

Land and Houses Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and six-month periods ended 30 June 2021

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 Satorn Road, Tungmahamek, Satorn, Bangkok.

1.2 Coronavirus disease 2019 Pandemic

A new wave of the Coronavirus disease 2019 pandemic has slowed down the economic recovery, 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

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

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

1.4 Basis of consolidation

This interim financial information is prepared by applying the same basis as that applied for the preparation of the consolidated financial statements for the year ended 31 December 2020, with there being no changes in the structure of subsidiaries during the current period.

1.5 New financial reporting standards

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

During the period, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. 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.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

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 2020.

2. 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
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 Group 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 Group and those related parties.

(Unit: Million Baht)

	For the three-month period ended 30 June				
	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policy
	2021	2020	2021	2020	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	80	97	2.50 - 3.70% p.a. (2020: 2.50 - 4.50% p.a.)
Management income	-	-	7	6	Approximate cost
Sales of land	-	-	-	41	Approximate cost
Compensation for using of land	-	-	4	-	Approximate cost
Interest expenses	-	-	5	4	2.13% p.a.
<u>Transactions with associates</u>					
Interest income	9	7	8	4	The interest rate as declared by the bank
Dividend income	1,234	1,407	1,234	1,407	Declared rate
Purchase of goods	21	17	16	16	Market price
<u>Transactions with related companies</u>					
Property management income	39	32	-	-	Contract price
Human-resources management income	7	8	-	-	Contract price
IT management income	1	1	-	-	Contract price
Interest income	4	4	-	-	3.05% p.a.
Dividend income	11	21	8	10	Declared rate
Rental and services expenses	20	19	15	14	Baht 250 - 960 per square meter per month
(Unit: Million Baht)					

(Unit: Million Baht)

	For the six-month period ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2021	2020	2021	2020	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	169	251	2.50 - 4.00% p.a. (2020: 2.50 - 4.50% p.a.)
Management income	-	-	17	9	Approximate cost
Purchase of land	-	-	-	15	Approximate cost
Sales of land	-	-	-	41	Approximate cost
Compensation for using of land	-	-	4	-	Approximate cost
Interest expenses	-	-	9	9	2.13% p.a.

(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month period ended 30 June				
	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policy
	2021	2020	2021	2020	
<u>Transactions with associates</u>					
Interest income	16	12	14	6	The interest rate as declared by the bank
Dividend income	1,234	1,444	1,234	1,444	Declared rate
Purchase of goods	36	32	28	30	Market price
Property rental expenses	-	19	-	-	Contract price
<u>Transactions with related companies</u>					
Property management income	82	89	-	-	Contract price
Human-resources management income	15	16	-	-	Contract price
IT management income	2	2	-	-	Contract price
Interest income	4	8	-	-	3.05% p.a.
Dividend income	22	64	17	25	Declared rate
Rental and services expenses	40	38	30	29	Baht 250 - 960 per square meter per month
Property rental expenses	-	167	-	-	Contract price

As at 30 June 2021 and 31 December 2020, the balances of the accounts between the Group and those related companies are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2021	2020	2021	2020
Deposits at financial institution				
(shown under cash and cash equivalents)				
<u>Associate</u>				
Land and Houses Bank Plc.	9,916.7	4,843.5	9,219.1	4,105.6
Amounts due from and accounts receivables - related parties (Note 4)				
<u>Subsidiary</u>				
(Eliminated from the consolidated financial statements)				
L H Asset Co., Ltd.	-	-	-	9.4
	-	-	-	9.4
<u>Related companies</u>				
Quality Houses Leasehold Property Fund	0.3	1.0	-	-
Land and Houses Freehold and Leasehold Property Fund	2.4	-	-	-
Siam Retail Development Co., Ltd.	11.1	16.3	-	-
LH Shopping Centers Leasehold Real Estate Investment Trust	2.5	4.6	-	-
	16.3	21.9	-	-
Total	16.3	21.9	-	9.4

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2021	2020	2021	2020
Accrued interest receivables - related parties (Note 4)				
<u>Subsidiaries</u>				
(Eliminated from the consolidated financial statements)				
Atlantic Real Estate Co., Ltd.	-	-	2.5	0.2
LH Mall & Hotel Co., Ltd.	-	-	20.5	8.4
L H Asset Co., Ltd.	-	-	4.5	0.5
Land and Houses Northeast Co., Ltd.	-	-	35.8	17.2
Siam Tanee Property Co., Ltd.	-	-	8.0	3.5
Land and Houses U.S.A., Inc.	-	-	20.0	-
	-	-	91.3	29.8
<u>Associate</u>				
Land and Houses Bank Plc.	5.4	2.5	5.1	2.3
	5.4	2.5	5.1	2.3
<u>Related company</u>				
Reco Resorts Pte Ltd.	6.1	13.7	-	-
	6.1	13.7	-	-
Total	11.5	16.2	96.4	32.1
Other current financial assets (Note 6)				
<u>Associates</u>				
Land and Houses Bank Plc.	30.0	30.0	-	-
Land and Houses Fund Management Co., Ltd.	1,100.6	1,000.5	1,100.6	1,000.5
Total	1,130.6	1,030.5	1,100.6	1,000.5
Current portion of long-term loans to related party				
<u>Subsidiary</u>				
(Eliminated from the consolidated financial statements)				
Land and Houses U.S.A., Inc.	-	-	5,382.1	6,266.2
	-	-	5,382.1	6,266.2
<u>Related company</u>				
Reco Resorts Pte Ltd.	570.3	-	-	-
	570.3	-	-	-
Total	570.3	-	5,382.1	6,266.2

