

1 General information

Noble Development Public Company Limited (“the Company”) is a public limited company incorporated and resident in Thailand. The address of its registered office is 1035 Noble Tower, Ploenchit Road, Lumpini, Pathumwan, Bangkok.

The Company is listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiaries are referred to hereafter as “the Group”.

The principal business operations of the Company and its subsidiaries (“the Group”) are development of real estate for sale, providing construction, sales of goods, rental and service, and construction consulting services in Thailand.

This interim consolidated and separate information was authorised for issue by the Board of Directors on 12 May 2020.

This interim consolidated and separate financial information has been reviewed, not audited.

2 Significant events during the current period

The outbreak of Coronavirus Disease 2019 (“COVID-19 outbreak”) in early 2020 has no significant effects on operating result for the 3-month period ended 31 March 2020. However, the Group is now paying close attention to the development of the COVID-19 situation, evaluating its impact on the operation and strategizing effective solutions.

3 Basis of preparation

The interim consolidated and separated financial information has been prepared in accordance with Thai Accounting Standard (TAS) no. 34, Interim Financial Reporting and other financial reporting requirements issued under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2019.

An English version of these interim financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

4 Accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2019, except for the following:

- 1) the adoption of the new financial reporting standards together with the application of the relevant relief measures as described in Note 5; and
- 2) the following application of the temporary exemption guidance to relieve the impact from COVID-19 (temporary measures to relieve the impact from COVID-19) announced by the Federation of Accounting Professions (TFAC) for the reporting periods ending between 1 January 2020 and 31 December 2020.

Reversal of deferred tax assets

The Group has chosen to exclude information related to COVID-19 which causes uncertainty when considering the sufficiency of future taxable profit for the purpose of assessing the utilisation of deductible temporary differences. Instead, the Group writes down the carrying amount of the deferred tax assets when it’s not probable that the future taxable profit will be available for utilising the deductible temporary differences.

Impairment of assets

The Group has chosen to exclude information related to COVID-19 as an indication of the impairment of assets.

Fair value measurements of investment properties

The Group has chosen not to take into account the information related to COVID-19 in its financial projections for the purpose of fair valuing investment properties. As at 31 March 2020, the fair value of investment properties in the consolidated and separate financial information were Baht 899 million and Baht 216 million, respectively.

4 Accounting policies (Cont'd)

Assessment of provisions and contingent liabilities

The Group has chosen to exclude the COVID-19 situation as a past event that has resulted in a present obligation in assessing the Group's provisions and contingent liabilities

5 Adoption of new financial reporting standards and changes in accounting policies

The Group has adopted financial reporting standards relating to financial instruments (TAS 32, TFRS 7 and TFRS 9) and leases standard (TFRS 16) retrospectively from 1 January 2020, but has not restated comparatives for the 2019 reporting period, as permitted in the standards. The reclassifications and adjustments arising from the new requirements are therefore recognised in the opening statement of financial position on 1 January 2020.

The following tables show the adjustments made to the amounts recognised in each line item in the statement of financial position upon adoption of the financial reporting standards relate to financial instruments (TAS 32 and TFRS 9) and leases standard (TFRS 16):

	Consolidated financial information			As at 1 January 2020 Restated Baht'000
	As at 31 December 2019 Previously reported Baht'000	TAS 32 and TFRS 9 Reclassifications and adjustments Baht'000	TFRS 16 Reclassifications and adjustments Baht'000	
Assets				
Non-current assets				
Equity investments measured at fair value through other comprehensive income	-	28,787	-	28,787
Other long-term investments (net)	21,917	(21,917)	-	-
Right of use assets (net)	-	-	601,422	601,422
Total assets	21,917	6,870	601,422	630,209
Liabilities and equity				
Current liabilities				
Current portion of lease liabilities (net)	-	-	31,066	31,066
Non-current liabilities				
Lease liabilities (net)	-	-	570,356	570,356
Deferred tax liabilities (net)	138,760	1,374	-	140,134
Total liabilities	138,760	1,374	601,422	741,556
Equity				
Other components of equity (net)	(24,936)	5,496	-	(19,440)
Total equity	(24,936)	5,496	-	(19,440)

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5 Adoption of new financial reporting standards and changes in accounting policies (Cont'd)

The following tables show the adjustments made to the amounts recognised in each line item in the statement of financial position upon adoption of the financial reporting standards relate to financial instruments (TAS 32 and TFRS 9) and leases standard (TFRS 16): (Cont'd)

	Separate financial information			
	As at 31 December 2019 Previously reported Baht'000	TAS 32 and TFRS 9	TFRS 16	As at 1 January 2020 Restated Baht'000
		Reclassifications and adjustments Baht'000	Reclassifications and adjustments Baht'000	
Assets				
Non-current assets				
Equity investments measured at fair value through other comprehensive income	-	375	-	375
Other long-term investments (net)	375	(375)	-	-
Right of use assets (net)	-	-	601,422	601,422
Total assets	375	-	601,422	601,797
Liabilities and equity				
Current liabilities				
Current portion of lease liabilities (net)	-	-	31,066	31,066
Non-current liabilities				
Lease liabilities (net)	-	-	570,356	570,356
Total liabilities	-	-	601,422	601,422

Financial reporting standards relating to financial instruments (TAS 32 and TFRS 9)

The Group has adopted the new financial reporting standards relating to financial instruments from 1 January 2020 by applying the modified retrospective approach.

