

Charn Issara Development Public Company Limited
and its subsidiaries
Report and consolidated interim financial statements
For the three-month and six-month periods ended
30 June 2017

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Charn Issara Development Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Charn Issara Development Public Company Limited and its subsidiaries as at 30 June 2017, the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2017, 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 Charn Issara Development Public Company Limited for the same period. 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*.

Supanee Triyanantakul
Certified Public Accountant (Thailand) No. 4498

EY Office Limited
Bangkok: 10 August 2017

Charn Issara Development Public Company Limited and its subsidiaries

Statement of financial position

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	As at	As at	As at	As at	
	Note	30 June 2017 (Unaudited but reviewed)	31 December 2016	30 June 2017 (Unaudited but reviewed)	31 December 2016
Assets					
Current assets					
Cash and cash equivalents		600,492	701,708	426,397	267,208
Current investments	4	-	95,626	-	54,960
Trade and other receivables	5	76,030	69,556	28,174	17,327
Costs of property development projects for sales	6	4,481,523	4,398,116	616,922	606,074
Inventories		25,069	27,686	-	-
Short-term loans to subsidiaries	3	-	-	220,000	198,000
Short-term loan to associated company	3	3,000	3,000	3,000	3,000
Short-term loan to a related company	3	1,286	1,286	-	-
Long-term loans to subsidiaries - net					
of current portion	3	-	-	-	30,000
Deposit for land acquisition - related party	3	674	674	674	674
Other current assets		51,772	60,080	4,693	4,472
Total current assets		5,239,846	5,357,732	1,299,860	1,181,715
Non-current assets					
Restricted bank deposits		44,175	44,158	3,855	3,839
Long-term loans to subsidiaries - net					
of current portion	3	-	-	18,000	18,000
Investment in subsidiaries	7	-	-	918,152	774,402
Investment in associated companies	8	659,242	670,026	623,080	623,080
Investment in related companies	9	149,681	149,681	148,967	148,967
Investment properties	10	266,100	266,100	161,900	161,900
Land held for development	11	255,269	255,269	-	-
Property, plant and equipment	12	733,165	436,699	18,942	20,813
Deferred tax assets	21	93,867	81,515	-	-
Other non-current assets		75,019	67,099	26,993	24,398
Total non-current assets		2,276,518	1,970,547	1,919,889	1,775,399
Total assets		7,516,364	7,328,279	3,219,749	2,957,114

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

Charn Issara Development Public Company Limited and its subsidiaries

Statement of financial position (continued)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	As at	As at	As at	As at	
	Note	30 June 2017 (Unaudited but reviewed)	31 December 2016	30 June 2017 (Unaudited but reviewed)	31 December 2016
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loan					
from financial institutions		57,636	24,620	-	-
Trade and other payables	13	526,157	570,312	37,521	51,348
Bills of exchange		-	297,210	-	99,427
Current portion of liabilities under					
hire-purchase agreements		4,521	6,199	-	377
Current portion of long-term loans	14	968,195	973,309	80,227	91,212
Current portion of debentures	16	499,223	200,000	499,223	200,000
Short-term loans from related parties	3	268,000	258,000	-	-
Current portion of long-term loans from					
related companies	3	-	30,000	-	-
Deposits and advances received from real estate sales		395,890	246,414	35,276	23,279
Retention payable		130,083	158,675	6,554	8,455
Income tax payable		3,497	118,038	-	-
Other current liabilities		73,627	78,228	4,243	9,848
Total current liabilities		2,926,829	2,961,005	663,044	483,946
Non-current liabilities					
Liabilities under hire-purchase agreements - net					
of current portion		4,100	5,988	-	-
Long-term loans - net of current portion	14	972,140	961,536	280,458	292,131
Long-term loan from other company	15	39,000	15,000	-	-
Debentures - net of current portion	16	1,038,124	898,138	1,038,124	898,138
Long-term loan from related companies - net					
of current portion	3	12,000	12,000	-	-
Provision for long-term employee benefits	17	57,008	54,428	41,417	40,107
Deferred revenue		27,493	28,590	-	-
Deferred tax liabilities	21	88,236	89,974	14,423	14,142
Other non-current liabilities		13,249	13,102	8,630	8,482
Total non-current liabilities		2,251,350	2,078,756	1,383,052	1,253,000
Total liabilities		5,178,179	5,039,761	2,046,096	1,736,946

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

Charn Issara Development Public Company Limited and its subsidiaries

Statement of financial position (continued)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at 30 June 2017 (Unaudited but reviewed)	As at 31 December 2016	As at 30 June 2017 (Unaudited but reviewed)	As at 31 December 2016
Shareholders' equity				
Share capital				
Registered	18			
1,225,850,537 ordinary shares of Baht 1 each (31 December 2016: 791,999,598 ordinary shares of Baht 1 each)	1,225,851	792,000	1,225,851	792,000
Issued and fully paid				
889,726,608 ordinary shares of Baht 1 each (31 December 2016: 790,871,315 ordinary shares of Baht 1 each)	889,726	790,871	889,726	790,871
Share premium	23,781	23,781	23,781	23,781
Retained earnings				
Appropriated - statutory reserve	44,588	44,588	44,588	44,588
Appropriated - treasury shares reserve	19	-	24,642	-
Unappropriated	382,482	574,157	215,558	360,989
Other components of shareholders' equity	22,390	22,329	-	(61)
Equity attributable to owners of the Company	1,362,967	1,480,368	1,173,653	1,244,810
Treasury shares purchased during the year	19	-	(24,642)	-
Equity attributable to owners of the Company - net	1,362,967	1,455,726	1,173,653	1,220,168
Non-controlling interests of the subsidiaries	975,218	832,792	-	-
Total shareholders' equity	2,338,185	2,288,518	1,173,653	1,220,168
Total liabilities and shareholders' equity	7,516,364	7,328,279	3,219,749	2,957,114
	-	-	-	-

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

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Directors
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(Unaudited but reviewed)

Charn Issara Development Public Company Limited and its subsidiaries**Statement of comprehensive income****For the three-month period ended 30 June 2017**

