

J.S.P. Property Public Company Limited and its subsidiaries
Report and consolidated interim financial statements
For the three-month and six-month periods ended
30 June 2019

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of J.S.P. Property Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of J.S.P. Property Public Company Limited and its subsidiaries as at 30 June 2019, the related consolidated statements of comprehensive income for the three-month and six-month periods then ended and the consolidated statement of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of J.S.P. Property Public Company Limited for the same periods. 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*.

Poonnard Paocharoen
Certified Public Accountant (Thailand) No. 5238

EY Office Limited
Bangkok: 9 August 2019

J.S.P. Property Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2019	31 December 2018	30 June 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		172,007	238,026	60,983	143,015
Trade and other receivables	4	19,091	14,160	160,847	150,664
Project development costs	5	6,584,056	6,142,116	4,002,270	3,270,997
Other current assets		27,921	34,200	16,110	15,038
Total current assets		6,803,075	6,428,502	4,240,210	3,579,714
Non-current assets					
Restricted bank deposits	14, 19.3	29,685	68,608	13,010	36,149
Long-term loans to related parties					
and interest receivables	3	707,591	695,412	2,179,556	2,485,340
Investment in subsidiaries	6	-	-	1,259,939	859,939
Investment in joint ventures	7	56,505	62,845	27,500	27,500
Land and project cost awaiting for development	5	549,722	1,588,535	505,012	1,543,825
Investment properties	8	995,262	1,027,932	601,569	604,339
Property, plant and equipment	9	39,747	35,606	34,735	29,408
Intangible assets		9,941	11,856	9,374	11,097
Deferred tax assets		51,439	48,829	14,137	8,964
Other non-current assets		28,837	47,126	10,724	8,309
Total non-current assets		2,468,729	3,586,749	4,655,556	5,614,870
Total assets		9,271,804	10,015,251	8,895,766	9,194,584

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

J.S.P. Property Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2019	31 December 2018	30 June 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	10	49,721	93,448	49,721	93,448
Other short-term loans	11	98,500	107,670	18,000	20,000
Trade and other payables	12	893,126	1,005,937	556,547	632,219
Deposits and advances received from customers		20,484	31,370	10,371	19,629
Short-term loans from related parties	3	889,502	1,124,418	1,807,349	1,945,045
Current portion of long-term debentures	13	689,170	-	689,170	-
Current portion of liabilities under finance lease		1,743	49	1,743	49
Current portion of long-term loans	14	1,152,704	1,444,200	706,587	864,638
Income tax payable		10,233	37,000	-	-
Other current liabilities		12,676	47,417	4,516	39,091
Total current liabilities		3,817,859	3,891,509	3,844,004	3,614,119
Non-current liabilities					
Long-term debentures, net of current portion	13	229,044	685,173	229,044	685,173
Liabilities under finance lease, net of current portion		4,690	-	4,690	-
Long-term loans, net of current portion	14	93,030	189,497	70,000	68,029
Deposits for rental and services		23,560	23,742	222	288
Provision for long-term employee benefits		12,568	17,685	12,308	16,989
Total non-current liabilities		362,892	916,097	316,264	770,479
Total liabilities		4,180,751	4,807,606	4,160,268	4,384,598

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

J.S.P. Property Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2019

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
4,200 million ordinary shares of Baht 0.5 each	2,100,000	2,100,000	2,100,000	2,100,000
Issued and fully paid-up				
4,200 million ordinary shares of Baht 0.5 each	2,100,000	2,100,000	2,100,000	2,100,000
Share premium	2,438,833	2,438,833	2,438,833	2,438,833
Capital surplus on share-based payment	8,925	8,925	8,925	8,925
Retained earnings				
Appropriated - statutory reserve	92,651	92,651	92,651	92,651
Unappropriated	481,317	597,909	95,089	169,577
Other components of shareholders' equity				
Surplus from the change in the shareholding				
in a subsidiary	1,457	1,457	-	-
Deficit on business combination under				
common control	(32,130)	(32,130)	-	-
Total shareholders' equity	5,091,053	5,207,645	4,735,498	4,809,986
Total liabilities and shareholders' equity	9,271,804	10,015,251	8,895,766	9,194,584
	-	-	-	-

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

.....
Director
.....

(Unaudited but reviewed)

J.S.P. Property Public Company Limited and its subsidiaries**Statement of comprehensive income****For the three-month period ended 30 June 2019**

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit or loss:					
Revenues					
Revenues from sales of real estate		330,347	1,176,292	138,245	643,454
Revenues from rental and services		16,115	19,137	5,947	10,504
Other income					
Interest income		12,272	12,134	42,735	52,649
Others		2,609	5,013	1,832	3,732
Total revenues		361,343	1,212,576	188,759	710,339
Expenses					
Cost of real estate sales		253,874	861,412	103,217	489,863
Cost of rental and services		23,068	29,941	5,150	5,970
Selling expenses		27,892	82,678	14,262	43,347
Administrative expenses		86,808	105,104	71,572	88,787
Total expenses		391,642	1,079,135	194,201	627,967
Profit (loss) before share of loss from investment in joint ventures, finance cost and income tax income (expenses)		(30,299)	133,441	(5,442)	82,372
Share of loss from investment in joint ventures	7.2	(9,506)	(10,631)	-	-
Profit (loss) before finance cost and income tax income (expenses)		(39,805)	122,810	(5,442)	82,372
Finance cost		(28,633)	(64,319)	(53,564)	(68,923)
Profit (loss) before income tax income (expenses)		(68,438)	58,491	(59,006)	13,449
Income tax income (expenses)	15	(23,645)	(68,470)	10,514	(48,047)
Loss for the period		(92,083)	(9,979)	(48,492)	(34,598)
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain		8,562	-	8,000	-
Income tax effect	15	(1,712)	-	(1,600)	-
Other comprehensive income for the period		6,850	-	6,400	-
Total comprehensive income for the period		(85,233)	(9,979)	(42,092)	(34,598)

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

(Unaudited but reviewed)

J.S.P. Property Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 30 June 2019

