

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

--

**REVIEWED REPORT AND INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2020**

AUDITOR’S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To The Shareholders and Board of Directors of
N.C. Housing Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of N.C. Housing Public Company Limited and its subsidiaries as at June 30, 2020, and the related consolidated statements of comprehensive income for the three-month and six-month periods ended June 30, 2020, changes in shareholders’ equity and cash flows for the six-month period then ended and selected explanatory notes, and I have also reviewed the statement of financial position of N.C. Housing Public Company Limited as at June 30, 2020, and the related statement of comprehensive income for the three-month and six-month periods ended June 30, 2020, changes in shareholders’ equity and cash flows for the six-month period then ended and the condensed notes to financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 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 No. 34 “Interim Financial Reporting”.

(Miss Chotima Kitsirakorn)
Certified Public Accountant
Registration No. 7318

Dharmniti Auditing Company Limited
Bangkok, Thailand
August 10, 2020

“UNAUDITED”

“REVIEWED”

- 2 -

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

THE STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2020

		<u>ASSETS</u>				
		In Thousand Baht				
		Consolidated Financial Statements		Separate Financial Statements		
		As at June	As at December	As at June	As at December	
Note		30, 2020	31, 2019	30, 2020	31, 2019	
CURRENT ASSETS						
	Cash and cash equivalents	57,147	27,210	49,089	19,195	
	Trade and other current receivables	7	8,647	7,108	6,039	6,216
	Inventories	8	158,111	172,056	158,049	171,983
	Property development costs	9	1,752,506	1,890,016	1,752,506	1,890,016
	Land held for development	10	1,594,281	1,673,191	1,520,873	1,599,783
	Other current financial assets		956	954	714	712
	Other current assets		2,054	3,310	2,116	3,330
	Total current assets		3,573,702	3,773,845	3,489,386	3,691,235
NON-CURRENT ASSETS						
	Restricted deposits with financial institutions	11	15,823	13,821	15,823	13,821
	Investment in subsidiaries	12	-	-	86,864	79,364
	Investment property	13	206,549	192,201	206,549	192,201
	Property, plant and equipment	14	93,666	94,147	84,047	85,650
	Right-of-use assets	15	12,367	-	12,367	-
	Intangible assets	16	4,260	4,653	4,148	4,528
	Deferred tax assets	17	16,983	14,645	15,261	12,923
	Other non-current assets		8,958	9,387	8,888	9,267
	Total non-current assets		358,606	328,854	433,947	397,754
TOTAL ASSETS			3,932,308	4,102,699	3,923,333	4,088,989

Notes to interim financial statements form an integral part of these statements.

“UNAUDITED”

“REVIEWED”

- 4 -

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

THE STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT JUNE 30, 2020

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		As at June	As at December	As at June	As at December
Note		30, 2020	31, 2019	30, 2020	31, 2019
SHAREHOLDER'S EQUITY					
Share capital					
Authorized share capital					
	1,245,284,305 ordinary shares				
	of Baht 1.00 each	1,245,284	1,245,284	1,245,284	1,245,284
Issued and paid-up share capital					
	1,245,283,691 ordinary shares				
	of Baht 1.00 each	1,245,284	1,245,284	1,245,284	1,245,284
	Premium on share capital	577,530	577,530	577,530	577,530
Retained earnings					
	Appropriated - legal reserve	75,360	75,360	75,360	75,360
	Unappropriated	737,765	669,306	742,642	671,780
	Other components of equity	-	-	-	-
	Total equity attributable to company's shareholders	2,635,939	2,567,480	2,640,816	2,569,954
	Non-controlling interests	5,181	4,474	-	-
TOTAL SHAREHOLDER'S EQUITY		2,641,120	2,571,954	2,640,816	2,569,954
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		3,932,308	4,102,699	3,923,333	4,088,989

Notes to interim financial statements form an integral part of these statements.

“UNAUDITED”

“REVIEWED”

- 5 -

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2020

		In Thousand Baht				
		Consolidated Financial Statements		Separate Financial Statements		
Note		2020	2019	2020	2019	
REVENUES						
	Sales	520,136	213,141	520,136	213,141	
	Rental income and service	2,884	5,296	1,528	4,099	
	Other income	6	2,303	1,497	2,047	1,515
	Total Revenues	<u>525,323</u>	<u>219,934</u>	<u>523,711</u>	<u>218,755</u>	
EXPENSES						
	Cost of sales	6	333,355	154,493	333,355	154,493
	Cost for rent and service	6,413	5,151	3,975	4,270	
	Distribution costs	50,701	20,904	50,701	20,904	
	Administrative expenses	6	54,413	42,894	53,404	43,077
	Total Expenses	<u>444,882</u>	<u>223,442</u>	<u>441,435</u>	<u>222,744</u>	
	Income (loss) before finance cost and tax expenses	80,441	(3,508)	82,276	(3,989)	
	Finance costs	6	8,037	9,782	7,994	9,730
	Income (loss) before tax expenses	72,404	(13,290)	74,282	(13,719)	
	Tax expenses (income)	25	13,100	(3,707)	13,056	(3,783)
	Profit (loss) for the period	<u>59,304</u>	<u>(9,583)</u>	<u>61,226</u>	<u>(9,936)</u>	
	Other comprehensive income	-	-	-	-	
	Total comprehensive income for the period	<u>59,304</u>	<u>(9,583)</u>	<u>61,226</u>	<u>(9,936)</u>	
	Profit (loss) attributable to					
	Shareholders' equity of the parent company	60,110	(9,583)	61,226	(9,936)	
	Non-controlling interests	(806)	-	-	-	
		<u>59,304</u>	<u>(9,583)</u>	<u>61,226</u>	<u>(9,936)</u>	
	Total comprehensive income attributable to					
	Shareholders' equity of the parent company	60,110	(9,583)	61,226	(9,936)	
	Non-controlling interests	(806)	-	-	-	
		<u>59,304</u>	<u>(9,583)</u>	<u>61,226</u>	<u>(9,936)</u>	
BASIC EARNINGS PER SHARE OF						
THE PARENT COMPANY						
	Profit (loss) for the period (Baht per share)	26	0.048	(0.008)	0.049	(0.008)

Notes to interim financial statements form an integral part of these statements.

“UNAUDITED”

“REVIEWED”

- 6 -

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
Note		2020	2019	2020	2019
REVENUES					
	Sales	849,116	614,700	849,116	614,700
	Rental income and service	5,295	10,755	3,684	8,268
	Other income	4,202	2,947	3,933	2,977
	Total Revenues	858,613	628,402	856,733	625,945
EXPENSES					
	Cost of sales	554,025	410,217	554,025	410,217
	Cost for rent and service	12,362	10,221	8,159	8,396
	Distribution costs	92,873	70,158	92,873	70,158
	Administrative expenses	100,626	89,985	98,887	90,113
	Total Expenses	759,886	580,581	753,944	578,884
	Income (loss) before finance cost and tax expenses	98,727	47,821	102,789	47,061
	Finance costs	17,571	21,060	17,483	20,948
	Income (loss) before tax expenses	81,156	26,761	85,306	26,113
	Tax expenses (income)	14,490	3,521	14,444	3,445
	Profit (loss) for the period	66,666	23,240	70,862	22,668
	Other comprehensive income	-	-	-	-
	Total comprehensive income	66,666	23,240	70,862	22,668
Profit (loss) attributable to					
	Shareholders' equity of the parent company	68,459	23,240	70,862	22,668
	Non-controlling interests	(1,793)	-	-	-
		66,666	23,240	70,862	22,668
Total comprehensive income attributable to					
	Shareholders' equity of the parent company	68,459	23,240	70,862	22,668
	Non-controlling interests	(1,793)	-	-	-
		66,666	23,240	70,862	22,668
BASIC EARNINGS PER SHARE OF					
THE PARENT COMPANY					
	Profit (loss) for the period (Baht per share)	0.055	0.019	0.057	0.018

Notes to interim financial statements form an integral part of these statements.

“UNAUDITED”

“REVIEWED”

- 7 -

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
THE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

		In Thousand Baht							
		Consolidated Financial Statements							
		Shareholders' equity of the parent company				Total	Non-controlling interests	Total	
		Share capital issued and paid-up	Premium on share capital	Retained earnings		Other components of equity			
				Appropriated legal reserve	Unappropriated				
Note									
	Beginning balance as at January 1, 2020	1,245,284	577,530	75,360	669,306	-	2,567,480	4,474	2,571,954
	Shares fee payment in subsidiary	-	-	-	-	-	-	2,500	2,500
	Comprehensive income								
	Profit for the period	-	-	-	68,459	-	68,459	(1,793)	66,666
	Other comprehensive income for the period	-	-	-	-	-	-	-	-
	Total comprehensive income for the period	-	-	-	68,459	-	68,459	(1,793)	66,666
	Ending balance as at June 30, 2020	1,245,284	577,530	75,360	737,765	-	2,635,939	5,181	2,641,120
	Beginning balance as at January 1, 2019	1,245,284	577,530	74,150	688,675	-	2,585,639	-	2,585,639
	Dividend paid	-	-	-	(37,358)	-	(37,358)	-	(37,358)
	Comprehensive income								
	Profit for the period	-	-	-	23,240	-	23,240	-	23,240
	Other comprehensive income for the period	-	-	-	-	-	-	-	-
	Total comprehensive income for the period	-	-	-	23,240	-	23,240	-	23,240
	Ending balance as at June 30, 2019	1,245,284	577,530	74,150	674,557	-	2,571,521	-	2,571,521

Notes to interim financial statements form an integral part of these statements.

