

## **Land and Houses Public Company Limited and its subsidiaries**

### **Notes to consolidated interim financial statements**

#### **For the three-month and nine-month periods ended 30 September 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 consolidated interim 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, except change in shareholder of L&H Hotel Management Company Limited, the Company's indirect subsidiary. However, there is no impact on the profit or loss in the consolidated financial statements of the Company as described in Note 9.3.

## 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:

#### **TFRS 15 Revenue from Contracts with Customers**

TFRS 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
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 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 TFRS 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 and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. 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 except the following new standards which 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 land and houses or residential condominium units 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 land and houses or residential condominium units 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 financial statements	Separate financial statements
Impact on retained earnings as at 1 January 2019		
Costs to obtain contracts with customers	121	121
Related tax	(24)	(24)
<b>Total</b>	<b>97</b>	<b>97</b>

The amounts of adjustments affecting the statements of financial position as at 30 September 2019 are summarised below.

	(Unit: Million Baht)		
	Consolidated financial statements		
	Previous accounting policy	Increase (decrease)	TFRS 15
<b>Statement of financial position</b>			
<b>Assets</b>			
Costs to obtain contracts with customers	-	150	150
Deferred tax assets	494	(30)	464
<b>Shareholders' equity</b>			
Retained earnings - Unappropriated	17,382	120	17,502

	(Unit: Million Baht)		
	Separate financial statements		
	Previous accounting policy	Increase (decrease)	TFRS 15
<b>Statement of financial position</b>			
<b>Assets</b>			
Costs to obtain contracts with customers	-	150	150
Deferred tax assets	462	(30)	432
<b>Shareholders' equity</b>			
Retained earnings - Unappropriated	17,382	120	17,502

(Unaudited but reviewed)

The amounts of adjustments affecting the statements of income for the three-month and nine-month periods ended 30 September 2019 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements		
	For the three-month period ended 30 September 2019		
	Previous accounting policy	Increase (decrease)	TFRS 15
<b>Statement of income</b>			
Sales of real estate	6,413	(66)	6,347
Selling expenses	253	(67)	186
Income tax expense	403	-	403
Profit for the period	2,215	1	2,216
<b>Attributable to:</b>			
Profit attributable to equity holders of the Company	2,200	1	2,201
<b>Earnings per share (Baht):</b>			
Basic earnings per share	0.18	-	0.18

(Unit: Million Baht)

	Consolidated financial statements		
	For the nine-month period ended 30 September 2019		
	Previous accounting policy	Increase (decrease)	TFRS 15
<b>Statement of income</b>			
Sales of real estate	18,861	(277)	18,584
Selling expenses	847	(306)	541
Income tax expense	963	6	969
Profit for the period	5,878	23	5,901
<b>Attributable to:</b>			
Profit attributable to equity holders of the Company	5,857	23	5,880
<b>Earnings per share (Baht):</b>			
Basic earnings per share	0.49	-	0.49

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements		
	For the three-month period ended 30 September 2019		
	Previous accounting policy	Increase (decrease)	IFRS 15
<b>Statement of income</b>			
Sales of real estate	6,142	(57)	6,085
Selling expenses	194	(58)	136
Income tax expense	325	-	325
Profit for the period	2,200	1	2,201
<b>Attributable to:</b>			
Profit attributable to equity holders of the Company	2,200	1	2,201
<b>Earnings per share (Baht):</b>			
Basic earnings per share	0.18	-	0.18

(Unit: Million Baht)

	Separate financial statements		
	For the nine-month period ended 30 September 2019		
	Previous accounting policy	Increase (decrease)	IFRS 15
<b>Statement of income</b>			
Sales of real estate	18,444	(268)	18,176
Selling expenses	681	(297)	384
Income tax expense	803	6	809
Profit for the period	5,857	23	5,880
<b>Attributable to:</b>			
Profit attributable to equity holders of the Company	5,857	23	5,880
<b>Earnings per share (Baht):</b>			
Basic earnings per share	0.49	-	0.49

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 (99.97 percent held by LH Mall & Hotel Co., Ltd.)
L&H Management Co., Ltd.	Subsidiary (99.98 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 LH Mall & Hotel 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 30 September				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	-	-	132	118	3.00% - 4.50% p.a. (2018: 3.12% - 4.00% p.a.)
Management fee income	-	-	3	2	Approximate cost
Dividend income	-	-	108	-	Declared rate
Sales of land	-	-	36	50	Approximate cost
Compensation for using of land	-	-	49	36	Approximate cost
Interest expenses	-	-	5	4	2.13% p.a. (2018: 1.65% p.a.)
Purchase of land	-	-	2	-	Approximate cost
<u>Transactions with associates</u>					
Management fee income	-	1	-	-	Contract price
Interest income	17	9	13	5	The interest rate as declared by the bank
Dividend income	1,070	855	1,070	855	Declared rate
Purchase of goods	26	15	24	13	Cost plus margin
Purchase of land	11	-	11	-	Market price
Property rental fee expenses	45	52	-	-	Contract price

## (Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2019	2018	2019	2018	
<u>Transactions with related companies</u>					
Property management fee income	74	53	-	-	Contract price
Human-resources management income	7	7	-	-	Contract price
Dividend income	54	53	20	20	Declared rate
IT management fee income	1	1	-	-	Contract price
Interest income	5	5	-	-	3.05% p.a. (2018: 3.10% p.a.)
Rental and services expenses	20	24	15	15	Baht 250 - 960 per square metre per month (2018: Baht 250 - 900 per square metre per month)
Property rental fee expenses	200	207	-	-	Contract price

