

Eastern Star Real Estate Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month period ended 31 March 2023



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EY Office Limited
33rd Floor, Lake Rajada Office Complex
193/136-137 Rajadapisek Road
Klongtoey, Bangkok 10110
Tel: +66 2264 9090
Fax: +66 2264 0789-90
ey.com

บริษัท สำนักงาน อีวาย จำกัด
ชั้น 33 อาคารเลกซ์ต้า
193/136-137 ถนนรัชดาภิเษก
คลองเตย กรุงเทพฯ 10110
โทรศัพท์: +66 2264 9090
โทรสาร: +66 2264 0789-90
ey.com

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Eastern Star Real Estate Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Eastern Star Real Estate Public Company Limited and its subsidiaries as at 31 March 2023, and the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Eastern Star Real Estate Public Company Limited for the same period (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Chayapol Suppasdtanon
Certified Public Accountant (Thailand) No. 3972

EY Office Limited
Bangkok: 11 May 2023

Eastern Star Real Estate Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2023

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	<u>Note</u>	<u>31 March 2023</u>	<u>31 December 2022</u>	<u>31 March 2023</u>	<u>31 December 2022</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		250,714	278,527	243,326	268,550
Other current financial assets		31,372	23,319	-	-
Trade and other receivables	3	8,645	7,579	11,543	11,738
Real estate development costs and inventories	4	2,566,889	2,597,958	2,570,871	2,601,867
Advance for construction work		22,928	27,406	22,928	27,406
Costs to obtain contracts	8	39,371	54,353	39,371	54,353
Other current assets		15,799	10,838	14,159	9,606
Total current assets		2,935,718	2,999,980	2,902,198	2,973,520
Non-current assets					
Lease receivables		17,631 ¹	19,725	17,631	19,725
Investments in subsidiaries		-	-	505,374	505,374
Investment properties	5	1,441,868	1,454,093	1,478,484	1,490,961
Property, buildings and equipment	6	435,240	421,415	273,432	260,980
Right-of-use assets	9	24,382	26,093	24,382	26,093
Intangible assets		4,937	5,553	4,904	5,518
Deferred tax assets		36,773	35,497	34,882	33,682
Land and improvements awaiting development	7	1,387,206	1,387,206	1,241,588	1,241,588
Other non-current assets		60,752	60,414	56,171	55,872
Total non-current assets		3,408,789	3,409,996	3,636,848	3,639,793
Total assets		6,344,507	6,409,976	6,539,046	6,613,313

The accompanying notes are an integral part of the interim financial statements.

Eastern Star Real Estate Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2023

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	31 March 2023	31 December 2022	31 March 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables		55,225	52,349	52,655	50,809
Current portion of long-term loans	10	55,267	107,516	55,267	107,516
Currents portion of lease liabilities	9	5,593	5,534	5,593	5,534
Advances received from customers		129,068	129,684	126,360	127,679
Accrued expenses		107,742	118,454	106,033	117,446
Corporate income tax payable		8,933	8,933	8,933	8,933
Other current liabilities		60,018	68,550	58,575	67,154
Total current liabilities		421,846	491,020	413,416	485,071
Non-current liabilities					
Long-term loans - net of current portion	10	854,000	854,000	854,000	854,000
Lease liabilities - net of current portion	9	20,306	21,726	20,306	21,726
Provision for long-term employee benefits		41,200	39,354	30,781	29,314
Retention guarantees		25,997	20,344	25,997	20,344
Advance received from land lease		2,847	2,109	2,847	2,109
Deferred tax liabilities		11,911	15,366	11,911	15,366
Other non-current liabilities		31,306	30,845	31,300	30,837
Total non-current liabilities		987,567	983,744	977,142	973,696
Total liabilities		1,409,413	1,474,764	1,390,558	1,458,767

The accompanying notes are an integral part of the interim financial statements.

