

U City Public Company Limited and its subsidiaries
Report and consolidated interim financial statements
For the three-month and nine-month periods ended
30 September 2018

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of U City Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of U City Public Company Limited ("the Company") and its subsidiaries as at 30 September 2018, and the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2018 and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of the Company for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Emphasis of matters

I draw attention to the following matters:

- a) As discussed in Note 9.2.1 to the interim financial statements regarding the acquisition of hotel business in Europe of which the fair value measurement of the identifiable assets acquired and the liabilities assumed at the acquisition date, and the measurement of goodwill have been completed during the second quarter of 2018.
- b) As discussed in Note 9.1.1 to the interim financial statements regarding the entire business transfer of Unicorn Enterprise Company Limited of which the fair value measurement of the identifiable assets acquired and the liabilities assumed at the acquisition date, and the measurement of goodwill have not yet been completed.
- c) As discussed in Note 33.2 c) to the interim financial statements regarding litigation, a subsidiary filed a lawsuit against the government agency with the Central Administrative Court in order to requested the government agency to deliver the construction site on royal land under the Rong Pasee Roi Chak Sam Land Development Project, and to approve extensions of the “project management period” and “rental period” as specified in the agreement. On 13 July 2017, the Central Administrative Court issued a judgment to extend the project utilisation period of the land in dispute for another 30 years, from the handover date or the date the Court issued the final judgment, as the case may be. The subsidiary has appealed to the Supreme Administrative Court and currently, the case is in the process of being considered by the Court.

My conclusion is not qualified in respect of these matters.

Siraporn Ouaanunkun

Certified Public Accountant (Thailand) No.3844

EY Office Limited

Bangkok: 14 November 2018

U City Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at	As at	As at	As at
	<u>Note</u> <u>30 September 2018</u> (Unaudited but reviewed)	<u>31 December 2017</u> (Audited) (Restated)	<u>30 September 2018</u> (Unaudited but reviewed)	<u>31 December 2017</u> (Audited)
Assets				
Current assets				
Cash and cash equivalents		3,926,949	1,383,008	538,344
Current investments	4	1,229,998	163,975	1,117,041
Trade and other receivables	5	954,375	709,219	61,757
Current portion of receivable from sales of investments in subsidiaries	6	-	276,995	-
Inventories		51,682	47,936	-
Real estate projects under development	7	991,680	1,611,504	302,600
Other current assets		320,069	158,946	20,566
Total current assets		7,474,753	4,351,583	2,040,308
Non-current assets				
Restricted deposits	8	168,121	70,795	11,825
Long-term loans to related parties and interest receivables	3	5,488,215	855,416	19,818,930
Receivable from sales of investments in subsidiaries - net of current portion	6	109,621	829,423	109,621
Investments in subsidiaries	9	-	-	16,770,623
Investments in associates	10	64,935	60,667	50,000
Investments in joint ventures	11	3,005,188	-	2,930,792
Other long-term investments	12	155,884	193,422	155,884
Land and project awaiting development	13	3,966,842	2,049,156	953,243
Investment properties	14	8,728,026	7,626,643	157,281
Property, plant and equipment	15	19,173,985	18,306,071	18,646
Leasehold rights	16	2,344,339	1,958,039	-
Intangible assets	17	810,977	870,319	7,910
Goodwill		2,764,250	2,820,270	-
Estimated amount by which the purchase cost exceeds interest in net asset value	9.1.1	19,847	-	-
Deferred tax assets		65,047	44,006	-
Other non-current assets		21,466	26,538	3,382
Total non-current assets		46,886,743	35,710,765	40,988,137
Total assets		54,361,496	40,062,348	43,028,445

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

U City Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	As at	As at	As at	As at	
	<u>Note</u> <u>30 September 2018</u> (Unaudited but reviewed)	<u>31 December 2017</u> (Audited) (Restated)	<u>30 September 2018</u> (Unaudited but reviewed)	<u>31 December 2017</u> (Audited)	
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loan from financial institutions	18	18,860	252,976	-	-
Short-term loans from related party and interest payables	3	-	-	156,438	306,795
Trade and other payables	19	1,233,161	834,967	46,928	36,963
Current portions of the long-term liabilities					
Liabilities under debt restructuring agreements	20	33,477	31,890	-	-
Long-term loans from financial institutions	21	883,834	569,530	554,099	188,018
Liabilities under finance lease agreements	22	565,326	522,203	2,212	-
Deposits and advances received		195,106	158,172	5,444	6,552
Income tax payable		70,909	38,600	-	-
Other current liabilities		86,087	168,931	2,668	2,662
Total current liabilities		3,086,760	2,577,269	767,789	540,990
Non-current liabilities					
Long-term loan from related party and interest payables	3	5,026,168	-	5,026,168	-
Long-term liabilities - net of current portions					
Liabilities under debt restructuring agreements	20	1,110,781	1,136,091	-	-
Long-term loans from financial institutions	21	11,160,648	13,611,968	7,267,592	10,058,389
Liabilities under finance lease agreements	22	1,808,504	1,961,858	8,078	-
Provision for transaction under equity method of investments					
in joint ventures	11	23,908	38,282	-	-
Provision for long-term employee benefits	23	118,641	64,828	25,637	23,153
Deferred tax liabilities		2,395,832	2,345,835	2,025	118
Long-term provisions	24	270,343	313,251	-	-
Other non-current liabilities		206,178	154,534	-	-
Total non-current liabilities		22,121,003	19,626,647	12,329,500	10,081,660
Total liabilities		25,207,763	22,203,916	13,097,289	10,622,650

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

U City Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	As at	As at	As at	As at	
	<u>Note</u>	<u>30 September 2018</u>	<u>31 December 2017</u>	<u>30 September 2018</u>	<u>31 December 2017</u>
	(Unaudited but reviewed)	(Audited) (Restated)	(Unaudited but reviewed)	(Audited)	
Shareholders' equity					
Share capital	25				
Registered					
560,463,736,238 preference shares of Baht 1 each		560,463,736	-	560,463,736	-
1,122,275,316,583 ordinary shares of Baht 1 each					
(31 December 2017: 861,413,132,646 ordinary shares of Baht 1 each)		<u>1,122,275,317</u>	<u>861,413,133</u>	<u>1,122,275,317</u>	<u>861,413,133</u>
		<u>1,682,739,053</u>	<u>861,413,133</u>	<u>1,682,739,053</u>	<u>861,413,133</u>
Issued and fully paid-up					
374,057,516,140 preference shares of Baht 1 each	26	374,057,516	-	374,057,516	-
561,371,695,976 ordinary shares of Baht 1 each					
(31 December 2017: 561,362,298,976 ordinary shares of Baht 1 each)		561,371,696	561,362,299	561,371,696	561,362,299
Share discount on preference shares	25	(362,190,934)	-	(362,190,934)	-
Share discount on ordinary shares	25	(533,410,212)	(533,401,379)	(533,410,212)	(533,401,379)
Deficit		(10,551,397)	(9,830,461)	(9,905,008)	(9,493,340)
Other components of shareholders' equity		<u>(240,294)</u>	<u>(389,087)</u>	<u>8,098</u>	<u>(312,239)</u>
Equity attributable to owners of the Company		29,036,375	17,741,372	29,931,156	18,155,341
Non-controlling interests of the subsidiaries		<u>117,358</u>	<u>117,060</u>	-	-
Total shareholders' equity		<u>29,153,733</u>	<u>17,858,432</u>	<u>29,931,156</u>	<u>18,155,341</u>
Total liabilities and shareholders' equity		<u>54,361,496</u>	<u>40,062,348</u>	<u>43,028,445</u>	<u>28,777,991</u>
		-	-	-	-

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

..... Directors

U City Public Company Limited and its subsidiaries
Statement of comprehensive income
For the three-month period ended 30 September 2018

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>2018</u>	<u>2017</u> (Restated)	<u>2018</u>	<u>2017</u>
Continued operation					
Profit or loss:					
Revenues					
Revenue from hotel operation		1,599,683	1,418,601	-	-
Rental and management income		99,867	40,850	58,330	-
Other income					
Dividend income		284	40	13,379	40
Interest income		74,086	40,533	203,384	78,081
Gain on sales of assets		8,619	-	8,294	520
Gain on sales of investments in subsidiaries		-	1,385	-	-
Others		-	69,928	-	39
Total revenues		<u>1,782,539</u>	<u>1,571,337</u>	<u>283,387</u>	<u>78,680</u>
Expenses					
Cost of hotel operation		569,808	530,017	-	-
Cost of rental and management		51,618	5,572	-	-
Selling and servicing expenses		116,661	83,398	-	-
Administrative expenses		708,399	557,787	114,556	72,328
Depreciation and amortisation		175,355	162,661	1,386	1,215
Loss on impairment of assets		355,004	816,734	380,240	934,205
Total expenses		<u>1,976,845</u>	<u>2,156,169</u>	<u>496,182</u>	<u>1,007,748</u>
Loss before share of profit from investments in associates and joint ventures, finance cost and income tax					
		(194,306)	(584,832)	(212,795)	(929,068)
Share of profit from investments in associates		193	1,328	-	-
Share of profit from investment in joint ventures		9,193	-	-	-
Loss before finance cost and income tax		<u>(184,920)</u>	<u>(583,504)</u>	<u>(212,795)</u>	<u>(929,068)</u>
Finance cost		(132,456)	(254,845)	(172,717)	(112,492)
Loss before income tax		<u>(317,376)</u>	<u>(838,349)</u>	<u>(385,512)</u>	<u>(1,041,560)</u>
Income tax	28	(70,173)	(31,567)	-	-
Loss from continued operation for the period		<u>(387,549)</u>	<u>(869,916)</u>	<u>(385,512)</u>	<u>(1,041,560)</u>
Discontinued operation					
Profit (loss) from discontinued operation for the period		-	(10,546)	-	28,219
Loss for the period		<u>(387,549)</u>	<u>(880,462)</u>	<u>(385,512)</u>	<u>(1,013,341)</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currency		(101,202)	68,753	-	-
Gain on changes in value of available-for-sale investments, net of income tax		357,128	827	356,846	576
Other comprehensive income to be reclassified to profit or loss in subsequent periods		255,926	69,580	356,846	576
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss		-	(8)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	(8)	-	-
Other comprehensive income for the period		<u>255,926</u>	<u>69,572</u>	<u>356,846</u>	<u>576</u>
Total comprehensive income for the period		<u>(131,623)</u>	<u>(810,890)</u>	<u>(28,666)</u>	<u>(1,012,765)</u>

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

U City Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
For the three-month period ended 30 September 2018

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

Note	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u> (Restated)	<u>2018</u>	<u>2017</u>
Profit attributable to				
Equity holders of the Company				
Loss from continued operation	(388,236)	(870,150)	(385,512)	(1,041,560)
Profit (loss) from discontinued operation	-	(10,546)	-	28,219
	<u>(388,236)</u>	<u>(880,696)</u>	<u>(385,512)</u>	<u>(1,013,341)</u>
Non-controlling interests of the subsidiaries				
Profit from continued operation	687	234		
Loss from discontinued operation	-	-		
	<u>687</u>	<u>234</u>		
	<u>(387,549)</u>	<u>(880,462)</u>		
Total comprehensive income attributable to				
Equity holders of the Company				
Total comprehensive income from continued operation	(132,310)	(800,578)	(28,666)	(1,040,984)
Total comprehensive income from discontinued operation	-	(10,546)	-	28,219
	<u>(132,310)</u>	<u>(811,124)</u>	<u>(28,666)</u>	<u>(1,012,765)</u>
Non-controlling interests of the subsidiaries				
Total comprehensive income from continued operation	687	234		
Total comprehensive income from discontinued operation	-	-		
	<u>687</u>	<u>234</u>		
	<u>(131,623)</u>	<u>(810,890)</u>		
Earnings per share				
	29			
Basic earnings per share				
Loss attributable to equity holders of the Company	(0.001061)	(0.001569)	(0.001056)	(0.001805)
Earnings per share from continued operation				
	29			
Basic earnings per share				
Loss attributable to equity holders of the Company	(0.001061)	(0.001550)	(0.001056)	(0.001855)

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

U City Public Company Limited and its subsidiaries
Statement of comprehensive income
For the nine-month period ended 30 September 2018

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>2018</u>	<u>2017</u> (Restated)	<u>2018</u>	<u>2017</u>
Continued operation					
Profit or loss:					
Revenues					
Revenue from hotel operation		4,419,328	2,340,627	-	-
Rental and management income		258,526	118,611	67,430	-
Other income					
Dividend income		450	5,966	13,545	5,966
Interest income		229,033	57,116	563,211	183,094
Gain on sales of assets		42,125	46,430	40,705	45,565
Gain on sales of investments in subsidiaries		-	114,374	-	-
Others		57,428	95,537	994	644
Total revenues		5,006,890	2,778,661	685,885	235,269
Expenses					
Cost of hotel operation		1,641,180	859,043	-	-
Cost of rental and management		110,043	17,895	-	-
Selling and servicing expenses		349,245	170,590	-	-
Administrative expenses		1,894,440	1,115,309	241,294	271,539
Depreciation and amortisation		500,285	308,828	4,737	2,987
Loss on sales of investments in subsidiaries		-	-	-	452,199
Loss on impairment of assets		355,004	816,734	380,240	934,205
Total expenses		4,850,197	3,288,399	626,271	1,660,930
Profit (loss) before share of profit (loss) from investments in associates and joint ventures, finance cost and income tax		156,693	(509,738)	59,614	(1,425,661)
Share of profit from investments in associates		4,039	2,558	-	-
Share of loss from investment in joint ventures		(10,762)	-	-	-
Profit (loss) before finance cost and income tax		149,970	(507,180)	59,614	(1,425,661)
Finance cost		(798,804)	(426,542)	(471,282)	(217,524)
Loss before income tax		(648,834)	(933,722)	(411,668)	(1,643,185)
Income tax	28	(73,205)	(64,999)	-	-
Loss from continued operation for the period		(722,039)	(998,721)	(411,668)	(1,643,185)
Discontinued operation					
Profit (loss) from discontinued operation for the period		-	(17,354)	-	28,219
Loss for the period		(722,039)	(1,016,075)	(411,668)	(1,614,966)
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currency		(172,341)	139,415	-	-
(Gain) loss on changes in value of available-for-sale investments, net of income tax		321,134	(165,307)	320,337	(165,513)
Other comprehensive income to be reclassified to profit or loss in subsequent periods		148,793	(25,892)	320,337	(165,513)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain		1,401	-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		1,401	-	-	-
Other comprehensive income for the period		150,194	(25,892)	320,337	(165,513)
Total comprehensive income for the period		(571,845)	(1,041,967)	(91,331)	(1,780,479)

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

U City Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
For the nine-month period ended 30 September 2018

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

Note	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u> (Restated)	<u>2018</u>	<u>2017</u>
Profit attributable to				
Equity holders of the Company				
Loss from continued operation	(722,337)	(999,299)	(411,668)	(1,643,185)
Profit (loss) from discontinued operation	-	(17,354)	-	28,219
	<u>(722,337)</u>	<u>(1,016,653)</u>	<u>(411,668)</u>	<u>(1,614,966)</u>
Non-controlling interests of the subsidiaries				
Profit from continued operation	298	578		
Loss from discontinued operation	-	-		
	<u>298</u>	<u>578</u>		
	<u>(722,039)</u>	<u>(1,016,075)</u>		
Total comprehensive income attributable to				
Equity holders of the Company				
Total comprehensive income from continued operation	(572,143)	(1,025,191)	(91,331)	(1,808,698)
Total comprehensive income from discontinued operation	-	(17,354)	-	28,219
	<u>(572,143)</u>	<u>(1,042,545)</u>	<u>(91,331)</u>	<u>(1,780,479)</u>
Non-controlling interests of the subsidiaries				
Total comprehensive income from continued operation	298	578		
Total comprehensive income from discontinued operation	-	-		
	<u>298</u>	<u>578</u>		
	<u>(571,845)</u>	<u>(1,041,967)</u>		
Earnings per share				
	29			
Basic earnings per share				
Loss attributable to equity holders of the Company	(0.002383)	(0.001811)	(0.001830)	(0.002877)
Earnings per share from continued operation				
	29			
Basic earnings per share				
Loss attributable to equity holders of the Company	(0.002383)	(0.001780)	(0.001830)	(0.002927)

