

Eastern Star Real Estate Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month and nine-month periods ended
30 September 2020

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 30 September 2020, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-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*.

Emphasis of matter

I draw attention to Note 1.5 to the interim consolidated financial statements. Due to the impact of the Coronavirus disease 2019 pandemic, in preparing the interim financial information for the three-month and nine-month periods ended 30 September 2020, the Group has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic issued by the Federation of Accounting Professions. My conclusion is not modified in respect of this matter.

Gingkarn Atsawarangsalit
Certified Public Accountant (Thailand) No. 4496

EY Office Limited
Bangkok: 12 November 2020

Eastern Star Real Estate Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets				
Current assets				
Cash and cash equivalents	518,594	101,721	515,230	95,798
Current investments	4	45	100,238	45
Other current financial assets	4	27,521	-	-
Trade and other receivables	5	9,422	8,743	16,667
Real estate development costs and inventories	6	3,791,132	4,194,521	3,793,189
Advance for construction work		15,158	39,030	15,158
Cost to obtain a contract	13	143,685	131,306	143,685
Other current assets		16,578	34,466	15,029
Total current assets	4,522,135	4,610,025	4,499,003	4,573,195
Non-current assets				
Finance lease receivable	7.1	23,595	27,289	23,595
Investments in subsidiaries	8	-	-	505,374
Investment properties	9	889,988	1,182,718	929,161
Property, plant and equipment	10	471,781	456,878	268,296
Intangible assets		7,947	6,634	7,947
Right-of-use assets	11	40,101	-	40,101
Deferred tax assets	17	18,154	24,196	18,364
Land and improvement awaiting development	12	1,389,073	1,400,054	1,234,477
Other non-current assets		105,380	72,210	100,704
Total non-current assets	2,946,019	3,169,979	3,128,019	3,354,452
Total assets	7,468,154	7,780,004	7,627,022	7,927,647

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

Eastern Star Real Estate Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2020 (Unaudited but reviewed)	31 December 2019 (Audited)	30 September 2020 (Unaudited but reviewed)	31 December 2019 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	14	40,000	780,293	40,000	780,293
Trade and other payables	15	31,356	76,338	36,353	80,202
Current portion of long-term loans	16	379,603	729,473	379,603	729,473
Current portion of lease liabilities		7,724	-	7,724	-
Advance received from customers		424,986	361,234	423,686	357,072
Accrued expenses		118,185	106,292	117,180	105,401
Other current liabilities		75,914	49,535	75,309	48,533
Total current liabilities		1,077,768	2,103,165	1,079,855	2,100,974
Non-current liabilities					
Long-term loans - net of current portion	16	1,347,199	822,199	1,347,199	822,199
Lease liabilities, net of current portion		32,788	-	32,788	-
Provision for long-term employee benefits		34,314	31,290	26,200	24,246
Retention guarantees		46,811	52,342	46,811	52,342
Advance received from land lease	7.2	3,191	4,175	3,191	4,175
Deferred tax liabilities	17	33,824	31,719	33,824	31,719
Other non-current liabilities		27,269	13,561	27,248	13,519
Total non-current liabilities		1,525,396	955,286	1,517,261	948,200
Total liabilities		2,603,164	3,058,451	2,597,116	3,049,174

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

Eastern Star Real Estate Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September <u>2020</u> (Unaudited but reviewed)	31 December <u>2019</u> (Audited)	30 September <u>2020</u> (Unaudited but reviewed)	31 December <u>2019</u> (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 paid up				
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	68,004	68,004	68,004	68,004
Unappropriated (deficits)	18,892	(126,163)	367,942	216,509
Other components of shareholders' equity	74,131	74,131	-	-
Equity attributable to owners of the Company	4,754,987	4,609,932	5,029,906	4,878,473
Non-controlling interest of the subsidiaries	110,003	111,621	-	-
Total shareholders' equity	4,864,990	4,721,553	5,029,906	4,878,473
Total liabilities and shareholders' equity	7,468,154	7,780,004	7,627,022	7,927,647
	-	-	-	-

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

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Directors
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(Unaudited but reviewed)

Eastern Star Real Estate Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 September 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit or loss:					
Revenues					
Revenue from real estate sales		1,029,426	372,862	1,029,426	372,862
Revenue from services		9,022	10,897	665	425
Revenue from rental		9,472	9,832	9,472	9,832
Other income		8,906	3,406	9,896	3,987
Total revenues		1,056,826	396,997	1,049,459	387,106
Expenses					
Cost of real estate sold		760,251	259,517	760,251	259,664
Cost of services		8,225	8,496	366	812
Cost of rental		7,139	7,559	7,397	7,820
Selling and distribution expenses		84,699	42,217	84,182	41,752
Administrative expenses		58,295	66,950	53,933	61,912
Reversal of loss on diminution in value of assets	9	(9,590)	-	(9,590)	-
Total expenses		909,019	384,739	896,539	371,960
Profit before finance cost and income tax expenses		147,807	12,258	152,920	15,146
Finance cost		(4,725)	(1,319)	(4,725)	(1,319)
Profit before income tax expenses		143,082	10,939	148,195	13,827
Income tax expenses	17	(31,179)	(5,162)	(31,250)	(5,228)
Profit for the period		111,903	5,777	116,945	8,599
Other comprehensive income:					
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		111,903	5,777	116,945	8,599

The accompanying notes are an integral part of the 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 30 September 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit (loss) attributable to:				
Equity holders of the Company	112,888	6,342	116,945	8,599
Non-controlling interests of the subsidiaries	(985)	(565)	-	-
	<u>111,903</u>	<u>5,777</u>	<u>116,945</u>	<u>8,599</u>
Total comprehensive income attributable to:				
Equity holders of the Company	112,888	6,342	116,945	8,599
Non-controlling interests of the subsidiaries	(985)	(565)	-	-
	<u>111,903</u>	<u>5,777</u>	<u>116,945</u>	<u>8,599</u>
Earnings per share				
		18		
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.022</u>	<u>0.001</u>	<u>0.023</u>	<u>0.002</u>

