

Land and Houses Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month period ended 31 March 2020

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, 37th Floor, Q. House Lumpini Building, South Sathon Road, Tungmahamek, Sathon, Bangkok.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

1.3 Basis of preparation of interim financial information

These interim financial information 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 information 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 information should therefore be read in conjunction with the latest annual financial statements.

The interim financial information in Thai language are the official statutory financial information of the Company. The interim financial information in English language have been translated from the Thai language interim financial information.

1.4 Basis of consolidation

These interim financial information are prepared by applying the same basis as that applied for the preparation of the consolidated financial statements for the year ended 31 December 2019, with there being no changes in the structure of subsidiaries during the current period.

1.5 New financial reporting standards that became effective in the current period

During the period, the Group has adopted the revised (revised 2019) and new 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. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves 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.

The impact of the adoption of these standards on the Group's financial statements is as follows.

- Classification and measurement of investments in equity instruments of non-listed companies - The Group measures investments in equity instruments of non-listed companies at fair value and classifies the investments as financial assets at fair value, through other comprehensive income.
- Recognition of credit losses - The Group recognises an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.
- Recognition of derivatives - The Group initially recognises derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss.

The Group adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

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

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.

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

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

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses.
- To measure the fair value of investments in unquoted equity instruments using the fair value as at 1 January 2020.
- To lightly weight information relating to the COVID-19 situation in applying the valuation technique to measure the fair value of financial assets in the form of debt instruments using Level 2 or Level 3 inputs.
- Not to account for any reduction in lease payments by lessors resulting from the COVID-19 situation as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognised in each period reversed in proportion to the reduction, with any differences then recognised in profit or loss.
- Not to use information relating to the COVID-19 situation in determining whether sufficient taxable profits will be available in future periods against which deferred tax assets can be utilised.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, *Impairment of Assets*.

1.6 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 2019, except for the change in the accounting policies related to financial instruments and leases.

1.6.1 Financial instruments

Classification and measurement

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets that are equity instruments are measured at fair value through profit or loss. In certain cases, the Group makes an election to measure them at fair value through other comprehensive income, with no subsequent recycling to profit or loss.

Financial liabilities are classified and measured at amortised cost.

Derivatives are classified and measured at fair value through profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses on its financial assets measured at amortised cost, financial assets that are debt instruments and measured at fair value through other comprehensive income and lease receivables, without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component and lease receivables, the Group applies a simplified approach to determine the lifetime expected credit losses.

1.6.2 Leases

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

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

As described in Note 1.5 to the financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

(Unaudited but reviewed)

The impacts on the beginning balance of retained earnings of 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			1 January 2020
	31 December 2019	The impacts of Financial reporting standards related to financial instruments	TFRS 16	
Statement of financial position				
Assets				
Current assets				
Current investments	70,000	(70,000)	-	-
Other current financial assets	-	273,231	-	273,231
Other current assets	1,155,465	(787,889)	-	367,576
Non-current assets				
Other non-current financial assets	-	6,805,211	-	6,805,211
Investments in associates	24,405,367	40,097	(231,069)	24,214,395
Other long-term investments	6,036,836	(6,036,836)	-	-
Property, plant and equipment	687,747	-	(5,723)	682,024
Leasehold rights	5,729,782	-	(5,729,782)	-
Right-of-use assets	-	-	12,619,590	12,619,590
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables	3,805,940	-	(98,392)	3,707,548
Current portion of lease liabilities	4,095	-	674,225	678,320
Non-current liabilities				
Lease liabilities, net of current portion	7,375	-	6,308,252	6,315,627
Deferred tax liabilities	1,817,413	11,687	-	1,829,100
Shareholders' equity				
Retained earnings - unappropriated	21,646,884	119,580	(231,069)	21,535,395
Other components of shareholders' equity	982,963	91,374	-	1,074,337
Non-controlling interests of subsidiaries	719,559	1,173	-	720,732

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	31 December 2019	The impacts of		1 January 2020
		Financial reporting standards related to financial instruments	TFRS 16	
Statement of financial position				
Assets				
Current assets				
Other current financial assets	-	203,231	-	203,231
Other current assets	850,030	(774,268)	-	75,762
Non-current assets				
Other non-current financial assets	-	4,442,605	-	4,442,605
Investments in subsidiaries	7,192,501	48,507	-	7,241,008
Investments in associates	24,405,367	40,097	(231,069)	24,214,395
Other long-term investments	3,749,218	(3,749,218)	-	-
Right-of-use assets	-	-	311,125	311,125
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	41,314	41,314
Non-current liabilities				
Lease liabilities, net of current portion	-	-	269,811	269,811
Shareholders' equity				
Retained earnings - unappropriated	21,646,884	119,580	(231,069)	21,535,395
Other components of shareholders' equity	982,963	91,374	-	1,074,337

