

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

**REVIEW REPORT AND INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022**

AUDITOR’S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To The Shareholders and Board of Directors of
Areeya Property Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Areeya Property Public Company Limited and its subsidiaries (the Group) as at September 30, 2022, and the related consolidated statements of comprehensive income for the three-month and nine-month periods ended September 30, 2022, consolidated statement changes in shareholders’ equity and cash flows for the nine-month period then ended, and the condensed notes to consolidated financial statements and have also reviewed the accompanying statement of financial position of Areeya Property Public Company Limited (the company) as at September 30, 2022, and the related statement of comprehensive income for the three-month and nine-month periods ended September 30, 2022, changes in shareholders’ equity and cash flows for the nine-month period then ended, and the condensed notes to financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standards No. 34 “Interim Financial Reporting”. My responsibility is to express a conclusion on this interim financial information based on my review.

SCOPE OF REVIEW

I conducted my review in accordance with auditing 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 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 the accounting standards No. 34 “Interim Financial Reporting”.

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

Dharmniti Auditing Company Limited
Bangkok, Thailand
November 9, 2022

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2022

ASSETS

		In Thousand Baht				
		Consolidated		Separate		
		Financial Statements		Financial Statements		
Notes		As at September	As at December	As at September	As at December	
		30, 2022	31, 2021	30, 2022	31, 2021	
CURRENT ASSETS						
	Cash and cash equivalents	6	82,559	503,425	29,808	302,341
	Trade and other current receivables	5, 7	168,311	176,585	1,234,101	1,154,363
	Unbilled revenue from construction service	8	86,199	58,826	-	-
	Real estate projects under development	9	6,859,840	6,523,486	4,496,415	4,828,560
	Deposits for land	10	-	126,590	-	126,590
	Short-term loans to related parties	5	-	-	1,431,514	1,056,164
	Current tax assets		22,437	34,886	12,709	15,762
	Other current financial assets		86	86	86	86
	Other current assets		4,517	5,256	-	-
	Total current assets		7,223,949	7,429,140	7,204,633	7,483,866
NON-CURRENT ASSETS						
	Deposits at banks used as collateral	11	566,991	454,020	566,991	454,020
	Investments in subsidiaries	12	-	-	354,995	364,995
	Land held for development	9	1,730,307	1,737,497	1,008,903	865,082
	Investment properties		382,564	382,564	343,764	343,764
	Property, plant and equipment	13	620,894	636,202	616,973	628,468
	Right-of-use assets	14	432,545	448,225	426,481	444,622
	Leasehold rights	15	1,954,461	1,687,004	1,954,461	1,687,004
	Intangible assets		6,107	7,703	5,215	6,397
	Deferred tax assets		35,893	43,811	23,683	28,636
	Retention receivables from construction		43,083	36,351	-	-
	Other non-current assets		54,336	20,426	26,440	11,238
	Total non-current assets		5,827,181	5,453,803	5,327,906	4,834,226
	TOTAL ASSETS		13,051,130	12,882,943	12,532,539	12,318,092

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

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AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT SEPTEMBER 30, 2022

LIABILITIES AND SHAREHOLDER' EQUITY

		In Thousand Baht			
		Consolidated		Separate	
		Financial Statements		Financial Statements	
Notes		As at September 30, 2022	As at December 31, 2021	As at September 30, 2022	As at December 31, 2021
CURRENT LIABILITIES					
	Bank overdrafts and short-term loans				
	from financial institutions	16.1	218,429	180,000	218,429
	Trade and other current payables		573,233	480,289	736,560
	Short-term loans from other persons	16.2	20,000	25,000	20,000
	Current portion of long-term loans				
	from financial institutions	16.4	380,523	461,778	148,787
	Current portion of long-term loans				
	from other company	16.6	17,750	340,000	17,750
	Current portion of debentures	17	3,542,220	2,092,937	3,542,220
	Current portion of lease liabilities	16.7	4,512	11,330	1,507
	Short-term loans from related parties	5	-	-	448,842
	Construction retentions		211,958	209,701	144,416
	Unearned revenue from construction		4,931	4,344	-
	Unrecognised income on installments due		69,809	110,015	38,953
	Income tax payable		14,883	5,759	-
	Other current provisions		-	49,416	-
	Other current liabilities		107,321	95,308	53,695
	Total current liabilities		<u>5,165,569</u>	<u>4,065,877</u>	<u>5,371,159</u>
NON-CURRENT LIABILITIES					
	Long-term loans from other persons	16.3	610,000	610,000	500,000
	Long-term loans from financial institutions	16.4	300,970	564,785	159,050
	Long-term loans from other company	16.6	162,000	-	162,000
	Long-term loans from related party	5	-	-	9,700
	Debentures	17	2,988,730	3,864,601	2,988,730
	Lease liabilities	16.7	462,160	461,486	458,957
	Utilities guarantees		856	875	856
	Provisions for employee benefit		103,483	117,853	97,478
	Other non-current provisions		15,000	15,000	15,000
	Other non-current liabilities		68,759	73,828	32,692
	Total non-current liabilities		<u>4,711,958</u>	<u>5,708,428</u>	<u>4,424,463</u>
	TOTAL LIABILITIES		<u>9,877,527</u>	<u>9,774,305</u>	<u>9,795,622</u>

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

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AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT SEPTEMBER 30, 2022

LIABILITIES AND SHAREHOLDER' EQUITY (CONT.)

		In Thousand Baht			
		Consolidated		Separate	
		Financial Statements		Financial Statements	
		As at September	As at December	As at September	As at December
Notes		30, 2022	31, 2021	30, 2022	31, 2021
SHAREHOLDERS' EQUITY					
Authorised share capital					
	1,200,000,000 ordinary shares of Baht 1 each	1,200,000	1,200,000	1,200,000	1,200,000
Issued and paid-up share capital					
	980,000,000 ordinary shares of Baht 1 each	980,000	980,000	980,000	980,000
	PREMIUM ON ORDINARY SHARES	669,210	669,210	669,210	669,210
RETAINED EARNINGS					
Appropriated					
	Legal reserve	97,593	97,593	97,593	97,593
	Unappropriated	1,147,043	1,082,078	710,357	868,687
	Subordinated perpetual debentures	220,000	220,000	220,000	220,000
	Other components of shareholders' equity	59,757	59,757	59,757	59,757
	TOTAL SHAREHOLDERS' EQUITY	3,173,603	3,108,638	2,736,917	2,895,247
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	13,051,130	12,882,943	12,532,539	12,318,092

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

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AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

		In Thousand Baht			
		Consolidated		Separate	
		Financial Statements		Financial Statements	
Notes		2022	2021	2022	2021
	INCOME				
		5			
	Revenue from sale of real estate	629,358	566,784	284,742	328,152
	Revenue from construction service	63,954	105,368	-	-
	Other income	29,368	34,866	73,599	55,892
	Total income	722,680	707,018	358,341	384,044
	EXPENSES				
		5			
	Cost of sale of real estate	426,096	455,676	216,929	280,164
	Cost of construction service	61,808	97,484	-	-
	Distribution costs	88,777	59,660	55,171	44,937
	Administrative expenses	92,763	94,354	139,543	52,423
	Total expenses	669,444	707,174	411,643	377,524
	Profit (loss) from operating activities	53,236	(156)	(53,302)	6,520
	Finance income	5	-	25,301	17,920
	Finance costs	80,433	101,497	100,919	100,560
	Profit (loss) before income tax expense	(27,197)	(101,653)	(128,920)	(76,120)
	Income tax (income) expense	9,874	590	3,686	239
	PROFIT (LOSS) FOR THE PERIOD	(37,071)	(102,243)	(132,606)	(76,359)
	Other comprehensive income (loss) for the period	-	-	-	-
	TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	(37,071)	(102,243)	(132,606)	(76,359)

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

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AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME (CONT.)