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2019	2018	2019	2018	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	364	370	3.00% - 4.50% p.a. (2018: 3.12% - 4.00% p.a.)
Management fee income	-	-	5	6	Approximate cost
Dividend income	-	-	108	232	Declared rate
Sales of land	-	-	36	56	Approximate cost
Compensation for using of land	-	-	49	42	Approximate cost
Interest expenses	-	-	13	10	1.65% - 2.13% p.a. (2018: 1.65% - 2.00% p.a.)
Purchase of land	-	-	2	-	Approximate cost
<u>Transactions with associates</u>					
Management fee income	-	3	-	-	Contract price
Interest income	42	24	30	14	The interest rate as declared by the bank
Dividend income	2,502	2,105	2,502	2,105	Declared rate
Purchase of goods	81	36	79	34	Cost plus margin
Purchase of land	11	-	11	-	Market price
Property rental fee expenses	133	144	-	-	Contract price

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2019	2018	2019	2018	
<u>Transactions with related companies</u>					
Property management fee income	175	157	-	-	Contract price
Human-resources management income	22	22	-	-	Contract price
Dividend income	136	122	52	41	Declared rate
IT management fee income	3	3	-	-	Contract price
Interest income	13	11	-	-	3.05% - 3.10% p.a. (2018: 3.10% p.a.)
Rental and services expenses	59	59	44	43	Baht 250 - 960 per square metre per month (2018: Baht 250 - 900 per square metre per month)
Property rental fee expenses	584	590	-	-	Contract price

As at 30 September 2019 and 31 December 2018, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
<b>Deposit at financial institution</b>				
<b>(shown under cash and cash equivalents)</b>				
<u>Associate</u>				
Land and Houses Bank Plc.	7,340.8	4,991.1	6,414.1	3,830.0
<b>Current investments (Note 5)</b>				
<u>Associates</u>				
Land and Houses Bank Plc.	280.1	200.2	-	-
Land and Houses Fund Management Co., Ltd.	501.4	500.4	501.4	500.4
Total	781.5	700.6	501.4	500.4

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
<b>Amounts due from and accounts receivables - related parties (Note 6)</b>				
<u>Subsidiaries</u>				
(Eliminated from the consolidated financial statements)				
Atlantic Real Estate Co., Ltd.	-	-	0.1	-
L H Asset Co., Ltd.	-	-	1.3	0.1
Land and Houses Northeast Co., Ltd.	-	-	2.1	13.4
	-	-	3.5	13.5
<u>Related companies</u>				
Quality Houses Leasehold Property Fund	1.7	1.5	-	-
Land and Houses Freehold and Leasehold Property Fund	2.5	4.2	-	-
Siam Retail Development Co., Ltd.	26.9	8.7	-	-
LH Shopping Centers Leasehold Real Estate Investment Trust	9.2	12.3	-	-
	40.3	26.7	-	-
Total	40.3	26.7	3.5	13.5
<b>Short-term loans to and interest receivables from related parties</b>				
<u>Subsidiaries</u>				
(Eliminated from the consolidated financial statements)				
Atlantic Real Estate Co., Ltd.	-	-	409.0	153.1
LH Mall & Hotel Co., Ltd.	-	-	2,050.9	2,328.9
Land and Houses Northeast Co., Ltd.	-	-	640.2	50.2
L H Asset Co., Ltd.	-	-	2,305.7	715.8
Siam Tanee Property Co., Ltd.	-	-	170.2	-
	-	-	5,576.0	3,248.0
<u>Associate</u>				
Land and Houses Bank Plc.	9.2	4.6	7.1	1.6
<u>Related company</u>				
Reco Resorts Pte Ltd.	9.8	52.9	-	-
Total	19.0	57.5	5,583.1	3,249.6
<b>Long-term loans to and interest receivables from related parties</b>				
<u>Subsidiary</u>				
(Eliminated from the consolidated financial statements)				
Land and Houses U.S.A., Inc.	-	-	9,312.8	9,611.1
<u>Related company</u>				
Reco Resorts Pte Ltd.	544.0	560.0	-	-
Total	544.0	560.0	9,312.8	9,611.1

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
<b>Deposit to related company</b>				
<b>(shown under other non-current assets)</b>				
<u>Related company</u>				
Quality Houses Leasehold Property Fund	15.7	15.7	12.3	12.4
<b>Trade accounts payable - related parties (Note 18)</b>				
<u>Associates</u>				
Quality Construction Products Plc.	7.4	5.6	7.3	5.6
Home Product Center Plc.	1.1	0.5	0.3	0.2
	8.5	6.1	7.6	5.8
<u>Related company</u>				
LH Shopping Centers Leasehold Real Estate Investment Trust	0.4	-	-	-
Total	8.9	6.1	7.6	5.8
<b>Amounts due to related parties (Note 18)</b>				
<u>Associates</u>				
Home Product Center Plc.	6.7	0.3	6.4	0.1
Land and Houses Property and Loan Fund-II	45.5	47.1	-	-
	52.2	47.4	6.4	0.1
<u>Related companies</u>				
Quality Houses Leasehold Property Fund	0.4	0.3	0.3	0.3
LH Hotel Leasehold Real Estate Investment Trust	200.1	178.0	-	-
LH Shopping Centers Leasehold Real Estate Investment Trust	-	0.2	-	-
	200.5	178.5	0.3	0.3
Total	252.7	225.9	6.7	0.4
<b>Short-term loans from and interest payables to related party</b>				
<u>Subsidiary</u>				
(Eliminated from the consolidated financial statements)				
L&H Property Co., Ltd.	-	-	10.5	42.1
<b>Long-term loan from related party</b>				
<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 to 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 to related party due to the Company has no intention to call for such loans from LH USA within 12 months.

