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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 14 May 2020.

**1 General information**

The principal activity of the Group is real estate development in Thailand.

**2** **Basis of preparation of the interim financial statements**

*(a) Statement of compliance*

The condensed interim financial statements are presented in the same format as the annual financial statements and prepared its 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 do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. 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 2019.

The Group has initially applied TFRS - Financial instruments standards and TFRS 16 Leases and disclosed impact from changes to significant accounting policies in note 3

In addition, the Group has not early adopted a number of new and revised TFRS, which are not yet effective for the current period in preparing these financial statements. The Group has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

*(b) Use of judgements, estimates and accounting policies*

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 2019, except for the new significant judgements and key sources of estimation uncertainty related to the application of new TFRS and COVID-19 outbreak as described in note 3 and 5, respectively.

**3 Change in accounting policy**

From 1 January 2020, the Group has initially applied TFRS - Financial instruments standards and TFRS 16 as follows:

***A.   TFRS - Financial instruments standards***

The Group has adopted TFRS - Financial instruments standards by adjusting the cumulative effects to retained earnings on 1 January 2020. Therefore, the Group did not adjust the information presented for 2019.

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The impact from adoption of TFRS – Financial instruments standards are as follows:

1. Classification and measurement of financial assets and financial liabilities

TFRS 9 contains three principal classification categories for financial assets:  measured at amortised cost, fair value to other comprehensive income (FVOCI). The classification under TFRS 9 is based on the cash flow characteristics of the financial asset and the business model in which they are managed. TFRS 9 eliminates the previous classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105.

Under TFRS 9, interest income and interest expenses recognised from all financial assets and financial liabilities measured at amortised cost shall be calculated using effective interest rate method. Previously, the Group recognised interest income and interest expenses at the rate specified in the contract.

***B.   TFRS 16 Leases***

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously, the Group, as a lessee, recognised payments made under operating leases in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price). As at   
1 January 2020, the Group recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised gain (loss) from change in fair value of right-of-use assets and interest expense on lease liabilities.

On transition, the Group also elected to use the following practical expedients:

* do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term;
* use hindsight when determining the lease term;
* apply a single discount rate to a portfolio of leases with similar characteristics;
* rely on previous assessments whether leases are onerous as an alternative to performing an impairment review; and
* exclude initial direct costs from measuring the right-of-use asset.

| ***Impact from the adoption of TFRS 16*** | Consolidated financial statements |  | Separate financial statements |
| --- | --- | --- | --- |
|  | *(in thousand Baht)* | | |
| ***At 1 January 2020*** |  | | |
| Decrease in land leasehold right from related parties | (97,527) |  | - |
| Increase in investment properties | 230,200 |  | - |
| Increase in lease liabilities | (132,673) |  | - |

| ***Measurement of lease liability*** | Consolidated financial statements |  | Separate financial statements |
| --- | --- | --- | --- |
|  | *(in thousand Baht)* | | |
| Operating lease commitment at 31 December 2019 | 285,118 |  | - |
| *Less* recognition exemption for short-term lease | (2,893) |  |  |
|  | **282,225** |  | **-** |
| *Less* Deferred interest | (149,552) |  | - |
| **Increase in lease liability** | **132,673** |  |  |
| Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2020 | 132,673 |  | - |
| Finance lease liability recognised as at 31 December 2019 | - |  | - |
| **Lease liabilities recognised at 1 January 2020** | **132,673** |  | **-** |
| Weighted-average incremental borrowing rate*(% per annum)* | **4.36** |  | **-** |

Right-of-use assets and lease liabilities shown above were presented as part of Investment properties segments respectively.

*As a lessor*

The accounting policy under TFRS16 that the Group applied as a lessor are not different from those under TAS 17.

**4 Related parties**

Relationships with subsidiaries, associates and joint ventures are described in notes 8 and 9.

Significant transactions for the three-month period ended 31 March with related parties were as follows:

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Three-month period ended 31 March*** | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| **Ultimate parent company** |  |  |  |  |  |  |  |
| Management fee | 18,527 |  | - |  | 18,167 |  | - |
|  |  |  |  |  |  |  |  |
| **Parent company** |  |  |  |  |  |  |  |
| Interest Expense | 195 |  | - |  | 195 |  | - |
|  |  |  |  |  |  |  |  |
| **Subsidiaries** |  |  |  |  |  |  |  |
| Project management income | - |  | - |  | 25,875 |  | 14,876 |
| Selling management income | - |  | - |  | 4,673 |  | 2,594 |
| Construction management income | - |  | - |  | 617 |  | - |
| Interest income | - |  | - |  | 54,540 |  | 80,907 |
| Interest expense | - |  | - |  | 9,273 |  | 36,306 |
| **Associates** |  |  |  |  |  |  |  |
| Rental income | 36,764 |  | 55,938 |  | 24,445 |  | 36,667 |
| Property management income | 5,484 |  | 8,079 |  | 3,744 |  | 5,529 |
| Trust management income | 2,886 |  | 4,211 |  | - |  | - |
| Dividend income | - |  | - |  | 308,242 |  | 12,909 |
| Short-term rental and service expenses | 2,170 |  | 4,232 |  | 2,170 |  | 4,232 |
|  |  |  |  |  |  |  |  |
| **Joint ventures** |  |  |  |  |  |  |  |
| Interest income | 25,653 |  | 64,978 |  | - |  | - |
|  |  |  |  |  |  |  |  |
| **Other related parties** |  |  |  |  |  |  |  |
| Rental income | 26,112 |  | - |  | 12,630 |  | - |
| Other income | 167 |  | - |  | - |  | - |
|  |  |  |  |  |  |  |  |
| **Key management personnel** |  |  |  |  |  |  |  |
| Key management personnel compensation |  |  |  |  |  |  |  |
| Short-term employee benefit | 10,313 |  | 7,449 |  | 10,128 |  | 6,885 |

Balances as at 31 March 2020 and 31 December 2019 with related parties were as follows:

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 31 March |  | 31 December |  | 31 March |  | 31 December |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| ***Trade accounts receivable*** |  | | | | | | |
| Ultimate parent company | 50 |  | - |  | 50 |  | - |
| Subsidiaries | - |  | - |  | 36,952 |  | 49,745 |
| Associates | 137,280 |  | 30,993 |  | 48,905 |  | 17,246 |
| Other related parties | 25,974 |  | 21,832 |  | 24,334 |  | 20,706 |
| **Total** | **163,304** |  | **52,825** |  | **110,241** |  | **87,697** |
|  |  |  |  |  |  |  |  |
| ***Other receivables*** |  |  |  |  |  |  |  |
| Subsidiaries | - |  | - |  | 16,888 |  | 54,340 |
| Associates | 21,233 |  | 42,216 |  | 1,794 |  | 27,300 |
| Other related parties | 1,947 |  | - |  | 793 |  | - |
| **Total** | **23,180** |  | **42,216** |  | **19,475** |  | **81,640** |
|  |  |  |  |  |  |  |  |
| ***Land Leasehold right*** |  |  |  |  |  |  |  |
| Other related parties | **-** |  | **97,527** |  | **-** |  | **-** |
|  |  |  |  |  |  |  |  |
| ***Rental and service retention (presents under other non-current assets)*** |  |  |  |  |  |  |  |
| Associates | **3,074** |  | **3,074** |  | **3,074** |  | **3,074** |
|  |  |  |  |  |  |  |  |
| ***Accrued interest income*** |  |  |  |  |  |  |  |
| ***(presents under other non-current assets)*** |  |  |  |  |  |  |  |
| Joint ventures | **444,862** |  | **393,557** |  | **-** |  | **-** |

Movements during the three-month period ended 31 March 2020 of loans to related parties were as follows:

|  | **Interest rate** | | |  | **Consolidated financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 31  December 2019 |  | 31  March  2020 |  | 31  December 2019 |  | Increase |  | (Decrease) |  | 31  March  2020 |
|  | *(% per annum)* | | |  | *(in thousand Baht)* | | | | | | |
| ***Long-term loans*** |  |  |  |  |  |  |  |  |  |  |  |
| Joint ventures | MLR - 0.5 |  | MLR - 0.5 |  | 4,585,505 |  | - |  | - |  | 4,585,505 |
| *Less* The excess of | | | |  |  |  |  |  |  |  |  |
| accumulated  share of loss  from investment  in joint venture  over cost of | | | |  |  |  |  |  |  |  |  |
| investment | | | |  | (414,359) |  | (796) |  | - |  | (415,155) |
| *Less* The elimination of interest income | | | |  | (131,800) |  | (25,653) |  | - |  | (157,453) |
| **Net** |  |  |  |  | **4,039,346** |  |  |  |  |  | **4,012,897** |
|  |  |  |  |  |  |  |  |  |  |  |  |

|  | **Interest rate** | | |  | **Separate financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 31 December 2019 |  | 31  March  2020 |  | 31  December 2019 |  | Increase |  | (Decrease) |  | 31  March  2020 |
|  | *(% per annum)* | | |  | *(in thousand Baht)* | | | | | | |
| ***Short-term loans*** |  |  |  |  |  |  |  |  |  |  |  |
| Subsidiaries | MLR - 0.5, |  | 4.29, 5.29 |  | 1,502,336 |  | 33,313 |  | (11,267) |  | 1,524,382 |
|  | 5.25 |  |  |  |  |  |  |  |  |  |  |
| ***Long-term loans*** |  |  |  |  |  |  |  |  |  |  |  |
| Subsidiaries | MLR - 0.75 |  | 4.50 |  | 4,977,567 |  | 54,541 |  | - |  | 5,032,108 |
|  |  |  |  |  |  |  |  |  |  |  |  |