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

	Consolidated financial statements		Separate financial statements		
	Note	2017	2016	2017	2016
Revenues					
Revenue from real estate sales		325,697	659,075	-	-
Rental and services income		20,665	20,145	20,313	19,583
Revenue from hotel operations		128,045	112,429	-	-
Management fee income		5,889	4,590	17,040	14,209
Other income		24,302	17,974	29,323	16,932
Total revenues		504,598	814,213	66,676	50,724
Expenses					
Cost of real estate sales		222,555	429,695	-	-
Cost of rental and services		11,025	11,303	11,361	11,685
Cost of hotel operations		125,392	112,853	-	-
Selling expenses		62,513	68,430	5,793	3,282
Administrative expenses		123,962	117,080	49,983	40,161
Total expenses		545,447	739,361	67,137	55,128
Profit (loss) before share of income from investments					
in associated companies, finance cost and					
income tax expenses					
		(40,849)	74,852	(461)	(4,404)
Share of income from investments in associated companies		18,821	14,350	-	-
Profit (loss) before finance cost and income tax expenses		(22,028)	89,202	(461)	(4,404)
Finance cost		(24,766)	(28,515)	(20,110)	(18,338)
Profit (loss) before income tax expenses		(46,794)	60,687	(20,571)	(22,742)
Income tax expenses	21	6,888	(28,277)	(141)	(142)
Profit (loss) for the period		(39,906)	32,410	(20,712)	(22,884)
<i>Other comprehensive income to be reclassified to profit and loss</i>					
<i>in subsequent periods:</i>					
Loss on change in value of available-for-sale investments - net of income taxes		-	(412)	-	(412)
Total comprehensive income for the period		(39,906)	31,998	(20,712)	(23,296)

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

(Unaudited but reviewed)

Charn Issara Development Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 30 June 2017

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit (loss) attributable to:				
Equity holders of the Company	(42,775)	(9,625)	<u>(20,712)</u>	<u>(22,884)</u>
Non-controlling interests of the subsidiaries	<u>2,869</u>	<u>42,035</u>		
	<u>(39,906)</u>	<u>32,410</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	(42,775)	(10,037)	<u>(20,712)</u>	<u>(23,296)</u>
Non-controlling interests of the subsidiaries	<u>2,869</u>	<u>42,035</u>		
	<u>(39,906)</u>	<u>31,998</u>		
Basic earnings per share	22			
Loss attributable to equity holders of the Company	<u>(0.05)</u>	<u>(0.01)</u>	<u>(0.02)</u>	<u>(0.03)</u>

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

(Unaudited but reviewed)

Charn Issara Development Public Company Limited and its subsidiaries**Statement of comprehensive income****For the six-month period ended 30 June 2017**

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

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Revenues					
Revenue from real estate sales		613,347	1,432,251	16,900	-
Rental and services income		41,436	40,605	40,663	39,475
Revenue from hotel operations		275,037	283,865	-	-
Management fee and other fee income		11,223	63,324	46,951	28,609
Other income		57,045	28,311	58,477	32,601
Total revenues		998,088	1,848,356	162,991	100,685
Expenses					
Cost of real estate sales		412,480	926,085	9,859	-
Cost of rental and services		21,025	22,324	21,792	23,094
Cost of hotel operations		251,933	246,545	-	-
Selling expenses		123,892	133,657	13,002	5,795
Administrative expenses		249,269	239,429	100,949	92,933
Total expenses		1,058,599	1,568,040	145,602	121,822
Profit (loss) before share of income from investments					
in associated companies, finance cost and					
income tax expenses					
		(60,511)	280,316	17,389	(21,137)
Share of income from investments in associated companies		34,749	27,856	-	-
Profit (loss) before finance cost and income tax expenses		(25,762)	308,172	17,389	(21,137)
Finance cost		(47,669)	(53,770)	(36,850)	(32,227)
Profit (loss) before income tax expenses		(73,431)	254,402	(19,461)	(53,364)
Income tax expenses	21	6,122	(65,014)	(280)	(283)
Profit (loss) for the period		(67,309)	189,388	(19,741)	(53,647)
Other comprehensive income for the period					
<i>Other comprehensive income to be reclassified to profit and loss</i>					
<i>in subsequent periods:</i>					
Gain (loss) on change in value of available-for-sale					
investments - net of income taxes		61	(401)	61	(401)
Total comprehensive income for the period		(67,248)	188,987	(19,680)	(54,048)

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

(Unaudited but reviewed)

Charn Issara Development Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the six-month period ended 30 June 2017

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

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit (loss) attributable to:					
Equity holders of the Company		(65,985)	54,974	<u>(19,741)</u>	<u>(53,647)</u>
Non-controlling interests of the subsidiaries		<u>(1,324)</u>	<u>134,414</u>		
		<u>(67,309)</u>	<u>189,388</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		(65,924)	54,573	<u>(19,680)</u>	<u>(54,048)</u>
Non-controlling interests of the subsidiaries		<u>(1,324)</u>	<u>134,414</u>		
		<u>(67,248)</u>	<u>188,987</u>		
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company	22	<u>(0.07)</u>	<u>0.06</u>	<u>(0.02)</u>	<u>(0.06)</u>

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

(Unaudited but reviewed)

Charn Issara Development Public Company Limited and its subsidiaries**Cash flows statement****For the six-month period ended 30 June 2017**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities:				
Profit (loss) before income tax expenses	(73,431)	254,402	(19,461)	(53,364)
Adjustments to reconcile profit (loss) before income tax expenses				
net cash provided by (paid from) operating activities:				
Depreciation	13,222	26,501	2,848	3,348
Share of income from investments in associated companies	(34,749)	(27,856)	-	-
Loss on sale of equipment	-	258	-	-
Provision for long-term employee benefits	2,580	2,581	1,310	1,311
Reversal of accrued expenses	(7,945)	-	-	-
Not yet due rental expenses	17,578	16,242	-	-
Revenue from the decreased capital by associated company	-	-	(5,908)	-
Dividend received from associated companies	-	-	(16,915)	(20,192)
Interest income	(4,379)	(7,175)	(9,736)	(8,636)
Interest expenses	45,795	51,897	36,096	31,387
Others	1,316	(612)	858	338
Profit (loss) from operating activities before changes in operating assets and liabilities	(40,013)	316,238	(10,908)	(45,808)
(Increase) decrease in operating assets:				
Trade and other receivables	(6,473)	8,576	(10,847)	(6,104)
Costs of property development projects for sales	(256,210)	185,491	(10,848)	(30,708)
Land deposits	-	(90,000)	-	-
Other current assets	10,744	1,837	(252)	(258)
Other non-current assets	(1,795)	2,352	(304)	(642)
Increase (decrease) in operating liabilities:				
Trade and other payables	(58,540)	24,009	(17,708)	(18,874)
Deposits and advances received from real estate sales	150,017	(203,375)	12,497	1,203
Retention payable	(28,591)	7,815	(1,901)	602
Provision for long-term employee benefits	-	(778)	-	(778)
Other current liabilities	(4,606)	(15,673)	(5,604)	(782)
Other non-current liabilities	150	(193)	150	(191)
Cash flows from (used in) operating activities	(235,317)	236,299	(45,725)	(102,340)
Interest income	4,560	5,858	9,767	7,535
Cash paid for interest expenses	(41,043)	(92,934)	(32,215)	(38,876)
Cash received from withholding tax refundable	-	2,330	-	-
Cash paid for income tax	(128,728)	(52,614)	(2,402)	(1,298)
Net cash flows from (used in) operating activities	(400,528)	98,939	(70,575)	(134,979)

