

AP (Thailand) Public Company Limited and its subsidiaries
Review report and 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 AP (Thailand) Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of AP (Thailand) 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 ended 30 June 2019, and the related consolidated statements 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 AP (Thailand) 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.

Emphasis of matter

I draw attention to Note 2 to the financial statements regarding the change in accounting policy as the result of adoption of Thai Accounting Standard 15 Revenue from Contracts with Customers. My conclusion is not qualified in respect of this matter.

Satida Ratananurak

Certified Public Accountant (Thailand) No. 4753

EY Office Limited

Bangkok: 13 August 2019

AP (Thailand) Public Company Limited and its subsidiaries

Statements of financial position

As at 30 June 2019

(Unit: Thousand Baht)

		Consolidated financial statements			Separate financial statements		
	Note	30 June 2019	31 December 2018	1 January 2018	30 June 2019	31 December 2018	1 January 2018
		(Unaudited but reviewed)	(Audited) (Restated)	(Audited) (Restated)	(Unaudited but reviewed)	(Audited) (Restated)	(Audited) (Restated)
Assets							
Current assets							
Cash and cash equivalents	3	1,511,382	951,260	1,054,169	419,632	217,441	540,591
Trade and other receivables	4	307,243	382,963	390,570	91,533	166,931	262,470
Inventories	5	45,488,490	41,149,117	35,424,615	7,908,511	9,858,649	16,245,120
Interest receivable - related parties	6	-	-	-	690,562	292,557	843,449
Short-term loans to related parties	6	-	-	-	30,295,600	26,724,400	15,229,100
Deposits for construction materials		177,846	83,204	49,261	8,361	11,451	23,415
Deposits for land		1,569,771	719,594	822,211	22,000	-	3,750
Total current assets		49,054,732	43,286,138	37,740,826	39,436,199	37,271,429	33,147,895
Non-current assets							
Restricted bank deposits	3	549	549	993	549	549	549
Investments in subsidiaries	7	-	-	-	5,839,206	2,749,040	2,562,160
Investments in joint ventures	8	4,454,922	4,496,984	4,809,089	4,944,505	4,765,495	5,215,315
Land and cost of project held for development		679,074	679,074	654,423	146,757	146,757	144,457
Investment properties	9	73,795	74,826	70,648	47,371	49,041	52,410
Property, plant and equipment	10	455,693	407,740	265,111	222,433	153,232	63,939
Goodwill		100,063	100,063	100,063	-	-	-
Intangible assets	11	77,627	17,343	29,335	32,097	11,648	25,520
Deferred tax assets		319,062	258,192	194,835	96,417	96,106	90,377
Other non-current assets		79,038	74,001	84,577	40,492	38,551	30,486
Total non-current assets		6,239,823	6,108,772	6,209,074	11,369,827	8,010,419	8,185,213
Total assets		55,294,555	49,394,910	43,949,900	50,806,026	45,281,848	41,333,108

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

AP (Thailand) Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 June 2019

(Unit: Thousand Baht)

		Consolidated financial statements			Separate financial statements		
	Note	30 June 2019	31 December 2018	1 January 2018	30 June 2019	31 December 2018	1 January 2018
		(Unaudited but reviewed)	(Audited) (Restated)	(Audited) (Restated)	(Unaudited but reviewed)	(Audited) (Restated)	(Audited) (Restated)
Liabilities and shareholders' equity							
Current liabilities							
Short-term loans from financial institutions	12	6,645,154	3,184,632	5,661,853	6,114,654	2,474,632	4,800,853
Trade and other payables	6	1,968,882	1,617,153	1,232,109	767,083	771,058	787,221
Accrued interest expenses - related parties	6	-	-	-	27,675	8,329	11,981
Accrued interest expenses		146,809	159,797	133,844	146,561	159,556	133,656
Short-term loans from related parties	6	-	-	-	1,477,048	901,300	1,137,700
Current portion of debentures	14	4,000,000	3,850,000	3,300,000	4,000,000	3,850,000	3,300,000
Current portion of finance lease payable		382	373	355	-	-	-
Unearned revenue		314,019	248,773	304,361	28,440	23,758	152,198
Accrued expenses related to the projects		469,542	440,519	383,763	170,367	198,391	255,579
Accrued expenses		1,192,937	1,472,502	1,115,711	641,941	826,246	838,049
Income tax payable		223,300	273,344	359,409	107,006	130,161	206,434
Total current liabilities		14,961,025	11,247,093	12,491,405	13,480,775	9,343,431	11,623,671
Non-current liabilities							
Long-term loans - net of current portion	13	976,750	140,000	90,000	324,750	120,000	40,000
Debentures - net of current portion	14	14,100,000	13,100,000	9,350,000	14,100,000	13,100,000	9,350,000
Liabilities under finance lease agreement - net of							
current portion		435	628	1,001	-	-	-
Retention payable	6	253,494	237,814	240,765	76,569	83,559	115,279
Provision for long-term employee benefits		202,113	175,929	129,855	111,536	102,093	108,688
Deferred tax liabilities		3,809	2,888	-	-	-	-
Total non-current liabilities		15,536,601	13,657,259	9,811,621	14,612,855	13,405,652	9,613,967
Total liabilities		30,497,626	24,904,352	22,303,026	28,093,630	22,749,083	21,237,638

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

AP (Thailand) Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 June 2019

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	30 June 2019	31 December 2018	1 January 2018	30 June 2019	31 December 2018	1 January 2018
	(Unaudited but reviewed)	(Audited) (Restated)	(Audited) (Restated)	(Unaudited but reviewed)	(Audited) (Restated)	(Audited) (Restated)
Shareholders' equity						
Share capital						
Registered						
3,145,912,151 ordinary shares of Baht 1 each	3,145,912	3,145,912	3,145,912	3,145,912	3,145,912	3,145,912
Issued and fully paid up						
3,145,899,495 ordinary shares of Baht 1 each	3,145,899	3,145,899	3,145,899	3,145,899	3,145,899	3,145,899
Share premium	89,416	89,416	89,416	89,416	89,416	89,416
Retained earnings						
Appropriated - statutory reserve	314,591	314,591	314,591	314,591	314,591	314,591
Unappropriated	21,262,120	20,954,102	18,100,595	19,162,490	18,982,859	16,545,564
Other component of shareholders' equity	(41)	(10)	-	-	-	-
Equity attributable to owners of the Company	24,811,985	24,503,998	21,650,501	22,712,396	22,532,765	20,095,470
Non-controlling interests of the subsidiaries	(15,056)	(13,440)	(3,627)	-	-	-
Total shareholders' equity	24,796,929	24,490,558	21,646,874	22,712,396	22,532,765	20,095,470
Total liabilities and shareholders' equity	55,294,555	49,394,910	43,949,900	50,806,026	45,281,848	41,333,108
	-	-	-	-	-	-

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

Directors

(Unaudited but reviewed)

AP (Thailand) Public Company Limited and its subsidiaries

Statements of comprehensive income

For the three-month period ended 30 June 2019

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

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
			(Restated)		(Restated)
Profit or loss:					
Revenues					
Revenues from sales of real estate		4,529,827	6,217,402	1,485,944	3,903,683
Service income		124,863	163,172	-	-
Management income	6	107,075	80,998	107,075	80,998
Interest income		3,987	6,166	258,820	181,080
Dividend income	6, 7, 8	-	-	289,988	198,662
Gain from sales of investments		27,296	5,164	41,600	7,860
Other income		10,050	7,246	15,445	8,576
Total revenues		<u>4,803,098</u>	<u>6,480,148</u>	<u>2,198,872</u>	<u>4,380,859</u>
Expenses					
Cost of sales		3,130,194	4,217,628	1,031,631	2,638,472
Cost of services		47,171	64,259	-	-
Selling expenses		505,977	469,208	170,894	268,055
Administrative expenses		631,616	783,973	252,825	379,337
Other expenses		50	60,459	24	-
Total expenses		<u>4,315,008</u>	<u>5,595,527</u>	<u>1,455,374</u>	<u>3,285,864</u>
Profit before share of profit from investment in joint ventures, finance cost and income tax expenses		488,090	884,621	743,498	1,094,995
Share of profit from investments in joint ventures	8	167,235	530,084	-	-
Profit before finance cost and income tax expenses		655,325	1,414,705	743,498	1,094,995
Finance cost		(80,525)	(34,392)	(180,065)	(152,719)
Profit before income tax expenses		574,800	1,380,313	563,433	942,276
Income tax expenses	15	(87,682)	(191,954)	(56,492)	(150,393)
Profit for the period		<u>487,118</u>	<u>1,188,359</u>	<u>506,941</u>	<u>791,883</u>

