)	(130)	-	-
LH Asset Co., Ltd.	2,298	12,368	-	-
L H Muang Mai Co., Ltd. and its subsidiary	3,078	(3,899)	-	-
L&H Property Co., Ltd. and its subsidiaries	7,861	31,237	-	-
Land and Houses U.S.A., Inc.	30,244	(118,530)	(27,307)	(50,221)
Asia Asset Advisory Co., Ltd.	(55)	6,922	-	-
Total	135,886	(55,054)	8,232	(37,673)

9.3 Significant changes in investments in subsidiaries

Reduction of share capital of subsidiary

During the current period, Asia Asset Advisory Co., Ltd. (“AAA”), the Company’s 99.94% (31 December 2017: 99.98%) 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
AAA	24 November 2017	5 January 2018	0.31	(0.21)	0.10

The Company received the proceed from the aforesaid share capital reductions of AAA Baht 0.21 million in January 2018.

10. Investments in associates

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

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		(Unit: Thousand Baht) Carrying amounts based on equity method	
			31	31	31	31	31	31
			March	December	March	December	March	December
			2018	2017	2018	2017	2018	2017
			(Percent)	(Percent)				
LH Financial Group Plc.	Holding company	Thai	21.88	21.88	4,538,712	4,538,712	8,603,171	8,444,892
Quality Construction Products Plc.	Manufacture of construction materials	Thai	21.16	21.16	179,178	179,178	380,046	379,416
Home Product Center Plc.	Trading of construction materials	Thai	30.23	30.23	1,489,020	1,489,020	6,629,691	6,252,422
Land and Houses Property and Loan Fund-II	Real estate business	Thai	49.99	49.99	743,925	743,925	415,580	442,187
Quality Houses Plc.	Real estate business	Thai	24.98	24.98	3,282,682	3,282,682	7,268,206	7,058,906
					<u>10,233,517</u>	<u>10,233,517</u>	<u>23,296,694</u>	<u>22,577,823</u>

10.2 Share of comprehensive income

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

Company's name	(Unit: Thousand Baht)					
	For the three-month periods ended 31 March					
	Share of profit or loss		Share of other comprehensive income		Dividend received	
	2018	2017	2018	2017	2018	2017
LH Financial Group Plc.	168,706	199,351	(10,427)	(13,353)	-	-
Quality Construction Products Plc.	3,168	(2,399)	-	-	2,539	-
Home Product Center Plc.	377,439	316,296	(170)	(103)	-	-
Land and Houses Property and Loan Fund-II	17,960	15,315	-	-	44,567	44,567
Quality Houses Plc.	210,963	163,048	(1,663)	(2,111)	-	-
Total	<u>778,236</u>	<u>691,611</u>	<u>(12,260)</u>	<u>(15,567)</u>	<u>47,106</u>	<u>44,567</u>

10.3 Fair values of investments in listed associates

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

(Unit: Million Baht)

Company's name	Country of listing	Fair values as at	
		31 March 2018	31 December 2017
LH Financial Group Plc.	Thai	7,508	7,833
Quality Construction Products Plc.	Thai	512	575
Home Product Center Plc.	Thai	56,060	50,891
Quality Houses Plc.	Thai	7,814	8,617
Total		71,894	67,916

11. Other long-term investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
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	2,073,502	783,568	783,568
Add: Changes in fair value of securities	5,619,150	2,620,368	5,165,732	2,211,373
Available-for-sale securities - net	10,061,356	7,062,574	8,318,004	5,363,645
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	10,155,260	7,156,478	8,318,004	5,363,645

As at 31 March 2018, a subsidiary has pledge domestic unit trust of approximately Baht 1,743 million (31 December 2017: Baht 1,699 million) to secure credit facilities from a financial institution.

(Unaudited but reviewed)

As at 31 March 2018, the fair value of equity securities - overseas was calculated based on the lastest bid price of the last working day of the period which was 15.88 Philippine Peso per share. As at 10 May 2018, the lastest bid price was down to 10.48 Philippine Peso per share.