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

During the nine-month period ended 30 September 2019, movements of loans to/loans from the Company, subsidiaries and related companies were as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	1 January			30 September
	2019	Increase	Decrease	2019
<b>Short-term loans to and interest receivables from related parties</b>				
<u>Associate</u>				
Land and Houses Bank Plc.	4.6	40.2	(35.6)	9.2
<u>Related company</u>				
Reco Resorts Pte Ltd.	52.9	12.7	(55.8)	9.8
Total	57.5	52.9	(91.4)	19.0
<b>Long-term loan from related party</b>				
<u>Related company</u>				
Reco Resorts Pte Ltd.	560.0	-	(16.0)	544.0

(Unit: Million Baht)

	Separate financial statements			
	1 January			30 September
	2019	Increase	Decrease	2019
<b>Short-term loans to and interest receivables from related parties</b>				
<u>Subsidiaries</u>				
Atlantic Real Estate Co., Ltd.	153.1	255.9	-	409.0
LH Mall & Hotel Co., Ltd.	2,328.9	361.9	(639.9)	2,050.9
Land and Houses Northeast Co., Ltd.	50.2	640.3	(50.3)	640.2
L H Asset Co., Ltd.	715.8	1,589.9	-	2,305.7
Siam Tanee Property Co., Ltd.	-	170.2	-	170.2
	3,248.0	3,018.2	(690.2)	5,576.0
<u>Associate</u>				
Land and Houses Bank Plc.	1.6	28.2	(22.7)	7.1
Total	3,249.6	3,046.4	(712.9)	5,583.1

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements			
	1 January			30 September
	2019	Increase	Decrease	2019
<b>Long-term loan to and interest receivables from related party</b>				
<u>Subsidiary</u>				
Land and Houses U.S.A., Inc.	9,611.1	255.9	(554.2)	9,312.8
<b>Short-term loan from and interest payables to related party</b>				
<u>Subsidiary</u>				
L&H Property Co., Ltd.	42.1	12.8	(44.4)	10.5
<b>Long-term loan from related party</b>				
<u>Subsidiary</u>				
L&H Property Co., Ltd.	840.0	-	-	840.0

**Directors and management's benefits**

During the three-month and nine-month periods ended 30 September 2019 and 2018, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2019	2018	2019	2018
Short-term employee benefits	53	51	157	152
Post-employment benefits	2	2	5	6
Total	55	53	162	158

(Unit: Million Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2019	2018	2019	2018
Short-term employee benefits	38	41	112	122
Post-employment benefits	1	1	2	3
Total	39	42	114	125

Commitments and contingent liabilities of related parties

The Company and its subsidiaries had commitments related to project management, consulting, and operating lease and service agreements 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	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
Cash	6,592	7,669	2,385	2,395
Bank deposits	2,048,730	3,034,728	1,318,413	1,986,106
Cheques in transit	676,719	668,428	656,804	665,673
Fixed deposits receipt	6,138,737	3,420,979	5,600,000	3,000,000
Total	8,870,778	7,131,804	7,577,602	5,654,174

As at 30 September 2019, bank deposits and fixed deposits receipt carried interests between 0.10% and 1.90% per annum (31 December 2018: 0.10% and 1.25% per annum).

**5. Current investments**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
Fixed deposits receipt over three months but not over one year	280,093	200,242	-	-
Investments in LH Money Market Fund - Cost	499,084	500,000	499,084	500,000
Add: Unrealised gain on changes in value of investments	2,275	390	2,275	390
Trading securities - Fair value	501,359	500,390	501,359	500,390
Total	781,452	700,632	501,359	500,390



(Unaudited but reviewed)

**6. Trade and other receivables**

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
<u>Trade receivables - unrelated parties</u>				
Not yet due	56,681	101,797	-	-
Past due				
Less than 3 months	57,443	45,932	-	-
3 - 6 months	2,489	5,502	-	-
6 - 9 months	536	345	-	-
9 - 12 months	11	2	-	-
Over 12 months	-	98	-	-
Total trade receivables - unrelated parties	117,160	153,676	-	-
<u>Other receivables</u>				
Amounts due from and accounts receivables - related parties	40,329	26,724	3,526	13,524
Others	53,155	48,167	41,923	41,963
Total other receivables	93,484	74,891	45,449	55,487
Total trade and other receivables	210,644	228,567	45,449	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	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Net book value of land and structures thereon mortgaged as collateral	7,036	6,484	6,368	5,826

## 8. Restricted bank deposit

The balance as at 30 September 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 in advance 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	(Unit: Thousand Baht)							
	Paid-up capital		Shareholding percentage		Cost		Carrying amount based on equity method	
	30	31	30	31	30	31	30	31
	September 2019	December 2018	September 2019	December 2018	September 2019	December 2018	September 2019	December 2018
			(Percent)	(Percent)				
Atlantic Real Estate Co., Ltd.	15,000	15,000	99.99	99.99	14,998	14,998	(31,417)	(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	3,683,189	2,864,514
Land and Houses North Co., Ltd.	13,500	13,500	99.99	99.99	13,500	13,500	15,763	15,781
Land and Houses Northeast Co., Ltd.	150,000	150,000	99.99	99.99	149,999	149,999	331,145	325,691
Siam Tanee Property Co., Ltd. and its subsidiary	100,000	100,000	99.99	99.99	64,859	64,859	163,548	163,257
L H Real Estate Co., Ltd.	58,000	58,000	99.99	99.99	25,000	25,000	18,637	18,802
L H Asset Co., Ltd.	100,000	100,000	99.99	99.99	52,734	52,734	492,737	471,656
L.H. Muang Mai Co., Ltd.	900,000	900,000	55.00	55.00	495,000	495,000	676,547	689,871
L&H Property Co., Ltd. and its subsidiary	130,000	130,000	60.00	60.00	174,000	174,000	202,707	306,851
Land and Houses U.S.A., Inc.	(a)	(a)	100.00	100.00	1,343,127	1,343,127	1,099,159	1,516,259
Asia Asset Advisory Co., Ltd.	100	100	99.94	99.94	100	100	903	993
					<u>4,333,317</u>	<u>4,333,317</u>	<u>6,652,918</u>	<u>6,347,638</u>

