

**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, 2019**

## **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, 2019, 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, 2019, 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, 2019, 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, 2019, 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.

### **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, sample home and land pending development for sale 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 9 in the notes to the financial statements. According to the consolidated financial statements, the Group has real estate projects under development in the amount of Baht 11,834.38 million. 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 during 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.

## 2. Investment properties

The Group has investment properties in the consolidated financial statements in the amount of Baht 419.88 million in accordance with Note 12 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.

### **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.

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### **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 and the Company 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 Wannisa Ngambuathong.

(Miss Wannisa Ngambuathong)

Certified Public Accountant

Registration No. 6838

Dharmniti Auditing Company Limited

Bangkok, Thailand

February 28, 2020

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

**STATEMENT OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2019**

**ASSETS**

		In Baht				
		Consolidated		Separate		
		Financial Statements		Financial Statements		
		As at December	As at December	As at December	As at December	
Notes		31, 2019	31, 2018	31, 2019	31, 2018	
<b>CURRENT ASSETS</b>						
	Cash and cash equivalents	6	65,927,785	85,918,113	42,486,127	60,966,204
	Current investment	7	85,210	84,138	85,210	84,138
	Trade and other receivables	8	265,972,782	235,650,547	1,109,618,297	1,025,242,112
	Real estate projects under development	9, 10	11,834,384,977	11,488,062,414	8,712,081,553	8,554,629,510
	Deposits for land	41	277,200,000	280,900,000	277,200,000	280,900,000
	Short-term loans to related parties	5	-	-	1,228,245,371	1,148,329,740
	Other current assets		33,062,231	9,503,705	20,442,686	1,848,851
	Total current assets		<u>12,476,632,985</u>	<u>12,100,118,917</u>	<u>11,390,159,244</u>	<u>11,072,000,555</u>
<b>NON-CURRENT ASSETS</b>						
	Deposits at banks used as collateral	10	300,018,273	194,843,762	294,008,517	188,667,144
	Investments in subsidiaries	11	-	-	312,998,639	310,999,239
	Investment properties	10, 12	419,880,283	451,650,283	375,610,283	412,040,283
	Property, plant and equipment	13	411,897,361	341,761,637	370,194,042	308,362,496
	Prepaid rental expenses	14	119,227,588	127,773,293	119,227,588	127,773,293
	Leasehold rights	15	1,375,504,865	902,548,891	1,375,504,865	902,548,891
	Intangible assets	16	13,964,581	18,675,308	11,810,941	16,405,989
	Deferred tax assets	17	71,764,051	49,894,085	30,776,510	6,090,997
	Rental deposit	5	60,000,000	60,000,000	60,000,000	60,000,000
	Other non-current assets	18	30,432,021	50,038,655	22,824,369	39,892,291
	Total non-current assets		<u>2,802,689,023</u>	<u>2,197,185,914</u>	<u>2,972,955,754</u>	<u>2,372,780,623</u>
	<b>TOTAL ASSETS</b>		<u><u>15,279,322,008</u></u>	<u><u>14,297,304,831</u></u>	<u><u>14,363,114,998</u></u>	<u><u>13,444,781,178</u></u>

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, 2019

**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, 2019	31, 2018	31, 2019	31, 2018
<b>CURRENT LIABILITIES</b>					
	Bank overdrafts and short-term loans				
	from financial institutions	19.1	270,179,951	417,156,304	270,179,951
	Trade and other payables	20	931,300,749	401,155,915	1,201,495,973
	Current portion of long-term loans				
	from financial institutions	19.3	1,058,556,523	1,564,230,801	765,993,174
	Short-term loans from related parties	5	-	-	19,545,235
	Current portion of long-term loans				
	from other parties	19.2	-	111,493,133	-
	Current portion of debentures	19.6	3,185,715,000	2,031,215,000	3,185,715,000
	Current portion of financial lease liabilities	19.7	10,049,162	90,281,194	9,565,739
	Construction retentions		172,069,902	165,879,240	141,790,874
	Unrecognised income on installments due		1,032,550,315	627,210,674	1,028,705,412
	Income tax payable		-	3,074,911	-
	Other current liabilities	21	109,914,307	71,048,168	25,552,420
	Total current liabilities		<u>6,770,335,909</u>	<u>5,482,745,340</u>	<u>6,648,543,778</u>
<b>NON-CURRENT LIABILITIES</b>					
	Long-term loans from financial institutions	19.3	1,171,794,074	878,191,084	646,983,282
	Long-term loans from other company	19.4	480,000,000	-	480,000,000
	Long-term loans from related party	5	-	-	9,700,000
	Debentures	19.6	3,128,980,004	4,336,922,298	3,128,980,004
	Financial lease liabilities	19.7	12,896,798	23,188,348	10,407,803
	Utilities guarantees		680,215	1,053,342	680,215
	Employee benefit obligations	22	103,946,336	56,768,722	47,065,461
	Long-term lease agreement obligation	23	112,923,359	87,355,806	112,923,359
	Other non-current liabilities	24	94,597,476	99,020,549	65,585,058
	Total non-current liabilities		<u>5,105,818,262</u>	<u>5,482,500,149</u>	<u>4,502,325,182</u>
	<b>TOTAL LIABILITIES</b>		<u>11,876,154,171</u>	<u>10,965,245,489</u>	<u>11,150,868,960</u>

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, 2019**

**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, 2019	31, 2018	31, 2019	31, 2018
<b>SHAREHOLDERS' EQUITY</b>					
	25				
		1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000
		980,000,000	980,000,000	980,000,000	980,000,000
		980,000,000	980,000,000	980,000,000	980,000,000
	26	669,209,894	669,209,894	669,209,894	669,209,894
<b>SUBORDINATED PERPETUAL</b>					
	27	300,000,000	-	300,000,000	-
<b>RETAINED EARNINGS</b>					
	28	88,293,600	88,293,600	88,293,600	88,293,600
		1,306,547,661	1,594,555,848	1,115,625,862	1,302,775,848
	13	59,116,682	-	59,116,682	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>					
		3,403,167,837	3,332,059,342	3,212,246,038	3,040,279,342
<b>TOTAL LIABILITIES AND</b>					
<b>SHAREHOLDERS' EQUITY</b>					
		15,279,322,008	14,297,304,831	14,363,114,998	13,444,781,178