Eastern Star Real Estate Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2023

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>31 March 2023</u>	<u>31 December 2022</u>	<u>31 March 2023</u>	<u>31 December 2022</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
5,172,246,185 ordinary shares of Baht 1 each	5,172,246	5,172,246	5,172,246	5,172,246
Issued and fully paid				
5,022,246,185 ordinary shares of Baht 1 each	5,022,246	5,022,246	5,022,246	5,022,246
Share discount	(429,265)	(429,265)	(429,265)	(429,265)
Capital reserve for share-based payment transactions	979	979	979	979
Retained earnings				
Appropriated - statutory reserve	84,204	84,204	84,204	84,204
Unappropriated	70,022	71,208	470,324	476,382
Other components of shareholders' equity	74,131	74,131	-	-
Total shareholders' equity	4,822,317	4,823,503	5,148,488	5,154,546
Non-controlling interest of the subsidiaries	112,777	111,709	-	-
Total shareholders' equity	4,935,094	4,935,212	5,148,488	5,154,546
Total liabilities and shareholders' equity	6,344,507	6,409,976	6,539,046	6,613,313

The accompanying notes are an integral part of the interim financial statements.

Directors

(Unaudited but reviewed)

Eastern Star Real Estate Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 31 March 2023

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Profit or loss:					
Revenues					
Sales of real estate		246,078	256,995	246,078	256,995
Services income		20,787	10,921	1,964	1,197
Rental income		12,333	10,204	12,330	10,224
Other income		11,463	9,102	12,398	9,720
Total revenues		290,661	287,222	272,770	278,136
Expenses					
Cost of real estate sold		174,329	189,879	174,329	189,879
Cost of services		9,092	6,624	956	717
Cost of rental		8,029	7,495	8,282	7,748
Selling and distribution expenses		37,394	27,445	37,124	27,477
Administrative expenses		62,597	55,702	58,723	51,932
Total expenses		291,441	287,145	279,414	277,753
Profit (loss) before finance cost and tax income					
Finance cost		(1,090)	(3,267)	(1,090)	(3,341)
Loss before tax income		(1,870)	(3,190)	(7,734)	(2,958)
Tax income	11	1,752	87	1,676	18
Loss for the period		(118)	(3,103)	(6,058)	(2,940)
Other comprehensive income:					
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		(118)	(3,103)	(6,058)	(2,940)

The accompanying notes are an integral part of the interim financial statements.

(Unaudited but reviewed)

Eastern Star Real Estate Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 31 March 2023

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Profit (loss) attributable to:				
Equity holders of the Company	(1,186)	(3,031)		
Non-controlling interests of the subsidiaries	1,068	(72)		
	<u>(118)</u>	<u>(3,103)</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	(1,186)	(3,031)		
Non-controlling interests of the subsidiaries	1,068	(72)		
	<u>(118)</u>	<u>(3,103)</u>		

(Unit: Baht)

Earnings per share

Basic loss per share

Loss attributable to equity holders of the Company	<u>(0.0002)</u>	<u>(0.0006)</u>	<u>(0.0012)</u>	<u>(0.0006)</u>
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The accompanying notes are an integral part of the interim financial statements.

(Unaudited but reviewed)

Eastern Star Real Estate Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the three-month period ended 31 March 2023

(Unit: Thousand Baht)

	Consolidated financial statements									
	Equity attributable to shareholders of the Company					Other components of shareholders' equity				
	Issued and paid-fully share capital	Share discount	Capital reserve for share-based transactions	Retained earnings Statutory reserve	Unappropriated	Surplus from change in the ownership interests in subsidiaries	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total	shareholders' equity
Balance as at 1 January 2022	5,022,246	(429,265)	979	81,604	22,660	74,131	4,772,355	111,757	4,884,112	
Loss for the period	-	-	-	-	(3,031)	-	(3,031)	(72)	(3,103)	
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	
Total comprehensive income for the period	-	-	-	-	(3,031)	-	(3,031)	(72)	(3,103)	
Balance as at 31 March 2022	5,022,246	(429,265)	979	81,604	19,629	74,131	4,769,324	111,685	4,881,009	
Balance as at 1 January 2023	5,022,246	(429,265)	979	84,204	71,208	74,131	4,823,503	111,709	4,935,212	
Loss for the period	-	-	-	-	(1,186)	-	(1,186)	1,068	(118)	
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	
Total comprehensive income for the period	-	-	-	-	(1,186)	-	(1,186)	1,068	(118)	
Balance as at 31 March 2023	5,022,246	(429,265)	979	84,204	70,022	74,131	4,822,317	112,777	4,935,094	

The accompanying notes are an integral part of the interim financial statements.