(a) As at 30 September 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 and dividend received

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

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	For the three-month periods ended 30 September					
	Share of profit or loss		Share of other comprehensive income		Dividend received	
	2019	2018	2019	2018	2019	2018
Atlantic Real Estate Co., Ltd.	(3,451)	(10,279)	-	-	-	-
LH Mall & Hotel Co., Ltd. and its subsidiaries	180,867	40,695	1,326	86,922	-	-
Land and Houses North Co., Ltd.	8	(5)	-	-	-	-
Land and Houses Northeast Co., Ltd.	11,432	48,752	-	-	-	-
Siam Tanee Property Co., Ltd. and its subsidiary	2,623	4,355	-	-	-	-
L H Real Estate Co., Ltd.	15	6	-	-	-	-
L H Asset Co., Ltd.	6,227	(15,806)	-	-	-	-
L.H. Muang Mai Co., Ltd.	(2,660)	19,611	-	-	-	-
L&H Property Co., Ltd. and its subsidiary	(19,396)	11,514	-	-	108,419	-
Land and Houses U.S.A., Inc.	(101,468)	(118,311)	(4,221)	(49,029)	-	-
Asia Asset Advisory Co., Ltd.	(30)	(34)	-	-	-	-
<b>Total</b>	<b>74,167</b>	<b>(19,502)</b>	<b>(2,895)</b>	<b>37,893</b>	<b>108,419</b>	<b>-</b>

(Unit: Thousand Baht)

Company's name	For the nine-month periods ended 30 September					
	Share of profit or loss		Share of other comprehensive income		Dividend received	
	2019	2018	2019	2018	2019	2018
Atlantic Real Estate Co., Ltd.	(5,380)	(12,077)	-	-	-	-
LH Mall & Hotel Co., Ltd. and its subsidiaries	509,306	110,998	309,369	114,571	-	-
Land and Houses North Co., Ltd.	(18)	20	-	-	-	-
Land and Houses Northeast Co., Ltd.	5,454	145,690	-	-	-	232,499
Siam Tanee Property Co., Ltd. and its subsidiary	291	4,246	-	-	-	-
L H Real Estate Co., Ltd.	(165)	(142)	-	-	-	-
L H Asset Co., Ltd.	21,081	(8,642)	-	-	-	-
L.H. Muang Mai Co., Ltd.	(13,324)	22,528	-	-	-	-
L&H Property Co., Ltd. and its subsidiary	4,275	28,105	-	-	108,419	-
Land and Houses U.S.A., Inc.	(344,295)	884,858	(72,805)	(7,056)	-	-
Asia Asset Advisory Co., Ltd.	(90)	(133)	-	-	-	-
<b>Total</b>	<b>177,135</b>	<b>1,175,451</b>	<b>236,564</b>	<b>107,515</b>	<b>108,419</b>	<b>232,499</b>

### 9.3 Significant change in investments in subsidiaries

#### L&H Hotel Management Company Limited

On 1 September 2019, LH Mall & Hotel Company Limited ("LHMH"), the Company's 99.99% owned subsidiary, purchased 99,997 shares, or 99.997% of the paid-up capital of L&H Hotel Management Company Limited ("LHH") from L&H Property Company Limited ("LHP"), the Company's 60% owned subsidiary, at a purchasing price of Baht 706 per share or a total amount of Baht 70.60 million. As a result of the acquisition transaction, LHH will no longer be a subsidiary of LHP and become a subsidiary of LHMH instead. The transaction is considered a business combination under common control; therefore, there is no impact on the profit or loss in the consolidated financial statements of the Company.

Subsequently, on 26 September 2019, the Extraordinary Meeting of the Shareholders of L&H Hotel Management Company Limited ("LHH"), which is the Company's 99.99% owned indirect subsidiary (99.99% held by LH Mall & Hotel Company Limited ("LHMH")), passed a resolution approving an increase in its registered share capital amounting to Baht 9 million by issuing additional 0.9 million ordinary shares with a par value of Baht 10 each. LHH has already received share subscription from LHMH. LHH registered the increase in its registered share capital with the Ministry of Commerce on 1 October 2019.

## 10. Investments in associates

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

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated and separate financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			30	31	30	31	30	31
			September 2019	December 2018	September 2019	December 2018	September 2019	December 2018
			(Percent)	(Percent)				
LH Financial Group Plc.	Holding company	Thailand	21.88	21.88	4,538,712	4,538,712	9,190,690	8,697,404
Quality Construction Products Plc.	Manufacture of construction materials	Thailand	21.16	21.16	179,178	179,178	414,466	391,700
Home Product Center Plc.	Trading of construction materials	Thailand	30.23	30.23	1,489,020	1,489,020	6,506,711	6,639,182
Land and Houses Property and Loan Fund-II	Real estate business	Thailand	49.99	49.99	743,925	743,925	369,365	419,337
Quality Houses Plc.	Real estate business	Thailand	24.98	24.98	3,282,682	3,282,682	7,467,013	7,425,351
					<u>10,233,517</u>	<u>10,233,517</u>	<u>23,948,245</u>	<u>23,572,974</u>