2.1 Financial instruments

Details of the impact on retained earnings as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Recognition of derivatives at fair value through profit or loss	124,109	122,350
Recognition of derivatives at fair value through profit or loss from share gain of investment in subsidiary	-	1,759
Recognition of derivatives at fair value through profit or loss from share gain of investment in associates	(4,529)	(4,529)
Impacts on retained earnings due to the adoption of financial reporting standards related to financial instruments	119,580	119,580

(Unaudited but reviewed)

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

(Unit: Thousand Baht)

Consolidated financial statements					
Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9				Total
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost		
Financial assets as at 1 January 2020					
Cash and cash equivalents	4,554,038	-	-	4,554,038	4,554,038
Trade and other receivables	239,796	-	-	239,796	239,796
Other current financial assets					
- Fixed deposits receipt	70,000	-	-	70,000	70,000
- Derivative assets	170,432	203,231	-	-	203,231
Restricted bank deposits	10,757	-	-	10,757	10,757
Long-term loans to related parties	536,153	-	-	536,153	536,153
Other non-current financial assets					
- Investment in equity instruments	6,036,836	-	6,095,271	-	6,095,271
- Derivative assets	617,457	709,940	-	-	709,940
Deposit (shown under other non-currents assets)	17,694	-	-	17,694	17,694
Total financial assets	12,253,163	913,171	6,095,271	5,428,438	12,436,880

(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate financial statements					
Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9				Total
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost		
Financial assets as at 1 January 2020					
Cash and cash equivalents	2,843,300	-	-	2,843,300	2,843,300
Trade and other receivables	484,995	-	-	484,995	484,995
Other current financial assets					
- Derivative assets	170,432	203,231	-	-	203,231
Long-term loans to related parties	12,137,085	-	-	12,137,085	12,137,085
Other non-current financial assets					
- Investment in equity instruments	3,749,218	-	3,749,218	-	3,749,218
- Derivative assets	603,836	693,387	-	-	693,387
Deposit (shown under other non-currents assets)	12,375	-	-	12,375	12,375
Total financial assets	20,001,241	896,618	3,749,218	15,477,755	20,123,591

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss.

2.2 Leases

Upon initial application of TFRS 16 the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	4,202,958	62,714
Add: Option to extend lease term	5,022,335	274,912
Less: Deferred interest expenses	(2,242,816)	(26,501)
Increase in lease liabilities due to TFRS 16 adoption	6,982,477	311,125
Liabilities under finance lease agreements as at		
31 December 2019	11,470	-
Lease liabilities as at 1 January 2020	<u>6,993,947</u>	<u>311,125</u>
Comprise of:		
Current lease liabilities	678,320	41,314
Non-current lease liabilities	6,315,627	269,811
	<u>6,993,947</u>	<u>311,125</u>

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Land and structures	6,884,416	-
Hotel buildings	5,363,382	-
Office building space	364,300	311,125
Motor vehicles	7,492	-
Total right-of-use assets	<u>12,619,590</u>	<u>311,125</u>

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.)
L&H Hotel Management Co., Ltd.	Subsidiary (99.99 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
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.
Muang Mai Property Co., Ltd.	Shareholder of subsidiary
Reco Resorts Pte Ltd.	Shareholder of subsidiary
Siam Retail Development Co., Ltd.	Common shareholder

Name of related parties	Relationship
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 financial statements		Separate financial statements		
	2020	2019	2020	2019	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	154	113	3.40% - 4.50% p.a. (2019: 3.00% - 4.50% p.a.)
Management fee income	-	-	3	1	Approximate cost
Purchases of land	-	-	15	-	Approximate cost
Interest expenses	-	-	5	4	2.13% p.a. (2019: 1.65% - 2.13% p.a.)
<u>Transactions with associates</u>					
Interest income	5	13	2	9	The interest rate as declared by the bank
Dividend income	37	53	37	53	Declared rate
Purchases of goods	15	24	14	23	Market price
Property rental fee expenses	19	51	-	-	Contract price
<u>Transactions with related companies</u>					
Property management fee income	57	47	-	-	Contract price
Human-resources management income	8	8	-	-	Contract price
IT management fee income	1	1	-	-	Contract price
Interest income	4	4	-	-	3.05% p.a. (2019: 3.05% - 3.10% p.a.)
Dividend income	43	43	15	16	Declared rate
Rental and services expenses	19	20	15	15	Baht 250 - 900 per square meter per month
Property rental fee expenses	167	211	-	-	Contract price

(Unaudited but reviewed)