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, 2019**

		In Baht				
		Consolidated		Separate		
		Financial Statements		Financial Statements		
Notes		2019	2018	2019	2018	
<b>INCOME</b>						
	Revenue from sale of real estate	5	2,868,503,092	3,929,369,508	1,883,298,182	3,201,037,079
	Interest income	5	4,929,160	2,712,532	86,015,850	75,280,766
	Other income	5, 31	115,133,973	100,117,953	120,821,292	136,005,212
	<b>Total income</b>		<b>2,988,566,225</b>	<b>4,032,199,993</b>	<b>2,090,135,324</b>	<b>3,412,323,057</b>
<b>EXPENSES</b>						
	Cost of sale of real estate	9	2,049,026,292	2,649,890,764	1,323,078,308	2,134,600,360
	Selling expenses	32	262,647,932	384,750,476	197,964,218	315,306,288
	Special Business Tax and transferred fee		113,273,078	150,097,516	74,477,920	122,351,444
	Administrative expenses	5, 33	542,272,562	551,995,903	389,243,149	418,455,413
	Unrealised losses on fair value of investment properties	12	31,770,000	2,340,000	36,430,000	4,350,000
	Finance costs	5, 36	301,576,714	226,898,826	289,461,900	223,424,616
	<b>Total expenses</b>		<b>3,300,566,578</b>	<b>3,965,973,485</b>	<b>2,310,655,495</b>	<b>3,218,488,121</b>
	Profit (loss) before income tax expense		(312,000,353)	66,226,508	(220,520,171)	193,834,936
	Income tax (revenue) expense	37	(31,394,908)	35,441,196	(38,383,866)	45,543,285
	<b>PROFIT (LOSS) FOR THE YEAR</b>		<b>(280,605,445)</b>	<b>30,785,312</b>	<b>(182,136,305)</b>	<b>148,291,651</b>
<b>Other comprehensive income :</b>						
<b>Items that will not be reclassified to profit or loss</b>						
	Gain on land revaluation - net of income tax	13	59,116,682	-	59,116,682	-
	Actuarial losses - net of income tax	22	(6,712,331)	-	(4,323,270)	-
	<b>Other comprehensive income (loss) for the year</b>		<b>52,404,351</b>	<b>-</b>	<b>54,793,412</b>	<b>-</b>
	<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR</b>		<b>(228,201,094)</b>	<b>30,785,312</b>	<b>(127,342,893)</b>	<b>148,291,651</b>

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, 2019**

		In Baht			
		Consolidated		Separate	
		Financial Statements		Financial Statements	
Notes		2019	2018	2019	2018
	Profit (loss) attributable to				
	Shareholders' equity of the parent company	(280,605,445)	30,785,312	(182,136,305)	148,291,651
	Non-controlling interests	-	-	-	-
		<u>(280,605,445)</u>	<u>30,785,312</u>	<u>(182,136,305)</u>	<u>148,291,651</u>
	Total comprehensive income (loss) attributable to				
	Shareholders' equity of the parent company	(228,201,094)	30,785,312	(127,342,893)	148,291,651
	Non-controlling interests	-	-	-	-
		<u>(228,201,094)</u>	<u>30,785,312</u>	<u>(127,342,893)</u>	<u>148,291,651</u>
	Basic earning (loss) per share				
	Basic earnings per share of the parent company	(0.29)	0.03	(0.19)	0.15

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, 2019**

		In Baht						
		Consolidated 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 of income tax	Total Shareholders' Equity	
				Legal Reserve	Unappropriated			
	Balance as at January 1, 2018	980,000,000	669,209,894	-	80,873,600	1,610,388,136	-	3,340,471,630
29	Dividend	-	-	-	-	(39,197,600)	-	(39,197,600)
	Comprehensive income for the year							
	Profit (loss) for the year	-	-	-	-	30,785,312	-	30,785,312
	Other comprehensive income (loss) for the year	-	-	-	-	-	-	-
	Total comprehensive income for the year	-	-	-	-	30,785,312	-	30,785,312
	Transfer to legal reserve	-	-	-	7,420,000	(7,420,000)	-	-
	Balance as at December 31, 2018	980,000,000	669,209,894	-	88,293,600	1,594,555,848	-	3,332,059,342
27	Issuance of subordinated perpetual debentures	-	-	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)
27	Interest payment on subordinated perpetual debentures	-	-	-	-	(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

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, 2019**

		In Baht						
		Separate Financial Statements						
Note	Share Capital	Premium on Ordinary Shares	Subordinated perpetual debentures	Retained Earnings		Other Components of shareholders' equity Surplus from asset revaluation-land net of income tax	Total Shareholders' Equity	
				Legal Reserve	Unappropriated			
	Balance as at January 1, 2018	980,000,000	669,209,894	-	80,873,600	1,201,101,797	-	2,931,185,291
29	Dividend	-	-	-	-	(39,197,600)	-	(39,197,600)
	Comprehensive income for the year							
	Profit (loss) for the year	-	-	-	-	148,291,651	-	148,291,651
	Other comprehensive income (loss) for the year	-	-	-	-	-	-	-
	Total comprehensive income for the year	-	-	-	-	148,291,651	-	148,291,651
	Transfer to legal reserve	-	-	-	7,420,000	(7,420,000)	-	-
	Balance as at December 31, 2018	980,000,000	669,209,894	-	88,293,600	1,302,775,848	-	3,040,279,342
27	Issuance of subordinated perpetual debentures	-	-	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)
27	Interest payment on subordinated perpetual debentures	-	-	-	-	(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