The adoption of the new financial reporting standards on financial instruments mainly affects the Group's accounting treatment as follows;

Classification and measurement of investments in equity instruments (previously called general investments)

All equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss, or ii) at fair value through other comprehensive income without subsequent recycling to profit or loss.

Currently, the Group has equity instruments measured at cost of Baht 22 million. These instruments will be remeasured to fair value through other comprehensive income and adjusted cumulative impact to other components of equity of Baht 7 million as of 1 January 2020.

Impairment

The new requirements on the impairment losses will lead to expected credit losses having to be considered and recognised at the initial recognition and subsequent period. As of 1 January 2020, the Group have applied the simplified approach for accounts receivable and receivable from sales of land and applied the general approach for short-term loans to related parties. The Group's management assessed and considered that the above revised requirements do not have a significant impact on the Group.

5 Adoption of new financial reporting standards and changes in accounting policies (Cont'd)

TFRS 16, Leases

On 1 January 2020, the Group applies TFRS 16, Leases and adjust cumulative impact to opening retained earnings (modified retrospective approach). From the preliminary impact assessment, the management considered that the Group is affected by significant lease liabilities on rental of land and building, previously classified as operating leases under TAS 17, Leases. The following items are recognised on the date adoption of TFRS 16.

- Liabilities under lease agreements in consolidated and separate financial information in the amount of Baht 601 million, respectively, are recognised in accordance with the obligations and discounting to present values with incremental borrowing rates of the lessees as of 1 January 2020. The incremental borrowing rates used in calculation of liabilities under lease agreements of consolidated and separate financial information are 5.25% per annum.
- Right-of-use assets in consolidated and separate financial information in the amount of Baht 601 million, respectively, are recognised equal to the present value of liabilities under the lease agreements as of 1 January 2020.

The Group uses the following practical expedients when applying this standard retrospectively in accordance with TFRS 16 to leases previously classified as operating leases applying IAS 17.

- not to apply leases for which the lease term ends within 12 months of the date of initial application
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment)

The following tables show differences between operating lease commitments disclosed applying IAS 17 as at 31 December 2019 and lease liabilities recognised in the statement of financial position as at 1 January 2020.

	Consolidated and separate financial information Baht'000
Operating lease commitments disclosed as at 31 December 2019	855,686
<u>Less</u> Deferred interest expenses	<u>(254,264)</u>
Additional lease liabilities from TFRS 16 adoption	601,422
Finance lease liabilities (net) as at 31 December 2019	-
Lease liabilities (net) recognised as at 1 January 2020	<u>601,422</u>
Of which are:	
Current portion of lease liabilities (net)	31,066
Long-term lease liabilities (net)	570,356
	<u>601,422</u>

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 31 December 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets relate to the following types of assets:

	Consolidated and separate financial information Baht'000
Building	<u>601,422</u>

5 Adoption of new financial reporting standards and changes in accounting policies (Cont'd)

Changes in accounting policies from adoption of the financial reporting standards related to financial instruments and leases

Investments and other financial assets

Classification and measurements

From 1 January 2020, the Group classifies its financial assets as follows:

- those to be measured subsequently at fair value either through profit or loss (FVPL) or through other comprehensive income (FVOCI)
- those to be measured at amortised cost

The Group initially recognises a financial asset on trade date at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset, except financial assets that are measured at FVPL whose transaction costs are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Equity instruments

All equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss, or ii) at fair value through other comprehensive income without subsequent recycling to profit or loss. The classification of equity instruments is considered on investment-by-investment basis. Dividends from such investment continue to be recognised in profit or loss as other income.

The Group has chosen to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ending between 1 January 2020 and 31 December 2020 when measuring unquoted equity investments. The unquoted equity investments at the end of the reporting period was presented at the same amount as their fair values on 1 January 2020. As a result, the equity investments measured at FVOCI as at 31 March 2020 of Baht 28 million was measured at their fair value as of 1 January 2020.

Impairment

From 1 January 2020, the Group assesses expected credit loss on a forward-looking basis for its financial assets carried at FVOCI and at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk, except for accounts receivable and receivable from sales of land which the Group applies the simplified approach in determining its expected credit loss.

For the reporting periods ending between 1 January 2020 and 31 December 2020, the Group has chosen to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC by excluding forward-looking information in assessing the expected credit loss under the simplified approach of accounts receivable and receivable from sales of land. The Group's management assessed and considered that the above revised standards do not have a significant impact on the Group.

Leases

Where the Group is the lessee, leases are recognised as a right-of-use asset and a corresponding liability at the commencement date. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is measured at cost, which is initially measured at the present value of the lease payments. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The lease liability is initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in the lease, if that can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

Payments associated with short-term leases and leases of low-value assets are recognised as an expense in the profit or loss on a straight-line basis over the lease period.

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6 Estimates

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2019.