(Unaudited but reviewed)

Eastern Star Real Estate Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2023

(Unit: Thousand Baht)

	Separate financial statements					
	Issued and fully paid share capital	Share discount	Capital reserve for share-based payment transactions	Retained earnings Statutory reserve	Unappropriated	Total shareholders' equity
Balance as at 1 January 2022	5,022,246	(429,265)	979	81,604	427,484	5,103,048
Loss for the period	-	-	-	-	(2,940)	(2,940)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(2,940)	(2,940)
Balance as at 31 March 2022	<u>5,022,246</u>	<u>(429,265)</u>	<u>979</u>	<u>81,604</u>	<u>424,544</u>	<u>5,100,108</u>
Balance as at 1 January 2023	5,022,246	(429,265)	979	84,204	476,382	5,154,546
Loss for the period	-	-	-	-	(6,058)	(6,058)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(6,058)	(6,058)
Balance as at 31 March 2023	<u>5,022,246</u>	<u>(429,265)</u>	<u>979</u>	<u>84,204</u>	<u>470,324</u>	<u>5,148,488</u>

The accompanying notes are an integral part of the interim financial statements.

(Unaudited but reviewed)

Eastern Star Real Estate Public Company Limited and its subsidiaries

Cash flow statement

For the three-month period ended 31 March 2023

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from operating activities				
Loss before tax income	(1,870)	(3,190)	(7,734)	(2,958)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Decrease in real estate development costs as a result of transfer to cost of real estate sold	174,329	190,061	174,329	190,061
Reversal of loss on diminution in value of project	-	(182)	-	(182)
Expected credit losses	3	-	3	-
Depreciation and amortisation	13,494	12,407	12,602	11,554
Long-term employee benefits expenses	1,846	1,674	1,467	1,329
Unearned revenues recognised as revenues	(3,824)	(1,227)	-	-
Recognised income from lease	(4,581)	(341)	(4,581)	(341)
Gain on sales of financial assets	-	(7)	-	(7)
Unrealised gain on changes in value of financial assets	(53)	(5)	-	-
Loss on written off of income tax	142	-	142	-
Gain on sales and written off of equipment	(2)	(20)	(2)	(36)
Finance cost	1,090	3,267	1,090	3,341
Profit from operating activities before changes in operating assets and liabilities	180,574	202,437	177,316	202,761
Decrease (increase) in operating assets				
Trade and other receivables	(1,069)	(509)	192	381
Real estate development costs and inventories	(120,107)	(439,920)	(120,180)	(439,909)
Advance for construction work	(9,028)	(8,250)	(9,028)	(8,250)
Other current assets	(4,895)	2,122	(4,488)	2,263
Finance lease receivables and advance received from land lease	8,085	2,904	8,085	2,904
Cost to obtain contracts	14,982	1,200	14,982	1,200
Other non-current assets	(454)	(17)	(421)	(17)
Increase (decrease) in operating liabilities				
Trade and other payables	5,126	8,324	5,510	8,447
Accrued expenses	(9,085)	(2,733)	(9,786)	(3,360)
Advances received from customers	362	12,719	(4,165)	12,190
Other current liabilities	(6,423)	(12,428)	(6,470)	(11,912)
Retention guarantees	5,653	10,864	5,653	10,864
Other non-current liabilities	462	1,979	464	1,982
Cash flows from (used in) operating activities	64,183	(221,308)	57,664	(220,456)
Cash paid for finance cost	(12,076)	(12,826)	(12,076)	(12,900)
Cash paid for income tax	(3,006)	(3,185)	(3,000)	(3,177)
Income tax refund	-	465	-	-
Net cash flows from (used in) operating activities	49,101	(236,854)	42,588	(236,533)

The accompanying notes are an integral part of the interim financial statements.