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

(Unaudited but reviewed)

Charn Issara Development Public Company Limited and its subsidiaries**Cash flows statement (continued)****For the six-month period ended 30 June 2017**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from investing activities:				
(Increase) decrease in current investments	95,687	(65,347)	55,021	(65,347)
Increase in restricted bank deposits	(17)	(19)	(16)	(18)
(Increase) decrease in loans to subsidiaries	-	-	8,000	(10,000)
Increase in loans to related companies	-	(3,286)	-	(2,000)
Increase in investments in a associated company	-	(714)	-	-
Increase in investments in subsidiaries	-	-	(143,750)	(43,750)
Cash received the decreased capital from associated company	17,953	-	5,908	-
Dividend received from associated companies	28,659	39,975	16,915	20,192
Acquisition of property, plant and equipment	(136,985)	(115,627)	(977)	(654)
Proceeds from sales of equipment	-	140	-	-
Acquisition of intangible assets	(441)	(413)	(67)	(45)
Net cash flows from (used in) investing activities	4,856	(145,291)	(58,966)	(101,622)
Cash flows from financing activities:				
Increase in bank overdrafts from financial institutions	33,016	60,812	-	-
Cash received from bills of exchange	-	157,208	-	-
Repayment of bill of exchange	(300,000)	-	(100,000)	-
Cash received from debentures (net of issued debenture expense)	438,601	-	438,601	-
Repayment of hire-purchase payables	(3,566)	(3,903)	(377)	(1,013)
Cash received from short-term loans from related parties	10,000	-	-	-
Repayment of loans from related parties	(30,000)	(106,625)	-	-
Cash received from long-term loans	293,963	710,301	-	200,000
Repayment of long-term loans	(288,473)	(927,632)	(22,659)	(10,053)
Cash received from long-term loan from other company	24,000	-	-	-
Increase in equity attribution to non-controlling interests of the subsidiaries	143,750	33,750	-	-
Cash received from sales of treasury shares	20,616	-	20,616	-
Dividend paid	(47,451)	(14,174)	(47,451)	(14,174)
Net cash flows from (used in) financing activities	294,456	(90,263)	288,730	174,760
Net increase (decrease) in cash and cash equivalents	(101,216)	(136,615)	159,189	(61,841)
Cash and cash equivalents at beginning of period	701,708	301,182	267,208	136,331
Cash and cash equivalents at end of period	600,492	164,567	426,397	74,490
	-	-	-	-
Supplemental cash flows information:				
Non-cash items				
Purchase of vehicle for which no cash has been paid	-	933	-	-
Transfer deposit for land to property, plant and equipment	-	3,000	-	-
Transfer costs of property development projects for sales to property, plant and equipment	172,803	-	-	-

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

(Unaudited but reviewed)

Charn Issara Development Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

Consolidated financial statements														
Equity attributable to owners of the Company														
Note	Retained earnings					Other components of shareholders' equity			Total equity attributable to the owners of the Company	Treasury shares	Equity attributable to non-controlling interests of the subsidiaries			
	Issued and paid-up share capital	Share premium	Appropriated		Unappropriated	Surplus on change in interest in equity of subsidiaries	Other comprehensive income	Total other components of shareholders' equity			Total equity attributable to the owners of the Company	Treasury shares	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
			Statutory reserve	Treasury share reserve										
Balance as at 31 December 2015	720,000	23,781	38,242	24,642	506,651	34,619	(81)	34,538	1,347,854	(24,642)	703,666	2,026,878		
Profit for the period	-	-	-	-	54,974	-	-	-	54,974	-	134,414	189,388		
Other comprehensive income for the period	-	-	-	-	-	-	(401)	(401)	(401)	-	-	(401)		
Total comprehensive income for the period	-	-	-	-	54,974	-	(401)	(401)	54,573	-	134,414	188,987		
Dividend paid														
Cash dividend	-	-	-	-	(14,174)	-	-	-	(14,174)	-	-	(14,174)		
Stock dividend	70,871	-	-	-	(70,871)	-	-	-	-	-	-	-		
Increase in equity attribution to non-controlling interests of the subsidiary	-	-	-	-	-	-	-	-	-	-	33,750	33,750		
Balance as at 30 June 2016	790,871	23,781	38,242	24,642	476,580	34,619	(482)	34,137	1,388,253	(24,642)	871,830	2,235,441		
Balance as at 31 December 2016	790,871	23,781	44,588	24,642	574,157	22,390	(61)	22,329	1,480,368	(24,642)	832,792	2,288,518		
Profit for the period	-	-	-	-	(65,985)	-	-	-	(65,985)	-	(1,324)	(67,309)		
Other comprehensive income for the period	-	-	-	-	-	-	61	61	61	-	-	61		
Total comprehensive income for the period	-	-	-	-	(65,985)	-	61	61	(65,924)	-	(1,324)	(67,248)		
Sales of treasury shares	19	-	-	-	(4,026)	-	-	-	(4,026)	24,642	-	20,616		
Transfer treasury share reserve to unappropriated retained earnings	19	-	-	(24,642)	24,642	-	-	-	-	-	-	-		
Dividend paid	23													
Cash dividend	-	-	-	-	(47,451)	-	-	-	(47,451)	-	-	(47,451)		
Stock dividend	98,855	-	-	-	(98,855)	-	-	-	-	-	-	-		
Increase in equity attribution to non-controlling interests of the subsidiaries	7	-	-	-	-	-	-	-	-	-	143,750	143,750		
Balance as at 30 June 2017	889,726	23,781	44,588	-	382,482	22,390	-	22,390	1,362,967	-	975,218	2,338,185		

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

(Unaudited but reviewed)