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2021	2020	2021	2020
Long-term loans to related parties				
<u>Subsidiaries</u>				
(Eliminated from the consolidated financial statements)				
Atlantic Real Estate Co., Ltd.	-	-	225.0	30.0
LH Mall & Hotel Co., Ltd.	-	-	1,270.0	920.0
L H Asset Co., Ltd.	-	-	1,600.0	2,000.0
Land and Houses Northeast Co., Ltd.	-	-	1,560.0	1,620.0
Siam Tanee Property Co., Ltd.	-	-	372.0	322.0
Land and Houses U.S.A., Inc.	-	-	1,945.0	1,821.9
	-	-	6,972.0	6,713.9
<u>Related company</u>				
Reco Resorts Pte Ltd.	-	534.2	-	-
	-	534.2	-	-
Total	-	534.2	6,972.0	6,713.9
Deposits to related company				
(shown under other non-current assets)				
<u>Related company</u>				
Quality Houses Leasehold Property Fund	16.4	15.7	12.9	12.3
Trade accounts payable - related parties (Note 17)				
<u>Associates</u>				
Quality Construction Products Plc.	7.2	4.5	4.9	4.5
Home Product Center Plc.	1.5	0.8	1.2	0.2
	8.7	5.3	6.1	4.7
<u>Related companies</u>				
LH Shopping Centers Leasehold Real Estate Investment Trust	-	0.4	-	-
Land and Houses Freehold and Leasehold Property Fund	-	0.6	-	-
	-	1.0	-	-
Total	8.7	6.3	6.1	4.7
Other payables - related parties (Note 17)				
<u>Subsidiary</u>				
(Eliminated from the consolidated financial statements)				
Atlantic Real Estate Co., Ltd.	-	-	8.0	-
	-	-	8.0	-
<u>Associate</u>				
Home Product Center Plc.	6.7	6.2	5.4	5.7
	6.7	6.2	5.4	5.7
<u>Related companies</u>				
Quality Houses Leasehold Property Fund	0.4	0.3	0.3	0.3
LH Shopping Centers Leasehold Real Estate Investment Trust	0.5	-	-	-
	0.9	0.3	0.3	0.3
Total	7.6	6.5	13.7	6.0

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2021	2020	2021	2020
Accrued interest payables - related party (Note 17)				
<u>Subsidiary</u>				
(Eliminated from the consolidated financial statements)				
L&H Property Co., Ltd.	-	-	6.0	15.1
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	251.8	285.3	-	-
	251.8	285.3	-	-
<u>Related companies</u>				
Quality Houses Leasehold Property Fund	298.8	326.1	261.1	283.3
LH Hotel Leasehold Real Estate Investment Trust	4,114.8	4,404.8	-	-
	4,413.6	4,730.9	261.1	283.3
Total	4,665.4	5,016.2	261.1	283.3

Current portion of 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 3.00% and 3.70% per annum. The loans are due at December 2021.

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 2.50% and 3.55% per annum. The loans amounting to Baht 5,027 million (31 December 2020: Baht 4,892 million) are due at call and the loans amounting to Baht 1,945 million (31 December 2020: Baht 1,822 million) are due in November 2022. As at 30 June 2021, loans amounting to Baht 5,027 million (31 December 2020: Baht 4,892 million) 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. As at 30 June 2021, the loan is presented as current portion of long-term loans from related parties in statement of financial position.

(Unaudited but reviewed)

During the six-month period ended 30 June 2021, movements of loans to/loans from between the Group and those related companies were as follows:

(Unit: Million Baht)				
Consolidated financial statements				
	1 January 2021	Increase	Decrease	30 June 2021
Current portion of long-term loan to related party				
<u>Related company</u>				
Reco Resorts Pte Ltd.	-	570.3	-	570.3
Long-term loan to related party				
<u>Related company</u>				
Reco Resorts Pte Ltd.	534.2	36.1	(570.3)	-
(Unit: Million Baht)				
Separate financial statements				
	1 January 2021	Increase	Decrease	30 June 2021
Current portion of long-term loan to related party				
<u>Subsidiary</u>				
Land and Houses U.S.A., Inc.	6,266.2	575.5	(1,459.6)	5,382.1
Long-term loan to related parties				
<u>Subsidiaries</u>				
Atlantic Real Estate Co., Ltd.	30.0	195.0	-	225.0
LH Mall & Hotel Co., Ltd.	920.0	350.0	-	1,270.0
L H Asset Co., Ltd.	2,000.0	-	(400.0)	1,600.0
Land and Houses Northeast Co., Ltd.	1,620.0	-	(60.0)	1,560.0
Siam Tanee Property Co., Ltd.	322.0	50.0	-	372.0
Land and Houses U.S.A., Inc.	1,821.9	123.1	-	1,945.0
Total	6,713.9	718.1	(460.0)	6,972.0
Current portion of long-term loan from related party				
<u>Subsidiary</u>				
L&H Property Co., Ltd.	-	840.0	-	840.0
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 and six-month periods ended 30 June 2021 and 2020, the Group had employee benefit expenses payable to their directors and management as below.

