

Land and Houses Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

For the three-month period ended 31 March 2019

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 interim consolidated financial statements include the financial statements of Land and Houses Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2018, without any changes in the structure of subsidiaries during the current period.

1.4 New financial reporting standards

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

During the period, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are summarised below:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
IFRIC 13 (revised 2017)	Customer Loyalty Programmes
IFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
IFRIC 18 (revised 2017)	Transfers of Assets from Customers

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.

The Company and its subsidiaries adopted IFRS 15 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2019, and the comparative information was not restated. The Company and its subsidiaries elect to apply the following practical expedients.

- Not restate completed contracts as at 1 January 2019 for which the entity has transferred all of the goods identified in accordance with the previous accounting policy;

The cumulative effect of the change is described in Note 2.

(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These new standards involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company and its subsidiaries is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2018, except for the change in the accounting policies due to the adoption of TFRS 15, *Revenue from Contracts with Customers*, as follow:

Revenue recognition

Sale of real estate

Revenue from sale of real estate is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of land and houses or residential condominium units. Revenue is measured at the amount of the consideration received or receivable of goods after deducting discounts to customers.

Cost to obtain a contract

The Company and its subsidiaries recognise commission paid to obtain a customer contract as an asset and amortised to expenses on a systematic basis that is consistent with the pattern of revenue recognition. An impairment loss is recognised to the extent that the carrying amount of an asset recognised exceeds the remaining amount of consideration that the entity expects to receive less direct costs.

2. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standard

As described in Note 1.4 to the financial statements, during the current period, the Company and its subsidiaries have adopted TFRS 15 using the modified retrospective method of adoption. The cumulative effect of initially applying TFRS 15 is recognised as an adjustment to retained earnings as at 1 January 2019. Therefore, the comparative information was not restated.

The effect of the changes in accounting policies due to the adoption of TFRS 15 on the beginning balance of retained earnings for 2019 comprises:

	(Unit: Million Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Impact on retained earnings as at 1 January 2019		
Costs to obtain contracts with customers	121	121
Related tax	(24)	(24)
Total	<u>97</u>	<u>97</u>

(Unaudited but reviewed)

The amounts of adjustments affecting the statements of financial position as at 31 March 2019 and the statements of comprehensive income for the three-month period ended 31 March 2019 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements		
	Previous accounting policy	Increase (decrease)	TFRS 15
Statement of financial position			
Assets			
Costs to obtain contracts with customers	-	140	140
Deferred tax assets	480	(28)	452
Shareholders' equity			
Retained earnings - Unappropriated	21,102	112	21,214

(Unit: Million Baht)

	Consolidated financial statements		
	Previous accounting policy	Increase (decrease)	TFRS 15
Statement of income			
Sales of real estate	5,784	(86)	5,698
Selling expenses	272	(105)	167
Income tax expense	273	4	277
Profit for the period	1,816	15	1,831
Attributable to:			
Profit attributable to equity holders of the Company	1,811	15	1,826
Earnings per share (Baht):			
Basic earnings per share	0.15	-	0.15

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements		
	Previous accounting policy	Increase (decrease)	TFRS 15
Statement of financial position			
Assets			
Costs to obtain contracts with customers	-	140	140
Deferred tax assets	451	(28)	423
Shareholders' equity			
Retained earnings - Unappropriated	21,102	112	21,214

(Unit: Million Baht)

	Separate financial statements		
	Previous accounting policy	Increase (decrease)	TFRS 15
Statement of income			
Sales of real estate	5,699	(86)	5,613
Selling expenses	217	(105)	112
Income tax expense	221	4	225
Profit for the period	1,811	15	1,826
Attributable to:			
Profit attributable to equity holders of the Company	1,811	15	1,826
Earnings per share (Baht):			
Basic earnings per share	0.15	-	0.15

The nature of these adjustments are described below:

- Commission paid to obtain a contract - The Company and its subsidiaries have determined that commission paid to obtain a customer contract should be recorded as an asset and amortised to expenses on a systematic basis that is consistent with the pattern of revenue recognition. Under the previous accounting policy, the Company and its subsidiaries immediately recorded commission as selling expenses when the transaction occurred.
- Promotion expenses specified in the contracts with customers which consider as consideration paid to customer - the Company and its subsidiaries have determined that these transactions should be recorded as net offsetting with revenue from sales of real estate, not selling expenses as previously recorded.