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

AP (Thailand) Public Company Limited and its subsidiaries

Statements of comprehensive income (continued)

For the three-month period ended 30 June 2019

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

	Consolidated financial statements		Separate financial statements	
Note	2019	2018	2019	2018
		(Restated)		(Restated)
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Exchange difference on translation of financial statements in foreign currency	39	10	-	-
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax</i>	39	10	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Actuarial loss from post-employment benefits	-	(10,857)	-	-
Less: Income tax effect	15	2,171	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax</i>	-	(8,686)	-	-
Other comprehensive income for the period	39	(8,676)	-	-
Total comprehensive income for the period	487,157	1,179,683	506,941	791,883
Profit attributable to:				
Equity holders of the Company	488,247	1,190,693	506,941	791,883
Non-controlling interests of the subsidiaries	(1,129)	(2,334)	-	-
Total	487,118	1,188,359	-	-
Total comprehensive income attributable to:				
Equity holders of the Company	488,286	1,182,017	506,941	791,883
Non-controlling interests of the subsidiaries	(1,129)	(2,334)	-	-
Total	487,157	1,179,683	-	-
Earnings per share	16			
Basic earnings per share				
Profit attributable to equity holders of the Company	0.155	0.378	0.161	0.252
Weighted average number of ordinary shares (Thousand shares)	3,145,899	3,145,899	3,145,899	3,145,899

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

(Unaudited but reviewed)

AP (Thailand) Public Company Limited and its subsidiaries

Statements of comprehensive income

For the six-month period ended 30 June 2019

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

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
			(Restated)		(Restated)
Profit or loss:					
Revenues					
Revenues from sales of real estate		12,032,428	11,484,289	4,659,457	7,721,857
Service income		276,755	285,315	-	-
Management income	6	243,077	207,458	243,077	207,458
Interest income		3,987	6,170	492,099	325,663
Dividend income	6, 7, 8	-	-	800,256	724,401
Gain from sales of investments		27,296	5,164	41,600	7,860
Other income		19,646	14,421	26,236	13,000
Total revenues		<u>12,603,189</u>	<u>12,002,817</u>	<u>6,262,725</u>	<u>9,000,239</u>
Expenses					
Cost of sales		8,299,688	7,797,798	3,219,263	5,248,551
Cost of services		107,179	113,611	-	-
Selling expenses		1,115,322	923,651	435,875	588,488
Administrative expenses		1,523,110	1,257,035	662,384	732,404
Other expenses		11,649	85,414	24	-
Total expenses		<u>11,056,948</u>	<u>10,177,509</u>	<u>4,317,546</u>	<u>6,569,443</u>
Profit before share of profit from investment in joint ventures, finance cost and income tax expenses		1,546,241	1,825,308	1,945,179	2,430,796
Share of profit from investments in joint ventures	8	460,251	680,139	-	-
Profit before finance cost and income tax expenses		2,006,492	2,505,447	1,945,179	2,430,796
Finance cost		(125,634)	(68,436)	(333,020)	(280,971)
Profit before income tax expenses		1,880,858	2,437,011	1,612,159	2,149,825
Income tax expenses	15	(316,100)	(383,692)	(174,172)	(286,438)
Profit for the period		<u>1,564,758</u>	<u>2,053,319</u>	<u>1,437,987</u>	<u>1,863,387</u>

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

AP (Thailand) Public Company Limited and its subsidiaries

Statements 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
		(Restated)		(Restated)
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Exchange difference on translation of financial statements in foreign currency	31	10	-	-
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax</i>	31	10	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Actuarial gain (loss) from post-employment benefits	-	(10,063)	-	5,125
Less: Income tax effect	15	1,269	-	(1,025)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax</i>	-	(8,794)	-	4,100
Other comprehensive income for the period	31	(8,784)	-	4,100
Total comprehensive income for the period	1,564,789	2,044,535	1,437,987	1,867,487
Profit attributable to:				
Equity holders of the Company	1,566,374	2,057,469	1,437,987	1,863,387
Non-controlling interests of the subsidiaries	(1,616)	(4,150)		
Total	1,564,758	2,053,319		
Total comprehensive income attributable to:				
Equity holders of the Company	1,566,405	2,048,685	1,437,987	1,867,487
Non-controlling interests of the subsidiaries	(1,616)	(4,150)		
Total	1,564,789	2,044,535		
Earnings per share				
16				
Basic earnings per share				
Profit attributable to equity holders of the Company	0.498	0.654	0.457	0.592
Weighted average number of ordinary shares (Thousand shares)	3,145,899	3,145,899	3,145,899	3,145,899

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

(Unaudited but reviewed)

AP (Thailand) Public Company Limited and its subsidiaries**Cash flow statements****For the six-month period ended 30 June 2019**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
		(Restated)		(Restated)
Cash flows from operating activities				
Profit before tax	1,880,858	2,437,011	1,612,159	2,149,825
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	42,528	33,293	19,573	14,066
Amortisation	10,798	7,775	8,210	7,019
Allowance for doubtful debts (reversal)	(1,242)	26,194	-	-
Reversal of allowance for diminution in inventories	(119)	-	-	-
Loss (gain) from disposals/write-off of assets	12,052	(26)	24	(30)
Share of profit from investment in joint ventures	(460,251)	(680,139)	-	-
Gain from purchase of investment in subsidiary	(716)	-	-	-
Gain from sales of investments	(27,296)	(5,164)	(41,600)	(7,860)
Dividend income	-	-	(800,256)	(724,401)
Provision for long-term employee benefits	26,675	23,030	9,934	11,353
Write-off income tax	140	2,566	-	-
Interest income	(3,987)	(6,170)	(492,099)	(325,663)
Interest expenses	106,266	50,386	323,838	268,659
Profit from operating activities before changes in operating assets and liabilities	1,585,706	1,888,756	639,783	1,392,968
Operating assets (increase) decrease				
Trade and other receivables	(875,204)	535,549	56,488	102,325
Inventories	(5,282,396)	(5,348,959)	1,950,138	3,414,243
Other non-current assets	(4,384)	(16,097)	(1,941)	(1,807)
Operating liabilities increase (decrease)				
Trade and other payables	67,911	17,096	(216,304)	(379,680)
Unearned revenue	65,246	(32,731)	4,682	(68,715)
Retention payable	14,440	(5,289)	(6,990)	(8,559)
Cash from (used in) operating activities	(4,428,681)	(2,961,675)	2,425,856	4,450,775
Cash paid for long-term employee benefits	(491)	(553)	(491)	(20,239)
Cash paid for interest expenses	(351,032)	(293,878)	(337,465)	(285,112)
Cash paid for income tax	(442,947)	(564,338)	(197,638)	(309,478)
Net cash from (used in) operating activities	(5,223,151)	(3,820,444)	1,890,262	3,835,946

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

(Unaudited but reviewed)

