

**AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

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**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS  
AND SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

## **INDEPENDENT AUDITOR'S REPORT**

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

### **Opinion**

I have audited the consolidated financial statements of Areeya Property Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and I have audited the separate financial statements of Areeya Property Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2020, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Areeya Property Public Company Limited and its subsidiaries as at December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of Areeya Property Public Company Limited as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Emphasis of matter**

I draw attention to Note 3.2 to the financial statements. Due to the impact of COVID-19 pandemic, in preparing the financial statement for the year ended December 31, 2020, the Group has adopted the Accounting Guidance on "Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation" announced by the Federation of Accounting Professions. My opinion is not modified in respect of this matters.

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## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in my audit of the consolidated financial statements and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

### **1. Value of real estate projects under development**

Real estate projects under development of the Group mainly consist of land and projects under development, prefabricated houses, condominium and land held for development which are stated at the lower of cost or net realisable value and the Group has to assess the net realisable value of real estate projects under development as at the end of the reporting period. Such value depends on the estimation of forecast selling price and future cost estimates. The uncertainty of such estimates will affect the assessment of the book value of real estate projects under development, estimation of forecast selling price and the cost estimates depend on many factors, market conditions, competition, cost of construction, borrowing cost, including action plans to complete the project. Such estimates require the use of judgment of the management and depend on many factors and various assumptions. As real estate projects under development have significant balance in the consolidated financial statements referring to Note 10 and accounting policies No. 4.3 and No. 4.4 in the notes to the financial statements. According to the consolidated financial statements as at December 31, 2020, the Group has real estate projects under development in the amount of Baht 6,424.63 million or 48.88% of the total assets. Therefore, I considered this matter to be a significant area of focus in my audit.

### **Risk response**

My audit approach on such matter includes inquiry, understanding and assessing the process of the net realisable value evaluation process of real estate projects under development of the management, testing internal control of cost estimates preparation and actual cost incurred to date and necessary project cost estimate of completion with related documentation, including verifying the calculation, observing real estate projects under development at ending of the year end and considering the reasonableness of significant assumptions of the appraised value from an independent valuer engaged by the Group, assessing net realisable value against the appraised value from an independent valuer by comparing the carrying amount of real estate projects under development, comparing real estate sale transactions before and after the financial statement date and assessing the adequacy of the information disclosure in accordance with Financial Reporting Standards. I have found that the real estate project values under development are stated in accordance with financial reporting standards and disclosed information completely.

## 2. Investment properties

The Group has investment properties in the consolidated financial statements as at December 31, 2020 in the amount of Baht 394.61 million or 3% of the total assets in accordance with Note 14 in the notes to the financial statements and accounting policy No. 4.6 Investment properties are measured at cost on initial recognition and subsequently at fair value. The key item is lease space within the major shopping mall and management is required to apply judgement in the fair value estimation by engaging an independent valuer to assist in valuing the investment properties using the income approach to consider cash flow income and discounted to present value. Such approach requires various assumptions and needs management judgment such as income estimate, expense estimate, revenue growth, interest rate used in discounting cash flow and the estimation of the terminal value. The accuracy of the fair value measurement using such approach depends on the reasonableness of the assumptions used in the calculation. The evaluation of the correctness and appropriateness of assumptions is significant in the audit because it is a future matter which may involve some uncertainty. Therefore, it is a significant area in my audit.

### Risk response

My audit approach on such matter includes inquiry, understanding and assessing the procedures for fair value estimation of investment properties by management, evaluating the competency of an independent valuer by considering related documentation, observing the actual property location, considering fair value estimation under income approach approved by management and assessment by independent valuer engaged by the Group, considering key assumptions, calculation method for the estimation of expected cash flow receipt and paid in the future and forecast of rental income growth and actual operation. Additionally, test is conducted with related lease agreements, operation plan and related documentation as well as assessing the adequacy of the information disclosure in accordance with Thai Financial Reporting Standards. I have found that the fair value used to state the value of investment property from the fair value appraisal by an independent appraiser is reasonable and in accordance with financial reporting standards including the information disclosure completely.

## 3. Revenue from sale of real estate

The Group has revenue from the sale of real estate, prefabricated houses, condominium, land held for development, including the sale of projects that are under construction, for the year 2020, totaling Baht 5,512.15 million, or 96.02% of total revenue. The Company has a large number of real estate development projects for sale and real estate sales agreements, including providing discounts, a variety of sales promotions. Therefore, I pay attention to the actual existence of the revenue, revenue recognition from the sale of real estate and the expenses related to the sales promotion whether they are comply with the financial reporting standards. Therefore, I determine to audit the revenue from the sale of real estate as the significant in auditing. The Group has disclosed the accounting policy for revenue recognition from the sale of real estate in the note to financial statements No. 4.18

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### Risk response

My audit approach on such matter by inquiring the responsible staff and obtaining the understanding in the income and sales promotion systems of various projects of the Group and testing the internal control system by selecting random sampling items to test whether the controls are comply with the specified controls, selecting to check sales agreement, approving of relevant discount or sales promotion, ownership transfer document and receiving payment to verify the actual existence, the accuracy of the revenue recognition in accordance with the terms of the agreement entering with the customers are consistent with accounting policies and checking the sales revenue during the year and near the end of the year, including the comparative analysis of each project to check for the irregularities that occur. It has included the record of income in the journal and other relevant adjustments in order to assess whether the unrealized income has been recorded. I have found that the revenue recognition from the sale of real estate complied with the accounting policy and the financial reporting standards.

### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order for those charged with governance to correct the misstatement.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the consolidated financial statements and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and separate financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner responsible for the audit resulting in this independent auditor's report is Miss Chotima Kitsirakorn.

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

Dharmniti Auditing Company Limited  
Bangkok, Thailand  
March 1, 2021

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

ASSETS

		In Baht				
		Consolidated		Separate		
		Financial Statements		Financial Statements		
		As at December	As at December	As at December	As at December	
Notes		31, 2020	31, 2019	31, 2020	31, 2019	
<b>CURRENT ASSETS</b>						
	Cash and cash equivalents	8	77,449,982	65,927,785	48,656,158	42,486,127
	Current investment		-	85,210	-	85,210
	Trade and other current receivables	9	177,836,085	263,051,958	1,128,255,693	1,107,332,972
	Real estate projects under development	10	6,424,628,746	8,828,544,863	4,370,075,053	6,607,838,925
	Deposits for land	46	148,590,000	277,200,000	148,590,000	277,200,000
	Short-term loans to related parties	7	-	-	1,094,999,818	1,228,245,371
	Current tax assets		7,385,193	27,958,571	-	20,442,686
	Other current financial assets	11	85,502	-	85,502	-
	Other current assets		4,778,132	5,103,660	-	-
	Total current assets		6,840,753,640	9,467,872,047	6,790,662,224	9,283,631,291
<b>NON-CURRENT ASSETS</b>						
	Deposits at banks used as collateral	12	361,432,457	300,018,273	349,876,114	294,008,517
	Investments in subsidiaries	13	-	-	314,998,039	312,998,639
	Land held for development	10	2,899,938,415	3,005,840,114	2,027,691,166	2,104,242,628
	Investment properties	14	394,614,158	419,880,283	355,814,158	375,610,283
	Property, plant and equipment	15	352,805,695	411,897,361	334,717,028	370,194,042
	Right-of-use assets	16	482,167,011	-	475,225,533	-
	Prepaid rental expenses	17	110,681,884	119,227,588	110,681,884	119,227,588
	Leasehold rights	18	1,559,882,275	1,375,504,865	1,559,882,275	1,375,504,865
	Intangible assets	19	10,213,011	13,964,581	8,565,411	11,810,941
	Deferred tax assets	20	44,513,701	71,764,051	29,076,082	30,776,510
	Rental deposit	7	60,000,000	60,000,000	60,000,000	60,000,000
	Other non-current assets	21	27,023,070	33,352,845	10,653,482	25,109,694
	Total non-current assets		6,303,271,677	5,811,449,961	5,637,181,172	5,079,483,707
	<b>TOTAL ASSETS</b>		<b>13,144,025,317</b>	<b>15,279,322,008</b>	<b>12,427,843,396</b>	<b>14,363,114,998</b>

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



AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2020

LIABILITIES AND SHAREHOLDER' EQUITY

		In Baht			
		Consolidated		Separate	
		Financial Statements		Financial Statements	
		As at December	As at December	As at December	As at December
Notes		31, 2020	31, 2019	31, 2020	31, 2019
<b>CURRENT LIABILITIES</b>					
	Bank overdrafts and short-term loans				
	from financial institutions	22.1	427,091,661	270,179,951	427,091,661
	Trade and other current payables	23	734,215,865	931,300,749	880,406,594
	Current portion of long-term loans				
	from financial institutions	22.3	592,029,021	1,058,556,523	335,040,492
	Current portion of long-term loans				
	from other company	22.4	360,937,500	-	360,937,500
	Current portion of debentures	22.7	2,838,655,000	3,185,715,000	2,838,655,000
	Current portion of lease liabilities	22.5	32,031,823	10,049,162	29,298,594
	Short-term loans from related parties	7	-	-	20,121,796
	Construction retentions		191,627,855	172,069,902	157,355,060
	Unearned revenue from construction		39,715,443	-	-
	Unrecognised income on installments due		204,325,828	1,032,550,315	184,154,401
	Income tax payable		5,161,357	-	4,030,881
	Other current liabilities	24	93,102,301	109,914,307	37,858,063
	Total current liabilities		5,518,893,654	6,770,335,909	5,274,950,042
<b>NON-CURRENT LIABILITIES</b>					
	Long-term loans from financial institutions	22.3	587,191,323	1,171,794,074	383,005,323
	Long-term loans from other company	22.4	112,812,500	480,000,000	112,812,500
	Long-term loans from related party	7	-	-	9,700,000
	Debentures	22.7	2,670,039,531	3,128,980,004	2,670,039,531
	Lease liabilities	22.5	477,150,629	12,896,798	472,649,868
	Utilities guarantees		2,006,331	680,215	2,006,331
	Provisions for employee benefit	25	116,139,934	103,946,336	106,187,603
	Long-term lease agreement obligation	26	-	112,923,359	-
	Other non-current provisions		15,000,000	-	15,000,000
	Other non-current liabilities	27	70,878,879	94,597,476	48,332,126
	Total non-current liabilities		4,051,219,127	5,105,818,262	3,819,733,282
	<b>TOTAL LIABILITIES</b>		9,570,112,781	11,876,154,171	9,094,683,324

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

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENT OF FINANCIAL POSITION (CONT.)  
AS AT DECEMBER 31, 2020

LIABILITIES AND SHAREHOLDER' EQUITY (CONT.)

		In Baht			
		Consolidated		Separate	
		Financial Statements		Financial Statements	
		As at December	As at December	As at December	As at December
Notes		31, 2020	31, 2019	31, 2020	31, 2019
	SHAREHOLDERS' EQUITY				
	28				
	Authorised share capital				
	1,200,000,000 ordinary shares of Baht 1 each	1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000
	Issued and paid-up share capital				
	980,000,000 ordinary shares of Baht 1 each	980,000,000	980,000,000	980,000,000	980,000,000
	PREMIUM ON ORDINARY SHARES				
	29	669,209,894	669,209,894	669,209,894	669,209,894
	RETAINED EARNINGS				
	Appropriated				
	Legal reserve				
	31	97,593,600	88,293,600	97,593,600	88,293,600
	Unappropriated				
		1,467,992,360	1,306,547,661	1,227,239,896	1,115,625,862
	Subordinated perpetual debentures				
	30	300,000,000	300,000,000	300,000,000	300,000,000
	Other components of shareholders' equity				
	15	59,116,682	59,116,682	59,116,682	59,116,682
	TOTAL SHAREHOLDERS' EQUITY	3,573,912,536	3,403,167,837	3,333,160,072	3,212,246,038
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	13,144,025,317	15,279,322,008	12,427,843,396	14,363,114,998

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

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2020

		In Baht			
		Consolidated		Separate	
		Financial Statements		Financial Statements	
Notes		2020	2019	2020	2019
<b>INCOME</b>					
	Revenue from sale of real estate	5,512,153,633	2,864,949,423	4,253,722,952	1,883,298,182
	Revenue from construction service	128,585,909	4,558,548	-	-
	Other income	100,120,958	119,084,774	154,295,206	125,490,071
	Total income	<u>5,740,860,500</u>	<u>2,988,592,745</u>	<u>4,408,018,158</u>	<u>2,008,788,253</u>
<b>EXPENSES</b>					
	Cost of sale of real estate	4,183,085,819	2,040,881,641	3,280,415,467	1,323,078,308
	Cost of construction service	118,286,457	8,171,172	-	-
	Distribution costs	358,508,946	375,921,009	271,901,815	272,442,138
	Administrative expenses	446,474,572	542,272,562	354,000,368	389,243,149
	Total expenses	<u>5,106,355,794</u>	<u>2,967,246,384</u>	<u>3,906,317,650</u>	<u>1,984,763,595</u>
	Profit (loss) from operating activities	634,504,706	21,346,361	501,700,508	24,024,658
	Finance income	-	-	74,449,723	81,347,071
	Unrealised losses on fair value of investment properties	25,280,000	31,770,000	19,810,000	36,430,000
	Finance costs	334,391,450	301,576,714	324,404,025	289,461,900
	Profit (loss) before income tax expense	274,833,256	(312,000,353)	231,936,206	(220,520,171)
	Income tax (income) expense	79,968,196	(31,394,908)	45,944,340	(38,383,866)
	<b>PROFIT (LOSS) FOR THE YEAR</b>	<u>194,865,060</u>	<u>(280,605,445)</u>	<u>185,991,866</u>	<u>(182,136,305)</u>
Other comprehensive income (loss) for the year :					
Items that will not be reclassified to profit or loss					
	Gain on land revaluation - net of income tax	-	59,116,682	-	59,116,682
	Actuarial gain (losses) - net of income tax	5,479,807	(6,712,331)	(37,638,121)	(4,323,270)
	Comprehensive income (loss) for the year - net of income tax	<u>5,479,807</u>	<u>52,404,351</u>	<u>(37,638,121)</u>	<u>54,793,412</u>
	<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR</b>	<u><u>200,344,867</u></u>	<u><u>(228,201,094)</u></u>	<u><u>148,353,745</u></u>	<u><u>(127,342,893)</u></u>

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

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2020

		In Baht			
		Consolidated		Separate	
		Financial Statements		Financial Statements	
Notes		2020	2019	2020	2019
	Profit (loss) attributable to				
	Parent company	194,865,060	(280,605,445)	185,991,866	(182,136,305)
	Non-controlling interests	-	-	-	-
		<u>194,865,060</u>	<u>(280,605,445)</u>	<u>185,991,866</u>	<u>(182,136,305)</u>
	Total comprehensive income (loss) attributable to				
	Parent company	200,344,867	(228,201,094)	148,353,745	(127,342,893)
	Non-controlling interests	-	-	-	-
		<u>200,344,867</u>	<u>(228,201,094)</u>	<u>148,353,745</u>	<u>(127,342,893)</u>
	Basic earning (loss) per share				
	Earnings (loss) per share (Baht per share)	0.20	(0.29)	0.19	(0.19)

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

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2020

		In Baht						
		Consolidated Financial Statements						
		Issued and Paid-up Share Capital	Premium on Ordinary Shares	Subordinated perpetual debentures	Retained Earnings		Other Components of shareholders' equity Surplus from asset revaluation-land (net)	Total Shareholders' Equity
					Legal Reserve	Unappropriated		
	Note							
Beginning balance as at January 1, 2019		980,000,000	669,209,894	-	88,293,600	1,594,555,848	-	3,332,059,342
Issuance of subordinated perpetual debentures	30	-	-	300,000,000	-	-	-	300,000,000
Comprehensive income for the year								
Profit (loss) for the year		-	-	-	-	(280,605,445)	-	(280,605,445)
Other comprehensive income (loss) for the year		-	-	-	-	(6,712,331)	59,116,682	52,404,351
Total comprehensive income for the year		-	-	-	-	(287,317,776)	59,116,682	(228,201,094)
Interest payment on subordinated perpetual debentures	30	-	-	-	-	(690,411)	-	(690,411)
Balance as at December 31, 2019		980,000,000	669,209,894	300,000,000	88,293,600	1,306,547,661	59,116,682	3,403,167,837
Effects due to the adoption of new TFRS	6	-	-	-	-	(11,600,168)	-	(11,600,168)
Balance after adjusted		980,000,000	669,209,894	300,000,000	88,293,600	1,294,947,493	59,116,682	3,391,567,669
Comprehensive income for the year								
Profit (loss) for the year		-	-	-	-	194,865,060	-	194,865,060
Other comprehensive income (loss) for the year		-	-	-	-	5,479,807	-	5,479,807
Total comprehensive income for the year		-	-	-	-	200,344,867	-	200,344,867
Transfer to legal reserve		-	-	-	9,300,000	(9,300,000)	-	-
Interest payment on subordinated perpetual debentures	30	-	-	-	-	(18,000,000)	-	(18,000,000)
Balance as at December 31, 2020		980,000,000	669,209,894	300,000,000	97,593,600	1,467,992,360	59,116,682	3,573,912,536

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

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)  
FOR THE YEAR ENDED DECEMBER 31, 2020