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
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	Related company
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	
	2019	2018	2019	2018	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	113	126	3.00% - 4.50% p.a. (2018: 3.12% - 4.00% p.a.)
Management fee income	-	-	1	2	Approximate cost
Sales of land	-	-	-	1	Approximate cost
Interest expenses	-	-	4	2	1.65% - 2.13% p.a. (2018: 1.65% - 2.00% p.a.)
<u>Transactions with associates</u>					
Management fee	-	1	-	-	Contract price
Interest income	13	5	9	3	The interest rate as declared by the bank
Dividend income	53	47	53	47	Declared rate
Purchases of goods	24	9	23	9	Market price
Property rental fee expenses	51	51	-	-	Contract price
<u>Transactions with related companies</u>					
Property management fee income	47	51	-	-	Contract price
Human-resources management income	8	6	-	-	Contract price
IT management fee income	1	1	-	-	Contract price
Interest income	4	2	-	-	3.05% - 3.10% p.a. (2018: 3.10% p.a.)
Dividend income	43	35	16	11	Declared rate
Rental and services expenses	20	18	15	14	Baht 250 - 900 per square meter per month
Property rental fee expenses	211	209	-	-	Contract price

(Unaudited but reviewed)

As at 31 March 2019 and 31 December 2018, the balances of the accounts between the Company and those related companies are as follows:

	Consolidated financial statements		Separate financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
(Unit: Million Baht)				
Deposit at financial institution				
(shown under cash and cash equivalents)				
<u>Associate</u>				
Land and Houses Bank Plc.	4,092.2	4,991.1	3,287.9	3,830.0
Current investments (Note 5)				
<u>Associates</u>				
Land and Houses Bank Plc.	505.7	200.2	-	-
Land and Houses Fund Management Co., Ltd.	502.1	500.4	502.1	500.4
Total	1,007.8	700.6	502.1	500.4
Amounts due from and accounts receivables - related parties (Note 6)				
<u>Subsidiaries</u>				
(Eliminated from the consolidated financial statements)				
L H Asset Co., Ltd.	-	-	0.2	0.1
Land and Houses Northeast Co., Ltd.	-	-	13.6	13.4
	-	-	13.8	13.5
<u>Associates</u>				
Quality Construction Products Plc.	5.0	-	5.0	-
Land and Houses Property and Loan Fund-II	48.3	-	48.3	-
	53.3	-	53.3	-
<u>Related companies</u>				
Quality Houses Leasehold Property Fund	1.1	1.5	-	-
Land and Houses Freehold and Leasehold Property Fund	2.7	4.2	-	-
Siam Retail Development Co., Ltd.	8.0	8.7	-	-
LH Shopping Centers Leasehold Real Estate Investment Trust	9.4	12.3	-	-
	21.2	26.7	-	-
Total	74.5	26.7	67.1	13.5
Short-term loans and accrued interest receivables - related parties				
<u>Subsidiaries</u>				
(Eliminated from the consolidated financial statements)				
Atlantic Real Estate Co., Ltd.	-	-	154.4	153.1
LH Mall & Hotel Co., Ltd.	-	-	2,371.8	2,328.9
Land and Houses Northeast Co., Ltd.	-	-	301.8	50.2
L H Asset Co., Ltd.	-	-	1,363.6	715.8
	-	-	4,191.6	3,248.0

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
<u>Associate</u>				
Land and Houses Bank Plc.	4.0	4.6	1.7	1.6
	<u>4.0</u>	<u>4.6</u>	<u>1.7</u>	<u>1.6</u>
<u>Related company</u>				
Reco Resorts Pte Ltd.	1.5	52.9	-	-
	<u>1.5</u>	<u>52.9</u>	<u>-</u>	<u>-</u>
Total	<u>5.5</u>	<u>57.5</u>	<u>4,193.3</u>	<u>3,249.6</u>
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.	-	-	9,507.5	9,611.1
<u>Related company</u>				
Reco Resorts Pte Ltd.	566.0	560.0	-	-
	<u>566.0</u>	<u>560.0</u>	<u>-</u>	<u>-</u>
Total	<u>566.0</u>	<u>560.0</u>	<u>9,507.5</u>	<u>9,611.1</u>
Deposit to related company (shown under other non-current assets)				
<u>Related company</u>				
Quality Houses Leasehold Property Fund	15.8	15.7	12.4	12.4
Trade accounts payable - related parties (Note 18)				
<u>Associates</u>				
Quality Construction Products Plc.	2.5	5.6	2.5	5.6
Home Product Center Plc.	0.5	0.5	0.2	0.2
Total	<u>3.0</u>	<u>6.1</u>	<u>2.7</u>	<u>5.8</u>
Amounts due to related parties (Note 18)				
<u>Associates</u>				
Home Product Center Plc.	3.6	0.3	3.6	0.1
Land and Houses Property and Loan Fund-II	49.1	47.1	-	-
	<u>52.7</u>	<u>47.4</u>	<u>3.6</u>	<u>0.1</u>
<u>Related companies</u>				
Quality Houses Leasehold Property Fund	0.3	0.3	0.3	0.3
LH Hotel Leasehold Real Estate Investment Trust	209.0	178.0	-	-
LH Shopping Centers Leasehold Real Estate Investment Trust	0.2	0.2	-	-
	<u>209.5</u>	<u>178.5</u>	<u>0.3</u>	<u>0.3</u>
Total	<u>262.2</u>	<u>225.9</u>	<u>3.9</u>	<u>0.4</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
Short-term loans and accrued interest payables - related parties				
<u>Subsidiary</u>				
(Eliminated from the consolidated financial statements)				
L&H Property Co., Ltd.	-	-	1.6	42.1
Long-term loan - related party				
<u>Subsidiary</u>				
(Eliminated from the consolidated financial statements)				
L&H Property Co., Ltd.	-	-	840.0	840.0