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, 2019**

	In Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2019	2018	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit (loss) for the year	(280,605,445)	30,785,312	(182,136,305)	148,291,651
Adjustments to reconcile profit (loss) for the year to net cash provided by (used in) from operating activities				
Unrealised gain on current investment	(1,072)	(640)	(1,072)	(640)
Doubtful debt (Reverse)	29,137,765	(97,842)	29,121,509	100,475
Bad debt	2,610	-	2,610	-
Allowance for decline in value of real estate projects under development (Reverse)	(395,958)	(12,505,049)	(395,958)	(5,986,633)
Unrealised losses on fair valun of investment properties	31,770,000	2,340,000	36,430,000	4,350,000
Depreciation and amortization	49,364,998	66,014,010	42,947,141	61,870,154
Loss (gain) on disposal of equipment	(5,347,661)	(827,099)	(1,992,525)	(593,455)
Loss of written off assets	-	5,004,673	-	5,004,673
Loss of written off intangible asset	694,986	-	694,986	-
Amortisation of premium on debentures	20,572,706	8,916,229	20,572,706	8,916,229
Homecare warranty and housing estate juristic person expenses	8,274,972	6,804,149	4,997,977	5,231,962
Estimated loss from house construction	1,837,019	-	-	-
Employee benefit obligations	38,787,199	6,222,845	17,659,352	2,921,398
Gain from written off construction retentions	(13,058,773)	(8,215,293)	(9,530,035)	-
Finance cost	301,576,714	226,898,826	289,461,900	223,424,616
Income tax expense (revenue)	(31,394,908)	35,441,196	(38,383,866)	45,543,285
Interest income	(4,929,160)	(2,712,532)	(86,015,850)	(75,280,765)
Profit (loss) from operations before changes in operating assets and liabilities	146,285,992	364,068,785	123,432,570	423,792,950
Decrease (increase) in operating assets and liabilities				
Trade and other receivables	(59,462,610)	(55,895,386)	(32,153,233)	(306,702,712)
Real estate projects under development	(79,614,558)	(438,236,070)	71,625,235	294,767,115
Deposits for land	3,700,000	10,699,980	3,700,000	10,699,980
Other current assets	(1,586,890)	(3,516,770)	-	-
Other non-current assets	19,606,634	5,526,141	17,067,922	7,590,693

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, 2019**

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2019	2018	2019	2018
Trade and other payables	471,309,191	90,883,695	351,654,824	94,973,104
Construction retentions	19,249,435	(3,816,013)	12,911,753	(8,383,394)
Unrecognised income on installments due	329,319,101	397,647,419	328,308,218	395,150,400
Other current liabilities	33,342,709	4,838,427	(3,302,291)	1,286,285
Utilities guarantee	(373,127)	(1,431,438)	(373,127)	(1,431,438)
Other non-current liabilities	(9,702,045)	(33,615,229)	(6,923,164)	(31,567,024)
Cash from operating activities	872,073,832	337,153,541	865,948,707	880,175,959
Income tax paid	(28,622,691)	(64,534,971)	(18,593,835)	(54,120,502)
Net cash provided by (used in) operating activities	843,451,141	272,618,570	847,354,872	826,055,457
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	4,929,160	2,712,532	4,668,779	2,428,967
(Increase) decrease in deposits at banks used as collateral	(105,174,511)	34,185,304	(105,341,373)	40,361,922
(Increase) in short - term loans from related parties	-	-	(488,060,010)	(523,766,972)
Decrease in short-term loans from related parties	-	-	408,144,379	679,240,895
Investment in subsidiary	-	-	(1,999,400)	(9,000,000)
Purchase of equipment	(12,518,902)	(29,740,080)	(4,739,720)	(6,826,575)
Received from disposal of equipment	6,718,561	827,103	3,363,421	593,458
Purchase of intangible assets	(395,112)	(2,785,371)	(395,112)	(916,188)
Leasehold rights	(407,916,744)	(124,471,513)	(407,916,744)	(124,471,513)
Net cash provided by (used in) investing activities	(514,357,548)	(119,272,025)	(592,275,780)	57,643,994
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Finance costs paid	(605,347,684)	(553,871,073)	(548,332,119)	(513,951,557)
Dividend paid	-	(39,197,600)	-	(39,197,600)
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	(146,976,353)	70,139,763	(137,157,183)	60,320,593
Increase in short-term loans from related parties	-	-	16,745,235	208,807,217
(Decrease) in short - term loans form related parties	-	-	-	(288,245,647)
Proceed from long-term loans from financial institutions	1,291,443,762	3,040,741,130	803,438,682	2,112,927,057
Repayment of long-term loans from financial institutions	(1,503,515,050)	(2,241,518,749)	(1,024,301,465)	(1,943,736,016)
Proceeds from long - term loans from other company	480,000,000	-	480,000,000	-
Proceeds from debentures	2,000,000,000	416,600,000	2,000,000,000	416,600,000

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, 2019**

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2019	2018	2019	2018
Repayment of debentures	(2,031,215,000)	(1,031,215,000)	(2,031,215,000)	(1,031,215,000)
Transaction cost from issue of debenture	(42,800,000)	(2,228,810)	(42,800,000)	(2,228,810)
Repayment of finance lease liabilities	(90,673,596)	(18,595,427)	(89,937,319)	(17,478,571)
Proceeds from issuance of subordinated perpetual debentures	300,000,000	-	300,000,000	-
Net cash provided by (used in) financing activities	(349,083,921)	(359,145,766)	(273,559,169)	(1,037,398,334)
Net increase (decrease) in cash and cash equivalents	(19,990,328)	(205,799,221)	(18,480,077)	(153,698,883)
Cash and cash equivalents as at January 1,	85,918,113	291,717,334	60,966,204	214,665,087
Cash and cash equivalents as at December 31,	65,927,785	85,918,113	42,486,127	60,966,204
<b>Non-cash transactions</b>				
A part of real estate under development cost under finance lease	-	75,627,600	-	75,627,600
Acquisition of equipment under finance leases	150,014	15,833,185	150,014	12,280,585
Account payable for purchase intangible assets	392,998	-	-	-
Transfer property, plant and equipment to cost of real estate project under development	5,118,170	-	5,118,170	-
Transfer cost of real estate project under development to property, plant and equipment	45,903,663	93,403,668	34,104,148	93,403,668
Depreciation expense which include real estate project under development	19,828,195	19,173,605	14,462,860	16,253,948
Borrowing costs which is included as a part of real estate under development cost	277,265,222	276,231,927	240,246,146	252,152,290
Expenses under contracts which is included as a part of leasehold rights	25,567,553	20,733,445	25,567,553	20,733,445
Borrowing costs which is included as a part of construction in process of leasehold rights	39,471,677	23,059,131	39,471,677	23,059,131
Transfer long-term loans from other parties to trad and other 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, 2019**

**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, 2019 and 2018 are given in notes 5 and 11.

**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, 2019	As at December 31, 2018
<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	-
Soontareeya Leisure Co., Ltd.	Hotel	Thailand	99.97	-

2.2 Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”).