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Loss attributable to:					
Equity holders of the Company		<u>(92,083)</u>	<u>(9,979)</u>	<u>(48,492)</u>	<u>(34,598)</u>
Total comprehensive income attributable to:					
Equity holders of the Company		<u>(85,233)</u>	<u>(9,979)</u>	<u>(42,092)</u>	<u>(34,598)</u>
Loss per share	16				
Basic earnings per share (Baht)					
Loss attributable to equity holders of the Company		<u>(0.022)</u>	<u>(0.002)</u>	<u>(0.012)</u>	<u>(0.008)</u>

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

(Unaudited but reviewed)

J.S.P. Property Public Company Limited and its subsidiaries**Statement of comprehensive income****For the six-month period ended 30 June 2019**

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit or loss:					
Revenues					
Revenues from sales of real estate		1,024,442	2,160,462	453,209	1,137,558
Revenues from rental and services		30,443	49,727	11,962	30,601
Other income					
Interest income		24,409	25,994	86,696	105,115
Gain on sales of land held for development and equipment		7,218	412	7,234	150
Gain on sales of investment in joint venture		-	10,065	-	-
Others		4,169	10,634	2,666	8,031
Total revenues		1,090,681	2,257,294	561,767	1,281,455
Expenses					
Cost of real estate sales		742,190	1,573,785	314,743	850,558
Cost of rental and services		45,964	56,079	10,324	17,724
Selling expenses		76,300	166,105	40,835	86,797
Administrative expenses		161,865	194,459	137,392	173,361
Total expenses		1,026,319	1,990,428	503,294	1,128,440
Profit before share of loss from investment in joint ventures, finance cost and income tax income (expenses)					
		64,362	266,866	58,473	153,015
Share of loss from investment in joint ventures	7.2	(17,957)	(19,542)	-	-
Profit before finance cost and income tax income (expenses)					
		46,405	247,324	58,473	153,015
Finance cost		(91,255)	(122,977)	(104,134)	(128,312)
Profit (loss) before income tax income (expenses)					
		(44,850)	124,347	(45,661)	24,703
Income tax income (expenses)	15	(36,592)	(87,211)	6,773	(51,931)
Profit (loss) for the period					
		(81,442)	37,136	(38,888)	(27,228)
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain		8,562	-	8,000	-
Income tax effect	15	(1,712)	-	(1,600)	-
Other comprehensive income for the period					
		6,850	-	6,400	-
Total comprehensive income for the period					
		(74,592)	37,136	(32,488)	(27,228)

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

(Unaudited but reviewed)

J.S.P. Property Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the six-month period ended 30 June 2019

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit (loss) attributable to:					
Equity holders of the Company		<u>(81,442)</u>	<u>37,136</u>	<u>(38,888)</u>	<u>(27,228)</u>
Total comprehensive income attributable to:					
Equity holders of the Company		<u>(74,592)</u>	<u>37,136</u>	<u>(32,488)</u>	<u>(27,228)</u>
Earnings (loss) per share	16				
Basic earnings per share (Baht)					
Profit (loss) attributable to equity holders of the Company		<u>(0.019)</u>	<u>0.009</u>	<u>(0.009)</u>	<u>(0.006)</u>

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

(Unaudited but reviewed)

J.S.P. Property Public Company Limited and its subsidiaries**Cash flow statement****For the six-month period ended 30 June 2019**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit (loss) before tax	(44,850)	124,347	(45,661)	24,703
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	40,107	44,528	8,918	9,234
Allowance for doubtful debts	5,850	8,656	540	2,797
Gain on sales of land held for development and equipment	(7,218)	(412)	(7,234)	(150)
Loss on sales of investment properties	70	-	-	-
Gain on sale of investment in joint venture	-	(10,065)	-	-
Share of loss from investment in joint ventures	17,957	19,542	-	-
Amortisation of deferred debentures issuing cost	4,586	6,086	4,586	6,086
Provision for long-term employee benefits	4,415	3,111	4,289	3,021
Interest income	(24,409)	(25,994)	(86,696)	(105,115)
Interest expenses	86,669	116,891	99,548	122,226
Profit (loss) from operating activities before changes in operating assets and liabilities	83,177	286,690	(21,710)	62,802
Decrease (increase) in operating assets				
Trade and other receivables	(10,774)	(179)	(10,714)	(13,041)
Project development costs	615,797	781,620	298,930	445,688
Other current assets	2,552	(12,537)	139	(2,392)
Other non-current assets	(1,302)	1,989	(2,415)	2,049
Increase (decrease) in operating liabilities				
Trade and other payables	(113,325)	(186,550)	(87,185)	(18,540)
Deposits and advances received from customers	(10,886)	(74,546)	(9,258)	(70,653)
Other current liabilities	(34,741)	2,258	(34,575)	7,883
Other non-current liabilities	(1,152)	(601)	(1,036)	(149)
Cash from operating activities	529,346	798,144	132,176	413,647
Cash receipt from interest income	605	35,971	419	35,861
Cash paid for interest expenses	(118,053)	(154,281)	(92,399)	(124,913)
Cash paid for corporate income tax	(48,088)	(42,836)	(4,939)	(19,472)
Net cash from operating activities	363,810	636,998	35,257	305,123

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

(Unaudited but reviewed)