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 3.40% and 4.50% per annum (31 December 2018: 3.12% and 4.00% 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 12 months.

Long-term loan - related party is unsecured loan from L&H Property Co., Ltd. in the form of promissory notes without collateral. Interest charged at the rate 2.13% per annum. The loan is repayable by 28 February 2022.

During the three-month period ended 31 March 2019, movements of loans to/loans from the Company, subsidiaries and related companies were as follows:

	Consolidated financial statements			
	1 January			31 March
	2019	Increase	Decrease	2019
Short-term loans and accrued interest receivables - related parties				
<u>Associate</u>				
Land and Houses Bank Plc.	4.6	12.8	(13.4)	4.0
<u>Related company</u>				
Reco Resorts Pte Ltd.	52.9	4.3	(55.7)	1.5
Total	57.5	17.1	(69.1)	5.5
Long-term loan - related party				
<u>Related company</u>				
Reco Resorts Pte Ltd.	560.0	6.0	-	566.0

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements			
	1 January			31 March
	2019	Increase	Decrease	2019
Short-term loans and accrued interest receivables - related parties				
<u>Subsidiaries</u>				
Atlantic Real Estate Co., Ltd.	153.1	1.3	-	154.4
LH Mall & Hotel Co., Ltd.	2,328.9	137.8	(94.9)	2,371.8
Land and Houses Northeast Co., Ltd.	50.2	301.8	(50.2)	301.8
L H Asset Co., Ltd.	715.8	647.8	-	1,363.6
	<u>3,248.0</u>	<u>1,088.7</u>	<u>(145.1)</u>	<u>4,191.6</u>
<u>Associate</u>				
Land and Houses Bank Plc.	1.6	8.8	(8.7)	1.7
Total	<u>3,249.6</u>	<u>1,097.5</u>	<u>(153.8)</u>	<u>4,193.3</u>
Long-term loan and accrued interest receivables - related party				
<u>Subsidiary</u>				
Land and Houses U.S.A., Inc.	<u>9,611.1</u>	<u>375.6</u>	<u>(479.2)</u>	<u>9,507.5</u>
Short-term loan and accrued interest payables - related party				
<u>Subsidiary</u>				
L&H Property Co., Ltd.	<u>42.1</u>	<u>3.8</u>	<u>(44.3)</u>	<u>1.6</u>
Long-term loan - related party				
<u>Subsidiary</u>				
L&H Property Co., Ltd.	<u>840.0</u>	<u>-</u>	<u>-</u>	<u>840.0</u>

Directors and management's benefits

During the three-month periods ended 31 March 2019 and 2018, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Short-term employee benefits	51	50	36	41
Post-employment benefits	2	2	1	1
Total	<u>53</u>	<u>52</u>	<u>37</u>	<u>42</u>

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 25.

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

(Unaudited but reviewed)

4. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
Cash	6,835	7,669	2,405	2,395
Bank deposits	2,491,301	3,034,728	1,703,091	1,986,106
Cheques in transit	755,889	668,428	746,924	665,673
Fixed deposits receipt	2,771,244	3,420,979	2,500,000	3,000,000
Total	6,025,269	7,131,804	4,952,420	5,654,174

As at 31 March 2019, bank deposits and fixed deposits receipt carried interests between 0.10% and 1.80% per annum (31 December 2018: 0.10% and 1.25% per annum).