12. Land held for development

As at 31 March 2018 and 31 December 2017, 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 and separate financial statements	
	31 March 2018	31 December 2017
Net book value of mortgaged land held for development to secure loans	1,860	1,860

13. Investment properties

Movements of the investment properties account during the three-month period ended 31 March 2018 are presented below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2018	17,397,423	210,048
Acquisition - at cost	136,662	-
Depreciation charged	(91,842)	-
Translation adjustment	(761,737)	-
Net book value as at 31 March 2018	<u>16,680,506</u>	<u>210,048</u>

The apartments with a total net book value as at 31 March 2018 of Baht 5,887 million (31 December 2017: Baht 6,098 million) have been pledged as collateral for long-term loans from overseas financial institutions.

14. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2018 are presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2018	568,944	328,821
Acquisitions - at cost	10,097	8,391
Disposals - net book value	(959)	(943)
Depreciation charged	(29,976)	(13,750)
Translation adjustment	(32)	-
Net book value as at 31 March 2018	<u>548,074</u>	<u>322,519</u>

15. Leasehold rights

(Unit: Thousand Baht)

Project	Remaining periods of leasehold rights (years)	Consolidated financial statements			
		1 January 2018	Increase	Amortisation	31 March 2018
Grande Centre Point Hotel Sukhumvit 55	29	1,584,531	-	(13,378)	1,571,153
Grande Centre Point Hotel Pattaya and Terminal 21 Shopping Center Pattaya	30	2,014,906	735,327	(2,650)	2,747,583
Terminal 21 Shopping Center Rama III	33	42,000	395,852	(2,452)	435,400
Vacant land	10, 40	24,090	221,097	(41)	245,146
Total		<u>3,665,527</u>	<u>1,352,276</u>	<u>(18,521)</u>	<u>4,999,282</u>

The subsidiary has pledged their land leasehold rights of Grande Centre Point Hotel Sukhumvit 55 and Grande Centre Point Hotel Pattaya and Terminal 21 Shopping Center Pattaya project with construction as collateral for bank overdrafts and long-term loans.

In addition, the Company provided letter of comfort to the lenders of LH Hotel Leasehold Real Estate Investment Trust (“LHHOTEL”), relating to maintain the percentage of unit holding in LHHOTEL by LH Mall & Hotel Company Limited and maintain the period of the sublease of the Grande Centre Point Hotel Terminal 21 and the Grande Centre Point Hotel Ratchadamri by L&H Hotel Management Company Limited.

16. Other intangible assets

Movements of other intangible assets account (computer software) during the three-month period ended 31 March 2018 are presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2018	34,716	17,835
Acquisition of computer software	853	557
Amortisation	(2,642)	(916)
Translation adjustment	(436)	-
Net book value as at 31 March 2018	32,491	17,476

17. Short-term loans from financial institution

	(Unit: Thousand Baht)			
	Interest rate (percent per annum)		Consolidated financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
<u>Short-term loans from financial institution</u>				
Promissory notes	2.75	-	609,000	-
Total short-term loans from financial institution			609,000	-

Short-term loans from financial institution of subsidiary are secured by the pledge of unit trusts of LH Shopping Centers Leasehold Real Estate Investment Trust and LH Hotel Leasehold Real Estate Investment Trust and guaranteed by the Company.

18. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Trade payables - unrelated parties	1,913,431	1,776,791	1,277,423	1,155,077
Trade payables - related parties	3,099	3,252	2,906	2,965
Other payables - related parties	262,039	242,943	495	42,189
Accrued expenses	1,026,717	1,285,790	829,548	989,003
Others	96,071	91,067	26,462	25,670
Total trade and other payables	3,301,357	3,399,843	2,136,834	2,214,904

19. Long-term loans

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Long-term loans	8,159,954	7,724,603	3,075,180	3,075,180
Less: Current portion	(3,201,840)	(3,139,180)	(3,075,180)	(3,075,180)
Net	4,958,114	4,585,423	-	-

Movements of the long-term loans during the three-month period ended 31 March 2018 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2018	7,724,603	3,075,180
Add: Additional borrowing	590,000	-
Less: Repayment	(25,626)	-
Less: Translation adjustment	(129,023)	-
Balance as at 31 March 2018	8,159,954	3,075,180

As at 31 March 2018 and 31 December 2017, the Company and its subsidiaries have pledged part of land and structures thereon of projects, investment properties, land held for development and land leasehold rights as collateral for long-term loans.