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

(Unaudited but reviewed)

Eastern Star Real Estate Public Company Limited and its subsidiaries

Statement of comprehensive income

For the nine-month period ended 30 September 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit or loss:					
Revenues					
Revenue from real estate sales		1,805,880	918,993	1,805,880	918,993
Revenue from services		34,742	40,354	1,386	1,647
Revenue from rental		30,959	33,260	30,944	33,260
Other income		20,719	22,835	23,876	25,055
Total revenues		1,892,300	1,015,442	1,862,086	978,955
Expenses					
Cost of real estate sold		1,316,143	630,478	1,316,143	630,918
Cost of services		26,146	27,377	1,919	2,490
Cost of rental		22,046	22,667	22,815	23,447
Selling and distribution expenses		161,623	101,494	160,136	100,110
Administrative expenses		178,231	189,087	164,752	171,638
Reversal of loss on diminution in value of assets	9	(9,590)	-	(9,590)	-
Total expenses		1,694,599	971,103	1,656,175	928,603
Profit before finance cost and income tax expenses		197,701	44,339	205,911	50,352
Finance cost		(9,445)	(2,568)	(9,445)	(2,568)
Profit before income tax expenses		188,256	41,771	196,466	47,784
Income tax expenses	17	(44,819)	(11,427)	(45,033)	(11,899)
Profit for the period		143,437	30,344	151,433	35,885
Other comprehensive income:					
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		143,437	30,344	151,433	35,885

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

(Unaudited but reviewed)

Eastern Star Real Estate Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the nine-month period ended 30 September 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit (loss) attributable to:				
Equity holders of the Company	145,055	31,478	151,433	35,885
Non-controlling interests of the subsidiaries	(1,618)	(1,134)	-	-
	<u>143,437</u>	<u>30,344</u>	<u>151,433</u>	<u>35,885</u>
Total comprehensive income attributable to:				
Equity holders of the Company	145,055	31,478	151,433	35,885
Non-controlling interests of the subsidiaries	(1,618)	(1,134)	-	-
	<u>143,437</u>	<u>30,344</u>	<u>151,433</u>	<u>35,885</u>
Earnings per share				
		18		
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.029</u>	<u>0.006</u>	<u>0.030</u>	<u>0.007</u>

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

(Unaudited but reviewed)

Eastern Star Real Estate Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2020

(Unit: Thousand Baht)

Consolidated financial statements										
Equity attributable to owners of the Company										
	Equity attributable to owners of the Company					Other components of shareholders' equity		Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
	Issued and paid-up share capital	Share discount	Capital reserve for share-based transactions	Retained earnings Appropriated	Retained earnings Unappropriated (deficit)	Surplus from change in the ownership interests in subsidiaries	Total other components of shareholders' equity			
Balance as at 1 January 2019	5,022,246	(429,265)	979	65,154	(75,544)	74,131	74,131	4,657,701	112,787	4,770,488
Dividend paid (Note 20)	-	-	-	-	(100,420)	-	-	(100,420)	-	(100,420)
Total comprehensive income for the period	-	-	-	-	31,478	-	-	31,478	(1,134)	30,344
Balance as at 30 September 2019	<u>5,022,246</u>	<u>(429,265)</u>	<u>979</u>	<u>65,154</u>	<u>(144,486)</u>	<u>74,131</u>	<u>74,131</u>	<u>4,588,759</u>	<u>111,653</u>	<u>4,700,412</u>
Balance as at 1 January 2020	5,022,246	(429,265)	979	68,004	(126,163)	74,131	74,131	4,609,932	111,621	4,721,553
Total comprehensive income for the period	-	-	-	-	145,055	-	-	145,055	(1,618)	143,437
Balance as at 30 September 2020	<u>5,022,246</u>	<u>(429,265)</u>	<u>979</u>	<u>68,004</u>	<u>18,892</u>	<u>74,131</u>	<u>74,131</u>	<u>4,754,987</u>	<u>110,003</u>	<u>4,864,990</u>

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

(Unaudited but reviewed)

Eastern Star Real Estate Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2020

(Unit: Thousand Baht)

	Separate financial statements					Total shareholders' equity
	Issued and paid-up share capital	Share discount	Capital reserve for share-based payment transactions	Retained earnings		
				Appropriated	Unappropriated	
Balance as at 1 January 2019	5,022,246	(429,265)	979	65,154	262,822	4,921,936
Dividend paid (Note 20)	-	-	-	-	(100,420)	(100,420)
Total comprehensive income for the period	-	-	-	-	35,885	35,885
Balance as at 30 September 2019	<u>5,022,246</u>	<u>(429,265)</u>	<u>979</u>	<u>65,154</u>	<u>198,287</u>	<u>4,857,401</u>
Balance as at 1 January 2020	5,022,246	(429,265)	979	68,004	216,509	4,878,473
Total comprehensive income for the period	-	-	-	-	151,433	151,433
Balance as at 30 September 2020	<u>5,022,246</u>	<u>(429,265)</u>	<u>979</u>	<u>68,004</u>	<u>367,942</u>	<u>5,029,906</u>

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

(Unaudited but reviewed)