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

(Unaudited but reviewed)

U City Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

Consolidated financial statements											
Equity attributable to owners of the Company											
				Other components of equity							
				Other comprehensive income				Total equity	Equity attributable		
Issued and fully paid-up		Share discount on			Translation	Surplus (deficit) on	Total	attributable to	to non-controlling	Total	
Preference shares	Ordinary shares	Preference shares	Ordinary shares	Deficit	adjustment	changes in value	of shareholders' equity	owners of	interests of	shareholders' equity	
Balance as at 1 January 2017	-	561,362,299	-	(533,401,379)	(8,848,019)	(168,428)	(89,109)	(257,537)	18,855,364	383	18,855,747
Loss for the period - restated	-	-	-	-	(1,016,652)	-	-	-	(1,016,652)	-	(1,016,652)
Other comprehensive income for the period - restated	-	-	-	-	139,415	(165,307)	(25,892)	(25,892)	578	(25,314)	
Total comprehensive income for the period - restated	-	-	-	-	(1,016,652)	139,415	(165,307)	(25,892)	(1,042,544)	578	(1,041,966)
Increase from acquisition of subsidiaries - restated	-	-	-	-	-	-	-	-	127,574	127,574	
Balance as at 30 September 2017 - as restated	-	561,362,299	-	(533,401,379)	(9,864,671)	(29,013)	(254,416)	(283,429)	17,812,820	128,535	17,941,355
Balance as at 31 December 2017 - as previously reported	-	561,362,299	-	(533,401,379)	(9,905,027)	(74,775)	(311,573)	(386,348)	17,669,545	126,140	17,795,685
Fair value adjustment of assets acquired and liabilities assumed of subsidiaries (Note 9.2.1)	-	-	-	-	74,566	(2,739)	-	(2,739)	71,827	(9,080)	62,747
Balance as at 31 December 2017 - as restated	-	561,362,299	-	(533,401,379)	(9,830,461)	(77,514)	(311,573)	(389,087)	17,741,372	117,060	17,858,432
Loss for the period	-	-	-	-	(722,337)	-	-	-	(722,337)	-	(722,337)
Other comprehensive income for the period	-	-	-	-	1,401	(172,341)	321,134	148,793	150,194	298	150,492
Total comprehensive income for the period	-	-	-	-	(720,936)	(172,341)	321,134	148,793	(572,143)	298	(571,845)
Issuance of preference shares (Note 25)	374,057,516	-	(362,190,934)	-	-	-	-	-	11,866,582	-	11,866,582
Exercised warrants (Note 25)	-	9,397	-	(8,833)	-	-	-	-	564	-	564
Balance as at 30 September 2018	374,057,516	561,371,696	(362,190,934)	(533,410,212)	(10,551,397)	(249,855)	9,561	(240,294)	29,036,375	117,358	29,153,733

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

(Unaudited but reviewed)

U City Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

	Separate financial statements							
					Other components of equity			
					Other comprehensive income		Total of shareholders' equity	Total shareholders' equity
	Issued and fully paid-up		Share discount on		Surplus (deficit) on changes in value of investments			
Preference shares	Ordinary shares	Preference shares	Ordinary shares	Deficit				
Balance as at 1 January 2017	-	561,362,299	-	(533,401,379)	(7,763,613)	(89,307)	(89,307)	20,108,000
Loss for the period	-	-	-	-	(1,614,966)	-	-	(1,614,966)
Other comprehensive income for the period	-	-	-	-	-	(165,513)	(165,513)	(165,513)
Total comprehensive income for the period	-	-	-	-	(1,614,966)	(165,513)	(165,513)	(1,780,479)
Balance as at 30 September 2017	-	561,362,299	-	(533,401,379)	(9,378,579)	(254,820)	(254,820)	18,327,521
Balance as at 1 January 2018	-	561,362,299	-	(533,401,379)	(9,493,340)	(312,239)	(312,239)	18,155,341
Loss for the period	-	-	-	-	(411,668)	-	-	(411,668)
Other comprehensive income for the period	-	-	-	-	-	320,337	320,337	320,337
Total comprehensive income for the period	-	-	-	-	(411,668)	320,337	320,337	(91,331)
Issuance of preference shares (Note 25)	374,057,516	-	(362,190,934)	-	-	-	-	11,866,582
Exercised warrants (Note 25)	-	9,397	-	(8,833)	-	-	-	564
Balance as at 30 September 2018	<u>374,057,516</u>	<u>561,371,696</u>	<u>(362,190,934)</u>	<u>(533,410,212)</u>	<u>(9,905,008)</u>	<u>8,098</u>	<u>8,098</u>	<u>29,931,156</u>

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

(Unaudited but reviewed)

U City Public Company Limited and its subsidiaries**Cash flow statement****For the nine-month period ended 30 September 2018**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u> (Restated)	<u>2018</u>	<u>2017</u>
Cash flows from operating activities				
Loss before tax	(648,834)	(933,722)	(411,668)	(1,643,185)
<u>Plus</u> profit (loss) before tax from discontinued operation	-	(17,354)	-	28,219
Loss before tax	(648,834)	(951,076)	(411,668)	(1,614,966)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Share of profit from investments in associates	(4,039)	(2,558)	-	-
Share of loss from investments in joint ventures	10,762	-	-	-
Depreciation and amortisation	500,285	308,837	4,737	2,987
Allowance for doubtful account (reversal)	(1,379)	-	-	-
Unrealised loss (gain) on exchange rate	(181,463)	289,310	16,862	40,055
Allowance for impairment of loans to related parties	-	-	13,473	687,566
Allowance for impairment of investments in subsidiaries	-	-	11,763	246,589
Allowance for impairment of long-term investments	355,004	50	355,004	50
Allowance for impairment of property, plant and equipment	-	816,684	-	-
Gain on sales of current investments	(11,154)	(1,385)	(11,154)	(520)
Gain on sales of other long-term investments	-	(45,045)	-	(45,045)
Loss (gain) on sales of investments in subsidiaries	-	(114,374)	-	452,199
Loss (gain) on sales of assets	(30,971)	519	(29,552)	-
Loss on write-off of property, plant and equipment	613	1,734	-	-
Provision for long-term employee benefits	12,201	5,841	2,484	2,148
Allowance for long-term provision	600	700	-	-
Dividend income	(450)	(5,966)	(13,545)	(5,966)
Interest income	(229,033)	(57,116)	(563,211)	(211,313)
Interest expenses	781,269	421,187	453,747	217,524
Profit (loss) from operating activities before changes in operating assets and liabilities	553,411	667,342	(171,060)	(228,692)
Decrease (increase) in operating assets				
Trade and other receivables	(225,564)	5,320	(53,653)	43
Inventories	(1,055)	(1,005)	-	-
Real estate projects under development	-	(38,127)	-	(3,670)
Other current assets	(109,356)	(175,502)	(2,915)	(17,393)
Other non-current assets	11,252	(71,879)	317	(57,905)
Increase (decrease) in operating liabilities				
Trade and other payables	313,955	5,862	9,965	(51,043)
Deposits and advances received	32,574	28,433	(1,109)	(118)
Deposits received from sales of investment in subsidiary	-	250,000	-	250,000
Other current liabilities	(131,079)	(92,652)	6	(847)
Other non-current liabilities	52,036	(12,505)	-	-
Cash from (used in) operating activities	496,174	565,287	(218,449)	(109,625)
Cash paid for interest expenses	(812,570)	(341,170)	(451,936)	(191,291)
Cash paid for income tax	(134,166)	(39,391)	-	-
Cash received from withholding tax refund	-	687	-	-
Net cash from (used in) operating activities	(450,562)	185,413	(670,385)	(300,916)

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

U City Public Company Limited and its subsidiaries**Cash flow statement (continued)**

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u> (Restated)	<u>2018</u>	<u>2017</u>
Cash flows from investing activities				
Decrease (increase) in current investments	(1,021,072)	184,470	(1,049,999)	(36,530)
Increase in restricted deposits	(14,623)	(79,633)	(11,002)	(497)
Increase in long-term loans to related parties	(323,500)	-	(2,646,072)	(5,692,783)
Cash received from interest	153,318	33,631	462,135	962
Cash paid for purchases of investments in subsidiaries	-	(4,824,799)	(2,200,000)	(1,030,172)
Cash received from sales of investments in subsidiaries	-	448,500	-	448,500
Cash paid for purchases of investments in associates	(349)	-	-	-
Cash paid for purchases of investments in joint ventures	(120,000)	-	(120,000)	-
Cash received from return of capital of subsidiary and joint ventures	50,000	-	2,199,763	-
Cash received from sales of other long-term investments	-	130,106	-	130,106
Cash received from sales of assets	664,600	-	664,600	-
Cash paid for purchases of land and project awaiting development	(15,880)	(279)	(15,670)	(279)
Cash paid for purchases of investment properties	(166,212)	(210,352)	(240)	(156,905)
Cash paid for purchases of property, plant and equipment	(751,881)	(124,561)	(1,765)	(6,866)
Cash received from sales of property, plant and equipment	9,153	8,047	11	-
Cash paid for purchases of leasehold rights	-	(343,290)	-	-
Cash paid for purchases of intangible assets	(2,682)	(36,685)	(388)	(155)
Cash received from sales of intangible assets	-	19	-	-
Cash paid for long-term provision	(43,508)	(22,292)	-	-
Dividend received	270,450	5,966	283,545	5,966
Net cash used in investing activities	(1,312,186)	(4,831,152)	(2,435,082)	(6,338,653)
Cash flows from financing activities				
Cash received from receivable of sales of investments in subsidiaries	1,058,000	-	1,058,000	-
Increase (decrease) in short-term loans from related party	-	-	(150,000)	302,000
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(60,307)	325,567	-	-
Repayment of long-term loans from related party	(5,050,361)	-	(5,050,361)	-
Repayment of liabilities under debt restructuring agreements	(23,723)	(11,274)	-	-
Repayment of long-term loans from financial institutions	(2,398,670)	(1,611,443)	(2,236,986)	-
Cash received from long-term loans from financial institutions	416,050	6,461,413	-	6,350,925
Repayment of liabilities under finance lease agreements	(54,648)	(25,587)	(2,047)	(184)
Cash received from exercised warrants	564	-	564	-
Cash received from issuance of preference shares	9,694,583	-	9,694,583	-
Net cash from financing activities	3,581,488	5,138,676	3,313,753	6,652,741
Increase in translation adjustment	349,657	2,445	-	-
Net increase in cash and cash equivalents	2,168,397	495,382	208,286	13,172
Cash and cash equivalents - beginning of the period	1,383,008	310,467	330,058	143,589
Cash and cash equivalents of subsidiaries at acquisition date	375,544	307,963	-	-
Cash and cash equivalents of subsidiaries at selling date	-	(473)	-	-
Cash and cash equivalents of subsidiary which classified as assets held for sale	-	(103)	-	-
Cash and cash equivalents - end of the period	3,926,949	1,113,236	538,344	156,761
	-	-	-	-
Supplemental disclosures of cash flows information:				
Non-cash items				
Settle purchases of investment in joint venture with account receivables	101,601	-	-	-
Receivable from sales of investments in subsidiaries	-	1,071,914	-	1,071,914
Transfer real estate projects under development to investment properties	-	157,277	-	-
Transfer land and project awaiting development to property, plant and equipment	19,128	-	-	-
Transfer property, plant and equipment to investment properties	603	-	-	-
Equipment acquired under finance lease agreement	19,443	-	12,337	-
Transfer short-term loan from financial institutions to long-term loan from financial institutions	173,809	-	-	-
Issuance of preference shares for the entire business transfer of Unicorn Enterprise Company Limited	2,172,000	-	2,172,000	-
Repayment of the entire business transfer of Unicorn Enterprise Company Limited by accepting loans from related party	10,074,361	-	10,074,361	-

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

U City Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

For the three-month and nine-month periods ended 30 September 2018

1. General information

1.1 The Company's general information

U City Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in real estate development business. The registered office of the Company is at 21, TST Tower, Soi Choei Phuang, Vibhavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok.

1.2 Basis of preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, 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 consolidated interim financial statements include the financial statements of the Company and its subsidiaries (“the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2017. However, during the period, there were changes in the composition of the Group, as follow:

- a) As discussed in Note 9.1.1 to the interim financial statements, on 4 January 2018, the Extraordinary General Meeting of Shareholders passed resolutions to approve the entire business transfer of Unicorn Enterprise Company Limited (“UE”), a subsidiary of BTS Group Holdings Public Company Limited (“BTSG”), and payment of the consideration for the entire business transfer to UE by issuing new preference shares and warrants to purchase the Company's ordinary shares to UE (private placement) and accepting the assignment of all of UE's loans owed to BTSG, together with interest thereon. Subsequently, on 16 March 2018, the Company paid the consideration for the entire business transfer and has included the financial statements of the business in the consolidated financial statements as from that date.

- b) As discussed in Note 9.2.2 to the interim financial statements, on 6 January 2018, Vienna House Capital GmbH (“VHC”) established Vienna House Real Estate GmbH (“VHR”) in Austria to engage in real estate development business, with a registered capital of EUR 35,000, of which 50 percent was called-up. VHC holds a 100 percent interest in VHR.
- c) As discussed in Note 9.2.3 to the interim financial statements, on 19 January 2018, VHR and VHC registered the incorporation of VHE Bratislava Real Estate s.r.o (“VBRE”) in Slovakia to engage in real estate development business, with a registered share capital of EUR 5,000 and 100 percent called-up. VHR and VHC hold 99 percent and 1 percent interests in VBRE, respectively.
- d) As discussed in Note 10.1 to the interim financial statements, on 10 May 2018, Vienna International Hotelmanagement AG (“VIAG”) acquired 3,000 ordinary shares of Vienna House (Thailand) Company Limited (“VHT”) at a price of Baht 150,000. VHT was established in Thailand to engage in hotel management business, with a registered share capital of Baht 2 million (10,000 ordinary shares with a par value of Baht 200 each) and 25 percent called-up. VIAG holds a 30 percent interest in VHT.
- e) As discussed in Note 10.2 to the interim financial statements, on 30 May 2018, VIAG acquired 46,800 ordinary shares of Vienna House Asia Limited (“VHA”) at a price of HKD 46,800. VHA was established in Hong Kong to engage in hotel management business, with a registered share capital of HKD 156,000 (156,000 ordinary shares with a par value of HKD 1 each) and 100 percent called-up. VIAG holds a 30 percent interest in VHA.
- f) As discussed in Note 11.2 to the interim financial statements, on 1 June 2018, the Company acquired 50 percent of ordinary shares in BTS Sansiri Holding Twenty Three Limited (formerly known as “Bangkok Sky Sukhumvit 34 Company Limited”) (“BSH23”), BTS Sansiri Holding Twenty Four Limited (formerly known as “Siripat One Company Limited), BTS Sansiri Holding Twenty Five Limited (formerly known as “Siripat Two Company Limited”) and Siripat Three Company Limited from an unrelated party at a total price of Baht 75.5 million.

Subsequently, on 25 June 2018, BSH23 increased its registered capital by Baht 49 million through the issuance of 490,000 additional ordinary shares with a par value of Baht 100 each. The Company acquired 50 percent of BSH23's newly issued ordinary shares in proportion to its existing shareholding, totalling Baht 24.5 million.

- g) As discussed in Note 11.3 to the interim financial statements, on 25 June 2018, BTS Sansiri Holding Thirteen Limited (formerly known as “Prime Area 38 Company Limited”) (“BSH13”) increased its registered capital by Baht 40 million through the issuance of 400,000 additional ordinary shares with a par value of Baht 100 each. The Company acquired 50 percent of BSH13's newly issued ordinary shares in proportion to its existing shareholding, totalling Baht 20 million.

- h) As discussed in Note 9.1.4 to the interim financial statements, on 27 June 2018, the Company established EGS Assets Company Limited (“EGSA”) in Thailand to engage in hotel and real estate development business, with a registered share capital of Baht 100 million (1,000,000 ordinary shares with a par value of Baht 100) which was 100 percent called-up. The Company holds a 100 percent interest in EGSA. Subsequently, on 25 September 2018, the Extraordinary General Meeting of Shareholders of EGSA passed a resolution to approve EGSA to increase its registered capital by Baht 2,100 million through the issuance of 21 million additional ordinary shares with a par value of Baht 100 each. The Company acquired all newly issued ordinary shares and as a result its shareholding in the EGSA remains unchanged.