“UNAUDITED”

“REVIEWED”

- 8 -

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
THE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

		In ThousandBaht					
		Separate Financial Statements					
	Note	Share capital issued and paid-up	Premium on share capital	Retained earnings Appropriated legal reserve	Unappropriated	Other components of equity	Total
Beginning balance as at January 1, 2020		1,245,284	577,530	75,360	671,780	-	2,569,954
Comprehensive income							
Profit for the period		-	-	-	70,862	-	70,862
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	70,862	-	70,862
Ending balance as at June 30, 2020		<u>1,245,284</u>	<u>577,530</u>	<u>75,360</u>	<u>742,642</u>	<u>-</u>	<u>2,640,816</u>
Beginning balance as at January 1, 2019		1,245,284	577,530	74,150	691,358	-	2,588,322
Dividend paid		-	-	-	(37,358)	-	(37,358)
Comprehensive income							
Profit for the period		-	-	-	22,668	-	22,668
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	22,668	-	22,668
Ending balance as at June 30, 2019		<u>1,245,284</u>	<u>577,530</u>	<u>74,150</u>	<u>676,668</u>	<u>-</u>	<u>2,573,632</u>

Notes to interim financial statements form an integral part of these statements.

“UNAUDITED”

“REVIEWED”

- 9 -

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

THE STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) for the period	66,666	23,240	70,862	22,668
<u>Add (less) Adjustments to reconcile profit (loss) for the period</u>				
to net cash provided by (used in) operating activities :				
Depreciation and amortization	11,413	10,631	10,709	10,627
Unrealized gain from trading securities	(1)	(2)	(1)	(2)
Doubtful account	-	980	-	980
(Gain) loss from sale and amortization of investment property	-	2,963	-	2,963
Provision for compensation for housing estate				
juristic persons	1,751	866	1,751	866
Employee benefit expenses	1,698	2,292	1,620	2,184
Interest income	(75)	(79)	(74)	(77)
Interest expenses	17,571	21,060	17,483	20,948
Tax expenses (income)	14,490	3,521	14,444	3,445
Income from operating activities before changes in				
operating assets and liabilities	113,513	65,472	116,794	64,602
Decrease (increase) in operating assets				
Trade and other current receivables	(1,539)	(91)	177	-
Inventories	13,945	74,693	13,934	74,693
Property development costs	230,356	74,755	230,356	74,755
Land held for development	-	508	-	508
Other current assets	1,256	2,526	1,214	2,668
Other non-current assets	(981)	589	(981)	789

Notes to interim financial statements form an integral part of these statements.

“UNAUDITED”

“REVIEWED”

- 10 -

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

THE STATEMENTS OF CASH FLOWS (CONT.)

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Increase (decrease) in operating liabilities				
Trade and other current payables	23,969	(2,861)	26,846	(3,426)
Other non-current liabilities	2,540	943	2,540	943
Cash receivable (paid) from the operations	383,059	216,534	390,880	215,532
Cash received from interest income	75	79	74	76
Withholding taxes refunded from Revenue Department	95	95	-	-
Cash paid for provision from purchasing the real estate project	(234)	-	-	-
Cash paid for provision for employee benefit obligations	(5,613)	-	(5,613)	-
Income tax expenses paid	(9,525)	(15,412)	(9,481)	(15,367)
Net cash provided by (used in) operating activities	367,857	201,296	375,860	200,241
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in temporary investment	(1)	(41)	-	(40)
Increase in restricted deposits with financial institutions	(2,002)	(758)	(2,002)	(758)
Cash paid for increase of capital in subsidiary	-	-	(7,500)	-
Cash paid for purchase of fixed assets	(4,670)	(1,285)	(2,857)	(1,256)
Cash paid for purchase of investment property	(16,811)	(4,829)	(16,811)	(4,829)
Cash paid for purchase of intangible assets	(27)	-	(27)	-
Net cash provided by (used in) investing activities	(23,511)	(6,913)	(29,197)	(6,883)

Notes to interim financial statements form an integral part of these statements.

“UNAUDITED”

“REVIEWED”

- 11 -

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

THE STATEMENTS OF CASH FLOWS (CONT.)

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (decrease) in bank overdrafts and short-term loans from the financial institutions	(94,098)	(63,743)	(94,098)	(63,743)
Cash paid for liabilities under lease liabilities	(1,760)	(1)	(1,760)	(1)
Cash received from the shares fee payment in subsidiary	2,500	-	-	-
Cash paid for short-term loan from other company	-	(48,162)	-	(48,162)
Cash paid for short-term loan a related party	-	(1,000)	-	-
Cash received from long-term loans	178,043	259,267	178,043	259,267
Cash paid for long-term loans	(370,378)	(272,694)	(370,378)	(272,694)
Interest paid	(28,714)	(42,793)	(28,576)	(42,615)
Dividend paid	-	(37,358)	-	(37,358)
Net cash provided by (used in) financing activities	(314,407)	(206,484)	(316,769)	(205,306)
Net increase (decrease) in cash and cash equivalents	29,939	(12,101)	29,894	(11,948)
Cash and cash equivalents, beginning of period	27,210	29,219	19,195	26,623
Cash and cash equivalents, end of period	57,149	17,118	49,089	14,675
Supplemental disclosures of cash flows information				
1) Cash and cash equivalents consisted of :				
Cash on hand	784	607	669	607
Cash at bank	56,363	16,511	48,420	14,068
Total	57,147	17,118	49,089	14,675

2) In quarter 2 of 2020 and 2019, the Company has transferred the land development cost of Baht 27.91 million and Baht 65.63 million into part of land pending development.

3) In quarter 2 of 2020, the Company has transferred deposit into part of investment property in the amount Baht 1.36 million.

4) In quarter 2 of 2020, the Company purchased office equipment under hire-purchase agreement in the amount of Baht 0.53 million.

Notes to interim financial statements form an integral part of these statements.

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
JUNE 30, 2020

1. GENERAL INFORMATION

(a) Legal status and address of the Company

The Company was registered to be a limited company on February 2, 1994 and converted to be a public company limited under the Limited Public Company Act with the Ministry of Commerce on November 27, 2003, and the Company name was changed to N.C. Housing Public Company Limited.

The address of its registered office is as follows:

1/765 Moo 17, Soi Amporn Paholyotin Rd. K.M. 26, Tambol Kukod, Aumpur Lumlookka, Patumtanee, 12130, Thailand.

(b) Nature of the Company’s business

The Company and subsidiaries operate its principal business as a real estate developer for trade in various areas such as house for sale including land development, providing construction services, condominium for sale, service apartment, providing rental space in club house, etc.

(c) Parent company

The major shareholder company is NCH 2555 Holding Company Limited which has 51% shareholding.

2. BASIS OF INTERIM CONSOLIDATED FINANCIAL STATEMENT AND OPERATIONS

2.1 The accompanying interim consolidated financial statements include the accounts of N.C. Housing Public Company Limited and the following subsidiaries which are owned directly and indirectly by the Company :-

	Percentage of		Nature of Business
	direct and indirect holding		
	As at June 30, 2020	As at December 31, 2019	
<u>Subsidiaries</u>			
N.C. Property Management Co., Ltd.	100.00	100.00	Contractor and project management
Quality Living Management Co., Ltd.	100.00	100.00	Property management service
<u>Indirect subsidiary companies - held by</u>			
<u>N.C. Property Management Co., Ltd.</u>			
Siri Arun Wellness Co., Ltd.	60.00	60.00	Intermediate care and wellness

- 2.2 These consolidated interim financial statements included the financial statements of N.C. Housing Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended December 31, 2019. There has been no change in the composition of its subsidiaries during the period.
- 2.3 The acquisition of subsidiaries are recorded by Purchase Method.
- 2.4 Significant inter company transactions between the Company and subsidiaries have been eliminated.
- 2.5 The consolidated financial statements are prepared by using uniform accounting policies for transaction alike and other events in similar circumstances.
- 2.6 Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- 2.7 Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

3. PRINCIPLES OF PREPARATION AND PRESENTATIONS OF INTERIM FINANCIAL STATEMENT

3.1 Basis for The Preparation of Interim Financial Statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting”, and the requirements of the Securities and Exchange Commission (SEC). 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 situations and not intended to re-emphasis on the information previously reported. The interim financial statements should therefore, be read in conjunction with the financial statements for the year ended December 31, 2019.