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

		In Thousand Baht				
		Consolidated		Separate		
		Financial Statements		Financial Statements		
Notes		2022	2021	2022	2021	
Profit (loss) attributable to						
	Parent company	(37,071)	(102,243)	(132,606)	(76,359)	
	Non-controlling interests	-	-	-	-	
		<u>(37,071)</u>	<u>(102,243)</u>	<u>(132,606)</u>	<u>(76,359)</u>	
Total comprehensive income (loss) attributable to						
	Parent company	(37,071)	(102,243)	(132,606)	(76,359)	
	Non-controlling interests	-	-	-	-	
		<u>(37,071)</u>	<u>(102,243)</u>	<u>(132,606)</u>	<u>(76,359)</u>	
Basic earning (loss) per share						
	Earnings (loss) per share (Baht per share)	20	(0.0412)	(0.1090)	(0.1387)	(0.0825)

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

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AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

		In Thousand Baht			
		Consolidated		Separate	
		Financial Statements		Financial Statements	
	Notes	2022	2021	2022	2021
INCOME					
	5				
Revenue from sale of real estate		2,326,280	1,913,945	1,166,152	1,028,638
Revenue from construction service		206,782	428,317	-	-
Other income		72,683	63,265	204,815	138,187
Total income		2,605,745	2,405,527	1,370,967	1,166,825
EXPENSES					
	5				
Cost of sale of real estate		1,536,858	1,463,814	795,619	836,733
Cost of construction service		172,971	393,729	-	-
Distribution costs		257,231	181,144	166,740	132,619
Administrative expenses		285,307	277,257	326,060	226,149
Total expenses		2,252,367	2,315,944	1,288,419	1,195,501
Profit (loss) from operating activities		353,378	89,583	82,548	(28,676)
Finance income	5	-	-	70,917	54,837
Finance costs		245,995	259,044	296,969	254,400
Profit (loss) before income tax expense		107,383	(169,461)	(143,504)	(228,239)
Income tax (income) expense		32,545	16,554	4,953	(1,637)
PROFIT (LOSS) FOR THE PERIOD		74,838	(186,015)	(148,457)	(226,602)
Other comprehensive income (loss) for the period		-	-	-	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		74,838	(186,015)	(148,457)	(226,602)

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

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AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME (CONT.)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

		In Thousand Baht				
		Consolidated		Separate		
		Financial Statements		Financial Statements		
Notes		2022	2021	2022	2021	
Profit (loss) attributable to						
	Parent company	74,838	(186,015)	(148,457)	(226,602)	
	Non-controlling interests	-	-	-	-	
		<u>74,838</u>	<u>(186,015)</u>	<u>(148,457)</u>	<u>(226,602)</u>	
Total comprehensive income (loss) attributable to						
	Parent company	74,838	(186,015)	(148,457)	(226,602)	
	Non-controlling interests	-	-	-	-	
		<u>74,838</u>	<u>(186,015)</u>	<u>(148,457)</u>	<u>(226,602)</u>	
Basic earning (loss) per share						
	Earnings (loss) per share (Baht per share)	20	0.0663	(0.2035)	0.1616	(0.2450)

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

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AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

	In Thousand Baht						
	Consolidated Financial Statements						
	Issued and Paid-up Share Capital	Premium on Ordinary Shares	Subordinated perpetual debentures	Retained Earnings		Other Components of shareholders' equity Surplus from asset revaluation-land, net	Total Shareholders' Equity
				Legal Reserve	Unappropriated		
Beginning balance as at January 1, 2022	980,000	669,210	220,000	97,593	1,082,078	59,757	3,108,638
Comprehensive income for the period							
Profit (loss) for the period	-	-	-	-	74,838	-	74,838
Other comprehensive income (loss) for the period	-	-	-	-	-	-	-
Total comprehensive income (loss) for the period	-	-	-	-	74,838	-	74,838
Interest payment on subordinated perpetual debentures	-	-	-	-	(9,873)	-	(9,873)
Balance as at September 30, 2022	980,000	669,210	220,000	97,593	1,147,043	59,757	3,173,603
Beginning balance as at January 1, 2021	980,000	669,210	300,000	97,593	1,467,992	59,117	3,573,912
Dividend paid	-	-	-	-	(29,400)	-	(29,400)
Comprehensive income for the period							
Profit (loss) for the period	-	-	-	-	(186,015)	-	(186,015)
Other comprehensive income (loss) for the period	-	-	-	-	-	-	-
Total comprehensive income (loss) for the period	-	-	-	-	(186,015)	-	(186,015)
Interest payment on subordinated perpetual debentures	-	-	-	-	(13,463)	-	(13,463)
Balance as at September 30, 2021	980,000	669,210	300,000	97,593	1,239,114	59,117	3,345,034

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

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AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

	In Thousand Baht						
	Separate Financial Statements						
	Issued and Paid-up Share Capital	Premium on Ordinary Shares	Subordinated perpetual debentures	Retained Earnings		Other Components of shareholders' equity Surplus from asset revaluation-land, net	Total Shareholders' Equity
				Legal Reserve	Unappropriated		
Beginning balance as at January 1, 2022	980,000	669,210	220,000	97,593	868,687	59,757	2,895,247
Comprehensive income for the period							
Profit (loss) for the period	-	-	-	-	(148,457)	-	(148,457)
Other comprehensive income (loss) for the period	-	-	-	-	-	-	-
Total comprehensive income (loss) for the period	-	-	-	-	(148,457)	-	(148,457)
Interest payment on subordinated perpetual debentures	-	-	-	-	(9,873)	-	(9,873)
Balance as at September 30, 2022	980,000	669,210	220,000	97,593	710,357	59,757	2,736,917
Beginning balance as at January 1, 2021	980,000	669,210	300,000	97,593	1,227,240	59,117	3,333,160
Dividend paid	-	-	-	-	(29,400)	-	(29,400)
Comprehensive income for the period							
Profit (loss) for the period	-	-	-	-	(226,602)	-	(226,602)
Other comprehensive income (loss) for the period	-	-	-	-	-	-	-
Total comprehensive income (loss) for the period	-	-	-	-	(226,602)	-	(226,602)
Interest payment on subordinated perpetual debentures	-	-	-	-	(13,463)	-	(13,463)
Balance as at September 30, 2021	980,000	669,210	300,000	97,593	957,775	59,117	3,063,695