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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

	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,	
	2019	2018	2019	2018
	<u>Subsidiaries</u>			
Areeya Service Co., Ltd.	0.34	0.11	0.10	0.05
One Up Co., Ltd.	2.91	3.14	0.06	0.21
Areeya Management Co., Ltd.	6.50	9.46	18.71	9.39
Cool Space Co., Ltd.	6.97	5.67	4.82	0.30
White Living Co., Ltd.	6.90	5.88	14.09	9.43
Chill Space Co., Ltd.	3.34	3.73	2.35	1.38
Areeya Hospitality Co., Ltd.	0.14	0.16	(0.03)	(0.05)
Soontareeya Residence Co., Ltd.	-	-	-	-
Soontareeya Leisure Co., Ltd.	-	-	-	-

2.4 Outstanding balances between the Group, significant intercompany transactions, investment balance in the Company’s books and share capital of the subsidiaries are eliminated from the consolidated financial statements.

2.5 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.

2.6 The accounting policies of the subsidiaries for similar accounting transactions are the same as the Company.

2.7 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 have adopted the revised (revised 2018) and new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Group financial statements. (Except for the adoption of TFRS 15 “Revenue from Contracts with Customers”)

This standard has no effect on profit or loss of the group, it only has effect on the classification in the comprehensive statement of income for the year ended December 31, 2018 as follows:

	2018 (Thousand Baht)					
	Consolidated financial statements			Separate financial statements		
	Former financial reporting standards	Increase (Decrease)	Financial reporting standards No.15	Former financial reporting standards	Increase (Decrease)	Financial reporting standards No.15
<b>Comprehensive income</b>						
<b>Profit (loss) for the year</b>						
Revenue from sale	3,936,048	(6,678)	3,929,370	3,205,663	(4,626)	3,201,037
Cost of sale of real estate	2,474,783	175,108	2,649,891	1,988,901	145,699	2,134,600
Selling expense	566,536	(181,786)	384,750	465,631	(150,325)	315,306
	<u>6,977,367</u>	<u>(13,356)</u>	<u>6,964,011</u>	<u>5,660,195</u>	<u>(9,252)</u>	<u>5,650,943</u>

### 3.3 The financial reporting standards are effective in the current year

During the year, the Federation of Accounting Professions issued a number of 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
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##### Financial Reporting Standard Interpretations:

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

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

These TFRSs 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.

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

3.4 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>
Investment properties	Fair value
Defined benefit liability	Present value of the defined benefit obligation as explained in note 4.14
Land under property, plant and equipment	Fair value

3.5 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.

3.6 Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

- Note 9 Measurement of real estate projects under development: net realisable value;
- Note 13 Measurement of property plant and equipment net realisable value
- Note 17 Recognition of deferred tax assets: future taxable profit against which tax losses carried forward can be used;
- Note 22 Measurement of defined benefit obligations: key actuarial assumptions;

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.

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.

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

Note 12 Investment properties; and

Note 13 Property, plant and equipment

Note 39 Financial instruments.

#### **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.

##### **Changing in accounting policy of Land revaluation**

The Group 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".

#### 4.1 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 accounts receivable

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

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. 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, for capital appreciation or for both, but 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.

#### Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments 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 to the 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.

#### 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 accumulated impairment losses.

##### 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

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.

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

#### 4.12 Interest-bearing liabilities

Interest-bearing liabilities are recognised at cost.

#### 4.13 Trade and other payables

Trade and other accounts payable are stated at cost.

#### 4.14 Employee benefits

##### 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 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

#### 4.17 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.

#### 4.18 Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of 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.

#### 4.19 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 to customers

The Group have 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.

#### Construction income

Revenue from construction contract is recognised as income on the basis of percentage of completion which is estimated by the proportion that contract costs incurred up to date bear to the estimated total costs.

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.

Cost of construction represents cost on construction projects of a subsidiary providing to the Group, which has been eliminated from the consolidated financial statements.

#### 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.

#### 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.

#### 4.20 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.

#### 4.21 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.

#### Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

#### 4.22 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.

#### 4.23 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 attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

#### 4.24 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.

### **5. 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
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
Interest income	5.45% - 6.75% per annum
Purchase the land	At cost
Management income / Management fee	Agreed price
Finance costs	5.45% - 6.75% per annum
Land rental	Contractually agreed rates

Significant transactions for the years ended December 31, 2019 and 2018 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,	
	2019	2018	2019	2018
Subsidiaries:				
Interest income	-	-	81,347	72,852
Management income	-	-	40,631	72,035
Purchase the land (under real estate project in development)	-	-	101,716	-
Management fee	-	-	17,950	44,320
Finance costs	-	-	443	2,944
Related parties :				
Land rental	1,100	1,100	1,100	1,100
Key management personnel compensation:				
Short-term benefits	69,297	79,536	35,731	40,391
Post-employment benefits	3,175	1,742	1,423	723
Total	72,472	81,278	37,154	41,114

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, 2019 and 2018 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Trade and other receivables				
- related parties				
Subsidiaries	-	-	567,299	590,459
Key management	37	37	37	37
	<u>37</u>	<u>37</u>	<u>567,336</u>	<u>590,496</u>
Interest receivable - related parties				
(included in trade and other receivables)				
Subsidiaries	-	-	306,276	224,929
Borrowing costs - related parties				
(included in real estate projects under development)				
Subsidiaries	-	-	852	462
Rental deposit				
Key management	60,000	60,000	60,000	60,000
Trade and other payables				
- related parties				
Subsidiaries	-	-	386,794	436,796
Accrued interest expense - related parties				
(included in trade and other payables)				
Subsidiaries	-	-	26,043	25,210
Unrecognised income on installments due				
Subsidiaries	70	-	70	-
Key management	8,303	5,093	8,303	5,093
	<u>8,373</u>	<u>5,093</u>	<u>8,373</u>	<u>5,093</u>
Construction retentions - related party				
Subsidiaries	-	-	5,012	5,012
Short-term loans to related parties				
Subsidiaries				
Chill Space Co., Ltd.	-	-	355,672	300,543
One Up Co., Ltd.	-	-	194,421	193,000
White Living Co., Ltd.	-	-	160,440	69,718
Areeya Management Co., Ltd.	-	-	137,529	326,222
Cool Space Co., Ltd	-	-	359,165	242,847
Areeya Hospitality Co.,Ltd	-	-	21,018	16,000
Total	-	-	1,228,245	1,148,330

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

Movements during for the years ended December 31, 2019 and 2018 of short-term loans to related parties were as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Short-term loans to related parties				
Subsidiaries				
Beginning balance	-	-	1,148,330	1,303,804
Increase	-	-	488,060	523,767
Decrease	-	-	(408,145)	(679,241)
Ending balance	-	-	1,228,245	1,148,330

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Short-term loans from related parties				
Subsidiaries				
Areeya Service Co.,Ltd.	-	-	19,545	2,800

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

Movements during for the years ended December 31, 2019 and 2018 of short-term loans from related parties were as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Short-term loans from related parties				
Subsidiaries				
Beginning balance	-	-	2,800	82,238
Increase	-	-	16,745	208,807
Decrease	-	-	-	(288,245)
Ending balance	-	-	19,545	2,800

	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, 2019	31, 2018	31, 2019	31, 2018	31, 2019	31, 2018	
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, 2019.