The interim financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

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 financial statements in Thai language version.

3.2 Financial reporting standards that became effective in the current period

During the period, the Company and its subsidiaries have adopted the revised and new financial reporting standards, interpretations and the accounting guidance, which are effective for fiscal years beginning on or after January 1, 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. Except, the new standard involves changes to key principles, as summarized below.

Financial reporting standards related to financial instruments:

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

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TAS 32	Financial Instruments: Presentation
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 amortized 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. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

TFRS 16 Leases

TFRS 16 Leases 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 recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The Company and its subsidiaries have adopted TFRSs related to financial instruments and TFRS 16 the first-time in its financial statements by applying modified retrospective approach of adoption of which the cumulative effect as an adjustment to the retained earnings as at January 1, 2020 and the comparative information was not restated. The cumulative effect of the change is described in Note 5 to the interim financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Financial assets and liabilities

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

(1) Classification and measurement of financial assets

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

Financial assets that are equity instruments are measured at fair value through profit or loss or through other comprehensive income.

Financial liabilities are classified and measured at amortized cost.

Derivatives are classified and measured at fair value through profit or loss.

(2) Impairment of financial assets

The Company and its subsidiaries recognized an allowance for expected credit losses on its financial assets measured at amortized cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Company and its subsidiaries 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 Company and its subsidiaries applies a simplified approach to determine the lifetime expected credit losses.

4.2 Leases

At inception of a contract, the Company and its subsidiaries assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-use assets - as a lessee

Right-of-use assets are recognized at the commencement date of the lease. Right-of-use assets are stated at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities (if any). The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are calculated by reference to their costs on a straight-line basis over the shorter of the lease term and the estimated useful lives for each of right-of-use assets.

Lease liabilities

At the commencement date of the lease, lease liabilities are 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 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

Leases that have a lease term of 12 months or less from the commencement date and not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term and leases of low-value assets are recognized as expense in profit and loss on a straight-line basis over the lease term.

“UNAUDITED”

“REVIEWED”

- 17 -

5. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS

As described in Note 3.2 to the interim financial statements, during the current period, the Company and its subsidiaries have impacts from adoption of TFRSs related to financial instruments and TFRS 16. The cumulative effect of the changes in accounting policies are recognized as an adjustment to retained earnings as at January 1, 2020, and the comparative information was not restated.

The changes in accounting policies due to the adoption of above financial reporting standards, are summarized below.

	In Thousand Baht			
	Consolidated Financial Statements/ Separate Financial Statements			
	As at December 31, 2019	The impacts of TFRS 9	The impacts of TFRS 16	As at January 1, 2020
Statement of financial position				
<u>Non-current assets</u>				
Right-of-use assets	-	-	13,424	13,424
<u>Current liabilities</u>				
Current portion of long-term loan from the financial institutions	-	-	2,666	2,666
<u>Non-current liabilities</u>				
Lease liabilities	-	-	10,758	10,758

5.1 Financial instruments

Classification and measurement

On January 1, 2020 (the date of initial application), the Company and its subsidiaries's management has assessed which business models applied to the financial assets and liabilities held by the Company and its subsidiaries and has classified the financial assets and liabilities as below.

	In Thousand Baht				
	Consolidated Financial Statements				
	FVPL	Fair value - Derivatives	FVOCI	Amortized cost	Total
Financial assets as at January 1, 2020					
Cash and cash equivalents	-	-	-	27,210	27,210
Trade and other current receivables	-	-	-	7,108	7,108
Other current financial assets	583	-	-	371	954
Restricted deposits with financial institutions	-	-	-	13,821	13,821
	583	-	-	48,510	49,093

“UNAUDITED”

“REVIEWED”

- 18 -

Financial assets mandatorily measured at FVPL include the following:

	<u>In Thousand Baht</u> <u>Consolidated</u> <u>Financial Statements</u>
Other current financial assets as at January 1, 2020	
- Mutual funds	<u>583</u>

	<u>In Thousand Baht</u>		
	<u>Consolidated Financial Statements</u>		
	<u>Fair value -</u> <u>Derivatives</u>	<u>Amortized cost</u>	<u>Total</u>
Financial liabilities as at January 1, 2020			
Bank overdrafts and short-term loans from financial institutions	-	306,870	306,870
Trade and other currents payables	-	252,111	252,111
Long-term loans from financial institutions	-	622,117	622,117
Short-term loan from related parties	-	219,000	219,000
Short-term loan from director	-	2,500	2,500
	<u>-</u>	<u>1,402,598</u>	<u>1,402,598</u>

	<u>In Thousand Baht</u>				
	<u>Separate Financial Statements</u>				
	<u>FVPL</u>	<u>Fair value -</u> <u>Derivatives</u>	<u>FVOCI</u>	<u>Amortized cost</u>	<u>Total</u>
Financial assets as at January 1, 2020					
Cash and cash equivalents	-	-	-	19,195	19,195
Trade and other current receivables	-	-	-	6,216	6,216
Other current financial assets	583	-	-	129	712
Restricted deposits with financial institutions	-	-	-	13,821	13,821
	<u>583</u>	<u>-</u>	<u>-</u>	<u>39,361</u>	<u>39,944</u>

Financial assets mandatorily measured at FVPL include the following:

	<u>In Thousand Baht</u> <u>Separate</u> <u>Financial Statements</u>
Other current financial assets as at January 1, 2020	
- Mutual funds	<u>583</u>

“UNAUDITED”

“REVIEWED”

- 19 -

	In Thousand Baht		
	Separate Financial Statements		
	Fair value - Derivatives	Amortized cost	Total
Financial liabilities as at January 1, 2020			
Bank overdrafts and short-term loans from financial institutions	-	306,870	306,870
Trade and other current payables	-	248,152	248,152
Long-term loans from financial institutions	-	622,117	622,117
Short-term loan from related parties	-	219,000	219,000
	-	1,396,139	1,396,139

5.2 Leases

Upon initial application of TFRS 16 the Company and its subsidiaries recognized lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using incremental borrowing rate at January 1, 2020. For leases previously classified as finance leases, the Company and its subsidiaries recognized 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.

	In Thousand Baht
	Consolidated/Separate Financial Statements
Operating lease commitments disclosed as at December 31, 2019	4,004
<u>Add</u> : Purchase or extension options reasonably certain to be exercised	11,290
	15,294
<u>Less</u> : Deferred interest expenses	(1,870)
Additional lease liabilities from TFRS 16 adoption	13,424
Lease liabilities as at December 31, 2019	-
Lease liabilities recognized as at January 1, 2020	13,424
Of which are:	
Current lease liabilities	2,666
Non-current lease liabilities	10,758
	13,424

“UNAUDITED”

“REVIEWED”

- 20 -

The recognized right-of-use assets relate to the following types of assets:

	<u>In Thousand Baht</u>
	<u>Consolidated/Separate</u>
	<u>Financial Statements</u>
As at January 1, 2020	
Land	4,782
Building	8,642
Total right-of-use assets	<u>13,424</u>

6. TRANSACTIONS WITH RELATED PARTIES AND COMPANIES

The Company has certain transactions with its related parties and companies. A portion of the Company’s assets, liabilities, revenues, cost and expenses arose from the transactions with the related parties and companies which are related through common shareholdings and/or directors. The effects of these transactions, which are in the normal course of business, were reflected in the accompanying interim financial statements on the basis determined by the related parties and companies.

Detail of relation between the Company and its related parties and companies are summarized as follows :

<u>Company’s name</u>	<u>Country of incorporation</u>	<u>Type of relation</u>
NCH 2555 Holding Co., Ltd.	Thailand	Parent company
N.C. Property Management Co., Ltd.	Thailand	Subsidiary
Quality Living Management Co., Ltd.	Thailand	Subsidiary
Siri Arun Wellness Co.,Ltd.	Thailand	Subsidiary
S.C. Construction And Decoration Co., Ltd.	Thailand	Co-shareholder and director
Sathaporn Wattana Trading Co., Ltd.	Thailand	Co-shareholder and director
Sathaporn Homemart (1999) Co., Ltd.	Thailand	Co-shareholder and director
Sap Namchai Pattana Co., Ltd.	Thailand	Co-shareholder and director
Namchai Golf Management Co., Ltd.	Thailand	Co-shareholder and director
Namchai Property Development Co., Ltd.	Thailand	Co-shareholder and director
Tanyacart Management Co., Ltd.	Thailand	Co-shareholder and director
Sathaporn Wattana Transport Partnership	Thailand	Co-shareholder and director
Precast station Co., Ltd.	Thailand	Director’s relative
Mr. Somchao Tanthathoedtham	Thailand	Director
Mrs. Patcharin Tanthathoedtham	Thailand	Director’s relative
Mrs. Onusa Tanthathoedtham	Thailand	Director’s relative

“UNAUDITED”

“REVIEWED”

- 21 -

The significant transactions between the Company and its related parties and companies for the three-month and six-month periods ended June 30, 2020 and 2019, are summarized as follows.