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2021	2020	2021	2020
Short-term employee benefits	50	51	100	101
Post-employment benefits	2	2	4	4
Total	52	53	104	105

(Unit: Million Baht)

	Separate financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2021	2020	2021	2020
Short-term employee benefits	36	34	71	68
Post-employment benefits	-	1	1	2
Total	36	35	72	70

Commitments and contingent liabilities of related parties

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

3. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2021	2020	2021	2020
Cash	5,337	5,273	2,530	2,580
Bank deposits	2,118,778	1,884,822	1,419,214	833,309
Cheques in transit	576,571	348,581	508,513	318,940
Fixed deposits receipt	9,574,259	4,874,254	9,200,000	4,500,000
Total	12,274,945	7,112,930	11,130,257	5,654,829

As at 30 June 2021, bank deposits and fixed deposits receipt carried interests between 0.05% and 0.55% per annum (31 December 2020: 0.05% and 0.55% per annum).

4. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
<u>Trade receivables - unrelated parties</u>				
Not yet due	27,837	64,835	-	-
Past due				
Less than 3 months	49,551	29,016	-	-
3 - 6 months	15,839	7,280	-	-
6 - 9 months	2,838	3,108	-	-
9 - 12 months	1,846	3,452	-	-
Over 12 months	2,036	12	-	-
Total trade receivables - unrelated parties	99,947	107,703	-	-
<u>Other receivables</u>				
Amounts due from and accounts receivable - related parties	16,297	21,948	-	9,421
Accrued interest receivables - related parties	11,518	16,168	96,429	32,121
Others	33,133	41,191	22,449	33,987
Total other receivables	60,948	79,307	118,878	75,529
Total trade and other receivables	160,895	187,010	118,878	75,529

5. Real estate development costs (inventories)

As at 30 June 2021 and 31 December 2020, real estate development costs (inventories) of the Group are shown below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2021	2020	2021	2020
Land	31,273,867	30,107,248	26,836,103	25,463,909
Land improvements	2,404,763	2,264,408	1,949,493	1,849,985
Construction in progress	13,786,483	14,581,166	12,328,939	13,124,192
Interest cost	2,143,502	2,260,455	1,933,512	2,067,893
Public utilities	3,539,367	3,685,998	2,757,746	2,882,936
Houses held for sales	286,856	286,242	91,354	91,354
Total	53,434,838	53,185,517	45,897,147	45,480,269
Less: Allowance for loss on diminution in project value	(279,721)	(292,415)	(184,811)	(197,505)
Inventories - net	53,155,117	52,893,102	45,712,336	45,282,764

(Unaudited but reviewed)

During the year 2021, the Company transferred-in land held for development with net book value of Baht 255 million to inventories (2020: Nil).

Movements in the allowance for loss on diminution in value of projects during the six-month period ended 30 June 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2021	292,415	197,505
Less: Reversal due to sales	(12,694)	(12,694)
Balance as at 30 June 2021	279,721	184,811

The Group has mortgaged land and structures thereon to secure the loans from financial institutions and bank overdraft facilities of the Group, of with net book values as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Net book value of land and structures thereon mortgaged as collateral	14,184	17,438	12,568	15,916

6. Other current financial assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
<u>Financial assets measured at amortised cost</u>				
Fixed deposits over three months but not over one year	30,000	30,000	-	-
<u>Financial assets at FVTPL</u>				
Investments in LH Money Market Fund	1,100,635	1,000,460	1,100,635	1,000,460
<u>Derivative assets</u>				
Cross currency and interest rate swap	-	428,846	-	428,846
Total	1,130,635	1,459,306	1,100,635	1,429,306

7. Restricted bank deposit

The balance as at 30 June 2021 and 31 December 2020 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.

8. Other non-current financial assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
<u>Equity instruments designated at FVOCI</u>				
Listed equity instruments				
Land and Houses Freehold and Leasehold Property Fund	493,719	475,927	493,719	475,927
Quality Houses Leasehold Property Fund	277,866	285,178	277,866	285,178
LH Shopping Centers Leasehold Real Estate Investment Trust	513,934	496,364	-	-
LH Hotel Leasehold Real Estate Investment Trust	776,436	788,321	-	-
Vistamalls Inc.	2,012,994	2,085,753	2,012,994	2,085,753
Non-listed equity instruments	113,680	100,459	-	-
Total equity instruments designated at FVOCI	4,188,629	4,232,002	2,784,579	2,846,858
<u>Financial assets at FVTPL</u>				
Derivative assets - Cross currency and interest rate swap agreements	46,514	186,782	46,514	173,582
Total financial assets at FVTPL	46,514	186,782	46,514	173,582
Total other non-current financial assets	4,235,143	4,418,784	2,831,093	3,020,440

As at 30 June 2021, a subsidiary has pledged unit trust of REITs, approximately Baht 1,212 million (31 December 2020: Baht 1,206 million) as collateral to secure short-term loan from a financial institution.

9. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Carrying amounts based on equity method	
	30	31	30	31	30	31	30	31
	June	December	June	December	June	December	June	December
	2021	2020	2021	2020	2021	2020	2021	2020
			(Percent)	(Percent)				
Atlantic Real Estate Co., Ltd.	15,000	15,000	99.99	99.99	14,998	14,998	(36,301)	(34,153)
LH Mall & Hotel Co., Ltd.								
and its subsidiaries	2,000,000	2,000,000	99.99	99.99	2,000,000	2,000,000	2,943,796	3,182,937
Land and Houses North Co., Ltd.	13,500	13,500	99.99	99.99	13,500	13,500	15,913	15,893
Land and Houses Northeast Co., Ltd.	150,000	150,000	99.99	99.99	149,999	149,999	420,010	384,350
Siam Tanee Property Co., Ltd.								
and its subsidiary	100,000	100,000	99.99	99.99	64,859	64,859	200,752	173,998
L H Real Estate Co., Ltd.	58,000	58,000	99.99	99.99	25,000	25,000	17,603	17,791
L H Asset Co., Ltd.	100,000	100,000	99.99	99.99	52,734	52,734	1,272,898	1,132,521
L.H. Muang Mai Co., Ltd.	900,000	900,000	55.00	55.00	495,000	495,000	649,136	648,398
L&H Property Co., Ltd.	130,000	130,000	60.00	60.00	174,000	174,000	192,002	204,836
Land and Houses U.S.A., Inc.	(a)	(a)	100.00	100.00	1,343,127	1,343,127	994,154	1,075,604
Asia Asset Advisory Co., Ltd.	100	100	99.94	99.94	100	100	727	770
					<u>4,333,317</u>	<u>4,333,317</u>	<u>6,670,690</u>	<u>6,802,945</u>