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, 2019 of Baht 57.4 million (December 31, 2018 : 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, 2019 of Baht 0.4 million (December 31, 2018 : 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.

As at December 31, 2019, the Company had commitment up to the end of lease agreement amounting to Baht 4.96 million (December 31, 2018 : Baht 6.06 million). 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.

## 6. 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, 2019	31, 2018	31, 2019	31, 2018
Cash on hand	1,283	1,057	1,128	927
Cash at banks - current accounts	4,855	732	1,581	510
Cash at banks - saving accounts	59,609	67,290	39,690	46,191
Highly liquid short-term investments	2	392	2	392
Cheque in transit	179	16,447	85	12,946
Total	65,928	85,918	42,486	60,966

Cash and cash equivalents of the Group as at December 31, 2019 and 2018 were denominated entirely in Thai Baht.

## 7. CURRENT INVESTMENTS

	In Thousand Baht			
	Consolidated Financial Statements / Separate Financial Statements			
	As at December 31, 2019		As at December 31, 2018	
	Cost	Fair value	Cost	Fair value
Unit trusts	80	85	80	84

Short-term investment represented investment in unit trusts in fund held for trading.

Short-term investment of the Group as at December 31, 2019 and 2018 were denominated entirely in Thai Baht.

## 8. TRADE AND OTHER RECEIVABLES

	Note	In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
		Trade accounts receivable			
Related parties	5	-	-	-	-
Other parties		13,032	10,247	10,605	9,472
Total		13,032	10,247	10,605	9,472
<u>Less</u> allowance for doubtful accounts		(5,577)	(5,515)	(5,412)	(5,397)
Net		7,455	4,732	5,193	4,075
Other receivables					
Related parties	5	37	37	873,612	815,425
Short-term other receivables		48,300	44,628	43,693	39,591
Advance payment for goods		37,905	7,735	37,886	6,968
Advance payment to contractors		19,465	41,528	19,465	41,528
Cost to obtain contract		122,299	90,280	117,785	86,549
Other prepaid expenses		19,932	17,948	18,482	14,543
Other		46,515	35,622	28,687	22,641
Total		294,453	237,778	1,139,610	1,027,245
<u>Less</u> allowance for doubtful short-term accounts receivable		(35,936)	(6,860)	(35,185)	(6,078)
Net		258,517	230,918	1,104,425	1,021,167
Total trade and other receivables - net		265,972	235,650	1,109,618	1,025,242

The movements of the allowance for doubtful debts are as follow :

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
	Allowance for doubtful debts - beginning	(12,375)	(12,473)	(11,475)
<u>Add</u> Additional allowances	(29,174)	(347)	(29,127)	(224)
<u>Less</u> Reversing of allowances	33	445	2	122
Bad debts	3	-	3	-
Allowance for doubtful debts - ending	(41,513)	(12,375)	(40,597)	(11,475)

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	For the years ended December 31,		For the years ended December 31,	
	2019	2018	2019	2018
Increase doubtful debts	29,174	347	29,127	224
Doubtful debts (Reversal)	(36)	(445)	(5)	(122)

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, 2019	31, 2018	31, 2019	31, 2018
Trade accounts receivable				
Related party				
Overdue:				
Over 12 months	-	-	-	-
	-	-	-	-
Other parties				
Within credit term	1,973	596	314	369
Overdue:				
Less than 3 months	1,767	802	1,449	665
3 - 6 months	982	643	881	618
6 - 12 months	226	134	171	76
Over 12 months	8,084	8,072	7,790	7,744
	13,032	10,247	10,605	9,472
<u>Less allowance for doubtful accounts</u>	<u>(5,577)</u>	<u>(5,515)</u>	<u>(5,412)</u>	<u>(5,397)</u>
Trade accounts receivable - net	7,455	4,732	5,193	4,075
Other receivables - net	258,517	230,918	1,104,425	1,021,167
Total trade and other receivables - net	<u>265,972</u>	<u>235,650</u>	<u>1,109,618</u>	<u>1,025,242</u>

The receivables, overdue over 12 months, had the retention and deposit. The Company did not record the allowance for doubtful accounts.

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

## 9. REAL ESTATE PROJECTS UNDER DEVELOPMENT

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Cost of projects under development	35,512,277	30,143,968	27,722,960	23,906,169
Land held for development	3,000,970	5,321,916	2,248,791	3,925,407
Sample houses	246,768	259,704	200,125	222,352
House and condominium for sale	2,694,769	3,444,692	2,003,200	2,699,268
Construction materials	3,107	3,023	3,035	3,014
<b>Total</b>	<b>41,457,891</b>	<b>39,173,303</b>	<b>32,178,111</b>	<b>30,756,210</b>
<u>Less</u> Portion transferred to cost of sales	(29,587,811)	(27,683,253)	(23,430,554)	(22,199,814)
Portion transferred to property, plant and equipment	(34,104)	-	(34,104)	-
	11,835,976	11,490,050	8,713,453	8,556,396
<u>Less</u> Allowance for decline in value of house and condominium for sale	(1,592)	(1,988)	(1,371)	(1,767)
<b>Net</b>	<b>11,834,384</b>	<b>11,488,062</b>	<b>8,712,082</b>	<b>8,554,629</b>

In year 2019, the Group and the Company had decreased in the allowance for decline in value of real estate projects by Baht 0.40 million due to the sale during the year.