5. Current investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
Fixed deposits over three months but not over one year	505,645	200,242	-	-
Investments in LH Money Market Fund - Cost	500,000	500,000	500,000	500,000
Add: Unrealised gain on changes in value of investments	2,139	390	2,139	390
Trading securities - Fair value	502,139	500,390	502,139	500,390
Total	1,007,784	700,632	502,139	500,390

(Unaudited but reviewed)

6. Trade and other receivables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
<u>Trade receivables - unrelated parties</u>				
Not yet due	75,284	101,797	-	-
Past due				
Less than 3 months	49,314	45,932	-	-
3 - 6 months	2,356	5,502	-	-
6 - 9 months	947	345	-	-
9 - 12 months	2	2	-	-
Over 12 months	182	98	-	-
Total trade receivables - unrelated parties	128,085	153,676	-	-
<u>Other receivables</u>				
Amounts due from and accounts receivables - related parties	74,526	26,724	67,141	13,524
Others	43,737	48,167	41,242	41,963
Total other receivables	118,263	74,891	108,383	55,487
Total trade and other receivables	246,348	228,567	108,383	55,487

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:

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Net book value of land and structures thereon mortgaged as collateral	6,545	6,484	5,896	5,826

8. Restricted bank deposit

The balance as at 31 March 2019 and 31 December 2018 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 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018
			(Percent)	(Percent)				
Atlantic Real Estate Co., Ltd.	15,000	15,000	99.99	99.99	14,998	14,998	(27,017)	(26,037)
LH Mall & Hotel Co., Ltd. and its subsidiaries	2,000,000	2,000,000	99.99	99.99	2,000,000	2,000,000	3,177,328	2,864,514
Land and Houses North Co., Ltd.	13,500	13,500	99.99	99.99	13,500	13,500	15,769	15,781
Land and Houses Northeast Co., Ltd.	150,000	150,000	99.99	99.99	149,999	149,999	326,054	325,691
Siam Tanee Property Co., Ltd. and its subsidiary	100,000	100,000	99.99	99.99	64,859	64,859	163,315	163,257
L H Real Estate Co., Ltd.	58,000	58,000	99.99	99.99	25,000	25,000	18,809	18,802
L H Asset Co., Ltd.	100,000	100,000	99.99	99.99	52,734	52,734	491,337	471,656
L H Muang Mai Co., Ltd.	900,000	900,000	55.00	55.00	495,000	495,000	685,981	689,871
L&H Property Co., Ltd. and its subsidiary	130,000	130,000	60.00	60.00	174,000	174,000	319,326	306,851
Land and Houses U.S.A., Inc.	(a)	(a)	100.00	100.00	1,343,127	1,343,127	1,367,356	1,516,259
Asia Asset Advisory Co., Ltd.	100	100	99.94	99.94	100	100	962	993
					<u>4,333,317</u>	<u>4,333,317</u>	<u>6,539,220</u>	<u>6,347,638</u>

(a) As at 31 March 2019 and 31 December 2018, 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	
	2019	2018	2019	2018
Atlantic Real Estate Co., Ltd.	(980)	(713)	-	-
LH Mall & Hotel Co., Ltd. and its subsidiaries	173,313	32,978	139,501	35,539
Land and Houses North Co., Ltd.	(12)	33	-	-
Land and Houses Northeast Co., Ltd.	363	60,404	-	-
Siam Tanee Property Co., Ltd. and its subsidiary	58	(87)	-	-
L H Real Estate Co., Ltd.	7	(155)	-	-
LH Asset Co., Ltd.	19,681	2,298	-	-
L H Muang Mai Co., Ltd.	(3,890)	3,078	-	-
L&H Property Co., Ltd. and its subsidiary	12,475	7,861	-	-
Land and Houses U.S.A., Inc.	(119,903)	30,244	(29,000)	(27,307)
Asia Asset Advisory Co., Ltd.	(31)	(55)	-	-
Total	81,081	135,886	110,501	8,232

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	Shareholding percentage		Cost		Carrying amounts based on equity method	
			31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018
			(Percent)	(Percent)				
LH Financial Group Plc.	Holding company	Thailand	21.88	21.88	4,538,712	4,538,712	9,094,695	8,697,404
Quality Construction Products Plc.	Manufacture of construction materials	Thailand	21.16	21.16	179,178	179,178	399,374	391,700
Home Product Center Plc.	Trading of construction materials	Thailand	30.23	30.23	1,489,020	1,489,020	7,069,827	6,639,182
Land and Houses Property and Loan Fund-II	Real estate business	Thailand	49.99	49.99	743,925	743,925	389,055	419,337
Quality Houses Plc.	Real estate business	Thailand	24.98	24.98	3,282,682	3,282,682	7,681,517	7,425,351
					<u>10,233,517</u>	<u>10,233,517</u>	<u>24,634,468</u>	<u>23,572,974</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:

(Unit: Thousand Baht)

