Note Contents

1. Basis of preparation of the interim financial statements
2. Impact of COVID-19 pandemic
3. Related parties
4. Real estate development for sale
5. Investment properties
6. Interest-bearing liabilities
7. Segment information and disaggregation of revenue
8. Commitments with non-related parties
9. Litigations
10. Event after the reporting period

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the   
Thai language. These English language financial statements have been prepared from the Thai language financial statements and were approved and authorised for issue by the Board of Directors on   
3 November 2022.

1. **Basis of preparation of the interim financial statements**

The condensed interim financial statements are presented in the same format as the annual financial statements together with notes to the interim financial statements on a condensed basis (“interim financial statements”) in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting*, guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The interim financial statements focus on new activities, events and circumstances to avoid repetition of information previously reported in annual financial statements. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended 31 December 2021.

In preparing these interim financial statements, judgements and estimates are made by management in applying the Group’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2021.

1. **Impact of COVID-19 pandemic**

In 2022, the COVID-19 pandemic is still ongoing, while vaccines for COVID-19 are being rolling out during 2021. The management is closely monitoring the situation and managing to lessen the impact as much as possible. However, as at 30 September 2022, the outbreak is still ongoing, affected to the uncertainty of measurement of the impact from the situation of COVID-19. In preparing the financial statements excluding the factor from this situation.

1. **Related parties**

| ***Significant transactions with***  ***related parties*** | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Nine-month period ended 30 September*** | 2022 |  | 2021 |  | 2022 |  | 2021 |
|  | *(in thousand Baht)* | | | | | | |
| **Ultimate parent company** |  |  |  |  |  |  |  |
| Cost of rent and services | 4,767 |  | 4,095 |  | 4,767 |  | 4,095 |
| Construction management fee | 1,857 |  | 2,099 |  | 1,857 |  | 2,099 |
| Management fee | 65,557 |  | 48,753 |  | 64,567 |  | 47,763 |
|  |  |  |  |  |  |  |  |
| **Parent company** |  |  |  |  |  |  |  |
| Interest expense | 23,019 |  | 37,822 |  | 23,019 |  | 37,822 |
|  |  |  |  |  |  |  |  |
| **Subsidiaries** |  |  |  |  |  |  |  |
| Revenue from rental and rendering service | - |  | - |  | 63,007 |  | 43,083 |
| Interest income | - |  | - |  | 116,921 |  | 137,682 |
| Cost of rent and services | - |  | - |  | 2,954 |  | 2,959 |
| Interest expense | - |  | - |  | 33,547 |  | 19,172 |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Associates** |  |  |  |  |  |  |  |
| Interest income | 57,844 |  | 64,357 |  | - |  | - |
| Cost of rent and services | 5,400 |  | - |  | - |  | - |
|  |  |  |  |  |  |  |  |
| **Other related parties** |  |  |  |  |  |  |  |
| Revenue from rental and rendering service | 216,030 |  | 215,969 |  | 113,132 |  | 113,627 |
| Property management income | 25,049 |  | 25,113 |  | 16,027 |  | 16,068 |
| Other income | - |  | 53 |  | - |  | - |
| Cost of rent and services | 6,255 |  | 3,564 |  | - |  | - |
|  |  |  |  |  |  |  |  |
| **Key management personnel** |  |  |  |  |  |  |  |
| Key management personnel compensation |  |  |  |  |  |  |  |
| Short-term employee benefit  *(including director’s renumeration)* | 16,404 |  | 28,909 |  | 16,404 |  | 28,909 |

Balances as at 30 September 2022 and 31 December 2021 with related parties were as follows:

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 30 September |  | 31 December |  | 30 September |  | 31 December |
|  | 2022 |  | 2021 |  | 2022 |  | 2021 |
|  | *(in thousand Baht)* | | | | | | |
| ***Trade accounts receivable*** |  |  |  |  |  |  |  |
| Subsidiaries | - |  | - |  | 8,595 |  | 6,426 |
| Other related parties | 16,272 |  | 36,007 |  | 9,274 |  | 8,149 |
| **Total** | **16,272** |  | **36,007** |  | **17,869** |  | **14,575** |
|  |  |  |  |  |  |  |  |
| ***Other receivables*** |  |  |  |  |  |  |  |
| Ultimate parent company | 530 |  | - |  | 100 |  | - |
| Subsidiaries | - |  | - |  | 51,215 |  | 36,767 |
| Other related parties | 2,804 |  | 2,652 |  | 1,808 |  | 1,650 |
| **Total** | **3,334** |  | **2,652** |  | **53,123** |  | **38,417** |
|  |  |  |  |  |  |  |  |
| ***Property, plant and equipment*** |  |  |  |  |  |  |  |
| Subsidiary | **-** |  | **-** |  | **1,801** |  | **6,936** |
|  |  |  |  |  |  |  |  |
| ***Investment properties*** |  |  |  |  |  |  |  |
| Other related parties | **234,060** |  | **233,072** |  | **-** |  | **-** |
|  |  |  |  |  |  |  |  |
| ***Short-term loan to*** |  |  |  |  |  |  |  |
| Subsidiaries | **-** |  | **-** |  | **1,694,050** |  | **1,721,031** |
|  |  |  |  |  |  |  |  |
| ***Long-term loan to*** |  |  |  |  |  |  |  |
| Subsidiaries | - |  | - |  | 5,568,473 |  | 5,407,879 |
| Associate | 4,777,284 |  | 4,666,319 |  | - |  | - |
| **Total** | **4,777,284** |  | **4,666,319** |  | **5,568,473** |  | **5,407,879** |
|  |  |  |  |  |  |  |  |
| ***Trade accounts payable*** |  |  |  |  |  |  |  |
| Ultimate parent company | 6,611 |  | 6,946 |  | 6,567 |  | 6,785 |
| Subsidiaries | - |  | - |  | 191 |  | 161 |
| Other related parties | 606 |  | 872 |  | 396 |  | 519 |
| **Total** | **7,217** |  | **7,818** |  | **7,154** |  | **7,465** |
|  |  |  |  |  |  |  |  |
| ***Other payables*** |  |  |  |  |  |  |  |
| Ultimate parent company | 32 |  | 23,435 |  | 32 |  | 23,461 |
| Subsidiaries | - |  | - |  | - |  | 16 |
| Associates | 5,400 |  | 6,000 |  | - |  | 6,000 |
| Other related parties | 2,308 |  | 81 |  | 7 |  | - |
| **Total** | **7,740** |  | **29,516** |  | **39** |  | **29,477** |
|  |  |  |  |  |  |  |  |
| ***Lease liabilities*** |  |  |  |  |  |  |  |
| Subsidiaries | - |  | - |  | 1,868 |  | 6,279 |
| Other related parties | 136,533 |  | 135,530 |  | - |  | - |
| **Total** | **136,533** |  | **135,530** |  | **1,868** |  | **6,279** |
|  |  |  |  |  |  |  |  |
| ***Advance rental and service income*** |  |  |  |  |  |  |  |
| Other related parties | **4,562,010** |  | **4,729,285** |  | **3,652,896** |  | **3,764,121** |
|  |  |  |  |  |  |  |  |
| ***Rental and service retention*** |  |  |  |  |  |  |  |
| Other related parties | **16,216** |  | **7,609** |  | **-** |  | **-** |
|  |  |  |  |  |  |  |  |
| ***Short-term loan from*** |  |  |  |  |  |  |  |
| Parent company | 1,143,200 |  | 782,211 |  | 1,143,200 |  | 782,211 |
| Subsidiary | - |  | - |  | 4,338,162 |  | 3,974,536 |
| **Total** | **1,143,200** |  | **782,211** |  | **5,481,362** |  | **4,756,747** |