7 Segment information

Financial information by business segment

Consolidated financial information (Baht'000)					
(Unaudited)					
For the three-month period ended 31 March 2020					
	Condominium	House and land	Rental and service business	Others	Total
Revenue	2,059,116	24,053	38,279	-	2,121,448
Segment results	850,687	3,785	4,384	-	858,856
Other income - allocated	27,722	79	6,442	-	34,243
- unallocated					12,350
Selling and servicing expenses - allocated	(186,778)	(2,339)	-	-	(189,117)
- unallocated					(7,191)
Administrative expenses - allocated	(47,916)	(7,268)	(1,992)	(61)	(57,237)
- unallocated					(76,556)
Other gain (loss) - allocated	(104)	-	-	-	(104)
- unallocated					-
Finance costs - allocated	(12,461)	(8,363)	(6)	-	(20,830)
- unallocated					(34,903)
Operating profit (loss)	631,150	(14,106)	8,828	(61)	519,511
Share of loss from joint ventures					(4,115)
Profit before income tax					515,396
Income tax (Note 20)					(104,413)
Net profit for the period					410,983
Net profit attributable to non-controlling interests					(43)
Net profit attribute to owners of the parent					410,940
Timing of revenue recognition					
At a point in time	2,059,116	24,053	-	-	2,083,169
Over time	-	-	38,279	-	38,279
Total revenue	2,059,116	24,053	38,279	-	2,121,448
Consolidated financial information (Baht'000)					
(Unaudited)					
As at 31 March 2020					
	Condominium	House and land	Rental and service business	Others	Total
Segment assets	17,102,180	873,736	774,991	31,638	18,782,545
Unallocated assets					3,205,020
Total consolidated assets					21,987,565
Segment liabilities	9,149,471	228,031	13,630	10,294	9,401,426
Unallocated liabilities					6,690,179
Total consolidated liabilities					16,091,605

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8 Fair value estimation

The different fair value levels are as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as market prices) or indirectly (that is, derived from market prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents equity investments that are measured at fair value, excluding where its fair value is approximating the carrying amount.

	Consolidated financial information (Baht'000)							
	Level 1		Level 2		Level 3		Total	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Assets								
Equity investments measured at fair value through other comprehensive income	-	-	-	-	28,787	-	28,787	-
Total assets	-	-	-	-	28,787	-	28,787	-

	Separate financial information (Baht'000)							
	Level 1		Level 2		Level 3		Total	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Assets								
Equity investments measured at fair value through other comprehensive income	-	-	-	-	375	-	375	-
Total assets	-	-	-	-	375	-	375	-

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Description	Fair value		Unobservable inputs	Valuation technique	Range of inputs		Relationship of unobservable inputs to fair value
	31 March 2020	31 December 2019			31 March 2020	31 December 2019	
	Baht'000	Baht'000			%	%	
Equity investments measured at fair value through other comprehensive income	28,787	-	Risk-adjusted discount rate	Discounted cash flow	3.47-10.21	-	1% increase in risk-adjusted discount rate would result in a decrease in fair value by Baht 0.8 million. 1% decrease in risk-adjusted discount rate would result in an increase in fair value by Baht 0.8 million.

8 Fair value estimation (Cont'd)

The Group's valuation processes

The Group's valuation processes were valued by the Group's valuation team in finance department. This team reports directly to the chief financial officer (CFO). Discussions of valuation processes and results are held between the CFO and the valuation team at least once every quarter, in line with the Group's quarterly reporting dates. The Group will analyse the changes in fair value hierarchy level 3 every period end. As part of this discussion, the team presents a report that explains the reasons for the fair value movements.

There were no changes to the valuation techniques during the period.

Unobservable input of fair value hierarchy level 3 are based on discounted cash flows using an risk-adjusted discount rate based on the weighted average cost of capital of the counterparty's region in the same industry that, are in opinion of the Group, in a comparable financial position with the counterparty in the contract.

The fair value of long-term borrowings is presented in Note 17.3.

9 Temporary investments at financial institutions

As at 31 March 2020, fixed deposits accounts in the consolidated and separate financial information of Baht 34.08 million and Baht 31.30 million (31 December 2019 : fixed deposits accounts in the consolidated and separate financial statements of Baht 35.14 million and Baht 32.37 million), respectively, are pledged with banks for letters of guarantee issued by the banks to guarantee the electricity usage and guarantee the public utilities maintenance (Note 21).

10 Trade and other accounts receivable (net)

Trade and other receivables (net) as at 31 March 2020 and 31 December 2019 comprise the following:

	Consolidated financial information		Separate financial information	
	(Unaudited) 31 March 2020 Baht'000	(Audited) 31 December 2019 Baht'000	(Unaudited) 31 March 2020 Baht'000	(Audited) 31 December 2019 Baht'000
Short-term trade accounts receivable				
- rental and service business	690	917	538	652
Advances to contractor	313,271	284,157	164,012	92,137
Accrued construction fee				
- related companies (Note 11 b))	806	-	806	-
Accrued management fee income				
- related companies (Note 11 b))	6,120	-	8,394	2,274
Accrued rental and service income				
- other company	2,382	4,326	299	299
Interest receivable				
- related company (Note 11 b))	17,006	8,518	17,006	8,518
Advances to employees	3,789	-	2,079	-
Prepaid expense	28,763	11,062	23,771	4,667
Other receivable				
- related companies (Note 11 b))	-	-	51,056	49,405
- other companies	13,126	7,740	11,628	6,866
Total	385,953	316,720	279,589	164,818
Less Loss allowance from accrued management fee income - related companies (Note 11 b))	-	-	(2,274)	(2,274)
Total trade and other accounts receivable (net)	385,953	316,720	277,315	162,544