(Unaudited but reviewed)

Most loan agreements contain certain covenants and restrictions imposed by the lenders regarding, the proportion of shareholding of the major shareholders, changes in management, guarantees to loans or aval to promissory notes of any other persons or other companies, dividend payments, merger or consolidation with any other companies, the maintenance of certain financial ratios and formal reporting when the Company has a legal case which may affect its ability to repay loan.

As at 31 March 2018 and 31 December 2017, there were available long-term loan facilities from financial institutions as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
Undrawdown loan facilities	6,310	2,900	4,070	70

20. Debentures

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

Approved by	The Annual General Meeting of the Company's shareholders held on 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 31 March 2018, the Company has unissued debentures under the above mentioned approval totaling Baht 18,550 million (31 December 2017: Baht 18,750 million).

The outstanding balance of debentures as at 31 March 2018 and 31 December 2017 are detailed below.

					Consolidated and separate financial statements			
					Number of debenture (Shares)		Amount (Thousand Baht)	
No.	Interest rate per annum	Age	Repayment	Maturity	31 March 2018	31 December 2017	31 March 2018	31 December 2017
<u>Unsubordinated and unsecured debentures</u>								
No. 4/2014	Fixed rate 3.70%	3.5 years	At maturity	17 March 2018	-	1,000,000	-	1,000,000
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	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	1,000,000	1,000,000
No. 3/2017	Fixed rate 2.13%	3 years	At maturity	5 October 2020	6,000,000	6,000,000	6,000,000	6,000,000
No. 1/2018	Fixed rate 2.96%	7 years	At maturity	7 March 2025	1,200,000	-	1,200,000	-
Total					<u>41,450,000</u>	<u>41,250,000</u>	<u>41,450,000</u>	<u>41,250,000</u>
Less: Current portion of debentures							<u>(12,000,000)</u>	<u>(13,000,000)</u>
Net							<u>29,450,000</u>	<u>28,250,000</u>

Movements of the debentures during the three-month period ended 31 March 2018 are summarised below.

	(Unit: Thousand Baht)
	Consolidated and separate financial statements
Balance as at 1 January 2018	<u>41,250,000</u>
Add: Issue of new debenture	1,200,000
Less: Redemption	<u>(1,000,000)</u>
Balance as at 31 March 2018	<u><u>41,450,000</u></u>

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

21. Share capital

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

Date of exercised	Type of warrant	Number of exercised warrants (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
Total		<u>106,998,154</u>	<u>106,998,154</u>			

Reconciliation of number of shares

(Unit: Shares)

	Consolidated and separate financial statements	
	For the three-month periods ended 31 March	
	<u>2018</u>	<u>2017</u>
<u>Registered share capital</u>	<u>12,031,105,828</u>	<u>12,031,105,828</u>
<u>Issued and paid-up share capital</u>		
Balance beginning of period	11,949,713,176	11,786,545,992
Increased due to exercise of warrants	-	106,998,154
Balance ending of period	<u>11,949,713,176</u>	<u>11,893,544,146</u>

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

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

During three-month periods ended 31 March 2018 and 2017, movement of surplus on changes in value of available-for-sale investments are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2018	2017	2018	2017
Balance as at beginning of period	2,099,809	1,231,959	1,769,099	1,022,642
Changes during the period due to				
- Revaluation	2,998,782	(126,668)	2,954,359	(142,352)
- Income taxes	(599,756)	25,334	(590,872)	28,470
Balance as at end of period	<u>4,498,835</u>	<u>1,130,625</u>	<u>4,132,586</u>	<u>908,760</u>

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 period ended 31 March 2018 and 2017 are made up as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Current income tax:				
Interim corporate income tax charge	437,006	330,955	391,804	300,239
Deferred tax:				
Relating to origination and reversal of temporary differences	(161,606)	(2,634)	1,438	(17,623)
Income tax expenses reported in the statements of income	<u>275,400</u>	<u>328,321</u>	<u>393,242</u>	<u>282,616</u>

The amounts of income tax relating to each component of other comprehensive income for the three-month period ended 31 March 2018 and 2017 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Deferred tax relating to gain/loss on changes in value of available-for-sale investments	(599,756)	25,334	(590,872)	28,470
	<u>(599,756)</u>	<u>25,334</u>	<u>(590,872)</u>	<u>28,470</u>

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.