		In Baht						
		Separate Financial Statements						
	Note	Issued and Paid-up Share Capital	Premium on Ordinary Shares	Subordinated perpetual debentures	Retained Earnings		Other Components of shareholders' equity Surplus from asset revaluation-land (net)	Total Shareholders' Equity
					Legal Reserve	Unappropriated		
Beginning balance as at January 1, 2019		980,000,000	669,209,894	-	88,293,600	1,302,775,848	-	3,040,279,342
Issuance of subordinated perpetual debentures	30	-	-	300,000,000	-	-	-	300,000,000
Comprehensive income for the year								
Profit (loss) for the year		-	-	-	-	(182,136,305)	-	(182,136,305)
Other comprehensive income (loss) for the year		-	-	-	-	(4,323,270)	59,116,682	54,793,412
Total comprehensive income for the year		-	-	-	-	(186,459,575)	59,116,682	(127,342,893)
Interest payment on subordinated perpetual debentures	30	-	-	-	-	(690,411)	-	(690,411)
Balance as at December 31, 2019		980,000,000	669,209,894	300,000,000	88,293,600	1,115,625,862	59,116,682	3,212,246,038
Effects due to the adoption of new TFRS	6	-	-	-	-	(9,439,711)	-	(9,439,711)
Balance after adjusted		980,000,000	669,209,894	300,000,000	88,293,600	1,106,186,151	59,116,682	3,202,806,327
Comprehensive income for the year								
Profit (loss) for the year		-	-	-	-	185,991,866	-	185,991,866
Other comprehensive income (loss) for the year		-	-	-	-	(37,638,121)	-	(37,638,121)
Total comprehensive income for the year		-	-	-	-	148,353,745	-	148,353,745
Transfer to legal reserve		-	-	-	9,300,000	(9,300,000)	-	-
Interest payment on subordinated perpetual debentures	30	-	-	-	-	(18,000,000)	-	(18,000,000)
Balance as at December 31, 2020		980,000,000	669,209,894	300,000,000	97,593,600	1,227,239,896	59,116,682	3,333,160,072

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

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

	In Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit (loss) for the year	194,865,060	(280,605,445)	185,991,866	(182,136,305)
Adjustment to reconcile profit (loss) to be net cash received (paid)				
Adjusted income tax (income) expenses	79,968,196	(31,394,908)	45,944,340	(38,383,866)
Adjusted finance costs	334,391,450	301,576,714	324,404,025	289,461,900
Adjusted trade and other current receivables (increase) decrease	76,504,000	(59,462,610)	48,396,931	(32,153,233)
Adjusted real estate projects under development (increase) decrease	2,731,268,684	(79,614,558)	2,499,742,805	71,625,235
Adjusted deposits for land (increase) decrease	98,610,000	3,700,000	98,610,000	3,700,000
Adjusted other current assets (increase) decrease	325,528	(1,586,890)	-	-
Adjusted other non-current assets (increase) decrease	3,595,593	19,606,634	9,854,505	17,067,922
Adjusted trade and other current payables increase (decrease)	(166,572,666)	471,309,191	(289,594,637)	351,654,824
Adjusted construction retentions increase (decrease)	19,557,953	19,249,435	15,564,186	12,911,753
Adjusted unearned revenue from construction increase (decrease)	39,715,443	-	-	-
Adjusted unrecognised income on installments due				
increase (decrease)	(807,182,793)	329,319,101	(823,509,317)	328,308,218
Adjusted other current liabilities increase (decrease)	(22,666,691)	33,342,709	8,950,958	(3,302,291)
Adjusted utilities guarantee increase (decrease)	1,326,116	(373,127)	1,326,116	(373,127)
Adjusted other non-current liabilities increase (decrease)	(27,770,791)	(9,702,045)	(18,787,411)	(6,923,164)
Depreciation and amortization	50,254,251	49,364,998	42,135,082	42,947,141
Adjusted expected credit loss (reverse)	(5,829,252)	29,137,765	(5,963,829)	29,121,509
Adjusted bad debt	40,914	2,610	30,904	2,610
Adjusted loss from decline in value of real estate projects				
under development (reverse)	36,261,188	(395,958)	25,860,585	(395,958)
Adjusted on provisions for compensation for housing estate				
juristic persons (reverse)	9,956,194	8,274,972	4,938,479	4,997,977
Adjusted estimated loss from house construction (reverse)	-	1,837,019	-	-
Adjusted provisions for employee benefit obligations (reverse)	10,316,496	38,787,199	12,074,491	17,659,352
Adjusted other non-current provisions (reverse)	15,000,000	-	15,000,000	-
Adjusted unrealised losses (gain) on unit trust	(292)	(1,072)	(292)	(1,072)
Adjusted unrealised losses (gain) on fair value of investment properties	25,280,000	31,770,000	19,810,000	36,430,000
Adjusted loss (gain) on disposal of equipment	(737,804)	(5,347,661)	(737,804)	(1,992,525)
Adjusted loss of written off intangible asset	2	694,986	-	694,986
Adjusted loss from discount on rental expenses	21,824	-	732	-

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

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2020

	In Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
Adjusted on amortisation of premium on debentures	36,210,047	20,572,706	36,210,047	20,572,706
Adjusted gain from written off construction retentions	-	(13,058,773)	-	(9,530,035)
Adjusted loss of terminate the contract deposits for land	30,000,000	-	30,000,000	-
Adjusted loss of written off income tax paid	2,752,914	-	2,752,856	-
Net cash provided by (used in) operating activities	<u>2,765,461,564</u>	<u>877,002,992</u>	<u>2,289,005,618</u>	<u>951,964,557</u>
Interest income	(3,924,430)	(4,929,160)	(78,301,250)	(86,015,850)
Income tax received	28,871,839	-	22,291,537	-
Income tax paid	(45,616,730)	(28,622,691)	(28,443,573)	(18,593,835)
Net cash provided by (used in) operating activities	<u>2,744,792,243</u>	<u>843,451,141</u>	<u>2,204,552,332</u>	<u>847,354,872</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Cash paid for purchase of investment in subsidiaries	-	-	(1,999,400)	(1,999,400)
Cash received from disposal of equipment	741,028	6,718,561	741,028	3,363,421
Cash paid for purchase of equipment	(1,310,081)	(12,518,902)	(1,225,100)	(4,739,720)
Cash paid for purchase of right-of-use assets	(499,800)	-	(499,800)	-
Cash paid for purchase of intangible assets	-	(395,112)	-	(395,112)
Cash paid for purchase of Investment properties	(13,875)	-	(13,875)	-
Proceed from short-term loans to related parties	-	-	(353,500,737)	(488,060,010)
Repayment of short-term loans from related parties	-	-	486,746,290	408,144,379
Interest received	3,924,430	4,929,160	3,851,527	4,668,779
(Increase) decrease in deposits at banks used as collateral	(61,414,184)	(105,174,511)	(55,867,597)	(105,341,373)
Increase in leasehold rights	(209,294,962)	(407,916,744)	(209,294,962)	(407,916,744)
Net cash provided by (used in) investing activities	<u>(267,867,444)</u>	<u>(514,357,548)</u>	<u>(131,062,626)</u>	<u>(592,275,780)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Cash received from proceeds from debentures	2,835,500,000	2,000,000,000	2,835,500,000	2,000,000,000
Cash paid for repayment of debentures	(3,630,217,500)	(2,031,215,000)	(3,630,217,500)	(2,031,215,000)
Cash paid for transaction cost from issue of debenture	(47,493,020)	(42,800,000)	(47,493,020)	(42,800,000)
Cash received from proceeds from issuance of subordinated perpetual debentures	-	300,000,000	-	300,000,000
Cash received from short-term loans from related parties	-	-	14,876,753	16,745,235
Cash paid for repayment of short-term loans from related parties	-	-	(14,300,192)	-
Cash received from long-term loans from financial institutions	1,432,802,355	1,291,443,762	975,763,500	803,438,682
Cash paid for repayment of long-term loans from financial institutions	(2,483,932,608)	(1,503,515,050)	(1,670,694,141)	(1,024,301,465)
Cash received from long-term loans from other company	-	480,000,000	-	480,000,000

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



AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2020

	In Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
Cash paid for repayment of long-term loans from other company	(6,250,000)	-	(6,250,000)	-
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	156,911,710	(146,976,353)	156,911,710	(137,157,183)
Cash paid for repayment of lease liabilities	(23,982,383)	(90,673,596)	(21,380,682)	(89,937,319)
Finance costs paid	(680,691,841)	(605,347,684)	(641,986,788)	(548,332,119)
Interest paid of subordinated perpetual debentures	(18,049,315)	-	(18,049,315)	-
Net cash provided by (used in) financing activities	<u>(2,465,402,602)</u>	<u>(349,083,921)</u>	<u>(2,067,319,675)</u>	<u>(273,559,169)</u>
Net increase (decrease) in cash and cash equivalents	11,522,197	(19,990,328)	6,170,031	(18,480,077)
Cash and cash equivalents as at January 1,	65,927,785	85,918,113	42,486,127	60,966,204
Cash and cash equivalents as at December 31,	<u>77,449,982</u>	<u>65,927,785</u>	<u>48,656,158</u>	<u>42,486,127</u>
<u>Non-cash transactions</u>				
Acquisition of equipment under finance leases	-	150,014	-	150,014
Acquisition of right-of-use assets under the lease agreement	495,505,213	-	488,306,619	-
Account payable for purchase intangible assets	-	392,998	-	-
Transfer property, plant and equipment to cost of real estate project under development	11,799,515	5,118,170	-	5,118,170
Transfer property, plant and equipment to right-of-use-assets	21,085,664	-	18,201,835	-
Transfer cost of real estate project under development to property, plant and equipment	-	45,903,663	-	34,104,148
Depreciation expense which is include as a part of real estate project under development	6,130,725	19,828,195	1,602,572	14,462,860
Borrowing costs which is included as a part of real estate under development cost	229,872,921	277,265,222	206,703,477	240,246,146
Expenses under contracts which is included as a part of leasehold rights	18,553,029	25,567,553	18,553,029	25,567,553
Borrowing costs which is included as a part of construction in process of leasehold rights	69,452,778	39,471,677	69,452,778	39,471,677
Transfer unrecognised income on installments due to trade and other current payables	21,041,694	-	21,041,694	-
Transfer long-term loans from other parties to trade and other current payables	-	35,472,593	-	35,472,593
Transfer long-term loans from other parties to unrecognised income on installments due	-	76,020,540	-	76,020,540

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

**AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**1. THE OPERATIONS AND OTHER INFORMATION OF THE COMPANY**

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

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

The Company’s major shareholders during the financial period were Laohapoonrungee (46.22%) and Porncharoenchaisilp (19.58%) family shareholdings.

The principal business of the Company is the development of real estate projects. Details of the subsidiaries as at December 31, 2020 and 2019 are given in notes 7 and 13.

**2. BASIS FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS**

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

Name	Business type	Country of registration	Percentage of shareholdings (%)	
			As at December 31, 2020	As at December 31, 2019
<b>Subsidiaries</b>				
Areeya Service Co., Ltd.	After sales services for property	Thailand	99.99	99.99
One Up Co., Ltd.	Construction service	Thailand	99.99	99.99
Areeya Management Co., Ltd.	Development of real estate projects and property management	Thailand	99.99	99.99
Cool Space Co., Ltd.	Development of real estate projects	Thailand	99.99	99.99
White Living Co., Ltd.	Development of real estate projects	Thailand	99.99	99.99
Chill Space Co., Ltd.	Development of real estate projects	Thailand	99.99	99.99
Areeya Hospitality Co., Ltd.	Restaurant	Thailand	99.99	99.99
Soontareeya Residence Co., Ltd.	Development of real estate projects	Thailand	99.97	99.97
Soontareeya Leisure Co., Ltd.	Hotel	Thailand	99.97	99.97
Mega space 2 Co., Ltd.	Development of real estate projects	Thailand	99.97	-
Morrow 1 Co., Ltd.	Development of real estate projects	Thailand	99.97	-

- 2.2 The percentage of total assets and total revenues of the subsidiaries included in the consolidated financial statements are as follows:

Subsidiaries	Percentage of total assets included in consolidated the statements of financial position as at December 31,		Percentage of total revenues included in consolidated the statements of comprehensive income for the year ended December 31,	
	2020	2019	2020	2019
	Areeya Service Co., Ltd.	0.09	0.11	1.74
One Up Co., Ltd.	0.65	0.06	2.16	0.06
Areeya Management Co., Ltd.	5.07	5.80	6.17	15.63
Cool Space Co., Ltd.	8.62	6.70	2.59	4.15
White Living Co., Ltd.	7.00	6.62	11.20	13.50
Chill Space Co., Ltd.	2.41	2.34	0.69	0.51
Areeya Hospitality Co., Ltd.	0.16	0.13	0.30	0.57
Soontareeya Residence Co., Ltd.	-	-	-	-
Soontareeya Leisure Co., Ltd.	-	-	-	-
Mega space 2 Co., Ltd.	-	-	-	-
Morrow 1 Co., Ltd.	0.06	-	-	-

- 2.3 Outstanding balances between the Company and the subsidiaries, significant intercompany transactions, investment balance in the Company's books and share capital of the subsidiaries are eliminated from the consolidated financial statements.
- 2.4 Subsidiaries are fully consolidated in the consolidated financial statement as from the date of acquisition, being the date on which the Company obtains control in the subsidiary until the end of such control.
- 2.5 The accounting policies of the subsidiaries for similar accounting transactions are the same as the Company.
- 2.6 Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately from the shareholders' equity of the parent company.

### 3. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

- 3.1 Basis for preparation of the financial statements

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with the financial reporting standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E.2543.

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

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

### 3.2 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised and new financial reporting standards, interpretations and the accounting guidance, which are effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. Except, the new standard involves changes to key principles, as summarized below.

#### **Financial reporting standards related to financial instruments:**

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

##### Financial Reporting Standards :

TFRS 7          Financial Instruments: Disclosures

TFRS 9          Financial Instruments

##### Accounting Standard :

TAS 32          Financial Instruments: Presentation

##### Financial Reporting Standard Interpretations :

TFRIC 16       Hedges of a Net Investment in a Foreign Operation

TFRIC 19       Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized 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.

### **TFRS 16 Leases**

TFRS 16 Leases supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

January 1, 2020, the Group have adopted TFRSs related to financial instruments and TFRS 16 in its financial statements by applying modified retrospective approach. The impact from the first-time adoption has been disclosed in Note 6 to the financial statements.

### **Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”**

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On April 22, 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between January 1, 2020 to December 31, 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where use a simplified approach to determine expected credit losses.
- Not to include information relating to the COVID-19 situation that may affect financial forecasts. In the future, used in conjunction with relevant fair value measurement techniques TFRS 13, Fair Value.
- Not to account for any reduction in lease payments by lessors as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognized in each period reversed in proportion to the reduction, with any differences then recognized in profit or loss.

- Not to include information relating to the uncertain COVID-19 situation, which may affect the estimation of future taxable profits. Into data to estimate the adequacy of future taxable profits in order to take advantage of deferred tax assets.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

### 3.3 Financial reporting standards that become effective in the future

During the year, the Federation of Accounting Professions issued a notification of the Federation of Accounting Professions and published in the Government Gazette for the conceptual framework of financial reporting (new) and several revised financial reporting standards from the year 2019 by becomes effective for the accounting period beginning on or after January 1, 2021 onwards. Which such adjustments are improve/revise principles the financial reporting is as follows:

#### **Adjustment is reference to the conceptual framework in the financial reporting standards**

Several financial reporting standards are reference to “IASC’s Framework for the Preparation and Presentation of Financial Statements.” The adjustment of reference project on the conceptual framework in the financial reporting standards has updated reference or partial reference adjustment and other to describe clearly whether each document is reference to “the conceptual framework” of which year.

#### **Conceptual Framework for Financial Reporting**

The conceptual framework for financial reporting consisted of revised definitions of assets and liabilities. Criteria for recognition assets and liabilities in the financial statements. It also includes the following new principles and guidance:

1. Measurement, including factors that must be considered in selecting the valuation criteria
2. Presentation and disclosure which includes when the income and expenses are classified into other comprehensive income.
3. Reporting entities
4. When the assets and liabilities derecognition from the financial statements

In addition, this Conceptual Framework for Financial Reporting clearly clarifies management’s stewardship of the entity’s economic resources, prudence, and measurement uncertainty of financial information.

### **Definition of Business**

Business definition revised in the financial reporting standard No. 3 “Business Combination” describes more clearly on definition of business. The objective is for the business to establish that such transaction has to be recorded as “business combination” or “purchase of assets” or not. Adjustments are as follows:

1. Describe clearly on the consideration of “business”, activity group and acquired assets must include input data factor, key process that at least combined will significantly generate outputs.
2. Eliminate the assessment that the market partner can substitute input factor or missing process and generate further outputs from the standards.
3. Add practice guide and example to support understanding and help the company assess whether the key process is acquired.
4. Narrow down the definition of business and definition of outputs by placing interest in the product and service provided to the customer and eliminate the reference on ability to reduce cost from the standards.
5. Add the intention test as an alternative which allows to make assessment easily whether the activity group and acquired assets are business or not.

### **Definition of significance**

The definition of significance resulted in revising the accounting standard No.1 “Presentation of Financial Statements, Presentation of Financial Statements and Accounting Standards No.8 - Accounting Policy, Change of Accounting Estimates and Error and the revision that resulted in other financial reporting standards.

The adjustment creates better understanding of the definition of significance by

1. For the definition to follow the same direction of the financial reporting standards and conceptual framework to avoid the confusion that may arise from the definition difference.
2. Include the requirements together of the accounting standard No. 1 “ Presentation of financial statements” in the definition for it to become clearer and describe how the materiality can be clearly applied.
3. Applying existing practice guidance of the definition of the materiality in the same place as the definition.

### **Reform of swap interest rate**

The reform of swap interest rate resulted in the adjustment of the financial reporting standards No. 9 financial instruments and financial reporting standards No.7 financial instrument disclosure. Such adjustment has changed the hedge accounting requirements, especially to reduce the impact arising from the uncertainty as a result of the swap interest rate reform such as interbank offer rates-IBORs. In addition, the adjustment requires the business to provide additional information to investors regarding the relation of hedging directly impacted from any uncertainties.

The management of the Group is in the process to assess the impact of these TFRSs to the financial statements in the year when they are adopted.

#### **3.4 Thai Financial Reporting Standard No.16 “Leases”**

The Federation of Accounting Professions has revised TFRS 16 lease agreements and published in the Government Gazette on January 27, 2021 with the following revisions.

1. The Rent Concessions related to COVID-19, which is effective from June 1, 2020 with earlier application permitted. The amendment permits lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and instead, to account for those rent concessions as if they were not lease modifications.
2. Added the requirements for the temporary exception arising from interest rate benchmark reform, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted.

The managements are in the process to assess the impact of these TFRSs to the financial statements in the year when they are adopted.