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 31 March |  | 31 December |  | 31 March |  | 31 December |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| ***Trade accounts payable*** |  | | | | | | |
| Ultimate parent company | 4,630 |  | - |  | 4,577 |  | - |
| Subsidiaries | - |  | - |  | 138,000 |  | 137,007 |
| Associates | 58 |  | 155 |  | - |  | 155 |
| Other related parties | 312 |  | 602 |  | 198 |  | 449 |
| **Total** | **5,000** |  | **757** |  | **142,775** |  | **137,611** |
|  |  |  |  |  |  |  |  |
| ***Other payables*** |  |  |  |  |  |  |  |
| Ultimate parent company | 3,486 |  | - |  | 3,070 |  |  |
| Associates | 33,790 |  | 33,753 |  | 20 |  |  |
| Other related parties | 388 |  | 11,445 |  | 217 |  | 11,372 |
| **Total** | **37,664** |  | **45,198** |  | **3,307** |  | **11,372** |
|  |  |  |  |  |  |  |  |
| ***Retention payable*** |  |  |  |  |  |  |  |
| Other related parties | **42,293** |  | **42,293** |  | **457** |  | **457** |
| ***Advance rental and service income*** |  |  |  |  |  |  |  |
| Associates | **5,121,430** |  | **5,177,188** |  | **4,024,867** |  | **4,061,942** |
|  |  |  |  |  |  |  |  |
| ***Lease liabilities*** |  |  |  |  |  |  |  |
| Subsidiary | - |  | - |  | 12,639 |  | - |
| Other related parties | 133,025 |  | - |  | - |  | - |
| **Total** | **133,025** |  | **-** |  | **12,639** |  | **-** |
|  |  |  |  |  |  |  |  |
| ***Rental and service retention*** |  |  |  |  |  |  |  |
| Subsidiaries | - |  | - |  | 130 |  | 130 |
| Other related parties | 5,595 |  | - |  | - |  | - |
| **Total** | **5,595** |  | - |  | **130** |  | **130** |

Movements during the three-month period ended 31 March 2020 of loans from related parties were as follows:

|  | **Interest rate** | | |  | **Consolidated financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 31 December 2019 |  | 31 March 2020 |  | 31 December 2019 |  | Increase |  | (Decrease) |  | 31 March 2020 |
|  | *(% per annum)* | | |  | *(in thousand Baht)* | | | | | | |
| ***Short-term loan*** | | | |  |  | | | | | | |
| Parent company | MLR -0.75 |  | MLR - 0.75 |  | **170,745** |  | 40,195 |  | (210,930) |  | **10** |

|  | **Interest rate** | | |  | **Separate financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 31 December 2019 |  | 31 March 2020 |  | 31 December 2019 |  | Increase |  | (Decrease) |  | 31 March 2020 |
|  | *(% per annum)* | | |  | *(in thousand Baht)* | | | | | | |
| ***Short-term loan*** | | | |  |  | | | | | | |
| Parent company | MLR - 0.75 |  | MLR - 0.75 |  | 170,745 |  | 40,195 |  | (210,930) |  | 10 |
| Subsidiaries | MLR - 0.5,  - 1.5, Fixed deposit rate 6M + 2,  + 0.25 |  | 4.5,  Fixed deposit rate 6M + 2,  + 0.25 |  | 3,047,687 |  | 292,213 |  | (159,293) |  | 3,180,607 |
| **Total** |  |  |  |  | **3,218,432** |  |  |  |  |  | **3,180,617** |

**5 Impact of COVID-19 Outbreak**

Due to the COVID-19 outbreak at the beginning of 2020, Thailand and many other countries have enacted several protective measures against the outbreak, e.g. the order to temporarily shut down operating facilities or reduce operating hours, social distancing, etc. This has affected to the Group’s businesses as follows:

*Rental and services in office buildings and retail shop*

In March 2020, in an effort to contain the impact of COVID-19, provincial governments decided to temporarily shut down the Group’s retail shop in the enforced locations for specific periods of time .The retail shop remains to open the restaurants (take-away), and some businesses according to provincial government orders. During temporarily shut down, the Group considered to provide rental discounts to tenants that has affected.

At 31 March 2020, the situation of COVID-19 outbreak is still ongoing, resulting in estimation uncertainty on the potential impact, therefore, the Group elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 outbreak. The Group considered impairment of trade accounts receivables under simplified approach using historical loss rate and did not take forward-looking information into account and fair value under TFRS13. Non-financial assets: The Group can choose to exclude the factor of   
COVID-19 situation, which may affect future financial forecast, in fair value measurement technique.

**6 Other long-term investment**

Other long-term investments represent investment in ordinary shares of Central Pattana Nine Square Co., Ltd., in which Praram 9 Square Limited, a subsidiary, holds 3.27 % interest.