Charn Issara Development Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

Separate financial statements									
Other components of shareholders' equity									
Other									
comprehensive income									
Decifit on changes in value of available-for-sale investments									
Total other components of shareholders' equity									
Treasury shares									
Total shareholders' equity									
Retained earnings									
Appropriated									
Statutory reserve									
Treasury share reserve									
Unappropriated									
Note	Issued and paid-up share capital	Share premium	Statutory reserve	Treasury share reserve	Unappropriated	Decifit on changes in value of available-for-sale investments	Total other components of shareholders' equity	Treasury shares	Total shareholders' equity
Balance as at 31 December 2015	720,000	23,781	38,242	24,642	325,461	(81)	(81)	(24,642)	1,107,403
Profit for the period	-	-	-	-	(53,647)	-	-	-	(53,647)
Other comprehensive income for the period	-	-	-	-	-	(401)	(401)	-	(401)
Total comprehensive income for the period	-	-	-	-	(53,647)	(401)	(401)	-	(54,048)
Dividend paid									
Cash dividend	-	-	-	-	(14,174)	-	-	-	(14,174)
Stock dividend	70,871	-	-	-	(70,871)	-	-	-	-
Balance as at 30 June 2016	790,871	23,781	38,242	24,642	186,769	(482)	(482)	(24,642)	1,039,181
Balance as at 31 December 2016	790,871	23,781	44,588	24,642	360,989	(61)	(61)	(24,642)	1,220,168
Profit for the period	-	-	-	-	(19,741)	-	-	-	(19,741)
Other comprehensive income for the period	-	-	-	-	-	61	61	-	61
Total comprehensive income for the period	-	-	-	-	(19,741)	61	61	-	(19,680)
Sales of treasury shares	19	-	-	-	(4,026)	-	-	24,642	20,616
Transfer treasury share reserve to unappropriated retained earnings	19	-	-	(24,642)	24,642	-	-	-	-
Dividend paid	23								
Cash dividend	-	-	-	-	(47,451)	-	-	-	(47,451)
Stock dividend	98,855	-	-	-	(98,855)	-	-	-	-
Balance as at 30 June 2017	889,726	23,781	44,588	-	215,558	-	-	-	1,173,653

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

Charn Issara Development Public Company Limited and its subsidiaries
Notes to consolidated interim financial statements
For the three-month and six-month period ended 30 June 2017

1. General information

1.1 Corporate information

Charn Issara Development Public Company Limited (“the Company”) was incorporated as a public company under Thai laws. The Company operates in Thailand and is principally engaged in sales or lease of office condominium and real estate development. Its registered office is located at No. 2922/200, New Petchaburi Road, Bangkapi Sub-district, Huaykwang District, Bangkok.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2016) Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, [income statement], 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

The interim consolidated financial statements incorporate the financial statements of Charn Issara Development Public Company Limited and its subsidiaries. They have been prepared on the same basis as that used in the consolidated financial statements for the year ended 31 December 2016.

1.4 New financial reporting standards

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

2. 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 2016.

3. 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.

	For the three-month periods ended 30 June				Pricing policy
	Consolidated financial statements		Separate financial statements		
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
(Unit: Million Baht)					
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	4	2	Contract price
Management fee income	-	-	16	12	Contract price
Service income	-	-	2	-	As agreed
Management fee expenses	-	-	7	-	Contract price
<u>Transactions with associated companies</u>					
Management fee income	2	1	-	1	Contract price
Rental expenses	66	44	-	-	Contract price
Rental and service expenses	2	1	2	1	Contract price
<u>Transactions with related companies,</u>					
<u>directors and shareholders of subsidiaries</u>					
Management fee expenses	4	3	1	1	Contract price
Interest expenses	5	1	-	-	Contract price

(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods ended 30 June				Pricing policy
	Consolidated financial statements		Separate financial statements		
	2017	2016	2017	2016	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	8	4	Contract price
Management fee income	-	-	44	25	Contract price
Service income	-	-	3	1	As agreed
Management fee expenses	-	-	7	-	Contract price
<u>Transactions with associated companies</u>					
Management fee income	5	2	1	2	Contract price
Rental and service income	1	2	1	2	Contract price
Rental expenses	132	87	-	-	Contract price
Rental and service expenses	4	4	3	3	Contract price
<u>Transactions with related companies, directors and shareholders of subsidiaries</u>					
Revenue from real estate sales	-	16	-	-	Contract price
Management fee expenses	7	6	3	3	Contract price
Interest expenses	9	3	-	-	Contract price

The balances of the accounts as at 30 June 2017 and 31 December 2016 between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
<u>Trade and other receivables - related companies (Note 5)</u>				
Subsidiaries	-	-	20,910	10,569
Associated companies	2,130	11,751	1,420	1,204
Related companies	89	-	89	-
Total trade and other receivables - related companies	<u>2,219</u>	<u>11,751</u>	<u>22,419</u>	<u>11,773</u>
<u>Deposit for land acquisition - related party</u>				
Director	<u>674</u>	<u>674</u>	<u>674</u>	<u>674</u>
<u>Trade and other payables - related parties (Note 13)</u>				
Directors	9,881	4,909	-	-
Subsidiaries	-	-	7,879	192
Associated companies	107,546	110,289	-	-
Related companies (related by shareholder of subsidiaries)	186	-	-	-
Total trade and other payables - related parties	<u>117,613</u>	<u>115,198</u>	<u>7,879</u>	<u>192</u>

(Unaudited but reviewed)

Loans to related parties, loans from related parties

As at 30 June 2017 and 31 December 2016, details of loans to related parties, loans from related parties and their movement are as follows:

		(Unit: Thousand Baht)		
		Separate financial statements		
	Interest rate (Percent per annum)	31 December 2016	Increase during the period	30 June 2017
<u>Short-term loans to subsidiaries</u>				
Cham Issara Viphol Company Limited	MLR	78,000	10,000	88,000
Issara United Company Limited	MLR	120,000	-	120,000
C.I.N. Estate Company Limited	MLR	-	12,000	12,000
Total short-term loans to subsidiaries		198,000	22,000	220,000

		(Unit: Thousand Baht)	
		Consolidated financial statements / Separate financial statements	
	Interest rate (Percent per annum)	30 June 2017	31 December 2016
<u>Short-term loan to associated company</u>			
Hida Grill Company Limited	MLR	3,000	3,000

		(Unit: Thousand Baht)	
		Consolidated financial statements	
	Interest rate (Percent per annum)	30 June 2017	31 December 2016
<u>Short-term loan to a related company</u>			
Sumolhart Co., Ltd.			
(The Company's subsidiary is its shareholder)	0.1	1,286	1,286