	Consolidated and separate financial statements					
	For the three-month periods ended 31 March					
	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	2018	2017	2018	2017	2018	2017
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the parent	2,465,677	1,773,553	11,949,713	11,893,813*	0.21	0.15
Effect of dilutive potential ordinary shares						
Warrants (LH-W3)		-		83,570		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares		1,773,553		11,977,383		0.15

* Included ordinary shares from cash receipts from share subscription

25. Segment information

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

Revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month periods ended 31 March 2018 and 2017 are as follows.

(Unit: Million Baht)

	For the three-month period ended 31 March 2018					Consolidated financial statements
	Real estate business	Rental and service business	Others	Total reportable segments	Adjustments and eliminations	
Revenue from external customers	7,975	923	-	8,898	-	8,898
Inter-segment revenue	-	52	-	52	(52)	-
Interest revenue	131	7	-	138	(128)	10
Infrastructure service income	93	-	-	93	-	93
Interest expense	(138)	(163)	-	(301)	108	(193)
Depreciation and amortisation	(15)	(128)	-	(143)	-	(143)
Loss on sales of assets	(1)	-	-	(1)	-	(1)
Share of profit from investments in associates	214	18	546	778	-	778
Segment profit	2,285	(47)	546	2,784	(17)	2,767
Unallocated revenue and expenses:						
Other income						106
Other expenses						(124)
Income tax expenses						(275)
Non-controlling interests of the subsidiaries						(8)
Profit for the period						2,466

(Unaudited but reviewed)

(Unit: Million Baht)

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

26. Commitments and contingent liabilities

26.1 Commitments

26.1.1 As at 31 March 2018 and 31 December 2017, the Company and its subsidiaries have commitments to complete projects on hand as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Commitments under construction contracts	3,534	3,369	2,042	1,478
Commitment in respect of the installation of central utilities of projects on hand	1,252	1,200	1,216	1,127

26.1.2 As at 31 March 2018 and 31 December 2017, L&H Property Company Limited (“LHP”), the subsidiary which the Company hold 60% of shares and LH Mall & Hotel Company Limited (“LHMH”), the subsidiary which the Company hold 99.99% of shares, have the following commitments under, land and construction lease agreement and land lease agreement as follows:

a) Land and construction lease agreement - LHP

Agreement date	Agreement period	Maturity date	Rental rate
7 June 2005	30 years*	31 May 2038	From 1 June 2008, the following rental is to be paid in monthly installments 1st - 5th year, total rental payment of Baht 33 million (Full amount has been paid) 6th - 10th year, total rental payment of Baht 42 million (As at 31 March 2018: already paid Baht 41 million in total) 11th - 15th year, total rental payment of Baht 54 million 16th - 20th year, total rental payment of Baht 69 million 21st - 25th year, total rental payment of Baht 88 million 26th - 30th year, total rental payment of Baht 112 million

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

In addition, as at 31 March 2018 and 31 December 2017, 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*	Land leasing fee is to be monthly paid as follows: 1st - 5th year, total rental of Baht 20 million (Full amount has been paid) 6th - 10th year, total rental of Baht 23 million (As at 31 March 2018: already paid Baht 12 million in total) 11 th - 15 th year, total rental of Baht 27 million 16 th - 20 th year, total rental of Baht 31 million 21 st - 25 th year, total rental of Baht 35 million 26 th - 30 th year, total rental of Baht 41 million

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

The rentals under the above land lease agreement are recognised as liabilities in the consolidated financial statement, at present value, as part of relevant expenses in the sales of assets 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 1 st - 7 th year, total rental payment of Baht 35 million (As at 31 March 2018: already paid Baht 5 million) 8 th - 17 th year, total rental payment of Baht 100 million 18 th - 27 th year, total rental payment of Baht 150 million 28 th - 30 th year, total rental payment of Baht 75 million

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

In addition, 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: 1 st - 3 rd year, total rental payment of Baht 71 million 4 th - 6 th year, total rental payment of Baht 78 million 7 th - 9 th year, total rental payment of Baht 86 million 10 th - 12 th year, total rental payment of Baht 95 million 13 th - 15 th year, total rental payment of Baht 104 million 16 th - 18 th year, total rental payment of Baht 115 million 19 th - 21 st year, total rental payment of Baht 126 million 22 nd - 24 th year, total rental payment of Baht 139 million 25 th - 27 th year, total rental payment of Baht 153 million 28 th - 30 th 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 - 33rd 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