(Unaudited but reviewed)

## 10.2 Share of comprehensive income and dividend received

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

(Unit: Thousand Baht)

Company's name	For the three-month periods ended 30 September					
	Share of profit or loss		Share of other comprehensive income		Dividend received	
	2019	2018	2019	2018	2019	2018
LH Financial Group Plc.	167,801	170,454	74,564	150,762	162,217	-
Quality Construction Products Plc.	9,452	(2,052)	-	-	-	-
Home Product Center Plc.	448,193	412,917	157	(667)	675,899	596,382
Land and Houses Property and Loan Fund-II	15,031	18,631	-	-	44,567	44,567
Quality Houses Plc.	178,927	330,144	11,718	23,534	187,317	214,075
<b>Total</b>	<b>819,404</b>	<b>930,094</b>	<b>86,439</b>	<b>173,629</b>	<b>1,070,000</b>	<b>855,024</b>

(Unit: Thousand Baht)

Company's name	For the nine-month periods ended 30 September					
	Share of profit or loss		Share of other comprehensive income		Dividend received	
	2019	2018	2019	2018	2019	2018
LH Financial Group Plc.	510,813	515,590	353,254	41,216	370,781	139,043
Quality Construction Products Plc.	27,844	1,682	-	-	5,078	2,539
Home Product Center Plc.	1,339,062	1,187,173	(458)	(212)	1,471,075	1,312,040
Land and Houses Property and Loan Fund-II	42,876	49,468	-	-	92,848	89,134
Quality Houses Plc.	548,288	753,032	55,323	6,335	561,949	561,948
<b>Total</b>	<b>2,468,883</b>	<b>2,506,945</b>	<b>408,119</b>	<b>47,339</b>	<b>2,501,731</b>	<b>2,104,704</b>

## 10.3 Fair values of investments in listed associates

In respect of investments in associate 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	
	30 September	31 December
	2019	2018
LH Financial Group Plc.	6,211	6,303
Quality Construction Products Plc.	478	374
Home Product Center Plc.	67,988	60,433
Quality Houses Plc.	7,064	6,958
<b>Total</b>	<b>81,741</b>	<b>74,068</b>

(Unaudited but reviewed)

## 11. Other long-term investments

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
September	December	September	December	
2019	2018	2019	2018	
<b>Available-for-sale securities</b>				
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	1,419,839	863,631	461,192	291,696
Available-for-sale securities - net	6,169,819	5,613,611	3,921,239	3,751,743
<b>Other investments</b>				
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	6,263,723	5,707,515	3,921,239	3,751,743

As at 30 September 2019, a subsidiary has pledged domestic unit trust of approximately Baht 2,249 million (31 December 2018: Baht 1,862 million) to secure credit facilities from a financial institution.

## 12. Land held for development

As at 30 September 2019 and 31 December 2018, the Company has mortgaged part of land held for development to secure long-term loans with net book value as follows:

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	30 September 2019	31 December 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 nine-month period ended 30 September 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	110,764	-
Depreciation charged	(237,310)	-
Translation adjustment	(809,783)	-
Net book value as at 30 September 2019	<u>13,470,404</u>	<u>211,432</u>

The apartments with a total net book value as at 30 September 2019 of Baht 5,580 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 nine-month period ended 30 September 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	94,035	63,590
Disposals - net book value	(5,302)	(3,776)
Depreciation charged	(152,212)	(47,605)
Translation adjustment	(1,271)	-
Net book value as at 30 September 2019	<u>798,340</u>	<u>342,328</u>

**15. Leasehold rights**

(Unit: Thousand Baht)

Consolidated financial statements					
Project	Remaining periods of leasehold rights (years)	1 January	Increase	Amortisation	30 September
		2019			2019
Grande Centre Point Hotel Sukhumvit 55	27	1,530,384	-	(40,518)	1,489,866
Grande Centre Point Hotel Pattaya and Terminal 21 Shopping Center Pattaya	29	4,436,408	17,909	(111,045)	4,343,272
Terminal 21 Shopping Center Rama III	33	445,167	265,750	(9,003)	701,914
Vacant land	7, 30 and 40	240,642	219,185	(5,027)	454,800
<b>Total</b>		<b>6,652,601</b>	<b>502,844</b>	<b>(165,593)</b>	<b>6,989,852</b>

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

**16. Other intangible assets**

Movements of other intangible assets account (computer software) during the nine-month period ended 30 September 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	2,257	1,936
Amortisation	(7,946)	(2,843)
Translation adjustment	(1,034)	-
<b>Net book value as at 30 September 2019</b>	<b>38,563</b>	<b>15,738</b>



(Unaudited but reviewed)

**17. Short-term loans from financial institution**

(Unit: Thousand Baht)

	Interest rate		Consolidated	
	(percent per annum)		financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Promissory notes	2.65 - 2.70	2.65	589,000	609,000
Total			589,000	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	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Trade payables - unrelated parties	2,061,058	2,032,859	1,567,050	1,622,130
Trade payables - related parties	8,878	6,087	7,627	5,810
Other payables - related parties	252,706	225,930	6,740	420
Accrued expenses	1,332,073	1,266,542	1,068,147	1,009,771
Others	158,032	169,789	32,707	32,546
Total	3,812,747	3,701,207	2,682,271	2,670,677

**19. Long-term loans**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Long-term loans	10,268,279	9,605,318	4,000,000	4,000,000
Less: Current portion	(131,432)	(24,166)	-	-
Net	10,136,847	9,581,152	4,000,000	4,000,000

(Unaudited but reviewed)

Movements of the long-term loans during the nine-month period ended 30 September 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2019	9,605,318	4,000,000
Add: Additional borrowing	855,000	-
Less: Repayment	(18,147)	-
Less: Translation adjustment	(173,892)	-
Balance as at 30 September 2019	<u>10,268,279</u>	<u>4,000,000</u>

As at 30 September 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 30 September 2019, the loan facilities from financial institutions of its subsidiaries which have not yet been drawn down amounted to Baht 3,030 million (31 December 2018: Baht 810 million) (the 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

(Unaudited but reviewed)

As at 30 September 2019, the Company has unissued debentures under the above mentioned approval totaling Baht 12,550 million (31 December 2018: Baht 19,550 million).