J.S.P. Property Public Company Limited and its subsidiaries**Cash flow statement (continued)****For the six-month period ended 30 June 2019**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from investing activities				
Decrease (increase) in restricted bank deposits	38,923	(10,762)	23,139	10,850
Decrease in loans to related parties and interest receivable	-	110,000	392,054	105,662
Increase in investment in subsidiary	-	-	(400,000)	-
Cash receipt from sales of investment in joint venture	-	40,810	-	40,810
Cash receipt from sales of land held for development and equipments	20,014	912	20,014	650
Cash receipt from sales of investment properties	20	-	-	-
Acquisition of property, plant and equipment	(2,885)	(1,015)	(2,885)	(972)
Acquisition of intangible assets	(17)	(2,263)	-	(2,263)
Net cash from investing activities	56,055	137,682	32,322	154,737
Cash flows from financing activities				
Decrease in short-term loans from financial institutions	(43,727)	(83)	(43,727)	(83)
Increase (decrease) in other short-term loans	(9,170)	35,000	(2,000)	35,000
Decrease in short-term bills of exchange	-	(20,000)	-	(20,000)
Increase (decrease) in short-term loans from related parties	(234,916)	101,010	(137,696)	188,110
Cash receipt from long-term debenture	232,400	-	232,400	-
Cash receipt from long-term loans	12,923	503,122	3,245	71,407
Repayment of long-term loans	(400,886)	(1,283,339)	(159,325)	(645,254)
Repayment of liabilities under finance lease agreement	(508)	-	(508)	-
Dividend payment	(42,000)	-	(42,000)	-
Net cash used in financing activities	(485,884)	(664,290)	(149,611)	(370,820)
Net increase (decrease) in cash and cash equivalents	(66,019)	110,390	(82,032)	89,040
Cash and cash equivalents at beginning of period	238,026	160,812	143,015	90,044
Cash and cash equivalents at end of period	172,007	271,202	60,983	179,084
	-	-	-	-
Supplemental cash flow information:				
Non-cash transactions				
Increase in liabilities under finance lease from acquisition of equipment	6,892	-	6,892	-

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

(Unaudited but reviewed)

J.S.P. Property Public Company Limited and its subsidiaries**Statement of changes in shareholders' equity**

For the six-month period ended 30 June 2019

(Unit: Thousand Baht)

Consolidated financial statements

	Equity attributable to owners of the Company					Other components of shareholders' equity			Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Capital surplus on share-based payment	Retained earnings		Surplus from the change in the shareholding in a subsidiary	Deficit on business combination under common control	Total equity attributable to owners of the Company		
				Appropriated	Unappropriated					
Balance as at 1 January 2018	2,100,000	2,438,833	8,925	92,651	496,604	-	(32,130)	5,104,883	16,457	5,121,340
Total comprehensive income for the period	-	-	-	-	37,136	-	-	37,136	-	37,136
Decrease in non-controlling interests of the subsidiary	-	-	-	-	-	1,457	-	1,457	(16,457)	(15,000)
Balance as at 30 June 2018	<u>2,100,000</u>	<u>2,438,833</u>	<u>8,925</u>	<u>92,651</u>	<u>533,740</u>	<u>1,457</u>	<u>(32,130)</u>	<u>5,143,476</u>	<u>-</u>	<u>5,143,476</u>
Balance as at 1 January 2019	2,100,000	2,438,833	8,925	92,651	597,909	1,457	(32,130)	5,207,645	-	5,207,645
Loss for the period	-	-	-	-	(81,442)	-	-	(81,442)	-	(81,442)
Other comprehensive income for the period	-	-	-	-	6,850	-	-	6,850	-	6,850
Total comprehensive income for the period	-	-	-	-	(74,592)	-	-	(74,592)	-	(74,592)
Dividend payment (Note 18)	-	-	-	-	(42,000)	-	-	(42,000)	-	(42,000)
Balance as at 30 June 2019	<u>2,100,000</u>	<u>2,438,833</u>	<u>8,925</u>	<u>92,651</u>	<u>481,317</u>	<u>1,457</u>	<u>(32,130)</u>	<u>5,091,053</u>	<u>-</u>	<u>5,091,053</u>

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

(Unaudited but reviewed)

J.S.P. Property Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2019

(Unit: Thousand Baht)

	Separate financial statements					Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Capital surplus on share-based payment	Retained earnings		
				Appropriated	Unappropriated	
Balance as at 1 January 2018	2,100,000	2,438,833	8,925	92,651	707,807	5,348,216
Total comprehensive income for the period	-	-	-	-	(27,228)	(27,228)
Balance as at 30 June 2018	<u>2,100,000</u>	<u>2,438,833</u>	<u>8,925</u>	<u>92,651</u>	<u>680,579</u>	<u>5,320,988</u>
Balance as at 1 January 2019	2,100,000	2,438,833	8,925	92,651	169,577	4,809,986
Loss for the period	-	-	-	-	(38,888)	(38,888)
Other comprehensive income for the period	-	-	-	-	6,400	6,400
Total comprehensive income for the period	-	-	-	-	(32,488)	(32,488)
Dividend payment (Note 18)	-	-	-	-	(42,000)	(42,000)
Balance as at 30 June 2019	<u>2,100,000</u>	<u>2,438,833</u>	<u>8,925</u>	<u>92,651</u>	<u>95,089</u>	<u>4,735,498</u>

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

J.S.P. Property Public Company Limited and its subsidiaries
Notes to consolidated interim financial statements
For the three-month and six-month periods ended 30 June 2019

1. General information

1.1 Corporate information

J.S.P. Property Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the property development and its registered address is 41/1, Rama II Soi 54, Samae Dam, Bangkhunthien, Bangkok.

1.2 Basis for preparation of interim financial statements

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

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

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

1.3 Basis of consolidation

The consolidated financial statements include the financial statement of J.S.P Property Public Company Limited (“the Company”) and its subsidiaries (“the subsidiaries”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2018. There have been no changes in the composition of the group.

1.4 New financial reporting standards

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

During the period, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. 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 Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are summarised below:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
IFRIC 13 (revised 2017)	Customer Loyalty Programmes
IFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
IFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements, except the classification in the statement of comprehensive income as follows;

- Regarding the sales promotion offered to customers upon transfer of ownership of property under agreement to sell and to purchase land and construction thereon/condominium unit, the Company and subsidiary consider the transfer fees paid on behalf of customers, the waiver of common area fees to be amounts payable to customers and they are thus treated as a deduction of revenue. Free products offered to customers are treated as cost of sales. Previously, these expenses were presented as selling expenses. However, the change in the classification does not affect the net profit of the Company and its subsidiaries.

(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These new standards involve 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
--------	-------------------------------------

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. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

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

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 using similar principles to those used under TAS 17.

The management of the Company and its subsidiaries is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2018.