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
Pricing basis		For the three-month periods ended June 30,		For the three-month periods ended June 30,	
		2020	2019	2020	2019
<u>Transaction during the period</u>					
<u>Subsidiaries</u>					
Other income - office rental					
Quality Living Management Co., Ltd.	Baht 5,000 per month	-	-	15	15
Siri Arun Wellness Co.,Ltd.	Baht 297,160 per month	-	-	446	-
Other income - utility charges					
Quality Living Management Co., Ltd.	Baht 1,401.87 per month	-	-	4	4
Siri Arun Wellness Co.,Ltd.	Electricity : Bath 5 per unit	-	-	207	-
	Water : Bath 17 per unit				
Furniture rental income					
Siri Arun Wellness Co.,Ltd.	Baht 24,149.53 per month	-	-	72	-
Management fee					
Quality Living Management Co., Ltd.	Minimum Baht 45,000 per project	-	-	645	715
<u>Related parties</u>					
Other income - office rental					
Precast station Co., Ltd.	Baht 20,000 per month and Baht 40,000 per month	180	180	180	180
Construction cost					
Precast station Co., Ltd.	At per agreement	33,925	8,742	33,925	8,742
Purchase construction materials					
Sathaporn Wattana Trading Co., Ltd.	Market price	9,028	4,745	9,016	4,745
S.C. Construction And Decoration Co., Ltd.	Market price	-	28	-	28
Land rental expense					
Namchai Asset Development Co., Ltd	Baht 55,000 per month	165	165	165	165
Golf club membership					
Namchai Golf Management Co., Ltd.	Market price	60	-	60	-
Interest expenses					
Mr. Somchao Tanthathodtham	At the rate of 5.75% p.a.	36	43	-	-
N.C.H. 2555 Holding Co., Ltd	MLR less 0.50-0.750 % per annum	2,517	3,283	2,517	3,283

“UNAUDITED”

“REVIEWED”

- 22 -

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		For the six-month periods ended June 30,		For the six-month periods ended June 30,	
	Pricing basis	2020	2019	2020	2019
<u>Transaction during the period</u>					
<u>Subsidiaries</u>					
Other income - office rental					
Quality Living Management Co., Ltd.	Baht 5,000 per month	-	-	30	30
Siri Arun Wellness Co.,Ltd.	Baht 297,160 per month	-	-	1,337	-
Other income - utility charges					
Quality Living Management Co., Ltd.	Baht 1,401.87 per month	-	-	8	8
Siri Arun Wellness Co.,Ltd.	Electricity : Bath 5 per unit	-	-	304	-
	Water : Bath 17 per unit				
Furniture rental income					
Siri Arun Wellness Co.,Ltd.	Baht 24,149.53 per month	-	-	145	-
Management fee					
Quality Living Management Co., Ltd.	Minimum Baht 45,000 per project	-	-	1,290	1,270
<u>Related parties</u>					
Sale income					
Mr. Somchao Tanthathodtham	Market price	-	1,348	-	1,348
Other income - office rental					
Precast station Co., Ltd.	Baht 20,000 per month and Baht 40,000 per month	360	360	360	360
Construction cost					
Precast station Co., Ltd.	At per agreement	55,783	26,799	55,783	26,799
Purchase construction materials					
Sathaporn Wattana Trading Co., Ltd.	Market price	16,867	7,717	16,805	7,717
S.C. Construction And Decoration Co., Ltd.	Market price	88	52	88	52
Land rental expense					
Namchai Asset Development Co., Ltd.	Baht 55,000 per month	330	330	330	330
Golf club membership					
Namchai Golf Management Co., Ltd.	Market price	90	180	90	180
Interest expenses					
Mr. Somchao Tanthathodtham	At the rate of 5.75% p.a.	72	86	-	-

“UNAUDITED”

“REVIEWED”

- 23 -

N.C.H 2555 Holding Co., Ltd.	At the rate of MLR less 0.50% - 0.75% per annum (2019 : at the rate of 5.75% p.a.)	5,656	6,536	5,656	6,530
------------------------------	--	-------	-------	-------	-------

“UNAUDITED”

“REVIEWED”

- 24 -

The significant outstanding balance as at June 30, 2020 and December 31, 2019, are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Short-term loan to related parties				
- N.C. Property Management Co., Ltd.				
Balance, at the beginning of the period	-	-	-	-
Addition during the period	-	-	-	6,000
Deduction during the period	-	-	-	(6,000)
Balance, at the end of the period	-	-	-	-
Accrued electricity, water and services income				
- Siri Arun Wellness Co., Ltd	-	-	85	19
Account payable to related parties				
- Quality living Management Co., Ltd.	-	-	161	70
- Siri Arun Wellness Co., Ltd.	-	-	323	323
- S.C. Construction And Decoration Co., Ltd.	-	52	-	52
- Sathaporn Wattana Trading Co., Ltd.	6,483	7,675	6,470	7,381
- Precast station Co., Ltd.	38,585	29,971	38,585	29,971
- Namchai Golf management Co., Ltd.	-	-	-	-
- Sap Namchai Pattana Co., Ltd	330	-	330	-
	<u>45,398</u>	<u>37,698</u>	<u>45,869</u>	<u>37,797</u>
Short-term loan from related parties				
- N.C.H. 2555 Holding Co., Ltd.				
Balance, at the beginning of the period	219,000	230,000	219,000	229,000
Addition during the period	-	-	-	-
Deduction during the period	-	(11,000)	-	(10,000)
Balance, at the end of the period	<u>219,000</u>	<u>219,000</u>	<u>219,000</u>	<u>219,000</u>
Short-term loan from director				
- Mr. Somchao Tanthathoedtham				
Balance, at the beginning of the period	2,500	3,000	-	-
Addition during the period	-	-	-	-
Deduction during the period	-	(500)	-	-
Balance, at the end of the period	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>-</u>
Accrued interest				
- N.C.H. 2555 Holding Co., Ltd.	<u>5,656</u>	<u>3,317</u>	<u>5,656</u>	<u>3,317</u>

“UNAUDITED”

“REVIEWED”

- 25 -

COLLATERAL WITH RELATED COMPANIES

As at June 30, 2020 and December 31, 2019, the Company had contingent liability from letters of guarantee issued by a bank on behalf of the subsidiary for electricity usage amounting to Baht 0.40 million.

MANAGEMENT BENEFIT EXPENSES

Management benefit expense represent the benefits paid to the Company’s management, such as salaries and related benefit including the benefit paid by other means. The Company’s management is the persons who are defined under the Securities and Exchange Act. The management is comprised of the managing director, deputy managing directors and senior managers.

Management benefit expenses for the three-month and six-month periods ended June 30, 2020 and 2019, are as follows:

	In Thousand Baht	
	Consolidated/Separate Financial Statements	
	For the three-month periods ended June 30,	
	2020	2019
<u>Management</u>		
Management benefit expenses		
Short-term employee benefits	18,007	8,367
Post-employment benefits	99	350
Total	<u>18,106</u>	<u>8,717</u>

	In Thousand Baht	
	Consolidated/Separate Financial Statements	
	For the six-month periods ended June 30,	
	2020	2019
<u>Management</u>		
Management benefit expenses		
Short-term employee benefits	26,803	16,750
Post-employment benefits	468	665
Total	<u>27,271</u>	<u>17,415</u>

“UNAUDITED”

“REVIEWED”

- 26 -

7. TRADE AND OTHER CURRENT RECEIVABLES

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
<u>Trade receivables</u>	-	72	-	-
<u>Other current receivables</u>				
Accrued income	219	1,051	219	1,050
The Revenue Department receivable	837	741	197	200
Prepaid expenses	5,430	4,461	5,346	4,449
Advance payment	350	661	248	456
Other receivables	3,222	1,533	1,440	1,472
Total other current receivables	10,058	8,447	7,450	7,627
<u>Less Allowance for doubtful accounts</u>	<u>(1,411)</u>	<u>(1,411)</u>	<u>(1,411)</u>	<u>(1,411)</u>
Other current receivables, net	8,647	7,036	6,039	6,216
Total trade and other current receivables	<u>8,647</u>	<u>7,108</u>	<u>6,039</u>	<u>6,216</u>

8. INVENTORIES

Inventories consist of

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Cost of houses and condominiums for sales	166,408	180,342	166,408	180,342
Goods for service	62	73	-	-
<u>Less allowance for declining value of inventories</u>	<u>(8,359)</u>	<u>(8,359)</u>	<u>(8,359)</u>	<u>(8,359)</u>
Inventories, net	<u>158,111</u>	<u>172,056</u>	<u>158,049</u>	<u>171,983</u>

“UNAUDITED”

“REVIEWED”

- 27 -

Changes in the allowance for declining value of inventories during the periods are as follows :

	In Thousand Baht	
	Consolidated/Separate Financial Statements	
	As at June 30, 2020 (For the six-month)	As at December 31, 2019 (For the year)
Beginning balance	8,359	4,392
Increase	-	3,967
Decrease	-	-
Ending balance	8,359	8,359

The Company has commitment under the signed purchase and sale contract as follows:-

	Consolidated/Separate Financial Statements			
	As at June 30, 2020		As at December 31, 2019	
	Unit	In Million Baht	Unit	In Million Baht
House and condominiums for sales	54	166.41	73	180.34
House and condominiums for sales - under signed purchase and sale contract	(6)	(13.91)	(2)	(2.88)
House and condominium for sales - balance carry forward not under signed purchase and sale contract	48	152.50	71	177.46

As at June 30, 2020 and December 31, 2019, some inventories of the Company in the amount of Baht 77.33 million and Baht 61.67 million, respectively, are mortgaged as a part of collateral for long-term loans with local commercial bank, as discussed in Note 20.