(a) As at 30 June 2021 and 31 December 2020, Land and Houses U.S.A., Inc. had paid-up capital amounted to USD 40 million.

9.2 Share of comprehensive income

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

(Unit: Thousand Baht)

Company's name	For the three-month period ended 30 June			
	Share of profit or loss		Share of other comprehensive income	
	2021	2020	2021	2020
Atlantic Real Estate Co., Ltd.	(1,052)	(693)	-	-
LH Mall & Hotel Co., Ltd. and its subsidiaries	(133,781)	(171,066)	(8,472)	(121,646)
Land and Houses North Co., Ltd.	9	3	-	-
Land and Houses Northeast Co., Ltd.	11,096	17,426	-	-
Siam Tanee Property Co., Ltd. and its subsidiary	1,597	(2,543)	8,497	-
L H Real Estate Co., Ltd.	(12)	(3)	-	-
L H Asset Co., Ltd.	54,661	146,093	-	-
L.H. Muang Mai Co., Ltd.	4,043	(7,798)	-	-
L&H Property Co., Ltd.	(13,889)	(3,392)	-	-
Land and Houses U.S.A., Inc.	(66,153)	(67,314)	22,292	(49,923)
Asia Asset Advisory Co., Ltd.	(26)	(28)	-	-
Total	<u>(143,507)</u>	<u>(89,315)</u>	<u>22,317</u>	<u>(171,569)</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	For the six-month period ended 30 June			
	Share of profit or loss		Share of other comprehensive income	
	2021	2020	2021	2020
Atlantic Real Estate Co., Ltd.	(2,148)	(967)	-	-
LH Mall & Hotel Co., Ltd. and its subsidiaries	(243,690)	(40,645)	4,549	(641,064)
Land and Houses North Co., Ltd.	20	80	-	-
Land and Houses Northeast Co., Ltd.	35,660	24,200	-	-
Siam Tanee Property Co., Ltd. and its subsidiary	16,178	(4,145)	10,576	-
L H Real Estate Co., Ltd.	(188)	(171)	-	-
L H Asset Co., Ltd.	140,377	246,805	-	-
L.H. Muang Mai Co., Ltd.	738	(11,770)	-	-
L&H Property Co., Ltd.	(12,834)	(6,037)	-	-
Land and Houses U.S.A., Inc.	(138,660)	(146,591)	57,210	29,933
Asia Asset Advisory Co., Ltd.	(43)	(56)	-	-
Total	(204,590)	60,703	72,335	(611,131)

During the three-month and six-month periods ended 30 June 2021 and 2020, the Company did not receive dividend income from subsidiaries.

10. Investments in associates

10.1 Details of associates

(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 June 2021	31 December 2020	30 June 2021	31 December 2020	30 June 2021	31 December 2020
			(Percent)	(Percent)				
LH Financial Group Plc.	Holding company	Thailand	22.03	22.16	4,538,712	4,538,712	8,502,620	8,568,288
Quality Construction Products Plc.	Manufacture of construction materials	Thailand	21.16	21.16	179,178	179,178	411,940	431,558
Home Product Center Plc.	Trading of construction materials	Thailand	30.23	30.23	1,489,020	1,489,020	7,195,414	7,138,357
Land and Houses Property and Loan Fund-II	Real estate business	Thailand	49.99	49.99	743,925	743,925	309,908	325,392
Quality Houses Plc.	Real estate business	Thailand	24.98	24.98	3,282,682	3,282,682	7,500,430	7,500,014
					10,233,517	10,233,517	23,920,312	23,963,609

As at 30 June 2021, the Company pledged a portion of shares of Home Product Center Public Company Limited with net book value of Baht 1,593 million (31 December 2020: Baht 1,580 million) as collateral to secure the short-term loan from a financial institution.

10.2 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)

Company's name	For the three-month period ended 30 June					
	Share of profit or loss		Share of other comprehensive income		Dividend received	
	2021	2020	2021	2020	2021	2020
LH Financial Group Plc.	90,055	112,149	62,342	78,054	185,390	208,564
Quality Construction Products Plc.	6,828	7,452	-	-	38,929	15,233
Home Product Center Plc.	433,207	285,278	593	(53)	795,176	834,934
Land and Houses Property and Loan Fund-II	(7,767)	(7,682)	-	-	-	-
Quality Houses Plc.	121,869	114,281	10,016	10,456	214,076	347,873
Total	644,192	511,478	72,951	88,457	1,233,571	1,406,604

(Unit: Thousand Baht)

Company's name	For the six-month period ended 30 June					
	Share of profit or loss		Share of other comprehensive income		Dividend received	
	2021	2020	2021	2020	2021	2020
LH Financial Group Plc.	213,915	322,721	(94,193)	(571,440)	185,390	208,564
Quality Construction Products Plc.	19,311	20,599	-	-	38,929	15,233
Home Product Center Plc.	845,110	668,174	7,123	467	795,176	834,934
Land and Houses Property and Loan Fund-II	(15,484)	(5,693)	-	-	-	37,140
Quality Houses Plc.	227,986	241,922	(13,494)	(91,313)	214,076	347,873
Total	1,290,838	1,247,723	(100,564)	(662,286)	1,233,571	1,443,744

10.3 Significant change in investments in associates

LH Financial Group Public Company Limited

During the current period, LH Financial Group Public Company Limited sold its treasury shares, this result in change of shareholding of the Company from 22.16% to 22.03%. The Company recognised loss from such transaction of Baht 49.7 million as share of profit from investments in associates in the income statement.