2. Adoption of new financial reporting standard

As described in Note 1.4 to the financial statements, during the current period, the Company and its subsidiaries have adopted TFRS 15 by reclassification the adjustments affecting the income statements for the three-month and six-month period ended 30 June 2019 are summarised below.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June		
	Consolidated financial statements		
	Previous accounting policy	Increase (decrease)	TFRS 15
Revenue from sales of real estate	336,661	(6,314)	330,347
Revenue from rental and services	16,115	-	16,115
Other income	14,881	-	14,881
Total revenues	367,657	(6,314)	361,343
Cost of real estate sales	253,520	354	253,874
Cost of rental and services	23,068	-	23,068
Selling expenses	34,560	(6,668)	27,892
Administrative expenses	86,808	-	86,808
Total expenses	397,956	(6,314)	391,642

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the three-month periods ended 30 June

	Consolidated financial statements		
	Previous accounting policy	Increase (decrease)	TFRS 15
Loss before share of loss from investment in joint ventures, finance cost and income tax expenses	(30,299)	-	(30,299)
Share of loss from investment in joint ventures	(9,506)	-	(9,506)
Finance cost	(28,633)	-	(28,633)
Income tax expenses	(23,645)	-	(23,645)
Loss for the period	(92,083)	-	(92,083)

(Unit: Thousand Baht)

For the three-month periods ended 30 June

	Separate financial statements		
	Previous accounting policy	Increase (decrease)	TFRS 15
Revenue from sales of real estate	141,072	(2,827)	138,245
Revenue from rental and services	5,947	-	5,947
Other income	44,567	-	44,567
Total revenues	191,586	(2,827)	188,759
Cost of real estate sales	103,192	25	103,217
Cost of rental and services	5,150	-	5,150
Selling expenses	17,114	(2,852)	14,262
Administrative expenses	71,572	-	71,572
Total expenses	197,028	(2,827)	194,201
Loss before finance cost and income tax income	(5,442)	-	(5,442)
Finance cost	(53,564)	-	(53,564)
Income tax income	10,514	-	10,514
Loss for the period	(48,492)	-	(48,492)

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the six-month periods ended 30 June

	Consolidated financial statements		
	Previous accounting policy	Increase (decrease)	TFRS 15
Revenue from sales of real estate	1,042,483	(18,041)	1,024,442
Revenue from rental and services	30,443	-	30,443
Other income	35,796	-	35,796
Total revenues	1,108,722	(18,041)	1,090,681
Cost of real estate sales	740,900	1,290	742,190
Cost of rental and services	45,964	-	45,964
Selling expenses	95,631	(19,331)	76,300
Administrative expenses	161,865	-	161,865
Total expenses	1,044,360	(18,041)	1,026,319
Profit before share of loss from investment in joint ventures, finance cost and income tax expenses	64,362	-	64,362
Share of loss from investment in joint ventures	(17,957)	-	(17,957)
Finance cost	(91,255)	-	(91,255)
Income tax expenses	(36,592)	-	(36,592)
Loss for the period	(81,442)	-	(81,442)

(Unit: Thousand Baht)

For the six-month periods ended 30 June

	Separate financial statements		
	Previous accounting policy	Increase (decrease)	TFRS 15
Revenue from sales of real estate	461,501	(8,292)	453,209
Revenue from rental and services	11,962	-	11,962
Other income	96,596	-	96,596
Total revenues	570,059	(8,292)	561,767

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the six-month periods ended 30 June

	Separate financial statements		
	Previous accounting policy	Increase (decrease)	TFRS 15
Cost of real estate sales	314,398	345	314,743
Cost of rental and services	10,324	-	10,324
Selling expenses	49,472	(8,637)	40,835
Administrative expenses	137,392	-	137,392
Total expenses	511,586	(8,292)	503,294
Profit before finance cost and income tax income	58,473	-	58,473
Finance cost	(104,134)	-	(104,134)
Income tax income	6,773	-	6,773
Loss for the period	(38,888)	-	(38,888)

The reclassification does not affect net profit (loss) of the Company and its subsidiaries.

3. Related party transactions

The Company and its subsidiaries have significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, the subsidiaries and those related persons or parties.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2019	2018	2019	2018	
<u>Transaction with subsidiaries</u> (Eliminated from the consolidated financial statements)					
Interest income	-	-	30,567	40,572	6.63% - 7.50% per annum
Interest expense	-	-	5,226	13,818	1.50% - 7.00% per annum
Rental and service income	-	-	2,202	3,955	Price set by comparison with prices in nearby areas
Management income	-	-	3,224	3,853	At cost
Sales of land	-	-	-	1,220	At cost
Purchase of land	-	-	-	8,276	At cost

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the three-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2019	2018	2019	2018	
<u>Transaction with joint ventures</u>					
Interest income	11,964	11,985	11,964	11,985	7.00% per annum
Management income	521	629	521	629	At cost
<u>Transaction with related parties</u>					
Interest expense	17,243	12,417	15,926	12,417	6.00 - 15.00% per annum
Office rental and services	-	2,562	-	2,562	Price set by comparison with prices in nearby areas

(Unit: Thousand Baht)

	For six-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2019	2018	2019	2018	
<u>Transaction with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	62,473	79,227	6.63% - 7.50% per annum
Interest expense	-	-	9,843	26,361	1.50% - 7.00% per annum
Rental and service income	-	-	4,404	7,909	Price set by comparison with prices in nearby areas
Management income	-	-	6,399	12,590	At cost
Sales of land	-	-	-	1,220	At cost
Purchase of land	-	-	-	8,276	At cost
<u>Transaction with joint ventures</u>					
Interest income	23,797	25,717	23,797	25,717	7.00% per annum
Interest expense	-	1,819	-	1,819	10.00% per annum
Management income	1,152	2,268	1,152	2,268	At cost
<u>Transaction with related parties</u>					
Interest expense	36,751	22,794	33,367	22,794	6.00% - 15.00% per annum
Office rental and services	-	5,069	-	5,069	Price set by comparison with prices in nearby areas