#### **3.5 Basis of measurement**

The financial statements have been prepared on the historical cost basis except for the following items.

<u>Items</u>	<u>Measurement bases</u>
Other current financial assets	Fair value
Investment properties	Fair value
Land under property, plant and equipment	Fair value
Provisions for employee benefit	Present value of the defined benefit obligation as explained in note 4.14

#### **3.6 Functional and presentation currency**

The financial statements are presented in Thai Baht, which is the Company’s functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.



#### 4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. Except for change in accounting policies as follow.

##### 4.1 Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

##### 4.2 Trade and other current receivable

Applicable from January 1, 2020

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at its present value.

Trade receivables are stated at the amount expected to be collectible, the Group apply the TFRS 9 simplified approach to measuring expected credit losses which uses a simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected loss rates are based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP, the unemployment rate and the consumer price index of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. The impairment losses are recognized in profit or loss within administrative expenses.

Applicable prior to January 1, 2020

Trade and other current receivable are stated at their invoice value less allowance for doubtful account.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payment. Bad debts are written off when incurred.

##### 4.3 Inventories

Construction material are stated at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

#### 4.4 Real estate development projects

Real estate development projects are projects for the development of properties with the intention of sale in the ordinary course of business. They are stated at the lower of cost or net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in selling the properties.

The cost of real estate development projects comprises specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding real estate development projects are capitalised, on a specific identification basis, as part of the cost of the property until the completion of development.

#### 4.5 Investments in subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method.

#### 4.6 Investment properties

Investment properties are properties which are held to earn rental income, not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost on initial recognition and subsequently at fair value, with any change recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

#### 4.7 Property, plant and equipment

##### Recognition and measurement

Land is stated at the revalued amount which is based on the price estimation of an independent appraiser. Land is initially recorded at cost on the acquisition date, and the Company has subsequently revalued by an independent appraiser and recorded such assets at the revalued amount. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value at the end of the reporting period.

Differences arising from the land revaluation are recorded in other comprehensive income and the cumulative increase is recognised in shareholders' equity under the heading of "Revaluation surplus".

#### Owned assets

Property, Plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net in profit or loss.

#### Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

#### Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item. The estimated useful lives are as follows:

Buildings and system	10,15 and 20	years
Leasehold improvement	5	years
Club house and temporary building	20	years
Furniture, fixtures and office equipment	3, 5 and 10	years
Machineries and construction equipment	5	years
Vehicles	5	years

No depreciation is provided on land or assets under construction for the Group.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

#### Changing in accounting policy of Land revaluation

The Company has changed the land measurement from cost method to revaluation method since November 11, 2019 for effect the fair value of land. The Company revalued land with fair value and recognised surplus from revaluation. Differences arising from the land revaluation are recorded in other comprehensive income and the cumulative increase is recognised in shareholders' equity under the heading of "Revaluation surplus".

#### 4.8 Intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and impairment losses (if any).

##### Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

##### Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

Program licenses	5 and 10 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

#### 4.9 Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

#### Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

#### Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss.

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exist. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### 4.10 Prepaid rental expense

Prepaid rental expense is the office building construction on the leased land. Prepaid rental expense is amortised over the estimate useful live of 20 years.

#### 4.11 Leasehold rights

Leasehold rights are stated at cost less accumulated amortization and impairment losses (if any).

Leasehold rights consist of rental under long-term lease agreement, construction in process, interest of borrowing costs and related expenses.

#### 4.12 Interest-bearing liabilities

Interest-bearing liabilities are recognised at cost.

#### 4.13 Trade and other current payables

Trade and other accounts current payable are stated at cost.

#### 4.14 Employee benefit

##### Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

##### Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

##### Other long-term employee benefits (Defined benefit plan)

The Group has obligations in respect of the severance payments that pay to the employees work for a long time. The obligation under of other long-term employment benefits is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method, in order to determine present value of the obligation at the end of the reporting period. Actuarial gains and losses are immediately recognized in the statement of income.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

##### Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

4.15 Provision for after-sale maintenance expense

The Group estimated provision for after-sale maintenance expense based on actual historical maintenance expense and/or currently available information related to the cost of various types of repair work.

4.16 Subordinated debenture similar nature with equity

Subordinated debenture similar nature with equity, the debenture issuer will repay the principal only once when closing down company or when the debenture issuer exercises the right to redeem the debentures. The debenture issuer extends the interest payment along with accumulating interest paid to make payment on any day to the debenture holder without time restriction and number of times based solely on the judgment of the debenture issuer. Subordinated debenture has no guarantee, not convertible, has no debenture holder representative and the interest payment depends on judgment of the company. Therefore, the interest payment is regarded as dividend payment and is recognized directly in shareholder's equity. When an interest payment obligation arises, interest payment is recognized in the statement of cash flow in similar nature with the payment of dividend to the common shareholders.

4.17 Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

4.18 Revenue

Revenue from sale of real estate

Revenue from sale of real estate is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of land and houses or residential condominium units. Revenue is measured at the amount of the consideration received or receivable of goods supplied after deducting discounts to customers.

The installment payment collected before transferring the significant risks and rewards of ownership to the buyer is recorded as unrealized income.

#### Consideration paid for customers

The Group has paid expenses on behalf of customer such as transferring expenses, electricity meter, water bills, and centralised fee to the juristic of real estate project. Under TAS 18, the Group recognised the payment as distribution costs. Under TFRS 15, it is required for the Group to consider whether the Group receive distinct goods or services from the customer. If so, the Group recognise such payments as an expense when the distinct goods or services are consumed. In contrast, if not, such payments are recognised as a reduction of revenue and distribution cost.

#### Construction income

Revenue from construction contract is recognized over time the service period on the basis of percentage of completion by calculating according to the proportion of the actual construction costs with the estimate construction costs.

The amount that the Group has received from customers but still has obligations to meet the obligations stipulated in the agreements is stated as “unearned revenue from construction” in the statement of financial position. Contract liabilities are recognised as revenue when the Group performs under the contract.

Provision for anticipated loss from construction contracts will be made in the accounts as soon as the possibility of such loss is ascertained.

#### Cost to obtain a contract

The Group has determined that commission paid to obtain a customer contract should be recorded as an asset and amortised to expenses on a systematic basis that is consistent with the pattern of revenue recognition under the agreement.

#### Cost of sale of real estate

Cost of sales of real estate are based on the estimated cost of real estate project. However, cost of sales will be adjusted to be close to the actual cost in the event that the factors of the actual cost are significantly changed. In determining the cost of land, land and houses and cost of condominiums, the total development costs are attributed to units sold on the basis of the salable area.

#### Cost of construction

Cost of construction comprises the costs of materials, labour, subcontractors’ charges, other services and overheads, which are recognised on the percentage of completion method.

#### Rental income and service

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.



#### Revenue from project management

A subsidiary has recognized the revenue from project management by the straight line method throughout the agreement term.

#### Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

#### Dividends

Dividends are recognised when the right to receive the dividends is established.

#### Sales of foods

A subsidiary has recognized the revenues from sales of foods and beverages which are recognized upon the foods and beverages being delivered.

The Group has recognized other revenues on accrual basis.

Revenue excludes value added taxes and other sales taxes and is arrived at after deduction of trade discounts.

The Group has recognized other expenses on accrual basis.

#### 4.19 Finance costs

Interest expenses and similar costs are charged to profit or loss for the year in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial year of the time to be prepared for its intended used or sale.

#### 4.20 Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences. Differences relating to investments in subsidiaries that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### 4.21 Earnings per share

The Group presents basic earnings per share (“EPS”) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss for the year attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

#### 4.22 Segment reporting

Segment results that are reported to the Group’s CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

#### 4.23 Financial assets and financial liabilities

##### Classification and measurement of financial assets

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group classify its debt instruments in the following categories:

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

The Group reclassify debt instruments when and only when its business model for managing those assets changes.

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

At initial recognition, the Group measure a financial asset at its fair value plus or minus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL 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.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Group classify its debt instruments:

- Amortized cost: A financial assets will be measured at amortized cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented in profit or loss.

- FVOCI: A financial assets will be measured at FVOCI when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and related foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognized on other gains/( losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/( losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Dividends from such investments continue to be recognized in profit or loss present as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other gains/(losses) in the statement of income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### **Classification and measurement of financial liabilities and equity**

Financial instruments issued by the Group must be classified as financial liabilities or equity securities by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the Group has no contractual obligation or have an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

At initial recognition, the Group measure financial liabilities at fair value. The Group reclassify all financial liabilities as subsequently measured at amortised cost, except for derivatives.

### **Recognition and derecognition**

The Group shall recognize a financial asset or a financial liability in its statement of financial position when, and only when, the Group become party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commit to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets.

### **Impairment**

The Group assess on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group apply general approach for credit-impaired consideration.

#### 4.24 Leases

Applicable from January 1, 2020

At inception of a contract, the Group assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group assess the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases at the date of initial application (as at January 1, 2020) together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercise by considering the effect of changes in technology and/ or the other circumstance relating to the extension of the lease term.

The Group has entered into a lease agreement for rental of assets foe use in their operations. The term of agreement is generally 2 - 30 years.

### **Right-of-use-assets as a lessee**

Right-of-use assets are recognized at the commencement date of the lease. Right-of-use assets are stated at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities (if any). The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are calculated by reference to their costs on a straight-line basis over the shorter of the lease term and the estimated useful lives for each of right-of-use assets.

### **Lease liabilities**

At the commencement date of the lease, lease liabilities are stated at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable (if any) and amount expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group use its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of the interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

### **Short-term leases and leases of low-value assets**

The Group apply the short-term lease recognition exemption to its short-term leases (those leases that have a lease term of 12 months or less from the commencement date and not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term and leases of low-value assets are recognized as expense in profit and loss on a straight-line basis over the lease term.

The Group has recognized the lease payments on operation lease as the revenue by the straight-line method throughout the agreement term

Applicable prior to January 1, 2020

Leased assets

A lease transfers substantially all the risks and rewards of ownership of an asset to the Group is classified as finance lease. Property plant and equipment acquired under finance leases is capitalised at the lower of its fair value or the present value of the minimum lease payment at the inception of the lease less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly in profit or loss.

#### Operation lease

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

#### 4.25 Measurement of fair value

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly.

Level 3: inputs for the asset or liability that are not based on observable market data (unobserved inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### 5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect amounts reported in the financial statements and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

#### Allowance for expected credit losses of account receivables

Applicable from January 1, 2020

In determining an allowance for expected credit losses of account receivables, the management needs to make judgement in selecting a method and make assumptions as disclosed in Note 4.2 to the financial statements.

#### Allowance for doubtful accounts

Applicable prior to January 1, 2020

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

#### Allowance for declining in value of real estate projects under development

The determination of allowance for declining in the value of real estate projects under development, requires management to make judgements and estimates of the loss expected to occur. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business less selling expense.

#### Property, plant and equipment, right-of-use assets and intangible assets/Depreciation

In determining depreciation of plant and equipment, right-of-use assets and intangible assets the management is required to make estimates of the useful lives and residual values of the assets and to review the estimated useful lives and residual values when there are any changes.

In addition, the management is required to review assets for impairment on a periodical basis and record the impairment loss when it is determined that the recoverable amount is lower than the carrying amount. This requires judgement regarding forecast of future revenues and expenses relating to the assets subject to the review.

#### Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimated future taxable profits.

#### Determining the lease term of contracts with renewal and termination options

The Group determine the lease term as the non-cancellable term of the lease, together with any period covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The management is required to use judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease, considering all relevant factors that create an economic incentive to exercise either the renewal or termination. After the commencement date, the Group reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.



Post-employment benefits under defined benefit plans and other long-term employee benefits defined benefit plan

The obligation under the defined benefit plan and other long-term employee benefits defined benefit plan are determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate, staff turnover rate and gold price, etc.

Provision for after-sale maintenance expense

The Group estimated provision for after-sale maintenance expense based on actual historical maintenance expense and/or currently available information related to the cost of various types of repair work.

Litigation

The Company has contingent liabilities as a result of litigation. The management has used judgement to assess the results of the litigation and believed that it will win the case. However, for prudent reason, the management has displayed judgement to set up certain provision for litigation as at the end of the reporting period.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group Audit Committee.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 14 Investment properties; and

Note 15 Property, plant and equipment

Note 42 Financial instruments.

**6. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS**

As described in Note 3.2 to the interim financial statements, during the current period, the Group has impacts from adoption of TFRSs related to financial instruments and TFRS 16. The cumulative effect of the changes in accounting policies are recognized as an adjustment to retained earnings as at January 1, 2020, and the comparative information was not restated.

The changes in accounting policies due to the adoption of above financial reporting standards, are summarized below.

	In Thousand Baht			
	Consolidated Financial Statements			
	As at December 31, 2019	The Effects of the adoption of TFRS 9	The Effects of the adoption of TFRS 16	As at January 1, 2020
<b>Statement of financial position</b>				
<u>Current assets</u>				
Current investment	85	(85)	-	-
Trade and other current receivables	263,052	(14,500)	-	248,552
Other current financial assets	-	85	-	85
<u>Non-current assets</u>				
Property, plant and equipment	411,897	-	(21,086)	390,811
Right-of-use assets	-	-	513,661	513,661
Leasehold right	1,375,505	-	(112,923)	1,262,582
Deferred tax assets	71,764	2,900	-	74,664
<u>Current liabilities</u>				
Current portion of lease liabilities	10,049	-	11,446	21,495
<u>Non-current liabilities</u>				
Lease liabilities	12,897	-	481,130	494,027
Long-term lease agreement obligation	112,923	-	(112,923)	-
Unappropriated retained earnings	1,306,548	(11,600)	-	1,294,948

	In Thousand Baht			
	Separate Financial Statements			
	As at December 31, 2019	Effects of the adoption of TFRS 9	Effects of the adoption of TFRS 16	As at January 1, 2020
<b>Statement of financial position</b>				
<u>Current assets</u>				
Current investment	85	(85)	-	-
Trade and other current receivables	1,107,333	(11,799)	-	1,095,534
Other current financial assets	-	85	-	85
<u>Non-current assets</u>				
Property, plant and equipment	370,194	-	(18,202)	351,992
Right-of-use assets	-	-	504,044	504,044
Leasehold right	1,375,505	-	(112,923)	1,262,582
Deferred tax assets	30,776	2,360	-	33,136
<u>Current liabilities</u>				
Current portion of lease liabilities	9,566	-	9,417	18,983
<u>Non-current liabilities</u>				
Lease liabilities	10,408	-	476,425	486,833
Long-term lease agreement obligation	112,924	-	(112,924)	-
Unappropriated retained earnings	1,115,626	(9,439)	-	1,106,187

## 6.1 Financial instruments

The total impact on the retained earnings as at January 1, 2020, is as follows:

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Unappropriated retained earnings as at December 31, 2019	1,306,548	1,115,626
Increase in loss allowance for trade and other current receivables		
Adjustment to unappropriated retained earnings from adoption of TFRS 9 on January 1, 2020	(11,600)	(9,439)
Unappropriated retained earnings as at January 1, 2020 - TFRS 9 before restatement for TFRS 16	1,294,948	1,106,187

### Classification and measurement

On January 1, 2020 (the date of initial application), the Group's management has assessed which business models applied to the financial assets and liabilities and has classified the financial assets and liabilities as below.

	In Thousand Baht				
	Consolidated Financial Statements				
	FVPL	Fair value - Derivatives	FVOCI	Amortized cost	Total
Financial assets as at January 1, 2020					
Cash and cash equivalents	-	-	-	65,928	65,928
Trade and other current receivables	-	-	-	248,552	248,552
Other current financial assets	85	-	-	-	85
Deposits at bank used as collateral	-	-	-	300,018	300,018
	85	-	-	614,498	614,583

Classified debt investments that do not qualify for measurement at either amortized cost or FVOCI at fair value through profit or loss (FVPL).

Financial assets mandatorily measured at FVPL include the following:

	In Thousand Baht	
	Consolidated	
	Financial Statements	
Other current financial assets as at January 1, 2020		
Mutual funds		85
Total		85

	In Thousand Baht		
	Consolidated Financial Statements		
	Fair value - Derivatives	Amortized cost	Total
Financial liabilities as at January 1, 2020			
Bank overdrafts and short-term loans from financial institutions	-	270,180	270,180
Trade and other current payables	-	931,301	931,301
Long-term loans from financial institutions	-	2,230,351	2,230,351
Long-term loans from other company	-	480,000	480,000
Debentures	-	6,314,695	6,314,695
Lease liabilities	-	515,522	515,522
Construction retentions	-	172,070	172,070
	-	10,914,119	10,914,119

	In Thousand Baht				
	Separate Financial Statements				
	FVPL	Fair value - Derivatives	FVOCI	Amortized cost	Total
Financial assets as at January 1, 2020					
Cash and cash equivalents	-	-	-	42,486	42,486
Trade and other current receivables	-	-	-	1,095,534	1,095,534
Short-term loans to related parties	-	-	-	1,228,245	1,228,245
Other current financial assets	85	-	-	-	85
Diposits at bank used as collateral	-	-	-	294,009	294,009
	<u>85</u>	<u>-</u>	<u>-</u>	<u>2,660,274</u>	<u>2,660,359</u>

	In Thousand Baht		
	Separate Financial Statements		
	Fair value - Derivatives	Amortized cost	Total
Financial liabilities as at January 1, 2020			
Bank overdrafts and short-term loans from financial institutions	-	270,180	270,180
Trade and other current payables	-	1,201,496	1,201,496
Long-term loans from financial institutions	-	1,412,976	1,412,976
Long-term loans from other company	-	480,000	480,000
Debentures	-	6,314,695	6,314,695
Lease liabilities	-	505,816	505,816
Loan from related parties	-	29,245	29,245
Construction retention	-	141,791	141,791
	<u>-</u>	<u>10,356,199</u>	<u>10,356,199</u>

#### Impairment of financial assets

The Group has trade receivables that are subject to the expected credit loss model. The Group has trade and other current receivables that are subject to the expected credit loss model.