As at 31 March 2020 and 31 December 2019, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Deposits at financial institution				
(shown under cash and cash equivalents)				
<u>Associate</u>				
Land and Houses Bank Plc.	3,171.7	3,295.9	1,849.9	2,015.9
Other current financial assets / Current investments (Note 5)				
<u>Associates</u>				
Land and Houses Bank Plc.	0.9	70.0	-	-
Land and Houses Fund Management Co., Ltd.	500.0	-	500.0	-
Total	500.9	70.0	500.0	-
Amounts due from and accounts receivables - related parties (Note 6)				
<u>Subsidiary</u>				
(Eliminated from the consolidated financial statements)				
L H Asset Co., Ltd.	-	-	-	1.7
	-	-	-	1.7
<u>Associate</u>				
Land and Houses Property and Loan Fund-II	37.2	-	37.2	-
	37.2	-	37.2	-
<u>Related companies</u>				
Quality Houses Leasehold Property Fund	0.9	1.6	-	-
Land and Houses Freehold and Leasehold Property Fund	2.6	1.3	-	-
Siam Retail Development Co., Ltd.	24.9	21.1	-	-
LH Shopping Centers Leasehold Real Estate Investment Trust	7.1	12.6	-	-
	35.5	36.6	-	-
Total	72.7	36.6	37.2	1.7
Accrued interest receivables - related parties (Note 6)				
<u>Subsidiaries</u>				
(Eliminated from the consolidated financial statements)				
Atlantic Real Estate Co., Ltd.	-	-	0.4	0.1
L H Asset Co., Ltd.	-	-	80.7	61.2
Land and Houses Northeast Co., Ltd.	-	-	21.2	14.8
Siam Tanee Property Co., Ltd.	-	-	2.0	0.8
Land and Houses U.S.A., Inc.	-	-	490.4	366.9
	-	-	594.7	443.8

(Unaudited but reviewed)

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
<u>Associate</u>				
Land and Houses Bank Plc.	1.2	2.2	0.2	0.3
	<u>1.2</u>	<u>2.2</u>	<u>0.2</u>	<u>0.3</u>
<u>Related company</u>				
Reco Resorts Pte Ltd.	1.6	13.8	-	-
	<u>1.6</u>	<u>13.8</u>	<u>-</u>	<u>-</u>
Total	<u>2.8</u>	<u>16.0</u>	<u>594.9</u>	<u>444.1</u>
Long-term loans to related parties				
<u>Subsidiaries</u>				
(Eliminated from the consolidated financial statements)				
Atlantic Real Estate Co., Ltd.	-	-	45.0	30.0
L H Asset Co., Ltd.	-	-	3,195.0	2,380.0
Land and Houses Northeast Co., Ltd.	-	-	765.0	715.0
Siam Tanee Property Co., Ltd.	-	-	152.0	115.0
Land and Houses U.S.A., Inc.	-	-	9,649.7	8,897.1
	<u>-</u>	<u>-</u>	<u>13,806.7</u>	<u>12,137.1</u>
<u>Related company</u>				
Reco Resorts Pte Ltd.	581.5	536.2	-	-
	<u>581.5</u>	<u>536.2</u>	<u>-</u>	<u>-</u>
Total	<u>581.5</u>	<u>536.2</u>	<u>13,806.7</u>	<u>12,137.1</u>
Deposits to related company				
(shown under other non-current assets)				
<u>Related company</u>				
Quality Houses Leasehold Property Fund	15.7	15.7	12.4	12.4
	<u>15.7</u>	<u>15.7</u>	<u>12.4</u>	<u>12.4</u>
Trade accounts payable - related parties (Note 18)				
<u>Associates</u>				
Quality Construction Products Plc.	5.5	6.7	5.5	6.7
Home Product Center Plc.	0.7	0.7	0.4	0.1
	<u>6.2</u>	<u>7.4</u>	<u>5.9</u>	<u>6.8</u>
<u>Related company</u>				
LH Shopping Centers Leasehold Real Estate Investment Trust	0.4	0.7	-	-
Total	<u>6.6</u>	<u>8.1</u>	<u>5.9</u>	<u>6.8</u>
Amounts due to related parties (Note 18)				
<u>Associates</u>				
Home Product Center Plc.	3.6	7.8	3.3	7.4
Land and Houses Property and Loan Fund-II	6.6	43.5	-	-
	<u>10.2</u>	<u>51.3</u>	<u>3.3</u>	<u>7.4</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	42.2	233.6	-	-
	<u>42.5</u>	<u>233.9</u>	<u>0.3</u>	<u>0.3</u>
Total	<u>52.7</u>	<u>285.2</u>	<u>3.6</u>	<u>7.7</u>

(Unaudited but reviewed)

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Accrued interest payables - related party (Note 18)				
<u>Subsidiary</u>				
(Eliminated from the consolidated financial statements)				
L&H Property Co., Ltd.	-	-	1.6	15.0
Long-term loan from related party				
<u>Subsidiary</u>				
(Eliminated from the consolidated financial statements)				
L&H Property Co., Ltd.	-	-	840.0	840.0
Lease liabilities				
<u>Associate</u>				
Land and Houses Property and Loan Fund-II	347.2	-	-	-
	347.2	-	-	-
<u>Related companies</u>				
Quality Houses Leasehold Property Fund	351.3	-	300.9	-
LH Hotel Leasehold Real Estate Investment Trust	4,997.1	-	-	-
	5,348.4	-	300.9	-
Total	5,695.6	-	300.9	-

Long-term loans to related parties are unsecured loans to subsidiaries in the form of promissory notes without collateral. Interest charged at the rate between 3.40% and 4.50% per annum (2019: between 3.40% and 4.50% per annum). The loans are due at call and within 2022. As at 31 December 2019, loans are presented as long-term loans because the Company has no intention to call for such loans from subsidiaries within the next 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.