10.4 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	
	30 June 2021	31 December 2020
LH Financial Group Plc.	5,191	4,867
Quality Construction Products Plc.	449	386
Home Product Center Plc.	56,855	54,072
Quality Houses Plc.	6,048	6,208
Total	68,543	65,533

11. Land held for development

As at 30 June 2021 and 31 December 2020, 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	
	30 June 2021	31 December 2020
Net book value of mortgaged land held for development to secure loans	1,690	2,053

During the year 2021, the Company transferred-out land held for development with net value of Baht 255 million to inventories (2020: Nil).

12. Investment properties

Movement of the investment properties account during the six-month period ended 30 June 2021 are presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2021	10,960,671	212,074
Acquisitions - at cost	14,722	-
Depreciation charged	(155,454)	-
Translation adjustment	721,655	-
Net book value as at 30 June 2021	11,541,594	212,704

As at 30 June 2021, a subsidiary has pledged its apartments with a total net book value of Baht 7,639 million (31 December 2020: Baht 3,389 million) as collateral for long-term loans from overseas financial institutions.

13. Property, plant and equipment

Movement of the property, plant and equipment account during the six-month period ended 30 June 2021 are presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2021	601,479	323,048
Acquisitions - at cost	34,109	26,506
Disposals and write-off - net book value	(47)	(5)
Depreciation charged	(77,588)	(37,359)
Translation adjustment	1,601	-
Net book value as at 30 June 2021	559,554	312,190

14. Right-of-use assets

Movement of right-of-use assets account during the six-month period ended 30 June 2021 are presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2021	14,910,540	279,604
Addition during the period	1,216,417	-
Decrease from lease modification	(65,662)	-
Amortisation for the period	(518,187)	(23,301)
Net book value as at 30 June 2021	15,543,108	256,303

As at 30 June 2021, a subsidiary has pledged its right-of-use assets with a total net book value of Baht 8,691 million (31 December 2020: Baht 7,590 million) as collateral for bank overdrafts and long-term loans from financial institution.

15. Other intangible assets

Movement of other intangible assets account (computer software) during the six-month period ended 30 June 2021 are presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2021	33,250	12,463
Acquisition of computer software	1,282	528
Disposals - net book value	(4)	-
Amortisation for the period	(4,637)	(1,972)
Translation adjustment	530	-
Net book value as at 30 June 2021	30,421	11,019

16. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (percent per annum)		Consolidated financial statements		Separate financial statements	
	30	31	30	31	30	31
	June	December	June	December	June	December
	2021	2020	2021	2020	2021	2020
Promissory notes	1.50 - 1.85	1.50 - 1.90	6,845,000	6,845,000	5,875,000	5,875,000
Total short-term loans from financial institutions			6,845,000	6,845,000	5,875,000	5,875,000

The Company's short-term loans are secured by the pledge of a portion of shares of Home Product Center Public Company Limited.

The subsidiary's short-term loans 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.

17. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2021	2020	2021	2020
Trade payables - unrelated parties	2,349,458	2,106,080	1,504,020	1,414,578
Trade payables - related parties	8,742	6,283	6,133	4,724
Other payables - related parties	7,557	6,462	13,724	5,999
Accrued interest payable - related party	-	-	5,980	15,098
Accrued expenses	737,366	980,000	583,962	818,594
Others	69,997	41,457	37,064	35,305
Total trade and other payables	3,173,120	3,140,282	2,150,883	2,294,298

18. Long-term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Long-term loans	19,142,133	15,010,388	10,557,400	8,520,000
Less: Current portion	(2,633,969)	(226,268)	(2,465,000)	-
Long-term loans, net of current portion	<u>16,508,164</u>	<u>14,784,120</u>	<u>8,092,400</u>	<u>8,520,000</u>

Movement of the long-term loans during the six-month period ended 30 June 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2021	15,010,388	8,520,000
Add: Additional borrowing	5,558,655	3,572,400
Add: Translation adjustment	150,811	-
Less: Repayment	<u>(1,577,721)</u>	<u>(1,535,000)</u>
Balance as at 30 June 2021	<u>19,142,133</u>	<u>10,557,400</u>

As at 30 June 2021 and 31 December 2020, the Group has pledged part of land and structures thereon of projects, investment properties, land held for development and right-of-use assets as collateral for long-term loans.

In March 2020, a subsidiary entered into an amendment of loan agreement with a bank to extend the principal repayment period and request the grace period from March 2020 to February 2021. After the grace period ends, the principal will be paid from March 2021 onwards.

In March 2021, the subsidiary entered into another amendment of loan agreement with a bank to extend the principal repayment period and request the grace period from March 2021 to December 2021. After the grace period ends, the principal will be paid from January 2022 onwards.