f) Land lease agreements - LHMH

Agreement date	Agreement period	Rental rate
18 January 2018	33 years*	Land leasing fee is to be annually paid as follows: 1st - 3rd year, total rental payment of Baht 30 million 4th - 6th year, total rental payment of Baht 33 million 7th - 9th year, total rental payment of Baht 36 million 10th - 12th year, total rental payment of Baht 45 million 13th - 15th year, total rental payment of Baht 50 million 16th - 18th year, total rental payment of Baht 55 million 19th - 21st year, total rental payment of Baht 60 million 22nd - 24th year, total rental payment of Baht 66 million 25th - 27th year, total rental payment of Baht 73 million 28th - 30th year, total rental payment of Baht 80 million 31st - 33rd year, total rental payment of Baht 135 million

* The agreement runs from 18 January 2021. However, the lessor consented to allow LHMH to develop or construct on the leased land between 18 January 2018 and 17 January 2021

26.1.3 As at 31 March 2018 and 31 December 2017, 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 16 December 2015 to 15 December 2018
	Grande Centre Point Hotel Ratchadamri	From 15 June 2017 to 14 June 2020

(Unaudited but reviewed)

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

(Unit: Million Baht)

	Consolidated financial statements	
	31 March 2018	31 December 2017
Payable:		
In up to 1 year	491	588
In over 1 and up to 3 years	295	356

26.1.4 As at 31 March 2018 and 31 December 2017, the Company has commitment related to purchase of land as follows.

(Unit: Million Baht)

	Consolidated and separate financial statements	
	31 March 2018	31 December 2017
Commitment to purchase of land	3,683	3,917

26.1.5 As at 31 March 2018, the subsidiaries have servitude over land of approximately 93 rai (31 December 2017: 93 rai) of which the cost is included in the cost of projects.

26.1.6 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 31 March 2018 and 31 December 2017, the future minimum lease payments and services fee payments required under these non-cancellable contracts were as follows.

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	31	31	31	31
	March	December	March	December
	2018	2017	2018	2017
Payable:				
In up to 1 year	56	56	44	46
In over 1 and up to 3 years	79	82	63	73

26.2 Bank guarantees

As at 31 March 2018 and 31 December 2017, 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	financial statements	financial statements
	31	31	31	31
	March	December	March	December
	2018	2017	2018	2017
Letter of guarantees for arrangement and maintenance of public utilities	3,092	2,998	2,863	2,769
Letter of guarantees for electricity usage	74	62	48	49
	<u>3,166</u>	<u>3,060</u>	<u>2,911</u>	<u>2,818</u>

26.3 Guarantees

26.3.1 As at 31 March 2018 and 31 December 2017, the Company has the following obligations in respect of guarantees.

(Unit: Million Baht)

Guarantor	Guarantee	31 March	31 December
		2018	2017
Land and Houses Plc.	Customers	<u>7</u>	<u>7</u>

26.3.2 The Company has contingent liabilities to a bank in relation to the financial support in form of issuance of a letter of comfort to provide to the subsidiaries company for loans and guarantee facilities obtained for development of the subsidiary's project. As at 31 March 2018, the subsidiaries have outstanding loans as specified in the letter of comfort amounting to Baht 2,913 million (31 December 2017: Baht 1,730 million).

26.4 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 to be 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 additional 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 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 in project demanding claim 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.

In 2018, a housing estate juristic persons and housing residents filed additional 2 lawsuits against the Company, involving the construction of a kindergarten in project demanding claim totaling Baht 23 million. At present, the case is under the process of the Court of First Instance.

- 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 81 million. The lawsuits are currently in the judicial process and the Company is during in negotiation and entered into the compromise agreement to settle all disputes with the plaintiffs.
- 5) As at 31 March 2018, the Company has been sued for breach of agreements, claiming for a total of Baht 160 million (31 December 2017: Baht 151 million).

As at 31 March 2018, the Company has set aside a provision of Baht 1,084 million for liabilities arising as a result of the legal cases (31 December 2017: Baht 1,085 million).