Company's name	For the three-month periods ended 31 March					
	Share of profit or loss		Share of other comprehensive income		Dividend received during period	
	2019	2018	2019	2018	2019	2018
LH Financial Group Plc.	176,500	168,706	220,791	(10,427)	-	-
Quality Construction Products Plc.	12,752	3,168	-	-	5,078	2,539
Home Product Center Plc.	429,247	377,439	1,398	(170)	-	-
Land and Houses Property and Loan Fund-II	17,999	17,960	-	-	48,281	44,567
Quality Houses Plc.	221,312	210,963	34,854	(1,663)	-	-
Total	857,810	778,236	257,043	(12,260)	53,359	47,106

10.3 Fair values of investments in listed associates

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

(Unit: Million Baht)

Company's name	Fair values as at	
	31 March 2019	31 December 2018
LH Financial Group Plc.	6,906	6,303
Quality Construction Products Plc.	418	374
Home Product Center Plc.	60,433	60,433
Quality Houses Plc.	7,921	6,958
Total	75,678	74,068

(Unaudited but reviewed)

11. Other long-term investments

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
31 March	31 December	31 March	31 December	
2019	2018	2019	2018	
Available-for-sale securities				
Equity securities - Overseas	2,368,704	2,368,704	2,368,704	2,368,704
Unit trust - Domestic	2,381,276	2,381,276	1,091,343	1,091,343
Add: Changes in fair value of securities	1,571,694	863,631	825,382	291,696
Available-for-sale securities - net	<u>6,321,674</u>	<u>5,613,611</u>	<u>4,285,429</u>	<u>3,751,743</u>
Other investments				
Equity securities - Domestic	204,239	204,239	26,000	26,000
Unit trust - Domestic	165	165	-	-
Less: Allowance for impairment	<u>(110,500)</u>	<u>(110,500)</u>	<u>(26,000)</u>	<u>(26,000)</u>
Other investments - net	<u>93,904</u>	<u>93,904</u>	<u>-</u>	<u>-</u>
Total	<u>6,415,578</u>	<u>5,707,515</u>	<u>4,285,429</u>	<u>3,751,743</u>

As at 31 March 2019, a subsidiary has pledge domestic unit trust of approximately Baht 2,036 million (31 December 2018: Baht 1,862 million) to secure credit facilities from a financial institution.

12. Land held for development

As at 31 March 2019 and 31 December 2018, 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	31 December
	2019	2018
Net book value of mortgaged land		
held for development to secure loans	689	689

13. Investment properties

Movements of the investment properties account during the three-month period ended 31 March 2019 are presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2019	14,406,733	211,432
Acquisitions - at cost	42,901	-
Depreciation charged	(78,446)	-
Translation adjustment	(279,887)	-
Net book value as at 31 March 2019	<u>14,091,301</u>	<u>211,432</u>

The apartments with a total net book value as at 31 March 2019 of Baht 5,855 million (31 December 2018: Baht 5,995 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 2019 are presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2019	863,090	330,119
Acquisitions - at cost	39,409	23,107
Disposals - net book value	(3,776)	(3,776)
Depreciation charged	(49,026)	(15,168)
Translation adjustment	(457)	-
Net book value as at 31 March 2019	<u>849,240</u>	<u>334,282</u>

15. Leasehold rights

(Unit: Thousand Baht)

Project	Remaining periods of leasehold rights (years)	Consolidated financial statements			
		1 January 2019	Increase	Amortisation	31 March 2019
Grande Centre Point Hotel Sukhumvit 55	28	1,530,384	-	(13,379)	1,517,005
Grande Centre Point Hotel Pattaya and Terminal 21 Shopping Center Pattaya	30	4,436,408	12,203	(35,842)	4,412,769
Terminal 21 Shopping Center Rama III	33	445,167	73,655	(3,001)	515,821
Vacant land	8 and 40	240,642	-	(1,501)	239,141
Total		6,652,601	85,858	(53,723)	6,684,736

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

16. Other intangible assets

Movements of other intangible assets account (computer software) during the three-month period ended 31 March 2019 are presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2019	45,286	16,645
Acquisition of computer software	512	330
Amortisation	(2,599)	(910)
Translation adjustment	(397)	-
Net book value as at 31 March 2019	42,802	16,065

(Unaudited but reviewed)

17. Short-term loans from financial institution

	Interest rate		(Unit: Thousand Baht)	
	(percent per annum)		Consolidated	
	31	31	financial statements	
	March	December	31	31
	2019	2018	March	December
	2019	2018	2019	2018
Promissory notes	2.80	2.65	609,000	609,000
Total			609,000	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	31 December	31 March	31 December
	2019	2018	2019	2018
Trade payables - unrelated parties	2,049,859	2,032,859	1,721,596	1,622,130
Trade payables - related parties	2,957	6,087	2,730	5,810
Other payables - related parties	262,184	225,930	3,874	420
Accrued expenses	995,504	1,266,542	795,511	1,009,771
Others	153,322	169,789	30,880	32,546
Total	3,463,826	3,701,207	2,554,591	2,670,677