AP (Thailand) Public Company Limited and its subsidiaries**Cash flow statements (continued)****For the six-month period ended 30 June 2019**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
		(Restated)		(Restated)
Cash flows from investing activities				
Decrease in restricted bank deposits	-	444	-	-
Cash received from short-term loans to related parties	-	-	11,485,620	5,381,914
Cash paid for short-term loans to related parties	-	-	(15,056,820)	(11,874,114)
Cash paid for investments in subsidiaries	(473,812)	(789,821)	(3,091,166)	(936,300)
Cash received from sale of investments in subsidiary	(2,493)	2,942	42,600	8,860
Cash paid for investments in joint ventures	(179,010)	(473,280)	(179,010)	(473,280)
Dividend received	653,096	286,401	800,256	724,401
Cash received from disposals of assets	1,575	589	791	422
Cash paid for purchases of equipment	(132,187)	(59,670)	(100,062)	(32,984)
Cash paid for purchases of intangible assets	(40,562)	(450)	(16,516)	(416)
Cash received from interest	3,987	6,170	94,094	8,317
Net cash used in investing activities	(169,406)	(1,026,675)	(6,020,213)	(7,193,180)
Cash flows from financing activities				
Cash received from short-term loans from financial institutions	19,519,300	22,638,040	13,421,500	19,478,040
Cash paid for repayment of short-term loans from financial institutions	(15,691,800)	(20,159,940)	(9,761,500)	(18,015,941)
Cash received from short-term loans from related parties	527,000	1,585,000	702,748	1,934,500
Cash paid for short-term loans from related parties	-	-	(127,000)	(486,000)
Cash received from long-term loans	2,186,750	1,033,000	684,750	500,000
Cash paid for repayment of long-term loans	(480,000)	(127,000)	(480,000)	(77,000)
Cash received from issuance of debentures	3,000,000	3,000,000	3,000,000	3,000,000
Cash paid for repayment of debentures	(1,850,000)	(1,750,000)	(1,850,000)	(1,750,000)
Cash paid for liabilities under finance lease agreement	(184)	(175)	-	-
Dividend payment	(1,258,356)	(1,100,503)	(1,258,356)	(1,100,503)
Net cash from financing activities	5,952,710	5,118,422	4,332,142	3,483,096
Increase (decrease) in translation adjustments	(31)	10	-	-
Net increase in cash and cash equivalents	560,122	271,313	202,191	125,862
Cash and cash equivalents at beginning of period	951,260	1,054,169	217,441	540,591
Cash and cash equivalents at end of period (Note 3)	1,511,382	1,325,482	419,632	666,453

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

(Unaudited but reviewed)

AP (Thailand) Public Company Limited and its subsidiaries

Cash flow statements (continued)

For the six-month period ended 30 June 2019

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		(Restated)
Supplemental cash flow information				
Non-cash transactions from investing activities				
Transfer inventories to investment properties	-	3,532	-	-
Transfer inventories to land and cost of project held for development	-	46,361	-	7,410
Transfer properties, plant and equipment to intangible asset	30,520	1,000	12,143	-

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

(Unaudited but reviewed)

AP (Thailand) Public Company Limited and its subsidiaries

Statements 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 equity			
					Other comprehensive income			
					Exchange difference on translation of financial statements in foreign currency	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Note	Issued and paid-up share capital	Share premium	Retained earnings Appropriated - statutory reserve	Unappropriated				
Balance as at 1 January 2018- as previously reported	3,145,899	89,416	314,591	18,086,738	-	21,636,644	(3,627)	21,633,017
Cumulative effect of change in accounting policy	2	-	-	13,857	-	13,857	-	13,857
Balance as at 1 January 2018 - as restated	3,145,899	89,416	314,591	18,100,595	-	21,650,501	(3,627)	21,646,874
Dividend paid	17	-	-	(1,100,503)	-	(1,100,503)	-	(1,100,503)
Profit for the period - restated	2	-	-	2,057,469	-	2,057,469	(4,150)	2,053,319
Other comprehensive income for the period		-	-	(8,794)	10	(8,784)	-	(8,784)
Balance as at 30 June 2018 - as restated	<u>3,145,899</u>	<u>89,416</u>	<u>314,591</u>	<u>19,048,767</u>	<u>10</u>	<u>22,598,683</u>	<u>(7,777)</u>	<u>22,590,906</u>
Balance as at 1 January 2019- as previously reported	3,145,899	89,416	314,591	20,842,850	(10)	24,392,746	(13,440)	24,379,306
Cumulative effect of change in accounting policy	2	-	-	111,252	-	111,252	-	111,252
Balance as at 1 January 2019 - as restated	3,145,899	89,416	314,591	20,954,102	(10)	24,503,998	(13,440)	24,490,558
Dividend paid	17	-	-	(1,258,356)	-	(1,258,356)	-	(1,258,356)
Profit for the period		-	-	1,566,374	-	1,566,374	(1,616)	1,564,758
Other comprehensive income for the period		-	-	-	(31)	(31)	-	(31)
Balance as at 30 June 2019	<u>3,145,899</u>	<u>89,416</u>	<u>314,591</u>	<u>21,262,120</u>	<u>(41)</u>	<u>24,811,985</u>	<u>(15,056)</u>	<u>24,796,929</u>

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

(Unaudited but reviewed)

AP (Thailand) Public Company Limited and its subsidiaries
Statements of changes in shareholders' equity (continued)
For the six-month period ended 30 June 2019

(Unit: Thousand Baht)

		Separate financial statements				
		Retained earnings				
		Issued and paid up	Share	Appropriated -		Total
	Note	share capital	premium	statutory reserve	Unappropriated	shareholders' equity
Balance as at 1 January 2018 - as previously reported		3,145,899	89,416	314,591	16,545,393	20,095,299
Cumulative effect of change in accounting policy	2	-	-	-	171	171
Balance as at 1 January 2018 - as restated		3,145,899	89,416	314,591	16,545,564	20,095,470
Dividend paid	17	-	-	-	(1,100,503)	(1,100,503)
Profit for the period - restated	2	-	-	-	1,863,387	1,863,387
Other comprehensive income for the period		-	-	-	4,100	4,100
Balance as at 30 June 2018 - as restated		3,145,899	89,416	314,591	17,312,548	20,862,454
Balance as at 1 January 2019 - as previously reported		3,145,899	89,416	314,591	18,982,859	22,532,765
Cumulative effect of change in accounting policy	2	-	-	-	-	-
Balance as at 1 January 2019 - as restated		3,145,899	89,416	314,591	18,982,859	22,532,765
Dividend paid	17	-	-	-	(1,258,356)	(1,258,356)
Profit for the period		-	-	-	1,437,987	1,437,987
Balance as at 30 June 2019		3,145,899	89,416	314,591	19,162,490	22,712,396

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

AP (Thailand) Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and six-month periods ended 30 June 2019

1. General information

1.1 Corporate information

AP (Thailand) Public Company Limited (“the Company”) is a public company, incorporated and domiciled in Thailand. The Company is principally engaged in real estate development. The registered office of the Company is at 170/57 18th floor, Ocean Tower I Building, Rajadapisek Road, KlongToey, Bangkok.

1.2 Basis of 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, statement of comprehensive income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

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

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

1.3 Basis of consolidation

These consolidated financial statements include the financial statements of AP (Thailand) Public Company Limited (hereinafter called as “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, with the change in the group structure during the current period from the establishment of the subsidiaries, additionally invested in subsidiary and sell the investment in subsidiary as described in Note 7.

As at 30 June 2019 and 31 December 2018, the group structure was detailed below.