#### Trade and other current receivables

The Group apply the simplified approach to measuring expected credit losses, which use a lifetime expected loss allowance for all trade and other current receivables.

To measure the expected credit losses, trade and other current receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical payment profiles, the corresponding historical credit losses experienced and the impact of potential factor to the expected loss rates. On that basis, the loss allowance for trade and other current receivables was as follows:

	In Thousand Baht					
	Consolidated Financial Statements					
	Not yet due	Up to 3 months	3 - 6 months	6 - 12 months	Over 12 months	Total
As at January 1, 2020						
Account receivables	4,017	4,037	2,877	4,260	46,934	62,125
Loss allowance	-	1,942	2,877	4,260	46,934	56,013

  

	In Thousand Baht					
	Separate Financial Statements					
	Not yet due	Up to 3 months	3 - 6 months	6 - 12 months	Over 12 months	Total
As at January 1, 2020						
Account receivables	1,091	3,268	2,396	3,701	44,585	55,041
Loss allowance	-	1,714	2,396	3,701	44,585	52,396

The loss allowance for account receivables as at December 31, 2019, is reconciled to the opening loss allowance for account receivables as at January 1, 2020, as follow:

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
<u>Loss allowance for trade and other current receivables</u>		
As at December 31, 2019	41,513	40,597
Amounts restated through opening unappropriated retained earnings	14,500	11,799
As at January 1, 2020	<u>56,013</u>	<u>52,396</u>

## 6.2 Leases

These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates. The Group incremental borrowing rates applied to the lease liabilities as at January 1, 2020 was ranged between 3.94% to 6.50% per year.

For leases previously classified as finance leases applying TAS 17, the Group reclassified the carrying amount of the lease assets and lease liabilities immediately before adoption of TFRS 16 as the carrying amount of the right-of-use assets and the lease liabilities at the date of initial application.

	In Thousand Baht	
	Consolidated	Separate
	<u>Financial Statements</u>	<u>Financial Statements</u>
Operating lease commitments disclosed as at December 31, 2019	867,186	864,798
<u>Less:</u> Short-term leases recognized on a straight-line basis as expenses	(935)	(935)
<u>Add:</u> Purchase or extension options reasonably certain to be exercised	136,238	131,222
<u>Less:</u> Termination options reasonably certain to be exercised	(11,905)	(11,905)
<u>Less:</u> Deferred interest expenses	(498,008)	(497,338)
Additional lease liabilities from TFRS 16 adoption	492,576	485,842
Finance lease liabilities as at December 31, 2019	22,946	19,974
Lease liabilities recognized as at January 1, 2020	<u>515,522</u>	<u>505,816</u>
Of which are:		
Current lease liabilities	21,495	18,983
Non-current lease liabilities	494,027	486,833
	<u>515,522</u>	<u>505,816</u>

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

	In Thousand Baht	
	Consolidated	Separate
	<u>Financial Statements</u>	<u>Financial Statements</u>
As at January 1, 2020		
Land and land improvements	479,767	479,767
Building and building improvements	6,734	-
Furniture, fixtures and office equipment	7,574	7,574
Vehicles	19,587	16,703
Total right-of-use assets	<u>513,662</u>	<u>504,044</u>

## 7. RELATED PARTY TRANSACTIONS

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

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

Relationships with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Cool Space Co., Ltd.	Thailand	Subsidiary
Chill Space Co., Ltd.	Thailand	Subsidiary
Areeya Management Co., Ltd.	Thailand	Subsidiary
One Up Co., Ltd.	Thailand	Subsidiary
White Living Co., Ltd.	Thailand	Subsidiary
Areeya Service Co., Ltd.	Thailand	Subsidiary
Areeya Hospitality Co., Ltd.	Thailand	Subsidiary
Soontareeya Residence Co., Ltd.	Thailand	Subsidiary
Soontareeya Leisure Co., Ltd.	Thailand	Subsidiary
Mega Space 2 Co., Ltd.	Thailand	Subsidiary
Morrow 1 Co., Ltd.	Thailand	Subsidiary
Daily By Areeya Co., Ltd.	Thailand	Co-director
A Attitude Co., Ltd.	Thailand	Co-director
At Home Development Co., Ltd.	Thailand	Co-director
The Colors Co., Ltd.	Thailand	Co-director
W Solar & Power Co., Ltd.	Thailand	Co-director
W Power Co., Ltd.	Thailand	Co-director
Tavalamai Co., Ltd.	Thailand	Co-director
Progressive Opulent Holding (Singapore) Pte., Ltd.	Singapore	Co-director
Laohapoonrungee and Porncharoenchaisilp groups	Thailand	The group of major shareholders
Mr. Wisit Laohapoonrungee	Thailand	A Director of the Company / Group
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly including any director (whether executive or otherwise) of the Group.



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

Transactions	Pricing policies
Revenue from sale of real estate	Market price
Purchase the land	At cost
Management income / Management fee	Agreed price
Finance income	2020 : 6.14% - 6.50% per annum 2019 : 6.05% - 6.75% per annum
Amortized cost	Agreed price
Finance costs	2020 : 6.14% - 6.50% per annum 2019 : 6.05% - 6.75% per annum
Land rental	Contractually agreed rates

Significant transactions for the years ended December 31, 2020 and 2019 with related parties were as follows :

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	For the years ended December 31,		For the years ended December 31,	
	2020	2019	2020	2019
<b>Subsidiaries:</b>				
Interest income	-	-	74,450	81,347
Management income	-	-	83,137	40,631
Purchase the land (under real estate project in development)	-	-	-	101,716
Management fee	-	-	2,262	17,950
Amortized cost	-	-	-	16,830
Finance costs	-	-	1,143	443
<b>Other related parties :</b>				
Land rental	-	1,100	-	1,100
Depreciation of right-of-use assets	997	-	997	-
Interest expense on lease liabilities	538	-	538	-
<b>Key management personnel compensation:</b>				
Short-term benefits	63,770	69,297	61,202	35,731
Post-employment benefits	2,250	3,175	1,745	1,423
<b>Total</b>	<u>66,020</u>	<u>72,472</u>	<u>62,947</u>	<u>37,154</u>

From time to time directors of the Group, or their related entities, purchase real estate from the Group. These purchases are on the same terms and conditions as those entered into by employees or customers.

The significant outstanding balances with related parties as at December 31, 2020 and 2019 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Trade and other current receivables				
- related parties				
Subsidiaries	-	-	664,035	567,299
Key management	37	37	37	37
	<u>37</u>	<u>37</u>	<u>664,072</u>	<u>567,336</u>
Accrued interest receivable - related parties (included in trade and other current receivables)				
Subsidiaries	-	-	380,725	306,276
Borrowing costs - related parties (included in real estate projects under development)				
Subsidiaries	-	-	907	852
Rental deposit				
Key management	60,000	60,000	60,000	60,000
Trade and other current payables				
- related parties				
Subsidiaries	-	-	369,583	386,794
Accrued interest expense - related parties (included in trade and other current payables)				
Subsidiaries	-	-	24,638	26,043
Unrecognised income on installments due				
Subsidiaries	-	-	-	70
Key management	-	8,303	-	8,303
	<u>-</u>	<u>8,303</u>	<u>-</u>	<u>8,373</u>
Construction retentions - related party				
Subsidiaries	-	-	5,012	5,012
Short-term loans to related parties				
Subsidiaries				
Chill Space Co., Ltd.	-	-	333,653	355,672
One Up Co., Ltd.	-	-	116,988	194,421
White Living Co., Ltd.	-	-	79,943	160,440
Areeya Management Co., Ltd.	-	-	554	137,529
Cool Space Co., Ltd	-	-	544,521	359,165
Areeya Hospitality Co., Ltd	-	-	19,341	21,018
Total	<u>-</u>	<u>-</u>	<u>1,095,000</u>	<u>1,228,245</u>

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

Movements during for the years ended December 31, 2020 and 2019 of short-term loans to related parties were as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December	As at December	As at December	As at December
	31, 2020	31, 2019	31, 2020	31, 2019
Short-term loans to related parties				
Subsidiaries				
Beginning balance	-	-	1,228,245	1,148,330
Increase	-	-	353,501	488,060
Decrease	-	-	(486,746)	(408,145)
Ending balance	-	-	1,095,000	1,228,245
Short-term loans from related parties				
Subsidiaries				
Areeya Service Co.,Ltd.	-	-	20,122	19,545

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

Movements during for the years ended December 31, 2020 and 2019 of short-term loans from related parties were as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December	As at December	As at December	As at December
	31, 2020	31, 2019	31, 2020	31, 2019
Short-term loans from related parties				
Subsidiaries				
Beginning balance	-	-	19,545	2,800
Increase	-	-	14,877	16,745
Decrease	-	-	(14,300)	-
Ending balance	-	-	20,122	19,545

	In Thousand Baht					
	Interest rate		Consolidated		Separate	
	(% per annum)		Financial Statements		Financial Statements	
	As at	As at	As at	As at	As at	As at
December	December	December	December	December	December	
31, 2020	31, 2019	31, 2020	31, 2019	31, 2020	31, 2019	
Long-term loans from related party						
Subsidiary						
Areeya Service Co.,Ltd.	4.75	4.75	-	-	9,700	9,700

Long-term loans from related party are due at call. However, the subsidiary will not recall loan within 12 months since December 31, 2020.

Due to the requirements of the Land Development Act B.E. 2543, during 2003 to 2012 the Company transferred the title on certain parcels of land used for entrance ways, road and utilities with a cumulative value at December 31, 2020 of Baht 57.4 million (December 31, 2019 : Baht 57.4 million) to a director and its subsidiaries for nil consideration so that the director and its subsidiaries could hold the title of the land on behalf of the Company as a representative for the purposes of entering into any contract in relation to the land. As specified in the agreement, the director and its subsidiaries may not perform any activities on the land. In addition, the director and its subsidiaries have registered the land subject to servitudes and restrictions to the projects of the Company for construction of utilities for the projects without any compensation and with no time limit.

In 2009, a subsidiary also transferred the title of certain parcels of land used as site entrance roads of development projects with a cumulative value at December 31, 2020 of Baht 0.4 million (December 31, 2019 : Baht 0.4 million) to a subsidiary, without any compensation for the subsidiary to hold title to such land on behalf of the subsidiary as a representative for the purposes of entering into any contract in relation to the land. In addition, the subsidiary has registered the land subject to servitudes and restrictions to the projects of the subsidiary for construction of the utilities of the projects without any compensation and with no time limit.

#### **Contracts with related parties**

The Company entered into a land lease agreement with two directors to build a head office building, for a period of 10 years. The lessor promises that upon the expiry of the lease term of 10 years, the lessor will allow an extension for another 10 years and negotiate the new rate at market price or other appropriate price. If the Company agrees to extend the agreement, the Company must submit written notice in advance as stipulated in the memorandum.

The Company paid rental deposit to the lessor amounting to Baht 60 million to guarantee that the leased asset would not be foreclosed by the financial institution since the lessor agreed to mortgage the leased asset under a credit facility agreement with the financial institution to finance the construction of the office building. The said deposit will be repaid to lessee at the end of the lease on December 31, 2023. Upon the expiration of the lease term of this agreement or expired lease to be extended, no matter how many times to renew or the lease agreement was terminated by the fault of the lessee, the lessee has to manage the leased asset condition as before the rental and demolish all the building on leased asset. If the expiration of the lease period. However, management have considered that the Company does not demolish, the Company agrees to obtain the right in building to the lessor's part of land and leased asset without any charge. If lessor does not require the building, the lessee is responsible for any charge such as demolition of building as specified in the memorandum. The Company recognised the construction in prepaid rental expense.

**Other**

1. The Company has guaranteed liabilities of subsidiaries with local banks and the subsidiaries have guaranteed liabilities of the Company and subsidiaries with local banks.

2. The Company has made an agreement with several subsidiaries to provide back office management service. The service period and service fee are stated in the agreement.

**8. CASH AND CASH EQUIVALENTS**

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	December	December	December	December
	31, 2020	31, 2019	31, 2020	31, 2019
Cash on hand	133	1,283	55	1,128
Cash at banks - current accounts	24,589	4,855	5,805	1,581
Cash at banks - saving accounts	44,748	59,609	35,084	39,690
Highly liquid short-term investments	91	2	91	2
Cheque in transit	7,889	179	7,621	85
<b>Total</b>	<b>77,450</b>	<b>65,928</b>	<b>48,656</b>	<b>42,486</b>

Cash and cash equivalents of the Group as at December 31, 2020 and 2019 were denominated entirely in Thai Baht.

**9. TRADE AND OTHER CURRENT RECEIVABLES**

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		As at December	As at December	As at December	As at December
Note		31, 2020	31, 2019	31, 2020	31, 2019
	<u>Trade receivable</u>				
	Related parties	7	-	-	-
	Other parties	64,299	13,032	7,325	10,605
	Total	64,299	13,032	7,325	10,605
	<u>Less</u> allowance for doubtful accounts	(6,864)	(5,577)	(6,324)	(5,412)
	Net	57,435	7,455	1,001	5,193
	<u>Other current receivables</u>				
	Related parties	7	37	37	1,044,797
	Short-term other receivables	46,600	48,300	41,055	43,693
	Advance payment for goods	8,953	37,905	2,240	37,886
	Advance payment to contractors	149	19,465	-	19,465
	Cost to obtain contract	13,341	122,298	7,490	117,785
	Other prepaid expenses	28,102	19,932	27,295	18,482
	Retention receivable	30,000	-	30,000	-
	Other	36,539	43,596	14,486	26,402
	Total	163,721	291,533	1,167,363	1,137,325
	<u>Less</u> The expected credit loss allowance - short-term other receivables (2019 : Allowance for doubtful accounts)	(43,320)	(35,936)	(40,108)	(35,185)
	Net	120,401	255,597	1,127,255	1,102,140
	Total trade and other current receivables, net	177,836	263,052	1,128,256	1,107,333

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

		In Thousand Baht	
		Consolidated	Separate
		Financial Statements	Financial Statements
	Balance as at December 31, 2019	41,513	40,597
	Effects of the adoption of TFRS 9	14,500	11,799
	Balance as at January 1, 2020	56,013	52,396
	<u>Add</u> Increase during the year	8,108	6,590
	<u>Less</u> Reversal during the year	(13,937)	(12,554)
	Balance as at December 31, 2020	50,184	46,432

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	For the years ended December 31,		For the years ended December 31,	
	2020	2019	2020	2019
Increase the expected credit loss allowance	8,108	29,174	6,590	29,127
The expected credit loss allowance (Reversal)	(13,937)	(36)	(12,554)	(5)

Aging analyses for trade accounts receivable were as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December	As at December	As at December	As at December
	31, 2020	31, 2019	31, 2020	31, 2019
<u>Trade accounts receivable</u>				
Related party :				
Overdue:				
Over 12 months	-	-	-	-
	-	-	-	-
Other parties :				
Within credit term	56,312	1,973	331	314
Overdue:				
Less than 3 months	949	1,767	555	1,449
3 - 6 months	357	982	212	881
6 - 12 months	82	226	-	171
Over 12 months	6,599	8,084	6,227	7,790
	64,299	13,032	7,325	10,605
<u>Less</u> the expected credit loss allowance	(6,864)	(5,577)	(6,324)	(5,412)
Trade receivable - net	57,435	7,455	1,001	5,193
Other current receivables, net	120,401	255,597	1,127,255	1,102,140
Total trade and other current receivables, net	177,836	263,052	1,128,256	1,107,333

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

## 10. REAL ESTATE PROJECTS UNDER DEVELOPMENT

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Cost of projects under development	36,689,410	35,616,560	27,912,517	27,867,508
Land held for development	2,899,938	3,005,840	2,027,691	2,104,243
Sample houses	232,369	246,768	171,026	200,125
House and condominium for sale	3,172,574	2,694,769	2,831,379	2,003,200
Construction materials	3,130	3,108	3,009	3,035
Total	42,997,421	41,567,045	32,945,622	32,178,111
<u>Less</u> Portion transferred to cost of sales	(33,600,896)	(29,696,964)	(26,486,521)	(23,430,554)
Portion transferred to property, plant and equipment	(34,104)	(34,104)	(34,104)	(34,104)
	9,362,421	11,835,977	6,424,997	8,713,453
<u>Less</u> Allowance for decline in value of house and condominium for sale	(37,854)	(1,592)	(27,231)	(1,371)
Net	9,324,567	11,834,385	6,397,766	8,712,082
<u>Less</u> Land held for development-non current	(2,899,938)	(3,005,840)	(2,027,691)	(2,104,243)
Total	6,424,629	8,828,545	4,370,075	6,607,839

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Finance costs capitalised during the year	229,873	277,265	206,703	240,246
Rates of interest capitalized (% per annum)	4.25 - 10.00	4.75 - 10.00	4.25 - 10.00	4.75 - 10.00
Real estate projects under development recognised as an expense in 'cost of sales of real estate project':				
- Cost of sale	4,033,214	1,913,443	3,184,675	1,233,772
- Net realizable value adjustment	36,261	(396)	25,860	(396)
Total	4,069,475	1,913,047	3,210,535	1,233,376

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



## 11. OTHER CURRENT FINANCIAL ASSETS

	In Thousand Baht			
	Consolidated / Separate Financial Statements			
	As at December 31, 2020		As at December 31, 2019	
	Cost	Fair value	Cost	Fair value
Unit trusts	80	85	-	-

## 12. ASSETS USED AS COLLATERAL

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
	Saving accounts	264,652	139,249	253,096
Fix deposit 12 months	96,780	160,769	96,780	160,770
	361,432	300,018	349,876	294,009

The Group had guaranteed the saving deposits and fixed deposits for the letter of guarantee from bank. And as at December 31, 2020, the Group had the bank deposits with restrictions on use amounted Baht 361.43 million (the Company only : Baht 349.88 million) that was in accordance with the terms and conditions regarding the rights and duties of debenture issuers and debenture holders. The Group, as the guaranteed debenture issuer, had mortgaged the land and buildings and some parts of the Company's empty land as the guarantee agreement for the issuance of debenture. It was under the condition that the Company can redeem or release the mortgage of such land and buildings and the empty land. If the value of the property that was insured under the guarantee agreement was lower than specified, the debenture issuer had to change the guarantee or seek for replacement assets to guarantee the repayment of additional debentures within the specified period in order to maintain the guarantee value under the rights of debenture holders.