Eastern Star Real Estate Public Company Limited and its subsidiaries**Cash flow statement****For the nine-month period ended 30 September 2020**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from operating activities				
Profit before income tax expenses	188,256	41,771	196,466	47,784
Adjustments to reconcile profit 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	1,318,142	632,525	1,318,142	632,525
Reversal of loss on diminution in value of project	(1,999)	-	(1,999)	-
Depreciation and amortisation	47,992	29,619	44,335	24,778
Discount received from rental agreement	(160)	-	(160)	-
Provision for long-term employee benefits	4,895	6,730	3,824	4,373
Recognised income from finance lease	(1,045)	(1,048)	(1,045)	(1,048)
Gain on sales of unit trust	(49)	(310)	(49)	(310)
Unrealised gain on changes in value of unit trust	(88)	(167)	-	(16)
Reversal of loss on diminution in value of investment properties	(9,590)	-	(9,590)	-
Loss (gain) on sales and written off of investment properties	(98,145)	210	(98,145)	210
Loss on sales and written off of equipment	(392)	(678)	(421)	(708)
Finance cost	8,044	2,568	8,044	2,568
Profit from operating activities before changes in operating assets and liabilities	1,455,861	711,220	1,459,402	710,156
Decrease (increase) in operating assets				
Trade and other receivables	(679)	540	(4,116)	(2,661)
Real estate development costs and inventories	(828,550)	(398,470)	(828,698)	(397,966)
Advance for construction work	(7,532)	(42,254)	(7,532)	(42,254)
Other current assets	(1,060)	(8,205)	(671)	(8,337)
Finance lease receivables and advance received from land lease	2,904	2,904	2,904	2,904
Cost to obtain a contract	(12,379)	(32,097)	(12,379)	(32,097)
Other non-current assets	(17,098)	(2,545)	(17,086)	(2,535)
Increase (decrease) in operating liabilities				
Trade and other payables	(39,798)	10,952	(42,318)	13,869
Accrued expenses	(4,486)	(6,523)	(4,600)	(6,565)
Advance received from customers	63,752	50,460	66,614	51,576
Other current liabilities	25,392	(3,720)	25,789	(3,409)
Retention guarantees	(5,531)	(27,966)	(5,531)	(27,966)
Payment from provision for long-term employee benefits	(1,871)	(2,123)	(1,871)	(2,123)
Other non-current liabilities	13,707	87	13,729	104
Cash flows from operating activities	642,632	252,260	643,636	252,696
Cash paid for interest expenses	(63,735)	(42,488)	(63,735)	(42,488)
Cash paid for income tax	(19,878)	(10,284)	(19,818)	(10,417)
Tax refund	19,611	813	19,611	813
Net cash flows from operating activities	578,630	200,301	579,694	200,604

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

(Unaudited but reviewed)

Eastern Star Real Estate Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the nine-month period ended 30 September 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from investing activities				
Increased from fixed account deposit	(1)	-	(1)	-
Acquisition of unit in open-end fund	(7,775)	(331,270)	(7,775)	(292,270)
Proceed from sales of unit in open-end fund	80,585	300,105	77,585	300,105
Proceed from sales of equipment	653	821	626	760
Proceed from sales of investment properties	393,961	116	393,961	116
Acquisition of investment properties	(4,411)	(14,190)	(4,411)	(14,190)
Acquisition of land, building and equipment and intangible assets	(52,567)	(51,685)	(48,045)	(48,864)
Acquisition of land and improvement awaiting development	-	(1,753,980)	-	(1,753,980)
Decrease in deposits for purchase of land	-	5,000	-	5,000
Net cash flows from (used in) investing activities	<u>410,445</u>	<u>(1,845,083)</u>	<u>411,940</u>	<u>(1,803,323)</u>
Cash flows from financing activities				
Cash receipt from short-term loans	289,000	1,134,095	289,000	1,134,095
Repayment of short-term loans	(1,029,293)	(415,000)	(1,029,293)	(415,000)
Cash receipt from long-term loans	975,504	1,231,589	975,504	1,231,589
Repayment of long-term loans	(800,374)	(278,247)	(800,374)	(278,247)
Repayment of lease liabilities	(7,036)	-	(7,036)	-
Dividend paid	(3)	(100,058)	(3)	(100,058)
Net cash flows from (used in) financing activities	<u>(572,202)</u>	<u>1,572,379</u>	<u>(572,202)</u>	<u>1,572,379</u>
Net increase (decrease) in cash and cash equivalents	<u>416,873</u>	<u>(72,403)</u>	<u>419,432</u>	<u>(30,340)</u>
Cash and cash equivalents at beginning of period	<u>101,721</u>	<u>198,713</u>	<u>95,798</u>	<u>153,177</u>
Cash and cash equivalents at end of period	<u>518,594</u>	<u>126,310</u>	<u>515,230</u>	<u>122,837</u>
	-	-	-	-

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

(Unaudited but reviewed)

Eastern Star Real Estate Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the nine-month period ended 30 September 2020

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Supplemental cash flows information				
Non-cash transactions				
Transfer advance for construction work to real estate development costs	31,404	12,545	31,404	12,545
Transfer land awaiting development to real estate development costs	-	1,723,804	-	1,723,804
Transfer land awaiting development to other non-current assets	16,011	-	16,011	-
Transfer interest expenses to real estate development cost	56,630	38,164	56,630	38,164
Transfer interest expenses to land awaiting development	-	720	-	720
Transfer real estate development cost to building	-	78	-	78
Transfer equipment to real estate development costs	1,201	-	1,201	-
Transfer equipment to other non-current assets	24	-	24	-
Accounts payable for purchases of equipment	325	2,390	252	2,341
Accounts payable for purchase of investment properties	145	643	145	643
Dividend payable	931	943	931	943

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

Eastern Star Real Estate Public Company Limited and its subsidiaries
Notes to consolidated interim financial statements
For the three-month and nine-month period ended 30 September 2020

1. General information

1.1 Corporate information

Eastern Star Real Estate Public Company Limited (“The Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the property development. Its major shareholder is Sunrise Group, which was incorporated in Thailand, and consists of:

	Percentage of shareholding (base on paid-up capital) (as at 30 June 2020*)
1. Bangkok Broadcasting & Television Co., Ltd.	43.65
2. BBTV Equity Co., Ltd.	11.03
3. Sunrise Equity Co., Ltd.	5.56
4. Person	2.61
5. Person	1.95

*The latest closing date of the shares register book

The registered office of the Company is at 898 Ploenchit Tower Building, 5th floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok.