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Finance costs capitalised during the year	277,265	276,232	240,246	252,152
Rates of interest capitalized (% per annum)	4.75 - 10.00	1.00 - 6.25	4.75 - 10.00	1.00 - 6.25
Real estate projects under development recognised as an expense in 'cost of sales of real estate project':				
- Cost of sale	1,913,443	2,487,288	1,233,738	1,994,888
- Net realizable value adjustment	(396)	(12,505)	(396)	(5,987)
<b>Total</b>	<b>1,913,047</b>	<b>2,474,783</b>	<b>1,233,342</b>	<b>1,988,901</b>

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

## 10. ASSETS USED AS COLLATERAL

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	December	December	December	December
	31, 2019	31, 2018	31, 2019	31, 2018
Saving accounts	139,249	35,474	133,239	29,297
Fix deposit 12 months	160,769	159,370	160,770	159,370
	<u>300,018</u>	<u>194,844</u>	<u>294,009</u>	<u>188,667</u>
Real estate projects under development	10,644,156	8,016,857	8,028,806	6,337,603
Investment properties	342,320	378,750	342,320	378,750
	<u>10,986,476</u>	<u>8,395,607</u>	<u>8,371,126</u>	<u>6,716,353</u>

Saving accounts, fixed deposit accounts and lands and constructions are pledged as collateral with bank in respect of letters of guarantee. The issuing bank's letters of guarantee to a government agency are used to guarantee infrastructure for the new developing project of the Group and liabilities to financial institutions.

The Group had guaranteed the saving deposits and fixed deposits for the letter of guarantee from bank. And as at December 31, 2019, the Group had the bank deposits with restrictions on use amounted Baht 294.01 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 Group 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.

## 11. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at December 31, 2019 and 2018, and dividend income from those investments for the years ended December 31, 2019 and 2018, were as follows:

		In Thousand Baht											
		Separate Financial Statements											
Direct subsidiaries	Type of business	Ownership interest (%)		Paid-up capital		Cost method		Impairment		At cost-net		Dividend income	
		As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	For the years ended	
		December	December	December	December	December	December	December	December	December	December	December	December 31,
		31, 2019	31, 2018	31, 2019	31, 2018	31, 2019	31, 2018	31, 2019	31, 2018	31, 2019	31, 2018	2019	2018
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	-	1,000	-	1,000	-	-	-	1,000	-	-	-
Soontareeya Leisure Co., Ltd.	Hotel	99.97	-	1,000	-	1,000	-	-	-	1,000	-	-	-
Total				313,000	311,000	313,000	311,000	-	-	313,000	311,000	-	-

There was no dividend declared by subsidiaries during the years 2019 and 2018.

On May 17, 2019, Areeya property Public Company Limited has established a new subsidiary named Soontareeya Residence Company Limited to engage in real estate development business and Soontareeya Leisure Company Limited to engage in hotel 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.

## 12. INVESTMENT PROPERTIES

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December	As at December	As at December	As at December
	31, 2019	31, 2018	31, 2019	31, 2018
Beginning balance	451,650	454,183	412,040	416,583
Additions	-	-	-	-
Transfer	-	(193)	-	(193)
<u>Less</u> Unrealised loss from a fair value adjustment	(31,770)	(2,340)	(36,430)	(4,350)
Ending balance	419,880	451,650	375,610	412,040

Investment properties were revalued as at December 31, 2019 and 2018 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, 2019 and 2018, 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, 2019 amount of Baht 386.59 million and Baht 342.32 million, respectively, and as at December 31, 2018 amount of Baht 418.36 million and Baht 378.75 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	
	2019 (For the year)	2018 (For the year)	2019 (For the year)	2018 (For the year)
Balance at January 1,	418,360	420,700	378,750	383,100
Unrealised change in fair value	(31,770)	(2,340)	(36,430)	(4,350)
Balance at December 31,	<u>386,590</u>	<u>418,360</u>	<u>342,320</u>	<u>378,750</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 (5% to 10%).</li> <li>● Occupancy rate (52% to 95%).</li> <li>● Risk-adjusted discount rates (8% and 9%).</li> <li>● Rental fee rate around Baht 439 - 1,317 per square meter per month.</li> </ul>	<ul style="list-style-type: none"> <li>● The estimated fair value increase (decrease) if:</li> <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>

### 13. PROPERTY, PLANT AND EQUIPMENT

Consolidated Financial Statements (In Thousand Baht)						
	Balance as at	Change in during the year			Surplus from asset revaluation	Balance as at
	December 31, 2018	Additions	Deduction	Transfer in (out)		December 31, 2019
<u>Cost</u>						
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	2,727	-	-	2,761	-	5,488
Clubhouse and temporary building	28,523	-	-	-	-	28,523
Furniture, fixtures and office equipment	170,120	4,904	-	-	-	175,024
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>
<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	(111,537)	(17,981)	-	-	-	(129,518)
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

Consolidated Financial Statements (In Thousand Baht)						
	Balance as at	Change in during the year			Balance as at	
	December 31, 2017	Additions	Deduction	Transfer in (out)		December 31, 2018
<u>Cost</u>						
Land of clubhouse	75,975	-	-	93,904	169,879	
Buildings and system	46,824	-	-	-	46,824	
Leasehold improvement	2,727	-	-	-	2,727	
Clubhouse and temporary building	28,523	-	-	-	28,523	
Furniture, fixtures and office equipment	153,411	8,615	-	8,094	170,120	
Machineries and construction equipment	220,191	1,308	-	11,914	233,413	
Vehicles	109,521	14,581	(5,193)	-	118,909	
Assets under construction	568	21,069	-	(20,508)	1,129	
<b>Total</b>	<b>637,740</b>	<b>45,573</b>	<b>(5,193)</b>	<b>93,404</b>	<b>771,524</b>	
<u>Less Accumulated depreciation</u>						
Building and system	(14,451)	(3,730)	-	-	(18,181)	
Leasehold improvement	(1,410)	(546)	-	-	(1,956)	
Clubhouse and temporary building	(17,329)	(1,426)	-	-	(18,755)	
Furniture, fixtures and office equipment	(95,162)	(16,375)	-	-	(111,537)	
Machineries and construction equipment	(154,092)	(35,870)	-	-	(189,962)	
Vehicles	(81,054)	(13,510)	5,193	-	(89,371)	
<b>Total</b>	<b>(363,498)</b>	<b>(71,457)</b>	<b>5,193</b>	<b>-</b>	<b>(429,762)</b>	
<b>Net</b>	<b>274,242</b>				<b>341,762</b>	