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			30 June	31 December
			2019	2018
<u>Held by the Company</u>				
The Value Property Development Co., Ltd. and subsidiaries	Real estate development	Thailand	100	100
Asian Property (Krungthep) Co., Ltd.	Real estate development	Thailand	100	100
Asian Property Co., Ltd. and subsidiary	Real estate development	Thailand	100	100
Thonglor Residence Co., Ltd. and subsidiary	Real estate development	Thailand	100	100
Smart Service & Management Co., Ltd.	Service	Thailand	100	100
Bangkok CitiSmart Co., Ltd.	Service	Thailand	100	100
Asian Property (2012) Co., Ltd.	Real estate development	Thailand	100	100
Thai Big Belly Co., Ltd.	Real estate development	Thailand	100	100
Asian Property (2014) Co., Ltd.	Real estate development	Thailand	100	100
Asian Property (2015) Co., Ltd.	Real estate development	Thailand	100	-
Asian Property (2018) Co., Ltd.	Real estate development	Thailand	100	100
AP ME 10 Co., Ltd.	Real estate development	Thailand	100	100
AP ME 11 Co., Ltd.	Real estate development	Thailand	100	100
AP ME 12 Co., Ltd.	Real estate development	Thailand	-	100
AP ME 15 Co., Ltd.	Real estate development	Thailand	100	100
AP ME (Krungthep) Co., Ltd.	Real estate development	Thailand	100	100
AP ME 16 Co., Ltd.	Real estate development	Thailand	100	-
AP ME 17 Co., Ltd.	Real estate development	Thailand	100	-
AP ME 18 Co., Ltd.	Real estate development	Thailand	100	-

(Unaudited but reviewed)

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			30 June 2019	31 December 2018
<u>Held by the subsidiaries of the Company</u>				
SQE Construction Co., Ltd. (100 percent held by The Value Property Development Co., Ltd.)	Construction	Thailand	100	100
Asian Property (2017) Co., Ltd. (100 percent held by The Value Property Development Co., Ltd.)	Real estate development	Thailand	100	100
Signature Advisory Partners Ltd. (100 percent held by Thonglor Residence Co., Ltd.)	Real estate development	Thailand	100	100
SEASIA Leadavation Center Co., Ltd. (98 percent held by Asian Property Co., Ltd.)	Service	Thailand	98	98
Clay More Innovation Lab Co., Ltd. (100 percent held by Signature Advisory Partners Ltd.)	Service	Thailand	100	100
RC 1 Co., Ltd. (100 percent held by Signature Advisory Partners Ltd.)	Real estate development	Thailand	100	100
RC 2 Co., Ltd. (100 percent held by Signature Advisory Partners Ltd.)	Real estate development	Thailand	100	100
Vaari Digital Co., Ltd. (100 percent held by Signature Advisory Partners Ltd.)	Service	Thailand	100	100
SEAC (SINGAPORE) PTE. LTD. (100 percent held by SEASIA Leadavation Center Co., Ltd.)	Service	Singapore	100	100

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:

TFRS 15 Revenue from Contracts with Customers

TFRS 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
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 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.

The Company and its subsidiaries adopted TFRS 15 using the full retrospective method of adoption. The Company and its subsidiaries elect to apply the relaxed practice allowing non-disclosure of impact the transition on the current period.

The cumulative effect of the change is described in Note 2.

(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, except for the change in the accounting policies due to the adoption of TFRS 15, Revenue from Contracts with Customers, as follow:

Revenue recognition

Cost to obtain a contract

The Company and its subsidiaries recognise commission paid to obtain a customer contract as an asset and amortised to expenses on a systematic basis that is consistent with the pattern of revenue recognition. An impairment loss is recognised to the extent that the carrying amount of an asset recognised exceeds the remaining amount of consideration that the entity expects to receive less direct costs. Provided that the amortisation period of the asset that the Company and its subsidiaries otherwise would have used is one year or less, costs to obtain a contract are immediately recognised as expenses.

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

As described in Note 1.4, during the current period, the Company and its subsidiaries have adopted TFRS 15 using the full retrospective method of adoption. The cumulative effect of the change in accounting policy is presented as a separate item in the statement of changes in shareholders' equity.

The amounts of the adjustments affecting the statement of financial position and the statement of comprehensive income are summarised below:

(Unit: Thousand Baht)

	Increase (decrease)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2018	1 January 2018	31 December 2018	1 January 2018
Statement of financial position				
Assets				
Trade and other receivables	6,587	214	-	214
Investment in joint ventures	105,982	13,686	-	-
Deferred tax assets	(1,317)	(43)	-	(43)
Total assets	111,252	13,857	-	171
Shareholders' equity				
Retained earnings	111,252	13,857	-	171
Total shareholders' equity	111,252	13,857	-	171
Total liabilities and shareholders' equity	111,252	13,857	-	171

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Increase (decrease) in profit for the three-month period ended 30 June 2018		Increase (decrease) in profit for the six-month period ended 30 June 2018	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Statement of comprehensive income				
Profit or loss:				
Revenue from sale of real estate	(95,467)	(63,515)	(191,837)	(134,390)
Selling expenses	(95,022)	(63,422)	(197,498)	(134,200)
Share of profit from investments in joint ventures	8,017	-	60,872	-
Income tax expense	(89)	(19)	1,132	(38)
Profit for the period	7,661	(74)	65,401	(152)
Attributable to:				
Profit attributable to equity holders of the Company	7,661	(74)	65,401	(152)
Earnings per share (Baht):				
Basic earnings per share	0.002	-	0.021	-

The nature of these adjustments are described below:

- Commission paid to obtain a contract - The Company and its subsidiaries have determined that commission paid to obtain a customer contract should be recorded as an asset and amortised to expenses on a systematic basis that is consistent with the pattern of revenue recognition. Under the previous accounting policy, the Company and its subsidiaries immediately recorded commission as selling expenses when the transaction occurred.
- Consideration paid to customers - The Company and its subsidiaries paid registration fee for the transfer of houses or condominium units or paid common area fee to the juristic person of house projects or condominium projects on behalf of customers when the customers register the transfer of houses or condominium units. The management of the Company and its subsidiaries have considered that these transactions are consideration paid to customers. Therefore, they should be recorded as net offsetting with revenue from property sales, not selling expenses as previously recorded.

3. Cash and cash equivalents

Cash and cash equivalents as at 30 June 2019 and 31 December 2018 presented in the statements of financial position are consisted of the following:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
Cash	3,118	2,189	1,802	1,038
Deposits at banks	1,508,813	949,620	418,379	216,952
Total	1,511,931	951,809	420,181	217,990
Less: Restricted bank deposits	(549)	(549)	(549)	(549)
Cash and cash equivalents	1,511,382	951,260	419,632	217,441

The above restricted bank deposits are bank deposits that the Company has placed with banks to secure letters of guarantees issued by the banks on behalf of the Company.

4. Trade and other receivables

As at 30 June 2019 and 31 December 2018, the outstanding balances of trade and other receivables are detailed below.

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
	(Restated)			
Trade receivables:				
<u>Aged on the basis of due dates</u>				
Not yet due	29,931	113,736	-	71,449
Past due				
Up to 12 months	25,500	26,144	-	-
Over 12 months	1,424	1,974	-	-
Total trade receivables	56,855	141,854	-	71,449
Less: Allowance for doubtful accounts	(1,416)	(1,974)	-	-
Trade receivables - net	55,439	139,880	-	71,449
Other receivables:				
Other receivable - the Revenue department	9,895	4,762	-	-
Others	245,155	241,567	91,533	95,482
Total other receivable	255,050	246,329	91,533	95,482
Less: Allowance for doubtful accounts	(3,246)	(3,246)	-	-
Other receivables - net	251,804	243,083	91,533	95,482
Trade and other receivables - net	307,243	382,963	91,533	166,931

5. Inventories

Details of the Company's and subsidiaries' projects on hand are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Number of projects on hand at beginning of period	85	74	40	53
Completed projects	(9)	(21)	(6)	(14)
New projects	14	29	1	1
Increase in number of projects from changing the status of joint ventures to subsidiary	1	3	-	-
Projects on hand at end of period	91	85	35	40

The Company and its subsidiaries have mortgaged their land with total net book value as at 30 June 2019 and 31 December 2018 of Baht 28,003 million and Baht 24,342 million, respectively (the Company only: Baht 5,664 million and Baht 7,514 million, respectively), with banks as collateral for overdrafts and loans from those banks, as described in Note 12 and 13.