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

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AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2022	2021	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) for the period	74,838	(186,015)	(148,457)	(226,602)
Adjustment to reconcile profit (loss) to be net cash received (paid)				
Adjusted income tax (income) expenses	32,545	16,554	4,953	(1,637)
Depreciation and amortization	21,219	31,703	18,021	25,938
Adjusted expected credit loss (reverse)	2,553	2,186	93,359	11,669
Adjusted loss from decline in value of real estate projects under development (reverse)	(18,057)	(4,590)	(7,435)	(4,590)
Adjusted loss from impairment of investment in subsidiary (reverse)	-	-	10,000	-
Adjusted on provisions for compensation for housing estate juristic persons (reverse)	5,819	5,970	2,385	2,986
Adjusted provisions for employee benefit obligations (reverse)	(13,862)	7,198	(8,699)	6,142
Adjusted provisions for current liabilities obligations (reverse)	(49,416)	-	-	-
Adjusted finance costs	245,995	259,044	296,969	254,400
Adjusted loss (gain) on disposal of equipment	(134)	2,630	(134)	(28)
Adjusted loss from discount on rental expenses	(27)	(303)	(27)	(106)
Adjusted trade and other current receivables (increase) decrease	4,553	(4,581)	(133,010)	30,357
Adjusted real estate projects under development (increase) decrease	65,672	930,016	506,011	640,215
Adjusted deposits for land (increase) decrease	(64,000)	(11,000)	(64,000)	(11,000)
Adjusted other current assets (increase) decrease	738	251	-	-
Adjusted leasehold rights (increase) decrease	(171,003)	(11,523)	(171,003)	(11,523)
Adjusted other non-current assets (increase) decrease	619	(919)	561	(945)
Adjusted unbilled revenue from construction service (decrease)	(27,373)	(38,302)	-	-
Adjusted retention receivables from constructions increase (decrease)	(6,732)	(23,749)	-	-
Adjusted trade and other current payables increase (decrease)	84,413	(172,365)	54,920	(152,553)
Adjusted construction retentions increase (decrease)	2,257	15,234	(10,790)	2,239
Adjusted unearned revenue from construction increase (decrease)	587	18,562	-	-
Adjusted unrecognised income on installments due increase (decrease)	(40,206)	(92,708)	(61,359)	(83,117)
Adjusted other current liabilities increase (decrease)	9,374	8,926	10,331	11,667

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

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AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONT.)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2022	2021	2022	2021
Adjusted utilities guarantee increase (decrease)	(19)	(792)	(19)	(792)
Adjusted other non-current liabilities increase (decrease)	(8,213)	(5,513)	(13,724)	(7,724)
Adjusted loss of written off income tax paid	356	-	-	-
Net cash provided by (used in) operating activities	152,496	745,914	378,853	484,996
Interest income	(1,144)	(1,327)	(72,028)	(56,142)
Long-term employee benefit paid	(508)	(2,992)	(508)	(2,992)
Income tax paid	(37,940)	(39,979)	(12,709)	(15,468)
Net cash provided by (used in) operating activities	112,904	701,616	293,608	410,394
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash paid for purchase of investment in subsidiaries	-	-	-	(49,000)
Cash received from disposal of equipment	293	37	293	37
Cash paid for purchase of equipment	(1,648)	(1,671)	(1,457)	(1,663)
Cash paid for purchase of Intangible assets	(318)	-	(318)	-
Proceed from short-term loans to related parties	-	-	(426,729)	(354,124)
Repayment of short-term loans from related parties	-	-	57,027	398,658
Interest received	1,144	1,327	30,835	1,306
(Increase) decrease in deposits at banks used as collateral	(112,971)	(1,586,824)	(112,971)	(1,598,381)
Net cash provided by (used in) investing activities	(113,500)	(1,587,131)	(453,320)	(1,603,167)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash received from proceeds from debentures	2,600,000	3,102,800	2,600,000	3,102,800
Cash paid for repayment of debentures	(2,022,122)	(1,141,297)	(2,022,122)	(1,141,297)
Cash paid for transaction cost from issue of debenture	(52,601)	(53,389)	(52,601)	(53,389)
Cash received from short-term loans from related parties	-	-	240,116	129,377
Cash paid for repayment of short-term loans from related parties	-	-	(18,500)	(9,950)
Cash received from long-term loans from financial institutions	448,884	90,762	48,157	26,243
Cash paid for repayment of long-term loans from financial institutions	(793,954)	(514,105)	(336,282)	(331,126)
Cash received from long-term loans from other company	(160,250)	100,000	(160,250)	100,000
Cash paid from long-term loans from other company	-	(5,000)	-	(5,000)

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

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AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONT.)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2022	2021	2022	2021
Cash received from short-term loans from other persons	30,000	25,000	30,000	25,000
Cash paid from short-term loans from other persons	(35,000)	-	(35,000)	-
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	38,429	(152,030)	38,429	(152,030)
Cash paid for repayment of lease liabilities	(11,410)	(39,115)	(9,454)	(27,359)
Finance costs paid	(452,337)	(407,835)	(425,405)	(397,234)
Dividend paid	-	(29,400)	-	(29,400)
Interest paid of subordinated perpetual debentures	(9,909)	(13,512)	(9,909)	(13,512)
Net cash provided by (used in) financing activities	(420,270)	962,879	(112,821)	1,223,123
Net increase (decrease) in cash and cash equivalents	(420,866)	77,364	(272,533)	30,350
Cash and cash equivalents as at January 1,	503,425	77,450	302,341	48,656
Cash and cash equivalents as at September 30,	82,559	154,814	29,808	79,006
<u>Non-cash transactions</u>				
Acquisition of right-of-use assets under the lease agreement	5,227	9,680	1,066	8,501
Transfer deposits for land to real estate under development	188,590	34,000	168,000	34,000
Transfer deposits for land to short-term loans to related party	-	-	20,590	-
Transfer real estate under development to subsidiaries	-	-	17,536	-
Depreciation expense which include real estate				
project under development	2,945	3,744	158	598
Amortization of right-of-use assets included in cost of				
property development	1,173	558	619	423
Borrowing cost which is included as a part of real estate				
under development cost during the period	173,799	156,372	122,143	151,845
Expenses under contracts which is included as a part of				
leasehold rights	13,543	14,793	13,543	14,793
Borrowing cost which is included a part of construction in process				
of leasehold rights	82,911	70,936	82,911	70,936

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

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
AS AT SEPTEMBER 30, 2022

1. THE OPERATIONS AND OTHER INFORMATION OF THE COMPANY

Areeya Property Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 999 Praditmanutham Road, Kwaeng Saphansong, Khet Wangthonglang, Bangkok.

The Company was listed on the Stock Exchange of Thailand in April 2004.

The Company’s major shareholders during the financial period were Laohapoonrungeesee (47.54%) and Porncharoenchaisilp (19.58%) family shareholdings.

The principal business of the Company is the development of real estate projects and construction services. Details of the Company’s subsidiaries as at September 30, 2022 and December 31, 2021, are given in notes 5.

2. BASIS FOR PREPARATION OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2.1 The accompanying consolidated interim financial statements include the interim financial statements of Areeya Property Public Company Limited and the following subsidiaries which are owned directly and indirectly by the Company.