11 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Company, including holding companies, subsidiaries and follow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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

The relationships between the Company and related companies are as follows:

Related company name	Relationship with the Company
Ban Suk Sabai Company Limited	a subsidiary company
Continental City Company Limited	a subsidiary company
S&P Property Management Company Limited	a subsidiary company
Noble SG Pte. Ltd.	a subsidiary company
Noble Singapore Hold Pte. Ltd.	a subsidiary company
Noble Furano Godo Kaisha (GK)	a subsidiary company of Noble Singapore Hold Pte. Ltd.
HKL Noble Holding Company Limited	a joint venture
HKL Noble (Wireless) Company Limited	a joint venture
Ratchada Alliance Company Limited	a joint venture
Noble Development International Limited	a related company
Serve Property Management Company Limited	a related company

The majority of the Company's shares are widely held by public through the Stock Exchange of Thailand.

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11 Related party transactions (Cont'd)

- a) The following significant transactions incurred during the periods ended 31 March 2020 and 2019 carried out with related parties are as follows:

	Consolidated financial information		Separate financial information	
	(Unaudited) 31 March 2020 Baht'000	(Unaudited) 31 March 2019 Baht'000	(Unaudited) 31 March 2020 Baht'000	(Unaudited) 31 March 2019 Baht'000
Sales of condominium				
Related person	-	15,222	-	15,222
Sales of land				
Ban Suk Sabai Company Limited	-	-	-	2,436
Revenue from rental and services				
Serve Property Management Company Limited	241	-	-	-
Ratchada Alliance Company Limited	6,473	-	6,473	-
	6,714	-	6,473	-
Purchase of goods				
Serve Property Management Company Limited	2,306	-	-	-
Brokerage fee				
Noble Development International Limited	38,034	11,839	10,473	11,839
Serve Property Management Company Limited	101	-	101	-
	38,135	11,839	10,574	11,839
Interest income				
HKL Noble (Wireless) Company Limited	8,487	-	8,487	-
S&P Property Management Company Limited (Note 11 c))	-	-	186	181
	8,487	-	8,673	181
Interest expense (Note 11 d))				
Continental City Company Limited	-	-	-	11,850
Ban Suk Sabai Company Limited	-	-	13,427	13,419
	-	-	13,427	25,269
Management benefit expenses				
- short-term employee benefits	13,215	11,732	13,215	11,732
- post employment benefits	737	366	737	366
	13,952	12,098	13,952	12,098
Directors' remuneration				
- short-term employee benefits	1,342	786	1,342	786

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11 Related party transactions (Cont'd)

- a) The following significant transactions incurred during the periods ended 31 March 2020 and 2019 carried out with related parties are as follows: (Cont'd)

The sales and purchase transactions carried out with related parties and the terms and conditions being made are normal practice.

Interest income was charged to subsidiaries at the rate of 5.46% per annum (2019 : 5.46% per annum).

Interest income was charged to joint venture at the rate of 5.96% per annum.

Interest expense was paid to subsidiary at the rate of 3.00% per annum (2019 : 3.00% - 5.46% per annum).

Management benefit expenses represent benefits which management has received from the Company. The definition of "management" is in accordance with the laws on securities and stock exchange.

Management's post employment benefits represent retirement benefits which is calculated by independent actuary.

Directors' remuneration is approved at the Annual General Meeting of the Company's shareholders.

- b) Outstanding balances as at 31 March 2020 and 31 December 2019 arising from services provided and other expenses comprise the following:

	Consolidated financial information		Separate financial information	
	(Unaudited) 31 March 2020 Baht'000	(Audited) 31 December 2019 Baht'000	(Unaudited) 31 March 2020 Baht'000	(Audited) 31 December 2019 Baht'000
Receivable from sales of land				
HKL Noble (Wireless) Company Limited	1,084,585	1,119,720	1,084,585	1,119,720
Accrued construction fee (Note 10)				
Ratchada Alliance Company Limited	806	-	806	-
Accrued management fee income (Note 10)				
Ratchada Alliance Company Limited	6,120	-	6,120	-
S&P Property Management Company Limited	-	-	2,274	2,274
Less Loss allowance (Note 10)	-	-	(2,274)	(2,274)
Total accrued management fee income (net)	6,120	-	6,120	-
Interest receivable (Note 10)				
HKL Noble (Wireless) Company Limited	17,006	8,518	17,006	8,518
Other accounts receivable (Note 10)				
Continental City Company Limited	-	-	1,538	118
Noble SG Pte. Ltd.	-	-	914	914
Noble Singapore Hold Pte. Ltd.	-	-	48,604	48,373
	-	-	51,056	49,405
Assets recognised from cost of obtaining contracts				
Noble Development International Limited	279,613	277,088	35,748	19,678
Trade accounts payable - others (Note 18)				
Noble Development International Limited	2,915	13,462	-	8,852
Other accounts payable (Note 18)				
Related person	30	30	-	-
Accrued expenses (Note 18)				
Noble Development International Limited	25,076	20,654	15,942	9,457
Serve Property Management Company Limited	101	-	101	-
	25,177	20,654	16,043	9,457