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
<u>Trade receivables - related parties (Note 4)</u>				
Subsidiaries	-	-	156,343	145,540
Joint ventures	2,123	2,529	2,123	2,529
Total	2,123	2,529	158,466	148,069
<u>Other receivables - related parties (Note 4)</u>				
Subsidiaries	-	-	-	497
Total	-	-	-	497
<u>Long-term loans to related parties and interest receivables</u>				
Subsidiaries	-	-	1,906,075	2,235,656
Joint ventures	773,481	749,684	773,481	749,684
Total	773,481	749,684	2,679,556	2,985,340
Less: Loss reserve from investment in joint ventures	(65,890)	(54,272)	-	-
Allowance for doubtful debt of loan to subsidiary	-	-	(500,000)	(500,000)
Net	707,591	695,412	2,179,556	2,485,340
<u>Trade payables - related party (Note 12)</u>				
Subsidiary	-	-	21,602	21,602
Total	-	-	21,602	21,602
<u>Other payables - related parties (Note 12)</u>				
Subsidiaries	-	-	103,807	93,827
Related company (related by common director)	-	1,492	-	1,492
Directors and related persons	6,442	5,313	5,861	4,625
Total	6,442	6,805	109,668	99,944
<u>Short-term loans from related parties</u>				
Subsidiaries	-	-	1,000,667	945,877
Director and related persons	889,502	1,124,418	806,682	999,168
Total	889,502	1,124,418	1,807,349	1,945,045

Loans to related parties

Loans to subsidiaries and joint ventures carry interest at rates of 6.63% - 7.00% per annum and are repayable at call. However, the Company does not intent to call for the loan repayment in the foreseeable future and the loans are therefore classified as long-term loans.

Short-term loans from related parties

Loans from subsidiaries carry interest at rates of 1.50% - 7.00% per annum and are repayable at call.

Loans from director and related persons carry interest at rates of 6% - 9% per annum and are repayable in December 2019 - June 2020. The loans are secured by the project land and construction thereon of the Company and its subsidiaries.

The movement of loans between the Company, its subsidiaries and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	1 January 2019	Increase	Decrease	30 June 2019
<u>Long-term loans to related parties and interest receivables</u>				
Joint ventures	749,684	23,797	-	773,481
Less: Loss reserve from investment in joint ventures	(54,272)	(11,618)	-	(65,890)
	<u>695,412</u>	<u>12,179</u>	<u>-</u>	<u>707,591</u>
<u>Short-term loans from related parties</u>				
Director and related persons	1,124,418	101,400	(336,316)	889,502
	<u>1,124,418</u>	<u>101,400</u>	<u>(336,316)</u>	<u>889,502</u>
				(Unit: Thousand Baht)
	Separate financial statements			
	1 January 2019	Increase	Decrease	30 June 2019
<u>Long-term loans to related parties and interest receivables</u>				
Subsidiaries	2,235,656	133,169	(462,750)	1,906,075
Joint ventures	749,684	23,797	-	773,481
Less: Allowance for doubtful debt of loan to subsidiary	(500,000)	-	-	(500,000)
	<u>2,485,340</u>	<u>156,966</u>	<u>(462,750)</u>	<u>2,179,556</u>
<u>Short-term loans from related parties</u>				
Subsidiaries	945,877	121,935	(67,145)	1,000,667
Director and related persons	999,168	51,400	(243,886)	806,682
	<u>1,945,045</u>	<u>173,335</u>	<u>(311,031)</u>	<u>1,807,349</u>

(Unaudited but reviewed)

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2019 and 2018, the Company had employee benefit expenses to their directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June	
	Consolidated financial statements/ Separate financial statements	
	2019	2018
Short-term employee benefits	10,877	6,737
Post-employment benefits	1,879	143
Total	12,756	6,880

(Unit: Thousand Baht)

	For the six-month periods ended 30 June	
	Consolidated financial statements/ Separate financial statements	
	2019	2018
Short-term employee benefits	23,529	12,990
Post-employment benefits	2,424	286
Total	25,953	13,276

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 14 to the financial statements.

(Unaudited but reviewed)

4. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	(Audited)		(Audited)	
<u>Trade receivables - Related parties (Note 3)</u>				
Aged on the basis of due dates				
Not yet due	-	-	-	-
Past due				
Up to 2 months	151	556	3,755	8,656
2 - 4 months	-	-	3,480	7,362
4 - 6 months	-	-	3,718	7,941
6 - 12 months	-	813	23,403	23,512
Over 12 months	1,972	1,160	124,110	100,598
Total trade receivables - Related parties	2,123	2,529	158,466	148,069
<u>Trade receivables - Unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	-	1,418	-	-
Past due				
Up to 2 months	5,116	6,136	-	1,105
2 - 4 months	5,055	4,167	-	840
4 - 6 months	3,767	3,154	37	571
6 - 12 months	10,116	24,597	2,085	6,385
Over 12 months	28,741	4,680	7,217	836
Total	52,795	44,152	9,339	9,737
Less: Allowance for doubtful debts	(39,452)	(33,602)	(8,753)	(8,213)
Total trade receivables - Unrelated parties, net	13,343	10,550	586	1,524
Total trade receivables - net	15,466	13,079	159,052	149,593
<u>Other receivables</u>				
Amount due to related parties (Note 3)	-	-	-	497
Amount due to unrelated party	4,478	4,478	4,478	4,478
Others	3,625	1,081	1,795	574
Less: Allowance for doubtful debts	(4,478)	(4,478)	(4,478)	(4,478)
Total other receivables	3,625	1,081	1,795	1,071
Total trade and other receivables - net	19,091	14,160	160,847	150,664

(Unaudited but reviewed)

5. Project development costs

Movements of the project development costs for the six-month period ended 30 June 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2019	6,142,116	3,270,997
Increase in land costs	10,328	-
Increase in construction costs	114,537	15,368
Borrowing cost ⁽¹⁾	32,060	4,389
Cost of real estate sales	(740,826)	(314,325)
Transfer from land and project cost awaiting for development	1,025,841	1,025,841
Balance as at 30 June 2019	6,584,056	4,002,270

⁽¹⁾ Capitalisation rate ranged from 5.65 to 9.00 percent per annum.