		(Unit: Thousand Baht)		
		Separate financial statements		
	Interest rate (Percent per annum)	31 December 2016	Decrease during the period	30 June 2017
<u>Long-term loans to subsidiaries</u>				
Issara United Company Limited	MLR	30,000	(30,000)	-
C.I.N. Estate Company Limited	MLR	18,000	-	18,000
Total long-term loans to subsidiaries		48,000	(30,000)	18,000
Less: Current portion		(30,000)		-
Total long-term loans to subsidiaries - net of current portion		18,000		18,000

(Unaudited but reviewed)

(Unit: Thousand Baht)

		Consolidated financial statements			
Related by	Interest rate (Percent per annum)	31 December	Increase	30 June	
		2016	during the period	2017	
<u>Short-term loans from related parties</u>					
Viphapol Holdings Company Limited	Subsidiary's shareholder	MLR + 1.0	48,000	-	48,000
I.C.C. International Public Company Limited	Subsidiary's shareholder	MLR	60,000	-	60,000
Saha Pathanapibul Public Company Limited	Subsidiary's shareholder	MLR	60,000	-	60,000
Director	Subsidiary's director	MLR	90,000	10,000	100,000
Total short-term loans from related parties			258,000	10,000	268,000

(Unit: Thousand Baht)

		Consolidated financial statements			
Related by	Interest rate (Percent per annum)	31 December	Decrease	30 June	
		2016	during the period	2017	
<u>Long-term loans from related companies</u>					
I.C.C. International Public Company Limited	Subsidiary's shareholder	MLR	15,000	(15,000)	-
Saha Pathanapibul Public Company Limited	Subsidiary's shareholder	MLR	15,000	(15,000)	-
Nawarat Patanakam Public Company Limited	Subsidiary's shareholder	MLR	12,000	-	12,000
Total long-term loans from related companies			42,000	(30,000)	12,000
Less: Current portion			(30,000)		-
Total long-term loans from related companies - net of current portion			12,000		12,000

Directors and management's benefits

During the six-month periods ended 30 June 2017 and 2016, the Company and its subsidiaries had employee benefit expenses of their directors and managements as below:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Short-term employee benefits	55	53	40	39
Post-employment benefits	1	1	1	1
Total	56	54	41	40

4. Current investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
Investment in debentures	-	65,971	-	54,960
Investment in bill of exchange	-	29,655	-	-
Total	-	95,626	-	54,960

5. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
<u>Trade receivables - related companies</u>				
Aged on the basis of due dates				
Not yet due	792	371	165	116
Past due				
Up to 3 months	-	-	8	13
3 - 6 months	-	-	-	7
6 - 12 months	-	-	-	8
Total trade receivables - related companies	792	371	173	144
<u>Trade receivables - unrelated companies</u>				
Aged on the basis of due dates				
Not yet due	30,552	21,539	2,830	3,129
Past due				
Up to 3 months	8,387	7,079	807	2,060
3 - 6 months	2,464	4,651	2,055	365
6 - 12 months	64	71	63	-
Over 12 months	231	231	231	231
Total	41,698	33,571	5,986	5,785
Less: Allowance for doubtful accounts	(231)	(231)	(231)	(231)
Trade receivables - unrelated companies - net	41,467	33,340	5,755	5,554
Total trade receivables - net	42,259	33,711	5,928	5,698
<u>Other receivables</u>				
Other receivables - related companies	1,427	11,380	22,246	11,629
Other receivables - unrelated companies	32,344	24,465	-	-
Total other receivables	33,771	35,845	22,246	11,629
Trade and other receivables - net	76,030	69,556	28,174	17,327

6. Costs of property development projects for sales

Movement in costs of property development projects for sales during the six-month period ended 30 June 2017 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2017	4,398,116	606,074
Increase in construction costs	619,287	13,677
Increase in capitalised borrowing costs ⁽¹⁾	49,403	7,030
Cost of real estate sales for the period	(412,480)	(9,859)
Transfer to property plant and equipment	(172,803)	-
Balance as at 30 June 2017	<u>4,481,523</u>	<u>616,922</u>

⁽¹⁾Interest is charged approximately at the rates of 6% per annum

As at 30 June 2017, the Company and its subsidiaries have mortgaged their land and constructions thereon in the projects of Baht 4,597 million (The Company only: Baht 617 million) (31 December 2016: the Company and its subsidiaries: Baht 4,161 million, the Company only: Baht 606 million) to secure the facilities of bank overdrafts and long-term loans of the Company and its subsidiaries.

7. Investments in subsidiaries

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

Company's name	Paid-up capital		Percentage of shareholding		Cost method	
	30 June	31 December	30 June	31 December	30 June	31 December
	2017	2016	2017	2016	2017	2016
	(Million Baht)	(Million Baht)	(Percent)	(Percent)	(Thousand Baht)	(Thousand Baht)
Charm Issara Residence Co., Ltd.	140	140	85	85	151,652	151,652
Charm Issara Viphapol Co., Ltd.	100	100	50	50	50,000	50,000
C.I.N. Estate Co., Ltd.	250	250	60	60	150,000	150,000
Issara United Co., Ltd.	300	80	50	50	150,000	40,000
Issara Junfa Co., Ltd.	420	420	70	70	294,000	294,000
Issara United Development Co., Ltd.	225	158	50	50	112,500	78,750
Charm Issara Reit Management Co., Ltd.	10	10	100	100	10,000	10,000
Total investments in subsidiaries					<u>918,152</u>	<u>774,402</u>

Issara United Company Limited

On 18 January 2017, the extraordinary meeting of the shareholders no. 1/2017 of Issara United Company Limited passed a resolution to increase its registered share capital from Baht 80.0 million (0.8 million ordinary shares of Baht 100 each) to Baht 300.0 million (3.0 million ordinary shares of Baht 100 each) by issuing the new 2.2 million ordinary shares of Baht 100 each to the existing shareholders. The company registered the increased registered share capital with the Ministry of Commerce on 28 February 2017.

During the first quarter of the current year, the subsidiary called the paid-up share capital from the shareholders totaling 40 percent at Baht 40 per share of the 2.2 million ordinary shares, amounting to Baht 88 million. The Company paid such additional share capital amounting to Baht 44 million.

Subsequently, during the second quarter of the current year, the subsidiary called the fully paid-up share capital from the shareholders totaling 60 percent at Baht 60 per share of the 2.2 million ordinary shares, amounting to Baht 132 million. The Company paid such additional share capital amounting to Baht 66 million.

Issara United Development Co.,Ltd.