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 June 2021 and 31 December 2020, there were available long-term loan facilities from financial institutions as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2021	2020	2021	2020
Undrawndown loan facilities	3,868	9,925	-	4,125

19. Debentures

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

Approved by	The Annual General Meeting of the Company's shareholders held on 27 April 2017
Amount	Revolving amount of Baht 60,000 million or the equivalent in any other currencies
Term	Maximum terms of 10 years
Type	Any types of debentures such as unsubordinated and/or subordinated, unsecured and/or secured, with and/or without debenture holder representation
Method of issuance	To be issued in Thailand and/or offshore

As at 30 June 2021, the Company has unissued debentures under the above mentioned approval totaling Baht 24,400 million (31 December 2020: Baht 26,400 million).

(Unaudited but reviewed)

The outstanding balance of debentures as at 30 June 2021 and 31 December 2020 are detailed below.

					Consolidated and separate financial statements			
					Number of debenture (Shares)		Amount (Thousand Baht)	
					30 June 2021	31 December 2020	30 June 2021	31 December 2020
No.	Interest rate per annum	Age	Repayment	Maturity				
Unsubordinated and unsecured debentures								
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
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
No. 1/2020 (1)	Fixed rate 2.30%	2 years	At maturity	12 May 2022	3,000,000	3,000,000	3,000,000	3,000,000
No. 1/2020 (2)	Fixed rate 2.60%	3 years	At maturity	12 May 2023	2,400,000	2,400,000	2,400,000	2,400,000
No. 2/2020	Fixed rate 2.03%	3 years	At maturity	20 October 2023	3,000,000	3,000,000	3,000,000	3,000,000
No. 1/2021 (1)	Fixed rate 1.09%	2 years 16 days	At maturity	12 May 2023	3,000,000	-	3,000,000	-
No. 1/2021 (2)	Fixed rate 1.50%	3 years	At maturity	26 April 2024	5,000,000	-	5,000,000	-
Total					35,600,000	33,600,000	35,600,000	33,600,000
Less: Current portion of debentures							(14,000,000)	(11,000,000)
Debentures - net of current portion							21,600,000	22,600,000

Movement of the debentures for the six-month period ended 30 June 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements
Balance as at 1 January 2021	33,600,000
Add: Issue of new debentures	8,000,000
Less: Redemption	(6,000,000)
Balance as at 30 June 2021	<u>35,600,000</u>

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

20. Lease liabilities

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 30 June 2021 and 31 December 2020 lease liabilities of the Group were as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Lease payments	10,116,574	10,685,329	277,660	302,902
Less: Deferred interest expenses	(2,990,350)	(3,061,921)	(16,530)	(19,624)
Total	7,126,224	7,623,408	261,130	283,278
Less: Current portion	(782,300)	(764,937)	(45,064)	(44,551)
Lease liabilities - net of current portion	<u>6,343,924</u>	<u>6,858,471</u>	<u>216,066</u>	<u>238,727</u>

Movement of lease liabilities during the six-month period ended 30 June 2021 are presented below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2021	7,623,408	283,278
Decrease from lease modification	(65,662)	-
Payment during the period	(163,306)	(25,242)
Reduction of lease payments	(406,157)	-
Recognised to interest expenses during the period	137,941	3,094
Balance as at 30 June 2021	<u>7,126,224</u>	<u>261,130</u>

During the current period, the subsidiaries have been granted a reduction of hotel building lease payments for a period from January 2021 to June 2021 by the lessor totaling Baht 406 million in accordance with the conditions as stipulated in the lease agreements of hotel building. The subsidiaries recognised reduction of lease payments in the income statement for the current period.

In May 2021, LH Mall & Hotel Company Limited, the Company's subsidiary, entered into an amendment to land lease agreement to extend the construction period for one year. As a result, the end of the lease term is changed from July 2053 to July 2054. The subsidiary recorded the adjustment of right-of-use assets and lease liabilities decreasing from lease modification of Bath 67 million in the statement of financial position.

21. Other current financial liabilities

As at 30 June 2021 and 31 December 2020, the Group has other current financial liabilities as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Derivative liabilities				
Cross currency and interest rate swap	83,261	-	63,667	-
Total other current financial liabilities	83,261	-	63,667	-

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 six-month periods ended 30 June 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month period ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Current income tax:				
Interim corporate income tax charge	407,471	295,056	361,047	258,018
Deferred tax:				
Relating to origination and reversal of temporary differences	(80,983)	(34,247)	(15,904)	(12,350)
Income tax expenses reported in the statements of income	326,488	260,809	345,143	245,668

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month period ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Current income tax:				
Interim corporate income tax charge	742,860	504,002	643,917	382,835
Deferred tax:				
Relating to origination and reversal of temporary differences	(132,270)	(151,911)	(6,803)	(17,497)
Income tax expenses reported in the statements of income	610,590	352,091	637,114	365,338

The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	For the three-month period ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Deferred tax from gain (loss) on the change in value of financial assets measured at FVOCI	25,623	(22,291)	25,617	8,120

(Unit: Thousand Baht)

	For the six-month period ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Deferred tax from loss on the change in value of financial assets measured at FVOCI	(8,675)	(380,938)	(12,456)	(220,672)

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 period ended 30 June					
Profit for the period		Weighted average number of ordinary shares		Earnings per share	
2021	2020	2021	2020	2021	2020
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share					
Profit attributable to equity holders of the parent					
1,869,526	1,394,928	11,949,713	11,949,713	0.16	0.12

Consolidated and separate financial statements					
For the six-month period ended 30 June					
Profit for the period		Weighted average number of ordinary shares		Earnings per share	
2021	2020	2021	2020	2021	2020
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share					
Profit attributable to equity holders of the parent					
3,613,934	2,738,916	11,949,713	11,949,713	0.30	0.23

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	Net dividend paid
						shareholders not entitled to dividend	
		(Baht)	(Baht)	(Baht)	(Million Baht)	(Million Baht)	(Million Baht)
Interim dividend for 2019	Board of Directors' Meeting						
	on 23 April 2020	0.70	(0.30)	0.40	4,780	-	4,780
Final dividend for 2020	Annual General Meeting of the						
	shareholders on 27 April 2021	0.50	(0.20)	0.30	3,585	-	3,585

25. Segment information

For management purposes, the Group is organised into business units based on its products and services. During the period, the Group has no change on operating segment information.