During the three-month and six-month periods ended 30 June 2019 and 2018, the Company and its subsidiaries included borrowing costs in cost of inventories. These were determined by applying a capitalisation rate which is the weighted average of the financial charges on total borrowings during the periods as follows:

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Borrowing costs included in cost of inventories (Thousand Baht)	103,165	115,378	-	-
Capitalisation rate (Percent per annum)	3.00 - 4.13	3.35 - 4.28	-	-

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Borrowing costs included in cost of inventories (Thousand Baht)	212,768	222,985	-	16,340
Capitalisation rate (Percent per annum)	3.00 - 4.13	2.75 - 4.28	-	2.75 - 3.16

6. Related party transactions

During the periods, the Company and its subsidiaries had 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 and those related parties.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June				
	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policy
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
<u>Transactions with subsidiaries</u>					
<i>(eliminated from the consolidated financial statements)</i>					
Guarantee income	-	-	9,853	4,755	At the rate of 1.00% of the average of outstanding guarantee balance
Rental income	-	-	850	1,105	At the contractual price
Interest income	-	-	256,730	178,825	Interest at rate of 3.30% per annum (2018: 3.35% per annum)
Cost of sales	-	-	51,063	72,171	At the contractual price
Selling and administrative expenses	-	-	16,547	15,365	Comparable price with third parties
Interest expenses	-	-	11,653	12,279	Interest at rate of 3.30% per annum (2018: 3.35% per annum)
<u>Transactions with joint ventures</u>					
Management income	107,075	80,998	107,075	80,998	At the contractual price
Service income	405	3,442	-	-	Comparable price with third parties
Dividend income	-	-	289,988	198,662	At the declared rate
<u>Transactions with related companies</u>					
Selling and administrative expenses	3,734	3,043	3,734	3,043	Comparable price with third parties

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June				
	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policy
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
<u>Transactions with subsidiaries</u>					
<i>(eliminated from the consolidated financial statements)</i>					
Guarantee income	-	-	17,387	8,395	At the rate of 1.00% of the average of outstanding guarantee balance
Rental income	-	-	1,954	2,209	At the contractual price
Interest income	-	-	490,009	323,408	Interest at rate of 3.30% per annum (2018: 3.35% per annum)
Dividend income	-	-	147,160	438,000	At the declared rate
Cost of sales	-	-	118,471	173,666	At the contractual price
Selling and administrative expenses	-	-	32,833	41,838	Comparable price with third parties
Interest expenses	-	-	19,107	21,768	Interest at rate of 3.30% per annum (2018: 3.35% per annum)
<u>Transactions with joint ventures</u>					
Management income	243,077	207,458	243,077	207,458	At the contractual price
Service income	1,502	6,826	-	-	Comparable price with third parties
Dividend income	-	-	653,096	286,401	At the declared rate
<u>Transactions with related companies</u>					
Selling and administrative expenses	7,469	5,564	7,469	5,564	Comparable price with third parties

(Unaudited but reviewed)

As at 30 June 2019 and 31 December 2018, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
Interest receivable - related parties				
<u>Subsidiaries</u>				
Asian Property (Krungthep) Co., Ltd.	-	-	75,059	30,906
Asian Property Co., Ltd.	-	-	286,638	136,513
The Value Property Development Co., Ltd.	-	-	248,833	78,721
Thonglor Residence Co., Ltd.	-	-	1,623	787
Asian Property (2012) Co., Ltd.	-	-	-	16,293
Asian Property (2014) Co., Ltd.	-	-	19,001	12,232
Asian Property (2018) Co., Ltd.	-	-	44,069	16,363
AP ME 10 Co., Ltd.	-	-	9,392	565
AP ME 11 Co., Ltd.	-	-	1,282	-
AP ME 12 Co., Ltd.	-	-	-	177
AP ME 15 Co., Ltd.	-	-	4,148	-
AP ME 16 Co., Ltd.	-	-	517	-
Total interest receivable - related parties	-	-	690,562	292,557
Trade accounts payable - related parties				
<u>Subsidiaries</u>				
Signature Advisory Partners Ltd.	-	-	44,175	44,175
SQE Construction Co., Ltd.	-	-	5,812	18,585
Total trade accounts payable - related parties	-	-	49,987	62,760
Others payable - related parties				
<u>Subsidiaries</u>				
Asian Property Co., Ltd.	-	-	1	8,154
The Value Property Development Co., Ltd.	-	-	-	5
Smart Service & Management Co., Ltd.	-	-	5,172	1,780
SEASIA Leadavation Center Co., Ltd.	-	-	253	2,606
SQE Construction Co., Ltd.	-	-	-	2,304
Total others payable - related parties	-	-	5,426	14,849
Interest payable - related parties				
<u>Subsidiaries</u>				
AP ME (Krungthep) Co., Ltd.	-	-	21,389	7,854
Asian Property (2012) Co., Ltd.	-	-	20	-
Asian Property (2015) Co., Ltd.	-	-	4,562	-
Thai Big Belly Co., Ltd.	-	-	1,704	475
Total interest payable - related parties	-	-	27,675	8,329
Retention payable - related party				
<u>Subsidiary</u>				
SQE Construction Co., Ltd.	-	-	683	458
Total retention payable - related party	-	-	683	458

(Unaudited but reviewed)

The balances of loans between the Company and those related parties as at 30 June 2019 and 31 December 2018, and the movements are as follows:

Short-term loans to related parties

(Unit: Thousand Baht)

Company's name	Balance as at	During the period		Balance as at
	31 December	Additional	Receiving	30 June
	2018	granting		2019
Asian Property (Krungthep) Co., Ltd.	2,896,000	650,000	(937,000)	2,609,000
Asian Property Co., Ltd.	12,052,700	4,957,300	(5,063,000)	11,947,000
The Value Property Development Co., Ltd.	8,611,000	5,708,000	(2,295,000)	12,024,000
Thonglor Residence Co., Ltd.	44,100	38,000	-	82,100
Asian Property (2012) Co., Ltd.	695,600	14,000	(709,600)	-
Asian Property (2014) Co., Ltd.	492,000	61,000	(276,000)	277,000
Asian Property (2018) Co., Ltd.	1,548,000	254,500	(130,000)	1,672,500
AP ME 10 Co., Ltd.	211,000	491,000	-	702,000
AP ME 11 Co., Ltd.	-	120,000	-	120,000
AP ME 12 Co., Ltd.	174,000	1,901,020	(2,075,020)	-
AP ME 15 Co., Ltd.	-	752,000	-	752,000
AP ME 16 Co., Ltd.	-	110,000	-	110,000
Total short-term loans to related parties	<u>26,724,400</u>	<u>15,056,820</u>	<u>(11,485,620)</u>	<u>30,295,600</u>

Short-term loans from related parties

(Unit: Thousand Baht)

Company's name	Balance as at	During the period		Balance as at
	31 December	Additional	Repayment	30 June
	2018	borrowing		2019
AP ME (Krungthep) Co., Ltd.	820,300	97,000	(103,000)	814,300
Asian Property (2012) Co., Ltd.	-	72,748	-	72,748
Asian Property (2015) Co., Ltd.	-	527,000	(5,000)	522,000
Thai Big Belly Co., Ltd.	81,000	6,000	(19,000)	68,000
Total short-term loans from related parties	<u>901,300</u>	<u>702,748</u>	<u>(127,000)</u>	<u>1,477,048</u>

The above loans to and loans from related parties are in the form of promissory notes, which are uncollateralised and due for repayment at call.

Directors' and management's remuneration

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

	(Unit: Thousand Baht)			
	Consolidated and separate financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits	30,959	27,325	56,169	50,438
Post-employment benefits	1,763	2,118	3,527	4,236
Total	<u>32,722</u>	<u>29,443</u>	<u>59,696</u>	<u>54,674</u>

Guarantee obligations with related parties

The Company had outstanding guarantee obligations with its related parties, as described in Note 19.4.