1.2 Coronavirus disease 2019 Pandemic

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

1.3 Basis for the preparation of interim financial information

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

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

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

1.4 Basis of consolidation

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

1.5 New financial reporting standards

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

During the period, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

These standards do not have any significant impact on the Group's financial statements.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated. The Group elects to apply TFRS 16 to leases previously classified as an operating leases by recognised lease liabilities as of 1 January 2020 at the present value of lease payment to be made over the remaining lease term which is discounted by the Incremental Borrowing Rate of the Group as of the initial application date and recognised net book value of right-of-use assets at an amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position before the date of initial application.

The cumulative effect of the change is described in Note 2 to the interim consolidated financial statements.

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

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

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

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

- Not to use information relating to the COVID-19 situation that may affect financial forecasts used in measuring the fair values of property, plant and equipment, and investment property.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, *Impairment of Assets*.

b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

1.6 Significant accounting policies

The interim financial information are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2019 except the changes in accounting policies related to financial instruments and leases.

1.6.1 Financial instruments

Classification and measurement

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

Financial liabilities are classified and measured at amortised cost.

Impairment of financial assets

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

1.6.2 Leases

Right-of-use assets

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

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

Lease liabilities

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

Short-term leases and Leases of low-value assets

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

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

As described in Note 1.5 to the interim consolidated financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. There is no effect to retained earnings as at 1 January 2020, and the comparative information was not restated.

(Unaudited but reviewed)

The impacts from changes in accounting policies due to the adoption of these standards are presented as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements		
	31 December		
	2019	TFRS 16	1 January 2020
Statement of financial position			
Current assets			
Other current assets	1,200	(1,200)	-
Non-current assets			
Right-of-use assets	-	47,497	47,497
Liabilities and shareholders' equity			
Current liabilities			
Current portion of lease liabilities	-	7,816	7,816
Non-current liabilities			
Lease liabilities, net of current portion	-	38,481	38,481

2.1 Financial instruments

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

(Unit: Thousand Baht)

	Consolidated financial statements				
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
		Fair value			Total
		Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	
Financial assets as at 1 January 2020					
Cash and cash equivalents	101,721	-	-	101,721	
Current investments	44	-	-	44	
Other current financial assets	100,194	100,194	-	100,194	
Trade and other receivables	8,743	-	-	8,743	
Total financial assets	210,702	100,194	-	210,702	

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements					
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9				
		Fair value through profit or loss	Fair value through other comprehensive income		Amortised cost	Total
Financial assets as at 1 January 2020						
Cash and cash equivalents	95,798	-	-	95,798	95,798	
Current investments	44	-	-	44	44	
Other current financial assets	69,761	69,761	-	-	69,761	
Trade and other receivables	12,551	-	-	12,551	12,551	
Total financial assets	178,154	69,761	-	108,393	178,154	

2.2 Leases

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

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	14,705	13,596
Less: Short-term leases and leases of low-value assets	(1,259)	(840)
Add: Option to extend lease term	41,223	41,223
Less: Contracts reassessed as service agreements	(895)	(205)
Less: Deferred interest expenses	(7,477)	(7,477)
Increase in lease liabilities due to TFRS 16 adoption	46,297	46,297
Liabilities under finance lease agreements as at 31 December 2019	-	-
Lease liabilities as at 1 January 2020	46,297	46,297

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Comprise of:		
Current lease liabilities	7,816	7,816
Non-current lease liabilities	38,481	38,481
	<u>46,297</u>	<u>46,297</u>

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

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Land and land improvement	6,889	6,889
Buildings and building improvement	<u>40,608</u>	<u>40,608</u>
Total right-of-use assets	<u>47,497</u>	<u>47,497</u>

3. Related party transactions

During the periods, the Company and its subsidiaries had significant business transactions with its related person and parties. These transactions which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between the Company and those companies. Below is a summary of those transactions.

(Unit: Thousand Baht)

	For the three-month periods ended				For the nine-month periods ended			
	30 September				30 September			
	Consolidated financial statements		Separate financial statements		Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019	2020	2019	2020	2019
<u>Transactions with subsidiary companies</u> (eliminated from the consolidated financial statements)								
Income of central service management	-	-	212	227	-	-	636	680
Other income	-	-	861	556	-	-	2,796	1,980
<u>Transactions with related parties</u>								
Office rental and service expenses	1,738	1,710	1,738	1,710	5,042	4,911	5,042	4,911

The pricing policies for the related person and parties transactions between the Company with its related parties are as follows:

- Central service management, and office rental and service charges are set on a mutually agreed basis by negotiation and based on market price.
- Other income is based on the same basis that charge to outside parties.

Nature of relationship

Company's name	Relationship	Connection
Eastern Star Resort Co., Ltd.	Subsidiary company	Direct shareholding and common directors
Eastern Star-Lai San New World Co., Ltd.	Subsidiary company	Direct shareholding and common directors
Related person of Bangkok Broadcasting & Television Co., Ltd.	Related person and parties	Direct and indirect shareholding and some common directors

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020	31 December 2019 (Audited)	30 September 2020	31 December 2019 (Audited)
Other receivables (Note 5)				
Subsidiaries	-	-	7,643	4,347
Other payables (Note 15)				
Subsidiaries	-	-	6,029	7,080
Related party	-	27	-	27
Total	-	27	6,029	7,107
Accrued expenses				
Subsidiaries	-	-	63	63
Related party	107	-	107	-
Total	107	-	170	63
Retentions				
Related party	1,555	1,555	1,555	1,555
Advance received				
Related parties	-	658	-	658

(Unaudited but reviewed)