(Unaudited but reviewed)

Eastern Star Real Estate Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the three-month period ended 31 March 2023

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash flows from investing activities				
Purchase of financial instruments	(8,000)	-	-	-
Proceeds from sales of financial instruments	-	40,133	-	40,133
Acquisitions of investment properties	(1,754)	(1,023)	(1,754)	(1,023)
Acquisitions of building and equipment and intangible assets	(13,277)	(1,474)	(12,175)	(1,407)
Cash paid for improvements awaiting development	-	(27)	-	(27)
Proceed from sales of equipment	15	40	15	40
Net cash flows from (used in) investing activities	(23,016)	37,649	(13,914)	37,716
Cash flows from financing activities				
Cash receipt from short-term loan from financial institution	-	30,000	-	30,000
Cash receipt from long-term loans from financial institutions	39,830	388,607	39,830	388,607
Repayment of short-term loan from subsidiary	-	-	-	(15,000)
Repayments of long-term loans from financial institutions	(92,079)	(120,183)	(92,079)	(120,183)
Repayment of lease liabilities	(1,649)	(1,639)	(1,649)	(1,639)
Net cash flows from (used in) financing activities	(53,898)	296,785	(53,898)	281,785
Net increase (decrease) in cash and cash equivalents	(27,813)	97,580	(25,224)	82,968
Cash and cash equivalents at beginning of period	278,527	312,172	268,550	306,074
Cash and cash equivalents at end of period	250,714	409,752	243,326	389,042
Supplemental cash flows information				
Non-cash transactions				
Transfer advances for construction work to real estate development costs	13,506	18,409	13,506	18,409
Transfer land awaiting development to investment properties	-	537,320	-	537,320
Capitalisation of interest expenses to real estate development costs	9,647	10,062	9,647	10,062
Transfer real estate development costs to land awaiting development	-	1,997	-	-
Transfer investment properties to property, building and equipment	9,750	-	9,750	-
Increase in payables for purchases of equipment	1,482	168	2,896	41
Increase in payables for purchase of investment properties	768	62	768	62
Dividends payable	975	977	975	977

The accompanying notes are an integral part of the interim financial statements.

Eastern Star Real Estate Public Company Limited and its subsidiaries
Notes to consolidated interim financial statements
For the three-month period ended 31 March 2023

1. General information

1.1 Basis for the preparation of interim financial information

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

1.2 Basis of consolidation

The interim consolidated financial statements include the financial statements of Eastern Star Real Estate Public Company Limited ("the Company") and its subsidiary companies ("the subsidiaries") (collectively as "the Group") and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2022, with no change in shareholding structure of subsidiaries during the current period

1.3 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 2022.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023, do not have any significant impact on the Group's financial statements.

2. Related party transactions

During the period, the Company and its subsidiaries had significant business transactions with its related parties. These transactions which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses. There were no significant changes in the pricing policies of transactions with related parties during the current period.

Summaries significant business transactions with related parties were as follows.

	(Unit: Thousand Baht)			
	For the three-month period ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<u>Transactions with subsidiary companies</u>				
(eliminated from the consolidated financial statements)				
Income of central service management	-	-	214	214
Other income	-	-	1,086	734
Office rental and service incomes	-	-	5	29
Service fee	-	-	26	27
Interest expense	-	-	-	74
<u>Transactions with related party</u>				
Office rental and service expenses	1,650	1,606	1,650	1,606

The balances of the accounts between the Company and those related parties were as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2023	2022	2023	2022
		(Audited)		(Audited)
Other receivables (Note 3)				
Subsidiaries	-	-	3,214	4,359
Other payables				
Subsidiaries	-	-	349	329
Related party	28	44	28	44
Total	28	44	377	373
Accrued expense				
Subsidiaries	-	-	63	63
Retentions				
Related party	1,555	1,555	1,555	1,555

Directors and management's benefits

(Unit: Thousand Baht)

For the three-month period ended 31 March

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Short-term employee benefits	8,534	8,428	7,936	7,881
Post-employment benefits	778	708	751	684
Total	9,312	9,136	8,687	8,565