Movement of the land and project cost awaiting for development for the six-month period ended 30 June 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2019	1,588,535	1,543,825
Transfer to project development costs	(1,025,841)	(1,025,841)
Sales of land	(12,972)	(12,972)
Balance as at 30 June 2019	549,722	505,012

The Company and its subsidiaries mortgaged project land and construction thereon, and land and project cost awaiting for development with commercial banks, other company, other and related persons as collateral for credit facilities and guarantees, as summarised below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
Net book value	2019	2018	2019	2018
		(Audited)		(Audited)
Project development costs	6,250	6,110	3,792	3,239
Land and project cost awaiting for development	511	1,569	467	1,524

(Unaudited but reviewed)

Additional informations of the Company and its subsidiaries' projects.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
Total estimated sales value of projects	26,606	27,823	14,678	14,701
Total value of contracts signed according to the sales and purchases agreements of land and structures thereon	19,854	18,902	10,203	9,840
Percentage of total estimated sales value of projects	75%	68%	70%	67%
Total value of contracts signed according to the sales and purchases agreements of land and structures thereon not yet recognised as income	317	512	124	273

6. Investment in subsidiaries

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

(Unit: Thousand Baht)

Subsidiaries' name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the six-month periods ended 30 June	
	30 June	31 December	30 June	31 December	30 June	31 December	2019	2018
	2019	2018	2019	2018	2019	2018		
		(Audited)		(percent)	(percent)		(Audited)	
China Center (Sathorn-Kanlapaphruek) Co., Ltd.	150,000	150,000	100	100	149,980	149,980	-	-
J.S.P. Golden Land Co., Ltd.	200,000	200,000	100	100	199,980	199,980	-	-
Sampeng 2 Plaza Co., Ltd.	110,000	110,000	100	100	109,980	109,980	-	-
J.S.P. Property Management Co., Ltd.	700,000	300,000	100	100	700,000	300,000	-	-
Baan Ruenrom 2015 Co., Ltd.	100,000	100,000	100	100	100,000	100,000	-	-
Baan Putthachart 2015 Co., Ltd.	100,000	100,000	100	100	100,000	100,000	-	-
Baan Puttharaksa 2015 Co., Ltd.	150,000	150,000	100	100	150,000	150,000	-	-
J.S.P. Asplus Co., Ltd.	50,000	50,000	100	100	50,000	50,000	-	-
Total					1,559,940	1,159,940	-	-
Less: Allowance for loss on impairment of investment					(300,000)*	(300,000)*		
Net					1,259,940	859,940		

* Allowance for loss on impairment of investment in J.S.P. Property Management Co., Ltd.

(Unaudited but reviewed)

On 22 March 2019, the Company Board of Directors Meeting No.3/2019 passed a resolution to approve an increase in J.S.P. Property Management Co., Ltd. registered capital from Baht 300 million (3,000,000 ordinary shares with a par value of Baht 100 each) to Baht 1,130 million (11,300,000 ordinary shares with a par value of Baht 100 each), through the issuance of 8,300,000 ordinary shares with a par value of Baht 100 each.

The Company invested Baht 400 million (4,000,000 ordinary shares with a par value of Baht 100 each) in June 2019 and Baht 430 million (4,300,000 ordinary shares with a par value of Baht 100 each) in July 2019. J.S.P. Property Management Co., Ltd. increased its registered capital with the Ministry of Commerce on 11 June 2019 and 12 July 2019, respectively.

7. Investment in joint ventures

7.1 Details of investment in joint ventures

Investment in joint ventures represent investment in entities which are jointly controlled by the Company and other companies. Details of these investments are as follows:

Joint ventures	Nature of business	Shareholding percentage		Consolidated financial statements		Separate financial statements	
		Carrying amounts based on equity method		Carrying amounts based on cost method			
		30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018
		(Percent)	(Percent)	(Audited)		(Audited)	
JSP Ocean Co., Ltd.	Property Development	55	55	(65,890)	(54,272)	13,750	13,750
J.S.P. Chongtian Co., Ltd.	Property Development	55	55	56,505	62,845	13,750	13,750
Total				(9,385)	8,573	27,500	27,500

As at 30 June 2019, the Company presented loss on investment in joint ventures amounting to Baht 66 million based on equity method, offset with loans to joint ventures in consolidated financial statements (31 December 2018: Baht 54 million).

(Unaudited but reviewed)

7.2 Share of comprehensive income and dividend received

During the three-month and six-month periods ended 30 June 2019 and 2018, the Company recognised its share of loss from investments in the joint ventures in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Joint ventures	Consolidated financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2019	2018	2019	2018
JSP Ocean Co., Ltd.	(6,370)	(5,795)	(11,618)	(9,053)
J.S.P. Chongtian Co., Ltd.	(3,136)	(4,836)	(6,339)	(9,934)
Zenith Management Co., Ltd.	-	-	-	(555)
Total	<u>(9,506)</u>	<u>(10,631)</u>	<u>(17,957)</u>	<u>(19,542)</u>

There is no dividend received from joint ventures in the separate financial statements.

8. Investment properties

Investment properties are land and construction thereon of the Company and its subsidiaries. The Company and its subsidiaries hold such investment properties in order to derive benefit from rental and service provision.

Movements of the investment properties for the six-month period ended 30 June 2019 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2019	1,027,932	604,339
Disposal	(90)	-
Depreciation for the period	<u>(32,580)</u>	<u>(2,770)</u>
Net book value as at 30 June 2019	<u>995,262</u>	<u>601,569</u>

The Company and its subsidiaries mortgaged project land and construction thereon with commercial banks, other companies and related parties as collateral for credit facilities and debenture, as summarised below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Net book value	912	944	573	576

(Audited) (Audited)

(Unaudited but reviewed)

9. Property, plant and equipment

Movements of property, plant and equipment for the six-month period ended 30 June 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2019	35,606	29,408
Acquisitions during the period - at cost	9,777	9,777
Disposal	(39)	(25)
Depreciation for the period	(5,597)	(4,425)
Net book value as at 30 June 2019	<u>39,747</u>	<u>34,735</u>

10. Short-term loans from financial institutions

	(Unit: Thousand Baht)				
	Consolidated		Separate		
	financial statements		financial statements		
Interest rates	30 June	31 December	30 June	31 December	
(Percent per annum)	2019	2018	2019	2018	
	(Audited)		(Audited)		
Short-term loans from					
financial institutions	MLR to MLR - 0.25	<u>49,721</u>	<u>93,448</u>	<u>49,721</u>	<u>93,448</u>

The loans are secured by the mortgage of project land and construction thereon and guaranteed by the Company and its subsidiaries.