On 22 August 2018, the Extraordinary General Meeting of Shareholders of BTS Assets Company Limited (“BTSA”) passed a resolution to reduce BTSA’s registered share capital by Baht 2,150 million, from 29,550,000 ordinary shares with a par value of Baht 100 each to 29,550,000 ordinary shares with a par value of Baht 27.25 each. BTSA registered the capital reduction with the Ministry of Commerce on 24 September 2018.

- i) As discussed in Note 11.4 to the interim financial statements, on 4 September 2018, VIAG acquired 2,350,000 ordinary shares of UBM + VH Hotels GmbH (“UBMJV”) from an unrelated party at a total price of EUR 2.65 million. This represents a 50 percent interest. UBMJV was established in Germany to engage in hotel management business, with a registered share capital of EUR 4.7 million (4,700,000 ordinary shares with a par value of EUR 1 each) and 100 percent called-up.
- j) As discussed in Note 9.2.4 to the interim financial statements, on 13 September 2018, VIAG established REVO Munchen Hotelbetriebs GmbH (“REVO”) in Germany to engage in investment in assets business, with a registered share capital of EUR 25,000 (25,000 ordinary shares with a par value of EUR 1) which was 100 percent call-up. VIAG holds a 100 percent interest in REVO.

1.4 New financial reporting standards

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

During the period, the Group have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

(b) Financial reporting standards that will become effective in the future

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019 and a set of 5 standards related to financial instruments, which are effective for fiscal years beginning on or after 1 January 2020. Key principles of these standards are summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Group is currently evaluating the impact of this standard to the financial statements in the year when it is adopted.

Thai Financial Reporting Standards related to financial instruments

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

Financial reporting standards:

TFRS 9	Financial Instruments
TFRS 7	Financial Instruments: Disclosures

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

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

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 2017.

3. Related party transactions

During the periods, the Group 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 Group and those related parties.

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month period ended 30 September				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Management income	-	-	58	-	Contract price
Interest income	-	-	131	94	0.58 to 7.00 percent per annum
Rental and services expenses	-	-	2	-	Contract price
Interest expenses	-	-	1	-	Reference rate of commercial bank deposit plus 0.25 percent per annum
<u>Transactions with associate</u>					
Interest income	1	1	1	1	MLR minus 1.25 per annum
Cost of hotel operation	-	3	-	-	With reference to market price and contract price
<u>Transactions with joint ventures</u>					
Revenue from hotel operation	1	-	-	-	With reference to market price and contract price
Interest income	63	-	63	-	3.85 to 4.88 percent per annum
Management fee	11	-	-	-	Contract price
Other expenses	4	-	3	-	With reference to market price
<u>Transactions with related parties</u>					
Revenue from hotel operation	5	3	-	-	With reference to market price and contract price
Rental and management income	12	-	-	-	Contract price
Other income	26	1	-	-	Contract price
Cost of hotel operation	1	1	-	-	With reference to market price
Rental and service expenses	-	2	-	2	Contract price
Management fee	7	11	-	-	Contract price
Other expenses	2	1	1	1	With reference to market price
Interest expenses	67	-	67	-	MLR minus 1.00 percent per annum
Purchase of fixed assets	15	-	-	-	Contract price

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month period ended 30 September				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2018	2017	2018	2017	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Management income	-	-	67	-	Contract price
Interest income	-	-	340	186	0.58 to 7.00 percent per annum
Rental and service expenses	-	-	4	-	Contract price
Other expenses	-	-	1	-	With reference to market price
Interest expenses	-	-	4	-	Reference rate of commercial bank deposit plus 0.25 percent per annum
<u>Transactions with associate</u>					
Interest income	2	2	2	2	MLR minus 1.25 percent per annum
Cost of hotel operation	2	6	-	-	With reference to market price and contract price
<u>Transactions with joint ventures</u>					
Revenue from hotel operation	1	-	-	-	With reference to market price and contract price
Interest income	142	-	142	-	3.85 to 4.88 percent per annum
Management fee	25	-	-	-	Contract price
Other expenses	8	-	7	-	With reference to market price
<u>Transactions with related parties</u>					
Revenue from hotel operation	13	11	-	-	With reference to market price and contract price
Rental and management income	27	-	-	-	Contract price
Other income	54	3	-	-	Contract price
Cost of hotel operation	3	5	-	-	With reference to market price
Rental and service expenses	-	5	2	5	Contract price
Management fee	29	37	-	-	Contract price
Other expenses	4	1	1	1	With reference to market price
Interest expenses	144	-	144	-	MLR minus 1.00 percent per annum
Purchase of fixed assets	41	-	-	-	Contract price

(Unaudited but reviewed)

As at 30 September 2018 and 31 December 2017, the balances of the accounts between the Group and related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
<u>Trade and other receivables - related parties (Note 5)</u>				
Subsidiaries	-	-	51,180	-
Associate	452	-	-	-
Joint venture	74	-	-	-
Related companies	65,903	9,548	128	128
Total trade and other receivables - related parties	<u>66,429</u>	<u>9,548</u>	<u>51,308</u>	<u>128</u>
<u>Rental deposit - related party</u>				
Subsidiary	-	-	1,779	-
Related company	-	1,779	-	1,779
Total rental deposit - related party	<u>-</u>	<u>1,779</u>	<u>1,779</u>	<u>1,779</u>
<u>Trade and other payables - related parties (Note 19)</u>				
Subsidiaries	-	-	157	373
Associate	17,905	11,459	-	-
Joint ventures	3,236	-	-	-
Related companies	194,054	14,633	5,067	1,028
Total trade and other payables - related parties	<u>215,195</u>	<u>26,092</u>	<u>5,224</u>	<u>1,401</u>
<u>Rental deposit payables - related party</u>				
Related company	9,802	-	-	-
Total rental deposit payables - related party	<u>9,802</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Retention payables - related parties</u>				
Related companies	13,924	-	-	-
Total retention payables - related parties	<u>13,924</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Unaudited but reviewed)

Loans to related parties and interest receivables and loans from related parties and interest payables

As at 30 September 2018 and 31 December 2017, the balances of loans to and interest receivables and loans from and interest payables between the Group and those related parties and the movement are as follows:

(Unit: Thousand Baht)

		Consolidated financial statements				
		Balance as at	Increase from	Increase	Decrease	Balance as at
		31 December	the entire	during	during	30 September
and interest receivables	Related by	2017	business transfer	the period	the period	2018
		(Audited)				
		(Restated)				
MHG NPark Development Company Limited	Associate	50,420	-	1,851	(1,234)	51,037
BTS Sansiri Holding One Limited	Joint venture	-	245,569	1,290	(246,859)	-
BTS Sansiri Holding Two Limited	Joint venture	-	144,199	39,623	(10,316)	173,506
BTS Sansiri Holding Three Limited	Joint venture	-	-	38,640	-	38,640
BTS Sansiri Holding Four Limited	Joint venture	-	451,044	8,078	(405,072)	54,050
BTS Sansiri Holding Five Limited	Joint venture	-	40,763	26,125	(1,763)	65,125
BTS Sansiri Holding Six Limited	Joint venture	-	28,065	50,463	(28,327)	50,201
BTS Sansiri Holding Seven Limited	Joint venture	-	223,693	100,785	(29,724)	294,754
BTS Sansiri Holding Eight Limited	Joint venture	-	182,929	144,342	(121,340)	205,931
BTS Sansiri Holding Nine Limited	Joint venture	-	81,427	229,038	(12,977)	297,488
Nuvo Line Agency Company Limited	Joint venture	-	340,670	65,199	(26,836)	379,033
BTS Sansiri Holding Eleven Limited	Joint venture	-	199,462	213,961	(462)	412,961
BTS Sansiri Holding Twelve Limited	Joint venture	-	730,915	137,546	(99,016)	769,445
BTS Sansiri Holding Thirteen Limited (formerly known as "Prime Area 38 Company Limited")	Joint venture	804,996	-	215,485	(519,152)	501,329
BTS Sansiri Holding Fourteen Limited	Joint venture	-	79,947	21,610	(29,618)	71,939
BTS Sansiri Holding Fifteen Limited	Joint venture	-	448,187	31,132	(5,187)	474,132
BTS Sansiri Holding Sixteen Limited	Joint venture	-	489,208	23,809	(47,224)	465,793
BTS Sansiri Holding Seventeen Limited	Joint venture	-	25,628	10,673	(628)	35,673
BTS Sansiri Holding Nineteen Limited	Joint venture	-	114,601	146,976	(601)	260,976
BTS Sansiri Holding Twenty One Limited	Joint venture	-	387,757	36,620	(8,757)	415,620
BTS Sansiri Holding Twenty Two Limited	Joint venture	-	89,561	102,465	(1,561)	190,465
BTS Sansiri Holding Twenty Three Limited	Joint venture	-	-	63,802	(20,400)	43,402

(Unaudited but reviewed)

(Unit: Thousand Baht)

		Consolidated financial statements				
		Balance as at	Increase from	Increase	Decrease	Balance as at
		31 December	the entire	during	during	30 September
Long-term loans to related parties	Related by	2017	business transfer	the period	the period	2018
		(Audited)				
		(Restated)				
(formerly known as "Bangkok Sky Sukhumvit 34 Company Limited")						
BTS Sansiri Holding Twenty Four Limited	Joint venture	-	-	40,640	-	40,640
(formerly known as "Siripat One Company Limited")						
BTS Sansiri Holding Twenty Five Limited	Joint venture	-	-	81,272	-	81,272
(formerly known as "Siripat Two Company Limited")						
Siripat Three Company Limited	Joint venture	-	-	114,803	-	114,803
Total		855,416	4,303,625	1,946,228	(1,617,054)	5,488,215

(Unit: Thousand Baht)

		Separate financial statements					
		Balance as at	Increase from	Increase	Decrease	Unrealised	Balance as at
		31 December	the entire	during	during	gain (loss) on	30 September
Long-term loans to related parties	Related by	2017	business transfer	the period	the period	exchange rate	2018
		(Audited)					
Park Opera Company Limited	Subsidiary	232,703	-	100	-	-	232,803
Natural Real Estate Company Limited	Subsidiary	3,300	-	152	-	-	3,452
Natural Park Ville Company Limited	Subsidiary	79,000	-	-	-	-	79,000
Richee Property Management Company Limited	Subsidiary	15,815	-	100	-	-	15,915
Park Gourmet Company Limited	Subsidiary	1,128	-	131	-	-	1,259
Khon Kaen Buri Company Limited	Subsidiary	1,541,765	-	26,348	-	-	1,568,113
The Joint Venture of U City Public Company Limited, Amanresorts Services Limited and Silverlink Holdings Limited	Subsidiary	612,826	-	20,754	-	-	633,580
Boonbaramee Metta Property Company Limited	Subsidiary	7,690	-	29	(7,719)	-	-
N Park Global Holding Company Limited	Subsidiary	737,125	-	12,660	-	-	749,785
Kamkoong Property Company Limited	Subsidiary	354,802	-	74,279	-	-	429,081
Project Green Company Limited	Subsidiary	1,063,811	-	18,838	-	-	1,082,649
Muangthong Assets Company Limited	Subsidiary	-	786,940	43,138	(26,124)	-	803,954
Thana City Golf & Sports Club Company Limited	Subsidiary	-	80,024	27,869	(1,310)	-	106,583

(Unaudited but reviewed)

(Unit: Thousand Baht)

Long-term loans to related parties and interest receivables	Related by	Separate financial statements					Balance as at 30 September 2018
		Balance as at 31 December 2017	Increase from the entire business transfer	Increase during the period	Decrease during the period	Unrealised gain (loss) on exchange rate	
		(Audited)					
Nine Square Property Company Limited	Subsidiary	-	301,232	20,814	(14,365)	-	307,681
Tanayong Food and Beverage Company Limited	Subsidiary	-	279,161	13,448	(7,405)	-	285,204
Ratburana Property Company Limited	Subsidiary	-	655,289	53,034	(38,841)	-	669,482
BTS Land Company Limited	Subsidiary	-	270,321	18,460	(12,627)	-	276,154
Mak8 Company Limited	Subsidiary	-	295,313	20,290	(13,956)	-	301,647
Siam Paging and Communication Company Limited	Subsidiary	-	43,059	2,427	(1,423)	-	44,063
Tanayong Hong Kong Limited	Subsidiary	-	4,485	171	(73)	-	4,583
Lombard Estate Holdings Limited	Subsidiary	475,419	-	10,849	-	(16,717)	469,551
Vienna House Capital GmbH	Subsidiary	5,635,659	-	263,599	(262,464)	(187,875)	5,448,919
BTS Assets Company Limited	Subsidiary	-	-	2,109,398	-	-	2,109,398
MHG NPark Development Company Limited	Associate	50,420	-	1,851	(1,234)	-	51,037
BTS Sansiri Holding One Limited	Joint venture	-	245,569	1,290	(246,859)	-	-
BTS Sansiri Holding Two Limited	Joint venture	-	144,199	39,623	(10,316)	-	173,506
BTS Sansiri Holding Three Limited	Joint venture	-	-	38,640	-	-	38,640
BTS Sansiri Holding Four Limited	Joint venture	-	451,044	8,078	(405,072)	-	54,050
BTS Sansiri Holding Five Limited	Joint venture	-	40,763	26,125	(1,763)	-	65,125
BTS Sansiri Holding Six Limited	Joint venture	-	28,065	50,463	(28,327)	-	50,201
BTS Sansiri Holding Seven Limited	Joint venture	-	223,693	100,785	(29,724)	-	294,754
BTS Sansiri Holding Eight Limited	Joint venture	-	182,929	144,342	(121,340)	-	205,931
BTS Sansiri Holding Nine Limited	Joint venture	-	81,427	229,038	(12,977)	-	297,488
Nuvo Line Agency Company Limited	Joint venture	-	340,670	65,199	(26,836)	-	379,033
BTS Sansiri Holding Eleven Limited	Joint venture	-	199,462	213,961	(462)	-	412,961
BTS Sansiri Holding Twelve Limited	Joint venture	-	730,915	137,546	(99,016)	-	769,445
BTS Sansiri Holding Thirteen Limited (formerly known as "Prime Area 38 Company Limited")	Joint venture	804,996	-	215,485	(519,152)	-	501,329
BTS Sansiri Holding Fourteen Limited	Joint venture	-	79,947	21,610	(29,618)	-	71,939
BTS Sansiri Holding Fifteen Limited	Joint venture	-	448,187	31,132	(5,187)	-	474,132
BTS Sansiri Holding Sixteen Limited	Joint venture	-	489,208	23,809	(47,224)	-	465,793
BTS Sansiri Holding Seventeen Limited	Joint venture	-	25,628	10,673	(628)	-	35,673
BTS Sansiri Holding Nineteen Limited	Joint venture	-	114,601	146,976	(601)	-	260,976
BTS Sansiri Holding Twenty One Limited	Joint venture	-	387,757	36,620	(8,757)	-	415,620
BTS Sansiri Holding Twenty Two Limited	Joint venture	-	89,561	102,465	(1,561)	-	190,465
BTS Sansiri Holding Twenty Three Limited (formerly known as "Bangkok Sky Sukhumvit 34 Company Limited")	Joint venture	-	-	63,802	(20,400)	-	43,402
BTS Sansiri Holding Twenty Four Limited (formerly known as "Siripat One Company Limited")	Joint venture	-	-	40,640	-	-	40,640

(Unaudited but reviewed)

(Unit: Thousand Baht)

		Separate financial statements					
Long-term loans to related parties and interest receivables	Related by	Balance as at 31 December 2017	Increase from the entire business transfer	Increase during the period	Decrease during the period	Unrealised gain (loss) on exchange rate	Balance as at 30 September 2018
		(Audited)					
BTS Sansiri Holding Twenty Five Limited (formerly known as "Siripat Two Company Limited")	Joint venture	-	-	81,272	-	-	81,272
Siripat Three Company Limited	Joint venture	-	-	114,803	-	-	114,803
		11,616,459	7,019,449	4,683,116	(2,003,361)	(204,592)	21,111,071
Less: Allowance for doubtful debts		(1,037,270)	(241,398)	(13,473)	-	-	(1,292,141)
Total		10,579,189	6,778,051	4,669,643	(2,003,361)	(204,592)	19,818,930

(Unit: Thousand Baht)

		Separate financial statements			
Short-term loans from related party and interest payables	Related by	Balance as at 31 December 2017	Increase during the period	Decrease during the period	Balance as at 30 September 2018
		(Audited)			
BTS Assets Company Limited	Subsidiary	306,795	4,023	(154,380)	156,438
Total		306,795	4,023	(154,380)	156,438

(Unit: Thousand Baht)

		Consolidated and separate financial statements				
Long-term loan from related party and interest payables	Related by	Balance as at 31 December 2017	Increase from the entire business transfer	Increase during the period	Decrease during the period	Balance as at 30 September 2018
		(Audited)				
BTS Group Holdings Public Company Limited	Related company	-	10,074,361	143,803	(5,191,996)	5,026,168
Total		-	10,074,361	143,803	(5,191,996)	5,026,168

(Unaudited but reviewed)

Directors' and managements' benefits

During the three-month and nine-month periods ended 30 September 2018 and 2017, the Group had employee benefit expenses payable to their directors and managements as below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	8,636	8,389	31,695	26,024
Post-employment benefits	1,298	541	3,847	1,515
Total	<u>9,934</u>	<u>8,930</u>	<u>35,542</u>	<u>27,539</u>

4. Current investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Audited)		(Audited)
<u>Fixed deposits</u>				
Fixed deposits with maturity date due more than 3 months	378	1,282	-	1
	<u>378</u>	<u>1,282</u>	<u>-</u>	<u>1</u>
<u>Investments in available-for-sale securities</u>				
Mutual fund - cost	1,222,424	161,271	1,111,674	50,520
Add: Surplus on changes in value of investments	7,196	1,422	5,367	589
Fair value	<u>1,229,620</u>	<u>162,693</u>	<u>1,117,041</u>	<u>51,109</u>
Total current investments	<u>1,229,998</u>	<u>163,975</u>	<u>1,117,041</u>	<u>51,110</u>

As at 30 September 2018, fixed deposits carried interests from 0.01 to 1.35 percent per annum (31 December 2017: 0.01 to 1.35 percent per annum) (The Company only: 0.90 to 1.35 percent per annum, 31 December 2017: 0.90 to 1.35 percent per annum).