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2020 and 2019, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 30 September				For the nine-month periods ended 30 September			
	Consolidated		Separate		Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019	2020	2019	2020	2019
Short-term employee benefits	7,412	9,010	6,775	8,287	25,883	27,999	23,998	25,719
Post-employment benefits	3,829	3,375	3,746	3,306	11,489	10,124	11,240	9,918
Total	11,241	12,385	10,521	11,593	37,372	38,123	35,238	35,637

4. **Current investments/Other current financial assets**

(Unit: Thousand Baht)

	Consolidated financial statements			
	30 September 2020		31 December 2019	
	Amount	Interest rate	Amount	Interest rate
		(% per annum)		(% per annum)
<u>Current investments</u>				
Fixed deposits 12 months	45	0.30	44	1.10
Investments in unit trust of mutual fund	-		99,940	
Add: Unrealised gain on changes in value of unit trust	-		254	
Total	45		100,238	

Other current financial assets - Investment in debt instrument designated at fair value through profit or loss

Investments in unit trust of mutual fund	27,200	-
Add: Unrealised gain on changes in value of unit trust	321	-
Total	27,521	-

(Unaudited but reviewed)

	Separate financial statements			
	30 September 2020		31 December 2019	
	Amount	Interest rate (% per annum)	Amount	Interest rate (% per annum)
Current investments				
Fixed deposits 12 months	45	0.30	44	1.10
Investments in unit trust of mutual fund	-		69,739	
Add: Unrealised gain on changes in value of unit trust	-		22	
Total	45		69,805	

As at 31 December 2019, the Company had an investments in TMB ThanaPlus Fund (TMBTHANAPLUS) which is a debt mutual fund. The fund focuses on investing in debt securities issued or guaranteed by the government, financial institution or corporate both domestic and international. The Company disposed all of such investments in March 2020.

As at 30 September 2020 and 31 December 2019, the subsidiary has investment in Krungsri Cash Management Fund (KFCASH) and Krungsri Cash Plus Fund (KFCASHPLUS) which are money market funds. The funds focus on investing in debt securities issued or guaranteed by the government, financial institution, corporate or domestic bank account.

5. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
	September	December	September	December
	2020	2019	2020	2019
	(Audited)		(Audited)	
Trade accounts receivable - third parties				
Not yet due	1,498	438	1,481	435
Past due not over 3 months	83	952	83	749
Past due 3 - 6 months	417	366	272	285
Total trade accounts receivable	1,998	1,756	1,836	1,469

(Unaudited but reviewed)

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	(Audited)		(Audited)	
<u>Other receivables</u>				
Other receivables - related parties (Note 3)	-	-	7,643	4,347
Other receivables - third parties	2,263	2,287	2,262	2,286
Accrued income	10,083	9,830	10,083	9,830
Advanced payment	3,857	3,649	3,622	3,398
Interest receivable	1	1	1	1
Total other receivables	16,204	15,767	23,611	19,862
Less: Allowance for doubtful debts	(8,780)	(8,780)	(8,780)	(8,780)
Total other receivables - net	7,424	6,987	14,831	11,082
Total trade and other receivables - net	9,422	8,743	16,667	12,551

6. Real estate development costs and inventories

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	(Audited)		(Audited)	
Land	2,886,893	3,273,143	2,889,753	3,270,973
Construction under development	904,930	923,919	904,930	923,919
Total	3,791,823	4,197,062	3,794,683	4,194,892
Less: Provision for loss on diminution in value of projects	(1,494)	(3,493)	(1,494)	(3,493)
Real estate development costs - net	3,790,329	4,193,569	3,793,189	4,191,399
Other inventories	803	952	-	-
Total	3,791,132	4,194,521	3,793,189	4,191,399

The Company has mortgaged certain plots of land and structures thereon with a net book value as at 30 September 2020 of Baht 3,571 million (31 December 2019: Baht 3,800 million) as collateral for credit facilities granted by banks.

(Unaudited but reviewed)

During the three-month and nine-month period ended 30 September 2020, the Company included borrowing costs in the cost of real estate development amounting to Baht 15 million and Baht 57 million, respectively (2019: Baht 20 million and Baht 38 million, respectively).

Additional information of the Company's projects.

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	30 September 2020	31 December 2019
Total estimated sales value of projects on hand		
of which the contracts have been signed	9,485	13,101
Total value of contracts signed for sales of land and structures thereon	5,349	10,787
Percentage of total estimated sales value of projects on hand	56.40	82.33
Total value of contracts signed of land and structures thereon not yet recognised as revenue *	2,194	1,977

* The revenue will be recognised in the future approximately 1 - 2 years.

7. Finance lease receivable/Advance received from land lease

On 23 August 2007, the Company entered into a contract to lease a land and plaza centre building to a company. The lease tenor is for 25 years 5 months commencing from 23 August 2007 and the total contractual value of the lease is Baht 97.3 million, which the Company received the contractual lease fee on the lease registration date at Baht 24 million and for the remaining amount, the Company received the 1st lease fee for the total leasing period of 17 months at Baht 2.4 million. After which, the lease fee is payable annually. The lease fee for the 2nd - 5th year is Baht 2.4 million per year and afterwards the lease fee will be increased by 10% every 5 years. The Company recognises the land and building leasing fee by apportioning all leasing fee under the lease contract to the fair value of the land and the plaza centre building as follows:

- 7.1 From the total building lease fee of Baht 64.2 million, the advance of Baht 15.8 million was received on the lease registration date and the remaining amount will be receivable at 66% of annual lease fee as mentioned in the above contract. The Company will gradually recognise as income from the building lease fee under financial lease contract. The remaining accounts receivable under the finance lease agreement are as follows:

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated and separate financial statements
as at 30 September 2020

	Less than		Over	
	1 year	1-5 years	5 years	Total
Original investment in lease agreement	1,917	8,242	15,812	25,971
Unearned financial income	(78)	(254)	(205)	(537)
Present value of the minimum payment debtor has to pay under lease agreement	<u>1,839*</u>	<u>7,988</u>	<u>15,607</u>	<u>25,434</u>