11 Related party transactions (Cont'd)

- b) Outstanding balances as at 31 March 2020 and 31 December 2019 arising from services provided and other expenses comprise the following: (Cont'd)

	Consolidated financial information		Separate financial information	
	(Unaudited) 31 March 2020 Baht'000	(Audited) 31 December 2019 Baht'000	(Unaudited) 31 March 2020 Baht'000	(Audited) 31 December 2019 Baht'000
Accrued directors' remunerations (Note 18) - short-term employee benefits	1,343	1,082	1,343	1,082
Deposits and advances received from customers Related person	681	577	100	577

- c) Short-term loans to and interest receivable from a subsidiary (net)

Short-term loans to and interest receivable from a subsidiary (net) as at 31 March 2020 and 31 December 2019 comprise the following:

	Separate financial information (Unaudited)				
	31 March 2020 (Baht'000)				
Short-term loans to and interest receivable from subsidiary (net)	Interest rate % per annum	Short-term loans	Interest receivable	Less allowance for doubtful accounts	Total (net)
S&P Property Management Company Limited	5.46	13,680	9,090	(22,770)	-
Separate financial information (Audited)					
31 December 2019 (Baht'000)					
Short-term loans to and interest receivable from subsidiary (net)	Interest rate % per annum	Short-term loans	Interest receivable	Less allowance for doubtful accounts	Total (net)
S&P Property Management Company Limited	5.46	13,680	8,904	(22,584)	-

As at 31 March 2020 and 31 December 2019, short-term loans to a subsidiary are unsecured loans denominated in Thai Baht and called on demand.

The movement of short-term loans to and interest receivable from a subsidiary (net) for the three-month period ended 31 March 2020 comprise the following:

	Separate financial information (Unaudited) Baht'000
Net book value as at 1 January 2020	-
Increase in interest receivable (Note 11 a))	186
Increase in allowance for doubtful accounts	(186)
Net book value as at 31 March 2020	-

11 Related party transactions (Cont'd)

d) Short-term loans from and accrued interest expenses to a subsidiary

Short-term loans from and accrued interest expense to a subsidiary as at 31 March 2020 and 31 December 2019 comprise the following:

Short-term loans from and accrued interest expense to subsidiary	Interest rate % per annum	Separate financial information (Unaudited)		
		31 March 2020 (Baht'000)		
		Short-term loans	Accrued interest expense	Total
Ban Suk Sabai Company Limited	3.00	1,779,900	174,236	1,954,136

Short-term loans from and accrued interest expense to subsidiary	Interest rate % per annum	Separate financial information (Audited)		
		31 December 2019 (Baht'000)		
		Short-term loans	Accrued interest expense	Total
Ban Suk Sabai Company Limited	3.00	1,798,000	162,795	1,960,795

As at 31 March 2020 and 31 December 2019, short-term loans from a subsidiary are unsecured loans denominated in Thai Baht are called on demand.

The movement of short-term loans from and accrued interest expense to a subsidiary for the three-month period ended 31 March 2020 comprise the following:

	Separate financial information (Unaudited) Baht'000
Balance as at 1 January 2020	1,960,795
Increase in - accrued interest expense (Note 11 a)	13,427
Repayment in - short-term loans	(18,100)
- accrued interest expense	(1,986)
Balance as at 31 March 2020	1,954,136

e) Short-term loans to joint venture

As at 31 March 2020 short-term loans to joint venture are unsecured loans denominated in Thai Baht with the interest at the rate of 5.96% per annum (31 December 2019: interest at the rate of 5.96% per annum). The maturity date falls no later than 5 years or called on demand from the first drawing date (31 December 2019: the maturity date falls no later than 5 years or called on demand from the first drawing date; however, the Company confirms not to call the aforementioned long-term loans within one-year period starting from 1 January 2020 to 31 December 2020).

The movement of short-term loans to joint venture for the three-month period ended 31 March 2020 comprise the following:

	Consolidated and Separate financial information (Unaudited) Baht'000
Opening net book value	543,400
Increase in short-term loans	35,135
Ending net book value	578,535

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12 Investment in joint venture

Investments in joint venture as at 31 March 2020 and 31 December 2019 comprise the following:

Principal activities	Paid-up capital		Percentage of holding		Consolidated financial information (Equity method)		Separate financial information (Cost method)	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019
	Million Baht	Million Baht	%	%	Baht'000	Baht'000	Baht'000	Baht'000
HKL Noble Holding Company Limited	0.1	0.1	51.0	51.0	-	-	51	51
Ratchada Alliance Company Limited	50.0	50.0	50.0	-	36,918	-	41,033	-
					36,918	-	41,084	51

The Group has joint control over this arrangement as under the contractual agreements, it requires both parties to approve key matters as stipulate in the agreement.

The movements of interests in joint ventures for the three-month period ended 31 March 2020 comprise the following:

	Consolidated financial information (Unaudited) Baht'000	Separate financial information (Unaudited) Baht'000
Opening net book value	-	51
Additions	41,033	41,033
Share of loss from joint venture	(4,115)	-
Ending net book value	36,918	41,084

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12 Investment in joint venture (Cont'd)

At the Board of Directors' meeting of the Company No.20/2019 held on 19 December 2019 it was unanimously resolved to approve the purchase of 250,000 shares of Ratchada Alliance Company Limited (formerly named "BTS Sansiri Holding Eighteen Limited"), equivalent to 50% of the issued and paid-up share capital. On 16 January 2020, the Company paid Baht 41.03 million to its previous shareholder and the Company has received 50% of the total shares.