3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2023	2022	2023	2022
	(Audited)		(Audited)	
<u>Trade accounts receivable - third parties</u>				
Not yet due	1,881	1,811	1,821	1,795
Past due not over 3 months	406	284	400	283
Past due 3 - 6 months	1	-	-	-
Past due 6 - 12 months	-	3	-	1
Past due over 12 months	363	361	316	316
Total trade accounts receivable	2,651	2,459	2,537	2,395
<u>Other receivables</u>				
Other receivables - related parties				
(Note 2)	-	-	3,214	4,359
Other receivables - third parties	1,313	1,214	1,312	1,213
Accrued income	1,587	1,199	1,581	1,199
Advance payments	3,698	3,308	3,457	3,127
Total other receivables	6,598	5,721	9,564	9,898
Less: Allowance for expected credit losses	(604)	(601)	(558)	(555)
Total other receivables - net	5,994	5,120	9,006	9,343
Total trade and other receivables - net	8,645	7,579	11,543	11,738

(Unaudited but reviewed)

4. Real estate development costs and inventories

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2023	2022	2023	2022
		(Audited)		(Audited)
Land	1,658,213	1,709,486	1,662,813	1,714,086
Construction under development	908,296	888,019	908,296	888,019
Total	2,566,509	2,597,505	2,571,109	2,602,105
Less: Allowance for loss on diminution in value of projects	(238)	(238)	(238)	(238)
Real estate development costs - net	2,566,271	2,597,267	2,570,871	2,601,867
Other inventories	618	691	-	-
Total	2,566,889	2,597,958	2,570,871	2,601,867

The Company has mortgaged certain plots of land and construction thereon with a total of net book value as at 31 March 2023 of Baht 2,202 million (31 December 2022: Baht 2,103 million) as collateral to secure credit facilities granted by banks.

During the three-month period ended 31 March 2023, the Company recorded borrowing costs of Baht 10 million (2022: Baht 10 million) as cost of real estate development.

Additional information of the projects.

(Unit: Million Baht)

	Consolidated and separate	
	financial statements	
	31 March	31 December
	2023	2022
Total estimated sales value of projects on hand		
of which the contracts have been signed	9,917	11,337
Total value of contracts signed for sales of land and structures thereon	4,542	5,726
Percentage of total estimated sales value of projects on hand	45.80	50.50
Total value of contracts signed of land and structures thereon not yet recognised as revenue *	1,333	1,282

* The revenue will be recognised in the next 1 to 2 years.

5. Investment properties

The net book value of investment properties as at 31 March 2023 and 31 December 2022 was presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		
	Land	Building and improvements	Total
31 March 2023:			
Cost	1,351,348	723,632	2,074,980
Less: Accumulated depreciation	-	(531,383)	(531,383)
Less: Allowance for impairment	(101,729)	-	(101,729)
Net book value	<u>1,249,619</u>	<u>192,249</u>	<u>1,441,868</u>
31 December 2022:			
Cost	1,361,098	722,646	2,083,744
Less: Accumulated depreciation	-	(527,922)	(527,922)
Less: Allowance for impairment	(101,729)	-	(101,729)
Net book value	<u>1,259,369</u>	<u>194,724</u>	<u>1,454,093</u>

(Unit: Thousand Baht)

	Separate financial statements		
	Land	Building and improvements	Total
31 March 2023:			
Cost	1,351,348	766,557	2,117,905
Less: Accumulated depreciation	-	(537,692)	(537,692)
Less: Allowance for impairment	(101,729)	-	(101,729)
Net book value	<u>1,249,619</u>	<u>228,865</u>	<u>1,478,484</u>
31 December 2022:			
Cost	1,361,098	765,571	2,126,669
Less: Accumulated depreciation	-	(533,979)	(533,979)
Less: Allowance for impairment	(101,729)	-	(101,729)
Net book value	<u>1,259,369</u>	<u>231,592</u>	<u>1,490,961</u>

(Unaudited but reviewed)

Movements of the investment properties account during the three-month period ended 31 March 2023 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2023	1,454,093	1,490,961
Acquisitions - at cost	986	986
Transfer out - net book value at transfer date	(9,750)	(9,750)
Depreciation for the period	(3,461)	(3,713)
Net book value as at 31 March 2023	<u>1,441,868</u>	<u>1,478,484</u>

The Company mortgaged certain plots of land and construction thereon with a total net book value of Baht 276 million as at 31 March 2023 (31 December 2022: Baht 277 million) as collateral to secure credit facilities granted by banks.