19. Long-term loans

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
Long-term loans	9,539,353	9,605,318	4,000,000	4,000,000
Less: Current portion	(59,996)	(24,166)	-	-
Net	9,479,357	9,581,152	4,000,000	4,000,000

Movements of the long-term loans during the three-month period ended 31 March 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Balance as at 1 January 2019	9,605,318	4,000,000
Less: Repayment	(6,003)	-
Less: Translation adjustment	(59,962)	-
Balance as at 31 March 2019	<u>9,539,353</u>	<u>4,000,000</u>

As at 31 March 2019 and 31 December 2018, 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.

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 2019 and 31 December 2018, the loan facilities from financial institutions of its subsidiaries which have not yet been drawn down amounted to Baht 810 million (Company only: Nil).

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 2019, the Company has unissued debentures under the above mentioned approval totaling Baht 19,550 million (31 December 2018: Baht 19,550 million).

The outstanding balance of debentures as at 31 March 2019 and 31 December 2018 are detailed below.

No.	Interest rate per annum	Age	Repayment	Maturity	Consolidated and separate financial statements			
					Number of debenture (Shares)		Amount (Thousand Baht)	
					31 March 2019	31 December 2018	31 March 2019	31 December 2018
<u>Unsubordinated and unsecured debentures</u>								
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 (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	1,200,000	1,200,000
No. 2/2018	Fixed rate 1.98%	3 years	At maturity	7 May 2021	6,000,000	6,000,000	6,000,000	6,000,000
No. 3/2018	Fixed rate 3.02%	3 years	At maturity	5 October 2021	5,000,000	5,000,000	5,000,000	5,000,000
Total					<u>40,450,000</u>	<u>40,450,000</u>	40,450,000	40,450,000
Less: Current portion of debentures							(14,250,000)	(14,250,000)
Net							<u>26,200,000</u>	<u>26,200,000</u>

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

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

During three-month periods ended 31 March 2019 and 2018, movement of surplus on changes in value of available-for-sale investments are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Balance as at beginning of period	694,418	2,099,809	233,357	1,769,099
Changes during the period due to				
- Revaluation	708,063	2,998,782	533,686	2,954,359
- Income taxes	(141,613)	(599,756)	(106,737)	(590,872)
Balance as at end of period	<u>1,260,868</u>	<u>4,498,835</u>	<u>660,306</u>	<u>4,132,586</u>

22. 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 2019 and 2018 are made up as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Current income tax:				
Interim corporate income tax charge	294,378	437,006	227,952	391,804
Deferred tax:				
Relating to origination and reversal of temporary differences	(17,595)	(161,606)	(2,501)	1,438
Income tax expenses reported in the statements of income	<u>276,783</u>	<u>275,400</u>	<u>225,451</u>	<u>393,242</u>

(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month period ended 31 March 2019 and 2018 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
Deferred tax relating to gain on changes in value of available-for-sale investments	141,613	599,756	106,737	590,872

23. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

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	
2019	2018	2019	2018	2019	2018
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share					
Profit attributable to equity holders					
of the parent					
1,825,803	2,465,677	11,949,713	11,949,713	0.15	0.21

24. Segment information

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

(Unaudited but reviewed)

Revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month periods ended 31 March 2019 and 2018 are as follows.

(Unit: Million Baht)

For the three-month period ended 31 March 2019						
	Real estate business	Rental and service business	Others	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	5,698	1,251	-	6,949	-	6,949
Inter-segment revenue	-	69	-	69	(69)	-
Interest revenue	126	11	-	137	(117)	20
Infrastructure service income	95	-	-	95	-	95
Finance cost	(137)	(157)	-	(294)	117	(177)
Depreciation and amortisation	(17)	(167)	-	(184)	-	(184)
Gain on sales of assets	1	-	-	1	-	1
Share of profit from investments in associates	234	18	606	858	-	858
Segment profit	1,306	103	606	2,015	32	2,047
Unallocated revenue and expenses:						
Other income						64
Other expenses						(3)
Income tax expenses						(277)
Non-controlling interests of the subsidiaries						(5)
Profit for the period						1,826

(Unit: Million Baht)

For the three-month period ended 31 March 2018						
	Real estate business	Rental and service business	Others	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
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
Finance cost	(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

25. Commitments and contingent liabilities

25.1 Commitments

25.1.1 As at 31 March 2019 and 31 December 2018, 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 2019	31 December 2018	31 March 2019	31 December 2018
Commitments under construction contracts	3,804	3,586	3,600	3,359
Commitment in respect of the installation of central utilities of projects on hand	1,456	1,210	1,434	1,182