**7 Real estate projects under development**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | |  | **Separate** | | |
|  | financial statements | | |  | **financial statements** | | |
|  | 31  March |  | 31 December |  | 31  March |  | 31 December |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| Land and construction under |  |  |  |  |  |  |  |
| development | 825,765 |  | 817,974 |  | 623,563 |  | 623,563 |
| Land and construction developed | 114,110 |  | 136,076 |  | - |  | - |
| **Total** | **939,875** |  | **954,050** |  | **623,563** |  | **623,563** |

The Group have mortgaged their land and construction thereon with banks to secure loans from the banks.

# 8 Investments in associate and joint venture

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | |  | **Separate** | | |
|  | financial statements | | |  | **financial statements** | | |
| ***Three-month period ended 31 March*** | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| **Associate** |  |  |  |  |  |  |  |
| At 1 January | 791,459 |  | 773,442 |  | 683,774 |  | 683,774 |
| Capital reduction | (683,683) |  | - |  | (683,684) |  | - |
| Share of net profits in associate | 201,574 |  | 17,497 |  | - |  | - |
| Dividend income | (308,242) |  | (12,909) |  | - |  | - |
| **At 31 March** | **1,108** |  | **778,030** |  | **90** |  | **683,774** |

|  | Consolidated  financial statements | | |
| --- | --- | --- | --- |
| ***Three-month period ended 31 March*** | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | |
| **Joint venture** |  |  |  |
| At 1 January | - |  | - |
| Share of net losses in joint venture | 796 |  | 3,237 |
| Reversal of share of loss of investment in joint venture  over cost of investment | (796) |  | (3,237) |
| **At 31 March** | **-** |  | **-** |
|  |  |  |  |

Investments in associate and joint venture as at 31 March 2020 and 31 December 2019, and dividend income from those investments for the three-month period ended 31 March were as follows:

|  |  |  |  | | |  |  | | |  | Consolidated financial statements | | | | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Type of business |  | Ownership  interest | | |  | Paid-up capital | | |  | Cost | | |  | Equity | | |  | Fair value of  listed securities | | |  | Dividend income for the  three-month  period ended | | |
|  |  |  | 31 |  | 31 |  | 31 |  | 31 |  | 31 |  | 31 |  | 31 |  | 31 |  | 31 |  | 31 |  | 31 |  | 31 |
|  |  |  | March |  | December |  | March |  | December |  | March |  | December |  | March |  | December |  | March |  | December |  | March |  | March |
|  |  |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  |  |  | *(%)* | | |  | *(in thousand Baht)* | | | | | | | | | | | | | | | | | | |
| ***Associate*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| GLAND Office Leasehold  Real Estate Investment  Trust | Investment  trust |  | 15 |  | 15 |  | 600 |  | 4,558,489 |  | 90 |  | 683,774 |  | 1,108 |  | 791,459 |  | - |  | 997,038 |  | 308,242 |  | 12,909 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Joint venture - indirect shareholding by a subsidiary*** | | | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Bayswater Co., Ltd. | Real estate development |  | 50 |  | 50 |  | 10,000 |  | 10,000 |  | - |  | - |  | - |  | - |  | - |  | - |  | - |  | - |
| **Total** |  |  |  |  |  |  |  |  |  |  | **90** |  | **683,774** |  | **1,108** |  | **791,459** |  |  |  |  |  | **308,242** |  | **12,909** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

All associate and joint venture were incorporated and operated in Thailand.

None of the Group’s and the Company’s joint venture are publicly listed and consequently do not have published price quotations.

At 31 March 2020, the Group presented the excess of accumulated share of loss over cost of investment, amounting to Baht 572.6 million *(31 December 2019: Baht 546.1 million)* as a deduction from long-term loan to joint venture in the consolidated financial position.

On 22 November 2019, the shareholders approval for dissolution from successfully proceeded with the disposal of GLANDRT’s assets to CPNREIT, including delisting of GLANDRT from being listed securities on the Stock Exchange of Thailand. The Trust was liquidated on 3 March 2020.

In May 2019, the Board of Directors passed the resolution to approve Ratchada Asset Holding Company Limited (a subsidiary) to refuse the right to purchase ordinary shares from BTS Group Holding Public Company Limited holding in Bayswater Company Limited in a total amount of 50,000 shares or accounted for 50% of the total issued and paid-up shares, which is in accordance with the Right of First Refusal stated in the Shareholders’ Agreement. However, Central Pattana Public Company Limited, ultimate parent company, acquired the remaining shares. The share purchase agreement and all related liabilities will be completed when comply with the conditions according to share purchase agreement and related agreement.