6. Property, building and equipment

Movements of the property, building and equipment account during the three-month period ended 31 March 2023 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2023	421,415	260,980
Acquisitions - at cost	11,787	9,272
Transfer in - net book value at transfer date	9,750	9,750
Write-off/disposal - net book value		
at transfer date	(13)	(13)
Depreciation for the period	(7,699)	(6,557)
Net book value as at 31 March 2023	<u>435,240</u>	<u>273,432</u>

The Company has mortgaged certain plots of land and construction thereon with a total net book value as at 31 March 2023, and 31 December 2022 of Baht 6 million as collateral to secure credit facilities granted by a bank.

7. Land and improvements awaiting development

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2023	2022	2023	2022
		(Audited)		(Audited)
Land	1,361,150	1,361,150	1,215,532	1,215,532
Improvement costs	26,056	26,056	26,056	26,056
Net book value	1,387,206	1,387,206	1,241,588	1,241,588

As at 31 March 2023 and 31 December 2022, land awaiting development of Baht 0.5 million (Separate financial statements: Baht 0.3 million) was land of which ownership is jointly held by the Company and a subsidiary. The Company and the subsidiary recorded the cost of land based on their ownership, with half allocated to each party.

The Company has mortgaged certain plots of land and improvements awaiting development with a total net book value as at 31 March 2023 and 31 December 2022 of Baht 860 million as collateral to secure credit facilities granted by banks.

8. Costs to obtain contracts

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Balance as at 1 January 2023	54,353
Increase during the period	5,351
Recognised in profit or loss	(20,333)
Balance as at 31 March 2023	39,371

9. Leases**a) Right-of-use assets**

Movements of the right-of-use assets account during the three-month period ended 31 March 2023 were summarised below.

	(Unit: Thousand Baht)
	Consolidated and separate financial statements
Net book value as at 1 January 2023	26,093
Depreciation for the period	(1,711)
Net book value as at 31 March 2023	24,382

(Unaudited but reviewed)

b) Lease liabilities

As at 31 March 2023 and 31 December 2022, the balances of lease liabilities are as follows:

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	31 March 2023	31 December 2022
		(Audited)
Lease payments	28,500	30,149
Less: Deferred interest expenses	(2,601)	(2,889)
Total	25,899	27,260
Less: Portion due within one year	(5,593)	(5,534)
Lease liabilities - net of current portion	20,306	21,726

The movement of lease liabilities for the three-month period ended 31 March 2023 are as follows:

	(Unit: Thousand Baht)
	Consolidated and separate financial statements
Balance as at 1 January 2023	27,260
Increase from interest	288
Repayments during period	(1,649)
Balance as at 31 March 2023	25,899

10. Long-term loans

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	31 March 2023	31 December 2022
		(Audited)
Long-term loans from banks	909,267	961,516
Less: Current portion of long-term loans	(55,267)	(107,516)
Long-term loans - net of current portion	854,000	854,000

(Unaudited but reviewed)

Movements in the long-term loans during the three-month period ended 31 March 2023 are summarised below.

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Balance as at 1 January 2023	961,516
Add: Additional borrowing	39,830
Less: Repayments	(92,079)
Balance as at 31 March 2023	909,267

On 12 January 2023, the Company has entered into a long-term credit facilities agreement with a financial institute to obtain credit facilities of Baht 286 million. The facilities are for purchase of land amounting to Baht 68 million, construction costs and real estate development amounting to Baht 179 million and bank guarantees amounting to Baht 39 million, with interest at MLR - fixed amount per annum. The loans are secured by mortgage of land of the Company. As at 31 March 2023, the Company has not yet draw down such credit facilities.