9. PROPERTY DEVELOPMENT COSTS

9.1 Actual property development costs consist of :

	In Thousand Baht	
	Consolidated/Separate Financial Statements	
	As at June 30, 2020	As at December 31, 2019
Land and land development costs	2,675,135	2,873,114
Utilities development costs	889,530	1,046,323
Construction in progress	4,201,260	4,970,630
Interest capitalization	461,010	517,658
Total	8,226,935	9,407,725
<u>Less</u> Transfer to inventory	(166,408)	(180,342)
Transfer to accumulated cost of sale	(6,308,021)	(7,337,367)
Property development costs, net	<u>1,752,506</u>	<u>1,890,016</u>

As at June 30, 2020 and December 31, 2019, most of Company’s land and construction in the projects are mortgaged as collateral against credit facilities for loans with local commercial bank, as discussed in Note 18 and Note 20.

For the three-month periods ended June 30, 2020 and 2019, the Company recorded the related interest expense amounting approximately to Baht 5.60 million and Baht 8.80 million, respectively, as part of property development costs. The capitalization rate for calculation of interest is 5.15% and 7.26%, respectively.

For the six-month periods ended June 30, 2020 and 2019, the Company recorded the related interest expense amounting approximately to Baht 13.94 million and Baht 17.36 million, respectively, as part of property development costs. The capitalization rate for calculation of interest is 6.16% and 6.74%, respectively.

“UNAUDITED”

“REVIEWED”

- 29 -

9.2 OBLIGATION AND COMMITMENT UNDER REAL ESTATE PROJECTS

	Consolidated/Separate Financial Statements	
	As at June	As at December
	30, 2020	31, 2019
	(For the six-month)	(For the year)
Number of operating projects, at the beginning of the period	19	21
Number of newly open projects	-	2
Number of closing projects	-	(4)
Number of project, transfer to land held for development	-	-
Number of operating projects, at the end of the period	19	19
Total current projects value (In million Baht)	11,390.16	15,434.82
Contracted sales value (In million Baht)	8,993.80	12,042.20
As percentage of total current projects value	78.96	78.02

As at June 30, 2020 and December 31, 2019, the Company has the obligation to complete the public utility development project for operating projects in the amount of Baht 53.45 million and Baht 83.98 million, respectively.

10. LAND HELD FOR DEVELOPMENT

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at June	As at December	As at June	As at December
	30, 2020	31, 2019	30, 2020	31, 2019
Beginning balance	1,673,191	1,954,096	1,599,783	1,880,688
<u>Add</u> - Increase during the period	-	64,846	-	64,846
- Transfer from property development costs	27,906	65,445	27,906	65,445
Total	1,701,097	2,084,387	1,627,689	2,010,979
<u>Less</u> - decrease during the period	-	(337,545)	-	(337,545)
- Transfer to property development costs	(106,816)	(73,651)	(106,816)	(73,651)
Ending balance	1,594,281	1,673,191	1,520,873	1,599,783

As at June 30, 2020 and December 31, 2019, most of the Company's land held for development are mortgaged as collateral against the credit facilities for long-term loans with local commercial banks, as discussed in Note 20.

11. RESTRICTED DEPOSITS WITH FINANCIAL INSTITUTIONS

As at June 30, 2020 and December 31, 2019, the Company had fixed deposit amounting to Baht 15.82 million and Baht 13.82 million, respectively, which are pledged as collateral for maintenance of public utilities, customer’s loan and gasoline, as discussed in Note 29.2.

Bank deposits carried interest at the floating rate specified by the bank.

12. INVESTMENTS IN SUBSIDIARIES

	Paid up shares (In Thousand Baht)		Ownership (%)		Amount (In Thousand Baht)		Dividend (In Thousand Baht)	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019	For the six-month period ended June 30,	
							2020	2019
AT COST - SUBSIDIARIES								
N.C. Property								
Management Co., Ltd.	85,000	77,500	100	100	86,864	79,364	-	-
Quality Living								
Management Co., Ltd.	1,000	1,000	100	100	-	-	-	-
					<u>86,864</u>	<u>79,364</u>	<u>-</u>	<u>-</u>

13. INVESTMENT PROPERTY

Movements of the investment property in residential building for lease account for the six-month period ended June 30, 2020, are summarized as follows:

	In Thousand Baht
	Consolidated/Separate Financial Statements
At cost	
Balance as at December 31, 2019	240,375
Acquisitions during the period	16,811
Transfer during the period	1,361
Disposals and write-off during the period	-
Balance as at June 30, 2020	<u>258,547</u>
Accumulated depreciation	
Balance as at December 31, 2019	(48,174)
Depreciation for the period	(3,824)
Accumulated depreciation on disposals and write-off	-
Balance as at June 30, 2020	<u>(51,998)</u>
Net book value	
Balance as at December 31, 2019	<u>192,201</u>
Balance as at June 30, 2020	<u>206,549</u>

As at June 30, 2020, total amount of the Company’s investment property is mortgaged as collateral against facilities for long-term loans with a local commercial bank, as discussed in Note 20.

“UNAUDITED”

“REVIEWED”

- 31 -

14. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment account for the six-month period ended June 30, 2020, are summarized as follows:

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
At cost		
Balance as at December 31, 2019	294,924	278,691
<u>Add</u> Acquisitions during the period	5,197	3,384
<u>Add</u> Transfer assets in, during the period	-	-
<u>Less</u> Disposals and write-off during the period	-	-
<u>Less</u> Transfer assets out, during the period	-	-
Balance as at June 30, 2020	300,121	282,075
Accumulated depreciation		
Balance as at December 31, 2019	(198,741)	(191,286)
<u>Add</u> Depreciation for the period	(5,678)	(4,987)
<u>Less</u> Accumulated depreciation on disposals and write-off	-	-
<u>Less</u> Accumulated depreciation, transfer - out	-	-
Balance as at June 30, 2020	(204,419)	(196,273)
Allowance for impairment		
Balance as at December 31, 2019	(2,036)	(1,755)
<u>Add</u> Allowance for impairment for the period	-	-
Balance as at June 30, 2020	(2,036)	(1,755)
Net book value		
Balance as at December 31, 2019	94,147	85,650
Balance as at June 30, 2020	93,666	84,047

As at June 30, 2020 and December 31, 2019, some part of land and the clubhouse building in the total amount of Baht 100.52 million (net book value amount of Baht 35.54 million and Baht 37.53 million, respectively) are mortgaged as collateral against the overdrafts from a commercial bank in the credit limit amount of Baht 25 million, as discussed in Note 18.

“UNAUDITED”

“REVIEWED”

- 32 -

15. RIGHT-OF-USE ASSETS

Movements of the right-of-use assets account during the six-month period ended June 30, 2020, are summarized below.