# 9 Investments in subsidiaries

|  | Separate  financial statements | | |
| --- | --- | --- | --- |
| ***Three-month period ended 31 March*** | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | |
| At 1 January | 6,817,375 |  | 6,017,375 |
| **At 31 March** | **6,817,375** |  | **6,017,375** |

During the period ended 31 March 2020 and 2019, there was no acquisitions or disposals of investments in subsidiaries.

Investments in subsidiaries as at 31 March 2020 and 31 December 2019, and dividend income from those investments for the three-month period ended   
31 March were as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | Separate financial statements | | | | | | | | | | | | | |
|  | Type of business |  | Ownership interest | | | Paid-up capital | | |  | Cost method | | |  | Dividend income for the three-month period ended | | |
|  |  |  | 31 |  | 31 | 31 |  | 31 |  | 31 |  | 31 |  | 31 |  | 31 |
|  |  |  | March |  | December | March |  | December |  | March |  | December |  | March |  | March |
|  |  |  | 2020 |  | 2019 | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  |  |  | *(%)* | | | *(in thousand Baht)* | | | | | | | | | | |
| ***Subsidiaries*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Direct*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Belle Development Ltd. | Real estate development |  | 79.57 |  | 79.57 | 2,064,261 |  | 2,064,261 |  | 1,920,104 |  | 1,920,104 |  | - |  | - |
| Praram 9 Square Ltd. | Real estate for rent and development |  | 93.09 |  | 93.09 | 1,900,000 |  | 1,900,000 |  | 1,771,016 |  | 1,771,016 |  | - |  | - |
| Sterling Equity Co., Ltd. | Real estate development |  | 100.00 |  | 100.00 | 1,800,000 |  | 1,800,000 |  | 1,765,464 |  | 1,765,464 |  | - |  | - |
| Belle Assets Co., Ltd. | Real estate development |  | 100.00 |  | 100.00 | 11,000 |  | 11,000 |  | 11,000 |  | 11,000 |  | - |  | - |
| G Land Property Management Co., Ltd | Real estate development |  | 100.00 |  | 100.00 | 1,300,000 |  | 1,300,000 |  | 1,333,791 |  | 1,333,791 |  | - |  | - |
| Ratchada Asset Holding Co., Ltd. | Investment |  | 100.00 |  | 100.00 | 6,000 |  | 6,000 |  | 6,000 |  | 6,000 |  | - |  | - |
| GLAND REIT   Management Co., Ltd. | Trust manager |  | 100.00 |  | 100.00 | 10,000 |  | 10,000 |  | 10,000 |  | 10,000 |  | - |  | - |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Indirect*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Praram 9 Square Hotel Ltd. | Hotel |  | 100.00 |  | 100.00 | 16,000 |  | 16,000 |  | - |  | - |  | - |  | - |
| **Total** |  |  |  |  |  |  |  |  |  | **6,817,375** |  | **6,817,375** |  | **-** |  | **-** |

All subsidiaries were incorporated and operated in Thailand.

None of the Group’s subsidiaries are publicly listed and consequently do not have published price quotations.

**10 Investment properties**

Movements of investment properties were as follows:

|  | Consolidated financial | | | | |  | Separate financial | | |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | statements | | | | |  | statements | | |  |  |
|  | Own |  | Right of |  |  |  | Own |  | Right of |  |  |
|  | assets |  | use assets |  | Total |  | assets |  | use assets |  | Total |
|  | *(in thousand baht)* | | | | | | | | | | |
| At 1 January 2020 | 22,109,333 |  | - |  | 22,109,333 |  | 10,382,913 |  | - |  | 10,382,913 |
| Recognised right |  |  |  |  |  |  |  |  |  |  |  |
| of use from |  |  |  |  |  |  |  |  |  |  |  |
| adoption of |  |  |  |  |  |  |  |  |  |  |  |
| TFRS16 | - |  | 230,200 |  | 230,200 |  | - |  | - |  | - |
| At 1 January 2020 |  |  |  |  |  |  |  |  |  |  |  |
| * adjusted | 22,109,333 |  | 230,200 |  | 22,339,533 |  | 10,382,913 |  | - |  | 10,382,913 |
| Additions | 17,070 |  | - |  | 17,070 |  | 2,650 |  | 12,987 |  | 15,637 |
| Disposals | (1,061) |  | - |  | (1,061) |  | (1,061) |  | - |  | (1,061) |
| Loss on fair value |  |  |  |  |  |  |  |  |  |  |  |
| adjustment | (91,266) |  | - |  | (91,266) |  | (93,590) |  | - |  | (93,590) |
| **At 31 March 2020** | **22,034,076** |  | **230,200** |  | 22,264,276 |  | **10,290,912** |  | **12,987** |  | **10,303,899** |

Investment properties as at 31 March 2020 amounting to Baht 22,034 million in consolidated financial statements *(31 December 2019: Baht 22,109 million)* andBaht 10,291 million in separate financial statements *(31 December 2019: Baht 10,383 million)* are used as collateral for credit facilities from financial institutions.