### 13. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at December 31, 2020 and 2019, and dividend income from those investments for the years ended December 31, 2020 and 2019, were as follows:

		In Thousand Baht											
		Separate Financial Statements										Dividend income	
Direct subsidiaries	Type of business	Ownership interest (%)		Paid-up capital		Cost method		Impairment		At cost-net		For the years ended	
		As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	December 31, 2020	December 31, 2019
Areeya Service Co., Ltd.	After sales services for property	99.99	99.99	10,000	10,000	10,000	10,000	-	-	10,000	10,000	-	-
One Up Co., Ltd.	Construction service	99.99	99.99	100,000	100,000	100,000	100,000	-	-	100,000	100,000	-	-
Areeya Management Co., Ltd.	Development of real estate projects and property management	99.99	99.99	65,000	65,000	65,000	65,000	-	-	65,000	65,000	-	-
Cool Space Co., Ltd.	Development of real estate projects	99.99	99.99	60,000	60,000	60,000	60,000	-	-	60,000	60,000	-	-
White Living Co., Ltd.	Development of real estate projects	99.99	99.99	65,000	65,000	65,000	65,000	-	-	65,000	65,000	-	-
Chill Space Co., Ltd.	Development of real estate projects	99.99	99.99	1,000	1,000	1,000	1,000	-	-	1,000	1,000	-	-
Areeya Hospitality Co., Ltd.	Restaurant	99.99	99.99	10,000	10,000	10,000	10,000	-	-	10,000	10,000	-	-
Soontareeya Residence Co., Ltd	Development of real estate projects	99.97	99.97	1,000	1,000	1,000	1,000	-	-	1,000	1,000	-	-
Soontareeya Leisure Co., Ltd.	Hotel	99.97	99.97	1,000	1,000	1,000	1,000	-	-	1,000	1,000	-	-
Mega Space 1 Co., Ltd.	Development of real estate projects	-	-	-	-	-	-	-	-	-	-	-	-
Mega Space 2 Co., Ltd.	Development of real estate projects	99.97	-	1,000	-	1,000	-	-	-	1,000	-	-	-
Morrow 1 Co., Ltd.	Development of real estate projects	99.97	-	1,000	-	1,000	-	-	-	1,000	-	-	-
Total				315,000	313,000	315,000	313,000	-	-	315,000	313,000	-	-

There was no dividend declared by subsidiaries during the years 2020 and 2019.

On January 8, 2020, Areeya property Public Company Limited has established three new subsidiaries named Mega Space 1 Company Limited, Mega Space 2 Company Limited and Morrow 1 Company Limited to engage in real estate development business. The Company holds 99.97% of the shares. The registered ordinary shares consisted of 10,000 shares at the par value of Baht 100, totaling registered share capital of Baht 1 million, each.

On September 17, 2020, Areeya property Public Company Limited sold the investment in the subsidiary Mega Space 1 Company Limited consisted of 9,997 shares at Baht 1,000 per share.

## 14. INVESTMENT PROPERTIES

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December	As at December	As at December	As at December
	31, 2020	31, 2019	31, 2020	31, 2019
Beginning balance	419,880	451,650	375,610	412,040
Additions	14	-	14	-
Transfer	-	-	-	-
<u>Less</u> Unrealised gain (loss) loss from a fair value adjustment	(25,280)	(31,770)	(19,810)	(36,430)
Ending balance	<u>394,614</u>	<u>419,880</u>	<u>355,814</u>	<u>375,610</u>

Revenue and expense related to investment property recognized in profit and loss consist of :

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Rental income	16,399	20,629	12,493	16,117
Utilities	7,734	10,238	5,721	7,723

Investment properties were revalued as at December 31, 2020 and 2019 by a firm of independent valuers, using the income approach.

Investment properties mainly comprise shopping malls, space for rent and construction in progress.

As at December 31, 2020 and 2019, the Group mortgaged certain investment properties as collateral to secure the loan and credit facilities granted by the financial institutions.

### Measurement of fair value :-

#### Fair value hierarchy

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's investment property portfolio on an annual basis.

The fair value measurement for investment properties of the Group and the Company as at December 31, 2020 amount of Baht 361.31 million and Baht 322.51 million, respectively, and as at December 31, 2019 amount of Baht 386.59 million and Baht 342.32 million, respectively, have been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

### Fair value method Level 3

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
	(For the year)	(For the year)	(For the year)	(For the year)
Balance at January 1,	386,590	418,360	342,320	378,750
Unrealised change in fair value	(25,280)	(31,770)	(19,810)	(36,430)
Balance at December 31,	<u>361,310</u>	<u>386,590</u>	<u>322,510</u>	<u>342,320</u>

### Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property of the Group, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flows; The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate, void periods, occupancy rate lease incentive costs such as other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location and lease terms.	<ul style="list-style-type: none"> <li>● Expected market rental growth 2020 : 5% to 8% (2019 : 5% to 10%).</li> <li>● Occupancy rate 2020 : 51% to 95% (2019 : 52% to 95%).</li> <li>● Risk-adjusted discount rates 2020 and 2019 8% to 9%</li> <li>● Rental fee rate around 2020 : Baht 425 - 1,186 (2019 : Baht 439 - 1,317) per square meter per month</li> </ul>	<p>The estimated fair value increase (decrease) if:</p> <ul style="list-style-type: none"> <li>● Expected market rental growth were higher (lower);</li> <li>● The occupancy rate were higher (lower);</li> <li>● The risk-adjusted discount rate were lower (higher).</li> <li>● Rental fee rate increase (decrease)</li> </ul>

## 15. PROPERTY, PLANT AND EQUIPMENT

	Consolidated Financial Statements (In Thousand Baht)							
	Balance as at	Effects of the	Balance as at	Change in during the year			Surplus from	Balance as at
	December 31,	adoption of	January 1,	Additions	Deduction	Transfer in (out)	asset	December 31,
	2019	TFRS16	2020				revaluation	2020
<b>Cost</b>								
Land*	108,000	-	108,000	-	-	-	-	108,000
Land of clubhouse	181,679	-	181,679	-	-	(11,800)	-	169,879
Buildings and system	47,953	-	47,953	-	-	-	-	47,953
Leasehold improvement	17,102	-	17,102	-	-	-	-	17,102
Clubhouse and temporary building	28,523	-	28,523	-	-	-	-	28,523
Furniture, fixtures and office equipment	163,410	(4,441)	158,969	1,162	(72)	414	-	160,473
Machineries and construction equipment	169,282	-	169,282	138	-	-	-	169,420
Vehicles	98,391	(51,346)	47,045	-	(5,493)	-	-	41,552
Assets under construction	384	-	384	10	-	-	-	394
<b>Total</b>	<b>814,724</b>	<b>(55,787)</b>	<b>758,937</b>	<b>1,310</b>	<b>(5,565)</b>	<b>(11,386)</b>	<b>-</b>	<b>743,296</b>
<b>Less Accumulated depreciation</b>								
Buildings and system	(22,054)	-	(22,054)	(3,956)	-	-	-	(26,010)
Leasehold improvement	(8,655)	-	(8,655)	(3,137)	-	-	-	(11,792)
Clubhouse and temporary building	(20,181)	-	(20,181)	(1,426)	-	-	-	(21,607)
Furniture, fixtures and office equipment	(126,125)	2,942	(123,183)	(10,711)	69	-	-	(133,825)
Machineries and construction equipment	(147,008)	-	(147,008)	(8,697)	-	-	-	(155,705)
Vehicles	(78,804)	31,759	(47,045)	-	5,493	-	-	(41,552)
<b>Total</b>	<b>(402,827)</b>	<b>34,701</b>	<b>(368,126)</b>	<b>(27,927)</b>	<b>5,562</b>	<b>-</b>	<b>-</b>	<b>(390,491)</b>
<b>Net</b>	<b>411,897</b>		<b>390,811</b>					<b>352,805</b>

\*stated at the revalued amount

	Consolidated Financial Statements (In Thousand Baht)					
	Balance as at	Change in during the year			Surplus from	Balance as at
	December 31, 2018	Additions	Deduction	Transfer in (out)	asset revaluation	December 31, 2019
<b>Cost</b>						
Land*	-	-	-	34,104	73,896	108,000
Land of clubhouse	169,879	-	-	11,800	-	181,679
Buildings and system	46,824	-	-	1,129	-	47,953
Leasehold improvement	10,821	3,520	-	2,761	-	17,102
Clubhouse and temporary building	28,523	-	-	-	-	28,523
Furniture, fixtures and office equipment	162,026	1,384	-	-	-	163,410
Machineries and construction equipment	233,413	3,867	(27,500)	(40,498)	-	169,282
Vehicles	118,909	-	(20,518)	-	-	98,391
Assets under construction	1,129	3,898	-	(4,643)	-	384
<b>Total</b>	<b>771,524</b>	<b>12,669</b>	<b>(48,018)</b>	<b>4,653</b>	<b>73,896</b>	<b>814,724</b>
<b>Less Accumulated depreciation</b>						
Buildings and system	(18,181)	(3,873)	-	-	-	(22,054)
Leasehold improvement	(2,446)	(3,448)	-	(2,761)	-	(8,655)
Clubhouse and temporary building	(18,755)	(1,426)	-	-	-	(20,181)
Furniture, fixtures and office equipment	(111,047)	(15,078)	-	-	-	(126,125)
Machineries and construction equipment	(189,962)	(22,068)	26,129	38,893	-	(147,008)
Vehicles	(89,371)	(9,951)	20,518	-	-	(78,804)
<b>Total</b>	<b>(429,762)</b>	<b>(55,844)</b>	<b>46,647</b>	<b>36,132</b>	<b>-</b>	<b>(402,827)</b>
<b>Net</b>	<b>341,762</b>					<b>411,897</b>

\*stated at the revalued amount

Separate Financial Statements (In Thousand Baht)								
	Balance as at	Effects of the	Balance as at	Change in during the year			Surplus from	Balance as at
	December	adoption of	January	Additions	Deduction	Transfer in	asset	December
	31, 2019	TFRS16	1, 2020			(out)	revaluation	31, 2020
<u>Cost</u>								
Land*	108,000	-	108,000	-	-	-	-	108,000
Land of clubhouse	169,879	-	169,879	-	-	-	-	169,879
Buildings and system	47,953	-	47,953	-	-	-	-	47,953
Leasehold improvement	5,488	-	5,488	-	-	-	-	5,488
Clubhouse and temporary building	28,523	-	28,523	-	-	-	-	28,523
Furniture, fixtures and office equipment	146,764	(4,441)	142,323	1,099	(72)	414	-	143,764
Machineries and construction equipment	104,213	-	104,213	117	-	-	-	104,330
Vehicles	88,378	(47,793)	40,585	-	(5,493)	-	-	35,092
Assets under construction	385	-	385	9	-	-	-	394
<b>Total</b>	<b>699,583</b>	<b>(52,234)</b>	<b>647,349</b>	<b>1,225</b>	<b>(5,565)</b>	<b>414</b>	<b>-</b>	<b>643,423</b>
<u>Less Accumulated depreciation</u>								
Buildings and system	(22,054)	-	(22,054)	(3,956)	-	-	-	(26,010)
Leasehold improvement	(5,262)	-	(5,262)	(226)	-	-	-	(5,488)
Clubhouse and temporary building	(20,181)	-	(20,181)	(1,426)	-	-	-	(21,607)
Furniture, fixtures and office equipment	(115,048)	2,942	(112,106)	(9,133)	69	-	-	(121,170)
Machineries and construction equipment	(95,169)	-	(95,169)	(4,170)	-	-	-	(99,339)
Vehicles	(71,675)	31,090	(40,585)	-	5,493	-	-	(35,092)
<b>Total</b>	<b>(329,389)</b>	<b>34,032</b>	<b>(295,357)</b>	<b>(18,911)</b>	<b>5,562</b>	<b>-</b>	<b>-</b>	<b>(308,706)</b>
<b>Net</b>	<b>370,194</b>		<b>351,992</b>					<b>334,717</b>

\*stated at the revalued amount

Separate Financial Statements (In Thousand Baht)						
	Balance as at	Change in during the year			Surplus from	Balance as at
	December 31, 2018	Additions	Deduction	Transfer in (out)	asset revaluation	December 31, 2019
<u>Cost</u>						
Land*	-	-	-	34,104	73,896	108,000
Land of clubhouse	169,879	-	-	-	-	169,879
Buildings and system	46,824	-	-	1,129	-	47,953
Leasehold improvement	2,727	-	-	2,761	-	5,488
Clubhouse and temporary building	28,523	-	-	-	-	28,523
Furniture, fixtures and office equipment	146,053	711	-	-	-	146,764
Machineries and construction equipment	171,930	281	(27,500)	(40,498)	-	104,213
Vehicles	96,990	-	(8,612)	-	-	88,378
Assets under construction	1,129	3,899	-	(4,643)	-	385
<b>Total</b>	<b>664,055</b>	<b>4,891</b>	<b>(36,112)</b>	<b>(7,147)</b>	<b>73,896</b>	<b>699,583</b>
<u>Less Accumulated depreciation</u>						
Buildings and system	(18,181)	(3,873)	-	-	-	(22,054)
Leasehold improvement	(1,956)	(545)	-	(2,761)	-	(5,262)
Clubhouse and temporary building	(18,755)	(1,426)	-	-	-	(20,181)
Furniture, fixtures and office equipment	(101,718)	(13,330)	-	-	-	(115,048)
Machineries and construction equipment	(143,988)	(16,204)	26,129	38,894	-	(95,169)
Vehicles	(71,095)	(9,192)	8,612	-	-	(71,675)
<b>Total</b>	<b>(355,693)</b>	<b>(44,570)</b>	<b>34,741</b>	<b>36,133</b>	<b>-</b>	<b>(329,389)</b>
<b>Net</b>	<b>308,362</b>					<b>370,194</b>

\*stated at the revalued amount

#### 15.1 Classification of land pending development to property, plant and equipment

As at December 31, 2019, the Company has classified land pending development at cost for Baht 34.10 million to land for use in company management to conform with the objective of the actual usage and to the maximum benefit of the company. Also, appropriate financial report is classified (to non-current assets). Moreover, such assets reflect the actual value of assets. The management selected using the accounting policy in measuring the value of such land using the reappraisal method to respond to the needs of the financial statement users. With such report, the Company was approved from the responsible person in accordance with the minutes of the managing director's meeting No. 11/2019 as at November 22, 2019.

As at December 31, 2020 and 2019, the Company has assessed the asset price of land for use in management by an independent appraiser using the Market Approach.

Details of land are presented by the reappraisal price as follows:

	In Thousand Baht	
	Consolidated / Separate Financial Statements	
	As at December 31, 2020	As at December 31, 2019
At cost	34,104	34,104
Capital surplus from asset appraisal	73,896	73,896
Reappraisal price	<u>108,000</u>	<u>108,000</u>

#### Fair value measurement: -

##### Fair value hierarchy

The fair value of land is assessed by an independent external asset appraiser who is qualified in the profession with experience in asset price assessment of such type.

The fair value measurement of the Company's land as at December 31, 2020 and 2019 in the amount of Baht 108 million is ranked in level 3 of the fair value hierarchy from the information used in the fair value assessment technique.

Fair value level 3

This table below presents the effects of balances carried forward and brought forward for fair value level 3.

	In Thousand Baht	
	Consolidated / Separate Financial Statements	
	2020	2019
Balance brought forward as at January 1	108,000	-
Change in unrealized fair value	-	108,000
Balance as at December 31	108,000	108,000

Value assessment technique of information that cannot significantly be observed

Technique of value assessment and information that cannot be observed significantly in measuring fair value of the Group's land is shown in the table as follows:

Value assessment technique	Significant unobservable information	Relationship of significant unobservable information and fair value measurement
Market price of asset with selling/buying price comparison from similar asset	Land appraisal : square wah (2020 = 55,000 - 200,000) (2019 = 65,000 - 200,000)	Fair value estimate will increase (decrease) Land appraisal increase (decrease)

15.2 Other disclosure

The asset price of the Group before deducting the accumulated depreciation of building and equipment fully depreciated but still in use until December 31, 2020 and 2019 amounted Baht 253.49 million and Baht 233.17 million, respectively (Company only: as at December 31, 2020 and 2019 for Baht 207.28 million and Baht 192.64 million, respectively).

Depreciation charged for the year

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Recognised in:				
Trade and other current receivables	-	-	736	-
Real estate projects under development	5,850	19,828	1,353	14,464
Administrative expenses	22,077	36,016	16,822	30,106
Total	27,927	55,844	18,911	44,570



## 16. RIGHT-OF-USE ASSETS

Movements of the right-of-use assets account for the year ended December 31, 2020 are summarized below.