Details of the cost of investment in Ratchada Alliance Company Limited and the book value of net assets acquired from the Company's investment portion at the acquisition date are as follows:

	16 January 2020
	Baht'000
Cash and cash equivalents	15,427
Other current assets	533,741
Other non-current assets	3,927
Other current liabilities	(518,809)
Carrying value of net assets	34,286
<u>Less</u> Non-controlling interests	(17,143)
Carrying value of net assets	17,143
Payment on acquisition date	41,033
Goodwill	23,890

As at 31 March 2020, the Company was under the process of determining fair value of the net assets acquired and reviewing purchase price allocation ("PPA") of an acquisition of investment in a joint venture, which is expected to be finalised within 12 months from the acquisition date.

13 Equity investments measured at fair value through other comprehensive income / other long-term investments (net)

Equity investments measured at fair value through other comprehensive income / other long-term investments (net) comprise the following:

	Principal activities	Paid-up share capital		Percentage of holding	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		31 March 2020	31 December 2019	31 March 2020	31 December 2019
		Million Baht	Million Baht	%	%
Khonkaenland Development Group Co., Ltd.	Real estate	265.0	265.0	1.9	1.9
Serve Property Management Co., Ltd.	Condominium interior design	2.5	2.5	15.0	15.0
FEEDER ESTATES LLP	Real estate	GBP 15.51 million equivalent to Baht 668.2 million	GBP 15.51 million equivalent to Baht 668.2 million	3.2	3.2

Changes in equity investments measured at fair value through other comprehensive income/ other long-term investments (net) for the three-month period ended 31 March 2020 is as follows:

	Consolidated financial information	Separate financial information
	Equity investments measured at fair value through other comprehensive income Baht'000	Equity investments measured at fair value through other comprehensive income Baht'000
Book value as at 31 December 2019 (other long-term investments presented as cost method)	21,917	375
Changes in fair value (Note 5)	6,870	-
Fair value as at 1 January 2020	28,787	375
Changes in fair value	-	-
Fair value as at 31 March 2020	28,787	375

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14 Investment properties

As at 31 March 2020, building for lease in consolidated and separate financial information with fair value amounting to Baht 171 million and Baht 22 million (31 December 2019: Baht 171 million and Baht 22 million), respectively are under a 3-year operating lease agreement with non-related companies. The non-related companies have an option to renew this operating lease agreement for another 3-year period.

15 Property, plant and equipment (net)

The movements of property, plant and equipment (net) for the three-month period ended 31 March 2020 comprise the following:

	Consolidated financial information (Unaudited) Baht'000	Separate financial information (Unaudited) Baht'000
Opening net book value	121,738	73,516
Additions	40,871	26,093
Disposals (net)	(156)	(156)
Write-off (net)	(94)	(94)
Depreciation charge	(8,302)	(4,785)
Ending net book value	154,057	94,574

16 Deferred taxes (net)

As at 31 March 2020 and 31 December 2019, deferred taxes (net) are calculated on all temporary differences under the liability method using a principal tax rate of 20% in general.

	Consolidated financial information		Separate financial information	
	(Unaudited) 31 March 2020 Baht'000	(Audited) 31 December 2019 Baht'000	(Unaudited) 31 March 2020 Baht'000	(Audited) 31 December 2019 Baht'000
Deferred tax assets	121,847	211,137	97,165	96,720
Deferred tax liabilities	(281,149)	(278,834)	(42,784)	(38,522)
Presentation of deferred tax on statements of financial position:				
Deferred tax asset (liabilities) (net)	(159,302)	(67,697)	54,381	58,198

The movement of deferred tax (net) for the three-month period ended 31 March 2020 comprise the following:

	Consolidated financial information (Unaudited) Baht'000	Separate financial information (Unaudited) Baht'000
Balance as at 1 January 2020 - before adjustment	(67,697)	58,198
Loss from change in fair value recognised in other comprehensive income	(1,374)	-
Balance as at 1 January 2020 - after adjustment	(69,071)	58,198
Increase in income tax in statement of comprehensive income (Note 20)	(90,231)	(3,817)
Ending balance as at 31 March 2020	(159,302)	54,381

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16 Deferred taxes (net) (Cont'd)

Deferred tax assets and deferred tax liabilities presented by considering net position of each taxable unit as at 31 March 2020 and 31 December 2019 comprise the following:

	Consolidated financial information		Separate financial information	
	(Unaudited) 31 March 2020 Baht'000	(Audited) 31 December 2019 Baht'000	(Unaudited) 31 March 2020 Baht'000	(Audited) 31 December 2019 Baht'000
Deferred tax assets (net)	68,002	71,063	54,381	58,198
Deferred tax liabilities (net)	(227,304)	(138,760)	-	-
	(159,302)	(67,697)	54,381	58,198

17 Borrowings from financial institutions and other investors (net)

Borrowings from financial institutions and other investors (net) as at 31 March 2020 and 31 December 2019 comprise the following:

	Consolidated financial information		Separate financial information	
	(Unaudited) 31 March 2020 Baht'000	(Audited) 31 December 2019 Baht'000	(Unaudited) 31 March 2020 Baht'000	(Audited) 31 December 2019 Baht'000
<u>Current</u>				
Current portion of long-term borrowing from financial institution (net)	307,753	520,426	307,753	307,626
Current portion of debentures (net)	4,046,323	2,546,375	4,046,323	2,546,375
	4,354,076	3,066,801	4,354,076	2,854,001
<u>Non-current</u>				
Long-term borrowings from financial institutions (net)	4,243,012	4,242,168	2,051,769	2,051,496
Debentures (net)	1,492,885	2,990,435	1,492,885	2,990,435
	5,735,897	7,232,603	3,544,654	5,041,931
Total borrowings (net)	10,089,973	10,299,404	7,898,730	7,895,932

17.1 The movements of the long-term borrowings from financial institution (net) for the three-month period ended 31 March 2020 comprise the following:

	Consolidated financial information (Unaudited) Baht'000	Separate financial information (Unaudited) Baht'000
Balance as at 1 January 2020	4,762,594	2,359,122
Repayment of borrowing	(213,003)	-
Amortisation of deferred front-end fee	1,174	400
Balance as at 31 March 2020	4,550,765	2,359,522
<u>Less</u> Current portions of long-term borrowings (net)	(307,753)	(307,753)
	4,243,012	2,051,769

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17 Borrowings from financial institutions and other investors (net) (Cont'd)

17.1 The movements of the long-term borrowings from financial institution (net) for the three-month period ended 31 March 2020 comprise the following: (Cont'd)

The long-term borrowings from financial institutions (net) as at 31 March 2020 and 31 December 2019 comprise the following:

	Consolidated financial information		Separate financial information	
	(Unaudited) 31 March 2020 Baht'000	(Audited) 31 December 2019 Baht'000	(Unaudited) 31 March 2020 Baht'000	(Audited) 31 December 2019 Baht'000
Long-term borrowings	4,557,795	4,770,798	2,362,795	2,362,795
<u>Less</u> Deferred front-end fee	(7,030)	(8,204)	(3,273)	(3,673)
Long-term borrowings (net)	4,550,765	4,762,594	2,359,522	2,359,122
<u>Less</u> Current portion of long-term borrowing from financial institution (net)	(307,753)	(520,426)	(307,753)	(307,626)
	4,243,012	4,242,168	2,051,769	2,051,496

Type of loan	Maturity date	Interest rate (% per annum)		Interest payment	Collateral		Extent due date
		(Unaudited) 31 March 2020	(Audited) 31 December 2019		(Unaudited) 31 March 2020	(Audited) 31 December 2019	
Company							
Long-term loan	25 September 2020*	MLR - 1.85	MLR - 1.85	Monthly basis	A	A	No
Long-term loan	23 August 2022*	MLR - 1.50	MLR - 1.50	Monthly basis	A	A	No
Long-term loan	19 March 2023*	MLR - 2.90	MLR - 2.90	Monthly basis	A	A	No
Subsidiary							
Long-term loan	30 December 2022*	MLR - 1.50	MLR - 1.50	Monthly basis	A, C	A, C	Yes
Long-term loan	1 May 2021*	MLR - 1.50	MLR - 1.50	Monthly basis	A, C	A, C	Yes
Long-term loan	25 August 2020**	-	MLR - 1.50	Monthly basis	-	A, B	No
Long-term loan	25 February 2022*	MLR - 1.50	MLR - 1.50	Monthly basis	A	A	No
Long-term loan	28 February 2023*	MLR - 1.50	MLR - 1.50	Monthly basis	A, C	A, C	No

Remarks

A : Pledged its lands of related projects, including real estate development cost.

B : Pledged its titled deeds of condominium of related projects.

C : Credit facilities of a subsidiary is guaranteed by the Company.

* : The Company will maintain the net debt to equity ratio as details specified in each borrowing agreement.

** : The subsidiary fully settled the outstanding loan in 2020.

17.2 Debentures (net) as at 31 March 2020 and 31 December 2019 comprise the following:

The movements of debentures (net) for the three-month period ended 31 March 2020 comprise the following:

	Consolidated and Separate financial information (Unaudited) Baht'000
Net book value as at 1 January 2020	5,536,810
Amortisation of prepaid underwriting fee	2,398
Net book value as at 31 March 2020	5,539,208

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17 Borrowings from financial institutions and other investors (net) (Cont'd)

17.2 Debentures (net) as at 31 March 2020 and 31 December 2019 comprise the following: (Cont'd)

	Consolidated and Separate financial information	
	(Unaudited) 31 March 2020 Baht'000	(Audited) 31 December 2019 Baht'000
Debentures - par value	5,550,000	5,550,000
<u>Less</u> Prepaid underwriting fee for debentures	(10,792)	(13,190)
Debentures (net)	5,539,208	5,536,810
<u>Less</u> Current portion of debentures (net)	(4,046,323)	(2,546,375)
	1,492,885	2,990,435

The Company must comply with terms and conditions governing the rights and obligations of the Issuer and the Debenture holders as stipulated in the Prospectus of the Debentures.