(Unaudited but reviewed)

7. Investments in subsidiaries

(Unit: Million Baht)

Company's name	Nature of business	Separate financial statements													
		Paid-up share capital		Percentage of shareholding		Investment value under cost method		Allowance for impairment of investments		Investments in subsidiaries - net		Dividend received for the three-month periods ended 30 June		Dividend received for the six-month periods ended 30 June	
		30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	2019	2018	2019	2018
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
				Percent	Percent										
Asian Property (Krungthep) Co., Ltd.	Real estate development	300	300	100	100	294	294	-	-	294	294	-	-	-	-
Asian Property Co., Ltd.	Real estate development	2,000	896	100	100	1,511	407	-	-	1,511	407	-	-	-	-
The Value Property Development Co., Ltd.	Real estate development	2,000	500	100	100	2,000	500	-	-	2,000	500	-	-	-	-
Smart Service & Management Co., Ltd.	Service	5	5	100	100	5	5	-	-	5	5	-	-	-	-
Bangkok CitiSmart Co., Ltd.	Service	4	4	100	100	4	4	-	-	4	4	-	-	30	-
Thonglor Residence Co., Ltd.	Real estate development	39	39	100	100	39	39	(25)	(25)	14	14	-	-	-	-
Asian Property (2012) Co., Ltd.	Real estate development	300	300	100	100	300	300	-	-	300	300	-	-	-	-
Thai Big Belly Co., Ltd.	Real estate development	50	50	100	100	50	50	-	-	50	50	-	-	25	-
Asian Property (2013) Co., Ltd.	Real estate development	-	-	-	-	-	-	-	-	-	-	-	-	-	438
Asian Property (2014) Co., Ltd.	Real estate development	400	400	100	100	400	400	-	-	400	400	-	-	-	-
Asian Property (2018) Co., Ltd.	Real estate development	1	1	100	100	1	1	-	-	1	1	-	-	-	-
AP ME (Krungthep) Co., Ltd.	Real estate development	768	768	100	100	770	770	-	-	770	770	-	-	92	-
AP ME 10 Co., Ltd.	Real estate development	1	1	100	100	1	1	-	-	1	1	-	-	-	-
AP ME 11 Co., Ltd.	Real estate development	1	1	100	100	1	1	-	-	1	1	-	-	-	-
AP ME 12 Co., Ltd.	Real estate development	-	1	-	100	-	1	-	-	-	1	-	-	-	-
AP ME 15 Co., Ltd.	Real estate development	1	1	100	100	1	1	-	-	1	1	-	-	-	-
AP ME 16 Co., Ltd.	Real estate development	1	-	100	-	1	-	-	-	1	-	-	-	-	-
AP ME 17 Co., Ltd.	Real estate development	1	-	100	-	1	-	-	-	1	-	-	-	-	-
AP ME 18 Co., Ltd.	Real estate development	1	-	100	-	1	-	-	-	1	-	-	-	-	-
Asian Property (2015) Co., Ltd.	Real estate development	440	-	100	-	484	-	-	-	484	-	-	-	-	-
Total investments in subsidiaries						5,864	2,774	(25)	(25)	5,839	2,749	-	-	147	438

Establishment of new subsidiaries

Regarding the resolution of the Company's Board of Directors during 2018, the Company has established additional subsidiaries in 2019 as follows:

- (a) Establishment of AP ME 16 Co., Ltd. with the registered capital of Baht 1 million, comprising 0.1 million ordinary shares of Baht 10 each, in which the Company holds 99.99% interest. This company registered its establishment with the Ministry of Commerce on 22 February 2019.
- (b) Establishment of AP ME 17 Co., Ltd. with the registered capital of Baht 1 million, comprising 0.1 million ordinary shares of Baht 10 each, in which the Company holds 99.99% interest. This company registered its establishment with the Ministry of Commerce on 22 February 2019.
- (c) Establishment of AP ME 18 Co., Ltd. with the registered capital of Baht 1 million, comprising 0.1 million ordinary shares of Baht 10 each, in which the Company holds 99.99% interest. This company registered its establishment with the Ministry of Commerce on 22 February 2019.

Additionally invested in subsidiaries

On 12 March 2019, the meeting of the Company's Board of Directors passed a resolution to purchase ordinary shares of Asian Property (2015) Co., Ltd. from Premium Residence Co., Ltd., the Company's joint venture; of 66 million ordinary shares or equivalent to 99.99 percent of the share capital at the price of Baht 7.33 each, or a total of Baht 484 million. The Company had purchased and signed the share transfer documents of the aforementioned ordinary shares on 27 March 2019. As a result, the status of this company changed to the subsidiary of the Company and the financial statements of Asian Property (2015) Co., Ltd. had been included in the consolidated financial statements since 27 March 2019, which is the date on which the Company assumed control.

(Unaudited but reviewed)

Management of the Company determined that the acquisition of the investment in this company was an asset acquisition. The carrying values of the assets and liabilities of Asian Property (2015) Co., Ltd. at the acquisition date were as summarised below.

	(Unit: Thousand Baht)
Cash and cash equivalents	10,188
Short-term loan to related party	527,000
Other current assets	242
Equipment	11
Investment properties	1,399
Deferred tax assets	4,577
Other non-current assets	9
Trade and other payables	(19,573)
Accrued expenses related to the project	(22,885)
Accrued expenses	(32)
Income tax payables	(14,809)
Other current liabilities	(171)
Other non-current liabilities	(1,240)
Net assets	<u>484,716</u>
Cash paid for investments in subsidiary	484,000
Less: Cash and cash equivalents of the subsidiary	<u>(10,188)</u>
Net cash paid for investments in subsidiary	<u>473,812</u>

Increase in share capital of the subsidiaries

The Value Property Development Co., Ltd.

On 17 May 2019, the Extraordinary General Meeting of shareholders of The Value Property Development Co., Ltd. approved to increase its registered share capital by Baht 1,500 million (150 million ordinary shares of Baht 10 each) from Baht 500 million (50 million ordinary shares of Baht 10 each) to Baht 2,000 million (200 million ordinary shares of Baht 10 each). This company registered the increase of its share capital with the Ministry of Commerce on 21 May 2019.

Asian Property Co., Ltd.

On 17 May 2019, the Extraordinary General Meeting of shareholders of Asian Property Co., Ltd. approved to increase its registered share capital by Baht 1,104 million (110.4 million ordinary shares of Baht 10 each) from Baht 896 million (89.6 million ordinary shares of Baht 10 each) to Baht 2,000 million (200 million ordinary shares of Baht 10 each). This company registered the increase of its share capital with the Ministry of Commerce on 22 May 2019.

Sales of investments in subsidiaries

AP ME 12 Co., Ltd.

On 25 June 2019, the Company sold investment in AP ME 12 Co., Ltd. to Premium Residence Co., Ltd., which is a joint venture company between AP (Thailand) Public Company Limited and MJRI (Thailand) Co., Ltd. totaling Baht 42.6 million. The Company recognised gain from sales of investment of approximately Baht 27.3 million in the consolidated financial statements (Baht 41.6 million in the separate financial statements). Therefore, the status of this company was changed to subsidiary of Premium Residence Co., Ltd., the Company's joint venture, as mentioned in Note 8.

8. Investments in joint ventures

8.1 Details of investments in joint ventures:

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

(Unit: Million Baht)

Joint ventures	Nature of business	Shareholding percentage		Separate financial statements		Consolidated financial statements		Separate financial statements			
				Cost		Carrying amounts based on equity method		Dividend received for the three-month periods ended		Dividend received for the six-month periods ended	
				30 June	31 December	30 June	31 December	30 June		30 June	
				2019	2018	2019	2018	2019	2018	2019	2018
		(%)	(%)				(Restated)				
AP ME (Sukhumvit) Co., Ltd.	Real estate development	-	-	-	-	-	-	-	-	-	21
AP ME (Krungthep) Co., Ltd.	Real estate development	-	-	-	-	-	-	-	-	-	7
AP ME (Asoke) Co., Ltd.	Real estate development	-	-	-	-	-	-	-	-	-	24
AP (Ekkamai) Co., Ltd.	Real estate development	51	51	183	183	262	270	134	-	315	-
Premium Residence Co., Ltd. and its subsidiaries	Real estate development	51	51	4,761	4,582	4,193	4,227	156	199	338	234
Total				4,944	4,765	4,455	4,497	290	199	653	286

8.2 Share of profit from investments in joint ventures

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

(Unit: Million Baht)

Joint ventures	Consolidated financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	<u>2019</u>	<u>2018</u> (Restated)	<u>2019</u>	<u>2018</u> (Restated)
AP ME (Sukhumvit) Co., Ltd.	-	-	-	13
AP ME (Krungthep) Co., Ltd.	-	4	-	16
AP ME (Asoke) Co., Ltd.	-	10	-	28
AP (Ekkamai) Co., Ltd.	128	(2)	307	(4)
Premium Residence Co., Ltd. and its subsidiaries	39	518	153	627
Total	<u>167</u>	<u>530</u>	<u>460</u>	<u>680</u>

8.3 Changes in investments in joint ventures

Premium Residence Co., Ltd.