(Unaudited but reviewed)

5. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
		(Restated)		
<u>Trade receivables - related parties (Note 3)</u>				
Aged on the basis of due dates				
Not yet due	9,636	-	51,180	-
Past due				
Up to 3 months	23,865	7,716	-	-
3 - 6 month	24,633	-	-	-
6 - 12 month	5,486	-	-	-
Over 12 months	74,605	73,218	73,008	73,008
Total	138,225	80,934	124,188	73,008
Less: Allowance for doubtful debts	(74,478)	(73,091)	(72,880)	(72,880)
Total trade receivables - related parties, net	63,747	7,843	51,308	128
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	287,714	186,936	-	-
Past due				
Up to 3 months	209,663	218,297	-	-
3 - 6 months	21,201	37,996	-	-
6 - 12 months	9,484	13,424	-	-
Over 12 months	65,462	76,513	19,894	19,894
Total	593,524	533,166	19,894	19,894
Less: Allowance for doubtful debts	(45,629)	(48,395)	(19,518)	(19,518)
Total trade receivables - unrelated parties, net	547,895	484,771	376	376
Total trade receivables - net	611,642	492,614	51,684	504
<u>Other receivables</u>				
Other receivables - related parties (Note 3)	2,682	1,705	-	-
Other receivables - unrelated parties	329,663	214,620	561	1,197
Advances	684	210	628	210
Interest receivables	9,704	70	8,884	4
Total other receivables	342,733	216,605	10,073	1,411
Total trade and other receivables - net	954,375	709,219	61,757	1,915

(Unaudited but reviewed)

A subsidiary has pledge its trade and other receivables of approximately EUR 2.53 million (31 December 2017: EUR 2.55 million) to secure bank overdrafts as discussed in Note 18 to the interim financial statements.

6. Receivable from sales of investments in subsidiaries

Receivable from sales of investments in subsidiaries and the present value of receivable as at 30 September 2018 and 31 December 2017 are as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	Receivable from sales of investments in subsidiaries		Present value of receivable	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Audited)		(Audited)
Due within one year	-	280,000	-	276,995
Due in one up to three years	117,000	895,000	109,621	829,423
Total	117,000	1,175,000	109,621	1,106,418
Less: Financial income awaiting recognition	(7,379)	(68,582)		
Present value of receivable	109,621	1,106,418		

On 20 March 2018, a meeting of the Executive Committee of the Company passed a resolution to approve the redemption of all land of Natural Project Chao Phraya Company Limited and Natural Hotel Chao Phraya Company Limited that had been pledged to secure amount receivable from sales of investments in subsidiaries, since during the period the Company received cash settlement amounting to Baht 1,058 million.

7. Real estate projects under development

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Audited)		(Audited)
Land	790,000	1,390,016	100,000	700,016
Less: Allowance for impairment of land	(3,743)	(9,730)	(2,823)	(8,809)
	786,257	1,380,286	97,177	691,207
Land development cost	1,169	1,199	1,169	1,199
Construction cost	193,943	219,520	193,943	219,519
Others	10,311	10,499	10,311	10,499
Real estate projects under development - net	991,680	1,611,504	302,600	922,424

(Unaudited but reviewed)

On 20 March 2018, the Executive Committee of the Company passed a resolution to approve the sales of project under development together with land and construction totalling Baht 644 million. The Company recorded gain from sales of assets of Baht 29.5 million in the current period.

The Group has mortgaged land and constructions thereon amounting to Baht 689 million (31 December 2017: Baht 1,196 million) (The Company only: Nil, 31 December 2017: Baht 506 million) as collateral against long-term loans from financial institutions as discussed in Note 21 to the interim financial statements.

8. Restricted deposits

The Group has pledged some of its deposits at financial institutions to secure long-term loans from financial institutions and the issue of bank guarantees, as discussed in Note 21 and Note 33.3 to the interim financial statements.

9. Investments in subsidiaries

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

Company's name	(Unit: Thousand Baht)					
	Paid-up capital		Shareholding percentage		Cost method	
	30 September	31 December	30 September	31 December	30 September	31 December
	2018	2017	2018	2017	2018	2017
		(Audited)		(Audited)		(Audited)
			(Percent)	(Percent)		
Park Opera Company Limited	22,555	22,555	100.0	100.0	22,555	22,555
Natural Real Estate Company Limited	33,000	33,000	100.0	100.0	33,000	33,000
Natural Park Ville Company Limited	43,000	43,000	100.0	100.0	243,340	243,340
Richee Property Management Company Limited	1,000	1,000	99.9	99.9	999	999
Natural Hotel Sukhumvit Company Limited	41,353	41,353	64.9	64.9	26,841	26,841
Park Gourmet Company Limited	25,000	25,000	100.0	100.0	25,000	25,000
Natural Hotel Panwa Company Limited	143,000	143,000	100.0	100.0	143,000	143,000
Khon Kaen Buri Company Limited	800,000	800,000	100.0	100.0	800,000	800,000
The Joint Venture of U City Public Company Limited, Amanresorts Services Limited and Silverlink Holdings Limited	-	-	-	-	-	-
N Park Global Holding Company Limited	1,000	1,000	100.0	100.0	1,000	1,000
Boonbaramee Metta Property Company Limited	700,000	700,000	100.0	100.0	290,000	290,000
BTS Assets Company Limited	805,238	2,955,000	100.0	100.0	2,277,527	6,762,997
Kamkoong Property Company Limited	1,100,000	1,100,000	100.0	100.0	2,705,848	2,705,848
Project Green Company Limited	100,000	100,000	100.0	100.0	100,000	100,000
Lombard Estate Holdings Limited (GBP 77 million and EUR 27 million paid-up capital)	4,567,149	4,567,149	100.0	100.0	4,567,470	4,567,470
Muangthong Assets Company Limited	125,000	-	100.0	-	84,816	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost method	
	30 September	31 December	30 September	31 December	30 September	31 December
	2018	2017	2018	2017	2018	2017
		(Audited)	(Percent)	(Audited)		(Audited)
UNISON One Company Limited	340,000	-	100.0	-	843,600	-
Thana City Golf & Sports Club Company Limited	20,000	-	100.0	-	-	-
Tanayong Property Management Company Limited	1,000	-	100.0	-	-	-
PrannaKiri Assets Company Limited	311,000	-	100.0	-	481,149	-
Siam Paging and Communication Company Limited	5,000	-	100.0	-	6,744	-
Tanayong Food and Beverage Company Limited	1,000	-	100.0	-	-	-
BTS Land Company Limited	10,000	-	100.0	-	-	-
Nine Square Property Company Limited	10,000	-	100.0	-	30,425	-
Mak8 Company Limited	151,000	-	100.0	-	166,073	-
Ratburana Property Company Limited	10,000	-	100.0	-	729,672	-
Tanayong Hong Kong Limited (HKD 10,000 paid-up capital)	40	-	100.0	-	40	-
EGS Assets Company Limited	2,200,000	-	100.0	-	4,535,707	-
Total					18,114,806	15,722,050
Less: Provision for loss on diminution in value					(1,344,183)	(1,332,420)
Net					16,770,623	14,389,630

9.1 Subsidiaries directly owned by the Company

9.1.1 Entire business transfer of Unicorn Enterprise Company Limited (“UE”)

On 4 January 2018, the Extraordinary General Meeting of Shareholders of the Company passed resolutions to approve the entire business transfer of UE, a subsidiary of BTS Group Holdings Public Company Limited (“BTSG”), and payment of a consideration for the entire business transfer to UE by issuing new preference shares and warrants to purchase the Company’s ordinary shares to UE (private placement) and accepting the assignment of all of UE’s loans owed to BTSG, together with interest thereon.

Subsequently, on 16 March 2018, the Company paid the consideration for such entire business transfer through:

- a) Issuance of 63,882,352,942 new preference shares, with a par value of Baht 1 per share, at an offering price of Baht 0.034 per share, and 31,941,176,471 units of warrants to purchase the ordinary shares of the Company No. 3 (“the Warrants U-W3”) at no cost. These warrants, with an exercise price of Baht 0.05 per share (1 unit of the warrant can purchase 1 ordinary share), are non-listed securities that cannot be traded on the Stock Exchange of Thailand. The total consideration value is Baht 2,172 million, calculated based on the report on the valuation of the Company’s shares and warrants prepared by an independent valuer.

(Unaudited but reviewed)

- b) Acceptance of all of UE's loans owed to BTSG, together with interest thereon, which totalled Baht 10,074 million. The Company accepted the rights and duties under the loan agreement between UE, as a borrower, and BTSG, as a lender. The loan carrying interest at the Minimum Loan Rate (MLR) minus a certain spread specified in the agreement, and repayable within 3 years.

The Company has included the financial statements of such business in the consolidated financial statements as from 16 March 2018 onwards.

Details of the business are as follows:

Company's name	Nature of business	Country of incorporation	Capital contribution (Million Baht)	Percentage of shareholding	Purchase Price (Thousand Baht)
<u>Subsidiaries group 1</u>					
Muangthong Assets Company Limited	Hotel	Thailand	125	100.0	871,756
UNISON One Company Limited	Office rental	Thailand	340	100.0	843,600
Thana City Golf & Sports Club Company Limited	Management of golf course and club house	Thailand	20	100.0	3,781
Tanayong Property Management Company Limited	Building management	Thailand	1	100.0	-
					<u>1,719,137</u>
<u>Subsidiaries group 2</u>					
PrannaKiri Assets Company Limited	Property development	Thailand	311	100.0	481,149
Siam Paging and Communication Company Limited	Property development	Thailand	5	100.0	49,803
Tanayong Food and Beverage Company Limited	Property development	Thailand	1	100.0	189,583
BTS Land Company Limited	Property development	Thailand	10	100.0	194,743
Nine Square Property Company Limited	Property development	Thailand	10	100.0	331,657
Mak8 Company Limited	Property development	Thailand	151	100.0	461,386
Ratburana Property Company Limited	Property development	Thailand	10	100.0	1,384,961
Tanayong Hong Kong Limited	Securities investment	Hong Kong	HKD 10,000	100.0	4,524
					<u>3,097,806</u>

(Unaudited but reviewed)

Company's name	Nature of business	Country of incorporation	Capital contribution (Million Baht)	Percentage of shareholding	Purchase Price (Thousand Baht)
<u>Joint Ventures</u>					
Absolute Hotel Services Company Limited	Hotel management	Thailand	25	50.0	244,710
Keystone Estate Company Limited	Property development	Thailand	1,874	50.0	937,000
Keystone Management Company Limited	International school	Thailand	500	50.0	252,096
BTS Sansiri Holding One Limited	Property development	Thailand	100	50.0	564,644
BTS Sansiri Holding Two Limited	Property development	Thailand	100	50.0	202,078
BTS Sansiri Holding Three Limited	Property development	Thailand	100	50.0	66,000
BTS Sansiri Holding Four Limited	Property development	Thailand	100	50.0	514,097
BTS Sansiri Holding Five Limited	Property development	Thailand	100	50.0	95,185
BTS Sansiri Holding Six Limited	Property development	Thailand	100	50.0	84,597
BTS Sansiri Holding Seven Limited	Property development	Thailand	100	50.0	340,942
BTS Sansiri Holding Eight Limited	Property development	Thailand	100	50.0	290,851
BTS Sansiri Holding Nine Limited	Property development	Thailand	100	50.0	190,958
Nuvo Line Agency Company Limited	Property development	Thailand	100	50.0	347,606
BTS Sansiri Holding Eleven Limited	Property development	Thailand	100	50.0	316,370
BTS Sansiri Holding Twelve Limited	Property development	Thailand	100	50.0	843,626
BTS Sansiri Holding Fourteen Limited	Property development	Thailand	100	50.0	168,077
BTS Sansiri Holding Fifteen Limited	Property development	Thailand	100	50.0	504,879
BTS Sansiri Holding Sixteen Limited	Property development	Thailand	100	50.0	535,428
BTS Sansiri Holding Seventeen Limited	Property development	Thailand	100	50.0	79,628
BTS Sansiri Holding Eighteen Limited	Property development	Thailand	100	50.0	44,100
BTS Sansiri Holding Nineteen Limited	Property development	Thailand	100	50.0	168,227
BTS Sansiri Holding Twenty Limited	Property development	Thailand	100	50.0	54,000
BTS Sansiri Holding Twenty One Limited	Property development	Thailand	100	50.0	441,351
BTS Sansiri Holding Twenty Two Limited	Property development	Thailand	100	50.0	142,968
					7,429,418
Total					12,246,361
<u>Joint ventures indirectly held by Absolute Hotel Services Company Limited</u>					
Absolute Hotel Services Hong Kong Limited	Hotel management	Hong Kong	HKD 1.7 million	Held by Absolute Hotel Services Company Limited 75.47% and Tanayong Hong Kong Limited 12.26%	
Absolute Golf Services Company Limited	Management of golf course and club house	Thailand	4	Held by Absolute Hotel Services Company Limited 99%	
Travelodge (Thailand) Company Limited	Hotel management	Thailand	0.5	Held by Absolute Hotel Services Company Limited 79%	
AHS Hospitality India Private Limited	Hotel management	India	INR 45 million	Held by Absolute Hotel Services Hong Kong Limited	
Absolute Hotel Services Indochina Limited	Hotel management	Hong Kong	HKD 10,000	Held by Absolute Hotel Services Hong Kong Limited	

(Unaudited but reviewed)

Based on their assessment, the management of the Company believes that the business acquisition of subsidiaries group 1 was a business combination because the assets acquired and liabilities assumed constitute a business. However, the Company considers the business acquisition of subsidiaries group 2 to be an asset acquisition because the assets acquired do not constitute a business, as defined in TFRS3 (revised 2017) Business Combinations.