The outstanding balance of debentures as at 30 September 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)	
					30 September 2019	31 December 2018	30 September 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
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
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
No. 1/2019	Fixed rate 2.62%	3 years	At maturity	26 April 2022	6,000,000	-	6,000,000	-
No. 2/2019	Fixed rate 2.12%	3 years	At maturity	15 October 2022	7,000,000	-	7,000,000	-
Total					<u>47,450,000</u>	<u>40,450,000</u>	<u>47,450,000</u>	<u>40,450,000</u>
Less: Current portion of debentures							<u>(15,250,000)</u>	<u>(14,250,000)</u>
Net							<u>32,200,000</u>	<u>26,200,000</u>

Movements of the debentures during the nine-month period ended 30 September 2019 are summarised below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements
Balance as at 1 January 2019	40,450,000
Add: Issue of new debentures	13,000,000
Less: Redemption	(6,000,000)
Balance as at 30 September 2019	<u>47,450,000</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 nine-month periods ended 30 September 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	1,769,098
Changes during the period due to				
- Revaluation	556,207	(1,315,557)	169,496	(1,458,771)
- Income taxes	(111,241)	263,111	(33,899)	291,754
Balance as at end of period	<u>1,139,384</u>	<u>1,047,363</u>	<u>368,954</u>	<u>602,081</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 and nine-month periods ended 30 September 2019 and 2018 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<b>Current income tax:</b>				
Interim corporate income tax charge	351,813	357,082	259,377	299,782
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	50,830	41,578	65,344	48,114
<b>Income tax expenses reported in the statements of income</b>	<u>402,643</u>	<u>398,660</u>	<u>324,721</u>	<u>347,896</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<b>Current income tax:</b>				
Interim corporate income tax charge	965,024	1,288,165	747,510	1,142,573
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	3,760	7,576	61,172	(8,920)
<b>Income tax expenses reported in the statements of income</b>	<b>968,784</b>	<b>1,295,741</b>	<b>808,682</b>	<b>1,133,653</b>

The amounts of income tax relating to each component of other comprehensive income for the three-month and nine-month periods ended 30 September 2019 and 2018 are as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Deferred tax relating to gain/loss on changes in value of available-for-sale investments	68,780	34,591	69,111	56,323

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Deferred tax relating to gain/loss on changes in value of available-for-sale investments	(111,241)	263,111	(33,899)	291,754

## 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 30 September					
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)
<b>Basic earnings per share</b>					
Profit attributable to equity holders					
of the Company					
2,201,394	2,313,881	11,949,713	11,949,713	0.18	0.19

Consolidated and separate financial statements					
For the nine-month periods ended 30 September					
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)
<b>Basic earnings per share</b>					
Profit attributable to equity holders					
of the Company					
5,879,578	8,204,181	11,949,713	11,949,713	0.49	0.69

## 24. Dividend

Dividends	Approved by	Approved dividend per share	Interim dividend per share	Additional dividend paid per share	Total additional dividend paid	Portion belonging to shareholders		Net dividend paid
						not entitled to dividend		
		(Baht)	(Baht)	(Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
Final dividend for 2017	Annual General Meeting of the shareholders on 26 April 2018	0.75	(0.40)	0.35	4,183	(1)		4,182
Interim dividend for 2018	Board of Directors' Meeting on 14 August 2018	0.40	-	0.40	4,779	-		4,779
								8,961
Final dividend for 2018	Annual General Meeting of the shareholders on 25 April 2019	0.75	(0.40)	0.35	4,183	(1)		4,182
Interim dividend for 2019	Board of Directors' Meeting on 14 August 2019	0.30	-	0.30	3,585	(1)		3,584
								7,766

## 25. Segment information

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

Revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month and nine-month periods ended 30 September 2019 and 2018 are as follows.

(Unit: Million Baht)

For the three-month period ended 30 September 2019						
	Real estate business	Rental and service business	Others	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	6,347	1,250	-	7,597	-	7,597
Inter-segment revenue	41	54	-	95	(95)	-
Interest income	179	11	-	190	(170)	20
Infrastructure service income	79	-	-	79	-	79
Finance cost	(218)	(159)	-	(377)	170	(207)
Depreciation and amortisation	(18)	(171)	-	(189)	-	(189)
Reversal of provision for legal cases	353	-	-	353	-	353
Share of profit from investments in associates	189	15	615	819	-	819
<b>Segment profit</b>	<b>1,749</b>	<b>107</b>	<b>615</b>	<b>2,471</b>	<b>54</b>	<b>2,525</b>
<b>Unallocated revenue and expenses:</b>						
Other income						97
Other expenses						(3)
Income tax expenses						(403)
Non-controlling interests of the subsidiaries						(15)
<b>Profit for the period</b>						<b>2,201</b>

(Unit: Million Baht)