(Unaudited but reviewed)

During the three-month period ended 31 March 2020, movements of loans to/loans from the Company, subsidiaries and related companies were as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	1 January			31 March
	2020	Increase	Decrease	2020
Long-term loan to related party				
<u>Related company</u>				
Reco Resorts Pte Ltd.	536.2	45.3	-	581.5

(Unit: Million Baht)

	Separate financial statements			
	1 January			31 March
	2020	Increase	Decrease	2020
Long-term loan to related party				
<u>Subsidiaries</u>				
Atlantic Real Estate Co., Ltd.	30.0	15.0	-	45.0
L H Asset Co., Ltd.	2,380.0	865.0	(50.0)	3,195.0
Land and Houses Northeast Co., Ltd.	715.0	50.0	-	765.0
Siam Tanee Property Co., Ltd.	115.0	37.0	-	152.0
Land and Houses U.S.A., Inc.	8,897.1	752.6	-	9,649.7
Total	12,137.1	1,719.6	(50.0)	13,806.7
Long-term loan from related party				
<u>Subsidiary</u>				
L&H Property Co., Ltd.	840.0	-	-	840.0

Directors and management's benefits

During the three-month periods ended 31 March 2020 and 2019, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Short-term employee benefits	50	51	34	36
Post-employment benefits	2	2	1	1
Total	52	53	35	37

Commitments and contingent liabilities of related parties

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

4. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Cash	6,120	7,546	2,485	2,380
Bank deposits	1,874,822	2,293,875	430,752	1,335,606
Cheques in transit	284,692	8,842	213,482	5,314
Fixed deposits receipt	2,269,340	2,243,775	1,500,000	1,500,000
Total	4,434,974	4,554,038	2,146,719	2,843,300

As at 31 March 2020, bank deposits and fixed deposits receipt carried interests between 0.05% and 1.15% per annum (31 December 2019: 0.10% and 1.30% per annum).

5. Other current financial assets / Current investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
<u>Financial assets measured at amortised cost</u>				
Fixed deposits over three months but not over one year	900	70,000	-	-
<u>Financial assets measured at fair value through profit or loss</u>				
Investments in LH Money Market Fund	500,026	-	500,026	-
Total	500,926	70,000	500,026	-

(Unaudited but reviewed)

6. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
<u>Trade receivables - unrelated parties</u>				
Not yet due	21,715	116,422	-	-
Past due				
Less than 3 months	30,942	11,525	-	-
3 - 6 months	5,907	3,442	-	-
6 - 9 months	93	247	-	-
9 - 12 months	11	-	-	-
Over 12 months	20	11	-	-
Total trade receivables - unrelated parties	58,688	131,647	-	-
<u>Other receivables</u>				
Amounts due from and accounts receivable - related parties	72,670	36,591	37,153	1,683
Accrued interest receivables - related parties	2,786	15,956	594,890	444,071
Others	28,385	55,602	24,807	39,241
Total other receivables	103,841	108,149	656,850	484,995
Total trade and other receivables	162,529	239,796	656,850	484,995

7. Real estate development cost (inventories)

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
Net book value of land and structures thereon mortgaged as collateral	7,887	7,388	7,131	6,687

8. Restricted bank deposit

The balance as at 31 March 2020 and 31 December 2019 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. Other non-current financial assets / Other long-term investments

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
Investment in equity instruments of listed company - overseas	2,368,704	2,368,704	2,368,704	2,368,704
Investment in unitholder of property funds	1,091,343	1,091,343	1,091,343	1,091,343
Investment in unit trust of real estate investment trusts	1,318,541	1,289,933	-	-
Investments in equity instruments of non-listed company	93,904	93,904	-	-
Total	4,872,492	4,843,884	3,460,047	3,460,047
Add: Unrealised gain (loss) on changes in value of investments	(541,846)	1,192,952	(854,789)	289,171
Total investments in equity instruments	4,330,646	6,036,836	2,605,258	3,749,218
Derivatives				
cross currency and interest rate swap agreements	187,268	-	187,268	-
Total	4,517,914	6,036,836	2,792,526	3,749,218

As at 31 March 2020, a subsidiary has pledged domestic unit trust of approximately Baht 1,573 million (31 December 2019: Baht 2,194 million) to secure credit facilities from a financial institution.