The above loan agreement contained covenants relating to various matters, such as the maintenance of financial ratio and restrictions on creating or permitting the subsistence of security interest on property and assets.

As at 31 March 2023, the long-term credit facilities of the Company which have not yet been drawn down are totaling Baht 2,007 million (31 December 2022: Baht 1,845 million).

The loans and credit facilities are secured by the mortgages of land and construction of the Company.

11. Tax income

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

Tax income for the three-month period ended 31 March 2023 and 2022 were made up as follows:

	(Unit: Thousand Baht)			
	For the three-month period ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Current income tax:				
Interim corporate income tax charge	2,980	1,489	2,980	1,489
Deferred tax:				
Relating to origination and reversal of temporary differences	(4,732)	(1,576)	(4,656)	(1,507)
Tax income reported in the statements of comprehensive income	(1,752)	(87)	(1,676)	(18)

12. Segment information

The Group are organised into business units based on its products and services. The business operations involve 3 principal segments as below.

- (1) Real estate business
- (2) Golf course business
- (3) Real estate for rental business

During the current period, the Group have not changed the organisation of their reportable segments.

(Unaudited but reviewed)

Below is the revenue and gross profit of the Group for the three-month period ended 31 March 2023 and 2022 by segments.

(Unit: Million Baht)

For the three-month periods ended 31 March										
Revenue from contracts with customers										
Real estate business		Golf course business		Real estate for rental business		Adjustments and eliminations		Total		
2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	
Revenues										
External customers	246	257	21	11	12	10	-	-	279	278
Inter- segment	-	-	-	-	-	-	-	-	-	-
Total revenues	246	257	21	11	12	10	-	-	279	278
Operating results										
Gross profit of segments	72	67	12	4	4	3	-	-	88	74
Other income									11	9
Selling and distribution expenses									(37)	(27)
Administrative expenses									(63)	(56)
Finance cost									(1)	(3)
Tax income									2	-
Net loss for the period									-	(3)

13. Commitments and contingent liabilities

As at 31 March 2023 and 31 December 2022, the Company and its subsidiaries had the following outstanding commitments and contingent liabilities:

13.1 The Company had the outstanding commitments in respect of construction projects and interior design of projects of totaling Baht 278 million (31 December 2022: Baht 278 million).

13.2 The Company had capital commitments in respect of the construction of building amounting to Baht 7 million. (31 December 2022: Baht 13 million).

13.3 The Group have entered into several lease agreements to lease building space and equipment, with short-term period, and services agreements with the terms of agreements generally between 1 and 4 years.

Future minimum payments required under rental and service agreements as at 31 March 2023 are as follows:

(Unit: Million Baht)

Payable	Consolidated financial statement	Separate financial statements
In up to 1 year	16	15

13.4 Bank guarantees

There were bank guarantees issued by the banks on behalf of the Company as follow:

(Unit: Million Baht)

Bank guarantees for	Consolidated and Separate financial statements	
	31 March 2023	31 December 2022
		(Audited)
An arrangement and maintenance of public utilities	119	119
Electricity usage	7	7
Total	126	126

Bank guarantees facilities are secured by the mortgages of the Company's land and construction.

14. Litigations

As at 31 March 2023, civil lawsuits were filed against the Company by customers, and consumer lawsuit were filed against the Company by the condominium juristic person, and other litigation cases, with the claim amounts of totaling Baht 184 million (31 December 2022: Baht 184 million). These cases are currently under the court proceedings. Based on the Company's internal and external legal counsels opinions, the Company's management believes that the result of these cases will not have significant impact on the financial position of the Company.

Nevertheless, the Company has set aside certain provisions in its financial statements, as considers appropriate, for claims that may arise from final judicial processes.

15. Fair value of financial instruments

Most of the Group's financial instruments are classified as short-term or have interest rates that are close to market rate, therefore the carrying amounts of these financial instruments is estimated to approximate their fair value.

During the current period, there were no transfers between the levels of the fair value hierarchy.

16. Approval of interim financial information

These interim financial information were authorised for issue by the Company's Board of Directors on 11 May 2023.