	<u>In Thousand Baht</u>
	Consolidated/ Separate
	<u>Financial Statements</u>
Net book value as at January 1, 2020	-
Adjustments of right-of-use assets due to TFRS16 adoption	13,424
Increase during period	434
Depreciation for the period	(1,491)
Net book value as at June 30, 2020	<u>12,367</u>

16. INTANGIBLE ASSETS

Movements of the intangible assets account for the six-month period ended June 30, 2020, are summarized as follows:

	<u>In Thousand Baht</u>	
	Consolidated	Separate
	Financial	Financial
	<u>Statements</u>	<u>Statements</u>
At cost		
Balance as at December 31, 2019	12,685	12,556
<u>Add</u> Acquisitions during the period	27	27
<u>Less</u> Disposals and write-off during the period	-	-
Balance as at June 30, 2020	<u>12,712</u>	<u>12,583</u>
<u>Less Accumulated amortization</u>		
Balance as at December 31, 2019	(8,032)	(8,028)
<u>Add</u> Amortization for the period	(420)	(407)
<u>Less</u> Disposals and write-off during the period	-	-
Balance as at June 30, 2020	<u>(8,452)</u>	<u>(8,435)</u>
Net book value		
Balance as at December 31, 2019	<u>4,653</u>	<u>4,528</u>
Balance as at June 30, 2020	<u>4,260</u>	<u>4,148</u>

17. DEFERRED TAX ASSETS AND LIABILITIES

17.1 Deferred tax assets and liabilities, consisted of

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at June	As at December	As at June	As at December
	30, 2020	31, 2019	30, 2020	31, 2019
Deferred tax assets	18,635	16,496	18,635	16,496
Deferred tax liabilities	(1,652)	(1,851)	(3,374)	(3,573)
	<u>16,983</u>	<u>14,645</u>	<u>15,261</u>	<u>12,923</u>

17.2 Changes in deferred tax assets and liabilities for the six-month period ended June 30, 2020, are summarized as follows:

	In Thousand Baht				
	Consolidated Financial Statements				
	Balance as at	Revenue (expenses) during the period			Balance as at
	December 31, 2019	In profit or loss	In other comprehensive income		June 30, 2020
Deferred tax assets:					
Allowance for doubtful account receivables	196	-	-	196	
Allowance for impairment - clubhouse	351	-	-	351	
Lease liabilities	-	2,507	-	2,507	
Provisions for employee benefits obligations	12,644	(718)	-	11,926	
Provisions for compensation for housing estate juristic persons	3,305	350	-	3,655	
Total	<u>16,496</u>	<u>2,139</u>	<u>-</u>	<u>18,635</u>	
Deferred tax liabilities:					
Unrealized gain on remeasuring available-for-sale					
Investments	(17)	-	-	(17)	
Property development costs and inventories	(1,834)	2,673	-	839	
Right-of-use assets	-	(2,474)	-	(2,474)	
Total	<u>(1,851)</u>	<u>199</u>	<u>-</u>	<u>(1,652)</u>	
Net	<u>14,645</u>	<u>2,338</u>	<u>-</u>	<u>16,983</u>	

“UNAUDITED”

“REVIEWED”

- 34 -

	In Thousand Baht			Balance as at June 30, 2020
	Separate Financial Statements			
	Balance as at	Revenue (expenses) during the period		
	December 31, 2019	In profit or loss	In other comprehensive income	
Deferred tax assets:				
Allowance for doubtful account receivables	196	-	-	196
Allowance for impairment - clubhouse	351	-	-	351
Leases liabilities	-	2,507	-	2,507
Provisions for employee benefits obligations	12,644	(718)	-	11,926
Provisions for compensation for housing estate juristic persons	3,305	350	-	3,655
Total	16,496	2,139	-	18,635
Deferred tax liabilities:				
Unrealized gain on remeasuring available-for-sale Investments	(17)	-	-	(17)
Property development costs and inventories	(3,556)	2,673	-	(883)
Right-of-use assets	-	(2,474)	-	(2,474)
Total	(3,573)	199	-	(3,374)
Net	12,923	2,338	-	15,261

18. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM THE FINANCIAL INSTITUTIONS

This account consists of :

	In Thousand Baht	
	Consolidated/Separate Financial Statements	
	As at June 30, 2020	As at December 31, 2019
Bank overdrafts from the financial institutions	9,006	43,599
Short-term loans from the financial institutions	203,766	263,271

“UNAUDITED”

“REVIEWED”

- 35 -

Total

212,772

306,870

“UNAUDITED”

“REVIEWED”

- 36 -

	Credit line (Million Baht)		Rate	Due Date	Guarantee
	As at June 30, 2020	As at December 31, 2019			
Bank Overdraft					
The parent company					
- The first bank	25.00	25.00	MOR per annum	At call	- By the mortgage of the Company's land and the clubhouse building.
- The second bank	20.00	20.00	MOR less 1.00% per annum	At call	- Mortgage by project's land
- The third bank	15.00	15.00	MOR less 0.50% per annum	At call	- By the mortgage of the director's relatives land.
- The fourth bank	5.00	5.00	MOR per annum	1 year (revised annually)	- By the mortgage of the project's land.
Total credit line	<u>65.00</u>	<u>65.00</u>			
Short-term loans					
The parent company					
- The first bank	10.43	10.43	MLR less 0.50% per annum	July 30, 2020	- By the mortgage of the project's land and construction thereon and construction in the future.
- The second bank	25.00	25.00	MLR less 1.62% per annum	August 28, 2020	- By the mortgage of the Company's land.
- The third bank	28.34	87.84	MLR less 0.25% per annum	August 31, 2020	- By the mortgage of the director's relatives land.
- The fourth bank	90.00	90.00	MLR per annum	August 7, 2020 and September 2, 2020	- By the mortgage of the project's land and construction thereon and construction in the future.
- The fifth bank	50.00	50.00	MLR per annum	April 24, 2021	- By the mortgage of the project's land and construction thereon and construction in the future.
	<u>203.77</u>	<u>263.27</u>			
Total credit line	<u>268.77</u>	<u>328.27</u>			

19. TRADE AND OTHER CURRENT PAYABLES

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Trade payables				
Trade payable - related parties	45,398	37,698	45,869	37,797
Trade payables - others	8,440	8,729	8,440	7,530
Subcontractor payables	<u>69,032</u>	<u>65,316</u>	<u>69,032</u>	<u>65,316</u>
Total trade payables	<u>122,870</u>	<u>111,743</u>	<u>123,341</u>	<u>110,643</u>
Other current payables				
Trade note payables	30,797	31,103	30,797	31,103
Accrued expenses	32,562	18,915	31,624	16,485
Advance received	13,225	11,869	13,133	11,850
Retention from contractors	72,310	71,228	71,965	70,969
Others	<u>6,311</u>	<u>7,253</u>	<u>6,199</u>	<u>7,102</u>
Total other current payables	<u>155,205</u>	<u>140,368</u>	<u>153,718</u>	<u>137,509</u>
Total trade and other current payables	<u>278,075</u>	<u>252,111</u>	<u>277,059</u>	<u>248,152</u>

“UNAUDITED”

“REVIEWED”

- 37 -

20. LONG-TERM LOANS FROM THE FINANCIAL INSTITUTIONS

This account consists of :

	In Thousand Baht	
	Consolidated/Separate Financial Statements	
	As at June 30, 2020	As at December 31, 2019
Long-term loans from local banks		
The first bank	195,213	449,087
The second bank	215,120	162,852
The third bank	-	8,218
The fourth bank	19,449	1,960
Total	429,782	622,117
<u>Less</u> Current portion due within one year	(114,476)	(273,073)
Long-term loans from the financial institutions, net	<u>315,306</u>	<u>349,044</u>

Movements in the long-term loans account during the six-month period ended June 30, 2020, are summarized below.

	In Thousand Baht
	Consolidated/ Separate Financial Statements
Balance as at December 31, 2019	622,117
<u>Add</u> Additional borrowings during the period	178,043
<u>Less</u> Repayment during the period	(370,378)
Balance as at June 30, 2020	<u>429,782</u>

“UNAUDITED”

“REVIEWED”

- 38 -

	Credit line (Million Baht)		Interest rate	Guarantee
	As at June 30, 2020	As at December 31, 2019		
<u>Long-term loans</u>				
The Company				
<u>The first bank</u>				
- The first credit line	264.00	264.00	MLR less 0.50% per annum	By the mortgage of some of the project's land and construction thereon
- The second credit line	145.00	145.00	MLR less 0.50% per annum	
- The third credit line	313.40	313.40	MLR less 0.50% per annum	and by the land of relatives of director.
- The fourth credit line	272.00	272.00	MLR less 0.50% per annum	
	<u>994.40</u>	<u>994.40</u>		
<u>The second bank</u>				
- The first credit line	80.00	80.00	MLR less 0.50% per annum	By the mortgage of some of the project's land and construction thereon and investment property.
- The second credit line	353.00	353.00	MLR less 1.90% per annum	
- The third credit line	53.00	53.00	MLR less 1.90% per annum	
- The fourth credit line	160.00	160.00	MLR less 1.90% per annum	
- The fifth credit line	136.00	-	MLR less 1.90% per annum	
- The sixth credit line	20.00	-	2.00% per annum	
	<u>802.00</u>	<u>646.00</u>		
<u>The third bank</u>				
- The first credit line	-	38.00	MLR per annum	By the mortgage of some of the project's land and construction thereon.
<u>The fourth bank</u>				
- The first credit line	58.50	58.50	MLR less 0.25% per annum	By the mortgage of some of the project's land and construction thereon.
	<u>1,854.90</u>	<u>1,736.90</u>		

As at June 30, 2020 and December 31, 2019, the Company has the credit limits that have not been withdrawn amounting of Baht 860.67 million and Baht 994.31 million, respectively.