During the first quarter, Issara United Development Co.,Ltd. called up the additional share capital from the shareholders at Baht 25 per share of the 2.7 million ordinary shares, amounting to Baht 67.5 million, or 25% (increasing paid-up capital to 50%). The Company paid such additional share capital amounting to Baht 33.8 million.

Sri Panwa Management Co.,Ltd.

Charn Issara Residence Co.,Ltd. ("CIR") entered into Undertaking Agreement with Sri panwa Hospitality Real Estate Investment Trust ("the Trust") whereby CIR agreed to maintain its shareholding in Sri Panwa Management Co.,Ltd. ("SPM") at not less than 99.99 percent throughout the time that SPM leases properties from the Trust. In addition, CIR agreed to pledge all of its SPM share capital as security for the fulfillment of this Undertaking Agreement.

As at 30 June 2017, CIR had investment in SPM amounting to Baht 30 million (31 December 2016: Baht 30 million) or 100 percent of its paid-up capital (31 December 2016: 100 percent).

8. Investments in associated companies

(Unit: Thousand Baht)

Company's name	Consolidated financial statements				Separate financial statements	
	At cost		Carrying amounts based on the equity method		At cost	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Bangkok Commercial Property Fund	333,000	333,000	393,186	387,961	333,000	333,000
Sri panwa Hospitality Real Estate Investment Trust	867,083	867,083	266,056	281,093	285,374	285,374
Hida Grill Co., Ltd.	4,706	4,706	-	972	4,706	4,706
Total	1,204,789	1,204,789	659,242	670,026	623,080	623,080

For six-month periods ended 30 June 2017 and 2016, the Company has recognised its share of profit (loss) from investments in associated companies in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of profit (loss) from investment in associated companies for the six-month periods ended 30 June		Dividend received for the six-month periods ended 30 June	
	2017	2016	2017	2016
Bangkok Commercial Property Fund	16,382	11,450	11,155	10,489
Sri panwa Hotel Property Fund	-	16,823	-	9,703
Sri panwa Hospitality Real Estate Investment Trust	19,339	-	5,760	-
Hida Grill Co., Ltd.	(972)	(417)	-	-
Total	34,749	27,856	16,915	20,192

Bangkok Commercial Property Fund

The unit certificates of Bangkok Commercial Property Fund have been pledged as collateral for a loan obtained by the Company.

Sri panwa Hospitality Real Estate Investment Trust

During the first quarter, Sri panwa Hospitality Real Estate Investment Trust (“the Trust”) decreased the capital received from the unitholders from Baht 3,156.8 million (279,064,000 units of Baht 11.3121 each) to Baht 3,097.7 million (279,064,000 units of Baht 11.1004 each) by reducing the par value of the trust units by Baht 0.2117 per unit. The Company and Charn Issara Residence Company Limited (the Company’s subsidiary) received such decreased capital on 27 March 2017 amounting to Baht 5.9 million and Baht 12.0 million, respectively.

9. Investments in related companies

(Unit: Thousand Baht)

Company	Nature of business	Shareholding percentage (Percent)	Consolidated financial statements		Separate financial statements	
			30 June 2017	31 December 2016	30 June 2017	31 December 2016
			<u>Cost</u>	<u>Cost</u>	<u>Cost</u>	<u>Cost</u>
International Resource Development Limited	Property development	16.0	148,967	148,967	148,967	148,967
Sumolhart Co., Ltd.	Restaurant	18.0	714	714	-	-
Total			149,681	149,681	148,967	148,967

10. Investment properties

As at 30 June 2017, the Company and its subsidiary has mortgaged investment properties with net book values amounting to Baht 134 million (The Company only: Baht 109 million) (31 December 2016: the Company and its subsidiaries: Baht 134 million, the Company only: Baht 109 million) as collateral against credit facilities obtained from banks.

11. Land held for development

As at 30 June 2017, the subsidiary had mortgaged its land held for development of Baht 220 million (31 December 2016: Baht 220 million) to secure the facilities of long-term loans of the subsidiary.

12. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month periods ended 30 June 2017 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2017	436,699	20,813
Acquisitions during the period - at cost	136,985	977
Depreciation for the period	(13,222)	(2,848)
Written - off	(100)	-
Transfer from costs of property development projects for sales	172,803	-
Net book value as at 30 June 2017	733,165	18,942

As at 30 June 2017, the subsidiaries have mortgaged their land and buildings with net book value totaling Baht 629 million (31 December 2016: Baht 330 million) with banks to secure their bank overdraft and long-term loans.

13. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Trade payables - unrelated parties	325,252	299,835	8,445	19,522
Other payables - unrelated parties	39,859	54,993	2,387	1,137
Other payables - related parties	10,067	4,910	7,879	192
Rental payable - related party	107,546	110,288	-	-
Accrued expenses	43,433	77,471	18,810	30,497
Dividend payable	-	22,815	-	-
Total trade and other payables	526,157	570,312	37,521	51,348

14. Long-term loans

The outstanding balances of long-term loans as at 30 June 2017 and 31 December 2016 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separated	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Long-term loans	1,940,335	1,934,845	360,685	383,343
Less: Current portion	(968,195)	(973,309)	(80,227)	(91,212)
Total long-term loans - net of current portion	972,140	961,536	280,458	292,131

Long-term loans are secured by the mortgage of the Company's office condominium units, land and construction and condominium thereon in the Company and its subsidiaries' projects, and the pledge of fund unit certificates held by the Company.

The terms of long-term loan agreements stipulate certain covenants such as the maintenance of debt to equity ratio, etc.

15. Long-term loan from other company

This loan is unsecured, granting facility totaling Baht 129.0 million. The loan carried interest at a rate of 4 percent per annum. Its interest and its loan principal are to be paid in accordance with the conditions as stipulate in the agreement.

(Unaudited but reviewed)

16. Debentures

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	30 June 2017	31 December 2016
Long-term debentures	1,537,347	1,098,138
Less: Current portion of long-term debentures	(499,223)	(200,000)
Long-term debentures - net of current portion	<u>1,038,124</u>	<u>898,138</u>

Movements of the debentures account during the six-month periods ended 30 June 2017 are summarised below:

(Unit: Thousand Baht)

	Consolidated and separate financial statements
Balance as at 1 January 2017	1,098,138
Add: Issuance of debentures	439,700
Amortised debenture issuing costs	608
Less: Deferred debenture issuing costs	(1,099)
Balance as at 30 June 2017	<u>1,537,347</u>

On 26 April 2017, the Company issued and offered debentures as No. 1/2017, 439,700 units at par value of Baht 1,000 per unit, or a total of Baht 439.7 million with a term of 3 years, and bearing interest at a rate of 4.80 percent per annum. The debentures are unsubordinated and unsecured debentures with trustees. The interest is payable every 3 months throughout the life of the debentures.