Name	Business type	Country of registration	Percentage of shareholdings (%)	
			As at September 30, 2022	As at December 31, 2021
Subsidiaries				
Areeya Service Co., Ltd.	After sales services for property	Thailand	99.99	99.99
One Up Co., Ltd.	Construction service	Thailand	99.99	99.99
Areeya Management Co., Ltd.	Development of real estate projects and property management	Thailand	99.99	99.99
Cool Space Co., Ltd.	Development of real estate projects	Thailand	99.99	99.99
White Living Co., Ltd.	Development of real estate projects	Thailand	99.99	99.99
Chill Space Co., Ltd.	Development of real estate projects	Thailand	99.99	99.99
Areeya Hospitality Co., Ltd.	Restaurant	Thailand	99.99	99.99
Soontareeya Residence Co., Ltd.	Development of real estate projects	Thailand	99.97	99.97
Soontareeya Leisure Co., Ltd.	Hotel	Thailand	99.97	99.97
Envi property development Co., Ltd.	Development of real estate projects	Thailand	99.99	99.97
Morrow 1 Co., Ltd.	Development of real estate projects	Thailand	99.97	99.97
Damri Residence Co., Ltd	Development of residence	Thailand	99.70	99.70
	And other services			

- 2.2 These consolidated interim financial statements included the financial statements of Areeya Property Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended December 31, 2021, without the change in structure related to its subsidiaries during the period.
- 2.3 Outstanding balances between the Company and the subsidiaries, significant intercompany transactions, investment balance in the Company’s books and share capital of the subsidiaries are eliminated from the consolidated interim financial statements.
- 2.4 Subsidiaries are fully consolidated in the consolidated interim financial statement as from the date of acquisition, being the date on which the Company obtains control in the subsidiary until the end of such control.
- 2.5 The accounting policies of the subsidiaries for similar accounting transactions are the same as the Company.
- 2.6 Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately from the shareholders’ equity of the parent company.

3. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

3.1 Basis for The Preparation of Interim Financial Statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting”, and the requirements of the Securities and Exchange Commission (SEC). The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and situations and not intended to re-emphasis on the information previously reported. The interim financial statements should therefore, be read in conjunction with the financial statements for the year ended December 31, 2021.

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

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

3.2 Financial reporting standards that became effective in the current period

During the period, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 2022. 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 financial statements in the current period.

3.3 Revised Financial Reporting Standards that will become effective for the financial statements with the accounting period beginning on or after January 1, 2023

The Federation of Accounting Professions has announced to apply several revised financial reporting standards in the Royal Gazette. This will become effective for the financial statements with the accounting period beginning on or after January 1, 2023. This revision is for the financial reporting standards to be clearer and more appropriate and to conform with international financial reporting standards. Such revision does not affect the principles of the standards and does not affect the users of the financial reporting standards adopted before 2023.

The management of the Group believe that this revision of the standards will not significantly affect the financial statements.

3.4 New Financial Reporting Standards

The Federation of Accounting Professions has announced to apply the Financial Reporting Standard No.17 on “Insurance Contract” in the Royal Gazette. This standard requires to comply with the defined criteria of the international reporting standards including various related improvements. The effective date is to apply on the financial statements for the accounting period beginning on or after January 1, 2025.

4. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended December 31, 2021.

5. RELATED PARTY TRANSACTIONS

For the purposes of these interim financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group is subject to common control or common significant influence. Related parties may be individuals or other entities.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Relationships with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Cool Space Co., Ltd.	Thailand	Subsidiary
Chill Space Co., Ltd.	Thailand	Subsidiary
Areeya Management Co., Ltd.	Thailand	Subsidiary
One Up Co., Ltd.	Thailand	Subsidiary
White Living Co., Ltd.	Thailand	Subsidiary
Areeya Service Co., Ltd.	Thailand	Subsidiary
Areeya Hospitality Co., Ltd.	Thailand	Subsidiary
Soontareeya Residence Co., Ltd.	Thailand	Subsidiary
Soontareeya Leisure Co., Ltd.	Thailand	Subsidiary
Envi property development Co., Ltd.	Thailand	Subsidiary
Morrow 1 Co., Ltd.	Thailand	Subsidiary
Damri Residence Co., Ltd	Thailand	Subsidiary
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly including any director (whether executive or otherwise) of the Group.

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Management income / Management fee	Agreed price
Interest received	Agreed rates
Amortized cost	Agreed price
Finance costs	Agreed rates

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Significant transactions for the nine-month and ended September 30, 2022 and 2021 with related parties were as follows :

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	For the nine-month period ended September 30,			
	2022	2021	2022	2021
Subsidiaries:				
Interest income	-	-	70,917	54,837
Management income	-	-	151,007	100,235
Distribution Cost	-	-	-	77
Finance costs	-	-	10,391	1,298
Other related parties :				
Depreciation of right-of-use assets	-	748	-	748
Interest expenses from lease liabilities	-	386	-	386
Key management personnel compensation:				
Short-term benefits	50,332	50,314	50,332	50,314
Post-employment benefits	1,742	1,713	1,742	1,713
Total	<u>52,074</u>	<u>52,027</u>	<u>52,074</u>	<u>52,027</u>

The significant outstanding balances with related parties as at September 30, 2022 and December 31, 2021, are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at September 30, 2022	As at December 31, 2021	As at September 30, 2022	As at December 31, 2021
Trade and other current receivables				
- related parties				
Subsidiaries	<u>-</u>	<u>-</u>	<u>766,845</u>	<u>596,125</u>
Accrued interest receivable - related parties				
(included in trade and other current receivables)				
Subsidiaries	<u>-</u>	<u>-</u>	<u>495,034</u>	<u>453,840</u>
Borrowing costs - related parties				
(included in real estate projects under development)				
Subsidiaries	<u>-</u>	<u>-</u>	<u>3,422</u>	<u>3,404</u>

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	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at September 30, 2022	As at December 31, 2021	As at September 30, 2022	As at December 31, 2021
Trade and other current payables - related parties				
Subsidiaries	-	-	373,166	363,381
Key management	9,789	7,838	5,071	7,838
	<u>9,789</u>	<u>7,838</u>	<u>378,237</u>	<u>371,219</u>
Accrued interest payable - related parties (included in trade and other current payables)				
Subsidiaries	-	-	40,687	22,806
Unrecognised income on installments due				
Subsidiaries	-	-	70	70
Construction retentions - related parties				
Subsidiaries	-	-	5,012	5,012
Short-term loans to related parties				
Subsidiaries				
Chill Space Co., Ltd.	-	-	368,957	327,139
One Up Co., Ltd.	-	-	232,931	169,431
Cool Space Co., Ltd.	-	-	515,791	550,755
Areeya Hospitality Co., Ltd.	-	-	20,153	19,853
Morrow 1 Co., Ltd.	-	-	310,590	-
Damri Residence Co., Ltd	-	-	6,700	-
Total	-	-	1,455,122	1,067,178
<u>Less</u> The expected credit loss allowance	-	-	(23,608)	(11,014)
Net	-	-	<u>1,431,514</u>	<u>1,056,164</u>

Short-term loans to related parties are due at call.