Transaction of subsidiaries group 1

Details of the acquisition are as follows:

	(Unit: Thousand Baht)
Acquisition cost	1,719,137
Estimated carrying amounts of net assets acquired	<u>(1,699,290)</u>
Estimated amount by which the purchase cost exceeds interest in net asset value	<u>19,847</u>

The estimated carrying amounts of net assets acquired from subsidiaries group 1 as at 16 March 2018 are as follows:

	(Unit: Thousand Baht)
Assets	
Cash and cash equivalents	129,629
Current investments	28,023
Trade and other receivables	32,030
Inventories	2,691
Other current assets	8,412
Restricted deposits	1,080
Land and project awaiting development	16,000
Investment properties	889,014
Property, plant and equipment	383,652
Leasehold rights	481,790
Intangible assets	978
Deferred tax assets	10,400
Other non-current assets	3,766
Total assets	<u>1,987,465</u>
Liabilities	
Trade and other payables	61,260
Deposits and advances received	4,360
Income tax payable	1,998
Other current liabilities	48,126
Provision for long-term employee benefits	43,950
Deferred tax liabilities	125,698
Other non-current liabilities	2,783
Total liabilities	<u>288,175</u>
Estimated carrying amounts of net assets acquired	<u>1,699,290</u>

(Unaudited but reviewed)

As at 30 September 2018, the Company's management was still in the process of determining the fair value of the acquired businesses, and therefore assigned an independent appraiser to assess their fair value. The fair values of assets acquired and liabilities assumed are the estimated values as at the date of acquisition, which might be adjusted in accordance with TFRS 3 (revised 2017) Business Combinations. Accordingly, the Company's management is required to make a preliminary assessment of the fair values of businesses acquired as at the acquisition date. During the measurement period, which must not exceed one year from the acquisition date, the Company is to retrospectively adjust the provisional amounts recognised as at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date. In addition, the fair value of the business acquired during the period is dependent on the result of the purchase price allocation exercise and this process is currently not completed. Such discrepancy is therefore recorded as "Estimated amount by which the purchase cost exceeds interest in net asset value" under non-current assets in the consolidated statement of financial position.

Transaction of subsidiaries group 2

The net assets acquired from subsidiaries group 2 as at 16 March 2018 are as follows:

(Unit: Thousand Baht)

Assets

Cash and cash equivalents	245,915
Trade and other receivables	55,940
Other current assets	43,357
Restricted deposits	81,623
Investments in joint ventures	4,572
Land and project awaiting development	1,904,934
Investment properties	158,312
Property, plant and equipment	628,379
Other non-current assets	2,412
Total assets	3,125,444
Liabilities	
Trade and other payables	27,177
Income tax payable	352
Other current liabilities	109
Total liabilities	27,638
Net assets	3,097,806

9.1.2 Boonbaramee Metta Property Company Limited (“Boonbaramee”)

Some ordinary shares of Boonbaramee and its subsidiaries have been pledged with a financial institution to secure liabilities under debt restructuring agreements, as discussed in Note 20 to the interim financial statements.

9.1.3 Lombard Estate Holdings Limited (“LEH”)

Ordinary shares of LEH and some of its subsidiaries have been pledged with a financial institution to secure long-term loans from the financial institutions, as discussed in Note 21 to the interim financial statements.

9.1.4 EGS Assets Company Limited (“EGSA”) and BTS Assets Company Limited (“BTSA”)

On 27 June 2018, the Company established EGSA in Thailand to engage in hotel and real estate development business, with a registered share capital of Baht 100 million (1,000,000 ordinary shares with a par value of Baht 100 each), which was 100 percent called-up. The Company holds a 100 percent interest in EGSA. Subsequently, on 25 September 2018, the Extraordinary General Meeting of Shareholders of EGSA passed a resolution to approve an increase of Baht 2,100 million in its registered capital through the issuance of 21 million new ordinary shares with a par value of Baht 100 each. The Company acquired all newly issued ordinary shares and, as a result, its shareholding in EGSA remains unchanged.

On 22 August 2018, the Extraordinary General Meeting of Shareholders of BTSA passed a resolution to reduce BTSA’s registered share capital by Baht 2,150 million, from 29,550,000 ordinary shares with a par value of Baht 100 each to 29,550,000 ordinary shares with a par value of Baht 27.25 each. BTSA registered the capital reduction with the Ministry of Commerce on 24 September 2018.

During the period, EGSA acquired a hotel business from BTSA at a price stipulated in the business transfer contract. As a result, the investments in BTSA and EGSA presented in the separate statement of financial position do not reflect the existing values of the assets and liabilities before the business restructuring under common control. Therefore, the Company adjusted the values of the investments in BTSA and EGSA to amounts equal to the values of the assets and liabilities before the business restructuring under common control.

9.2 Subsidiaries indirectly owned by the Company

9.2.1 Vienna House Capital GmbH (“VHC”) (held by LEH)

On 31 May 2017, VHC entered into an agreement to acquire an interest in 32 entities engaged in the operation of hotels business in Europe from unrelated parties for total amount of EUR 167 million which comprises share price of EUR 128 million, loan acquisition costs of EUR 40 million and estimated discounted future payments according to overdue receivables of EUR 1 million. VHC has included the financial statements of those entities in the consolidated financial statements since 31 May 2017. Details of those entities are as follows:

Company's name	Related by	Nature of business	Country of incorporation	Capital contribution	Percentage of shareholding
Vienna International Hotelmanagement AG	Subsidiary	Hotel management services	Austria	EUR 3,375,000	100.0
Vienna International Asset GmbH	Subsidiary	Hotel operation	Germany	EUR 25,000	94.9
Vienna House Cluster Deutschland GmbH (formerly known as “Vienna International Deutschland GmbH”)	Subsidiary	Hotel management services	Germany	EUR 25,000	100.0
Andel's Berlin Hotelbetriebs GmbH	Subsidiary	Hotel operation	Germany	EUR 25,000	100.0
VHE Berlin Hotelbetriebs GmbH	Subsidiary	Hotel operation	Germany	EUR 25,000	100.0
VH Dresden Hotelbetriebs GmbH	Subsidiary	Hotel operation	Germany	EUR 25,000	100.0
VHE Leipzig Hotelbetriebs GmbH	Subsidiary	Hotel operation	Germany	EUR 25,000	100.0
VH Kronberg Hotelbetriebs GmbH	Subsidiary	Hotel operation	Germany	EUR 25,000	100.0
VHE Darmstadt Hotelbetriebs GmbH	Subsidiary	Hotel operation	Germany	EUR 25,000	100.0
KDAG Data GmbH	Associate	Dormancy	Austria	EUR 3,140,000	33.3
VI Europäische Franchise GmbH	Associate	Hotel management services	Austria	EUR 80,000	33.3
Vienna House Cluster Polen Sp. z.o.o. (formerly known as “Employee Management Sp. z.o.o.”)	Subsidiary	Hotel management services	Poland	PLN 40,000	100.0
VHE Bratislava s.r.o. (formerly known as “Vienna International Bratislava s.r.o.”)	Subsidiary	Hotel management services	Slovakia	EUR 6,639	100.0
Vienna House Cluster Tschechien s.r.o. (formerly known as “VI Travel Management s.r.o.”)	Subsidiary	Hotel management services	Czech Republic	CZK 200,000	100.0
OOO Employ Management RUS	Subsidiary	Hotel management services	Russia	RUR 231,948	100.0
OOO Employ Management BEL	Subsidiary	Business management services	Belarus	BYR 53,000,000	100.0
Vienna International Zagreb d.o.o.	Subsidiary	Real estate	Croatia	HRK 20,200	100.0
Calvus GmbH & Co. Vermietungs KG	Subsidiary	Hotel operation	Germany	EUR 5,000	94.0
Enigma GmbH & Co. Objekt Wuppertal KG	Subsidiary	Hotel operation	Germany	EUR 5,000	94.0
Fabella GmbH & Co. Vermietungs KG	Subsidiary	Hotel operation	Germany	EUR 5,000	94.0

(Unaudited but reviewed)

Company's name	Related by	Nature of business	Country of incorporation	Capital contribution	Percentage of shareholding
Fabio GmbH & Co. Vermietungs KG	Subsidiary	Hotel operation	Germany	EUR 5,000	94.0
Fiora GmbH & Co. Vermietungs KG	Subsidiary	Hotel operation	Germany	EUR 5,000	94.0
Recoop Tour a.s.	Subsidiary	Hotel operation	Czech Republic	CZK 24,000,000	100.0
UBX Plzen s.r.o.	Subsidiary	Hotel operation	Czech Republic	CZK 200,000	100.0
UBX Plzen Real Estate s.r.o.	Subsidiary	Hotel operation	Czech Republic	CZK 200,000	100.0
Amber Baltic Sp. z.o.o.	Subsidiary	Hotel operation	Poland	PLN 38,325,000	100.0
VHE Cracow Sp. z.o.o. (formerly known as "WX Krakow Sp. z.o.o. SKA")	Subsidiary	Hotel operation	Poland	PLN 11,206,950	100.0
Andels Lodz Sp. z.o.o.	Subsidiary	Hotel operation	Poland	PLN 5,208,000	100.0
UBX Katowice Sp. z.o.o.	Subsidiary	Hotel operation	Poland	PLN 50,000	100.0
Hotel Management Angelo Katowice Sp. z.o.o.	Subsidiary	Hotel operation	Poland	PLN 50,000	100.0
Comtel Focus S.A.	Subsidiary	Hotel operation	Romania	RON 42,703,016	100.0
UBX Krakow Sp. z.o.o.	Subsidiary	Hotel operation	Poland	PLN 50,000	100.0

Based on an assessment of the above transactions, the management of VHC believes that the investment is a business combination because the assets acquired and liabilities assumed constitute a business, and VHC has control over that business, in accordance with the definition specified in TFRS 3 (revised 2017) Business Combinations.

Details of the acquisition are as follows:

	(Unit: Thousand EUR)
Acquisition cost	166,919
Loan acquisition costs	(40,030)
Estimated discounted future payments according to overdue receivables	936
Total purchase price	127,825
Proportionate share of net assets acquired	(88,530)
Goodwill	39,295

VHC has had the fair value of the identifiable assets acquired and liabilities assumed assessed as at the acquisition date, which was 31 May 2017. This fair value measurement was completed during the second quarter of 2018. Within the measurement period, VHC received additional information about the fair value of the assets and liabilities and so has restated the consolidated statements of financial position as at 31 December 2017, the consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2017, and the related consolidated statements of changes in shareholders' equity for the nine-month period then ended, presented herein as comparative information.

(Unaudited but reviewed)

The estimated carrying amounts of net assets acquired as at 31 May 2017 are as follows:

	(Unit: Thousand EUR)	
	Fair value	Estimated carrying amounts
Assets		
Cash and cash equivalents	7,207	7,207
Trade and other receivables	12,560	13,871
Inventories	979	979
Other current assets	1,320	1,320
Restricted deposits	287	287
Long-term loans to related parties and interest receivables	-	914
Investment in associates	76	76
Property, plant and equipment	323,535	323,910
Intangible assets	14,152	25,868
Deferred tax assets	1,325	1,325
Other non-current assets	239	239
Total assets	361,680	375,996
Liabilities		
Bank overdrafts	2,692	2,692
Trade and other payables	10,082	10,310
Current portion of the long-term liabilities		
Long-term loans from financial institutions	8,219	8,219
Liabilities under finance lease agreements	1,855	1,855
Deposits and advances received	1,809	1,809
Income tax payable	1,244	1,244
Other current liabilities	4,191	4,191
Long-term liabilities - net of current portions		
Long-term loans from financial institutions	133,640	133,640
Liabilities under finance lease agreements	62,908	62,908
Provision for long-term employee benefits	339	339
Deferred tax liabilities	38,402	40,625
Other non-current liabilities	4,297	4,297
Total liabilities	269,678	272,129
Net asset value	92,002	103,867
Less: Non-controlling interests' proportionate share of net assets acquired	(3,472)	(3,263)
Proportionate share of net assets acquired	88,530	100,604

(Unaudited but reviewed)

The amounts of adjustments affecting the consolidated statement of financial position as at 31 December 2017 were summarised below.

(Unit: Thousand Baht)

Increase (decrease) in consolidated statement of financial position

Trade and other receivables	55,953
Other current assets	(30,272)
Long-term loans to related parties and interest receivables	(36,148)
Property, plant and equipment	(256,455)
Intangible assets	(115,713)
Estimated amount by which the purchase cost exceeds interest in net asset value	(1,133,672)
Goodwill	1,533,562
Deferred tax assets	(6,721)
Trade payables	(38,005)
Deferred tax liabilities	90,218
Non-controlling interests' proportionate share	9,080
Deficit	(74,566)
Other components of shareholders' equity	2,739

The adjustments do not affect the consolidated statement of financial position as at 1 January 2017 because VHC assumed control over those companies on 31 May 2017.

(Unaudited but reviewed)

The amounts of adjustments affecting the consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2017 were summarised below.

	(Unit: Thousand Baht)	
	For the three-month period	For the nine-month period
	<hr/>	<hr/>
Increase (decrease) in consolidated statements of comprehensive income		
Depreciation and amortisation	(35,522)	(43,462)
Income tax	8,189	9,903
Loss for the period	(27,333)	(33,559)
Exchange differences on translation of financial statements in foreign currency	301	320
Other comprehensive income for the year	301	320
Total comprehensive income for the year	27,032	33,239
Basic earnings per share (Baht)	0.000048	0.000059

Ordinary shares of subsidiaries of VHC has been pledged with the financial institutions to secure long-term loans as discussed in Note 21 to the interim financial statements.

9.2.2 Vienna House Real Estate GmbH (“VHR”) (held by VHC)

On 6 January 2018, VHC established VHR in Austria to engage in real estate development business, with a registered capital of EUR 35,000, of which 50 percent was called-up. VHC holds a 100 percent interest in VHR.

9.2.3 VHE Bratislava Real Estate s.r.o (“VBRE”) (held by VHR)

On 19 January 2018, VHR and VHC registered the incorporation of VBRE in Slovakia to engage in real estate development business, with a registered share capital of EUR 5,000 and 100 percent called-up. VHR and VHC hold 99 percent and 1 percent interests in VBRE, respectively.

Subsequently, on 19 April 2018, VBRE registered the transfer of ownership of the hotel in Slovakia from an unrelated party at a purchase price of EUR 8.9 million. However, the rights over assets and economic benefits have been obtained by VBRE since 1 March 2018, as stipulated in the Real Estate Purchase Agreement, and have already been included in the consolidated financial statements since 1 March 2018.

9.2.4 REVO Munchen Hotelbetriebs GmbH (“REVO”) (held by VIAG)

On 13 September 2018, VIAG established REVO in Germany to engage in investment in assets business, with a registered share capital of EUR 25,000 (25,000 ordinary shares with a par value of EUR 1) which was 100 percent called-up. VIAG holds a 100 percent interest in REVO.

10. Investments in associates

Investments in associates were as follows:

Company's name	Nature of business	Country of incorporation	Shareholding percentage	(Unit: Thousand Baht)				
				Consolidated financial statements		Separate financial statements		
				Equity method		Cost method		
				30 September 2018	31 December 2017	30 September 2018	31 December 2017	
			(Percent)	(Audited)	(Audited)	(Audited)	(Audited)	
MHG NPark Development Company Limited	Property development	Thailand	50.0	50.0	62,339	55,880	50,000	50,000
KDAG Data GmbH	Dormancy	Austria	33.3	33.3	-	-	-	-
VI Europäische Franchise GmbH	Hotel management services	Austria	33.3	33.3	2,280	4,787	-	-
Vienna House Asia Limited	Hotel management services	Hong Kong	30.0	-	192	-	-	-
Vienna House (Thailand) Company Limited	Hotel management services	Thailand	30.0	-	124	-	-	-
Total					64,935	60,667	50,000	50,000

10.1 Vienna House (Thailand) Company Limited (“VHT”)

On 10 May 2018, Vienna International Hotelmanagement AG (“VIAG”) acquired 3,000 ordinary shares of VHT at a price of Baht 150,000. VHT was established in Thailand to engage in hotel management business, with a registered share capital of Baht 2 million (10,000 ordinary shares with a par value of Baht 200 each) and 25 percent called-up. VIAG holds a 30 percent interest in VHT.

Based on an assessment of the above transaction, the management of the Company believes that the investment is an asset acquisition because the assets acquired do not constitute a business, as defined in TFRS 3 (revised 2017) Business Combinations.

10.2 Vienna House Asia Limited (“VHA”)

On 30 May 2018, VIAG acquired 46,800 ordinary shares of VHA at a price of HKD 46,800. VHA was established in Hong Kong to engage in hotel management business, with a registered share capital of HKD 156,000 (156,000 ordinary shares with a par value of HKD 1 each) and 100 percent called-up. VIAG holds a 30 percent interest in VHA.