The Company's debentures as at 30 June 2017 are unsecured debentures, mature in November 2017 to April 2020, bear interest at the rate of 4.30% to 5.80% per annum. The interest is paid on quarterly basis. The debentures stipulate certain covenants which the Company has to comply such as the maintenance of debt to equity ratio, etc.

17. Provision for long-term employee benefits

Movements of the provision for long-term employee benefits account during the six-month period ended 30 June 2017 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2017	54,428	40,107
Add: Recognition during the period	2,580	1,310
Balance as at 30 June 2017	<u>57,008</u>	<u>41,417</u>

18. Share capital

On 26 April 2017, the Annual General Meeting of the Company's shareholders passed a resolution to approve the following matters:

1. To pay of dividend from the 2016 income to the Company's shareholders totaling Baht 146 million, consisting of the following:
 - Stock dividend of 1 new ordinary share for 8 existing ordinary share, equivalent to a total of 99 million ordinary shares, or Baht 99 million.
 - Cash dividend of Baht 0.06 per share, or a total of Baht 47 million.

The Company paid the dividends on 24 May 2017.

2. To decrease the Company's registered share capital by cancelling of unissued 1 million ordinary shares, from the existing registered capital of Baht 792 million to be Baht 791 million, divided into 791 million ordinary shares at the par value of Baht 1 each.
3. To issue and offer up to 99 million warrants (CI-W1) to purchase new ordinary shares of the Company to the existing shareholders at a ratio of 8 existing ordinary shares per 1 warrant that free of charge.
4. To increase the Company's registered share capital from Baht 791 million (791 million ordinary shares of Baht 1 each) to Baht 1,226 million (1,226 million ordinary shares of Baht 1 each), through the issue of 435 additional million shares of Baht 1 each amounting to Baht 435 million. The additional registered share capital is to be allotted as follows:
 - No more than 198 new million ordinary shares to be reserved for stock dividend and the exercise of warrants that will issue and offer to the existing shareholders.
 - 158 new million ordinary shares for offering to existing shareholders pro-rata to their shareholding by way of right offering.
 - 79 new million ordinary shares for offering to the specified investors by way of private placement.

The Company registered the change its registered share capital with the Ministry of Commerce on 24 May 2017.

19. Treasury shares / Appropriated retained earnings for treasury shares

During the first quarter, the Company sold all of its treasury shares at Baht 1.81 to 1.92 per share of 11.3 million ordinary shares or amounting to Baht 20.7 million. Such selling price of treasury shares is less than the purchase price of treasury shares, the Company therefore deducted the difference amounting to Baht 4.0 million against retained earnings and transferred Baht 24.6 million treasury share reserve which has been reserved, back to unappropriated retained earnings.

20. Warrant

In May 2017, the Company has issued and allocated warrant no.1 (“CI-W1”) with free of charge by specified holders and transferable to existing shareholders totaling 98,858,914 units. One unit of warrant is exercisable to purchase one common share at Baht 2.20 each within 3 years starting from 1 June 2017 to 31 May 2020. Its first exercise is on 31 May 2018 and able to exercise on the last working day of May and November. As at 30 June 2017, there are 98,858,914 units of warrants still outstanding unexercised (31 December 2016: Nil).

21. Income tax

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

Income tax expenses of the Company and its subsidiaries for the three and six-month periods ended 30 June 2017 and 2016 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current income tax:				
Interim corporate income tax charge	6,335	26,213	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(13,223)	1,963	(141)	41
Other	-	101	-	101
Income tax expenses reported in the statement of comprehensive income	<u>(6,888)</u>	<u>28,277</u>	<u>(141)</u>	<u>142</u>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current income tax:				
Interim corporate income tax charge	7,969	61,055	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(14,091)	3,858	280	182
Other	-	101	-	101
Income tax expenses reported in the statement of comprehensive income	<u>(6,122)</u>	<u>65,014</u>	<u>280</u>	<u>283</u>

Deferred tax assets consist of temporary differences which occur from revenue and expense recognitions of real estate business, unrealised profit from inter-land sales transaction, unrecognised income from inter-charged transactions and provision for long-term employee benefits and recognition of rental expense in accordance with long-term agreement.

Deferred tax liabilities consist of temporary differences which occur from fair value measurement of investment properties and recognition of rental revenue in accordance with long-term land lease agreements.

22. Earnings per share

Basic earnings per share is calculated by dividing profit (loss) for the period (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period, after adjusting the number of ordinary shares to reflect the impact of the stock dividend as discussed in note 23 to the financial statements. The prior period's basic earnings per share has been recalculated as if the stock dividend had been distributed at the beginning of the earliest period reported.

The following table sets forth the computation of basic earnings per share.

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	Financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Loss for the period attributable to equity holders of the Company (Thousand Baht)	(42,775)	(9,625)	(20,712)	(22,884)
Weighted average number of ordinary shares (Thousand shares)	889,727	877,067	889,727	877,067
Loss per share (Baht/share)	(0.05)	(0.01)	(0.02)	(0.03)
	For the six-month periods ended 30 June			
	Consolidated		Separate	
	Financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit (loss) for the period attributable to equity holders of the Company (Thousand Baht)	(65,985)	54,974	(19,741)	(53,647)
Weighted average number of ordinary shares (Thousand shares)	884,673	877,067	884,673	877,067
Profit (loss) per share (Baht/share)	(0.07)	0.06	(0.02)	(0.06)

There is no potential dilution in earnings per share arisen from warrant because the average share price during this period was lower than the exercise price. The Company therefore, has not computed the diluted earnings per share from warrant.

23. Dividend

On 26 April 2017, the Annual General Meeting of the Company's shareholders passed a resolution to approve the payment of dividend from the 2016 income to the Company's shareholders totaling Baht 146 million, consisting of the followings:

- Stock dividend of 1 new ordinary share for 8 existing ordinary share, equivalent to a total of 99 million ordinary shares, or Baht 99 million.
- Cash dividend of Baht 0.06 per share, or a total of Baht 47 million.

24. Segment information

The group company mainly operates the business of real estate development, lease of office condominium and hotel operations. During the current period, the group company has not changed the organisation of their reportable segments.