10. Investments in subsidiaries

10.1 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 amounts based on equity method	
	31	31	31	31	31	31	31	31
	March	December	March	December	March	December	March	December
	2020	2019	2020	2019	2020	2019	2020	2019
			(Percent)	(Percent)				
Atlantic Real Estate Co., Ltd.	15,000	15,000	99.99	99.99	14,998	14,998	(32,246)	(31,972)
LH Mall & Hotel Co., Ltd. and its subsidiaries	2,000,000	2,000,000	99.99	99.99	2,000,000	2,000,000	3,733,739	4,122,736
Land and Houses North Co., Ltd.	13,500	13,500	99.99	99.99	13,500	13,500	15,875	15,798
Land and Houses Northeast Co., Ltd.	150,000	150,000	99.99	99.99	149,999	149,999	353,555	346,781
Siam Tanee Property Co., Ltd. and its subsidiary	100,000	100,000	99.99	99.99	64,859	64,859	210,690	165,544
L H Real Estate Co., Ltd.	58,000	58,000	99.99	99.99	25,000	25,000	18,513	18,681
L H Asset Co., Ltd.	100,000	100,000	99.99	99.99	52,734	52,734	671,571	570,859
L.H. Muang Mai Co., Ltd.	900,000	900,000	55.00	55.00	495,000	495,000	668,274	672,246
L&H Property Co., Ltd.	130,000	130,000	60.00	60.00	174,000	174,000	208,440	209,326
Land and Houses U.S.A., Inc.	(a)	(a)	100.00	100.00	1,343,127	1,343,127	1,101,205	1,100,626
Asia Asset Advisory Co., Ltd.	100	100	99.94	99.94	100	100	848	876
					<u>4,333,317</u>	<u>4,333,317</u>	<u>6,950,464</u>	<u>7,191,501</u>

(a) As at 31 March 2020 and 31 December 2019, Land and Houses U.S.A., Inc. had paid-up capital amounted to USD 40 million.

10.2 Share of comprehensive income

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

Company's name	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March			
	Share of profit or loss		Share of other comprehensive income	
	2020	2019	2020	2019
Atlantic Real Estate Co., Ltd.	(274)	(980)	-	-
LH Mall & Hotel Co., Ltd. and its subsidiaries	130,421	173,313	(519,418)	139,501
Land and Houses North Co., Ltd.	77	(12)	-	-
Land and Houses Northeast Co., Ltd.	6,774	363	-	-
Siam Tanee Property Co., Ltd. and its subsidiary	(1,602)	58	-	-
L H Real Estate Co., Ltd.	(168)	7	-	-
LH Asset Co., Ltd.	100,712	19,681	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the three-month periods ended 31 March

Company's name	Share of other comprehensive income			
	Share of profit or loss		Share of other comprehensive income	
	2020	2019	2020	2019
L.H. Muang Mai Co., Ltd.	(3,972)	(3,890)	-	-
L&H Property Co., Ltd.	(2,645)	12,475	-	-
Land and Houses U.S.A., Inc.	(79,277)	(119,903)	79,856	(29,000)
Asia Asset Advisory Co., Ltd.	(28)	(31)	-	-
Total	150,018	81,081	(439,562)	110,501

11. Investments in associates

11.1 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	
			31	31	31	31	31	31
			March 2020	December 2019	March 2020	December 2019	March 2020	December 2019
			(Percent)	(Percent)				
LH Financial Group Plc.	Holding company	Thailand	22.16	21.88	4,538,712	4,538,712	8,611,197	9,015,458
Quality Construction Products Plc.	Manufacture of construction materials	Thailand	21.16	21.16	179,178	179,178	436,856	423,709
Home Product Center Plc.	Trading of construction materials	Thailand	30.23	30.23	1,489,020	1,489,020	7,194,146	7,009,218
Land and Houses Property and Loan Fund-II	Real estate business	Thailand	49.99	49.99	743,925	743,925	348,146	383,297
Quality Houses Plc.	Real estate business	Thailand	24.98	24.98	3,282,682	3,282,682	7,572,412	7,573,685
					10,233,517	10,233,517	24,162,757	24,405,367

11.2 Share of comprehensive income and dividend received

During the periods, the Company has 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)

For the three-month periods ended 31 March

Company's name	Share of other comprehensive income				Dividend received during period	
	Share of profit or loss		Share of other comprehensive income		during period	
	2020	2019	2020	2019	2020	2019
LH Financial Group Plc.	210,572	176,500	(649,494)	220,791	-	-
Quality Construction Products Plc.	13,147	12,752	-	-	-	5,078
Home Product Center Plc.	382,896	429,247	520	1,398	-	-
Land and Houses Property and Loan Fund-II	1,989	17,999	-	-	37,140	48,281
Quality Houses Plc.	127,641	221,312	(101,769)	34,854	-	-
Total	736,245	857,810	(750,743)	257,043	37,140	53,359

11.3 Significant change in investments in associates

LH Financial Group Public Company Limited

During the current period, LH Financial Group Public Company Limited has repurchased its shares, this result in change of shareholding of the Company from 21.88% to 22.16%. The Company recognised gain from such transaction of Baht 39.45 million as share of profit from investments in associates in profit or loss.