25.1.2 As at 31 March 2019 and 31 December 2018, 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 (Full amount has been paid) 11th - 15th year, total rental payment of Baht 54 million (As at 31 March 2019: already paid Baht 8 million in total) 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 2019 and 31 December 2018, LHP is committed to pay security expenses at the rate of Baht 16,740 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 2019: already paid Baht 17 million in total) 11th - 15th year, total rental of Baht 27 million 16th - 20th year, total rental of Baht 31 million 21st - 25th year, total rental of Baht 35 million 26th - 30th year, total rental of Baht 41 million

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

The rentals under the above land lease agreement are recognised as liabilities in the consolidated financial statement, at present value, as part of relevant expenses in the sales of assets 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 31 March 2019: already paid Baht 10 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, 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*	<p>Land leasing fee is to be monthly paid as follows:</p> <p>1st - 3rd year, total rental payment of Baht 71 million (As at 31 March 2019: already paid Baht 6 million in total)</p> <p>4th - 6th year, total rental payment of Baht 78 million</p> <p>7th - 9th year, total rental payment of Baht 86 million</p> <p>10th - 12th year, total rental payment of Baht 95 million</p> <p>13th - 15th year, total rental payment of Baht 104 million</p> <p>16th - 18th year, total rental payment of Baht 115 million</p> <p>19th - 21st year, total rental payment of Baht 126 million</p> <p>22nd - 24th year, total rental payment of Baht 139 million</p> <p>25th - 27th year, total rental payment of Baht 153 million</p> <p>28th - 30th year, total rental payment of Baht 168 million</p>

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

* 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

25.1.3 As at 31 March 2019 and 31 December 2018, 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 2019 to 31 December 2021
LH Hotel Leasehold Real Estate Investment Trust	Grande Centre Point Hotel Terminal 21	From 16 December 2018 to 15 December 2021
	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	
	31 March 2019	31 December 2018
Payable:		
In up to 1 year	599	599
In over 1 and up to 3 years	659	809

(Unaudited but reviewed)

25.1.4 As at 31 March 2019 and 31 December 2018, the Company has commitment related to purchase of land as follows.

(Unit: Million Baht)

	Consolidated and separate	
	financial statements	
	31 March	31 December
	2019	2018
Commitment to purchase of land	1,656	1,481

25.1.5 In March 2019, a subsidiary entered into agreement to purchase and to sell project under construction with a company in the amount of approximately Baht 650 million. The subsidiary paid deposit of Baht 180 million to the seller in March 2019 and the remaining amount of Baht 475.50 million are to be paid on the date that land development permit and transfer of ownership of land and construction thereon was transferred to the subsidiary.

25.1.6 As at 31 March 2019, the subsidiaries have servitude over land of approximately 101 rai (31 December 2018: 100 rai) of which the cost is included in the cost of projects.

25.1.7 Operating lease commitments

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

As at 31 March 2019 and 31 December 2018, the future minimum lease payments and services fee payments required under these non-cancellable contracts were as follows.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31	31	31	31
	March	December	March	December
	2019	2018	2019	2018
Payable:				
In up to 1 year	59	56	46	47
In over 1 and up to 3 years	59	63	42	54

25.2 Bank guarantees

As at 31 March 2019 and 31 December 2018, there were the following outstanding bank guarantees issued by the banks in respect of certain performance bonds required in the normal course of business by the Company and its subsidiaries.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31	31	31	31
	March	December	March	December
	2019	2018	2019	2018
Letter of guarantees for arrangement and maintenance of public utilities	4,257	4,183	3,969	3,956
Letter of guarantees for electricity usage	70	68	51	49
	<u>4,327</u>	<u>4,251</u>	<u>4,020</u>	<u>4,005</u>

25.3 Guarantees

25.3.1 As at 31 March 2019 and 31 December 2018, the Company has the following obligations in respect of guarantees.

(Unit: Million Baht)

Guarantor	Guarantee	31 March	31 December
		2019	2018
Land and Houses Plc.	Customers	<u>7</u>	<u>7</u>

25.3.2 The Company has contingent liabilities to a bank in relation to the financial support in form of issuance of a letter of comfort to provide to the subsidiaries company for loans and guarantee facilities obtained for development of the subsidiary's project. As at 31 March 2019 and 31 December 2018, the subsidiaries have outstanding loans as specified in the letter of comfort amounting to Baht 3,159 million.

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.

25.4 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 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 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) As at 31 March 2019, the Company has been sued for breach of agreements, claiming for a total of Baht 153 million (31 December 2018: Baht 153 million).