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Movements during for the nine-month period ended September 30, 2022 of short-term loans to related parties were as follows:

	In Thousand Baht	
	Consolidated	Separate
	Financial Statements	Financial Statements
	As at September 30, 2022 (For the nine-month)	As at September 30, 2022 (For the nine-month)
Short-term loans to related parties		
Subsidiaries		
Beginning balance	-	1,067,178
Increase	-	450,830
Decrease	-	(62,886)
Ending balance	-	1,455,122

Short-term loans from related parties were as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at September 30, 2022	As at December 31, 2021	As at September 30, 2022	As at December 31, 2021
Short-term loans from related parties				
Subsidiaries				
Areeya Management Co., Ltd.	-	-	99,865	16,123
White Living Co., Ltd.	-	-	275,158	135,006
Areeya Service Co., Ltd.	-	-	25,827	25,827
Envi property development Co., Ltd.	-	-	47,992	47,992
Total	-	-	448,842	224,948

Short-term loans from related parties are due at call.

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Movements during the nine-month period ended September 30, 2022 of short-term loans from related parties were as follows:

	In Thousand Baht	
	Consolidated	Separate
	Financial Statements	Financial Statements
	As at September 30, 2022 (For the nine-month)	As at September 30, 2022 (For the nine-month)
Short-term loans from related parties		
Subsidiaries		
Beginning balance	-	224,948
Increase	-	242,394
Decrease	-	(18,500)
Ending balance	-	448,842

	In Thousand Baht					
	Interest rate		Consolidated		Separate	
	(% per annum)		Financial Statements		Financial Statements	
	As at September 30, 2022	As at December 31, 2021	As at September 30, 2022	As at December 31, 2021	As at September 30, 2022	As at December 31, 2021
Long-term loans from related party						
Subsidiary						
Areeya Service Co., Ltd.	4.75	4.75	-	-	9,700	9,700

Long-term loans from related parties are due at call. However, the subsidiary will not recall loan within 12 months since September 30, 2022.

Due to the requirements of the Land Development Act B.E. 2000, during 2003 to 2012 the Company transferred the title on certain parcels of land used for entrance ways, road and utilities with a cumulative value at September 30, 2022 of Baht 57.4 million (December 31, 2021 : Baht 57.4 million) to a director and its subsidiaries for nil consideration so that the director and its subsidiaries could hold the title of the land on behalf of the Company as a representative for the purposes of entering into any contract in relation to the land. As specified in the agreement, the director and its subsidiaries may not perform any activities on the land. In addition, the director and its subsidiaries have registered the land subject to servitudes and restrictions to the projects of the Company for construction of utilities for the projects without any compensation and with no time limit.

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In 2009, a subsidiary also transferred the title of certain parcels of land used as site entrance roads of development projects with a cumulative value at September 30, 2022 of Baht 0.4 million (December 31, 2021 : Baht 0.4 million) to a subsidiary, without any compensation for the subsidiary to hold title to such land on behalf of the subsidiary as a representative for the purposes of entering into any contract in relation to the land. In addition, the subsidiary has registered the land subject to servitudes and restrictions to the projects of the subsidiary for construction of the utilities of the projects without any compensation and with no time limit.

Other

1. The Company has guaranteed liabilities of subsidiaries with local banks and the subsidiaries have guaranteed liabilities of the Company and subsidiaries with local banks.
2. The Company has made an agreement with several subsidiaries to provide general management service. The service period and service fee are stated in the agreements.

6. CASH AND CASH EQUIVALENTS

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at September 30, 2022	As at December 31, 2021	As at September 30, 2022	As at December 31, 2021
Cash on hand	564	449	558	441
Cash at banks - current accounts	22,911	18,568	426	1,185
Cash at banks - saving accounts	43,384	483,285	21,530	299,592
Highly liquid short-term investments	91	91	91	91
Cheque in transit	15,609	1,032	7,203	1,032
Total	82,559	503,425	29,808	302,341

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7. TRADE AND OTHER CURRENT RECEIVABLES

In Thousand Baht					
		Consolidated Financial Statements		Separate Financial Statements	
		As at September	As at December	As at September	As at December
Note		30, 2022	31, 2021	30, 2022	31, 2021
<u>Trade receivable</u>					
	Other parties	8,510	8,426	7,861	7,518
	Construction work receivable - other companies				
	- Receivable for construction work	28,402	15,159	-	-
	- Contractor receivable	2,484	2,371	-	-
		30,886	17,530	-	-
	Total	39,396	25,956	7,861	7,518
	<u>Less</u> The expected credit loss allowance	(9,048)	(7,313)	(6,374)	(6,415)
	Net	30,348	18,643	1,487	1,103
<u>Other current receivables</u>					
	Related parties	5	-	1,261,879	1,049,965
	<u>Less</u> The expected credit loss allowance				
	- Related parties	-	-	(89,085)	(7,614)
	Net	-	-	1,172,794	1,042,351
	Short-term other receivables	38,581	106,237	31,886	100,488
	Advance payment for goods	4,176	2,978	1,686	1,899
	Advance payment to contractors	35,193	8,964	10,674	-
	Cost to obtain contract	15,101	9,453	8,021	4,986
	Other prepaid expenses	27,578	25,900	25,726	24,324
	Suspense input tax	41,575	34,393	9,168	9,164
	Other	13,558	8,997	4,675	4,729
	Total	175,762	196,922	91,836	145,590
	<u>Less</u> The expected credit loss allowance				
	- short-term other receivables	(37,799)	(38,980)	(32,016)	(34,681)
	Net	137,963	157,942	59,820	110,909
	Total other current receivables	137,963	157,942	1,232,614	1,153,260
	Total trade and other current receivables, net	168,311	176,585	1,234,101	1,154,363

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Changes in the expected credit loss allowance trade and other current receivables as follows:

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Balance as at January 1, 2022	46,293	48,710
<u>Add</u> Increase during the period	3,973	82,006
<u>Less</u> Reversal during the period	(3,419)	(3,241)
Balance as at September 30, 2022	<u>46,847</u>	<u>127,475</u>

Aging analyses for trade accounts receivable were as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at September 30, 2022	As at December 31, 2021	As at September 30, 2022	As at December 31, 2021
<u>Trade receivable</u>				
Other parties:				
Within credit term	29,391	15,817	782	195
Overdue:				
Less than 3 months	822	1,701	620	938
3 - 6 months	227	1,487	176	13
6 - 12 months	667	371	-	140
Over 12 months	8,289	6,580	6,283	6,232
	<u>39,396</u>	<u>25,956</u>	<u>7,861</u>	<u>7,518</u>
<u>Less</u> the expected credit loss allowance	<u>(9,048)</u>	<u>(7,313)</u>	<u>(6,374)</u>	<u>(6,415)</u>
Trade receivable - net	<u>30,348</u>	<u>18,643</u>	<u>1,487</u>	<u>1,103</u>
Other current receivables - net	<u>137,963</u>	<u>157,942</u>	<u>1,232,614</u>	<u>1,153,260</u>
Total trade and other current receivables - net	<u>168,311</u>	<u>176,585</u>	<u>1,234,101</u>	<u>1,154,363</u>

The normal credit term granted by the Group ranges 30 days.

8. UNBILLED REVENUE FROM CONSTRUCTION SERVICE

As at September 30, 2022 and December 31, 2021 the Group had balance of unbilled revenue from construction service of Baht 86.20 million and Baht 58.83 million, respectively was expected to be billed within one year.