**11 Interest-bearing liabilities**

|  | Consolidated | | |  | **Separate** | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | financial statements | | |  | **financial statements** | | |
|  | 31 March |  | 31 December |  | 31 March |  | 31 December |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| ***Current*** |  |  |  |  |  |  |  |
| Short-term loans from financial   institutions | 300,000 |  | 1,370,000 |  | 300,000 |  | 1,370,000 |
| Short-term loans from related parties | 10 |  | 170,745 |  | 3,180,617 |  | 3,218,432 |
| Current portion of debentures | 1,399,405 |  | 1,399,081 |  | 1,399,405 |  | 1,399,081 |
| **Total current interest-bearing   liabilities** | **1,699,415** |  | **2,939,826** |  | **4,880,022** |  | **5,987,513** |
|  |  |  |  |  |  |  |  |
| ***Non-current*** |  |  |  |  |  |  |  |
| Long-term loans from financial   institutions | 2,531,906 |  | 2,531,906 |  | - |  | - |
| Long-term debentures | 2,446,844 |  | 2,446,331 |  | 2,446,844 |  | 2,446,331 |
| **Total non-current interest-  bearing liabilities** | **4,978,750** |  | **4,978,237** |  | **2,446,844** |  | **2,446,331** |
| **Total** | **6,678,165** |  | **7,918,063** |  | **7,326,866** |  | **8,433,844** |

Short-term loans from financial institutions represent promissory notes which are secured by the Group’s project development costs.

Long-term loans from financial institutions of subsidiaries are secured by the Company and by the mortgage of their land and premises, investment properties and residential condominium units and the pledge of their land leasehold right and deposit at bank of the subsidiaries.

As at 31 March 2020 the Group had unutilised credit facilities totalling Baht 940 million *(31 December 2019: Baht 2,068 million).*

***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. As at 31 March 2020, the Group had utilised Baht 2,532 million   
*(31 December 2019: Baht 2,532 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.

**12 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 Group 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.

Management considers that the Company operates in a single line of business, namely real estate for rental and service business, and has, therefore, only one reportable segment.

Management considers the Group’s timing of revenue recognition which is mainly recognised over time.

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

| ***For the three-month***  ***period ended 31 March*** | Real estate  **for sale business** | | |  | **Real estate for rental and service business** | | |  | **Total** | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | | | | | |
| ***Information about reportable segments*** |  | | | | | | | | | | |
| External revenue | 76,085 |  | 86,479 |  | 375,950 |  | 300,373 |  | 452,035 |  | 386,852 |
| Inter-segment revenue | - |  | - |  | 38,741 |  | 17,143 |  | 38,741 |  | 17,143 |
| **Total revenue** | **76,085** |  | **86,479** |  | **414,691** |  | **317,516** |  | **490,776** |  | **403,995** |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Segment profit  before income tax | 49,027 |  | 61,755 |  | 340,266 |  | 241,205 |  | 389,293 |  | 302,960 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Timing of revenue**  **recognition** |  |  |  |  |  |  |  |  |  |  |  |
| - At a point in time | 76,085 |  | 86,479 |  | - |  | - |  | 76,085 |  | 86,479 |
| - Over time | - |  | - |  | 375,950 |  | 300,373 |  | 375,950 |  | 300,373 |
| **Total revenue** | **76,085** |  | **86,479** |  | **375,950** |  | **300,373** |  | **452,035** |  | **386,852** |

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

| ***For the three-month period ended 31 March*** | 2020 |  | 2019 |
| --- | --- | --- | --- |
|  | *(in thousand Baht)* | | |
| **Profit or loss** |  |  |  |
| Total profit before income tax for reportable segments | 389,293 |  | 302,960 |
| Other profit | 26,872 |  | 106,746 |
|  | 416,165 |  | 409,706 |
| Elimination of inter-segment profits | (38,741) |  | (17,143) |
| Unallocated amounts:  - Gain (loss) on changes in fair value of investment properties | (91,266) |  | 432 |
| - Other corporate expenses | (128,598) |  | (173,670) |
| - Share of profit of investments in associate and joint venture | 200,778 |  | 14,260 |
| Consolidated profit before income tax | **358,338** |  | **233,585** |

**13 Leases**

|  | Consolidated  financial statements |  | Separate  financial statements |
| --- | --- | --- | --- |
| ***For the period ended 31 March 2020*** | Three-month period |  | Three-month period |
|  | *(in thousand Baht)* | | |
| ***Recognition in profit or loss*** |  |  |  |
| Interest on lease liabilities | 1,447 |  | 31 |
| Expenses relating to short-term leases | 3,699 |  | 3,359 |
| Expenses relating to leases of low-value assets | 140 |  | 74 |

**14 Income tax expense**

Income tax expense is recognised based on management’s best estimate of the weighted average annual income tax rate expected for the full financial year multiplied by the pre-tax income of the interim reporting period. The Group’s consolidated effective tax rate in respect of continuing operations for the three-month period ended 31 March 2020 was 17.15% (*31 March* *2019*: *19.53%)*, for the consolidated financial statements and 20.04% *(31 March 2019: 21.63%)*, for the separate financial statements.