*Included in other current assets

(Unit: Thousand Baht)

Consolidated and separate financial statements
as at 31 December 2019

	Less than		Over	
	1 year	1-5 years	5 years	Total
Original investment in lease agreement	1,917	8,050	17,920	27,887
Unearned financial income	(82)	(272)	(244)	(598)
Present value of the minimum payment debtor has to pay under lease agreement	<u>1,835</u>	<u>7,778</u>	<u>17,676</u>	<u>27,289</u>

- 7.2 From total land lease fee of Baht 33.1 million, the advance of Baht 8.2 million was received on the lease registration date and the remaining amount will be received at 34% of annual lease fee as mentioned in the above contract. The Company will gradually recognise as income from the land lease fee under the operating lease contract throughout the lease tenor. The outstanding balance is as follows:

(Unit: Thousand Baht)

Consolidated and separate
financial statements

	30 September 2020	31 December 2019
		(Audited)
Total minimum amount which the debtor has to pay under the outstanding operating lease		
Within 1 year	987	987
1 - 5 years	4,221	4,147
Over 5 years	8,419	9,232
Total	<u>13,627</u>	<u>14,366</u>
Add: Advance received for land lease (net from recognised income)	<u>4,179</u>	<u>4,175</u>
Land lease income to be recognised in future	<u>17,806</u>	<u>18,541</u>

8. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Separate financial statements									
	Paid-up capital		Shareholding percentage		Cost		Impairment loss on investments		Net	
	30	31	30	31	30	31	30	31	30	31
	September 2020	December 2019	September 2020	December 2019	September 2020	December 2019	September 2020	December 2019	September 2020	December 2019
			(%)	(%)						
Eastern Star Resort Co., Ltd.	500,000	500,000	81.30	81.30	409,374	409,374	-	-	409,374	409,374
Eastern Star-Lai San New World Co., Ltd.	160,000	160,000	60.00	60.00	96,000	96,000	-	-	96,000	96,000
					<u>505,374</u>	<u>505,374</u>	<u>-</u>	<u>-</u>	<u>505,374</u>	<u>505,374</u>

As at 30 September 2020 and 31 December 2019, the Company possessed 326 remaining golf-membership rights, which were not included in the financial statements because the Company obtained such rights at no cost as a result of its investment in a subsidiary.

9. Investment properties

The net book value of investment properties as at 30 September 2020 and 31 December 2019 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		
	Land	Building and improvements	Total
30 September 2020:			
Cost	704,657	713,633	1,418,290
Less: Accumulated depreciation	-	(495,657)	(495,657)
Less: Allowance for impairment	(31,994)	(651)	(32,645)
Net book value	<u>672,663</u>	<u>217,325</u>	<u>889,988</u>
31 December 2019:			
Cost	1,000,467	709,165	1,709,632
Less: Accumulated depreciation	-	(484,679)	(484,679)
Less: Allowance for impairment	(41,584)	(651)	(42,235)
Net book value	<u>958,883</u>	<u>223,835</u>	<u>1,182,718</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements		
	Building and		Total
	Land	improvements	
30 September 2020:			
Cost	704,657	756,558	1,461,215
Less: Accumulated depreciation	-	(499,409)	(499,409)
Less: Allowance for impairment	(31,994)	(651)	(32,645)
Net book value	<u>672,663</u>	<u>256,498</u>	<u>929,161</u>
31 December 2019:			
Cost	1,000,467	752,090	1,752,557
Less: Accumulated depreciation	-	(487,663)	(487,663)
Less: Allowance for impairment	(41,584)	(651)	(42,235)
Net book value	<u>958,883</u>	<u>263,776</u>	<u>1,222,659</u>

Movements of the investment properties account during the nine-month period ended 30 September 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2020	1,182,718	1,222,659
Acquisitions - at cost	4,556	4,556
Disposal and written off - net book value at disposal and written off date	(295,816)	(295,816)
Loss on diminution in value of assets	9,590	9,590
Depreciation for the period	<u>(11,060)</u>	<u>(11,828)</u>
Net book value as at 30 September 2020	<u>889,988</u>	<u>929,161</u>

As at 30 September 2020, the Company mortgaged certain plots of land with a net book value of Baht 82 million (31 December 2019: Baht 364 million) as collateral for credit facilities granted by a bank.

On 24 July 2020, the Company entered into a sales agreement of land which its sales price is Baht 394 million, and on the agreement date, the Company received Baht 79 million as deposit. Next, on 14 August 2020, the Company has fully received the remaining amount of land and transferred the registration of land ownership. In addition, the Company also reversed the total amount of loss on diminution in value of assets by Baht 9.6 million.

10. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Net book value as at 1 January 2020	456,878	249,786
Acquisitions - at cost	44,933	44,042
Disposal and written off - net book value at disposal and written off date	(261)	(205)
Transferred out - net book value at transfer date	(1,247)	(1,225)
Depreciation for the period	(28,522)	(24,102)
Net book value as at 30 September 2020	<u>471,781</u>	<u>268,296</u>

As at 30 September 2020, the Company has mortgaged certain plots of land and construction thereon with a net book value of Baht 2 million (31 December 2019: Baht 3 million) as collateral for credit facilities granted by a bank.

11. Right-of-use assets

Movements of the right-of-use assets account during the nine-month period ended 30 September 2020 are summarised below.