17.3 As at 31 March 2020 and 31 December 2019, fair value of certain long-term borrowings are as follows:

	Fair value			
	Consolidated financial information		Separate financial information	
	(Unaudited) 31 March 2020 Baht'000	(Audited) 31 December 2019 Baht'000	(Unaudited) 31 March 2020 Baht'000	(Audited) 31 December 2019 Baht'000
Long-term borrowings from financial institutions (net)	4,557,795	4,770,798	2,362,795	2,362,795
Debentures (net)	5,590,199	5,586,393	5,590,199	5,586,393
Total fair value of long-term borrowings	10,147,994	10,357,191	7,952,994	7,949,188

As at 31 March 2020 and 31 December 2019, the fair value of long-term borrowings from financial institutions are based on discounted cash flows using a discount rate based on the marketable borrowing rate (Level 2 in fair value hierarchy). There was no change in valuation technique during the period. However, the fair value of long-term borrowings from financial institutions equal their carrying amount as the borrowing rate close to market rate.

As at 31 March 2020 and 31 December 2019, the fair value of debentures refer from market prices at the date of statement of financial position (Level 1 in fair value hierarchy).

17.4 As at 31 March 2020 and 31 December 2019, the undrawn borrowings facilities are as follows:

	Consolidated financial information		Separate financial information	
	(Unaudited) 31 March 2020 Million Baht	(Audited) 31 December 2019 Million Baht	(Unaudited) 31 March 2020 Million Baht	(Audited) 31 December 2019 Million Baht
Unused credit lines				
<u>Floating interest rate</u>				
Long-term borrowings				
- Expiring within 1 year	252	630	252	252
- Expiring beyond 1 year	5,391	5,391	1,610	1,610
Total unused credit lines	5,643	6,021	1,862	1,862

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18 Trade and other accounts payable

Trade and other accounts payable as at 31 March 2020 and 31 December 2019 comprise the following:

	Consolidated financial information		Separate financial information	
	(Unaudited) 31 March 2020 Baht'000	(Audited) 31 December 2019 Baht'000	(Unaudited) 31 March 2020 Baht'000	(Audited) 31 December 2019 Baht'000
Trade accounts payable				
- construction	575,780	478,920	126,474	104,405
- others - other company	16,661	22,422	8,427	6,515
- related company (Note 11 b))	2,915	13,462	-	8,852
Retention payable	317,168	338,133	82,511	113,612
Other accounts payable				
- related person (Note 11 b))	30	30	-	-
- other companies	71,782	52,911	56,072	10,182
Payable for litigation claim	20,000	20,000	20,000	20,000
Accrued expenses				
- related company (Note 11 b))	25,177	20,654	16,043	9,457
- other companies	65,392	126,785	44,546	102,018
Accrued interest expense				
- financial institutions and other investors	23,906	30,242	23,604	28,332
Accrued directors' remunerations (Note 11 b))	1,343	1,082	1,343	1,082
Others	940	912	12	30
Total trade and other accounts payable	1,121,094	1,105,553	379,032	404,485

19 Employee benefit obligations

The movement of employee benefit obligations for the three-month period ended 31 March 2020 comprise the following:

	Consolidated financial information (Unaudited) Baht'000	Separate financial information (Unaudited) Baht'000
	Balance as at 1 January 2020	52,088
Increase during the period		
- current service cost	1,081	1,058
- interest cost	142	140
Balance as at 31 March 2020	53,311	53,077

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20 Income tax

Income tax for the three-month periods ended 31 March 2020 and 2019 comprise the following:

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial information		financial information	
	(Unaudited) 2020 Baht'000	(Unaudited) 2019 Baht'000	(Unaudited) 2020 Baht'000	(Unaudited) 2019 Baht'000
Current income tax:				
Current income tax on taxable profit for the period	14,182	315,832	-	313,158
Deferred tax:				
Origination and reversal of temporary differences (Note 16)	90,231	11,284	3,817	17,003
Total income tax	104,413	327,116	3,817	330,161

21 Commitments and contingent liabilities

As at 31 March 2020 and 31 December 2019, the Group and the Company have commitments and contingent liabilities as follows:

	Consolidated		Separate	
	financial information		financial information	
	(Unaudited) 31 March 2020 Million Baht	(Audited) 31 December 2019 Million Baht	(Unaudited) 31 March 2020 Million Baht	(Audited) 31 December 2019 Million Baht
Capital commitments				
- under purchase of land agreement	209	209	-	-
- under contracts to invest in development projects until completion	2,300	2,039	1,169	447
- purchase of equipment	4	18	3	6
Total capital commitments	2,513	2,266	1,172	453
Operating lease commitments				
- not later than 1 year	-	59	-	59
- later than 1 year but not later than 5 years	-	237	-	237
- later than 5 years	-	560	-	560
Total operating lease commitments	-	856	-	856
Service contract commitments				
- under service contracts	48	21	43	19
- construction management fee	65	50	34	11
Total service contract commitments	113	71	77	30
Contingent liabilities in respect of bank guarantees (Note 9)	35	36	32	33
Equity investments measured at fair value through other comprehensive income / other long-term investments (net)	1	1	1	1

22 Events occurring after the reporting date

At the Annual General Meeting of shareholders of 2020 of the Company held on 29 April 2020, the shareholders approved to pay dividend from the operation result for the period from July to December 2019 and retained earnings at the rate of Baht 2.20 per share which will be paid to shareholders on 28 May 2020.