	In Thousand Baht	
	Consolidated	Separate
	<u>Financial Statements</u>	<u>Financial Statements</u>
<b>Cost</b>		
As at December 31, 2019	-	-
<u>Add</u> Transfer from property, plant and equipment	55,787	52,234
<u>Add</u> Transfer from leasehold rights	112,923	112,923
<u>Add</u> Effects of the adoption of TFRS16 as at January 1, 2020	379,652	372,919
As at January 1, 2020	548,362	538,076
Increase during for the year	3,429	2,964
Amortization	(4,359)	(3,783)
As at December 31, 2020	547,432	537,257
<b>Accumulated depreciation</b>		
As at December 31, 2019	-	-
<u>Add</u> Transfer from property, plant and equipment	(34,701)	(34,032)
As at January 1, 2020	(34,701)	(34,032)
Depreciation for the year	(34,045)	(31,662)
Amortization	3,895	3,703
Difference from rental reduction	(414)	(40)
As at December 31, 2020	(65,265)	(62,031)
<b>Net book value</b>		
As at December 31, 2019	-	-
As at January 1, 2020	513,661	504,044
As at December 31, 2020	482,167	475,226

	In Thousand Baht	
	2020	
	Consolidated	Separate
	<u>Financial Statements</u>	<u>Financial Statements</u>
Depreciation for the year		
Administrative expenses	15,880	13,522
Real estate development projects	250	225
Right-of-use	17,915	17,915
	34,045	31,662

**17. PREPAID RENTAL EXPENSES**

	In Thousand Baht			
	Consolidated / Separate Financial Statements			
	Balance as at	Change in during the year		Balance as at
	December 31, 2019	Increase	Decrease	December 31, 2020
Cost - Prepaid rental expenses	170,914	-	-	170,914
<u>Less</u> Amortization	(51,687)	(8,545)	-	(60,232)
Net	<u>119,227</u>			<u>110,682</u>

	In Thousand Baht			
	Consolidated / Separate Financial Statements			
	Balance as at	Change in during the year		Balance as at
	December 31, 2018	Increase	Decrease	December 31, 2019
Cost - Prepaid rental expenses	170,914	-	-	170,914
<u>Less</u> Amortization	(43,141)	(8,546)	-	(51,687)
Net	<u>127,773</u>			<u>119,227</u>

	In Thousand Baht	
	Consolidated / Separate Financial Statements	
	For the years ended December 31,	
	2020	2019
Statement of Comprehensive Income		
Amortization expense for the year		
- Administrative expenses	8,545	8,546

The Company has mortgaged office building as collateral to secure loans and credit facilities granted by financial institution.

## 18. LEASEHOLD RIGHTS

Movements of the leasehold rights for the years ended December 31, 2020 and 2019 were as follows :

	In Thousand Baht
	<u>Consolidated / Separate Financial Statements</u>
Net book value as at December 31, 2019	1,375,505
<u>Less</u> Transfer to right-of-use assets due to TFRS16 adoption	<u>(112,923)</u>
Net book value as at January 1, 2020	1,262,582
<u>Add</u> Increase	297,300
<u>Less</u> Decrease	<u>-</u>
Net book value as at December 31, 2020	<u><u>1,559,882</u></u>

	In Thousand Baht	
	<u>Consolidated / Separate Financial Statements</u>	
	As at December 31, 2020	As at December 31, 2019
Leasehold rights consist of :		
Expense under contracts	469,718	554,190
Construction in process	<u>1,090,164</u>	<u>821,315</u>
Total	<u><u>1,559,882</u></u>	<u><u>1,375,505</u></u>

	In Thousand Baht	
	<u>Consolidated / Separate Financial Statements</u>	
	As at December 31, 2020	As at December 31, 2019
Depreciation and interest expense capitalized		
expense under contracts	18,553	25,568
Finance costs capitalized construction in process	69,453	39,472

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

**19. INTANGIBLE ASSETS**

	In Thousand Baht				
	Consolidated Financial Statements				
	Balance as at	Change in during the year			Balance as at
	December 31, 2019	Increase	Decrease		December 31, 2020
Cost - Software	50,931	-	(160)	50,771	
<u>Less Amortization</u>	(36,966)	(3,752)	160	(40,558)	
Net	<u>13,965</u>			<u>10,213</u>	

	In Thousand Baht				
	Consolidated Financial Statements				
	Balance as at	Change in during the year			Balance as at
	December 31, 2018	Increase	Decrease		December 31, 2019
Cost - Software	50,838	788	(695)	50,931	
<u>Less Amortization</u>	(32,163)	(4,803)	-	(36,966)	
Net	<u>18,675</u>			<u>13,965</u>	

	In Thousand Baht				
	Separate Financial Statements				
	Balance as at	Change in during the year			Balance as at
	December 31, 2019	Increase	Decrease		December 31, 2020
Cost - Software	47,107	-	-	47,107	
<u>Less Amortization</u>	(35,296)	(3,246)	-	(38,542)	
Net	<u>11,811</u>			<u>8,565</u>	

	In Thousand Baht				
	Separate Financial Statements				
	Balance as at	Change in during the year			Balance as at
	December 31, 2018	Increase	Decrease		December 31, 2019
Cost - Software	47,408	394	(695)	47,107	
<u>Less Amortization</u>	(31,002)	(4,294)	-	(35,296)	
Net	<u>16,406</u>			<u>11,811</u>	

## 20. DEFERRED TAX ASSETS

20.1 Deferred tax assets and liabilities as at December 31, 2020 and 2019 as follows:-

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Deferred tax assets	78,190	101,562	61,397	60,574
Deferred tax liabilities	(33,676)	(29,798)	(32,321)	(29,797)
Net	44,514	71,764	29,076	30,777

20.2 Changes in deferred tax assets and liabilities for the years ended December 31, 2020 and 2019 are summarized as follows:

	In Thousand Baht				
	Consolidated Financial Statements				
	Balance as at December 31, 2019	Effects of the adoption of TFRS9	Revenue (expenses) during the year In profit or loss In other comprehensive income		Balance as at December 31, 2020
Deferred tax assets					
Allowance for the expected credit loss model (2019 : Allowance for doubtful account)	8,303	2,900	(1,294)	-	9,909
Allowance for decline in value of real estate projects under development	318	-	6,109	-	6,427
Right-of-use assets	-	-	2,912	-	2,912
A fair value adjustment of investment properties	14,862	-	5,056	-	19,918
Unrecognised income on installment due	1,174	-	(129)	-	1,045
Employee benefit obligations	20,789	-	(5,252)	7,357	22,894
Loss carry forward	55,444	-	(41,380)	-	14,064
Provision for liabilities	672	-	349	-	1,021
Total	101,562	2,900	(33,629)	7,357	78,190
Deferred tax liabilities					
Surplus from land revaluation	(14,779)	-	-	-	(14,779)
Accumulated depreciation - investment properties	(14,952)	-	(3,844)	-	(18,796)
Others	(67)	-	(34)	-	(101)
Total	(29,798)	-	(3,878)	-	(33,676)
Net	71,764	2,900	(37,507)	7,357	44,514

	In Thousand Baht				
	Consolidated Financial Statements				
	Balance as at	Revenue (expenses) during the year			Balance as at
	December 31, 2018	In profit or loss	In other comprehensive income		December 31, 2019
Deferred tax assets					
Allowance for the expected credit loss model (2019 : Allowance for doubtful account)	2,475	5,828	-	8,303	
Allowance for decline in value of real estate projects under development	398	(80)	-	318	
A fair value adjustment of investment properties	8,508	6,354	-	14,862	
Unrecognised income on installment due	1,174	-	-	1,174	
Employee benefit obligations	11,354	7,757	1,678	20,789	
Loss carry forward	38,889	16,555	-	55,444	
Provision for liabilities	517	155	-	672	
<b>Total</b>	<b>63,315</b>	<b>36,569</b>	<b>1,678</b>	<b>101,562</b>	
Deferred tax liabilities					
Surplus from land revaluation	-	-	(14,779)	(14,779)	
Accumulated depreciation - investment properties	(13,317)	(1,635)	-	(14,952)	
Others	(104)	37	-	(67)	
<b>Total</b>	<b>(13,421)</b>	<b>(1,598)</b>	<b>(14,779)</b>	<b>(29,798)</b>	
<b>Net</b>	<b>49,894</b>	<b>34,971</b>	<b>(13,101)</b>	<b>71,764</b>	

	In Thousand Baht				
	Separate Financial Statements				
	Balance as at December 31, 2019	Effects of the adoption of TFRS9	Revenue (expenses) during the year In profit or loss In other comprehensive income		
Deferred tax assets					
Allowance for the expected credit loss model (2019 : Allowance for doubtful account)	8,119	2,360	(1,193)	-	9,286
Allowance for decline in value of real estate projects under development	274	-	5,172	-	5,446
A fair value adjustment of investment properties	16,925	-	3,962	-	20,887
Right-of-use assets	-	-	2,872	-	2,872
Unrecognised income on installment due	1,174	-	(129)	-	1,045
Employee benefit obligations	9,413	-	2,415	9,410	21,238
Loss carry forward	24,466	-	(24,466)	-	-
Provision for liabilities	203	-	420	-	623
Total	<u>60,574</u>	<u>2,360</u>	<u>(10,947)</u>	<u>9,410</u>	<u>61,397</u>
Deferred tax liabilities					
Surplus on land revaluation	(14,779)	-	-	-	(14,779)
Accumulated depreciation - investment properties	(14,952)	-	(2,489)	-	(17,441)
Others	(66)	-	(35)	-	(101)
Total	<u>(29,797)</u>	<u>-</u>	<u>(2,524)</u>	<u>-</u>	<u>(32,321)</u>
Net	<u>30,777</u>	<u>2,360</u>	<u>(13,471)</u>	<u>9,410</u>	<u>29,076</u>

	In Thousand Baht			
	Separate Financial Statements			
	Balance as at December 31, 2018	Revenue (expenses) during the year In profit or loss      In other comprehensive income		
Deferred tax assets				
Allowance for the expected credit loss model (2019 : Allowance for doubtful account)	2,295	5,824	-	8,119
Allowance for decline in value of real estate projects under development	353	(79)	-	274
A fair value adjustment of investment properties	9,639	7,286	-	16,925
Unrecognised income on installment due	1,174	-	-	1,174
Employee benefit obligations	4,801	3,531	1,081	9,413
Loss carry forward	-	24,466	-	24,466
Provision for liabilities	410	(207)	-	203
<b>Total</b>	<b>18,672</b>	<b>40,821</b>	<b>1,081</b>	<b>60,574</b>
Deferred tax liabilities				
Surplus on land revaluation	-	-	(14,779)	(14,779)
Accumulated depreciation - investment properties	(12,478)	(2,474)	-	(14,952)
Others	(103)	37	-	(66)
<b>Total</b>	<b>(12,581)</b>	<b>(2,437)</b>	<b>(14,779)</b>	<b>(29,797)</b>
<b>Net</b>	<b>6,091</b>	<b>38,384</b>	<b>(13,698)</b>	<b>30,777</b>

20.3 Deferred tax assets have not been recognised in respect of the following items:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	For the years ended December 31,		For the years ended December 31,	
	2020	2019	2020	2019
Loss carry forward	33,559	35,820	-	-

The tax losses expire in 2021 to 2025, the deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.



## 21. OTHER NON-CURRENT ASSETS

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December	As at December	As at December	As at December
	31, 2020	31, 2019	31, 2020	31, 2019
Withholding tax	8,794	11,528	-	4,602
Deposits	17,724	21,497	10,148	20,180
Others	505	328	505	328
<b>Total</b>	<b>27,023</b>	<b>33,353</b>	<b>10,653</b>	<b>25,110</b>

## 22. INTEREST-BEARING LIABILITIES

### 22.1 Bank overdrafts and short-term loans from financial institutions

	Credit Facilities (Million Baht)				In Thousand Baht					
	Consolidated		Separate		Consolidated		Separate			
	Financial Statements		Financial Statements		Financial Statements		Financial Statements			
	As at	As at	As at	As at	Interest rate (% per annum)		As at	As at	As at	As at
	December	December	December	December	As at December	As at December	December	December	December	December
31, 2020	31, 2019	31, 2020	31, 2019	31, 2020	31, 2019	31, 2020	31, 2019	31, 2020	31, 2019	
Bank overdrafts	39	39	39	39	MOR, saving bank account+ fixed number	MOR, saving bank account+ fixed number	36,438	9,985	36,438	9,985
Promissory notes	340	540	340	540	MLR-fixed number	MLR-fixed number	275,250	200,000	275,250	200,000
Bills of exchange	120	62	120	62	Fix interest rate	Fix interest rate	120,000	62,000	120,000	62,000
	<u>499</u>	<u>641</u>	<u>499</u>	<u>641</u>						
Less prepaid interest							(4,596)	(1,805)	(4,596)	(1,805)
Bills of exchange - net							115,404	60,195	115,404	60,195
<b>Total</b>							<u>427,092</u>	<u>270,180</u>	<u>427,092</u>	<u>270,180</u>

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

## 22.2 Loans from other parties

Movements of loans during for the years ended December 31, 2020 and 2019 were as follows :

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Beginning balance	-	111,493	-	111,493
Increase	-	-	-	-
Decrease	-	-	-	-
Transfer out trade and other payables	-	(35,473)	-	(35,473)
Transfer out unrecognized income on installments due	-	(76,020)	-	(76,020)
Ending balance	-	-	-	-

## 22.3 Long-term loans from financial institutions

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Current				
Current portion	592,029	1,058,557	335,041	765,993
Non-current				
Long-term loans from financial institutions	587,191	1,171,794	383,005	646,983
Total	1,179,220	2,230,351	718,046	1,412,976

Movements of long-term loans from financial institutions during for the years ended December 31, 2020 and 2019 were as follows :

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Beginning balance	2,230,351	2,442,422	1,412,976	1,633,839
Increase	1,432,802	1,291,444	975,764	803,438
Decrease	(2,483,933)	(1,503,515)	(1,670,694)	(1,024,301)
Ending balance	1,179,220	2,230,351	718,046	1,412,976

Long-term loans agreement details as at December 31, 2020 and 2019 were as follows:

Agreements	In Million Baht		Repayment
	Balance as at		
	December 31,		
	2020	2019	
<u>The Company</u>			
Group 1	495	932	Payments of principal are to be made at a percentage of the value of property transferred to customers. The full payment is to be made within 2024
Group 2	207	367	Payments of principal are to be made at a percentage of the value of property transferred to customers. The full payment is to be made within 2022
Group 3	4	26	Payments of principal are to be made at a percentage of the value of property transferred to customers. The full payment is to be made within 2022
Group 4	12	88	Payments of principal are to be made at a percentage of the value of property transferred to customers. The full payment is to be made within 2021
	<u>718</u>	<u>1,413</u>	
<u>Subsidiaries</u>			
Group 1	252	115	Payments of principal are to be made at a percentage of the value of property transferred to customers. The full payment is to be made within 2024
Group 2	97	368	Payments of principal are to be made at a percentage of the value of property transferred to customers. The full payment is to be made within 2023
Group 3	66	66	Payments of principal are to be made at a percentage of the value of property transferred to customers. The full payment is to be made within 2023
Group 4	-	154	Payments of principal are to be made at a percentage of the value of property transferred to customers. The full payment is to be made within 2023
Group 5	46	114	Payments of principal are to be made at a percentage of the value of property transferred to customers. The full payment is to be made within 2022
	<u>461</u>	<u>817</u>	
Total	<u>1,179</u>	<u>2,230</u>	

Long-term loans from financial institutions of the Group carry interest at the rate of MLR minus fixed rate per annum. The loan agreements also stipulated that loan repayments are to be made proportionately when properties are sold and transferred the right to customers and full payment is to be made within 2024.

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

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

#### 22.4 Loans from other company

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December	As at December	As at December	As at December
	31, 2020	31, 2019	31, 2020	31, 2019
Current				
Current portion	360,938	-	360,938	-
Non - current				
Loans from other company	112,812	480,000	112,812	480,000
Total	473,750	480,000	473,750	480,000

Movements of long-term loans from other parties during for the years ended December 31, 2020 and 2019 were as follows :

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December	As at December	As at December	As at December
	31, 2020	31, 2019	31, 2020	31, 2019
Beginning balance	480,000	-	480,000	-
Increase	-	480,000	-	480,000
Decrease	(6,250)	-	(6,250)	-
Ending balance	473,750	480,000	473,750	480,000

Long-term loans from other parties carries interest at the fixed rate and the principal has to be fully repaid within 2022.

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

## 22.5 Lease liabilities

The carrying amounts of lease liabilities and the movement for years ended December 31, 2020, are presented below.

	In Thousand Baht	
	Consolidated	Separate
	Financial Statements	Financial Statements
As at December 31, 2019	22,946	19,974
<u>Add</u> Transfer from long-term lease agreement obligation	112,923	112,924
Effects of the adoption of TFRS16	379,653	372,918
As at January 1, 2020	515,522	505,816
<u>Add</u> Increase during for the year	15,716	15,251
Accretion of interest	2,786	2,385
<u>Less</u> Payments	(23,982)	(21,381)
Decrease form lease agreement termination	(485)	(83)
Difference from rental reduction	(374)	(39)
As at December 31, 2020	509,183	501,949
<u>Less</u> Current portion	(32,032)	(29,299)
Lease liabilities net of current portion	477,151	472,650

The following are the amounts recognized in profit or loss:

	In Thousand Baht	
	For the year ended December 31, 2020	
	Consolidated	Separate
	Financial Statements	Financial Statements
Depreciation of right-of-use assets	34,045	31,662
Interest expense on lease liabilities	2,786	2,385
Expense relating to short-term lease	3,372	3,040
Leases of low-value assets	126	126
Total	40,329	37,213

The Group had total cash outflows for leases of Baht 23.98 million (the separate: Baht 21.38 million) and also had non-cash additions to right-of-use assets and lease liabilities of Baht 495.51 million (the separate: Baht 488.31 million).

## 22.6 Unutilised credit facilities

As at December 31, 2020, the credit facilities of the Group and the Company which have not yet been drawn down amounted to Baht 1,647.96 million and Baht 477.38 million, respectively (As at December 31, 2019 : Baht 2,769.37 million and Baht 1,564.93 million, respectively).