	(Unit: Thousand Baht)
	<u>Consolidated and separate</u>
	<u>financial statements</u>
Net book value as at 31 December 2019	-
Effects of the adoption of TFRS 16	47,497
Net book value as at 1 January 2020	47,497
Depreciation for the period	(7,396)
Net book value as at 30 September 2020	<u>40,101</u>

(Unaudited but reviewed)

12. Land and improvement awaiting development

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
	September	December	September	December
	2020	2019	2020	2019
		(Audited)		(Audited)
Land	1,352,335	1,363,312	1,197,739	1,213,746
Improvement	36,738	36,742	36,738	36,742
Total	<u>1,389,073</u>	<u>1,400,054</u>	<u>1,234,477</u>	<u>1,250,488</u>

A reconciliation of the net book value of land and improvement awaiting development account during the nine-month period ended 30 September 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2020	1,400,054	1,250,488
Adjustment	<u>(10,981)</u>	<u>(16,011)</u>
Net book value as at 30 September 2020	<u>1,389,073</u>	<u>1,234,477</u>

As at 30 September 2020, land awaiting development of Baht 1 million (Separate financial statements: Baht 0.8 million) (31 December 2019: Baht 1 million (Separate financial statements: Baht 0.8 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.

As at 30 September 2020, the Company mortgaged certain plots of land and improvement awaiting development with a net book value of Baht 909 million (31 December 2019: Baht 762 million) as collateral for credit facilities granted by banks.

(Unaudited but reviewed)

13. Cost to obtain a contract

(Unit: Thousand Baht)

	Consolidated and Separate financial statements
Balance as at 1 January 2020	131,306
Increase during the period	65,664
Recognised as expenses during the period	(53,285)
Balance as at 30 September 2020	143,685

14. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate	Consolidated and Separate financial statements	
	(Percent per annum)	30 September 2020	31 December 2019
			(Audited)
Short-term loans from financial institutions	MLR - fixed rate	20,000	453,293
Short-term loans from financial institutions	fixed rate	20,000	327,000
Total		40,000	780,293

Short-term loans from financial institutions consist of bridge loans and promissory notes. Part of these loans are secured by the mortgages of the Company's land and structures thereon as described in Note 9, 10 and 12 to interim consolidated financial statements.

15. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
		(Audited)		(Audited)
Trade accounts payable				
- unrelated parties	17,534	47,178	16,955	46,320
Other payables - related parties (Note 3)	-	27	6,029	7,107
Other payables - unrelated parties	13,822	29,133	13,369	26,775
Total	31,356	76,338	36,353	80,202

16. Long-term loans

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	30 September 2020	31 December 2019
		(Audited)
Long-term loans from banks	1,726,802	1,551,672
Less: Current portion of long-term loans	(379,603)	(729,473)
Long-term loans - net of current portion	<u>1,347,199</u>	<u>822,199</u>

Movements in the long-term loan accounts during the nine-month period ended 30 September 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	Balance as at 1 January 2020	
Add: Additional borrowing		975,504
Less: Repayment		(800,374)
Balance as at 30 September 2020		<u>1,726,802</u>

The above credit facilities agreement contain covenants relating to various matters, such as the maintenance of financial ratio as state on agreement.

As at 30 September 2020, the long-term credit facilities of the Company which have not yet been drawn down of Baht 3,079 million (31 December 2019: Baht 2,266 million).

The loans and credit facilities are secured by the mortgage of land with structures thereon as described in Note 6 to interim consolidated financial statements.

17. Income tax

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

Income tax expenses for the three-month and nine-month periods ended 30 September 2020 and 2019 are made up as follows:

(Unit: Thousand Baht)

For the three-month periods ended 30 September

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current income tax:				
Interim corporate income tax charge	26,946	-	26,946	-
Adjustment in respect of income tax of previous year	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	4,233	5,162	4,304	5,228
Income tax expenses reported in the statements of comprehensive income	<u>31,179</u>	<u>5,162</u>	<u>31,250</u>	<u>5,228</u>

(Unit: Thousand Baht)

For the nine-month periods ended 30 September

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current income tax:				
Interim corporate income tax charge	36,672	-	36,672	-
Adjustment in respect of income tax of previous year	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	8,147	11,427	8,361	11,899
Income tax expenses reported in the statements of comprehensive income	<u>44,819</u>	<u>11,427</u>	<u>45,033</u>	<u>11,899</u>

The components of deferred tax assets and deferred tax liabilities as at 30 September 2020 and 31 December 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	(Audited)		(Audited)	
Deferred tax assets				
Allowance for doubtful accounts	1,487	1,487	1,487	1,487
Allowance for diminution in value of inventories	299	699	299	699
Allowance for diminution in value of assets	6,529	8,447	8,361	10,279
Deferred revenue for fixtures	314	528	314	528
Advance received for land rental income	800	849	800	849
Provision for long-term employee benefits	6,862	6,257	5,240	4,849
Right-of-use assets	82	-	82	-
Tax losses carried forward	-	4,535	-	4,535
Others	1,781	1,394	1,781	1,394
Total	18,154	24,196	18,364	24,620
Deferred tax liabilities				
Finance lease receivable	5,087	5,458	5,087	5,458
Cost to obtain a contract	28,737	26,261	28,737	26,261
Total	33,824	31,719	33,824	31,719

18. Earnings per share

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

	For the three-month periods ended 30 September				For the nine-month periods ended 30 September			
	Consolidated		Separate		Consolidated		Separate	
	financial statements		financial statements		financial statements		financial statements	
	2020	2019	2020	2019	2020	2019	2020	2019
Profit attributable to equity holders								
of the Company (Thousand Baht)	112,888	6,342	116,945	8,599	145,055	31,478	151,433	35,885
Weighted average number of								
ordinary shares (Thousand shares)	5,022,246	5,022,246	5,022,246	5,022,246	5,022,246	5,022,246	5,022,246	5,022,246
Earnings per share (Baht/share)	0.022	0.001	0.023	0.002	0.029	0.006	0.030	0.007

19. Segment information

The Company and its subsidiaries 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) Rental business

During the current period, the Company and its subsidiaries have not changed the organisation of their reportable segments.

Below is the revenue and gross profit of the Company and its subsidiaries for the three-month and nine-month periods ended 30 September 2020 and 2019 by segments.