“UNAUDITED”

“REVIEWED”

- 39 -

In addition, the Company has to comply with the terms and conditions as specified in the loan agreement, such as (1) not to sell, dispose, transfer, give rent, pledge, or mortgage the Company's loan collaterals, (2) not to commit any obligation that would result in letting other persons have control or rights in the Company's assets, (3) to maintain debt-to-equity ratio, (4) not to pay dividend except the lender has assessed that payment does not affect loan repayment ability, (5) not to decrease registered capital and (6) to grant beneficiary of the asset protection of the insurance policy to the lender, etc.

On April 1, 2020, the Company received a letter for interest rate reduction 0.25 percent per annum of credit line No.1 from April 1, 2020 to September 30, 2020.

“UNAUDITED”

“REVIEWED”

- 40 -

21. LEASE LIABILITIES

The carrying amounts of lease liabilities and the movement for the six-month period ended June 30, 2020, are presented below.

	<u>In Thousand Baht</u>
	<u>Consolidated/ Separate Financial Statements</u>
As at December 31, 2019	-
Effects of the adoption of TFRS16	13,424
As at January 1, 2020	13,424
<u>Add</u> Addition	969
<u>Add</u> Accretion of interest	371
<u>Less</u> Payments	(1,760)
<u>Less</u> Decrease from contract cancellation	-
As at June 30, 2020	13,004
<u>Less</u> current portion	(4,323)
Lease liabilities net of current portion	<u>8,681</u>

The following are the amounts recognized in profit or loss:

	<u>In Thousand Baht</u>	
	<u>Consolidated/ Separate Financial Statements</u>	
	<u>For the three-month period ended June 30, 2020</u>	<u>For the six-month period ended June 30, 2020</u>
Depreciation of right-of-use assets	752	1,491
Interest expense on lease liabilities	182	371
Expense relating to short-term lease	1,715	3,369
Leases of low-value assets	87	173
Total	<u>2,736</u>	<u>5,404</u>

“UNAUDITED”

“REVIEWED”

- 41 -

22. PROVISION FOR EMPLOYEE BENEFIT OBLIGATIONS

Movement of employee benefit obligations for the six-month period ended June 30, 2020, is shown as follows :

The statements of financial position

	In Thousand Baht	
	Consolidated	Separate
	Financial	Financial
	Statements	Statements
Employee benefit obligations, at the beginning of the period	64,930	63,222
<u>Plus</u> Current service costs and interest cost	2,117	2,023
<u>Less</u> Actual paid of employee benefit obligations	(5,613)	(5,613)
Employee benefit obligations, at the end of the period	61,434	59,632

The statements of comprehensive income

	In Thousand Baht			
	Consolidated Financial Statements			
	For the three-month periods		For the six-month periods	
	ended June 30,		ended June 30,	
	2020	2019	2020	2019
Recognized in profit or loss				
Cost of service	25	25	23	50
Selling expenses	444	314	533	665
Administrative expenses	801	844	1,142	1,577
Finance costs	320	352	419	642
Total	1,590	1,535	2,117	2,934

	In Thousand Baht			
	Separate Financial Statements			
	For the three-month periods		For the six-month periods	
	ended June 30,		ended June 30,	
	2020	2019	2020	2019
Recognized in profit or loss				
Cost of service	-	-	-	-
Selling expenses	444	314	533	665
Administrative expenses	760	815	1,087	1,519
Finance costs	310	342	403	622
Total	1,514	1,471	2,023	2,806

“UNAUDITED”

“REVIEWED”

- 42 -

23. PROVISION FOR COMPENSATION FOR HOUSING ESTATE JURISTIC PERSONS

	In Thousand Baht
	Consolidated/ Separate Financial Statements
	(For the six-month)
Balance as at December 31, 2019	16,526
<u>Add</u> increase during the period	1,751
<u>Less</u> decrease during the period	-
Balance as at June 30, 2020	<u>18,277</u>

24. PROVISION FROM PURCHASING THE REAL ESTATE PROJECT

The Company had an obligation under the contract to buy and sell land of a real estate project with a company under the buy and sale agreement dated December 16, 2004, and its subsidiary had an obligation under the contract to buy and sell land of a real estate project with a company under the buy and sale agreement dated March 3, 2014. The contract to buy and to sell land requires the Company and its subsidiary to pay for the land, including the debt burden owing to the existing customers of the project.

Movements in the provision from purchasing the real estate project account during the six-month periods ended June 30, 2020, and for the year ended December 31, 2019, are summarized below.

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at June 30, 2020 (For the six-month)	As at December 31, 2019 (For the year)	As at June 30, 2020 (For the six-month)	As at December 31, 2019 (For the year)
Ending balance as at December 31, 2019	42,741	42,741	39,198	39,198
<u>Add</u> increase during the period	-	-	-	-
<u>Less</u> decrease during the period	(234)	-	-	-
Ending balance as at June 30, 2020	<u>42,507</u>	<u>42,741</u>	<u>39,198</u>	<u>39,198</u>

“UNAUDITED”

“REVIEWED”

25. TAX EXPENSE (INCOME)

Major components of tax expense (income) for the six-month periods ended June 30, 2020 and 2019, consisted of:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Income tax expense (income) shown in profit or loss				
:				
Current tax expense:				
Income tax expense for the period	16,828	4,841	16,782	4,765
Deferred tax expense (income):				
Changes in temporary differences relating to the original recognition and reversal	(2,338)	(1,320)	(2,338)	(1,320)
Total	<u>14,490</u>	<u>3,521</u>	<u>14,444</u>	<u>3,445</u>

26. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit (loss) attributable to equity holders of the parent company for the period by weighted average number of ordinary shares that are issued and paid during the period.

		Consolidated Financial Statements		Separate Financial Statements	
		For the three-month periods ended June 30,		For the three-month periods ended June 30,	
		2020	2019	2020	2019
Profit (loss) for the period	(Thousand Baht)	60,110	(9,583)	61,226	(9,936)
Weighted average number of ordinary shares	(Thousand Shares)	1,245,284	1,245,284	1,245,284	1,245,284
Basic earnings (loss) per share	(Baht per share)	0.048	(0.008)	0.049	(0.008)

		Consolidated Financial Statements		Separate Financial Statements	
		For the six-month periods ended June 30,		For the six-month periods ended June 30,	
		2020	2019	2020	2019
Profit (loss) for the period	(Thousand Baht)	68,459	23,240	70,862	22,668
Weighted average number of ordinary shares	(Thousand Shares)	1,245,284	1,245,284	1,245,284	1,245,284
Basic earnings (loss) per share	(Baht per share)	0.055	0.019	0.057	0.018

27. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company uses the market approach to measure and disclosure their assets and liabilities that are required to be measured or disclosure at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

Level 1 - Use of quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Use of inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (e.g. prices) or indirectly (e.g. derived from prices).

Level 3 - Use of unobservable inputs such as estimates of future cash flows.

As at June 30, 2020, the Company and its subsidiaries had the following assets and liabilities that were measured at fair value using different levels of inputs as follows :-

	In Thousand Baht				Total
	Consolidated financial statements / Separate financial statements				
	Net book value	Level 1	Level 2	Level 3	
Assets measured at fair value					
Other current financial assets					
- Unit trust	498	-	583	-	583
Total	498	-	583	-	583

During the current period, there were no transfers within the fair value hierarchy.

Valuation techniques and inputs to level 2

The fair value of investments in unit trusts that are not listed on the Stock Exchange of Thailand has been determined by using the net assets value per unit as announced by the fund manager.

28. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The business operation of the Company and its subsidiaries mainly involve real estate, rental and services, contractor and property management services, which has main geographical operation in Thailand. Segment performance is considered by revenue and profit in each unit, and is also measured based on the group operating profit or loss, on a basis consistent, with that used to measure operating profit or loss in the financial statements. The Company and its subsidiaries' information for the three-

“UNAUDITED”

“REVIEWED”

- 46 -

month and six-month periods ended June 30, 2020 and 2019 by segments are as follows:

“UNAUDITED”

“REVIEWED”

- 49 -

For the six-month period ended June, 2020 (In Thousand Baht)

	Real Estate		Rental and services	Contractor	Property management services	Intermediate care and wellness	Total	Elimination		Consolidated
	Low - rise segment	High - rise segment						DR.	CR.	
Revenues										
Sales	804,504	44,612	-	-	-	-	849,116	-	-	849,116
Service income for rent	-	-	3,684	-	3,660	1,028	8,372	(3,077)	-	5,295
Other income	3,845	70	18	254	14	105	4,306	(104)	-	4,202
Total revenues	808,349	44,682	3,702	254	3,674	1,133	861,794			858,613
Expenses										
Cost of sales	524,756	29,269	-	-	-	-	554,025	-	-	554,025
Cost of service	-	-	8,159	-	2,018	2,185	12,362	-	-	12,362
Selling expenses	86,494	6,379	-	-	-	-	92,873	-	-	92,873
Administrative expenses	86,154	11,937	796	26	1,464	3,364	103,741	-	(3,115)	100,626
Finance cost	15,811	-	1,672	-	88	66	17,637	-	(66)	17,571
Total expenses	713,215	47,585	10,627	26	3,570	5,615	780,638			777,457
Income (loss) by segments	95,134	(2,903)	(6,925)	228	104	(4,482)	81,156			81,156
Tax expenses (income)										14,490
Profit (loss) for the period										66,666
As at June 30, 2020										
Investment property	-	-	206,549	-	-	-	206,549			206,549
Property, plant and equipment	83,497	205	345	1	22	9,596	93,666			93,666