The loan agreements contain several covenants which, among other things, require the Company's net debt to equity ratio to maintain at the rate prescribed in the agreement.

11. Other short-term loans

Loans from other persons carry interest at a rate of 8% per annum and are repayable within November - December 2019. The loans are secured by the Company, the director of the Company and the mortgage of the project land and construction thereon of its subsidiary.

(Unaudited but reviewed)

12. Trade and other payables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
		(Audited)		(Audited)
Trade payables				
Related party (Note 3)	-	-	21,602	21,602
Unrelated parties	524,736	587,043	210,175	258,513
Total trade payables	524,736	587,043	231,777	280,115
Other payables				
Related parties (Note 3)	6,442	6,805	109,668	99,944
Unrelated parties				
Accrued expenses	47,546	66,040	25,534	42,428
Retention	139,977	150,286	89,821	96,567
Accrued interest expenses	7,308	7,923	6,522	6,088
Public utilities payable	49,116	59,847	24,571	31,824
Accrued repair expense	56,519	56,598	17,849	17,851
Advances from customers waiting for refund	42,609	46,973	34,370	37,720
Others	18,873	24,422	16,435	19,682
Total other payables	368,390	418,894	324,770	352,104
Total trade and other payables	893,126	1,005,937	556,547	632,219

13. Long-term debentures

As at 30 June 2019, the Company had secured debenture of Baht 500 million and unsecured debentures of Baht 429 million. The debentures carry interest at rates of 6.50% - 7.25% per annum, payable every 3 months, and mature in May 2020 - March 2021.

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
		(Audited)		(Audited)
Long-term debentures	918,214	685,173	918,214	685,173
Less: current portion	(689,170)	-	(689,170)	-
Long-term debentures, net	229,044	685,173	229,044	685,173

(Unaudited but reviewed)

Movements in the long-term debentures account during the six-month period ended 30 June 2019 are summarised below.

	(Unit: Thousand Baht)
	Consolidated / Separate financial statements
Balance as at 1 January 2019	685,173
Add: Issuance	232,400
Amortisation of deferred debenture issuing cost	4,586
Less: Deferred debenture issuing costs	(3,945)
Balance as at 30 June 2019	<u>918,214</u>

The secured debenture is secured by the mortgage of the investment properties. The debenture agreement contains covenants as specific in the agreements that among other things require the Company to maintain certain debt to equity ratio.

14. Long-term loans

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
Long-term loans from banks	1,245,734	1,633,697	776,587	932,667
Less: Current portion	(1,152,704)	(1,444,200)	(706,587)	(864,638)
Long-term loans from banks, net	<u>93,030</u>	<u>189,497</u>	<u>70,000</u>	<u>68,029</u>

The subsidiary does not comply with the conditions in loan agreement regarding to the shareholding structure and has not yet received letters from the bank granting waivers from compliance with the covenants and the outstanding balances of long-term loans for which conditions have been breached, amounting to Baht 156 million, are therefore classified as current portion of long-term loans in the consolidated financial statement.

(Unaudited but reviewed)

Movements in the long-term loans account during the six-month period ended 30 June 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Balance as at 1 January 2019	1,633,697	932,667
Add: Addition	12,923	3,245
Less: Repayment	<u>(400,886)</u>	<u>(159,325)</u>
Balance as at 30 June 2019	<u>1,245,734</u>	<u>776,587</u>

Long-term loans of the Company and its subsidiaries have principal repayment conditions with the rates stipulated in the loan agreements when the collaterals mortgaged with banks are redeemed, and full settlement of these loans is to be made within 2019 - 2023. Long-term loans carry interest at floating rate based on Minimum Loan Rate plus certain spread.

Long-term loans of the Company and its subsidiaries are secured by bank deposit, the mortgage of the project land, including most present and future structures thereon, and guaranteed by the Company and its subsidiaries

The loan agreements contain several covenants which, among other things, require the shareholding structure and the Company's and its subsidiaries debt to equity ratio to maintain at the rate prescribed in the agreements.

The long-term credit facilities of the Company and its subsidiaries which have not yet been drawn down are as follow:

	(Unit: Million Baht)			
	Consolidated		Separate	
	<u>financial statements</u>		<u>financial statements</u>	
	30 June	31 December	30 June	31 December
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Audited)		(Audited)
Long-term credit facilities which have not yet been drawn down	2,344	2,357	710	714

15. Income tax

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

Income tax expenses (income) for the three-month and six-month periods ended 30 June 2019 and 2018 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Current income tax:				
Interim corporate income tax charge	164	40,060	(3,697)	23,750
Adjustment in respect of income tax expenses of previous year	-	25,198	-	25,198
Write-off prepaid income tax	26,833	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(3,352)	3,212	(6,817)	(901)
Income tax expense (income) reported in the statement of comprehensive income	<u>23,645</u>	<u>68,470</u>	<u>(10,514)</u>	<u>48,047</u>

	(Unit: Thousand Baht)			
	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Current income tax:				
Interim corporate income tax charge	14,080	58,986	-	27,644
Adjustment in respect of income tax expenses of previous year	-	25,198	-	25,198
Write-off prepaid income tax	26,833	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(4,321)	3,027	(6,773)	(911)
Income tax expense (income) reported in the statement of comprehensive income	<u>36,592</u>	<u>87,211</u>	<u>(6,773)</u>	<u>51,931</u>

(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2019 and 2018 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
Deferred tax relating to actuarial gain	1,712	-	1,600	-
	<u>1,712</u>	<u>-</u>	<u>1,600</u>	<u>-</u>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
Deferred tax relating to actuarial gain	1,712	-	1,600	-
	<u>1,712</u>	<u>-</u>	<u>1,600</u>	<u>-</u>