## 22.7 Debentures

As at December 31, 2020 and 2019, the debentures of the Company were registered, unsubordinated, unsecured, secured without a debenture holders' representative, interest is payable quarterly, with the face value of Baht 1,000 per unit as follows :

						In Thousand Baht					
						Consolidated/Separate Financial Statements					
						Current portion		Non-current		Total	
Debenture	Units (Thousand units)	Issuance date	Term	Maturity date	Interest rate (% per annum)	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
No. 2/2016	1,000	5 October 2016	3 years 11 months 26 days	1 October 2020 or early redemption	5.40	-	1,000,000	-	-	-	1,000,000
No. 1/2017	654.5	31 January 2017	3 years	31 January 2020	5.25	-	654,500	-	-	-	654,500
No. 2/2017 *	1,500	5 April 2017	3 years	5 April 2020 or early redemption	5.95	-	1,500,000	-	-	-	1,500,000
No. 3/2017	779.87	31 October 2017	3 years 5 months 30 days	2 November 2020 30 April 2021	5.95	-	31,215	-	-	-	31,215
No. 1/2018	250	18 October 2018	3 years	19 October 2021	6.05	748,655	-	-	748,655	748,655	748,655
No. 2/2018	166.6	22 November 2018	3 years 3 months	22 February 2022	6.05	250,000	-	-	250,000	250,000	250,000
No. 1/2019 *	2,000	1 April 2019	2 years 6 months 7 days	8 October 2021 or early redemption	6.75	-	-	166,600	166,600	166,600	166,600
No. 1/2020 *	1,835.5	31 January 2020	2 years	30 January 2022 or early redemption	6.80	1,840,000	-	-	2,000,000	1,840,000	2,000,000
No. 2/2020 *	1,000	11 September 2020	2 years 6 months	11 March 2023 or early redemption	7.00	-	-	1,550,998	-	1,550,998	-
Total debentures, at face value						2,838,655	3,185,715	2,717,598	3,165,255	5,556,253	6,350,970
Less deferred transaction costs from issuing of debentures						-	-	(47,558)	(36,275)	(47,558)	(36,275)
Debentures - net						2,838,655	3,185,715	2,670,040	3,128,980	5,508,695	6,314,695

\* Secured bond

The debenture No. 2/2017 had the maturity date in 2020 the debenture No. 1/2019 had the maturity date in 2021. the debenture No. 1/2020 had the maturity date in 2022 and the debenture No.2/2020 had the maturity date in 2023. The debenture issuer had the right to redeem the debenture before the maturity date. Such debenture had been guaranteed by the Company as the debenture issuer had mortgaged the land and buildings and some parts of the Company's empty land. In addition, the Company had the right to sell the land and buildings and the empty land that was a mortgage property under the guarantee agreement and be able to redeem or release the mortgage of such land and buildings and the empty land. If the value of the property that was insured under the guarantee agreement was lower than specified, the debenture issuer had to change the guarantee or seek for replacement assets to guarantee the repayment of additional debentures within the specified period.

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

### 23. TRADE AND OTHER CURRENT PAYABLES

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		As at December	As at December	As at December	As at December
	Note	31, 2020	31, 2019	31, 2020	31, 2019
Related parties	7	-	-	394,221	412,837
Other parties		734,216	931,301	486,186	788,659
Total		734,216	931,301	880,407	1,201,496

Trade and other current payables of the Group as at December 31, 2020 and 2019 was denominated entirely in Thai Baht.

## 24. OTHER CURRENT LIABILITIES

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December	As at December	As at December	As at December
	31, 2020	31, 2019	31, 2020	31, 2019
Value added tax suspense	73,915	63,306	22,310	16,713
Withholding tax deduct payable	9,437	5,613	8,697	3,407
Deposit	2,340	35,646	2,200	2,900
Provisions for repair project	5,272	1,522	3,113	1,014
Others	2,138	3,827	1,538	1,518
<b>Total</b>	<b>93,102</b>	<b>109,914</b>	<b>37,858</b>	<b>25,552</b>

## 25. PROVISIONS FOR EMPLOYEE BENEFIT

25.1 Movement of provisions for employee benefit for the years ended December 31, 2020 and 2019 shown as follow :-

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
<b>The statements of financial position</b>	(For the year)	(For the year)	(For the year)	(For the year)
Employee benefit obligations, beginning	103,946	56,769	47,065	24,002
Employee benefit obligations paid	11,822	11,779	9,478	5,162
Past service cost and interest				
- Change a considered a post employment plan amendment	-	16,562	-	7,218
- Amendment in other long-term employee benefit	-	10,446	-	5,279
Loss estimation over actuarial principles	372	8,390	49,645	5,404
<b>Employee benefit obligations, ending</b>	<b>116,140</b>	<b>103,946</b>	<b>106,188</b>	<b>47,065</b>

### Post-employment defined benefit plans

The Group operates a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E. 2541 to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.



25.2 Revenues and expenses recognized in the statement of comprehensive income for the years ended December 31, 2020 and 2019 are as follows:

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
<b>The statement of comprehensive income</b>				
<b>Recognized in profit or loss</b>				
Cost of sale of real estate	2,874	8,496	2,195	2,965
Distribution costs	1,280	3,528	1,265	1,739
Administrative expenses	6,163	26,763	8,615	12,955
Total	10,317	38,787	12,075	17,659
<b>Recognized in other comprehensive income</b>				
Loss on actuarial gain loss	1,877	8,390	47,048	5,404
Total	12,194	47,177	59,123	23,063

25.3 Gain and loss from the estimate based on actuarial principles recognized in the statement of comprehensive income for the years ended December 31, 2020 and 2019 arise from

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
Recognize in other comprehensive income				
Financial assumption	(283)	11,683	2,176	7,020
Population assumption	3	(2,932)	3	(2,691)
Improvement from experience	2,157	(361)	44,869	1,075
Total	1,877	8,390	47,048	5,404

## 25.4 Assumptions provisions for employee benefit

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	(% per annum)			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Discount rate	0.19 - 1.82	1.25 - 1.91	0.74 - 1.49	1.32 - 1.80
Inflation rate	2.75	2.75	2.75	2.75
Future salary growth rate	5.00 - 7.00	5.00 - 7.00	7.00	7.00
Employee turnover rate (depending on age)	1.91 - 45.84	1.91 - 45.84	5.73 - 34.38	5.73 - 34.38
Mortality rate	table of death B.B.2017	table of death B.B.2017	table of death B.B.2017	table of death B.B.2017
Gold price	21,500	19,700	21,550	19,700

Assumptions regarding future mortality are based on published statics and mortality tables.

At December 31, 2020 and 2019, the Group has the weighted-average duration of the defined benefit obligation was 5 - 22 years and 5 - 18 years, respectively (Separate financial statements : 6 - 14 years and 16 years, respectively).

As at December 31, 2020, the Group expects to pay Baht 30.02 million of long-term employee benefits and other long-term employees benefits during the next year (Separate financial statements : Baht 29.23 million).

### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	Increase	Decrease	Increase	Decrease
Defined benefit obligation as at December 31, 2020				
Discount rate (0.5% movement)	(4,266)	4,626	(3,835)	4,156
Future salary growth rate (1% movement)	9,253	(8,008)	8,410	(7,281)
Employee turnover rate (20% movement)	(12,628)	16,077	(11,199)	14,158

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	Increase	Decrease	Increase	Decrease
Defined benefit obligation as at December 31, 2019				
Discount rate (0.5% movement)	(3,076)	3,323	(2,014)	2,172
Future salary growth rate (1% movement)	6,946	(6,053)	4,429	(3,860)
Employee turnover rate (20% movement)	(8,213)	10,248	(5,921)	7,376

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

On April 5, 2019, the Labour Protection Act has been enacted in the Royal Gazette. The Labour Protection Act includes a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the current maximum rate of 300 days. This Act shall come into force after the expiration of thirty days from the enacted date in the Royal Gazette onwards. This change is considered a post-employment benefits plan amendment. The effect of the change is recognized past service costs as expenses in the comprehensive income statement.

## 26. LONG-TERM LEASE AGREEMENT OBLIGATION

Movements of the long-term lease agreement obligation during years ended December 31, 2020 and 2019 were as follows :

	In Thousand Baht
	Consolidated/Separate
	Financial Statements
Beginning balance	112,923
<u>Less</u> Transfer lease agreement from Effect of the adoption to TFRS16	(112,923)
As at January 1, 2020	-
<u>Add</u> Increase during the year	-
<u>Less</u> Paid during the year	-
As at December 31, 2020	-

Long-term lease agreement obligations arise from the rental fees that must be paid accordance with the agreement of construction and land lease with the building already constructed under the straight line method from the date that the Company has the right to use the assets until as at the end of the year. It is included other expenses related to the area development for future project development by recognizing the additional liabilities as cost of leasehold rights (see Note 18).

## 27. OTHER NON-CURRENT LEABILITIES

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Advance received for common fees	45,195	62,280	27,969	39,880
Provision for compensation for housing estate juristic persons	19,195	22,242	14,699	16,464
Deposit receipt	6,489	10,075	5,664	9,241
<b>Total</b>	<b>70,879</b>	<b>94,597</b>	<b>48,332</b>	<b>65,585</b>

## 28. SHARE CAPITAL

	Par value per share in Baht	Consolidated / Separate Financial Statements			
		2020		2019	
		Number (Thousand Shares)	Amount (In Thousand Baht)	Number (Thousand Shares)	Amount (In Thousand Baht)
Authorised					
At January 1,					
- ordinary shares	1	1,200,000	1,200,000	1,200,000	1,200,000
Increase of new shares	1	-	-	-	-
At December 31,					
- ordinary shares	1	1,200,000	1,200,000	1,200,000	1,200,000
Issued and paid-up					
At January 1,					
- ordinary shares	1	980,000	980,000	980,000	980,000
At December 31,					
- ordinary shares	1	980,000	980,000	980,000	980,000

## 29. SHARE PREMIUM

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

### **30. SUBORDINATED DEBENTURE SIMILAR TO CAPITAL**

On December 18, 2019, the Company issued debenture with holder name specified. These are subordinated debenture similar to capital, repay the principal only once when closing down the company with no guarantee, no conversion, no debenture holder representative in total Baht 300 million and the issuer of debenture redeemable before due date from the 5<sup>th</sup> year onwards or according to the debenture conditions with interest paid every 3 months. The debenture issuer is entitled to extend interest payment along with interest paid to pay on any day to the debenture holder without time period limit and number of times depends on the judgment of the sole debenture issuer.

If the company extends the interest payment, the Company will not be able to act as follows:

- (1) Announce or pay dividend
- (2) Pay interest or distribute any asset to the creditor by the same instrument level or pay or distribute assets or other benefits of the shares to the shareholder of the debenture issuer.
- (3) Pay debt or redeem, reduce, cancel, buy or buy back ( with consideration) with the same instrument level or shares issued by the debenture issuer.

In the event that the debenture issuer violates this prohibition requirement, the total interest postponed available at that time is due for payment immediately on the day of violation by the debenture issuer. The debenture issuer cannot postpone interest payment and interest postponed available at that time again.

As at December 31, 2020 and 2019, the debenture Baht 300 million is recognized as part of shareholder's equity in the consolidated and separate financial statements.

As at December 31, 2020 and 2019, the company has not deferred any interest payments to the subordinated perpetual debentures holders. Cumulative interest for the year ended December 31, 2020 which the debentures holders have the right to receive if the interest payment was announced amounting to Baht 300 million.

As at December 31, 2020 and 2019, the Company classified subordinated perpetual debentures as a part of equity in the consolidated and separate financial statements. TAS 32 Financial instruments: Presentation, which will become effective for annual financial reporting periods beginning on or after January 1, 2020, explains the classification of perpetual debentures as financial liability. However, the Federation of Accounting Professions announced the Federation of Accounting Professions Announcement dated December 3, 2019 regarding additional transition for classification of perpetual debentures as an additional guideline during transition period. The Company expects to apply this announcement which, as at January 1, 2020, the Company will classify the subordinated perpetual debentures as a part of equity in the consolidated and separate financial statements.

On February 25, 2020, the Extraordinary General Meeting No.1/2020 had a resolution to approve the receiving of financial assistance from connected persons.

If, as at December 31, 2020, the Company classifies the subordinated perpetual debentures as financial liability, total liabilities and equity of the company will increase and decrease by Baht 300 million.

### 31. STATUTORY RESERVE

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company and a subsidiary is required to set aside as statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward, (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

Under the terms of the Civil and Commercial Code, twelve subsidiaries is required to set aside as statutory reserve at least 5 percent of its net income at each dividend declaration as the statutory reserve until the statutory reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

### 32. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

On January 1, 2020 (the date of initial application of new financial reporting standards), the Group management has assessed which business models applied to the financial assets and liabilities and have classified the financial assets and liabilities balances as at January 1, 2020 disclose in note No.6

	In Thousand Baht				
	Consolidated Financial Statements				
	Fair value -				
	FVPL	Derivatives	FVOCI	Amortized cost	Total
Financial assets as at December 31, 2020					
Cash and cash equivalents	-	-	-	77,450	77,450
Trade and other current receivables	-	-	-	177,836	177,836
Other current financial assets	85	-	-	-	85
Deposits at bank used as collateral	-	-	-	361,432	361,432
	85	-	-	616,718	616,803

The Group classified debt investments that do not qualify for measurement at either amortized cost or FVOCI at fair value through profit or loss (FVPL).

Financial assets mandatorily measured at FVPL as at December 31, 2020 include the following:

	In Thousand Baht
	Consolidated
	Financial Statements
Current financial assets as at December 31, 2020	
Mutal funds	85
Total	85

	In Thousand Baht		
	Consolidated Financial Statements		
	Fair value -		
	Derivatives	Amortized cost	Total
Financial liabilities as at December 31, 2020			
Bank overdrafts and short-term loans from financial institutions	-	427,092	427,092
Trade and other current payables	-	734,216	734,216
Long-term loans from financial institutions	-	1,179,220	1,179,220
Long-term loans from other company	-	473,750	473,750
Debentures	-	5,508,695	5,508,695
Lease liabilities	-	509,183	509,183
Construction deposit	-	191,628	191,628
	-	9,023,784	9,023,784

	In Thousand Baht				
	Consolidated Financial Statements				
	Fair value -		Amortized		Total
FVPL	Derivatives	FVOCI	cost		
Financial assets as at December 31, 2020					
Cash and cash equivalents	-	-	-	48,656	48,656
Trade and other receivables	-	-	-	1,128,256	1,128,256
Short-term loans to related parties	-	-	-	1,095,000	1,095,000
Other current financial assets	85	-	-	-	85
Deposits at bank used as collateral	-	-	-	349,876	349,876
	85	-	-	2,621,788	2,621,873

	In Thousand Baht		
	Separate Financial Statements		
	Fair value -		
	Derivatives	Amortized cost	Total
Financial liabilities as at December 31, 2020			
Bank overdrafts and short-term loans from financial institutions	-	427,092	427,092
Trade and other current payables	-	880,407	880,407
Long-term loans from financial institutions	-	718,046	718,046
Long-term loans from other company	-	473,750	473,750
Debentures	-	5,508,695	5,508,695
Lease liabilities	-	501,949	501,949
Loans from related	-	29,822	29,822
Construction deposit	-	157,355	157,355
	-	8,697,116	8,697,116

### 33. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

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

#### Major customers

The Company has revenue from the sale of real estate from a major customer with the value equals to or more than 10 percent of the Company's revenues for the year ended December 31, 2020, as follow;

Customer	Amount (In Million Baht)
Customer 1	1,958.07



**34. OTHER INCOME**

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	For the years ended December 31,		For the years ended December 31,	
	2020	2019	2020	2019
Management income	-	-	83,138	40,631
Revenue from rental and rendering of services	20,779	29,342	17,023	24,973
Revenue from project management	19,778	19,602	-	-
Revenue from delay work	-	29,359	-	29,359
Revenue from installment receipt	42,043	3,905	40,613	3,046
Revenue from interest	3,924	4,929	3,851	4,669
Others	13,597	31,948	9,670	22,812
<b>Total</b>	<b>100,121</b>	<b>119,085</b>	<b>154,295</b>	<b>125,490</b>

**35. SELLING EXPENSES**

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	For the years ended December 31,		For the years ended December 31,	
	2020	2019	2020	2019
Marketing expenses	89,700	164,478	69,336	125,345
Employee benefit expenses	65,151	69,133	48,097	43,582
Specific business tax and transfer fees	189,433	113,273	140,244	74,478
Others	14,225	29,037	14,225	29,037
<b>Total</b>	<b>358,509</b>	<b>375,921</b>	<b>271,902</b>	<b>272,442</b>

### 36. ADMINISTRATIVE EXPENSES

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	For the years ended December 31,		For the years ended December 31,	
	2020	2019	2020	2019
Employee benefit expenses	202,944	246,875	149,235	128,620
Depreciation and amortization	46,445	45,515	41,952	42,947
Common fee charge	48,015	56,319	38,169	47,973
Management fee	-	-	2,230	17,950
Security expenses	6,937	11,746	6,299	9,351
Utility expenses	13,556	17,860	11,135	14,975
Transportation expenses	4,057	8,182	2,789	5,132
Maintenance expenses	5,837	6,247	4,757	4,779
Others	118,684	149,529	97,434	117,516
<b>Total</b>	<b>446,475</b>	<b>542,273</b>	<b>354,000</b>	<b>389,243</b>

### 37. EMPLOYEE BENEFIT EXPENSES

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	For the years ended December 31,		For the years ended December 31,	
	2020	2019	2020	2019
Wages and salaries	232,005	245,489	166,928	132,848
Contributions to provident fund	13,405	14,947	9,617	6,934
Others	25,256	63,244	22,982	35,386
<b>Total</b>	<b>270,666</b>	<b>323,680</b>	<b>199,527</b>	<b>175,168</b>

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 15% of their basic salaries and by the Group at rates ranging from 3% to 7% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

### 38. EXPENSES BY NATURE

Significant expenses by nature are as follows:

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2020	2019	2020	2019
Depreciation and amortisation	50,254	49,365	42,135	42,947
Marketing expenses	89,700	164,478	69,336	125,345
Employee benefit expenses	270,666	323,680	199,527	175,168

### 39. FINANCE COSTS

	Note	In Thousand Baht			
		Consolidated		Separate	
		Financial Statements		Financial Statements	
		2020	2019	2020	2019
Interest expense:					
Subsidiaries	7	-	-	2,098	833
Interest bearings liabilities		572,201	579,110	538,040	529,751
Total interest expenses		572,201	579,110	540,138	530,584
Other finance costs		61,516	39,204	60,422	38,596
Total		633,717	618,314	600,560	569,180
<u>Less</u> amounts included in the cost of qualifying assets:					
- Real estate projects under development	7, 10	(229,873)	(277,265)	(206,703)	(240,246)
- Leasehold rights		(69,453)	(39,472)	(69,453)	(39,472)
Total		(299,326)	(316,737)	(276,156)	(279,718)
Net		334,391	301,577	324,404	289,462