Based on an assessment of the above transaction, the management of the Company believes that the investment is an asset acquisition because the assets acquired do not constitute a business, as defined in TFRS 3 (revised 2017) Business Combinations.

11. Investments in joint ventures

Investments in joint ventures were as follows:

Joint venture	Nature of business	Country of incorporation	(Unit: Thousand Baht)						
			Shareholding percentage		Consolidated financial statements		Separate financial statements		
					Equity method		Cost method		
			30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017	
			(Percent)	(Percent)					
Absolute Hotel Services Company Limited (*)	Hotel management	Thailand	50.0	-	251,106	-	244,710	-	-
Absolute Hotel Services Hong Kong Limited (*)	Hotel management	Hong Kong	12.3	-	4,572	-	-	-	-
Keystone Estate Company Limited (*)	Property development	Thailand	50.0	-	937,757	-	937,000	-	-
Keystone Management Company Limited (*)	International school	Thailand	50.0	-	246,793	-	252,096	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

Joint venture	Nature of business	Country of incorporation	Shareholding percentage		Consolidated financial statements		Separate financial statements	
			30 September	31 December	30 September	31 December	30 September	31 December
			2018	2017	2018	2017	2018	2017
			(Percent)	(Audited) (Percent)	(Audited)	(Audited)	(Audited)	(Audited)
BTS Sansiri Holding One Limited (*)	Property development	Thailand	50.0	-	41,604	-	319,075	-
BTS Sansiri Holding Two Limited (*)	Property development	Thailand	50.0	-	52,999	-	57,879	-
BTS Sansiri Holding Three Limited (*)	Property development	Thailand	50.0	-	46,832	-	66,000	-
BTS Sansiri Holding Four Limited (*)	Property development	Thailand	50.0	-	53,306	-	63,053	-
BTS Sansiri Holding Five Limited (*)	Property development	Thailand	50.0	-	26,645	-	29,422	-
BTS Sansiri Holding Six Limited (*)	Property development	Thailand	50.0	-	62,326	-	56,532	-
BTS Sansiri Holding Seven Limited (*)	Property development	Thailand	50.0	-	155,515	-	117,249	-
BTS Sansiri Holding Eight Limited (*)	Property development	Thailand	50.0	-	178,307	-	107,922	-
BTS Sansiri Holding Nine Limited (*)	Property development	Thailand	50.0	-	142,594	-	109,531	-
Nuvo Line Agency Company Limited (*)	Property development	Thailand	50.0	-	-	-	6,936	-
BTS Sansiri Holding Eleven Limited (*)	Property development	Thailand	50.0	-	105,989	-	116,908	-
BTS Sansiri Holding Twelve Limited (*)	Property development	Thailand	50.0	-	104,251	-	112,711	-
BTS Sansiri Holding Thirteen Limited (formerly known as "Prime Area 38 Company Limited")	Property development	Thailand	50.0	50.0	-	-	25,000	5,000
BTS Sansiri Holding Fourteen Limited (*)	Property development	Thailand	50.0	-	75,584	-	88,130	-
BTS Sansiri Holding Fifteen Limited (*)	Property development	Thailand	50.0	-	55,914	-	56,692	-
BTS Sansiri Holding Sixteen Limited (*)	Property development	Thailand	50.0	-	39,159	-	46,219	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

Joint venture	Nature of business	Country of incorporation	Shareholding percentage		Consolidated financial statements		Separate financial statements	
			30 September	31 December	30 September	31 December	30 September	31 December
			2018	2017	2018	2017	2018	2017
			(Percent)	(Audited) (Percent)	(Audited)	(Audited)	(Audited)	(Audited)
BTS Sansiri Holding Seventeen Limited (*)	Property development	Thailand	50.0	-	49,813	-	54,000	-
BTS Sansiri Holding Eighteen Limited (*)	Property development	Thailand	50.0	-	15,986	-	19,100	-
BTS Sansiri Holding Nineteen Limited (*)	Property development	Thailand	50.0	-	39,516	-	53,626	-
BTS Sansiri Holding Twenty Limited (*)	Property development	Thailand	50.0	-	51,949	-	54,000	-
BTS Sansiri Holding Twenty One Limited (*)	Property development	Thailand	50.0	-	38,856	-	53,594	-
BTS Sansiri Holding Twenty Two Limited (*)	Property development	Thailand	50.0	-	41,879	-	53,407	-
BTS Sansiri Holding Twenty Three Limited (formerly known as "Bangkok Sky Sukhumvit 34 Company Limited")	Property development	Thailand	50.0	-	22,778	-	25,000	-
BTS Sansiri Holding Twenty Four Limited (formerly known as "Siripat One Company Limited")	Property development	Thailand	50.0	-	22,695	-	25,000	-
BTS Sansiri Holding Twenty Five Limited (formerly known as "Siripat Two Company Limited")	Property development	Thailand	50.0	-	20,894	-	25,000	-
Siripat Three Company Limited	Property development	Thailand	50.0	-	19,609	-	25,000	-
UBM+VH Hotels GmbH	Hotel management	Germany	50.0	-	99,960	-	-	-
					3,005,188	-	3,200,792	5,000
Less : Allowance for doubtful					-	-	(270,000)	-
Total					3,005,188	-	2,930,792	5,000

(*) Increase from the entire business transfer from UE as described in Note 9.1.1 to the interim financial statements

(Unaudited but reviewed)

Investments under equity method presented under “Provision for transaction under equity method of investments in joint ventures” were detailed as follows:

(Unit: Thousand Baht)

Joint venture	Consolidated financial statements	
	30 September 2018	31 December 2017
		(Audited)
BTS Sansiri Holding Thirteen Limited (formerly known as “Prime Area 38 Company Limited”)	19,873	38,282
Nuvo Line Agency Company Limited	4,035	-
Total	<u>23,908</u>	<u>38,282</u>

Dividends received from the joint venture for the three-month and nine-month periods ended 30 September were as follows:

(Unit: Thousand Baht)

Joint venture	Consolidated and separate financial statements	
	<u>2018</u>	<u>2017</u>
BTS Sansiri Holding One Limited	270,000	-
Total	<u>270,000</u>	<u>-</u>

On 18 July 2018, the meeting of the Board of Directors of BTS Sansiri Holding One Limited (“BSH1”) passed a resolution to approve the payment of an interim dividend of approximately Baht 540 million (at the rate of Baht 540 per share) to the shareholders in respect of its retained earnings as at 30 June 2018, resulting in a decrease in the value of investment in BSH1. Therefore, the Company recorded provision for loss on diminution in value of the investment in BSH1 amounting to Baht 270 million in proportion to the dividend received by the Company. The amount was presented as an offsetting entry in the separate statement of comprehensive income.

Returns of capital from joint ventures for the three-month and nine-month periods ended 30 September were as follows:

(Unit: Thousand Baht)

Joint venture	Consolidated and separate financial statements	
	<u>2018</u>	<u>2017</u>
BTS Sansiri Holding Five Limited	25,000	-
BTS Sansiri Holding Eighteen Limited	25,000	-
Total	<u>50,000</u>	<u>-</u>

11.1 Entire business transfer from UE

As discussed in Note 9.1.1 to the interim financial statements regarding the entire business transfer from UE, based on an assessment of this transaction, the management of the Company believes that the acquisition of these joint ventures consist of both business combination and an asset acquisition, in accordance with the definition specified in TFRS 3 (revised 2017) Business Combinations.

As at 30 September 2018, the Company was still in the process of determining the fair value of the acquired entities, and therefore assigned an independent appraiser to assess the fair value. In this regard, the fair values of assets acquired and liabilities assumed were the estimated values as at the date of acquisition, which might be adjusted in accordance with TFRS 3 (revised 2017) Business Combinations. Accordingly, the Company's management is required to make a preliminary assessment of the fair values of businesses acquired as at the acquisition date. During the measurement period, which must not exceed one year from the acquisition date, the Company is to retrospectively adjust the provisional amounts recognised as at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date. In addition, the fair value of the business acquired during the period is dependent on the result of the purchase price allocation exercise and this process is currently not completed.

11.2 BTS Sansiri Holding Twenty Three Limited (formerly known as “Bangkok Sky Sukhumvit 34 Company Limited”) (“BSH23”), BTS Sansiri Holding Twenty Four Limited (formerly known as “Siripat One Company Limited”) (“BSH24”), BTS Sansiri Holding Twenty Five Limited (formerly known as “Siripat Two Company Limited”) (“BSH25”) and Siripat Three Company Limited (“SP3”)

On 1 June 2018, the Company acquired 50 percent of ordinary shares from an unrelated party at a total price of Baht 75.5 million. Details of the acquisition are as follows:

	BSH23	BSH24	BSH25	SP3
Relationship	Joint venture	Joint venture	Joint venture	Joint venture
Type of business	Real estate development	Real estate development	Real estate development	Real estate development
Established in	Thailand	Thailand	Thailand	Thailand
Registered share capital	Baht 1 million (10,000 shares)	Baht 50 million (500,000 shares)	Baht 50 million (500,000 shares)	Baht 50 million (500,000 shares)
Par value	100 Baht per share	100 Baht per share	100 Baht per share	100 Baht per share
Type of the acquired assets	5,000 ordinary shares (50 percent of paid-up capital)	250,000 ordinary shares (50 percent of paid-up capital)	250,000 ordinary shares (50 percent of paid-up capital)	250,000 ordinary shares (50 percent of paid-up capital)
Paid-up capital	Baht 1 million	Baht 50 million	Baht 50 million	Baht 50 million
Purchase price	Baht 0.5 million	Baht 25 million	Baht 25 million	Baht 25 million

(Unaudited but reviewed)

Based on an assessment of the above transactions, the management of the Company believes that the investments are asset acquisition because the assets acquired do not constitute a business, as defined in TFRS 3 (revised 2017) Business Combinations.

Subsequently, on 25 June 2018, BSH23 increased its registered capital by Baht 49 million through the issuance of 490,000 additional ordinary shares with a par value of Baht 100 each. The Company acquired 50 percent of BSH23's newly issued ordinary shares in proportion to its existing shareholding, totalling Baht 24.5 million.

11.3 BTS Sansiri Holding Thirteen Limited (formerly known as “Prime Area 38 Company Limited”) (“BSH13”)

On 25 June 2018, BSH13 increased its registered capital by Baht 40 million through the issuance of 400,000 additional ordinary shares with a par value of Baht 100 each. The Company acquired 50 percent of BSH13's newly issued ordinary shares in proportion to its existing shareholding, totalling Baht 20 million.

11.4 UBM + VH Hotels GmbH (“UBMJV”)

On 4 September 2018, VIAG acquired 2,350,000 ordinary shares of UBMJV from an unrelated party at a total price of EUR 2.65 million. This represents a 50 percent interest. UBMJV was established in Germany to engage in hotel management business, with a registered share capital of EUR 4.7 million (4,700,000 ordinary shares with a par value of EUR 1 each), which is 100 percent called-up.

Based on assessment of the above transaction, the management of the Company believes that the investment in UBMJV is a business combination because the assets acquired and liabilities assumed constitute a business, and VIAG has control over UBMJV, in accordance with the definition specified in TFRS 3 (revised 2017) Business Combinations.

As at 30 September 2018, VIAG was still in the process of determining the fair value of the business, and therefore assigned an independent appraiser to assess the fair value. In this regard, the fair values of assets acquired and liabilities assumed as at the date of acquisition were the estimated values, which might be adjusted in accordance with TFRS 3 (revised 2017) Business Combinations, within one year from the acquisition date.

12. Other long-term investments

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	30 September 2018	31 December 2017
		(Audited)
<u>Investments in available-for-sale securities</u>		
Marketable equity securities - cost	506,123	506,123
Surplus (deficit) on changes in value of investments	4,815	(312,651)
Less: Allowance for loss on impairment	(355,054)	(50)
Fair value	<u>155,884</u>	<u>193,422</u>

(Unaudited but reviewed)

During the period, the Company recorded a Baht 355 million allowance for loss on impairment in available-for-sale securities, by reversing the deficit on changes in value of investments account in the statements of comprehensive income.

13. Land and project awaiting development

Movements of the land and project awaiting development account during the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2018	2,049,156	937,573
Increase from the entire business transfer from UE (Note 9.1.1)	1,920,934	-
Additions during the period	15,880	15,670
Transfer out	(19,128)	-
Net book value as at 30 September 2018	<u>3,966,842</u>	<u>953,243</u>

The Group has mortgaged land and constructions thereon amounting to Baht 3,432 million (31 December 2017: Baht 2,047 million) (The Company only: Baht 936 million, 31 December 2017: Baht 935 million) as collateral against long-term loans from financial institutions as discussed in Note 21 to the interim financial statements.

14. Investment properties

Movements of the investment properties account during the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2018	7,626,643	157,041
Increase from the entire business transfer from UE (Note 9.1.1)	1,047,326	-
Additions during the period	106,373	-
Cost of asset improvement	59,839	240
Transfer in	603	-
Amortisation for the period	(57,683)	-
Translation adjustment	(55,075)	-
Net book value as at 30 September 2018	<u>8,728,026</u>	<u>157,281</u>

(Unaudited but reviewed)

Subsidiaries have mortgaged land and constructions thereon amounting to Baht 6,947 million (31 December 2017: Baht 5,969 million) as collateral against long-term loans from financial institutions as discussed in Note 21 to the interim financial statements.

15. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 31 December 2017 - restated	18,306,071	24,166
Increase from the entire business transfer from UE (Note 9.1.1)	1,012,031	-
Additions during the period	771,324	14,102
Disposals/write-off during the period - net book value	(23,520)	(15,236)
Transfer in	15,582	-
Depreciation for the period	(381,632)	(4,386)
Translation adjustment	(525,871)	-
Net book value as at 30 September 2018	<u>19,173,985</u>	<u>18,646</u>

As at 30 September 2018, the Group had land and buildings with net book value of Baht 3,036 million (31 December 2017: Baht 3,404 million) which were acquired under finance lease agreements.

Subsidiaries have mortgaged land and constructions thereon amounting to Baht 13,485 million (31 December 2017: Baht 13,799 million) as collateral against liabilities under debt restructuring agreements and long-term loans from financial institutions as discussed in Note 20 and Note 21 to the interim financial statements, respectively.

16. Leasehold rights

Movements of the leasehold rights account during the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)
	Consolidated
	financial statements
Net book value as at 1 January 2018	1,958,039
Increase from the entire business transfer from UE (Note 9.1.1)	481,790
Amortisation for the period	(27,229)
Translation adjustment	(68,261)
Net book value as at 30 September 2018	<u>2,344,339</u>

17. Intangible assets

Movements of the intangible assets account during the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2017 - restated	870,319	7,873
Increase from the entire business transfer from UE (Note 9.1.1)	978	-
Additions during the period	2,682	388
Transfer in	2,744	-
Amortisation for the period	(33,611)	(351)
Translation adjustment	(32,135)	-
Net book value as at 30 September 2018	<u>810,977</u>	<u>7,910</u>

The Group has mortgaged intangible assets amounting to Baht 109 million (31 December 2017: Baht 288 million) as collateral against long-term loans from financial institutions as discussed in Note 21 to the interim financial statements.

18. Bank overdrafts and short-term loan from financial institutions

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	30 September 2018	31 December 2017
		(Audited)
Bank overdrafts	18,860	76,701
Short-term loan from financial institution	-	176,275
Total	<u>18,860</u>	<u>252,976</u>

Bank overdrafts of a subsidiary are secured by the pledge of its trade and other receivables as discussed in Note 5 to the interim financial statements.

(Unaudited but reviewed)

19. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
		(Restated)		
Trade payables - related parties (Note 3)	595	1,918	224	1,401
Trade payables - unrelated parties	248,686	383,531	8,189	23,664
Other payables - related parties (Note 3)	214,600	24,174	5,000	-
Other payables - unrelated parties	600,260	299,789	21,969	5,121
Accrued expenses	169,020	125,555	11,546	6,777
Total trade and other payables	<u>1,233,161</u>	<u>834,967</u>	<u>46,928</u>	<u>36,963</u>

20. Liabilities under debt restructuring agreements

(Unit: Thousand Baht)

	Consolidated financial statements	
	30 September 2018	31 December 2017
		(Audited)
Liabilities under debt restructuring agreements	1,144,258	1,167,981
Less: Current portion	<u>(33,477)</u>	<u>(31,890)</u>
Liabilities under debt restructuring agreements - net of current portion	<u>1,110,781</u>	<u>1,136,091</u>

Movements in liabilities under debt restructuring agreements account during the nine-month period ended 30 September 2018 are summarised below.