16. Earnings per share

Basic earnings per share is calculated by dividing profit (loss) 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 June			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Loss for the period (Thousand Baht)				
Equity holders of the Company	(92,083)	(9,979)	(48,492)	(34,598)
Weighted average number of ordinary shares				
(Thousand shares)	4,200,000	4,200,000	4,200,000	4,200,000
Loss per share (Baht)	(0.022)	(0.002)	(0.012)	(0.008)

(Unaudited but reviewed)

	For the six-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Profit (loss) for the period (Thousand Baht)				
Equity holders of the Company	(81,442)	37,136	(38,888)	(27,228)
Weighted average number of ordinary shares				
(Thousand shares)	4,200,000	4,200,000	4,200,000	4,200,000
Earnings (loss) per share (Baht)	(0.019)	0.009	(0.009)	(0.006)

17. 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 chief operating decision maker has been identified as the Company's Board of Directors.

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have two reportable segments as follows:

- Real estate business segment which consists of houses, townhouses, commercial buildings and residence condominium projects for sale, including the provision of property management services to other related companies. These services are considered to be related to the property development business.
- Rental and service business segment which consists of community mall and parking.

The chief operating decision maker monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

(Unaudited but reviewed)

The following table present revenue and profit information regarding the Company's and its subsidiaries' operating segments for the three-month and six-month periods ended 30 June 2019 and 2018, respectively.

(Unit: Million Baht)

	For the three-month periods ended 30 June									
	Real estate business		Rental and service business		Total reportable segments		Adjustments and eliminations		Consolidated financial statements	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue from external customers	330	1,177	16	18	346	1,195	-	-	346	1,195
Inter-segment revenue	5	5	2	4	7	9	(6)	(8)	1	1
Interest revenue	48	67	-	-	48	67	(36)	(55)	12	12
Other income	1	5	1	-	2	5	-	-	2	5
Total revenues	384	1,254	19	22	403	1,276	(42)	(63)	361	1,213
Cost of sales	254	885	28	34	282	919	(6)	(28)	276	891
Selling expenses	28	82	-	1	28	83	-	-	28	83
Administrative expenses	74	94	13	11	87	105	-	-	87	105
Total expenses	356	1,061	41	46	397	1,107	(6)	(28)	391	1,079
Profit (loss) before share of loss from investment in joint ventures, finance cost and income tax expenses	28	193	(22)	(24)	6	169	(36)	(35)	(30)	134
Share of loss from investment in joint ventures	(10)	(11)	-	-	(10)	(11)	-	-	(10)	(11)
Profit (loss) before finance cost and income tax expenses	18	182	(22)	(24)	(4)	158	(36)	(35)	(40)	123
Finance cost	(69)	(83)	(10)	(14)	(79)	(97)	51	33	(28)	(64)
Income tax expenses	(15)	(65)	(5)	-	(20)	(65)	(4)	(4)	(24)	(69)
Profit (loss) for the period	(66)	34	(37)	(38)	(103)	(4)	11	(6)	(92)	(10)

(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods ended 30 June									
	Real estate business		Rental and service business		Total reportable segments		Adjustments and eliminations		Consolidated financial statements	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue from external customers	1,024	2,160	30	47	1,054	2,207	-	-	1,054	2,207
Inter-segment revenue	8	15	4	8	12	23	(11)	(20)	1	3
Interest revenue	97	132	-	-	97	132	(72)	(106)	25	26
Other income	10	21	1	-	11	21	-	-	11	21
Total revenues	1,139	2,328	35	55	1,174	2,383	(83)	(126)	1,091	2,257
Cost of sales	755	1,629	57	64	812	1,693	(24)	(63)	788	1,630
Selling expenses	76	164	-	2	76	166	-	-	76	166
Administrative expenses	143	182	19	12	162	194	-	-	162	194
Total expenses	974	1,975	76	78	1,050	2,053	(24)	(63)	(1,026)	1,990
Profit (loss) before share of loss from investment in joint ventures, finance cost and income tax expenses	165	353	(41)	(23)	124	330	(59)	(63)	65	267
Share of loss from investment in joint ventures	(18)	(20)	-	-	(18)	(20)	-	-	(18)	(20)
Profit (loss) before finance cost and income tax expenses	147	333	(41)	(23)	106	310	(59)	(63)	47	247
Finance cost	(142)	(153)	(21)	(27)	(163)	(180)	72	57	(91)	(123)
Income tax expenses	(29)	(83)	(5)	-	(34)	(83)	(3)	(4)	(37)	(87)
Profit (loss) for the period	(24)	97	(67)	(50)	(91)	47	10	(10)	(81)	37

18. Dividend

Dividend	Approved by	Dividend paid (Million Baht)	Dividend paid per share (Baht)
Annual dividend for 2018	Annual General Meeting of Shareholder on 29 April 2019	42	0.01
Total dividend for the period 2018		42	0.01

(Unaudited but reviewed)

19. Commitments and contingent liabilities

19.1 Capital commitments

The Company and its subsidiaries had capital commitment as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
Project construction contracts	106	306	91	110

19.2 Operating lease commitments

The Company has entered into lease agreements in respect of office building space and vehicle. The terms of the agreements are generally 3 - 4 years.

Future minimum lease payments required under these operating leases contracts were as follows:

(Unit: Million Baht)

	Consolidated/Separate financial statements	
	30 June 2019	31 December 2018
		(Audited)
Payable within:		
Less than 1 year	18	15
In over 1 and up to 4 years	37	11

19.3 Bank guarantees

There were outstanding bank guarantees issued by banks on behalf of the Company and its subsidiaries in the normal course of business below.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
Bank guarantees for construction and maintenance of infrastructure	345	359	62	71

The bank guarantees are secured by the bank deposits, the mortgage of project land and construction and the debenture of related person.

19.4 Servitude

The Company and its subsidiaries have servitude over land as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
Land servitude approximately (rai)	87	87	46	46

The cost of land servitude is included in the project development costs and investment properties.

20. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 9 August 2019.