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9. REAL ESTATE PROJECTS UNDER DEVELOPMENT

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at September	As at December	As at September	As at December
	30, 2022	31, 2021	30, 2022	31, 2021
Cost of projects under development	41,640,343	39,452,396	31,006,702	30,118,291
Land held for development	1,730,307	1,737,497	1,008,903	865,082
Mock up	149,978	196,687	77,962	125,536
House and condominium for sale	2,128,829	2,481,124	1,831,421	2,253,871
Construction materials	119	119	-	-
Total	45,649,576	43,867,823	33,924,988	33,362,780
<u>Less</u> Portion transferred to cost of sales	(37,011,191)	(35,540,545)	(28,371,433)	(27,613,466)
Portion transferred to property, plant and equipment	(34,104)	(34,104)	(34,104)	(34,104)
	8,604,281	8,293,174	5,519,451	5,715,210
<u>Less</u> Allowance for decline in value of house and condominium for sale	(14,134)	(32,191)	(14,133)	(21,568)
Net	8,590,147	8,260,983	5,505,318	5,693,642
<u>Less</u> Land held for development-non current	(1,730,307)	(1,737,497)	(1,008,903)	(865,082)
Total	6,859,840	6,523,486	4,496,415	4,828,560

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	For the nine-month period ended September 30,			
	2022	2021	2022	2021
Finance costs capitalized during the period	173,799	156,372	122,143	151,845

Land and construction thereon of the Group's projects have been mortgaged as collateral for loans, debenture and credit facilities from financial institutions.

In quarter 3, 2022, the Group has made are reversal entry for the allowance for decline in value of real estate projects under development in the amount of Baht 18.06 million (the Company : Baht 7.43 million).

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10. DEPOSITS FOR LAND

	<u>In Thousand Baht</u>
	<u>Consolidated / Separate</u>
	<u>Financial Statements</u>
	<u>As at September</u>
	<u>30, 2022</u>
Deposits for land	2,000
<u>Less</u> The expected credit loss allowance	<u>(2,000)</u>
Net	<u>-</u>

11. ASSETS USED AS COLLATERAL

As at September 30, 2022, the Group had guaranteed the saving deposits and fixed deposits in the amount of Baht 566.99 million (the Company only : Baht 566.99 million) to secure for the letter of guarantee from bank and security for debenture. That was in accordance with the terms and conditions regarding the rights and duties of debenture issuers and debenture holders. The Company as the guaranteed debenture issuer, had mortgaged the land and buildings and some parts of the Company's empty land as the guarantee agreement for the issuance of debenture. It was under the condition that the Company can redeem or release the mortgage of such land and buildings and the empty land. If the value of the property that was insured under the guarantee agreement was lower than specified, the debenture issuer had to change the guarantee or seek for replacement assets to guarantee the repayment of additional debentures within the specified period in order to maintain the guarantee value under conditions regarding the rights and duties of debenture issuers and debenture holders.

12. INVESTMENTS IN SUBSIDIARIES

	<u>In Thousand Baht</u>
	<u>Separate Financial</u>
	<u>Statements</u>
	<u>As at September</u>
	<u>30, 2022</u>
Investments in subsidiaries	364,995
<u>Less</u> Impairments	<u>(10,000)</u>
Net	<u>354,995</u>

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13. PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment for the nine-month period ended September 30, 2022 are as follow:

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Cost		
As at December 31, 2021	1,080,976	1,008,088
Additions	1,648	1,457
Disposals	(984)	(917)
Transfer in (out)	-	-
As at September 30, 2022	<u>1,081,640</u>	<u>1,008,628</u>
<u>Less Accumulated depreciation</u>		
As at December 31, 2021	(444,774)	(379,620)
Depreciation for the period	(16,797)	(12,793)
Disposals	825	758
As at September 30, 2022	<u>(460,746)</u>	<u>(391,655)</u>
Net book value		
As at December 31, 2021	<u>636,202</u>	<u>628,468</u>
As at September 30, 2022	<u>620,894</u>	<u>616,973</u>

Certain portions of land and construction were guaranteed the credit facility from the financial institution.

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14. RIGHT-OF-USE ASSETS

Movements of the right-of-use assets account during the nine-month period ended September 30, 2022 are summarized below.

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Cost		
As at January 1, 2022	533,104	527,041
Increase during for the period	5,227	1,066
Decrease from lease agreement termination for the period	(4,178)	(4,178)
As at September 30, 2022	534,153	523,929
<u>Less Accumulated depreciation</u>		
As at January 1, 2022	(84,879)	(82,419)
Depreciation for the period	(19,962)	(18,262)
Decrease from lease agreement termination for the period	3,233	3,233
As at September 30, 2022	(101,608)	(97,448)
Net book value		
As at January 1, 2022	448,225	444,622
As at September 30, 2022	432,545	426,481

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15. LEASEHOLD RIGHTS

Leasehold rights arise from the Company entered into the lease agreements with third parties for developing and constructing projects of residential.

Movements of the leasehold rights during the nine-month period ended September 30, 2022 were as follows :

	In Thousand Baht	
	Consolidated / Separate Financial Statements	
	As at September 30, 2022	
Net book value, beginning		1,687,004
<u>Add</u> Increase		267,457
<u>Less</u> Decrease		-
Net book value, ending		<u>1,954,461</u>

	In Thousand Baht	
	Consolidated / Separate Financial Statements	
	As at September 30, 2022	As at December 31, 2021
Leasehold rights consist of :		
Expense under contracts	501,557	488,013
Construction in process	<u>1,452,904</u>	<u>1,198,991</u>
Total	<u>1,954,461</u>	<u>1,687,004</u>

	In Thousand Baht	
	Consolidated / Separate Financial Statements	
	For the nine-month period ended September 30,	
	2022	2021
Depreciation and interest expense capitalized		
expense under contracts	13,543	14,793
Finance costs capitalized construction in process	82,911	70,936

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16. INTEREST-BEARING LIABILITIES

16.1 Bank overdrafts and short-term loans from financial institutions

	Credit Facilities (Million Baht)				In Thousand Baht	
	Consolidated/Separate Financial Statements		Interest rate (% per annum)		Consolidated/Separate Financial Statements	
	As at September 30, 2022	As at December 31, 2021	As at September 30, 2022	As at December 31, 2021	As at September 30, 2022	As at December 31, 2021
Bank overdrafts	39	39	MOR, saving bank account+ fixed number	MOR, saving bank account+ fixed number	28,429	-
Promissory notes	290	290	MLR	MLR-fixed number	190,000	180,000
Total	<u>329</u>	<u>329</u>			<u>218,429</u>	<u>180,000</u>

Bank overdrafts and short-term loans from financial institutions have been secured by certain directors and the mortgage of land of projects of the Group.

16.2 Short-term loans from other persons

	In Thousand Baht	
	Consolidated/Separate Financial Statements	
	As at September 30, 2022	As at December 31, 2021
Short-term loans from other persons	<u>20,000</u>	<u>25,000</u>

Movements of short-term loans from other persons during the nine-month period ended September 30, 2022, were as follows :

	In Thousand Baht
	Consolidated/Separate Financial Statements
	As at September 30, 2022 (For the nine-month)
Beginning balance	25,000
Increase	30,000
Decrease	(35,000)
Ending balance	<u>20,000</u>

Short-term loans from other persons carries interest at the fixed rate and the principal has to be fully repaid within 2023.