(Unit: Thousand Baht)

	Consolidated
	financial statements
Balance as at 1 January 2018	1,167,981
Less: Repayment	<u>(23,723)</u>
Balance as at 30 September 2018	<u>1,144,258</u>

(Unaudited but reviewed)

In 2014, a subsidiary entered into debt restructuring agreements with a financial institution. Under the conditions of such agreements, creditor has extended the repayment schedule for the subsidiary as follows:

1. The principal amounting to Baht 1,200 million is repayable in monthly installments commencing on 31 August 2014 and to be completed within a period of 12 years (due on 31 July 2026).
2. The interest rate applicable from the first to the second year is 4 percent per annum, and in the third year is 5 percent per annum. Subsequently, the interest is calculated at the rate of SPRL (Standard profit rate for prime corporate customer with long term financing) per annum.
3. Outstanding interest of Baht 90 million out of Baht 142 million is to be payable within September 2014. As for the remainder amounting to Baht 52 million, the financial institution agreed to forgive when the subsidiary complies with the conditions of the agreements.

Liabilities under debt restructuring agreements are guaranteed by the pledge of three subsidiaries' ordinary shares in proportion of each company not less than 76 percent of the total shares, the mortgage of land and constructions thereon of subsidiaries, as described in Note 9.1.2 and Note 15 to the interim financial statements, and two subsidiaries, as the co-debtors to the financial institution.

The debt restructuring agreements contain covenants pertaining, among other things, prohibit of share capital reduction, merger with other entity and dividend payment.

21. Long-term loans from financial institutions

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
Long-term loans	12,044,482	14,181,498	7,821,691	10,246,407
Less: Current portion	(883,834)	(569,530)	(554,099)	(188,018)
Long-term loans - net of current portion	<u>11,160,648</u>	<u>13,611,968</u>	<u>7,267,592</u>	<u>10,058,389</u>

(Unaudited but reviewed)

Movements of the long-term loans from financial institutions account during the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Balance as at 1 January 2018	14,181,498	10,246,407
Add: Additional borrowings	416,050	-
Add: Transfer from short-term loans from financial institutions	173,809	-
Less: Repayment	(2,398,670)	(2,236,986)
Unrealised gain on exchange rate	(187,730)	(187,730)
Translation adjustment	(140,475)	-
Balance as at 30 September 2018	<u>12,044,482</u>	<u>7,821,691</u>

The loan agreements contain several covenants which, among other things, require the Group to maintain a certain debt service coverage ratio, debt-to-equity ratio and security cover ratio at the rates prescribed in the agreements, and to maintain its shareholdings in subsidiaries. The agreements also stipulate conditions relating to capital increases, dividend payment and disposal of the subsidiaries' assets.

These loans are secured by the pledge of the right in deposit accounts of the Group and ordinary shares of subsidiaries as stipulated in the agreements and discussed in Note 8 and Note 9 to the interim financial statements, the mortgage of land and constructions thereon and intangible assets of the Group, as discussed in Note 7, Note 13, Note 14, Note 15 and Note 17 to the interim financial statements, and the endorsement of the beneficiary rights under the insurance policies for the mortgaged land to the lender. Including, guarantee of loans of overseas subsidiaries by the Company and Vienna International Hotelmanagement AG, as discussed in Note 33.3 b) to the interim financial statements.

(Unaudited but reviewed)

22. Liabilities under financial lease agreements

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
Liabilities under finance lease agreements	2,573,541	2,747,498	11,656	-
Less: Deferred interest expenses	(199,711)	(263,437)	(1,366)	-
Total	2,373,830	2,484,061	10,290	-
Less: Portion due within one year	(565,326)	(522,203)	(2,212)	-
Liabilities under finance lease agreements - net of current portion	1,808,504	1,961,858	8,078	-

Movements in the liabilities under financial lease payable accounts during nine-month period ended 30 September 2018 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2018	2,484,061	-
Add: Additions during the period	19,443	12,337
Less: Payments of liabilities under finance lease agreements	(54,648)	(2,047)
Translation adjustment	(75,026)	-
Balance as at 30 September 2018	2,373,830	10,290

(Unaudited but reviewed)

23. Provision for long-term employee benefits

Movements in the provision for long-term employee benefits account during the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Balance as at 1 January 2018	64,828	23,153
Increase from the entire business transfer from UE (Note 9.1.1)	43,950	-
Included in profit or loss:		
Current service cost	10,506	2,158
Interest cost	1,695	326
Actuarial gain	(1,401)	-
Benefits paid during the year	(101)	-
Translation adjustment	(836)	-
Balance as at 30 September 2018	<u>118,641</u>	<u>25,637</u>

24. Long-term provisions

	(Unit: Thousand Baht)
	Consolidated
	<u>financial statements</u>
	<u>Construction cost of car park building and skywalk</u>
Balance as at 1 January 2018	313,251
Increase from revision of provision	600
Decrease from actual payment	(43,508)
Balance as at 30 September 2018	<u>270,343</u>

A subsidiary, BTS Assets Company Limited, recorded provision for its contractual obligations with a bank to construct car park building and skywalk. The subsidiary's management believes that the assumptions are appropriate under the current circumstance.

25. Share capital / Share discount

On 4 January 2018, the Extraordinary General Meeting of Shareholders of the Company passed resolutions approving the following matters:

- a) The reduction of the Company's registered capital by Baht 19,369,684,182 from the existing registered capital of Baht 861,413,132,646 to Baht 842,043,448,464, by cancelling 19,369,684,182 authorised but unissued shares with a par value of Baht 1 per share.
- b) The increase of the Company's registered capital by Baht 840,695,604,357, from the existing registered capital of Baht 842,043,448,464 to Baht 1,682,739,052,821, by issuing 280,231,868,119 new ordinary shares with a par value of Baht 1 per share and 560,463,736,238 new preference shares with a par value of Baht 1 per share.
- c) The issuance and offering 26,384,191,176 new preference shares of the Company, with a par value of Baht 1 per share, to Bangkok Bank Public Company Limited, via a private placement, at an offering price of Baht 0.034 per share.
- d) The issuance and offering 63,882,352,942 new preference shares of the Company, with a par value of Baht 1 per share, to UE, via a private placement, at an offering price of Baht 0.034 per share, as discussed in Note 9.1.1 to the interim financial statements.
- e) The issuance and offering 470,197,192,120 new preference shares of the Company, with a par value of Baht 1 per share, to the existing shareholders in proportion to their shareholdings, at a ratio of 4 newly issued preference shares for every 5 existing ordinary shares and/or existing preference shares with any fraction of shares to be discarded, at an offering price of Baht 0.031 per share. Subsequently, warrants to purchase 283,790,972,022 new preference shares were exercised.
- f) The issuance and offering 45,133,272,059 new ordinary shares of the Company, with a par value of Baht 1 per share, to accommodate the exercise of the rights to purchase the Company's ordinary shares under the Warrants U-W3.
- g) The issuance and offering 235,098,596,060 new ordinary shares of the Company, with a par value of Baht 1 per share, to accommodate the exercise of the rights to purchase the Company's ordinary shares under the Warrants U-W4.

During the period, warrants to purchase the ordinary shares of the Company No.1 amounting to Baht 9,397,000 (9,397,000 ordinary shares with a value of Baht 1 each) were exercised.

As a result, the Company's issued and paid up share capital increased from Baht 561,362,298,976 (561,362,298,976 ordinary shares with a par value of Baht 1 each) to Baht 935,429,212,116 (374,057,516,140 preference shares with a par value of Baht 1 each and 561,371,695,976 ordinary shares with a par value of Baht 1 each). Moreover, the share discount on preference shares and share discount on ordinary shares have increased to Baht 362,190,933,507 and Baht 533,410,211,765, respectively.

The Company already registered the increase in capital with the Ministry of Commerce.

26. Preference shares

The rights of the newly issued preference shares, as discussed in Note 25 to the interim financial statements are as follows:

1. Between 1 January 2018 and 31 December 2022, the preference shares' rights are as follows:
 - a) In the event that the Company pays dividends in a calendar year, the holders of the preference shares are entitled to receive dividends in the preference to the holders of the ordinary shares, at a rate of Baht 0.0022 per preference share per calendar year. For each payment of dividends, in the event that the total dividend to be received by any shareholder includes a fraction of less than 1 satang, the amount less than 1 satang is to be discarded.
 - b) If the Company pays no dividends or pays a dividend at rate lower than that specified in a) during any calendar year between 1 January 2018 and 31 December 2022, the preference shares are entitled to cumulative dividends at the following rates:
 - 1) At the rate of Baht 0.0022 per preference share per calendar year in the event that the Company pays no dividends in such calendar year or
 - 2) At a rate equal to the difference between the actual dividend received per preference share in that calendar year and the rate specified in a) if the dividend paid to the holders of the preference shares is lower than the rate specified in a).

In this regard, the preference shares' rights to cumulative dividends during the calendar years between 1 January 2018 and 31 December 2022 as specified in b) shall remain in full force until the cumulative dividends are paid to all holders of the preference shares in full even though such payments is made after 31 December 2022.

- c) If during any calendar year the Company pays dividends at a greater than the rate specified in a) and the cumulative dividend specified in b) (if any), the holders of the preference shares and the ordinary shares shall be equally to entitled such excess dividends at the same rate per share.

- d) When making any payment of dividends, the Company shall pay the cumulative dividends specified in b) to the holders of the preference shares in full first and then pay the dividends as specified in a) to the holders of the preference shares.

When the Company has fully paid the dividends as specified in a), it can then pay dividends to the holders of the ordinary shares as specified in c).

- e) The voting rights attached to the preference shares shall be equal to the voting rights attached to the ordinary shares in all respects.
2. After 31 December 2022, the rights attached to the preference shares shall be as follows:
 - a) The preference shares' right to receive dividends shall be the same as that of the ordinary shares unless the Company has not yet paid the cumulative dividends as specified in 1 b), then the preference shares shall be entitled to receive the cumulative dividends as specified in 1 b).
 - b) If the Company has not paid the cumulative dividends specified in 1 b) in full, the voting right attached to the preference shares shall be one share per one vote.
 - c) After the Company has paid the cumulative dividends specified in 1 b) in full, the voting rights attached to the preference shares shall be ten shares per one vote, with any fractions to be discarded.
 - d) After 31 December 2027, even if the Company has not yet paid the cumulative dividends specified in 1 b) in full, the voting rights attached to the preference shares shall be ten shares per one vote with any fractions to be discarded.
 3. If there is any change in the par value due to a share split or a reverse share split, the preference shares' rights shall be adjusted according to the applicable share split rate or reverse share split rate (as the case may be).
 4. After 31 December 2022, the holders of the preference shares shall be entitled to convert the preference shares into ordinary shares at a conversion ratio of 1 preference share to 1 ordinary share. To do this, the holders of the preference shares must submit to the Company notice of conversion in accordance with the form specified by the Company together with a share certificate within 7 business days before the last day of March, June, September, and December of each year.
 5. In the event that a preference share is converted to an ordinary share, the rights of the preference shares that have been converted to receive the cumulative dividends specified in 1 b) shall be automatically cancelled.

27. Warrants

The warrants are detailed as follows:

	U-W1	U-W2	U-W3	U-W4
	Units	Units	Units	Units
Outstanding as at 1 January 2018	180,637,710,882	100,043,438,606	-	-
Issued during the period	-	-	45,133,272,059	141,895,485,954
Exercised during the period	(9,397,000)	-	-	-
Outstanding as at 30 September 2018	<u>180,628,313,882</u>	<u>100,043,438,606</u>	<u>45,133,272,059</u>	<u>141,895,485,954</u>
Exercise price per share	Baht 0.060	Baht 0.047	Baht 0.050	Baht 0.060
Exercise ratio per warrant	1:1 share	1:1 share	1:1 share	1:1 share
Maturity date	6 November 2019	6 November 2019	15 November 2023	15 November 2023

Warrants to purchase the ordinary shares of the Company No.3 (“the Warrants U-W3”)

On 4 January 2018, the Extraordinary General Meeting of Shareholders of the Company passed resolutions to approve the issuance and allocation of the Warrants U-W3 to BTS Group Holdings Public Company Limited and Bangkok Bank Public Company Limited, who subscribed to and were allocated the new preference shares at no cost, at a ratio of 1 warrant for every 2 new preference shares.

Warrants to purchase the ordinary shares of the Company No.4 (“the Warrants U-W4”)

On 4 January 2018, the Extraordinary General Meeting of Shareholders of the Company passed resolutions to approve the issuance and allocation of the Warrants U-W4 to the existing shareholders who subscribed to and were allocated the new preference shares at no cost, at a ratio 1 warrant for every 2 new preference shares.

The approval of the change in the par value of the Company’s shares from Baht 1 to Baht 100 by the Extraordinary General Meeting of Shareholders of the Company on 12 October 2018 through a reverse stock split, which is an event after the reporting period as discussed in Note 34 c) to the interim financial statements, resulted in changes in the exercise price per share and the exercise ratio per warrant of the Company’s warrants. The changes, which are effective from 5 November 2018, are summarised below.

	U-W1	U-W2	U-W3	U-W4
Exercise price per share	Baht 6.00	Baht 4.70	Baht 5.00	Baht 6.00
Exercise ratio per warrant	1:0.01 share	1:0.01 share	1:0.01 share	1:0.01 share

28. Income tax

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

Income tax for the three-month and nine-month periods ended 30 September 2018 and 2017 are made up as follows:

(Unit: Thousand Baht)

	For the three-month period ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	(Restated)			
Current income tax:				
Current income tax charge	72,551	38,666	-	-
Deferred tax:				
Relating to origination of temporary differences	(2,378)	(7,099)	-	-
Income tax reported in the statement of comprehensive income	70,173	31,567	-	-

(Unit: Thousand Baht)

	For the nine-month period ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	(Restated)			
Current income tax:				
Current income tax charge	103,446	78,378	-	-
Deferred tax:				
Relating to origination of temporary differences	(30,241)	(13,379)	-	-
Income tax reported in the statement of comprehensive income	73,205	64,999	-	-

(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month and nine-month periods ended 30 September 2018 and 2017 are as follows:

(Unit: Thousand Baht)

	For the three-month period ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Deferred tax on gain from the change in value of available-for-sale investments	(921)	(65)	(850)	(2)
	<u>(921)</u>	<u>(65)</u>	<u>(850)</u>	<u>(2)</u>

(Unit: Thousand Baht)

	For the nine-month period ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Deferred tax on gain from the change in value of available-for-sale investments	(2,106)	(127)	(1,907)	(75)
	<u>(2,106)</u>	<u>(127)</u>	<u>(1,907)</u>	<u>(75)</u>

29. Earnings per share

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

Diluted earnings per share is calculated by dividing profit (loss) for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period or on the date of the potential ordinary shares were issued.

(Unaudited but reviewed)

Details of calculation of earnings per share for the three-month and nine-month periods ended 30 September 2018 and 2017 are as below.