“UNAUDITED”

“REVIEWED”

- 50 -

For the six-month period ended June, 2019 (In Thousand Baht)

	Real Estate		Rental and services	Contractor	Property management services	Intermediate care and wellness	Total	Elimination		Consolidated
	Low - rise segment	High - rise segment						DR.	CR.	
Revenues										
Sales	550,713	63,987	-	-	-	-	614,700	-	-	614,700
Service income for rent	-	-	8,268	-	3,757	-	12,025	(1,270)	-	10,755
Other income	2,798	169	10	1	7	-	2,985	(38)	-	2,947
Total revenues	553,511	64,156	8,278	1	3,764	-	629,710			628,402
Expenses										
Cost of sales	372,164	38,053	-	-	-	-	410,217	-	-	410,217
Cost of service	-	-	8,396	-	1,825	-	10,221	-	-	10,221
Selling expenses	61,765	8,393	-	-	-	-	70,158	-	-	70,158
Administrative expenses	68,787	17,390	3,936	21	1,159	-	91,293	-	(1,308)	89,985
Finance cost	18,729	8	2,211	7	105	-	21,060	-	-	21,060
Total expenses	521,445	63,844	14,543	28	3,089	-	602,949			601,641
Income (loss) by segments	32,066	312	(6,265)	(27)	675	-	26,761			26,761
Tax expenses (income)										3,521
Profit (loss) for the period										23,240
As at June 30, 2019										
Investment property	-	-	191,047	-	-	-	191,047			191,047
Property, plant and equipment	101,723	471	403	1	31	-	102,629			102,629

29. COMMITMENT AND CONTINGENT LIABILITIES

29.1 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements for office buildings, land and building for base stations. The terms of the agreements are generally 3 years.

As at June 30, 2020 future minimum lease payments under these operating leases contracts were as follows.

<u>Payable within:</u>	<u>Million Baht</u>
1 year	1.84

As at June 30, 2020, the Company and its subsidiaries had no obligations under lease agreements and related service agreements as a result of the adoption of the TFRS 16 as at January 1, 2020. The Company and its subsidiaries recognized the lease liabilities previously classified as operating lease at the present value of the remaining lease payments, discounted incremental borrowing rate, as described in Note 5.2 to the interim financial statements.

29.2 As at June 30, 2020, the Company and its subsidiaries had contingent liabilities from letters of guarantee issued by three banks to government agency and third parties, are as follows :

	<u>In Million Baht</u>	
	<u>Consolidated</u>	<u>Separate</u>
	<u>Financial Statements</u>	<u>Financial Statements</u>
- Guarantee for electricity, water and others	8.69	8.29
- Guarantee fund for maintenance of public utilities	278.70	278.70

29.3 As at June 30, 2020, the Company had contingent liabilities to a bank from the guarantee on the customer's loan amounting to Baht 0.65 million and gasoline amounting to Baht 0.20 million (See Note 11).

29.4 As at June 31, 2020, the Company has lawsuit as follows:

29.4.1 As at June 30, 2020, the Company had a lawsuit on the civil case of Pattaya court black court case No.Por.564/2560 with the juristic person of Bayview Resort “plaintiff”. The plaintiff sued the Company on the servitude charges related to the road passage and utilities to the land of the plaintiff.

On October 30, 2018, the court scheduled the hearing. The court ruled to dismiss the case on the plaintiff in all matters in the red case No. 1435/2561.

Later, the plaintiff filed an appeal claiming to obtain the servitude in both plots of land with the limitation period. But, the right in this land was obtained from Thai Asset Management Corporation. It requires counting a new period from the ruling to the final until the case suing date which has not reached 10 years.

On March 28, 2019, the court scheduled a hearing for temporary protection in the appeal phase. The court thinks that the plaintiff asks to force the defendant to register the disputed passage as a land servitude to the plaintiff. Later, the plaintiff closed the disputed passage not allowing the plaintiff to use the disputed passage in the public. The plaintiff still has other passage that it can access the public, thus there’s not enough cause to apply such protection method. It has an instruction to dismiss the case and cost of execution. Presently, the case is under appeal correction and due for appeal correction to court on May 30, 2019. Later, on May 31, 2019 the Company had filed to correct the appeal to the court.

On November 26, 2019, the court scheduled the judgment ruling of the Appeal Court Part 2. The Appeal Court Part 2 ruled back that both land plots are on the main road with electrical pole and laundry house in accordance with the dispute map. The court ruled for the company to register its servitude to the plaintiff. If not complying, the court ruling supersedes the company’s intention. The Company must not act or cause disturbance to the use of the disputed way and laundry house for the benefit of the residents in the plaintiff’s condominium. Presently,

On January 31, 2020, The Company request an appeal and request for the relief of case enforcement to the Pattaya court already.

Presently, the case is under the process of considering from the Supreme Court whether allowing the plaintiff to submit a petition or not. The Court has scheduled the judgment from the Supreme Court on September 28, 2020.

29.4.2 As at June 30, 2020, the Company had a lawsuit on the civil case of Pattaya court black case No. Por.411/2561 with a juristic person Bayview Resort “defendant”. The Company sued the defendant on expulsion charges claiming damages with the cost Baht 0.61 million.

On February 15, 2019, the court scheduled the witness investigation between the Company and defendant. The defendant’s lawyer announced that defendant has discussed about it and agreed that defendant will end the use and benefit in the 2 plots of the disputed land including removing assets and dependents from the 2 plots of the disputed land. From June 8, 2018, the defendant agreed to follow the judgment of the final court in the civil case red case No. 1435/2561. The defendant agreed to revoke such appeal case and asked the court to order to dismiss the case temporarily to wait for the ultimate decision of such lawsuit.

Later, as the defendant did not dismiss the appeal, the Company also did not intend to dismiss the lawsuit. The court has considered and thinks that the main excuse of the charges in extending the case of the defendant in this case is the same excuse with the one filed to sue the Company by the defendant in the red case No. 1435/2561. In considering whether the defendant in this case has breached or not, the hearing of the fact has to be finalized if the defendant has the right to legally use the plaintiff’s land. This case is related to the civil case red case No.1435/2561. In this case, the court views that the case should be dismissed temporarily to hear the ultimate outcome. When the case is final, the plaintiff will announce to reconsider the case in the next step.

On February 21, 2020, the Company has proceeded to file a petition to raise the case for consideration the mediation. The court has postponed the mediation appointment from July 27, 2020 to August 31, 2020.

30. RECLASSIFICATION

The reclassification in the statements of financial position as at December 31, 2019 and the statements of comprehensive income for the three-month and six-month periods ended June 30, 2019, have been classified differently to conform to the financial statement for the three-month and six-month periods ended June 30, 2020, presentation and classification, with no effect on previously reported net income (loss) and earnings per share or shareholder’ equity.

“UNAUDITED”

“REVIEWED”

- 54 -

	In Thousand Baht		In Thousand Baht	
	Consolidated Financial Statements		Consolidated Financial Statements	
	As reclassified	As previously reported	As reclassified	As previously reported
<u>The statements of financial position as at</u>				
<u>December 31, 2019</u>				
Trade and other current receivables	7,108	72	6,216	-
Other current assets	3,310	10,317	3,330	9,516
Withholding tax	-	6,839	-	6,736
Other non-current assets	9,387	2,578	9,267	2,561
Trade notes payable	-	31,103	-	31,103
Trade and other current payables	252,111	80,749	248,152	79,548
Payable to related parties	-	37,699	-	37,797
Accrued expenses	-	18,916	-	16,485
Retention from contractors	-	71,228	-	70,969
Advance received from customers	-	8,275	-	8,275
Other current liabilities	-	4,142	-	3,975
<u>The statement of comprehensive income for the</u>				
<u>three-month period ended June 30, 2019</u>				
Cost of sales	154,493	140,137	154,493	140,137
Distribution expenses	20,904	35,260	20,904	35,260
Administrative expenses	42,894	34,177	43,077	34,360
Management benefit expenses	-	8,717	-	8,717
<u>The statement of comprehensive income for the</u>				
<u>six-month period ended June 30, 2019</u>				
Cost of sales	410,217	395,861	410,217	395,861
Distribution expenses	70,158	84,514	70,158	84,514
Administrative expenses	89,985	72,570	90,113	72,698
Management benefit expenses	-	17,415	-	17,415

31. AUTHORIZATION FOR ISSUE OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorized for issue by the Company’s directors on August 10, 2020.