The revenue and profit (loss) information by segment in the consolidated financial statements for the three-month and six periods ended 30 June 2017 and 2016 are as follows:

(Unit: Million Baht)

Consolidated financial statements										
For the three-month periods ended 30 June										
	Real estate development		Lease of office condominium		Hotel operations		Elimination of inter-segment revenues		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue from external customers	325	659	20	21	128	112	-	-	473	792
Intersegment revenues	-	-	2	1	1	-	(3)	(1)	-	-
Total revenues	<u>325</u>	<u>659</u>	<u>22</u>	<u>22</u>	<u>129</u>	<u>112</u>	<u>(3)</u>	<u>(1)</u>	<u>473</u>	<u>792</u>
Segment income (loss)	88	206	10	10	(11)	(13)	6	12	93	215
Unallocated income and expenses :										
Management fee income									5	5
Other income									24	18
Selling expenses									(39)	(46)
Administrative expenses									(124)	(117)
Share of income from investments in associated companies									19	14
Finance cost									(25)	(29)
Income tax expenses									7	(28)
Non-controlling interests of the subsidiaries									<u>(3)</u>	<u>(42)</u>
Loss for the period - attributable to equity holders of the Company									<u>(43)</u>	<u>(10)</u>

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements										
For the six-month periods ended 30 June										
	Real estate development		Lease of office condominium		Hotel operations		Elimination of inter-segment revenues		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue from external customers	613	1,432	41	41	275	284	-	-	929	1,757
Intersegment revenues	-	-	4	4	1	2	(5)	(6)	-	-
Total revenues	613	1,432	45	45	276	286	(5)	(6)	929	1,757
Segment income	173	457	21	22	(1)	18	12	17	206	513
Unallocated income and expenses :										
Management and other fee income									11	63
Other income									57	28
Selling expenses									(85)	(85)
Administrative expenses									(249)	(239)
Share of income from investments in associated companies									35	28
Finance cost									(48)	(54)
Income tax expenses									6	(65)
Non-controlling interests of the subsidiaries									1	(134)
Profit (loss) for the period - attributable to equity holders of the Company									(66)	55

Assets information by segment in the consolidated financial statements as at 30 June 2017 and 31 December 2016 are as follow:

(Unit: Million Baht)

Consolidated financial statements										
As at 31 December										
	Real estate development		Lease of office condominium		Hotel operations		Elimination of inter-segment revenues		Total	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Costs of property development projects for sales	4,730	4,660	-	-	-	-	(249)	(262)	4,482	4,398
Investment properties	-	-	267	267	-	-	(1)	(1)	266	266
Property, plant and equipment - net	94	101	-	-	680	341	(41)	(5)	733	437
Other assets									2,036	2,227
Total assets									7,516	7,328

Transfer prices between business segments are as set out in Note 3 to the financial statements.

25. Commitments

25.1 Capital commitments

- a) As at 30 June 2017, the Company and its subsidiaries had outstanding commitments totaling approximately Baht 752 million (31 December 2016: Baht 1,088 million) in respect of survey, design and construction agreements in relation of the Company and its subsidiaries' projects (the Company only: Baht 183 million (31 December 2016: Baht 29 million)).
- b) As at 30 June 2017, the Company and its subsidiaries had outstanding commitments amounting to Baht 675 million (31 December 2016: Baht 1,018 million) in respect of its obligations to develop to completion land, houses and residential condominium units for which contracts have been executed (the Company only: Baht 152 million (31 December 2016: Baht 36 million)).
- c) As at 30 June 2017, the Company have outstanding commitments in respect of a land sale-and-purchase agreement amounting to Baht 11 million (31 December 2016: Baht 11 million) to be paid within December 2015. Currently, the Company is waiting for the transferring of land.

25.2 Operating lease commitments

The Company and its subsidiaries have entered into several operating lease agreements in respect of the lease of office building and services. The terms of the agreements are generally between 1 and 7 years. Operating lease agreements are non-cancelable.

As at 30 June 2017, future minimum lease payments of the Company and its subsidiaries required under these non-cancellable operating leases contracts were as follows:

<u>Payable within:</u>	<u>Million Baht</u>
Less than 1 year	7
1 to 3 years	4

As at 30 June 2017, future minimum lease payments of the Company and its subsidiaries expected to be received under non-cancellable operating leases were as follows:

<u>Receivable within:</u>	<u>Million Baht</u>
Less than 1 year	23
1 to 3 years	8

25.3 Service commitments

As at 30 June 2017, the Company and its subsidiaries has outstanding commitments amounting to Baht 44 million (31 December 2016: Baht 23 million) in respect of service agreements related to commission, management fee, security services and advertising expenses.

Future minimum service payments required under these service agreements of the Company and its subsidiaries were as follows:

<u>Payable within:</u>	<u>Million Baht</u>
Less than 1 year	41
1 to 3 years	3

25.4 Commitments in respect of Sri panwa Hospitality Real Estate Investment Trust

a) Sri panwa Management Co., Ltd. ("SPM"), a subsidiary of Charn Issara Residence Co.,Ltd. ("CIR"), entered into agreements with Sri panwa Hospitality Real Estate Investment Trust ("the Trust") to lease the operating assets of the Sri panwa Hotel for periods of 2 years 8 months and 15 years. As at 30 June 2017, SPM's future minimum lease payments required under this operating lease contract were as follows.

<u>Payable within:</u>	<u>Million Baht</u>
Less than 1 year	244
After 1 year to 5 years	776
Over 5 years	1,197

b) The Company and CIR guarantee the rental income in which the Trust would receive from SPM, under the conditions over the period stipulated in the agreement. During the current quarter, the management of the Company and CIR have prepared the projection of SPM's performance and believed that no losses will be incurred in according to the guarantee by the Company and CIR. As at 30 June 2017, the Company and CIR have therefore not recorded provision for these guarantees.

25.5 Bank guarantees

a) As at 30 June 2017, there were outstanding bank guarantees of approximately Baht 25 million issued by banks on behalf of the Company and its subsidiaries in respect of guarantee electric use amounting to Baht 23 million and guarantee utilities use and goods amounting to Baht 2 million.

b) As at 30 June 2017, Charn Issara Residence Company Limited ("CIR"), the Company's subsidiary, had a letter of guarantee issued by bank on behalf of CIR amounting to Baht 80 million in respect of as a security of rental income to Sri panwa Hospitality Real Estate Investment Trust as described in Note 25.4 to the financial statements.

26. Approval of interim financial statements

These interim financial statements were authorised for issue by the Board of Directors of the Company 10 August 2017.