26.5 Cross Currency and Interest Rate Swap agreements

The details of the Cross Currency and Interest Rate Swap agreements outstanding as at 31 March 2018 and 31 December 2017 are as follows:

Consolidated financial statements				
As at 31 March 2018				
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 1,950.8 million	Fixed rate 3.00%	USD 54.8 million	Fixed rate 2.915%	16 May 2018
Baht 3,075.1 million	Floating rate MLR - 2.25%	USD 95.8 million	Floating rate LIBOR 6 months plus 3.19%	16 May 2018
Baht 1,984.2 million	Fixed rate 2.60%	USD 60.0 million	Fixed rate 3.02%	31 January 2019
Baht 2,385.2 million	Fixed rate 3.00%	USD 67.0 million	Fixed rate 3.31%	14 December 2021
Baht 2,017.2 million	Fixed rate 3.00%	USD 61.0 million	Fixed rate 3.45%	16 November 2022
Baht 580.0 million	Fixed rate 1.65%	USD 18.5 million	Fixed rate 3.10%	28 February 2019

(Unaudited but reviewed)

Separate financial statements				
As at 31 March 2018				
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 1,950.8 million	Fixed rate 3.00%	USD 54.8 million	Fixed rate 2.915%	16 May 2018
Baht 3,075.1 million	Floating rate MLR - 2.25%	USD 95.8 million	Floating rate LIBOR 6 months plus 3.19%	16 May 2018
Baht 1,984.2 million	Fixed rate 2.60%	USD 60.0 million	Fixed rate 3.02%	31 January 2019
Baht 2,385.2 million	Fixed rate 3.00%	USD 67.0 million	Fixed rate 3.31%	14 December 2021
Baht 2,017.2 million	Fixed rate 3.00%	USD 61.0 million	Fixed rate 3.45%	16 November 2022

Consolidated and separate financial statements				
As at 31 December 2017				
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 1,950.8 million	Fixed rate 3.00%	USD 54.8 million	Fixed rate 2.915%	16 May 2018
Baht 3,075.1 million	Floating rate MLR - 2.25%	USD 95.8 million	Floating rate LIBOR 6 months plus 3.19%	16 May 2018
Baht 1,984.2 million	Fixed rate 2.60%	USD 60.0 million	Fixed rate 3.02%	31 January 2019
Baht 2,385.2 million	Fixed rate 3.00%	USD 67.0 million	Fixed rate 3.31%	14 December 2021
Baht 2,017.2 million	Fixed rate 3.00%	USD 61.0 million	Fixed rate 3.45%	16 November 2022

The estimated fair values of the derivatives are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	As at	As at	As at	As at
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
	Fair value	Fair value	Fair value	Fair value
	Gain	Gain	Gain	Gain
Cross Currency and Interest Rate Swap agreements	974	426	973	426

27. Fair value hierarchy

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

Fair value hierarchy

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

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

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

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

As at 31 March 2018 and 31 December 2017, the Company and its subsidiaries had the following assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Million Baht)			
	Consolidated financial statements			
	As at 31 March 2018			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Other long-term investments - Available-for-sale securities				
Equity securities - Overseas	7,543	-	-	7,543
Investment units - Domestic	2,518	-	-	2,518

	(Unit: Million Baht)			
	Consolidated financial statements			
	As at 31 December 2017			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Current investments - Trading securities				
	-	500	-	500
Other long-term investments - Available-for-sale securities				
Equity securities - Overseas	4,584	-	-	4,584
Investment units - Domestic	2,479	-	-	2,479

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements			
	As at 31 March 2018			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Other long-term investments - Available-for-sale securities				
Equity securities - Overseas	7,543	-	-	7,543
Investment units - Domestic	775	-	-	775

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2017			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Current investments - Trading securities	-	500	-	500
Other long-term investments - Available-for-sale securities				
Equity securities - Overseas	4,584	-	-	4,584
Investment units - Domestic	780	-	-	780

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

28. Subsequent events after reporting period

- 28.1 On 8 May 2018, the Company issued unsubordinated and unsecured debentures No. 2/2018 to institutional investors and/or private placement by issuing 6,000,000 units at Baht 1,000 each, a total of Baht 6,000 million. The debentures have fixed interest rate at 1.98% per annum, with a semi-annually interest payment schedule. The debentures have a maturity of 3 years, with redemption on 7 May 2021.
- 28.2 On 11 May 2018, the meeting of the Company's Board of Directors acknowledged plan of Land and Houses U.S.A., Inc., the Company's 100% owned subsidiary, for sales of an apartment in the United States at the amount of USD 140 million. The Company will recognise gain on sales of the apartment in the second quarter of 2018.

29. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 May 2018.