11.4 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	31 December
	2020	2019
LH Financial Group Plc.	4,079	6,303
Quality Construction Products Plc.	364	440
Home Product Center Plc.	44,132	63,614
Quality Houses Plc.	4,977	6,797
Total	53,552	77,154

12. Land held for development

As at 31 March 2020 and 31 December 2019, 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
	2020	2019
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 2020 are presented below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Net book value as at 1 January 2020	13,264,213	211,753
Acquisitions - at cost	16,067	321
Depreciation charged	(88,569)	-
Translation adjustment	1,087,192	-
Net book value as at 31 March 2020	<u>14,278,903</u>	<u>212,074</u>

The apartments with a total net book value as at 31 March 2020 of Baht 5,920 million (31 December 2019: Baht 5,486 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 2020 are presented below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Net book value as at 1 January 2020	687,747	342,194
Adjustments of right-of-use assets due to		
TFRS 16 adoption	(5,723)	-
Acquisitions - at cost	25,359	16,094
Disposals - net book value	(346)	(22)
Depreciation charged	(40,314)	(17,318)
Translation adjustment	2,347	-
Net book value as at 31 March 2020	<u>669,070</u>	<u>340,948</u>

15. Right-of-use assets / Leasehold rights

Movements of right-of-use assets / leasehold rights account during the three-month period ended 31 March 2020 are presented below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2020	5,729,782	-
Adjustments of right-of-use assets due to		
TFRS 16 adoption	6,884,085	311,125
Transfer from property, plant and equipment		
due to TFRS 16 adoption	5,723	-
Addition	199,402	-
Amortisation	(246,806)	(11,112)
Net book value as at 31 March 2020	<u>12,572,186</u>	<u>300,013</u>

As 31 March 2020, a subsidiary has pledged its land leasehold rights with construction thereon of Grande Centre Point Hotel Pattaya, Terminal 21 Shopping Center Pattaya and Terminal 21 Shopping Center Rama III project, with a total net book value of Baht 5,248 million (31 December 2019: Baht 5,116 million) 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 2020 are presented below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2020	41,272	15,203
Acquisition of computer software	256	-
Amortisation	(2,805)	(964)
Translation adjustment	1,035	-
Net book value as at 31 March 2020	<u>39,758</u>	<u>14,239</u>

(Unaudited but reviewed)

17. Bank overdrafts and short-term loans from financial institution

(Unit: Thousand Baht)

	Interest rate (percent per annum)		Consolidated financial statements		Separate financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019
	Bank overdrafts	6.62 – 10.745	-	175	-	-
Promissory notes	2.50 – 2.75	2.50 – 2.75	970,000	470,000	-	-
Bill of exchange	1.25 – 1.40	-	2,100,000	-	2,100,000	-
Less: Prepaid interest			(6,436)	-	(6,436)	-
Total bank overdrafts and short-term loans from financial institutions			<u>3,063,739</u>	<u>470,000</u>	<u>2,093,564</u>	<u>-</u>

Promissory notes are 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 financial statements		Separate financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Trade payables - unrelated parties	2,295,695	2,129,647	1,643,526	1,493,519
Trade payables - related parties	6,597	8,093	5,867	6,821
Other payables - related parties	52,728	285,216	3,635	7,733
Accrued interest - related parties	-	-	1,637	15,049
Accrued expenses	883,324	1,211,131	703,634	939,210
Others	27,123	171,853	29,589	70,510
Total trade and other payables	<u>3,265,467</u>	<u>3,805,940</u>	<u>2,387,888</u>	<u>2,532,842</u>

19. Long-term loans

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
Long-term loans	10,522,476	10,221,585	4,000,000	4,000,000
Less: Current portion	(1,179,696)	(1,203,187)	-	-
Net	9,342,780	9,018,398	4,000,000	4,000,000

Movements of the long-term loans during the three-month period ended 31 March 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2020	10,221,585	4,000,000
Add: Additional borrowing	72,000	-
Add: Translation adjustment	234,643	-
Less: Repayment	(5,752)	-
Balance as at 31 March 2020	10,522,476	4,000,000

As at 31 March 2020 and 31 December 2019, 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.

(Unaudited but reviewed)

As at 31 March 2020 and 31 December 2019, there were available long-term loan facilities from financial institutions as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Undrawdown loan facilities	2,548	2,620	-	-

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 2020, the Company has unissued debentures under the above mentioned approval totaling Baht 20,800 million (31 December 2019: Baht 20,800 million).