#### 40. TAX EXPENSE (INCOME)

##### 40.1 Major components of tax expense (income)

For the years ended December 31, 2020 and 2019 consisted of:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Tax expense (income) shown in profit or loss :				
Current tax expense:				
Tax expense for the year	43,558	3,576	32,474	-
Deferred tax expense (income):				
Changes in temporary differences relating to the original recognition and reversal	36,410	(34,971)	13,470	(38,384)
Total	<u>79,968</u>	<u>(31,395)</u>	<u>45,944</u>	<u>(38,384)</u>
Tax expense (income) relating to components of other comprehensive income :				
Gain on land revaluation	-	14,779	-	14,779
Actuarial losses	(7,357)	(1,678)	(9,410)	(1,081)
Total	<u>(7,357)</u>	<u>13,101</u>	<u>(9,410)</u>	<u>13,698</u>

##### 40.2 A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate for the years ended December 31, 2020 and 2019 which are summarized as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Accounting profit (loss) for the year	274,833	(312,000)	231,936	(220,520)
The applicable tax rate (%)	20%	20%	20%	20%
Tax expense (income) at the applicable tax rate	<u>54,967</u>	<u>(62,400)</u>	<u>46,387</u>	<u>(44,104)</u>
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	23,385	9,952	3,432	5,823
Tax effect of income or profit that are not required in determining taxable profit:				
- Exemption of non-taxable income	(129)	-	(129)	-
- Additional expense deductions allowed	(4,091)	(114)	(3,746)	(103)
- Current year losses for which no deferred tax asset was recognized	6,583	20,041	-	-
- Eliminate income	(747)	1,126	-	-
Total reconciliation items	<u>25,001</u>	<u>31,005</u>	<u>(443)</u>	<u>5,720</u>
Total tax expense (income)	<u>79,968</u>	<u>(31,395)</u>	<u>45,944</u>	<u>(38,384)</u>

40.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate.  
For the years ended December 31, 2020 and 2019 are summarized as follows:

	Consolidated Financial Statements			
	2020		2019	
	Tax amount (In Thousand Baht)	Tax rate (%)	Tax amount (In Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	274,833		(312,000)	
Tax expense (income) at the applicable tax rate	54,967	20.00	(62,400)	20.00
Reconciliation items	25,001	9.10	31,005	(9.94)
Tax expense (income) at the average effective tax rate	79,968	29.10	(31,395)	10.06

  

	Separate Financial Statements			
	2020		2019	
	Tax amount (In Thousand Baht)	Tax rate (%)	Tax amount (In Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	231,936		(220,520)	
Tax expense (income) at the applicable tax rate	46,387	20.00	(44,104)	20.00
Reconciliation items	(443)	(0.19)	5,720	(2.59)
Tax expense (income) at the average effective tax rate	45,944	19.81	(38,384)	17.41

#### 41. BASIC EARNINGS PER SHARE

The calculations of basic earnings per share for the years ended December 31, 2020 and 2019 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the year as follows :

	Consolidated Financial Statements		Separate Financial Statements	
	For the years ended December 31,		For the years ended December 31,	
	2020	2019	2020	2019
Profit (loss) attributable to ordinary shareholders of the Company (In thousand Baht)	194,865	(280,605)	185,992	(182,136)
Number of ordinary shares outstanding (Thousand shares)	980,000	980,000	980,000	980,000
Earnings (loss) per share (Baht per share)	0.20	(0.29)	0.19	(0.19)

## 42. FINANCIAL INSTRUMENTS

### Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

### Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, and also monitors the level of dividends to ordinary shareholders.

### Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group is primarily exposed to interest rate risk from its borrowings. The Group does not use derivative financial instrument to manage exposure to fluctuations in interest rates on specific borrowings. Interest rate from borrowings is according to market interest rates.

As at December 2020 and 2019, the significant financial assets and financial liabilities classified by types of interest rates were as follows:

	In Thousand Baht			
	Consolidated Financial Statements			
	As at December 31, 2020			
	Floating interest	Fixed interest	Non-interest	Total
	rate	rates	bearing	
<u>Financial Assets</u>				
Cash and cash equivalents	44,748	91	32,611	77,450
Trade and other current receivables	-	-	177,836	177,836
Other current financial assets	-	-	85	85
Restricted deposits at banks	361,432	-	-	361,432
<u>Financial liabilities</u>				
Bank overdrafts and short-term loans from financial institution	311,688	115,404	-	427,092
Trade and other current payables	-	-	734,216	734,216
Long-term loan from financial institution	1,179,220	-	-	1,179,220
Long-term loan from other company	-	473,750	-	473,750
Lease liabilities	-	509,183	-	509,183

	In Thousand Baht			
	Consolidated Financial Statements			
	As at December 31, 2019			
	Floating interest	Fixed interest	Non-interest	Total
	rate	rates	bearing	
<u>Financial Assets</u>				
Cash and cash equivalents	59,609	2	6,317	65,928
Trade and other current receivables	-	-	263,052	263,052
Other current financial assets	-	-	85	85
Restricted deposits at banks	300,018	-	-	300,018
<u>Financial liabilities</u>				
Bank overdrafts and short-term loans from financial institution	209,985	60,195	-	270,180
Trade and other current payables	-	-	931,301	931,301
Long-term loan from financial institution	2,230,351	-	-	2,230,351
Long-term loan from other company	-	480,000	-	480,000
Lease liabilities	-	22,946	-	22,946

	In Thousand Baht			
	Separate Financial Statements			
	As at December 31, 2020			
	Floating interest	Fixed interest	Non-interest	Total
	rate	rates	bearing	
<u>Financial Assets</u>				
Cash and cash equivalents	35,084	91	13,481	48,656
Trade and other current receivables	-	-	1,128,256	1,128,256
Short-term loan to related parties	1,095,000	-	-	1,095,000
Other current financial assets	-	-	85	85
Restricted deposits at banks	349,876	-	-	349,876
<u>Financial liabilities</u>				
Bank overdrafts and short-term loans from financial institution	311,688	115,404	-	427,092
Trade and other current payables	-	-	880,407	880,407
Long-term loan from financial institution	718,046	-	-	718,046
Long-term loan from other company	-	473,750	-	473,750
Short-term loan from related parties	20,122	-	-	20,122
Long-term loan from related parties	9,700	-	-	9,700
Lease liabilities	-	501,949	-	501,949

	In Thousand Baht			
	Separate Financial Statements			
	As at December 31, 2019			
	Floating interest	Fixed interest	Non-interest	Total
	rate	rates	bearing	
<u>Financial Assets</u>				
Cash and cash equivalents	39,690	2	2,794	42,486
Trade and other current receivables	-	-	1,107,333	1,107,333
Short-term loan to related parties	1,228,245	-	-	1,228,245
Other current financial assets	-	-	85	85
Restricted deposits at banks	294,009	-	-	294,009
<u>Financial liabilities</u>				
Bank overdrafts and short-term loans from financial institution	209,985	60,195	-	270,180
Trade and other current payables	-	-	1,201,496	1,201,496
Long-term loan from financial institution	1,412,976	-	-	1,412,976
Long-term loan from other company	-	480,000	-	480,000
Short-term loan from related parties	19,545	-	-	19,545
Long-term loan from related parties	9,700	-	-	9,700
Lease liabilities	-	19,974	-	19,974



#### Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

#### Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

#### Fair value of financial instrument

The Group uses the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

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

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

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

#### Valuation techniques on fair value and inputs for Level 2 valuations

The fair value of investments in non-listed investment units on the Stock Exchange of Thailand, is calculated by using the net assets value per unit as announced by the fund managers.

<u>Type</u>	<u>Valuation technique</u>
Unit trust	Market comparison technique: The fair values are based on the net value per unit as announced by the fund manager.
Debentures	Market comparison technique: The fair values are based on quoted selling prices from Thai Bond Market Association.

During the current year, there were no transfers within the fair value hierarchy.

### 43. FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE

As at December 31, 2020 and 2019, the Group has the assets and liabilities that were measured at fair value and disclosed fair value, using different levels of inputs as follows:

	Consolidated Financial Statements (In Thousand Baht)			
	Level 1	Level 2	Level 3	Total
As at December 31, 2020				
<b>Assets measured at fair value</b>				
Other current financial assets				
- Unit trust	-	85	-	85
Investment properties	-	-	394,614	394,614
Property, plant and equipment	-	-	108,000	108,000
<b>Liability disclosed at fair value</b>				
- Debentures	-	5,505,514	-	5,505,514

	Consolidated Financial Statements (In Thousand Baht)			
	Level 1	Level 2	Level 3	Total
As at December 31, 2019				
<b>Assets measured at fair value</b>				
Other current financial assets				
- Unit trust	-	85	-	85
Investment properties	-	-	419,880	419,880
Property, plant and equipment	-	-	108,000	108,000
<b>Liability disclosed at fair value</b>				
- Debentures	-	6,389,390	-	6,389,390

	Separate Financial Statements (In Thousand Baht)			
	Level 1	Level 2	Level 3	Total
As at December 31, 2020				
<b>Assets measured at fair value</b>				
Other current financial assets				
- Unit trust	-	85	-	85
Investment properties	-	-	355,814	355,814
Property, plant and equipment	-	-	108,000	108,000
<b>Liability disclosed at fair value</b>				
- Debentures	-	5,505,514	-	5,505,514

	Separate Financial Statements (In Thousand Baht)			
	Level 1	Level 2	Level 3	Total
As at December 31, 2019				
<b>Assets measured at fair value</b>				
Other current financial assets				
- Unit trust	-	85	-	85
Investment properties	-	-	375,610	375,610
Property, plant and equipment	-	-	108,000	108,000
<b>Liability disclosed at fair value</b>				
- Debentures	-	6,389,390	-	6,389,390

#### 44. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2020 and 2019 are as follows:

	Consolidated Financial Statements (In Thousand Baht)			
	Balance as at	Cash flows	Non-cash	Balance as at
	January 1,	Increase	transaction	December 31,
	2020	(decrease)*	Increase (decrease)	2020
Bank overdrafts and short-term loans from financial institutions	270,180	156,912	-	427,092
Long-term loans from financial institutions	2,230,351	(1,051,131)	-	1,179,220
Long-term loan from other company	480,000	(6,250)	-	473,750
Debentures	6,314,695	(842,210)	36,210	5,508,695
Lease liabilities	515,522	(23,982)	17,643	509,183
Subordinated perpetual debentures	300,000	-	-	300,000
<b>Total</b>	<b>10,110,748</b>	<b>(1,766,661)</b>	<b>53,853</b>	<b>8,397,940</b>

	Consolidated Financial Statements (In Thousand Baht)			
	Balance as at	Cash flows	Non-cash	Balance as at
	January 1,	Increase	transaction	December 31,
	2019	(decrease)*	Increase (decrease)	2019
Bank overdrafts and short-term loans from financial institutions	417,156	(146,976)	-	270,180
Long-term loans from financial institutions	2,442,422	(212,071)	-	2,230,351
Long-term loan from other company	-	480,000	-	480,000
Long-term loans from other parties	111,493	-	(111,493)	-
Debentures	6,368,137	(74,015)	20,573	6,314,695
Lease liabilities	113,470	(90,674)	150	22,946
Subordinated perpetual debentures	-	300,000	-	300,000
<b>Total</b>	<b>9,452,678</b>	<b>256,264</b>	<b>(90,770)</b>	<b>9,618,172</b>

	Separated Financial Statements (In Thousand Baht)			
	Balance as at	Cash flows	Non-cash	Balance as at
	January 1,	Increase	transaction	December 31,
	2020	(decrease)*	Increase (decrease)	2020
Bank overdrafts and short-term loans from financial institutions	270,180	156,912	-	427,092
Short-term loans from related parties	19,545	577	-	20,122
Long-term loans from financial institutions	1,412,976	(694,930)	-	718,046
Long-term loan from other company	480,000	(6,250)	-	473,750
Long-term loans from related parties	9,700	-	-	9,700
Debentures	6,314,695	(842,210)	36,210	5,508,695
Lease liabilities	505,816	(21,381)	17,514	501,949
Subordinated perpetual debenture	300,000	-	-	300,000
<b>Total</b>	<b>9,312,912</b>	<b>(1,407,282)</b>	<b>53,724</b>	<b>7,959,354</b>

	Separated Financial Statements (In Thousand Baht)			
	Balance as at	Cash flows	Non-cash	Balance as at
	January 1,	Increase	transaction	December 31,
	2019	(decrease)*	Increase (decrease)	2019
Bank overdrafts and short-term loans from financial institutions	407,337	(137,157)	-	270,180
Short-term loans from related parties	2,800	16,745	-	19,545
Long-term loans from financial institutions	1,633,839	(220,863)	-	1,412,976
Long-term loan from other company	-	480,000	-	480,000
Long-term loans from related parties	9,700	-	-	9,700
Long-term loans from other parties	111,493	-	(111,493)	-
Debentures	6,368,137	(74,015)	20,573	6,314,695
Lease liabilities	109,761	(89,937)	150	19,974
Subordinated perpetual debenture	-	300,000	-	300,000
Total	8,643,067	274,773	(90,770)	8,827,070

\* Financing cash flows included net proceed and repayment cash transactions in the statements of cash flows.

#### 45. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue to be recognised for the remaining performance obligations

As at December 31, 2020, revenue from construction service totaling Baht 980.77 million is expected to be recognised in the future relating to performance obligations under construction contracts with customers that are unsatisfied. The Group expects to satisfy these performance obligations within 3 years.

#### 46. COMMITMENTS WITH NON-RELATED PARTIES

As at December 31, 2020 and 2019, the Group had commitments as follows:

- 46.1 As at December 31, 2020, the Group has commitments relating to project development contracts amounting to Baht 749.77 million (As at December 31, 2019 : Baht 1,047.04 million).
- 46.2 In January 2016, the Company entered into a sale and purchase agreement of land amounting to Baht 228.00 million for a property development project. As at December 31, 2020, the Company had paid Baht 126 million for deposit. (As at December 31, 2019 : Baht 118.00 million).
- 46.3 In December 2019, the Company entered into a sale and purchase agreement of land amounting to Baht 10.00 million for a property development project. As at December 31, 2020 the Company had Baht 2.00 million for deposit. (As at December 31, 2019 : Baht 2.00 million)
- 46.4 In June 2020, the Company entered into a sale and purchase agreement of land amounting to Baht 26.00 million for a property development project. As at December 31, 2020 the Company had Baht 10.00 million for deposit.

46.5 In September 2020, the Company entered into a sale and purchase agreement of land amounting to Baht 437.44 million for a property development project. As at December 31, 2020, the Company had Baht 10.59 million for deposit.

46.6 As at December 31, 2020, the Group and the Company have outstanding bank guarantees of Baht 605.82 million and Baht 297.85 million, respectively. (As at December 31, 2019, amount of Baht 837.05 million and Baht 496.22 million, respectively).

As at December 31, 2020, the Group had no obligations under lease agreements and related service agreements as a result of the adoption of the TFRS 16 as at January 1, 2020. The Group recognized the lease liabilities previously classified as operating lease at the present value of the remaining lease payments, discounted incremental borrowing rate, as described in Note 6.2 to the financial statements.

#### **47. CONTINGENT LIABILITIES FROM LAWSUIT**

As at December 31, 2020, the Company and the Group had contingent liabilities from the charges filed by other company and persons in total of 8 lawsuits on the breach of agreement. The capital amount sued for damage claim and others amounted to Baht 416.07 million. Presently, the cases are under consideration of the court. The Court of First Instance had ruled in 2 case for the Company and the Group to pay Baht 10.92 million. Now the Company is filing an appeal on the court's decision.

However, the Company's management expects that no significant damage will be incurred. Therefore, the Company and the Group did not record the provisions for contingent liabilities and damage from the cases mentioned in the financial statements.

#### **48. EVENTS AFTER THE REPORTING PERIOD**

On March 19, 2019 the Extraordinary Shareholders' Meeting approved the debenture issuance and offering under the limit Baht 5,000 million. On February 11, 2021 the Company issued the unsubordinated, secured debenture with shareholder's representative, redeemable before maturity date in the amount of 1,550,000 units at the par value of Baht 1,000. The redemption period is due in B.E. 2566 under the limit of Baht 5,000 million as approved by the extraordinary shareholders' meeting.

On February 17, 2021 the Extraordinary Shareholders' Meeting No.1/2021 had a resolution to approve the company name change from Mega Space 2 Co., Ltd. to NV Property Development Co., Ltd. which the change has been registered with the Department of Business Development on February 19, 2021.

#### 49. RECLASSIFICATION

The reclassification in the statements of financial position for the year ended December 31, 2019 and the statements of comprehensive income for the year ended December 31, 2019, have been classified differently to conform to the statement of comprehensive income for the year ended December 31, 2019, presentation and classification, with no effect on previously reported net income (loss) and earnings per share or shareholder' equity.

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As reclassified	As previously reported	As reclassified	As previously reported
<u>Statement of financial position</u>				
Current assets				
Trade and other current receivable	263,052	265,973	1,107,333	1,109,618
Real estate projects under development	8,828,545	11,834,385	6,607,839	8,712,082
Current tax assets	27,958	-	20,443	-
Other current assets	5,104	33,062	-	20,443
Non-current assets				
Land held for development	3,005,840	-	2,104,243	-
Non-current assets	33,353	30,432	25,109	22,824

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As reclassified	As previously reported	As reclassified	As previously reported
<u>Statement of comprehensive income</u>				
Revenue from sale of real estate	2,864,949	2,868,503	-	-
Revenue from construction service	4,559	-	-	-
Interest income	-	4,929	-	86,016
Other income	119,085	115,134	125,490	120,821
Cost of sale of real estate	2,040,882	2,049,026	-	-
Cost of construction service	8,171	-	-	-
Distribution costs	375,921	262,648	272,442	197,964
Special Business Tax and transferred fee	-	113,273	-	74,478
Finance income	-	-	81,347	-

#### 50. CORONAVIRUS DISEASE 2019 PANDEMIC

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries as a whole. The situation affects the results of operations of the Group, recognition and measurement of assets and liabilities in the financial statements. Nevertheless, the management will continue to monitor the ongoing development and regularly assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities.

#### 51. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Company's Directors on March 1, 2021.