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16.3 Long-term loans from other persons

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at September	As at December	As at September	As at December
	30, 2022	31, 2021	30, 2022	31, 2021
Long-term loans from other persons	610,000	610,000	500,000	500,000

Movements of long-term loans from other persons during the nine-month period ended September 30, 2022, were as follows :

	In Thousand Baht	
	Consolidated	Separate
	Financial Statements	Financial Statements
	As at September	As at September
	30, 2022	30, 2022
	(For the nine-month)	(For the nine-month)
Beginning balance	610,000	500,000
Increase	-	-
Decrease	-	-
Ending balance	610,000	500,000

Long-term loans from other parties carry interest at a fixed interest rate each year, which depends on the terms of the lender in each contract, and all principal due to repaid by 2026.

Long-term loans from other persons is by the mortgage of the Group’s land with construction that combined existing and future land construction and guaranteed by the shares of a director.

16.4 Long-term loans from financial institutions

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at September	As at December	As at September	As at December
	30, 2022	31, 2021	30, 2022	31, 2021
Current				
Current portion	380,523	461,778	148,787	413,062
Non-current				
Long-term loans from financial institutions	300,970	564,785	159,050	182,900
Total	681,493	1,026,563	307,837	595,962

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Movements of long-term loans from financial institutions during the nine-month period ended September 30, 2022, were as follows :

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
	As at September 30, 2022 (For the nine-month)	As at September 30, 2022 (For the nine-month)
Beginning balance	1,026,563	595,962
Increase	448,884	48,157
Decrease	(793,954)	(336,282)
Ending balance	681,493	307,837

Long-term loans from financial institutions of the Group carry interest at the rate of MLR plus/minus fixed number per annum. The loan agreements also stipulated that loan repayments are to be made proportionately when properties are sold and transferred the right to customers and full payment is to be made within 2028.

The loan agreements contain covenants pertaining to matters including the maintenance of certain financial ratios, such as debt-to-equity.

Long-term loans from financial institutions are secured by the mortgage of land and buildings in each project, land and office building. Some loans from financial institutions are also guaranteed by the subsidiaries.

16.5 Available credit facilities

As at September 30, 2022, the credit facilities of the Group and the Company which have not yet been drawn down amounted to Baht 1,117.27 million and Baht 100.00 million, respectively (December 31, 2021 : Baht 1,389.69 million and Baht 310.91 million, respectively).

16.6 Long-term loans from other company

	In Thousand Baht	
	Consolidated/	Separate
	Financial Statements As at September 30, 2022	Financial Statements As at December 31, 2021
Current		
Current portion	17,750	340,000
Non - current		
Long-term loans from other company	162,000	-
Total	179,750	340,000

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Movements of long-term loans from other company during the nine-month period ended September 30, 2022, were as follows :

	<u>In Thousand Baht</u>
	<u>Consolidated/Separate</u>
	<u>Financial Statements</u>
	As at September
	30, 2022
	(For the nine-month)
Beginning balance	340,000
Increase	-
Decrease	(160,250)
Ending balance	<u>179,750</u>

Long-term loans from other company carries interest at the fixed rate and the principal has to be fully repaid within 2025.

Long-term loans from other company is by the mortgage of land with construction that combined existing and future land construction.

16.7 Lease liabilities

The carrying amounts of lease liabilities and the movement for the nine-month period ended September 30, 2022, are presented below.

	<u>In Thousand Baht</u>	
	<u>Consolidated</u>	<u>Separate</u>
	<u>Financial Statements</u>	<u>Financial Statements</u>
As at January 1, 2022	472,816	469,094
<u>Add</u> Increase during for the period	5,227	1,066
Accretion of interest	1,011	730
<u>Less</u> Payments	(11,410)	(9,454)
Decrease from lease agreement termination	(972)	(972)
As at September 30, 2022	466,672	460,464
<u>Less</u> Current portion	(4,512)	(1,507)
Lease liabilities net of current portion	<u>462,160</u>	<u>458,957</u>

17. DEBENTURES

Movements in the debentures account during the nine-month period ended September 30, 2022 are summarized below.

	<u>In Thousand Baht</u>
	<u>Consolidated / Separate</u>
	<u>Financial Statements</u>
Balance as at 1 January 2022	5,957,538
Add: Debenture issued during the period	2,600,000
Less: Deferred debenture issuing costs	(52,601)
Add: Amortisation of debentures issuing costs	48,135
Less: Repayment during the period	(2,022,122)
Balance as at September 30, 2022	6,530,950
Less: Portion due within one year	(3,542,220)
Debenture, net of current portion	<u>2,988,730</u>

On January 19, 2022, the Company had issued the bond No. 1/2022 in type of bearer bond, unsubordinated, secured bond and holder, interest is payable quarterly, with the face value of Baht 1,000 per unit, in the amount of Baht 2,000 million bond as follows;

- Series 1, amounted Baht 971.20 million, interest rate 6.35% per annum, with 1 year period, maturity date is January 19, 2023, or early redemption.
- Series 2, amounted Baht 433.60 million, interest rate 6.85% per annum, with 2 year period, maturity date is January 19, 2024, or early redemption.
- Series 3, amounted Baht 595.20 million, interest rate 6.85% - 9.00% per annum, with 1 - 5 year period, maturity date is January 19, 2027, or early redemption.

On July 1, 2022, the Company had issued the bond No. 2/2022 in type of bearer bond, unsubordinated, secured bond and holder, interest is payable quarterly, with the face value of Baht 1,000 per unit, in the amount of Baht 600 million, interest rate 7.00% per annum, with 3 year period, maturity date is July 1, 2025, or early redemption.

Such debenture had been guaranteed by the Company as the debenture issuer had mortgaged the land and buildings and some parts of the Group’s empty land. In addition, the Group had the right to sell the land and buildings and the empty land that was a mortgage property under the guarantee agreement and be able to redeem or release the mortgage of such land and buildings and the empty land. If the value of the property that was insured under the guarantee agreement was lower than specified, the debenture issuer had to change the guarantee or seek for replacement assets to guarantee the repayment of additional debentures within the specified period.

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Under the debenture conditions, the Company has to maintain the net debt to equity ratio at not over 3 : 1 in accordance with the definition under the requirements of the rights and duties of the debenture issuer and debenture holders by calculating such ratio from the consolidated financial statements as at the end of the quarter or at the end of the accounting year. The Company also has to comply with the requirements relating to the rights and duties of the debenture issuer and debenture holders set forth.

18. 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 Group is principally engaged in development of real estate projects and construction service. Their operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

The following table present revenue and profit information regarding Group’s operating segments for the nine-month period ended September 30, 2022 and 2021, respectively.