The outstanding balance of debentures as at 31 March 2020 and 31 December 2019 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 2020	31 December 2019	31 March 2020	31 December 2019
Unsubordinated and unsecured debentures								
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 (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. 1/2017	Fixed rate 2.48%	3 years	At maturity	28 April 2020	6,000,000	6,000,000	6,000,000	6,000,000
No. 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	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	7,000,000	7,000,000
Total					<u>39,200,000</u>	<u>39,200,000</u>	<u>39,200,000</u>	<u>39,200,000</u>
Less: Current portion of debentures							<u>(14,000,000)</u>	<u>(14,000,000)</u>
Net							<u>25,200,000</u>	<u>25,200,000</u>

(Unaudited but reviewed)

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. Lease liabilities

Movement of lease liabilities for the three-month period ended 31 March 2020 are presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2020	11,470	-
Adjustments of lease liabilities due to TFRS 16 adoption	6,982,477	311,125
Decrease during the period	(69,586)	-
Paid during the period	(28,273)	(12,058)
Recognised as interest during the period	63,605	1,822
Balance as at 31 March 2020	<u>6,959,693</u>	<u>300,889</u>

The Group has entered into the lease agreements for rental of land and structures, hotel buildings, office building space and motor vehicles for use in their operations, as at 31 March 2020 lease liabilities were as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Lease liabilities	9,138,903	325,568
Less: Deferred interest expenses	(2,179,210)	(24,679)
Total	6,959,693	300,889
Less: Current portion	(625,496)	(41,563)
Lease liabilities - net of current portion	<u>6,334,197</u>	<u>259,326</u>

22. Other current financial liabilities / Other non-current financial liabilities

As at 31 March 2020, the Group has other current financial liabilities / other non-current financial liabilities as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Derivative liabilities				
Cross currency and interest rate swap agreements	119,681	-	119,681	-
Total other current financial liabilities	<u>119,681</u>	<u>-</u>	<u>119,681</u>	<u>-</u>
Derivatives liabilities				
Cross currency and interest rate swap agreements	136,702	-	99,329	-
Total other non-current financial liabilities	<u>136,702</u>	<u>-</u>	<u>99,329</u>	<u>-</u>

23. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month period ended 31 March 2020 and 2019 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Current income tax:				
Interim corporate income tax charge	208,946	294,378	124,817	227,952
Deferred tax:				
Relating to origination and reversal of temporary differences	(117,664)	(17,595)	(5,147)	(2,501)
Income tax expenses reported in the statements of income	<u>91,282</u>	<u>276,783</u>	<u>119,670</u>	<u>225,451</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 2020 and 2019 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Deferred tax relating to gain (loss)				
on changes in value of equity				
instruments / available-for-sale				
investments	<u>(358,647)</u>	<u>141,613</u>	<u>(228,792)</u>	<u>106,737</u>

24. Earnings per share

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

	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	
2020	2019	2020	2019	2020	2019	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders						
of the parent	1,343,988	1,825,803	11,949,713	11,949,713	0.11	0.15

25. Segment information

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

Revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month periods ended 31 March 2020 and 2019 are as follows:

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month period ended 31 March 2020						
	Real estate business	Rental and service business	Others	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	5,048	920	-	5,968	-	5,968
Inter-segment revenue	15	-	-	15	(15)	-
Interest income	157	11	-	168	(140)	28
Infrastructure service income	108	-	-	108	-	108
Finance cost	(148)	(192)	-	(340)	140	(200)
Depreciation and amortisation	(29)	(347)	-	(376)	-	(376)
Share of profit from investments in associates	141	2	593	736	-	736
Segment profit (loss)	943	(30)	593	1,506	4	1,510
Unallocated revenue and expenses:						
Other income						109
Gain on exchange rate						793
Loss on derivatives designated at fair value through profit or loss						(982)
Income tax expenses						(91)
Non-controlling interests of the subsidiaries						5
Profit for the period						1,344

(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 income	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

26. Commitments and contingent liabilities**26.1 Commitments**

26.1.1 As at 31 March 2020 and 31 December 2019, 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 2020	31 December 2019	31 March 2020	31 December 2019
Commitments under construction contracts	4,746	5,385	2,648	3,228
Commitment in respect of the installation of public utilities of projects on hand	1,038	1,389	902	1,287

26.1.2 As at 31 March 2020 and 31 December 2019, the Company has commitment related to purchase of land as follows.

(Unit: Million Baht)

	Consolidated and separate	
	financial statements	
	31 March 2020	31 December 2019
Commitment to purchase of land	1,249	2,522

26.1.3 As at 31 March 2020, the subsidiaries have servitude over land of approximately 127 rai (31 December 2019: 126 rai) of which the cost is included in the cost of projects.