As at 31 March 2019, the Company has set aside a provision of Baht 857 million for liabilities arising as a result of the legal cases (31 December 2018: Baht 852 million).

25.5 Cross Currency and Interest Rate Swap agreements

The details of the Cross Currency and Interest Rate Swap agreements outstanding as at 31 March 2019 and 31 December 2018 are as follows:

Consolidated financial statements				
As at 31 March 2019				
Currency and Interest Revenue Rate		Currency and Interest Expense Rate		
Swap agreement		Swap agreement		
Principal amount	Interest rate	Principal amount	Interest rate	Termination date
Baht 1,733.4 million	Fixed rate 2.00%	USD 54.0 million	Fixed rate 3.29%	29 May 2020
Baht 1,745.9 million	Fixed rate 2.50%	USD 54.8 million	Fixed rate 3.569%	14 December 2021
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 1,894.8 million	Fixed rate 2.60%	USD 60.0 million	Fixed rate 3.725%	29 May 2020
Baht 560.0 million	Fixed rate 2.13%	USD 17.9 million	Fixed rate 3.05%	28 February 2022

Separate financial statements				
As at 31 March 2019				
Currency and Interest Revenue Rate		Currency and Interest Expense Rate		
Swap agreement		Swap agreement		
Principal amount	Interest rate	Principal amount	Interest rate	Termination date
Baht 1,733.4 million	Fixed rate 2.00%	USD 54.0 million	Fixed rate 3.29%	29 May 2020
Baht 1,745.9 million	Fixed rate 2.50%	USD 54.8 million	Fixed rate 3.569%	14 December 2021
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 1,894.8 million	Fixed rate 2.60%	USD 60.0 million	Fixed rate 3.725%	29 May 2020

(Unaudited but reviewed)

Consolidated financial statements				
As at 31 December 2018				
Currency and Interest Revenue Rate		Currency and Interest Expense Rate		
Swap agreement		Swap agreement		
Principal amount	Interest rate	Principal amount	Interest rate	Termination date
Baht 1,733.4 million	Fixed rate 2.00%	USD 54.0 million	Fixed rate 3.29%	29 May 2020
Baht 1,745.9 million	Fixed rate 2.50%	USD 54.8 million	Fixed rate 3.569%	14 December 2021
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

Separate financial statements				
As at 31 December 2018				
Currency and Interest Revenue Rate		Currency and Interest Expense Rate		
Swap agreement		Swap agreement		
Principal amount	Interest rate	Principal amount	Interest rate	Termination date
Baht 1,733.4 million	Fixed rate 2.00%	USD 54.0 million	Fixed rate 3.29%	29 May 2020
Baht 1,745.9 million	Fixed rate 2.50%	USD 54.8 million	Fixed rate 3.569%	14 December 2021
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 financial statements		Separate financial statements	
	As at 31 March 2019	As at 31 December 2018	As at 31 March 2019	As at 31 December 2018
	Fair value	Fair value	Fair value	Fair value
	Gain	Gain	Gain	Gain
Cross Currency and Interest Rate Swap agreements	325	218	339	248

26. 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 2019 and 31 December 2018, 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 2019			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Current investments - Trading securities	-	502	-	502
Other long-term investments - Available-for-sale securities				
Equity securities - Overseas	3,177	-	-	3,177
Investment units - Domestic	3,145	-	-	3,145

	(Unit: Million Baht)			
	Consolidated financial statements			
	As at 31 December 2018			
	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	2,644	-	-	2,644
Investment units - Domestic	2,970	-	-	2,970

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements			
	As at 31 March 2019			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Current investments - Trading securities	-	502	-	502
Other long-term investments - Available-for-sale securities				
Equity securities - Overseas	3,177	-	-	3,177
Investment units - Domestic	1,108	-	-	1,108

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2018			
	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	2,644	-	-	2,644
Investment units - Domestic	1,108	-	-	1,108

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

27. Subsequent events after reporting period

27.1 On 25 April 2019, the Annual General Meeting of the Company's shareholders passed the resolutions to approve the dividend payment for the year 2018 of Baht 0.75 per share. However, since the Board of Directors previously approved an interim dividend from profit of the year 2018 amounting to Baht 0.40 per share, the Board will propose the remaining dividend payment of Baht 0.35 per share, amounting to Baht 4,182 million. The payment of such dividend shall be made within May 2019.

27.2 On 26 April 2019, the Company issued unsubordinated and unsecured debentures No. 1/2019 6,000,000 units at Baht 1,000 each, a total of Baht 6,000 million. The debentures have fixed interest rate at 2.62% per annum. The debentures have a redemption on 26 April 2022.

28. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 13 May 2019.