	Separate Financial Statements (In Thousand Baht)					Balance as at December 31, 2019
	Balance as at	Change in during the year			Surplus from	
	December 31, 2018	Additions	Deduction	Transfer in (out)	asset revaluation	
<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

	Separate Financial Statements (In Thousand Baht)					Balance as at December 31, 2018
	Balance as at	Change in during the year			Balance as at	
	December 31, 2017	Additions	Deduction	Transfer in (out)	December 31, 2018	
<u>Cost</u>						
Land of clubhouse	75,975	-	-	93,904	-	169,879
Buildings and system	46,824	-	-	-	-	46,824
Leasehold improvement	2,727	-	-	-	-	2,727
Clubhouse and temporary building	28,523	-	-	-	-	28,523
Furniture, fixtures and office equipment	143,397	2,656	-	-	-	146,053
Machineries and construction equipment	167,635	856	-	3,439	-	171,930
Vehicles	87,865	11,028	(1,903)	-	-	96,990
Assets under construction	501	4,567	-	(3,939)	-	1,129
<b>Total</b>	<b>553,447</b>	<b>19,107</b>	<b>(1,903)</b>	<b>93,404</b>	<b>-</b>	<b>664,055</b>
<u>Less Accumulated depreciation</u>						
Buildings and system	(14,451)	(3,730)	-	-	-	(18,181)
Leasehold improvement	(1,410)	(546)	-	-	-	(1,956)
Clubhouse and temporary building	(17,329)	(1,426)	-	-	-	(18,755)
Furniture, fixtures and office equipment	(86,524)	(15,194)	-	-	-	(101,718)
Machineries and construction equipment	(112,908)	(31,080)	-	-	-	(143,988)
Vehicles	(60,327)	(12,671)	1,903	-	-	(71,095)
<b>Total</b>	<b>(292,949)</b>	<b>(64,647)</b>	<b>1,903</b>	<b>-</b>	<b>-</b>	<b>(355,693)</b>
<b>Net</b>	<b>260,498</b>					<b>308,362</b>

### 13.1 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, 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:

	Thousand Baht	
	Consolidated /Separate	
	As at December 31, 2019	As at December 31, 2018
At cost	34,104	-
Capital surplus from asset appraisal	73,896	-
Reappraisal price	108,000	-

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, 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.

	Thousand Baht
	Consolidated/ Separate
	2019
Balance brought forward as at January 1	-
Change in unrealized fair value	108,000
Balance as at December 31	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 (65,000 - 200,000)	Fair value estimate will increase (decrease) Land appraisal increase (decrease)

13.2 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, 2019 and 2018 amounted Baht 233.17 million and Baht 164.01 million, respectively (Company only: as at December 31, 2019 and 2018 for Baht 192.64 million and Baht 119.49 million, respectively).

The Group entered into a financial lease agreement to secure vehicle and equipment. Such agreement will gradually end in 2023 under the conditions of such lease agreement. The Group and subsidiary have to comply with certain conditions of the agreement.

Depreciation charged for the year

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	December	December	December	December
	31, 2019	31, 2018	31, 2019	31, 2018
Recognised in:				
- Real estate projects under development	19,828	19,173	14,464	16,254
- Administrative expenses	36,016	52,284	30,106	48,393
Total	55,844	71,457	44,570	64,647

#### 14. PREPAID RENTAL EXPENSES

	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			
	Balance as at	Change in during the year		Balance as at
	December 31, 2017	Increase	Decrease	December 31, 2018
Cost - Prepaid rental expenses	170,914	-	-	170,914
<u>Less</u> Amortization	(34,595)	(8,546)	-	(43,141)
Net	<u>136,319</u>			<u>127,773</u>

	In Thousand Baht	
	Consolidated / Separate Financial Statements	
	For the years ended December 31,	
	2019	2018
Statement of Comprehensive Income		
Amortization expense for the year		
- Administrative expenses	8,546	8,546

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

**15. LEASEHOLD RIGHTS**

Movements of the leasehold rights during the years ended December 31, 2019 and 2018 were as follows :

	In Thousand Baht	
	Consolidated / Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018
Beginning balance	902,549	757,344
<u>Add Increase</u>	472,956	145,205
<u>Less Decrease</u>	-	-
Ending balance	<u>1,375,505</u>	<u>902,549</u>

	In Thousand Baht	
	Consolidated / Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018
Leasehold rights consist of :		
Expense under contracts	554,190	494,900
Construction in process	821,315	407,649
	<u>1,375,505</u>	<u>902,549</u>

	In Thousand Baht	
	Consolidated / Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018
Finance costs capitalized construction in process	39,472	23,059

Leasehold rights arise from the Company entered into the lease agreements with third parties for developing and constructing projects of residential and hotel (see Note 41.2).

**16. INTANGIBLE ASSETS**

	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>	<u>(32,163)</u>	<u>(4,803)</u>	<u>-</u>	<u>(36,966)</u>	
Net	<u>18,675</u>			<u>13,965</u>	

	In Thousand Baht				
	Consolidated Financial Statements				
	Balance as at	Change in during the year			Balance as at
	December 31, 2017	Increase	Decrease		December 31, 2018
Cost - Software	48,052	2,786	-	50,838	
<u>Less Amortization</u>	<u>(26,978)</u>	<u>(5,185)</u>	<u>-</u>	<u>(32,163)</u>	
Net	<u>21,074</u>			<u>18,675</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>	<u>(31,002)</u>	<u>(4,294)</u>	<u>-</u>	<u>(35,296)</u>	
Net	<u>16,406</u>			<u>11,811</u>	

	In Thousand Baht				
	Separate Financial Statements				
	Balance as at	Change in during the year			Balance as at
	December 31, 2017	Increase	Decrease		December 31, 2018
Cost - Software	46,492	916	-	47,408	
<u>Less Amortization</u>	<u>(26,070)</u>	<u>(4,932)</u>	<u>-</u>	<u>(31,002)</u>	
Net	<u>20,422</u>			<u>16,406</u>	

## 17. DEFERRED TAX

17.1 Deferred tax assets and liabilities as at December 31, 2019 and 2018 as follows:-

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	December	December	December	December
	31, 2019	31, 2018	31, 2019	31, 2018
Deferred tax assets	101,562	63,315	60,574	18,672
Deferred tax liabilities	(29,798)	(13,421)	(29,797)	(12,581)
Net	71,764	49,894	30,777	6,091