For the three-month period ended 30 September 2018						
	Real estate business	Rental and service business	Others	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	7,095	864	-	7,959	-	7,959
Inter-segment revenue	-	58	-	58	(58)	-
Interest income	134	10	-	144	(122)	22
Infrastructure service income	75	-	-	75	-	75
Finance cost	(132)	(137)	-	(269)	118	(151)
Depreciation and amortisation	(19)	(117)	-	(136)	-	(136)
Reversal of provision for legal cases	270	-	-	270	-	270
Share of profit from investments in associates	328	19	583	930	-	930
<b>Segment profit (loss)</b>	<b>2,142</b>	<b>(73)</b>	<b>583</b>	<b>2,652</b>	<b>54</b>	<b>2,706</b>
<b>Unallocated revenue and expenses:</b>						
Other income						96
Other expenses						(65)
Income tax expenses						(399)
Non-controlling interests of the subsidiaries						(24)
<b>Profit for the period</b>						<b>2,314</b>

## (Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month period ended 30 September 2019						
	Real estate business	Rental and service business	Others	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	18,584	3,662	-	22,246	-	22,246
Inter-segment revenue	49	189	-	238	(238)	-
Interest income	402	34	-	436	(377)	59
Infrastructure service income	235	-	-	235	-	235
Finance cost	(514)	(475)	-	(989)	377	(612)
Depreciation and amortisation	(52)	(511)	-	(563)	-	(563)
Reversal of provision for legal cases	353	-	-	353	-	353
Gain on sales of assets	1	-	-	1	-	1
Share of profit from investments in associates	576	43	1,850	2,469	-	2,469
<b>Segment profit</b>	<b>4,426</b>	<b>269</b>	<b>1,850</b>	<b>6,545</b>	<b>95</b>	<b>6,640</b>
<b>Unallocated revenue and expenses:</b>						
Other income						240
Other expenses						(9)
Income tax expenses						(969)
Non-controlling interests of the subsidiaries						(22)
<b>Profit for the period</b>						<b>5,880</b>

(Unit: Million Baht)

For the nine-month period ended 30 September 2018						
	Real estate business	Rental and service business	Others	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	22,750	2,585	-	25,335	-	25,335
Inter-segment revenue	-	162	-	162	(162)	-
Interest income	404	29	-	433	(380)	53
Infrastructure service income	232	-	-	232	-	232
Finance cost	(415)	(455)	-	(870)	352	(518)
Depreciation and amortisation	(49)	(376)	-	(425)	-	(425)
Reversal of provision for legal cases	270	-	-	270	-	270
Gain on sales of assets	115	1,333	-	1,448	-	1,448
Share of profit from investments in associates	755	49	1,703	2,507	-	2,507
<b>Segment profit</b>	<b>6,468</b>	<b>1,117</b>	<b>1,703</b>	<b>9,288</b>	<b>40</b>	<b>9,328</b>
<b>Unallocated revenue and expenses:</b>						
Other income						228
Other expenses						(19)
Income tax expenses						(1,296)
Non-controlling interests of the subsidiaries						(37)
<b>Profit for the period</b>						<b>8,204</b>



## 26. Commitments and contingent liabilities

### 26.1 Commitments

26.1.1 As at 30 September 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	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Commitments under construction contracts	5,495	3,586	3,358	3,359
Commitment in respect of the installation of public utilities of projects on hand	1,279	1,210	1,195	1,182

26.1.2 As at 30 September 2019 and 31 December 2018, L&H Property Company Limited (“LHP”), the Company’s 60% owned subsidiary, and LH Mall & Hotel Company Limited (“LHMH”), the Company’s 99.99% owned subsidiary, have the following commitments under land and construction lease agreement and land lease agreement.

#### 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 30 September 2019: already paid Baht 13 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 30 September 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 and construction lease agreement are recognised as liabilities in the consolidated financial statements, 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 30 September 2019: already paid Baht 19 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 statements, at present value, as part of relevant expenses in the sales of assets of Terminal 21 Shopping Center Project and Grande Centre Point Hotel Terminal 21 Project to REIT.

c) Land lease agreements - LHMH

Agreement date	Agreement period	Maturity date	Rental rate
3 October 2013	30 years*	31 March 2047	From 1 April 2017, the following rental is to be paid in annually installments 1st - 7th year, total rental payment of Baht 35 million (As at 30 September 2019: already paid Baht 13 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 30 September 2019: already paid Baht 18 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 (As at 30 September 2019: already paid Baht 3 million in total)</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.

## g) Land lease agreements - LHMH

Agreement date	Agreement period	Rental rate
15 August 2019	30 years*	Land leasing fee is to be monthly paid as follows 1st - 3rd year, total rental payment of Baht 25 million 4th - 6th year, total rental payment of Baht 28 million 7th - 9th year, total rental payment of Baht 32 million 10th - 12th year, total rental payment of Baht 36 million 13th - 15th year, total rental payment of Baht 40 million 16th - 18th year, total rental payment of Baht 45 million 19th - 21st year, total rental payment of Baht 50 million 22nd - 24th year, total rental payment of Baht 56 million 25th - 27th year, total rental payment of Baht 63 million 28th - 30th year, total rental payment of Baht 70 million

\* The agreement runs from 1 September 2022. However, the lessor consented to allow LHMH to develop or construct on the leased land between 1 September 2019 and 31 August 2022.

26.1.3 As at 30 September 2019 and 31 December 2018, subsidiaries committed to pay a fixed rental fee and variable rental fee in accordance with the conditions stipulated in the lease agreements to lease assets to fund and/or REIT as follows:

Fund and/or REIT	Project	Term
Land and Houses Property and Loan Fund-II	Grande Centre Point Hotel Ploenchit	From 1 July 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

(Unaudited but reviewed)

The subsidiaries have the following future minimum lease payments required under the lease agreements for the fixed rental.