1. **Real estate projects development for sale**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | |  | **Separate** | | |
|  | financial statements | | |  | **financial statements** | | |
|  | 30 September |  | 31 December |  | 30 September |  | 31 December |
|  | 2022 |  | 2021 |  | 2022 |  | 2021 |
|  | *(in million Baht)* | | | | | | |
| Real estate under development | 920 |  | 897 |  | 623 |  | 623 |
| Real estate developed | 33 |  | 38 |  | - |  | - |
| **Total** | **953** |  | **935** |  | **623** |  | **623** |

1. **Investment properties**

The Group and the Company recognised loss on the fair value adjustment of investment properties were determined by independent professional valuers.

Movements of investment properties were as follows:

|  | **Consolidated financial statements** | | |  | **Separate financial statements** | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2022 |  | 2021 |  | 2022 |  | 2021 |
|  | *(in million baht)* | | | | | | |
| At 1 January | 22,251 |  | 22,341 |  | 10,207 |  | 10,365 |
| Additions | 60 |  | 76 |  | 60 |  | 31 |
| Write - off | - |  | (138) |  | - |  | (134) |
| Finance cost capitalised | 24 |  | 38 |  | - |  | - |
| Loss on fair value adjustment | (15) |  | (66) |  | (31) |  | (55) |
| **At 30 September/ 31 December** | **22,320** |  | **22,251** |  | **10,236** |  | **10,207** |

1. **Interest-bearing liabilities**

*Long-term loans from financial institutions*

In September 2010, the Group entered into a loan agreement within credit line not exceeding Baht 3,100 million with financial institution. Such agreement stipulated the Group to repay the remaining principal within 3 years from 17 July 2019. Subsequently, In July 2022, the Group entered into a memorandum of loan agreement with such financial institution to amend the repayment principal period to by 17 July 2024 and amended interest rate as mutually agreed. As at 30 September 2022, the Group had utilised Baht 2,532 million *(31 December 2021: Baht 2,532 million).*

In September 2021, the Company entered into a loan agreement within credit line Baht 1,100 million with financial institution. Such agreement stipulated the Company to repay the principal within 2 years from loan utilised date. As at 30 September 2022, the Company had utilised Baht 1,100 million *(31 December 2021: Baht 1,100 million).*

Real estate development for sale, investment properties and fix deposit used as collateral for loans.

The Group had unutilised credit facilities totalling Baht 40 million *(31 December 2021: Baht 410 million).*

*Debentures*

The conditions regarding loan agreements and the rights and obligations of the debenture issuer stipulate certain covenants which, among other things, require the Group to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements.

1. **Segment information and disaggregation of revenue**

The Group’s operations and main revenue streams are described in the last annual financial statements The Group’s main revenue is derived from contracts with customers.

*Geographical segments*

The Group operates real estate for sale business and real estate for rental and service business principally in Thailand.

*Business segments*

The Company and its subsidiaries have two reportable segments, which are real estate for sale business, consisting of land and house development for sale projects and residential condominium projects, and real estate for rental and service business, consisting of office building for rent project.

Each segment's performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group’s CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm’s length basis.

In the following table, revenue is disaggregated by business segments and timing of revenue recognition.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***For the nine-month*** | Real estate  **for sale business** | | |  | **Real estate for rental and service business** | | |  | | **Total** | | | |
| ***period ended 30 September*** | 2022 |  | 2021 |  | 2022 |  | 2021 | |  | | 2022 |  | 2021 |
|  | *(in million Baht)* | | | | | | | | | | | | |
| ***Information about reportable segments*** |  | | | | | | | | | | | | |
| External revenue | 159 |  | 136 |  | 902 |  | 869 | |  | | 1,061 |  | 1,005 |
| Inter-segment revenue | - |  | - |  | 72 |  | 55 | |  | | 72 |  | 55 |
| **Total revenue** | **159** |  | **136** |  | **974** |  | **924** | |  | | **1,133** |  | **1,060** |
|  |  |  |  |  |  |  |  | |  | |  |  |  |
| Segment profit  before income tax | 86 |  | 125 |  | 803 |  | 773 | |  | | 889 |  | 898 |
|  |  |  |  |  |  |  |  | |  | |  |  |  |
| **Timing of revenue**  **recognition** |  |  |  |  |  |  |  | |  | |  |  |  |
| At a point in time | 159 |  | 136 |  | - |  | - | |  | | 159 |  | 136 |
| Over time | - |  | - |  | 902 |  | 869 | |  | | 902 |  | 869 |
| **Total revenue** | **159** |  | **136** |  | **902** |  | **869** | |  | | **1,061** |  | **1,005** |