26.1.4 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.

(Unaudited but reviewed)

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

	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
Payable:		
In up to 1 year	61	48
In over 1 and up to 3 years	21	14

26.2 Bank guarantees

As at 31 March 2020 and 31 December 2019, 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 financial statements		Separate financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Letter of guarantees for arrangement and maintenance of public utilities	4,974	4,474	4,361	3,996
Letter of guarantees for electricity usage	69	70	38	40
	<u>5,043</u>	<u>4,544</u>	<u>4,399</u>	<u>4,036</u>

26.3 Guarantees

26.3.1 As at 31 March 2020 and 31 December 2019, the Company has the following obligations in respect of guarantees.

		(Unit: Million Baht)	
Guarantor	Guarantee	31 March 2020	31 December 2019
Land and Houses Plc.	Customers	<u>7</u>	<u>7</u>

26.3.2 The Company has contingent liabilities to a bank in relation to the financial support in form of issuance of a letter of comfort to provide to the subsidiaries company for loans and guarantee facilities obtained for development of the subsidiary's project. As at 31 March 2020, the subsidiary has outstanding loans as specified in the letter of comfort amounting to Baht 3,997 million (31 December 2019: Baht 3,425 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 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.

2) As at 31 March 2020, the Company has been sued for breach of agreements, claiming for a total of Baht 166 million (31 December 2019: Baht 155 million).

As at 31 March 2020, the Company has set aside a provision of Baht 464 million for liabilities arising as a result of the legal cases (31 December 2019: Baht 461 million).

26.5 Cross Currency and Interest Rate Swap agreements

Fair value of the Cross Currency and Interest Rate Swap agreements were recorded as other financial assets and other financial liabilities in the financial statements as presented in Note 9 and Note 22 to the interim consolidated financial statements. The details of the Cross Currency and Interest Rate Swap agreements outstanding as at 31 March 2020 and 31 December 2019 are as follows:

Consolidated financial statements				
As at 31 March 2020				
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 2020				
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

Consolidated financial statements				
As at 31 December 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 December 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

27. Fair value hierarchy

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

Fair value hierarchy

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

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

As at 31 March 2020 and 31 December 2019, the Company and its subsidiaries had the following assets that were measured at fair value using different levels of inputs as follows:

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements				
As at 31 March 2020				
Level 1	Level 2	Level 3	Total	
Financial assets measured at fair value				
Investment in debt instrument	-	500	-	500
Investment in equity instrument	1,786	94	-	1,880
Investment in property funds and real estate investment trusts	2,451	-	-	2,451
Derivatives - Cross currency and interest rate swap agreements	-	187	-	187
Financial liabilities measured at fair value				
Derivatives - Cross currency and interest rate swap agreements	-	256	-	256

(Unit: Million Baht)

Consolidated financial statements				
As at 31 December 2019				
Level 1	Level 2	Level 3	Total	
Financial assets measured at fair value				
Other long-term investments - Available-for-sale securities				
Equity securities - Overseas	2,579	-	-	2,579
Investment units - Domestic	3,364	-	-	3,364

(Unit: Million Baht)

Separate financial statements				
As at 31 March 2020				
Level 1	Level 2	Level 3	Total	
Financial assets measured at fair value				
Investment in debt instrument	-	500	-	500
Investment in equity instrument	1,786	-	-	1,786
Investment in property funds and real estate investment trusts	819	-	-	819
Derivatives - Cross currency and interest rate swap agreements	-	187	-	187
Financial liabilities measured at fair value				
Derivatives - Cross currency and interest rate swap agreements	-	219	-	219

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Other long-term investments - Available-for-sale securities				
Equity securities - Overseas	2,579	-	-	2,579
Investment units - Domestic	1,170	-	-	1,170

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

28. Subsequent events after reporting period

28.1 On 23 April 2020, the meeting of the Company's Board of Directors passed the resolutions to approve an interim dividend for the period 1 July 2019 to 31 December 2019 of Baht 0.40 per share, amounting to Baht 4,780 million. The payment of such dividend shall be made within May 2020. Since the Board of Directors previously approved an interim dividend during the year 2019 of Baht 0.30 per share, totaling to Baht 0.70 per share. There is no any proposals for dividend payment for the year 2019.

28.2 On 12 May 2020, the Company issued unsubordinated and unsecured debenture as follows:

No.	Interest rate per annum	Age	Repayment	Maturity	Number of debenture (Shares)	Amount (Thousand Baht)
1/2020 (No.1)	Fixed rate 2.30%	2 years	At maturity	12 May 2022	3,000,000	3,000,000
1/2020 (No.2)	Fixed rate 2.60%	3 years	At maturity	12 May 2023	2,400,000	2,400,000

29. Approval of interim financial information

These interim financial information were authorised for issue by the Company's Board of Directors on 14 May 2020.