**15 Earnings per share**

***Basic earnings per share***

The calculations of basic earnings per share for the three-month period ended 31 March 2020 and 2019 were based on the profit for the period attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the period as follows:

| ***For the three-month period ended***  ***31 March*** |  | Consolidated financial  statements | | |  | **Separate financial statements** | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  |  | *(in thousand Baht / thousand shares)* | | | | | | |
| **Profit attributable to ordinary**  **shareholders of the Company (basic)** |  | **277,835** |  | **166,723** |  | **205,091** |  | **8,109** |
|  |  |  |  |  |  |  |  |  |
| **Number of ordinary shares  outstanding** |  | **6,499,830** |  | **6,499,830** |  | **6,499,830** |  | **6,499,830** |
|  |  |  |  |  |  |  |  |  |
| **Earnings per share (basic) *(in Baht)*** |  | **0.043** |  | **0.026** |  | **0.032** |  | **0.001** |

# 16 Financial instruments

***Carrying amounts and fair values***

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

|  |  | **Consolidated financial statements** | | | | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Carrying amount** | | | | | | |  | **Fair value** | | | | | | |
| ***At 31 March 2020*** |  | Fair value through profit or loss |  | Fair value through other compre hensive income |  | Amortised cost - net |  | Total |  | Level 1 |  | Level 2 |  | Level 3 |  | Total |
|  |  | *(in million Baht)* | | | | | | | | | | | | | | |
| ***Assets measured at fair value*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Investment properties |  | 22,264 |  | - |  | - |  | 22,264 |  | - |  | - |  | 22,264 |  | 22,264 |
| Other current financial assets |  | - |  | 61 |  | - |  | 61 |  | - |  | 61 |  | - |  | 61 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Financial liabilities*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Short - term loans  from financial  institutions |  | *-* |  | *-* |  | (300) |  | (300) |  | - |  | - |  | (299) |  | (299) |
| Long - term loans  from financial  institutions |  | *-* |  | *-* |  | (2,532) |  | (2,532) |  | - |  | - |  | (2,508) |  | (2,508) |
| Debentures |  | *-* |  | *-* |  | (3,846) |  | (3,846) |  | - |  | (3,905) |  | - |  | (3,905) |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Separate financial statements** | | | | | | | | | | | | | | |
|  |  | **Carrying amount** | | | | | | |  | **Fair value** | | | | | | |
| ***At 31 March 2020*** |  | Fair value through profit or loss |  | Fair value through other compre hensive income |  | Amortised cost - net |  | Total |  | Level 1 |  | Level 2 |  | Level 3 |  | Total |
|  |  | *(in million Baht)* | | | | | | | | | | | | | | |
| ***Assets measured at fair value*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Investment properties |  | 10,304 |  | - |  | - |  | 10,304 |  | - |  | - |  | 10,304 |  | 10,304 |
| Other current financial assets |  | - |  | 61 |  | - |  | 61 |  | - |  | 61 |  | - |  | 61 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Financial liabilities*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Short - term loans  from financial  institutions |  | *-* |  | *-* |  | (300) |  | (300) |  | - |  | - |  | (299) |  | (299) |
| Debentures |  | *-* |  | *-* |  | (3,846) |  | (3,846) |  | - |  | (3,905) |  | - |  | (3,905) |

|  | **Consolidated financial statements** | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Carrying amount |  | Fair value | | | | | | |
| ***31 December 2019*** |  |  | Level 1 |  | Level 2 |  | Level 3 |  | Total |
|  | *(in million Baht)* | | | | | | | | |
| ***Assets measured at fair value*** |  |  |  |  |  |  |  |  |  |
| Investment Properties | 22,109 |  | - |  | - |  | 22,109 |  | 22,109 |
|  |  |  |  |  |  |  |  |  |  |
| ***Financial liability*** |  |  |  |  |  |  |  |  |  |
| Loans from financial institutions | (3,902) |  | - |  | - |  | (3,870) |  | (3,870) |
| Loans from related parties | (171) |  | - |  | - |  | (171) |  | (171) |
| Debentures | (3,845) |  | - |  | (3,903) |  | - |  | (3,903) |

|  | **Separate financial statements** | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Carrying amount |  | Fair value | | | | | | |
| ***31 December 2019*** |  |  | Level 1 |  | Level 2 |  | Level 3 |  | Total |
|  | *(in million Baht)* | | | | | | | | |
| ***Assets measured at fair value*** |  |  |  |  |  |  |  |  |  |
| Investment Properties | 10,383 |  | - |  | - |  | 10,383 |  | 10,383 |
|  |  |  |  |  |  |  |  |  |  |
| ***Financial liability*** |  |  |  |  |  |  |  |  |  |
| Loans from financial institutions | (1,370) |  | - |  | - |  | (1,367) |  | (1,367) |
| Loans from related parties | (3,218) |  | - |  | - |  | (3,218) |  | (3,218) |
| Debentures | (3,845) |  | - |  | (3,903) |  | - |  | (3,903) |