***Reconciliations of reportable segment profit or loss***

| ***For the nine-month period ended 30 September*** | 2022 |  | 2021 |
| --- | --- | --- | --- |
|  | *(in million Baht)* | | |
| **Profit or loss** |  |  |  |
| Total profit before income tax for reportable segments | 889 |  | 898 |
| Other profit | 79 |  | 84 |
|  | 968 |  | 982 |
| Elimination of inter-segment profits | (72) |  | (55) |
| Unallocated amounts:  Gain (loss) on changes in fair value of investment properties | (15) |  | 21 |
| Other corporate expenses | (313) |  | (335) |
| Share of profit of investments in associates | - |  | 5 |
| Total | **568** |  | **618** |

1. **Commitments with non-related parties**

| ***As at 30 September 2022*** | **Consolidated financial statements** |  | **Separate financial statements** |
| --- | --- | --- | --- |
|  | *(in million Baht)* | | |
| ***Capital commitments***  Unrecognized Contract |  |  |  |
| Buildings and other constructions | **30.19** |  | **21.35** |
|  |  |  |  |
| ***Other commitments*** |  |  |  |
| Investment properties agreement under development | 53.41 |  | - |
| Service agreements | 80.75 |  | 18.38 |
| Bank guarantees | 18.79 |  | 7.42 |
| **Total** | **152.95** |  | **25.80** |

1. **Litigations**

In October 2020, a subsidiary was being sued in a civil by a juristic person (“Complainant”) requesting the payment from breach of management and construction contract of approximately Baht 5.8 million. The court made an appointment to determine the guidelines for the trial and mediation on 23 November 2021 and appoint both, complainant and defendant to investigate the witnesses in March 2022. In April 2022, the subsidiary agreed to pay to the complainant amounting to Baht 4.8 million.

In June 2021, a subsidiary was being sued in a civil by a juristic person (“Complainant”) requesting the payment from breach of contract of Baht 31 million. The court made an appointment to determine the guidelines for the trial and witness in May 2022. In June 2022, the subsidiary agreed to pay to the complainant amounting to Baht 15.15 million.

In December 2021, a subsidiary was being sued in a civil by a juristic person (“Complainant”) requesting the payment from breach of contract of Baht 2 million. The court made an appointment to determine the guidelines for the trial and witness in May 2022. The both sides entered compromise agreement. Subsequently, in July 2022, the subsidiary agreed to pay to the complainant amounting to Baht 1.45 million.

In October 2021, a subsidiary was being sued in a civil by a juristic person (“Complainant”) requesting the payment from breach of lease contract of Baht 51 million. The court made an appointment to determine the guidelines for the trial and witness in March 2023. Based on opinion of the management and the legal department of the Group, they consider that the Group has no possibility of litigating payment, therefore the Group did not recognize the provision from the outstanding legal case.

1. **Event after the reporting period**

At the Board of Directors’ Meeting of the Company held on 3 November 2022, the Board of Directors had the resolution to approve the grant of financial assistance in proportion of shareholding to Bayswater Company Limited in the Company’s amount of not exceeding of Baht 5,500 million with the objectives to enhance the liquidity for development in the Mixed-use Project. The loan bear interest rate in line with the agreement.