Revenue and profit information regarding the Group's operating segments for the three-month and six-month periods ended 30 June 2021 and 2020 are as follows:

(Unit: Million Baht)

For the three-month period ended 30 June 2021

	Real estate business	Rental and service business	Others	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	8,465	359	-	8,824	-	8,824
Inter-segment revenue	-	14	-	14	(14)	-
Interest income	88	10	-	98	(84)	14
Infrastructure service income	89	-	-	89	-	89
Project management income	-	47	-	47	-	47
Finance cost	(187)	(187)	-	(374)	81	(293)
Depreciation and amortisation	(33)	(508)	-	(541)	-	(541)
Gain on sales of assets	-	1	-	1	-	1
Share of profit (loss) from investments in associates	129	(8)	523	644	-	644
Segment profit (loss)	1,892	(249)	523	2,166	10	2,176
Unallocated revenue and expenses:						
Other income						26
Gain on exchange						152
Loss on derivatives						(164)
Income tax expenses						(326)
Profit for the period						1,864

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month period ended 30 June 2020

	Real estate business	Rental and service business	Others	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	7,230	287	-	7,517	-	7,517
Inter-segment revenue	31	-	-	31	(31)	-
Interest income	104	11	-	115	(102)	13
Infrastructure service income	73	-	-	73	-	73
Project management income	-	40	-	40	-	40
Finance cost	(203)	(155)	-	(358)	102	(256)
Depreciation and amortisation	(31)	(111)	-	(142)	-	(142)
Share of profit (loss) from investments in associates	122	(8)	397	511	-	511
Segment profit (loss)	1,466	(302)	397	1,561	6	1,567
Unallocated revenue and expenses:						
Other income						37
Loss on exchange						(577)
Gain on derivatives						620
Income tax expenses						(261)
Profit for the period						1,386

(Unit: Million Baht)

For the six-month period ended 30 June 2021

	Real estate business	Rental and service business	Others	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	15,605	741	-	16,346	-	16,346
Inter-segment revenue	-	28	-	28	(28)	-
Interest income	184	14	-	198	(178)	20
Infrastructure service income	191	-	-	191	-	191
Project management income	-	99	-	99	-	99
Finance cost	(353)	(371)	-	(724)	172	(552)
Depreciation and amortisation	(64)	(692)	-	(756)	-	(756)
Reversal of provision for legal cases	104	-	-	104	-	104
Gain on sales of assets	1	2	-	3	-	3
Share of profit (loss) from investments in associates	247	(15)	1,059	1,291	-	1,291
Segment profit (loss)	3,570	(485)	1,059	4,144	18	4,162
Unallocated revenue and expenses:						
Other income						75
Gain on exchange						482
Loss on derivatives						(502)
Income tax expenses						(611)
Profit for the period						3,606

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month period ended 30 June 2020

	Real estate business	Rental and service business	Others	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	12,279	1,207	-	13,486	-	13,486
Inter-segment revenue	46	-	-	46	(46)	-
Interest income	261	22	-	283	(260)	23
Infrastructure service income	181	-	-	181	-	181
Project management income	-	106	-	106	-	106
Finance cost	(351)	(347)	-	(698)	260	(438)
Depreciation and amortisation	(60)	(458)	-	(518)	-	(518)
Share of profit (loss) from investments in associates	263	(6)	991	1,248	-	1,248
Segment profit (loss)	2,407	(332)	991	3,066	10	3,076
Unallocated revenue and expenses:						
Other income						147
Gain on exchange						216
Loss on derivatives						(362)
Income tax expenses						(352)
Profit for the period						2,725

26. Commitments and contingent liabilities

26.1 Commitments

26.1.1 As at 30 June 2021 and 31 December 2020, the Group has commitments to purchase of land and complete projects on hand as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Commitment to purchase of land	778	1,992	632	1,992
Commitments under construction contracts	4,856	4,254	1,275	1,767
Commitment in respect of the development of public utilities of projects on hand	1,182	1,498	815	1,062

26.1.2 As at 30 June 2021, the Group has servitude over land of approximately 177 rai (31 December 2020: 177 rai) of which the cost is included in the cost of projects.

26.1.3 Operating lease commitments

As at 30 June 2021 and 31 December 2020, the future lease payments under these non-cancellable lease contracts that have not yet commenced as follows.