The methods and assumptions used by the Company and its subsidiaries in estimating the fair value of financial instruments are as follows:

1. For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, accounts receivable and short-term loans to related parties, accounts payable and short-term loans from related parties, their carrying amounts in the statements of financial position approximate their fair value.
2. For fixed rate debentures, their fair value is determined by using the price as announced by the Thai Bond Market Association.
3. For long-term loans carrying interest approximate to the market rate, their carrying amounts in the statements of financial position approximates their fair value.

# 17 Commitments with non-related parties

| ***As at 31 March 2020*** | **Consolidated financial statements** |  | **Separate financial statements** |
| --- | --- | --- | --- |
|  | *(in thousand Baht)* | | |
| ***Capital commitments*** |  |  |  |
| Contracted but not provided for: |  |  |  |
| Buildings and other constructions | **109,649** |  | **3,177** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| ***Other commitments*** |  |  |  |
| Investment properties agreement under development | 87,094 |  | - |
| Service agreements | 138,857 |  | 48,454 |
| Bank guarantees | 50 |  | 8 |
| **Total** | **226,001** |  | **48,462** |

# 18 Litigations

1. During 2017, joint venture was being sued in a civil lawsuit by an individual person who request joint venture to register use of the entrance as a prescriptive servitude or as the public road. In March 2018, the Civil Court dismissed such request and the Appeal Court affirmed the Civil Court decision in January 2020. However, such individual person has the right to make a final appeal to the Supreme Court.

b) During 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 1.16 million Baht. The court made an appointment to determine the guidelines for the trial and mediation in August 2020.

# 19 Reclassification of accounts

Certain accounts in the statement of financial position as at 31 December 2019 and the statement of comprehensive income for the three-month period ended 31 March 2019, which are included in the 2020 interim financial statements for comparative purposes, have been reclassified to conform to the presentation in the 2020 interim financial statements.

|  | **2019** | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated  **financial statements** | | | | |  | Separate  **financial statements** | | | | | |
|  | Before  reclass. |  | Reclass. |  | After  reclass. |  | Before  reclass. |  | Reclass. |  | After  reclass. |
|  | *(in thousand Baht)* | | | | | | | | | | | |
| ***Statement of financial***  ***position*** | | | |  |  |  |  |  |  |  |  |
| Trade accounts receivable | 83,884 |  | (83,884) |  | - |  | 90,781 |  | (90,781) |  | - |
| Other receivables | 363,223 |  | (363,223) |  | - |  | 354,872 |  | (354,872) |  | - |
| Trade and other |  |  |  |  |  |  |  |  |  |  |  |
| receivables | - |  | 447,107 |  | 447,107 |  | - |  | 445,653 |  | 445,653 |
| Trade accounts payables | (255,763) |  | 255,763 |  | - |  | (161,464) |  | 161,464 |  | - |
| Other payables | (162,327) |  | 162,327 |  | - |  | (130,716) |  | 130,716 |  | - |
| Trade and other payables | - |  | (418,090) |  | (418,090) |  | - |  | (292,180) |  | (292,180) |
|  |  |  | **-** |  |  |  |  |  | **-** |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
| ***Statement of***  ***comprehensive income*** | | | |  |  |  |  |  |  |  |  |
| Revenue from rental |  |  |  |  |  |  |  |  |  |  |  |
| and rendering service | (300,438) |  | 65 |  | (300,373) |  | (74,314) |  | 36 |  | (74,278) |
| Interest income | (75,226) |  | (6) |  | (75,232) |  | (80,913) |  | - |  | (80,913) |
| Dividend income | - |  | - |  | - |  | - |  | (12,909) |  | (12,909) |
| Other income | (31,412) |  | (102) |  | (31,514) |  | (15,095) |  | 12,873 |  | (2,222) |
| Cost of rent and services | 103,433 |  | (27,122) |  | 76,311 |  | 24,365 |  | (14,320) |  | 10,045 |
| Selling expense | 5,058 |  | (3,714) |  | 1,344 |  | 92 |  | (79) |  | 13 |
| Administration expenses | 48,760 |  | 30,590 |  | 79,350 |  | 34,405 |  | 14,323 |  | 48,728 |
| Finance cost | 92,687 |  | 289 |  | 92,976 |  | 89,942 |  | 76 |  | 90,018 |
|  |  |  | **-** |  |  |  |  |  | **-** |  |  |

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group’s business.