On 25 June 2019, the Extraordinary General Meeting of shareholders of Premium Residence Co., Ltd. approved to increase its registered share capital by Baht 1,000 million (100 million ordinary shares of Baht 10 each) from Baht 9,619.4 million (961.9 million ordinary shares of Baht 10 each) to Baht 10,619.4 million (1,061.9 million ordinary shares of Baht 10 each). This company registered the increase of its share capital with the Ministry of Commerce on 26 June 2019 and the first call up was made at 35.1 percent of this additional registered share capital or equivalent to Baht 351 million.

9. Investment properties

Movements in the investment property account during the six-month period ended 30 June 2019 were summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 31 December 2018	74,826	49,041
Increase form additionally invested in subsidiary (Note 7)	1,399	-
Depreciation for the period	(2,430)	(1,670)
Net book value as at 30 June 2019	73,795	47,371

10. Property, plant and equipment

Movements in the property, plant and equipment account during the six-month period ended 30 June 2019 were summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial	financial
	statements	statements
Net book value as at 31 December 2018	407,740	153,232
Acquisitions during the period - at cost	132,187	100,062
Increase form additionally invested in subsidiary (Note 7)	11	-
Transferred to intangible asset	(30,520)	(12,143)
Disposals during the period - net book value	(13,627)	(815)
Depreciation for the period	(40,098)	(17,903)
Net book value as at 30 June 2019	455,693	222,433

11. Intangible assets

Movements in the intangible asset account during the six-month period ended 30 June 2019 were summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2018	17,343	11,648
Acquisitions during the period - at cost	40,562	16,516
Transferred from asset under installation	30,520	12,143
Amortisation for the period	(10,798)	(8,210)
Net book value as at 30 June 2019	<u>77,627</u>	<u>32,097</u>

12. Short-term loans from financial institutions

Certain in bank overdrafts and short-term loans from financial institutions of the Company and its subsidiaries are secured by the mortgage of land of certain projects of the Company and its subsidiaries and are guaranteed by the Company.

13. Long-term loans

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Long-term loans	976,500	140,000	324,750	120,000
Less: Current portion	-	-	-	-
Long-term loans - net of current portion	<u>976,500</u>	<u>140,000</u>	<u>324,750</u>	<u>120,000</u>

Long-term loans of the Company are secured by the mortgage of land of the Company's projects and construction thereon. Long-term loans of the subsidiaries are secured by the mortgage of land of the subsidiaries' projects and are guaranteed by the Company.

These loan agreements contain covenants and restrictions which, among other things, require the Company and its subsidiaries to maintain debt service coverage ratio at the rate prescribed in the agreements.

As at 30 June 2019, the long-term credit facilities of the Company and its subsidiaries which have not yet been drawn down amounted to Baht 6,032 million (the Company only: Baht 355 million) (31 December 2018: Baht 4,617 million (the Company only: Baht 1,314 million)).

14. Debentures

Debentures as at 30 June 2019 and 31 December 2018, which are unsubordinated, unsecured debentures with registered name, were summarised below.

Name of debenture	Fixed interest rate	Period	Maturity date	Consolidated and separate financial statements			
				Unit		Amount	
				31 December		31 December	
				30 June 2019	2018	30 June 2019	2018
				(Thousand units)	(Thousand units)	(Million Baht)	(Million Baht)
AP191A	4.50% p.a.	5 years	24 January 2019	-	350	-	350
AP197A	4.36% p.a.	5 years and 1 month	27 July 2019	1,000	1,000	1,000	1,000
AP201A	3.58% p.a.	5 years	22 January 2020	1,500	1,500	1,500	1,500
AP197B	3.04% p.a.	4 years	10 July 2019	1,000	1,000	1,000	1,000
AP191B	2.15% p.a.	2 years and 6 months	29 January 2019	-	1,000	-	1,000
AP191C	2.55% p.a.	2 years	19 January 2019	-	500	-	500
AP207A	3.06% p.a.	3 years and 6 months	19 July 2020	1,500	1,500	1,500	1,500
AP203A	2.50% p.a.	2 years and 10 months	30 March 2020	500	500	500	500
AP212A	2.50% p.a.	3 years and 6 months	15 February 2021	1,000	1,000	1,000	1,000
AP214A	2.35% p.a.	3 years and 6 months	19 April 2021	1,000	1,000	1,000	1,000
AP217A	2.32% p.a.	3 years and 6 months	22 July 2021	1,500	1,500	1,500	1,500
AP221A	2.40% p.a.	4 years	22 January 2022	1,500	1,500	1,500	1,500
AP222A	2.81% p.a.	3 years and 6 months	7 February 2022	500	500	500	500
AP228A	2.94% p.a.	4 years	7 August 2022	1,500	1,500	1,500	1,500
AP228B	2.94% p.a.	4 years	24 August 2022	500	500	500	500
AP218A	2.60% p.a.	2 years, 11 months and 24 days	17 August 2021	100	100	100	100
AP20DA	2.78% p.a.	2 years	25 December 2020	1,000	1,000	1,000	1,000
AP21DA	3.13% p.a.	3 years	25 December 2021	1,000	1,000	1,000	1,000
AP235A	3.17% p.a.	4 years	17 May 2023	3,000	-	3,000	-
Total						18,100	16,950
Less: Current portion						(4,000)	(3,850)
Debentures - net of current portion						14,100	13,100

Movements in the debentures for the six-month period ended 30 June 2019 were as follows:

	(Unit: Million Baht)
	Consolidated and separate financial statements
Balance as at 31 December 2018	16,950
Debentures issued during the period	3,000
Less: Debentures repaid during the period	(1,850)
Balance as at 30 June 2019	18,100

On 17 May 2019, the Company issued and offered debentures according to the resolution of Annual General Meeting of the Company's shareholders held on 30 April 2015 by issuing and offering 3.0 million units of named, unsubordinated, unsecured debentures, without debenture holder's representative, at the offering price of Baht 1,000 each, amounting to Baht 3,000 million, to private placement which is institutional. The debentures have 4-year term from the date of issuance and bear the fixed interest rate of 3.17% per annum. The interest payment is made every six months and the debentures are due for redemption on 17 May 2023.

These issued debentures contain certain covenants and restrictions that the Company has to comply with, such as the maintenance of net financial debt to equity ratio not exceeding 2:1.

15. Income tax

The Company and its subsidiaries calculated corporate income tax for the three-month and six-month periods ended 30 June 2019 and 2018 on profit after adding back certain expenses which are disallowed for tax computation purposes, using the estimated effective tax rate for the year.

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

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		(Restated)
Current income tax:				
Interim corporate income tax charge	117,953	204,991	377,670	413,405
Deferred tax:				
Relating to origination and reversal of temporary differences	(30,271)	(13,037)	(61,570)	(29,713)
Income tax reported in the statements of comprehensive income	<u>87,682</u>	<u>191,954</u>	<u>316,100</u>	<u>383,692</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	<u>2019</u>	<u>2018</u> (Restated)	<u>2019</u>	<u>2018</u> (Restated)
Current income tax:				
Interim corporate income tax charge	49,589	150,948	174,484	284,802
Deferred tax:				
Relating to origination and reversal of temporary differences	6,903	(555)	(312)	1,636
Income tax reported in the statements of comprehensive income	<u>56,492</u>	<u>150,393</u>	<u>174,172</u>	<u>286,438</u>

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 as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax relating to actuarial gain from prost-employment benefits	-	(2,171)	-	(1,269)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax relating to actuarial gain from prost-employment benefits	-	-	-	1,025

16. Earnings per share

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

(Unaudited but reviewed)

17. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2017	Annual General Meeting of the shareholders on 26 April 2018	1,101	0.35
Final dividends for 2018	Annual General Meeting of the shareholders on 25 April 2019	1,258	0.40

18. Segment information

The Company and its subsidiaries are organised into business units based on its products and services. During the current period, the Company and its subsidiaries have not changed the organisation of their reportable segments.