	(Unit: Million Baht)	
	Consolidated financial statement	
	30 June 2021	31 December 2020
Within 1 year	-	-
Over 1 and up to 5 years	1,063	1,054
Over 5 years	1,848	1,857
Total	2,911	2,911

26.2 Bank guarantees

As at 30 June 2021 and 31 December 2020, there were the following outstanding bank guarantees issued by the banks in respect of certain performance bonds required in the normal course of business on behalf of the Group.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
	June	December	June	December
	2021	2020	2021	2020
Letter of guarantees for arrangement and maintenance of public utilities	4,774	4,738	3,969	3,986
Letter of guarantees for electricity usage	44	46	21	25
Letter of guarantees for building construction	34	33	-	-
	4,852	4,817	3,990	4,011

26.3 Guarantees

26.3.1 As at 30 June 2021 and 31 December 2020, the Company has the following obligations in respect of guarantees.

		(Unit: Million Baht)	
Guarantor	Guarantee	30 June 2021	31 December 2020
Land and Houses Plc.	Customers	7	7

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 loans and guarantee facilities to the subsidiary for development of the subsidiary' project. As at 30 June 2021, the subsidiary has outstanding loans as specified in the letter of comfort amounting to Baht 5,887 million (31 December 2020: Baht 5,217 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 person and residents filed totaling 10 lawsuits against the Company for the construction of a kindergarten in the project with an amount in dispute of Baht 493 million. Details are below:
 - a) Case 1 has the amount in dispute of Baht 338 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. In September 2013, the Appeal Court altered the judgement of the Court of First Instance, whereby the Company shall pay for damages of Baht 13.8 million plus interest at a rate 7.5% per annum, commencing from 18 January 2008 until the full amount is paid. Subsequently, in August 2020, the Supreme Court altered the judgement of the Appeal Court, whereby the case was dismissed. Therefore, this case was finalised.
 - b) From October to November 2020, the Court of First Instance dismissed Case 2 and issued an order to dispose of Case 3 to Case 7 with a total amount in dispute of Baht 41 million. Therefore, these cases were finalised.

- c) During December 2020 to March 2021, the plaintiffs had withdrawn the lawsuits of Case 8 to Case 10 with a total amount in dispute of Baht 114 million. Therefore, these cases were finalised.

During the current period, the Company has reversed the provision as previously recorded liabilities for the above lawsuits totaling Baht 104 million.

In addition, in 2018, the housing estate juristic person and residents filed 2 additional lawsuits against the Company for the construction of a kindergarten in the project with an amount in dispute totaling Baht 23 million. In August 2020, the housing estate juristic person and residents had withdrawn the lawsuits. Therefore, these cases were finalised.

- 2) In March 2021, a housing estate juristic person, as the assignee of the power of attorney granted by 13 housing residents, filed a lawsuit against the Company on the grounds of compliance with Environmental Impact Assessment (EIA) in relation to impact of the housing development on access to land, demanding that the Company buy the disputed land or pay for compensation to the plaintiff totaling Baht 82 million. Moreover, the same housing estate juristic person, as the assignee of the power of attorney granted by 11 housing residents, filed a lawsuit against the Company to demand the Company to return cash paid for land with structures thereon totaling Baht 160 million. The 2 lawsuits are under in negotiation with the plaintiffs.
- 3) In July 2021, the Company has been sued in a civil case regarding breach of agreement and was demanded damages for defect in condominium unit with an amount in dispute of Baht 3 million. The case is under in negotiation with the plaintiff.
- 4) As at 30 June 2021, the Company has been sued for breach of agreements, claiming for a total of Baht 68 million (31 December 2020: Baht 96 million).

As at 30 June 2021, the Company has set aside a provision of Baht 19 million for liabilities arising as a result of the legal cases (31 December 2020: Baht 121 million).

27. Financial instruments

27.1 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

27.2 Fair value hierarchy

As at 30 June 2021 and 31 December 2020, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	As at 30 June 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Debt investments measured at FVTPL	-	1,101	-	1,101
Equity investments measured at FVOCI	4,075	-	114	4,189
Derivatives - Cross currency and interest rate swap	-	47	-	47
Liabilities measured at fair value				
Derivatives - Cross currency and interest rate swap	-	83	-	83

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Debt investments measured at FVTPL	-	1,000	-	1,000
Equity investments measured at FVOCI	4,132	-	100	4,232
Derivatives - Cross currency and interest rate swap	-	616	-	616

(Unit: Million Baht)

	Separate financial statements			
	As at 30 June 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Debt investments measured at FVTPL	-	1,101	-	1,101
Equity investments measured at FVOCI	2,785	-	-	2,785
Derivatives - Cross currency and interest rate swap	-	47	-	47
Liabilities measured at fair value				
Derivatives - Cross currency and interest rate swap	-	64	-	64

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Debt investments measured at FVTPL	-	1,000	-	1,000
Equity investments measured at FVOCI	2,847	-	-	2,847
Derivatives - Cross currency and interest rate swap	-	602	-	602

During the current period, there were no change method and assumption for measurement fair value of financial instruments and no transfers within the fair value hierarchy.

27.3 Reconciliation of recurring fair value measurements of assets categorised within Level 3 of the fair value hierarchy

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
	Non-listed equity investment	Non-listed equity investment
Balance as at 1 January 2021	100,294	-
Net gain recognised in other comprehensive income	13,221	-
Balance as at 30 June 2021	113,515	-

Key assumptions used in the valuation are summarised below.

Financial instruments	Valuation technique	Significant unobservable inputs		Sensitivity of the input to fair value
			Rates	
Investment in non-listed equity instruments	Stock valuation by dividend discounted model	Risk premium	8.4%	2% increase (decrease) in the risk premium would result in Baht 25 million decrease (increase) in fair value

28. Subsequent event after reporting period

On 10 August 2021, the meeting of the Company's Board of Directors approved a resolution to pay an interim dividend from the operation for the six-month period ended 30 June 2021, at a rate of Baht 0.25 per share, a total of Baht 2,988 million. The payment of such dividend shall be made in September 2021.

29. Approval of interim financial information

This interim financial information was authorised for issue by the Company's Board of Directors on 10 August 2021.