	In Thousand Baht									
	Consolidated Financial Statements									
	For the nine-month period ended September 30,									
	Sale of real estate		Construction Service		Total		Eliminations		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenues	2,326,280	1,922,274	206,782	428,317	2,533,062	2,350,591	-	(8,329)	2,533,062	2,342,262
Cost	(1,565,260)	(1,482,548)	(172,971)	(393,729)	(1,738,231)	(1,876,277)	28,402	18,734	(1,709,829)	(1,857,543)
Segment profit (loss)	761,020	439,726	33,811	34,588	794,831	474,314	28,402	10,405	823,233	484,719
Other income									72,683	63,265
Distribution costs									(257,231)	(181,144)
Administrative expenses									(285,307)	(277,257)
Finance costs									(245,995)	(259,044)
Tax expense									(32,545)	(16,554)
Profit (loss) for the period									74,838	(186,015)

19. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue recognised in relation to contract balances

In quarter 3, 2022, the Group recognised the items that were included in Unrecognised income on installments due at the beginning of the year of Baht 53.66 million as the revenue in the statement of comprehensive income, Separate financial statements Baht 53.25 million.

In quarter 3, 2022, the subsidiary recognised the items that were included in unearned revenue from construction at the beginning of the year of Baht 4.34 million as the revenue in the statement of comprehensive income.

20. BASIC EARNINGS PER SHARE

The calculations of basic earnings per share for the three-month and nine-month periods ended September 30, 2022 and 2021 were based on the profit for the periods attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the periods as follows :

	Consolidated Financial Statements		Separate Financial Statements	
	For the three-month period ended		For the three-month period ended	
	September 30,		September 30,	
	2022	2021	2022	2021
Profit (loss) attributable to ordinary shareholders of the Company (In thousand Baht)	(37,071)	(102,243)	(132,606)	(76,359)
<u>Less</u> Interest expenses for subordinated capital debentures (In thousand Baht)	(3,327)	(4,537)	(3,327)	(4,537)
Profit (loss) used to determine basic earnings per share (In thousand Baht)	(40,398)	(106,780)	(135,933)	(80,896)
Number of ordinary shares outstanding (Thousand shares)	980,000	980,000	980,000	980,000
Earnings (loss) per share (Baht per share)	(0.0412)	(0.1090)	(0.1387)	(0.0825)
	Consolidated Financial Statements		Separate Financial Statements	
	For the nine-month period ended		For the nine-month period ended	
	September 30,		September 30,	
	2022	2021	2022	2021
Profit (loss) attributable to ordinary shareholders of the Company (In thousand Baht)	74,838	(186,015)	(148,457)	(226,602)
<u>Less</u> Interest expenses for subordinated capital debentures (In thousand Baht)	(9,873)	(13,463)	(9,873)	(13,463)
Profit (loss) used to determine basic earnings per share (In thousand Baht)	64,965	(199,478)	(158,330)	(240,065)
Number of ordinary shares outstanding (Thousand shares)	980,000	980,000	980,000	980,000
Earnings (loss) per share (Baht per share)	0.0663	(0.2035)	(0.1616)	(0.2450)

21. FINANCIAL INSTRUMENTS

Financial instruments carried at fair value

Fair value hierarchy

The fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

For disclosure purpose, the Group determines Level 2 fair values for traded debentures have been determined based on quoted selling prices from the Thai Bond Market Association that were not difference with fair value at the year end.

For disclosure purposes, the Group determines Level 3 fair values for fair values of investment property is carried based on valuations by independent values. Fair value is measured by discounted cash flow projections which reflects rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects any cash outflows that could be expected in respect of the property. The discount rate reflects current market assessments of the time value of money and risk adjusted.

The fair value of accounts receivable, trade accounts receivable and other current accounts receivable and accounts payable is taken to approximate to the carrying value.

The fair value of loans to related parties is taken to approximate the carrying value because most of these financial instruments bear interest at market rates.

The fair value of long-term borrowings and lease liabilities are taken to approximate the carrying value because most of these financial instruments bear interest at market rates.

22. REVENUE FROM CONTRACTS WITH CUSTOMERS

Expected revenue to be recognized for unfinished obligations

As at September 30, 2022, the Group expects to have future income for the performance obligation of the real estate development business with the customer in the amount of Baht 862.42 million. The obligation is expected to be complete within 3 years.

As at September 30, 2022, a subsidiary expects to have income recognised in the future for the performance obligation of the construction agreement with the customer for Baht 655.88 million. It is expected to complete the obligation of such agreement within 2 years.

As at September 30, 2022, a subsidiary expects to have income recognised in the future for performance obligation of the property management service agreement with the customer for Baht 1.45 million. It is expected to complete the obligation of such agreement within 1 year.

As at September 30, 2022, the Group expects to have income recognised in the future for the performance obligation of the rental space agreement in the amount of Baht 13.23 million. It is expected to complete the obligation of such agreement within 3 years.

23. COMMITMENTS WITH NON-RELATED PARTIES

As at September 30, 2022, the Group had commitments as follows:

- 23.1 As at September 30, 2022, the Group has commitments relating to project development contracts and construction service amounting to Baht 1,108.85 million (As at December 31, 2021 : Baht 599.47 million).
- 23.2 As at September 30, 2022, the Group and the Company have outstanding bank guarantees of Baht 668.15 million and Baht 315.01 million, respectively. (As at December 31, 2021, amount of Baht 608.68 million and Baht 334.32 million, respectively).

24. CONTINGENT LIABILITIES FROM LAWSUIT

As at September 30, 2022 the Group has contingent liabilities from the lawsuit as follows:

24.1 Under case consideration

The Group has contingent liabilities from the lawsuit from the charges filed by other company and individuals total 22 cases from breach of agreement, damages claim and other. The suing capital and may be claimed is Baht 175.21 million. Currently, the case is under court consideration. There were 4 cases that the Appeal Court ordered the Group to pay in the total amount Baht 13.97 million. The Group is under judgment appeal process.

However, the management of the Group expects that significant damages will not arise. Therefore, the Company and the Group had not recorded a provision for damages that may arise from such case in the financial statements.

24.2 Ended case

From the Company being charged filed by other company and individuals to pay the damages with the capital amount Baht 208.94 million. Later, in quarter 2/2022 the Company entered into a memorandum of debt payment in the amount of Baht 45.00 million. As at September 30, 2022, the Company recorded such liabilities and the case is said to be final.

25. EVENT AFTER THE REPORTING PERIOD

- 25.1 On August 15, 2022, the Board of Directors' Meeting No.4/2022 had a resolution to establish 1 new subsidiary. The registered share capital amount is Baht 1 million and had been registered with the Department of Business Development on October 12, 2022.
- 25.2 On October 4, 2022, the Company had issued the bond in type of bearer bond, unsubordinated, secured bond and holder amount of Baht 550 million, with 3 years maturity period, interest rate 7.00% per annum.
- 25.3 On October 19, 2022, the Board of Directors' Meeting No.5/2022 had a resolution to approve the increase of capital in Morrow 1 Co., Ltd. in the amount of Baht 499 million and had been registered with the Department of Business Development on October 20, 2022.
- 25.4 On October 19, 2022, the Board of Directors' Meeting No.5/2022 had a resolution to approve the increase of capital in Damri Residence Co., Ltd. in the amount of Baht 1,999 million and had been registered with the Department of Business Development in the full amount on November 1, 2022.
- 25.5 On October 31, 2022, the Company had issued the bond in type of bearer bond, unsubordinated, secured bond and holder amount of Baht 150 million, with 183 days maturity period, interest rate 5.50% per annum.

26. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorized for issue by the Company's Directors on November 9, 2022.