The following table presents revenue and profit information regarding the Company 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									
	Low - rise segment		High - rise segment		Other segments		Total segments		Elimination of inter-	Consolidated
	2019	2018	2019	2018	2019	2018	2019	2018	segment revenues	financial statements
	(Restated)		(Restated)		(Restated)		(Restated)		(Restated)	(Restated)
Revenues										
Revenues from external customers										
Sales	3,237	4,552	1,292	1,665	-	-	4,529	6,217	-	4,529
Management service income and service income	-	-	-	-	232	244	232	244	-	232
Inter-segment revenues	-	-	-	-	166	103	166	103	(166)	-
Total revenues	3,237	4,552	1,292	1,665	398	347	4,927	6,564	(166)	4,761
Operating results										
Segment profit	717	1,181	220	357	179	210	1,116	1,748	(38)	1,078
Other income										41
Share of profit from investment in joint ventures										167
Finance cost										(81)
Other expenses										(630)
Profit before income tax										575
Income tax										(88)
Profit for the period										487

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month periods ended 30 June

	Low - rise segment		High - rise segment		Other segments		Total segments		Elimination of inter-segment revenues		Consolidated financial statements	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
		(Restated)		(Restated)		(Restated)		(Restated)		(Restated)		(Restated)
Revenues												
Revenues from external customers												
Sales	9,223	8,485	2,809	2,999	-	-	12,032	11,484	-	-	12,032	11,484
Management service income and service income	-	-	-	-	520	493	520	493	-	-	520	493
Inter-segment revenues	-	-	-	-	344	230	344	230	(344)	(230)	-	-
Total revenues	9,223	8,485	2,809	2,999	864	723	12,896	12,207	(344)	(230)	12,552	11,977
Operating results												
Segment profit	2,253	2,132	445	641	422	469	3,120	3,242	(90)	(74)	3,030	3,168
Other income											51	26
Share of profit from investment in joint ventures											460	680
Finance cost											(126)	(68)
Other expenses											(1,534)	(1,369)
Profit before income tax											1,881	2,437
Income tax											(316)	(384)
Profit for the period											1,565	2,053

19. Commitments and contingent liabilities

19.1 Capital commitments

As at 30 June 2019, the Company and its subsidiaries had entered into the agreements with third parties to purchase land with the amount payable in the future of approximately Baht 4,770 million (the Company only: Baht 198 million) (31 December 2018: Baht 3,267 million (the Company only: nil)).

19.2 Operating lease commitments

The Company and its subsidiaries entered into several lease and service agreements in respect of the lease of office buildings, vehicles and advertising space. The terms of agreements are generally between 3 months and 5 years. The future minimum lease payments under these non-cancellable operating lease agreements were as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Payable within:				
Less than 1 year	146	161	70	72
In over 1 and up to 5 years	75	82	57	62

19.3 Commitments under contracts for project developments

The Company, its subsidiaries and joint ventures had commitments in respect of contracts for project developments as follows:

Company's name	(Unit: Million Baht)	
	30 June 2019	31 December 2018
<u>The Company</u>		
AP (Thailand) Plc.	1,016	1,444
<u>Subsidiaries</u>		
Asian Property (Krungthep) Co., Ltd.	534	662
Asian Property Co., Ltd.	3,294	2,350
The Value Property Development Co., Ltd.	1,804	887
Asian Property (2012) Co., Ltd.	11	18
AP ME (Krungthep) Co., Ltd.	3	4
Asian Property (2014) Co., Ltd.	11	15
Asian Property (2015) Co., Ltd.	1	-
Thai Big Belly Co., Ltd.	2	2
Asian Property (2017) Co., Ltd.	209	107
Asian Property (2018) Co., Ltd.	387	31
AP ME 10 Co., Ltd.	69	-
<u>Joint ventures</u>		
AP (Ekkamai) Co., Ltd.	6	27
Premium Residence Co., Ltd. and its subsidiaries	6,313	5,662
Total	13,660	11,209

19.4 Guarantees

- a) Contingent liabilities in respect of guarantees provided by the Company for loans and credit facilities granted by banks to the subsidiaries were as follows:

		(Unit: Million Baht)	
Guarantees		30 June 2019	31 December 2018
<u>Subsidiaries</u>			
Asian Property (Krungthep) Co., Ltd.		1,975	1,975
Asian Property Co., Ltd.		8,986	6,971
The Value Property Development Co., Ltd.		3,850	2,093
Asian Property (2012) Co., Ltd.		330	330
Asian Property (2014) Co., Ltd.		230	230
Thai Big Belly Co., Ltd.		25	25
Asian Property (2017) Co., Ltd.		780	412
Asian Property (2018) Co., Ltd.		565	-
Total		<u>16,741</u>	<u>12,036</u>

- b) The Company and its subsidiaries had contingent liabilities in respect of letter of guarantees issued by banks to government agencies and individuals for maintenance of utilities, purchase of materials and electricity use, as follows:

		(Unit: Million Baht)	
Company's name		30 June 2019	31 December 2018
<u>The Company</u>			
AP (Thailand) Plc.		1,229	1,235
<u>Subsidiaries</u>			
Asian Property (Krungthep) Co., Ltd.		541	495
Asian Property Co., Ltd.		1,678	1,269
The Value Property Development Co., Ltd. and its subsidiary		725	354
Asian Property (2012) Co., Ltd.		1	1
Asian Property (2014) Co., Ltd.		5	5
Asian Property (2017) Co., Ltd.		78	-
Total		<u>4,257</u>	<u>3,359</u>

19.5 Litigation

- a) In 2016, the Company and its subsidiary were sued as a co-defendant in a civil lawsuit, with the amount in dispute is Baht 89 million. The case is currently be considered by the Court of First Instance. However, the management believes that there will be no material impact to the Company and its subsidiary. Therefore, no provision has been set aside.
- b) As at 30 June 2019, the Company and its subsidiaries have been sued for a breach of agreements with an amount in dispute totaling Baht 159 million. The management believes that the liabilities arising as a result of the legal cases will not exceed the related liabilities which have already been recorded in the financial statements.

20. Events after the reporting period

- 20.1 On 11 July 2019, the Company issued and offered debentures according to the resolution of Annual General Meeting of the Company's shareholders held on 30 April 2015 by issuing and offering 0.5 million units of named, unsubordinated, unsecured debentures, without debenture holder's representative, at the offering price of Baht 1,000 each, amounting to Baht 500 million, to private placement which the number of investors of not over 10. The debentures have 3-year term from the date of issuance and bear the fixed interest rate of 2.63% per annum. The interest payment is made every six months and the debentures are due for redemption on 11 July 2022.
- 20.2 Regarding on 25 December 2017, the Extraordinary General Meeting of shareholders of Premium Residence Co., Ltd. passed a resolution to additionally increase its registered share capital by Baht 2,000 million. On 12 July 2019 the fourth call up of registered share capital had been paid at 17.3 percent of additional registered share capital or equivalent to Baht 346 million.
- 20.3 On 13 August 2019, the meeting of the Company's Board of Directors approved the dissolution of Asian Property (2015) Co., Ltd. and AP ME (Krungthep) Co., Ltd., the Company's subsidiaries. These two subsidiaries will execute an agreement on business transfer, whereby all assets and liabilities are to be sold and existing obligations are to be transferred to Asian Property Co., Ltd.
- 20.4 On 13 August 2019, the meeting of the Company's Board of Directors approved the issuance and offering of the debentures according to the resolution of Annual General Meeting of the Company's shareholders held on 30 April 2015 by issuing and offering of debentures of not exceeding Baht 2,000 million to private placement which is institutional. The interest payment is made every six months and the debentures are due for redemption within 4 and 5 years after the date of issuance.

21. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 13 August 2019.