(Unit: Million Baht)

	For the three-month periods ended 30 September									
	Real estate business		Golf course business		Rental business		Adjustments and eliminations		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenues										
External customers	1,029	373	9	11	10	10	-	-	1,048	394
Inter- segment	-	-	-	-	-	-	-	-	-	-
Total revenues	1,029	373	9	11	10	10	-	-	1,048	394
Results										
Gross profit of segments	269	113	-	2	3	2	-	-	272	117
Other income									9	4
Selling expenses									(85)	(41)
Administrative expenses									(58)	(67)
Reversal of loss on diminution in value of asset									10	-
Finance cost									(5)	(2)
Income tax expenses									(31)	(5)
Profit for the period attributable to equity holders of the Company									112	6

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month periods ended 30 September										
	Real estate business		Golf course business		Rental business		Adjustments and eliminations		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
		(Restated)		(Restated)		(Restated)		(Restated)		(Restated)
Revenues										
External customers	1,806	919	35	41	31	33	-	-	1,872	993
Inter- segment	-	-	-	-	-	-	-	-	-	-
Total revenues	1,806	919	35	41	31	33	-	-	1,872	993
Results										
Gross profit of segments	490	288	8	13	9	10	-	-	507	311
Other income									21	23
Selling expenses									(162)	(101)
Administrative expenses									(178)	(189)
Reversal of loss on diminution in value of asset									10	-
Finance cost									(10)	(3)
Income tax expenses									(45)	(11)
Non-controlling interests of the subsidiaries									1	1
Profit for the period attributable to equity holders of the Company									144	31

The following table presents segment assets of the Company and its subsidiaries as at 30 September 2020 and 31 December 2019.

(Unit: Million Baht)

	Real estate business		Golf course business		Rental business		Total	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Real estate development cost and inventories	3,790	4,194	1	1	-	-	3,791	4,195
Investment properties	569	855	-	-	321	327	890	1,182
Property, plant and equipment	221	168	249	288	2	1	472	457
Land and improvement awaiting development	1,389	1,400	-	-	-	-	1,389	1,400
Unallocated assets							926	546
Total segment assets							7,468	7,780

20. Dividend

Dividend	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)
Dividend announced from operating result for the year 2018	Annual General Meeting of the shareholders on 30 April 2019	100	0.020
		<u>100</u>	

On 30 July 2020, the Annual General Meeting of the Company's shareholders no.1/2020 approved the non-dividend payment.

21. Commitments and contingent liabilities

As at 30 September 2020, the Company and its subsidiaries had the following outstanding commitments and contingent liabilities:

- 21.1 The Company had the outstanding commitments in respect of agreements to construction projects and interior design of projects amounting to Baht 259 million (31 December 2019: Baht 257 million).
- 21.2 As at 30 September 2020, the Company had the outstanding commitments in respect of land purchase agreements to develop project for sale amounting to Baht 128 million (31 December 2019: Baht 144 million).
- 21.3 The Company and its subsidiaries have entered into several lease agreements to lease building space and equipment and services, with the terms of agreements generally between 1 and 3 years.

In 2020, as described in Note 2 to interim consolidated financial statements, upon initial application of TFRS 16 the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020.

Future minimum payments required under service agreements as at 30 September 2020 are as follows:

Payable	Consolidated financial statement	(Unit: Million Baht) Separate financial statements
In up to 1 year	8	7

(Unaudited but reviewed)

Future minimum payments required under these operating leases contracts as at 31 December 2019 are as follows:

Payable	Consolidated financial statement	(Unit: Million Baht)
		Separate financial statements
In up to 1 year	10	9
In over 1 and up to 3 years	5	5

21.4 Bank guarantees

There were the following outstanding bank guarantees issued by the banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business of the Company.

(Unit: Million Baht)

	Consolidated and Separate financial statements	
	30 September 2020	31 December 2019
Letters of guarantee for arrangement and maintenance of public utilities	106	102
Letters of guarantee for electricity usage	8	9
Letters of guarantee for project's area allocation	21	20
Total	135	131

Bank guarantees are secured by the Company's lands and construction thereon as described in Notes 6, 9 and 10 to interim consolidated financial statement.

21.5 Litigation

As at 30 September 2020, civil lawsuits were filed against the Company by other persons and amount in disputes totaling Baht 15 million (31 December 2019: Baht 14 million). At present, the cases are under the court proceeding. The Company's management believes that there will have no significant impact on the financial position of the Company.

However, the Company has set aside provision for cost that may arise from the final of judicial processes in its financial statements as it considers appropriate.

22. Fair value hierarchy

As at 30 September 2020 and 31 December 2019, the Group had the assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

Consolidated Financial Statements			
30 September 2020			
Level 1	Level 2	Level 3	Total
Assets measured at fair value			
Other current financial assets	-	28	-
28			
Assets for which fair value are disclosed			
Investment properties	-	696	316
1,012			

(Unit: Million Baht)

Consolidated Financial Statements			
31 December 2019			
Level 1	Level 2	Level 3	Total
Assets measured at fair value			
Current investments	-	100	-
100			
Assets for which fair value are disclosed			
Investment properties	-	1,248	316
1,564			

(Unit: Million Baht)

Separate Financial Statements			
30 September 2020			
Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed			
Investment properties	-	696	316
1,012			

(Unit: Million Baht)

Separate Financial Statements			
31 December 2019			
Level 1	Level 2	Level 3	Total
Assets measured at fair value			
Current investments	-	70	-
70			
Assets for which fair value are disclosed			
Investment properties	-	1,248	316
1,564			

23. Fair values of financial instruments

Since the majority of Group's financial assets and financial liabilities are short-term or bearing the market interest rate, their fair value is not materially differ from the amounts presented in statement of financial position.

24. Approval of interim financial information

These interim financial information were authorised for issue by the Company's Board of Directors on 12 November 2020.