	(Unit: Million Baht)	
	Consolidated	
	financial statements	
	30 September	31 December
	2019	2018
Payable:		
In up to 1 year	527	599
In over 1 and up to 3 years	431	809

26.1.4 As at 30 September 2019 and 31 December 2018, the Company has commitment related to purchase of land as follows.

	(Unit: Million Baht)	
	Consolidated and separate	
	financial statements	
	30 September	31 December
	2019	2018
Commitment to purchase of land	3,647	1,481

26.1.5 As at 30 September 2019, the subsidiaries have servitude over land of approximately 121 rai (31 December 2018: 100 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 30 September 2019 and 31 December 2018, 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	
	30	31	30	31
	September	December	September	December
	2019	2018	2019	2018
Payable:				
In up to 1 year	61	56	48	47
In over 1 and up to 3 years	37	63	27	54

## 26.2 Bank guarantees

As at 30 September 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	
	30	31	30	31
	September	December	September	December
	2019	2018	2019	2018
Letter of guarantees for arrangement and maintenance of public utilities	4,289	4,183	3,952	3,956
Letter of guarantees for electricity usage	61	68	40	49
	<u>4,350</u>	<u>4,251</u>	<u>3,992</u>	<u>4,005</u>

## 26.3 Guarantees

26.3.1 As at 30 September 2019 and 31 December 2018, the Company has the following obligations in respect of guarantees.

(Unit: Million Baht)

Guarantor	Guarantee	30 September	31 December
		2019	2018
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 subsidiaries' project. As at 30 September 2019, the subsidiaries have outstanding loans as specified in the letter of comfort amounting to Baht 3,544 million (31 December 2018: 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.

#### **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, claiming 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. Subsequently, in September 2019, the Supreme Court overruled the judgement of the Appeal Court and ordered the Company and Atlantic Real Estate Co., Ltd., to transfer 2 plots of the disputed land which is the public thoroughfares to the project. Currently, the Company is under the process of transferring 2 plots of the disputed land to the two housing estate juristic persons.

In February 2009, the Company and its subsidiary were additional sued in 2 lawsuits which were under the claims of Baht 310 million and Baht 102 million, under the Customer Protect Act with details as follows:

- a) The Appeal Court has suspended the civil case of Baht 310 million while waiting for the Court decision of the civil case of Baht 800 million. Subsequently, the plaintiffs requested to withdraw the case on 21 October 2019. Currently, the case is awaiting dismissal by the Court.

- b) On 10 August 2012, the Court of First Instance pronounced its judgement 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 overruled the judgement of the Court of First Instance and ordered 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. In October 2019, the Supreme Court overruled the judgement of the Appeal Court and ordered the Company to pay for damages of Baht 31 million plus interest at a rate of 7.5% per annum commencing from 10 December 2008 until the full amount is paid.
- 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 30 September 2019, the Company has been sued for breach of agreements, claiming for a total of Baht 145 million (31 December 2018: Baht 153 million).

As at 30 September 2019, the Company has set aside a provision of Baht 511 million for liabilities arising as a result of the legal cases (31 December 2018: Baht 852 million).



## 26.5 Cross Currency and Interest Rate Swap agreements

The details of the Cross Currency and Interest Rate Swap agreements outstanding as at 30 September 2019 and 31 December 2018 are as follows:

Consolidated financial statements				
As at 30 September 2019				
Currency and Interest Revenue Rate		Currency and Interest Expense Rate		Termination date
Swap agreement		Swap agreement		
Principal amount	Interest rate	Principal amount	Interest rate	
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 30 September 2019				
Currency and Interest Revenue Rate		Currency and Interest Expense Rate		Termination date
Swap agreement		Swap agreement		
Principal amount	Interest rate	Principal amount	Interest rate	
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
Consolidated financial statements				
As at 31 December 2018				
Currency and Interest Revenue Rate		Currency and Interest Expense Rate		Termination date
Swap agreement		Swap agreement		
Principal amount	Interest rate	Principal amount	Interest rate	
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

(Unaudited but reviewed)

Separate financial statements				
As at 31 December 2018				
Currency and Interest Revenue Rate		Currency and Interest Expense Rate		Termination date
Swap agreement		Swap agreement		
Principal amount	Interest rate	Principal amount	Interest rate	
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 30 September 2019	As at 31 December 2018	As at 30 September 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	673	218	669	248

## 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:

(Unaudited but reviewed)

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

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

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

As at 30 September 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 30 September 2019			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Current investments - Trading securities	-	501	-	501
Other long-term investments - Available-for-sale securities				
Equity securities - Overseas	2,676	-	-	2,676
Investment units - Domestic	3,494	-	-	3,494

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2018			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
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

(Unit: Million Baht)

	Separate financial statements			
	As at 30 September 2019			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Current investments - Trading securities	-	501	-	501
Other long-term investments - Available-for-sale securities				
Equity securities - Overseas	2,676	-	-	2,676
Investment units - Domestic	1,245	-	-	1,245

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2018			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
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.

## **28. Subsequent events after reporting period**

On 24 October 2019, the meeting of the Board of Directors of LH Mall & Hotel Company Limited, the Company's 99.99% owned subsidiary, passed a resolution to approve the lease of immovable assets for a term of approximately 27 years, and the sale of movable assets of the Grande Centre Point Hotel Sukhumvit 55 Project to LH Hotel Leasehold Real Estate Investment Trust at a price not greater than Baht 4,300 million. On 13 November 2019, the meeting of the Board of Directors of the Company acknowledged the subsidiary's resolution.

## **29. Approval of interim financial statements**

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