	Consolidated financial statements					
	For the three-month period ended 30 September					
	Loss		Weighted average number of ordinary shares		Loss per share	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
	(Restated)				(Restated)	
Earnings per share						
Basic earnings per share						
Loss attributable to equity holders of the Company	(388,236)	(880,696)	561,371,696	561,362,299		
Less: Cumulative dividend payment preference shares	(207,423)	-	-	-		
Loss used in calculations of basic earnings per share	<u>(595,659)</u>	<u>(880,696)</u>	<u>561,371,696</u>	<u>561,362,299</u>	<u>(0.001061)</u>	<u>(0.001569)</u>
Earnings per share from continued operation						
Earnings per share						
Loss attributable to equity holders of the Company	(388,236)	(870,150)	561,371,696	561,362,299		
Less: Cumulative dividend payment preference shares	(207,423)	-	-	-		
Loss used in calculations of basic earnings per share	<u>(595,659)</u>	<u>(870,150)</u>	<u>561,371,696</u>	<u>561,362,299</u>	<u>(0.001061)</u>	<u>(0.001550)</u>
Separate financial statements						
For the three-month period ended 30 September						
Loss		Weighted average number of ordinary shares		Loss per share		
<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Earnings per share						
Basic earnings per share						
Loss attributable to equity holders of the Company	(385,512)	(1,013,341)	561,371,696	561,362,299		
Less: Cumulative dividend payment preference shares	(207,423)	-	-	-		
Loss used in calculations of basic earnings per share	<u>(592,935)</u>	<u>(1,013,341)</u>	<u>561,371,696</u>	<u>561,362,299</u>	<u>(0.001056)</u>	<u>(0.001805)</u>
Earnings per share from continued operation						
Earnings per share						
Loss attributable to equity holders of the Company	(385,512)	(1,041,560)	561,371,696	561,362,299		
Less: Cumulative dividend payment preference shares	(207,423)	-	-	-		
Loss used in calculations of basic earnings per share	<u>(592,935)</u>	<u>(1,041,560)</u>	<u>561,371,696</u>	<u>561,362,299</u>	<u>(0.001056)</u>	<u>(0.001855)</u>

(Unaudited but reviewed)

Consolidated financial statements					
For the nine-month period ended 30 September					
Loss		Weighted average number of ordinary shares		Loss per share	
<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
	(Restated)				(Restated)
Earnings per share					
Basic earnings per share					
Loss attributable to equity holders of the Company	(722,337)	(1,016,653)	561,371,696	561,362,299	
Less: Cumulative dividend payment preference shares	(615,504)	-	-	-	
Loss used in calculations of basic earnings per share	<u>(1,337,841)</u>	<u>(1,016,653)</u>	<u>561,371,696</u>	<u>561,362,299</u>	<u>(0.002383)</u> <u>(0.001811)</u>
Earnings per share from continued operation					
Earnings per share					
Loss attributable to equity holders of the Company	(722,337)	(999,299)	561,371,696	561,362,299	
Less: Cumulative dividend payment preference shares	(615,504)	-	-	-	
Loss used in calculations of basic earnings per share	<u>(1,337,841)</u>	<u>(999,299)</u>	<u>561,371,696</u>	<u>561,362,299</u>	<u>(0.002383)</u> <u>(0.001780)</u>
Separate financial statements					
For the nine-month period ended 30 September					
Loss		Weighted average number of ordinary shares		Loss per share	
<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Earnings per share					
Basic earnings per share					
Loss attributable to equity holders of the Company	(411,668)	(1,614,966)	561,371,696	561,362,299	
Less: Cumulative dividend payment preference shares	(615,504)	-	-	-	
Loss used in calculations of basic earnings per share	<u>(1,027,172)</u>	<u>(1,614,966)</u>	<u>561,371,696</u>	<u>561,362,299</u>	<u>(0.001830)</u> <u>(0.002877)</u>
Earnings per share from continued operation					
Earnings per share					
Loss attributable to equity holders of the Company	(411,668)	(1,643,185)	561,371,696	561,362,299	
Less: Cumulative dividend payment preference shares	(615,504)	-	-	-	
Loss used in calculations of basic earnings per share	<u>(1,027,172)</u>	<u>(1,643,185)</u>	<u>561,371,696</u>	<u>561,362,299</u>	<u>(0.001830)</u> <u>(0.002927)</u>

(Unaudited but reviewed)

An exercise price of the Warrants U-W1, the Warrants U-W2, the Warrant U-W3 and the Warrants U-W4 were higher than the average market price of the Company's shares for the three-month and nine-month periods ended 30 September 2018 and 2017. Therefore, the Company has not assumed conversion of these warrants in the calculation of diluted earnings per share.

No calculation of diluted earnings per share for the three-month and nine-month periods ended 30 September 2018 was required for preference shares since the effect of diluted earnings per share is antidilutive (30 September 2017: No dilutive potential ordinary shares).

30. Foreign currency assets and liabilities

As at 30 September 2018 and 31 December 2017, the Group had foreign currency assets and liabilities as follows:

Consolidated financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Audited)		(Audited)		(Audited)
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	-	-	90	88	32.4066	32.6809
Euro	4,981	11,872	223,288	278,625	37.7206	39.0273
SG dollar	-	-	97	98	23.7017	24.4503
Czech Koruna	102,999	47,673	-	-	1.4686	1.5260
Polish Zloty	14,234	16,994	-	-	8.8342	9.3436
Romania Leu	1,683	199	-	-	8.0864	8.4055
Russia Ruble	1,534	6	-	-	0.4940	0.5678
Hong Kong dollar	-	-	86	-	4.1459	4.1803

Separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Audited)		(Audited)		(Audited)
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US Dollar	-	-	2	-	32.4066	32.6809
Euro	153,320	152,994	115,616	173,601	37.7206	39.0273
Pound Sterling	3,428	3,308	-	-	42.8411	43.9865

(Unaudited but reviewed)

31. Fair value hierarchy

As at 30 September 2018, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investments in available-for-sale securities	155,884	1,229,620	-	1,385,504
Assets for which fair value are disclosed				
Investment properties				
Land	-	-	7,154,537	7,154,537
Office building (leasehold right included)	-	-	3,919,620	3,919,620

(Unit: Thousand Baht)

	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investments in available-for-sale securities	155,884	1,117,041	-	1,272,925
Assets for which fair value are disclosed				
Investment properties				
Land	-	-	245,668	245,668

32. Segment information

The Group is organised into business units based on its products and services. The following table presents revenue and profit information regarding the Group's operating segments for the three-month and nine-month periods ended 30 September 2018 and 2017.

(Unit: Million Baht)

	For the three-month period ended 30 September							
	Hotel business		Rental and management business		Elimination		Consolidated financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
								(Restated)
Revenues from external customers	1,600	1,419	100	41	-	-	1,700	1,460
Inter-segment revenues	-	-	66	-	(66)	-	-	-
Total revenues	<u>1,600</u>	<u>1,419</u>	<u>166</u>	<u>41</u>	<u>(66)</u>	<u>-</u>	<u>1,700</u>	<u>1,460</u>
Segment profit	1,030	889	48	35	-	-	1,078	924
Unallocated revenues and expenses:								
Interest income							74	41
Gain on sales of assets							9	-
Gain on sales of investments							-	1
Other income							-	70
Selling and servicing expenses							(117)	(83)
Administrative expenses							(708)	(557)
Depreciation and amortisation							(175)	(163)
Loss on impairment of assets							(355)	(817)
Share of profit from investments in associates							-	1
Share of profit from investments in joint ventures							9	-
Finance cost							(133)	(255)
Income tax							(70)	(31)
Loss from discontinued operation							-	(11)
Loss for the period/ loss attributable to equity holders of the Company							<u>(388)</u>	<u>(880)</u>

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month period ended 30 September

	Hotel business		Rental and management business		Elimination		Consolidated financial statements	
	2018	2017	2018	2017	2018	2017	2018	2017
								(Restated)
Revenues from external customers	4,419	2,341	259	119	-	-	4,678	2,460
Inter-segment revenues	1	-	87	-	(88)	-	-	-
Total revenues	<u>4,420</u>	<u>2,341</u>	<u>346</u>	<u>119</u>	<u>(88)</u>	<u>-</u>	<u>4,678</u>	<u>2,460</u>
Segment profit	2,778	1,481	149	101	-	-	2,927	1,582
Unallocated revenues and expenses:								
Dividend income							-	6
Interest income							229	57
Gain on sales of assets							42	46
Gain on sales of investments in subsidiaries							-	114
Other income							57	96
Selling and servicing expenses							(349)	(170)
Administrative expenses							(1,894)	(1,115)
Depreciation and amortisation							(500)	(309)
Loss on impairment of assets							(355)	(817)
Share of profit from investments in associates							4	3
Share of loss from investments in joint ventures							(11)	-
Finance cost							(799)	(427)
Income tax							(73)	(65)
Loss from discontinued operation							-	(17)
Loss for the period/loss attributable to equity holders of the Company							<u>(722)</u>	<u>(1,016)</u>

33. Commitments and contingent liabilities

As at 30 September 2018, the Group had commitments and contingent liabilities as follows:

33.1 Capital commitments

The Group had outstanding commitments amounting to Baht 2,063 million and EUR 1 million (31 December 2017: Baht 322 million and EUR 1 million) (the Company only: Baht 6 million and 31 December 2017: Baht 20 million) in respect of agreements of design and consultation projects.

33.2 Lease and service commitments

- a) The Group has entered into operating lease agreements in respect of the lease of property, plant and equipment and several service agreements in respect of operating business. The terms of the agreements are from 1 to 20 years.

Future minimum rentals and service fees payable as at 30 September 2018 and 31 December 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017 (Audited)	30 September 2018	31 December 2017 (Audited)
Payable within:				
Less than 1 year	481	439	29	12
1 to 5 years	1,901	2,027	6	14
Over 5 years	5,871	6,368	-	-

- b) During the nine-month period ended 30 September 2018, the Group had loyalty fees and service fees relating to management of hotels, and golf and sports clubs under hotel management agreements and golf and sports club management agreements amounted to approximately Baht 54 million (2017: Baht 37 million).

Type of agreement	Counter parties	Fee rate
1) Hotel management agreement	Khon Kaen Buri Company Limited and a related party	The rates stipulated in the agreements
2) Hotel management agreement	Pacific Hotel Chiangmai Company Limited and a related party	The rates stipulated in the agreements
3) Hotel management agreement	BTS Assets Company Limited / EGS Assets Company Limited and a related party	The rates stipulated in the agreements
4) Hotel management agreement	Muangthong Assets Company Limited and a related party	The rates stipulated in the agreements
5) Golf and sport club management agreement	Thana City Golf & Sports Club Company Limited and a related part	The rates stipulated in the agreements

- c) A subsidiary (The Joint Venture of U City Public Company Limited, Aman Resorts Services Limited and Silverlink Holdings Limited) has outstanding commitments as follows:

On 10 May 2005, the subsidiary entered into an agreement related to the royal land (state land) at Rong Pasee Roi Chak Sam Land Development Project with the Treasury Department, Ministry of Finance, under which the subsidiary will invest, develop and construct a hotel and other structures on the royal land, and subsequently transfer ownership of the hotel and structures to the Treasury Department. In return, the subsidiary has the right to manage the constructed hotel for 30 years commencing from the date of the execution of the agreement, with the subsidiary to pay the Treasury Department an arrangement fee of Baht 125 million on the date of the execution of the agreement and annual rental fees as follows:

Years	Rental rate per annum (Million Baht)
Years 1 - 11	3
Years 12 - 16	30
Years 17 - 20	40
Years 21 - 30	100

The subsidiary has consistently complied with the agreement in relation to the royal land under the Rong Pasee Roi Chak Sam Land Development Project with the Treasury Department, Ministry of Finance. However, the Treasury Department has not delivered the project site to the subsidiary in accordance with the agreement because the relocation of the Bangruk Fire Department from the project site is not complete (by no fault of the subsidiary). As a result of this problem, the subsidiary has been unable to develop and construct the project as scheduled and various contractual disputes/issues have arisen. In order to obtain a remedy for damages suffered and to provide justice to the subsidiary, the subsidiary notified the Treasury Department of various claims, including a request to consider not counting the “project management period” and “rental period” with effect from 10 May 2005.

On 18 December 2015, the subsidiary filed a lawsuit against the Treasury Department, as first defendant, and the Supervising Committee for the royal land under Rong Pasee Roi Chak Sam Land Development Project, as the second defendant, with the Central Administrative Court; asking the Central Administrative Court to issue a judgment or order which (i) compels both defendants to comply with the Cabinet Resolution dated 26 August 2003, which set out a project construction period of 36 months and a project utilisation period of 30 years after construction was completed and (ii) compels the Treasury Department to exercise its authority under Section 10 of the Act on the Private Participation in the Affairs of the State of 1992, Article 34, paragraph 1 (7) and paragraph 4 of the Ministerial Regulation relating to rules and methods for administration, maintenance, utilisation and benefit arrangement on State Land B.E. 2545, and the Cabinet Resolution dated 8 July 2013, by ordering the Bangkok Metropolitan to return the royal land and expel the Bangruk Fire Station and fire officers from the site of the royal land at Rong Pasee Roi Chak Sam Land Development Project and to demarcate an area for the subsidiary to proceed with project construction as scheduled, within 30 days following the date the Court issued final judgment or within the period specified by the Court.

On 13 July 2017, the Central Administrative Court issued a judgment compelling both defendants to extend the project utilisation period of the land in dispute for another 30 years, from the handover date or the date the Court issued the final judgment, as the case may be. Subsequently, on 15 August 2017, the subsidiary has submitted an appeal to the Supreme Administrative Court. The case is in the process of being considered by the Court.

As at 30 September 2018, assets and liabilities related to such lawsuit recorded in the subsidiary's financial statements consist of leasehold right amounting to Baht 69 million, construction in progress amounting to Baht 90 million and rental payable amounting to Baht 92 million. The management of the subsidiary believes that such assets and liabilities are fairly presented and have determined that the fair value of the assets is higher than the book value.

33.3 Guarantees

- a) The Group had outstanding bank guarantees issued amounting to Baht 132 million and EUR 12 million (31 December 2017: Baht 50 million and EUR 12 million). The Group has pledged some of financial institution deposits as collateral against bank guarantees as discussed in Note 8 to the interim financial statements.
- b) The Company and a subsidiary, Vienna International Hotelmanagement AG (“VIAG”), had guaranteed loan facilities of oversea subsidiaries amounting to EUR 4 million (31 December 2017: EUR 137 million) (the Company only: EUR 4 million, 31 December 2017: EUR 82 million) as discussed in Note 21 to the interim financial statements.
- c) A subsidiary, VIAG, had guaranteed building lease agreement of an oversea subsidiary amounting to EUR 1 million (31 December 2017: EUR 1 million).

33.4 Litigation

On 3 May 2018, a condominium juristic person filed a petition with the Central Administrative Court, requesting to order BTS Sansiri Holding Nineteen Limited, the company developing the Line Sathorn project (“the Joint Venture”), to revoke the Environmental Impact Assessment Report (EIA), and that the Joint Venture engage an independent agency or organisation with expertise in the subject matter, as see fit by the court, to hold a public hearing to receive input from the public and other stakeholders who may be impacted by the project. The Joint Venture is currently preparing a defence statement against the petition for the Court.

The Company and the Joint Venture believe that no significant losses will be incurred as a result of this case.

34. Event after the reporting period

On 12 October 2018, the Extraordinary General Meeting of Shareholders No. 2/2018 of the Company passed the following significant resolutions:

- a) Approved the reduction of the Company’s registered capital by Baht 279,609,330,204, from Baht 1,682,739,052,821 to Baht 1,403,129,722,617, by cancelling 279,609,330,204 authorised but unissued shares with a par value of Baht 1 per share, consisting of (1) 186,406,220,098 preferred shares with a par value of Baht 1 per share which remain from the allocation to the existing shareholders in proportion to their holdings; and (2) 93,203,110,106 ordinary shares with a par value of Baht 1 per share which remain from the allocation to support the exercise of the warrants to purchase ordinary shares of the Company No.4 (U-W4) (“the Warrants U-W4”) in accordance with the resolution passed by the Extraordinary General Meeting of Shareholders No.1/2018 of the Company on 4 January 2018.

- b) Approved the increase of the Company's registered capital by Baht 283, from Baht 1,403,129,722,617 to Baht 1,403,129,722,900, by issuing 223 new ordinary shares and 60 new preferred shares with a par value of Baht 1 per share.
- c) Approved a change in the par of the Company's shares from Baht 1 to Baht 100 through a reserve stock split, resulting in a reduction of 1,389,098,425,671 in the number of shares of the Company, from 1,403,129,722,900 shares with a par value of Baht 1 per share to 14,031,297,229 shares with a par value of Baht 100 per share. The adjustment of the par value of the Company's shares will result in a reduction in the number of shares held by each shareholder based on a ratio of 1 new share to 100 existing shares.
- d) Approved the reduction of the Company's registered capital by Baht 1,358,229,571,767.20, from Baht 1,403,129,722,900 to Baht 44,900,151,132.80, and its paid-up capital by Baht 905,495,477,409.60, from Baht 935,429,212,200 to Baht 29,933,734,790.40, by reducing the par value of the Company's shares from Baht 100 per share to Baht 3.20 per share in order to write off the accumulated deficit and share discount, totalling Baht 905,495,477,409.60.

35. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 14 November 2018.