17.2 Changes in deferred tax assets and liabilities for the years ended December 31, 2019 and 2018 are summarized as follows:

	In Thousand Baht			
	Consolidated Financial Statements			Balance as at Dec. 31, 19
	Balance as at	Revenue (expenses) during the year		
	Dec. 31, 18	In profit or loss	In other comprehensive income	
Deferred tax assets				
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
Total	63,315	36,569	1,678	101,562
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)
Total	(13,421)	(1,598)	(14,779)	(29,798)
Net	49,894	34,971	(13,101)	71,764

	In Thousand Baht			Balance as at Dec. 31, 18
	Consolidated Financial Statements			
	Balance as at Dec. 31, 17	Revenue (expenses) during the year		
		In profit or loss	In other comprehensive income	
Deferred tax assets				
Allowance for doubtful account	2,495	(20)	-	2,475
Allowance for decline in value of real estate				
projects under development	2,899	(2,501)	-	398
A fair value adjustment of investment properties	8,040	468	-	8,508
Provision for bonus	4,334	(4,334)	-	-
Unrecognised income on installment due	1,218	(44)	-	1,174
Employee benefit obligations	10,109	1,245	-	11,354
Loss carry forward	17,887	21,002	-	38,889
Provision for liabilities	935	(418)	-	517
<b>Total</b>	<b>47,917</b>	<b>15,398</b>	<b>-</b>	<b>63,315</b>
Deferred tax liabilities				
Accumulated depreciation - investment properties	(10,559)	(2,758)	-	(13,317)
Others	(113)	9	-	(104)
<b>Total</b>	<b>(10,672)</b>	<b>(2,749)</b>	<b>-</b>	<b>(13,421)</b>
<b>Net</b>	<b>37,245</b>	<b>12,649</b>	<b>-</b>	<b>49,894</b>

	In Thousand Baht			
	Separate Financial Statements			
	Balance as at Dec. 31, 18	Revenue (expenses) during the year		
	In profit or loss	In other comprehensive income		
Deferred tax assets				
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>

	In Thousand Baht			Balance as at Dec. 31, 18
	Separate Financial Statements			
	Balance as at Dec. 31, 17	Revenue (expenses) during the year		
		In profit or loss	In other comprehensive income	
Deferred tax assets				
Allowance for doubtful account	2,275	20	-	2,295
Allowance for decline in value of real estate projects under development	1,551	(1,198)	-	353
A fair value adjustment of investment properties	8,768	871	-	9,639
Provision for bonus	2,084	(2,084)	-	-
Unrecognised income on installment due	1,218	(44)	-	1,174
Employee benefit obligations	4,216	585	-	4,801
Provision for liabilities	737	(327)	-	410
Total	<u>20,849</u>	<u>(2,177)</u>	<u>-</u>	<u>18,672</u>
Deferred tax liabilities				
Accumulated depreciation - investment properties	(9,978)	(2,500)	-	(12,478)
Others	(94)	(9)	-	(103)
Total	<u>(10,072)</u>	<u>(2,509)</u>	<u>-</u>	<u>(12,581)</u>
Net	<u>10,777</u>	<u>(4,686)</u>	<u>-</u>	<u>6,091</u>

17.3 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,	
	2019	2018	2019	2018
Loss carry forward	<u>35,820</u>	<u>14,377</u>	<u>-</u>	<u>-</u>

The tax losses expire in 2020 to 2024, 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.

## 18. 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, 2019	31, 2018	31, 2019	31, 2018
Withholding tax	11,528	31,042	4,602	21,363
Deposits	18,576	18,479	17,894	18,015
Others	328	518	328	514
<b>Total</b>	<b>30,432</b>	<b>50,039</b>	<b>22,824</b>	<b>39,892</b>

## 19. INTEREST-BEARING LIABILITIES

### 19.1 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	As at	As at	As at	As at		
December	December	December	December	As at December	As at December	December	December	December	December	
31, 2019	31, 2018	31, 2019	31, 2018	31, 2019	31, 2018	31, 2019	31, 2018	31, 2019	31, 2018	
Bank overdrafts	39	40	39	30	MOR, saving bank account+ fixed number	MOR, saving bank account+ fixed number	9,985	39,060	9,985	29,241
Promissory notes	540	297	540	297	MLR-fixed number	MLR-fixed number	200,000	247,000	200,000	247,000
Bills of exchange	62	2,000	62	2,000	Government bond yield+ credit spread	Government bond yield+ credit spread	62,000	136,000	62,000	136,000
	<u>641</u>	<u>2,337</u>	<u>641</u>	<u>2,327</u>						
Less prepaid interest							(1,805)	(4,904)	(1,805)	(4,904)
Bills of exchange - net							60,195	131,096	60,195	131,096
<b>Total</b>							<u>270,180</u>	<u>417,156</u>	<u>270,180</u>	<u>407,337</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.

## 19.2 Loans from other parties

Movements of loans during for the years ended December 31, 2019 and 2018 were as follows :

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Beginning balance	111,493	111,493	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	-	111,493	-	111,493

As at December 31, 2018, the Company had obtained loans from other persons totaling Baht 111.49 million. These loans carried interest at rate close to fixed interest rate and due at call.

## 19.3 Long-term loans from financial institutions

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Current				
Current portion	1,058,557	1,564,231	765,993	1,224,237
Non-current				
Long-term loans from financial institutions	1,171,794	878,191	646,983	409,602
Total	2,230,351	2,442,422	1,412,976	1,633,839

Movements of long-term loans from financial institutions during for the years ended December 31, 2019 and 2018 were as follows :

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Beginning balance	2,442,422	1,643,200	1,633,839	1,464,648
Increase	1,291,444	3,040,741	803,438	2,112,927
Decrease	(1,503,515)	(2,241,519)	(1,024,301)	(1,943,736)
Ending balance	2,230,351	2,442,422	1,412,976	1,633,839

Long-term loans agreement details as at December 31, 2019 and 2018 were as follows:

Agreements	In Million Baht		Repayment
	Balance as at		
	2019	2018	
<u>The Company</u>			
Group 1	932	777	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.
Group 2	367	621	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	26	117	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	88	119	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>Subsidiaries</u>			
Group 1	66	92	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 2	115	182	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	368	534	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	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	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.

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 2023.

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

As at December 31, 2019, in order to comply with the term and conditions stipulated in some loan agreements, certain amounts of loans have been presented as current liabilities in the statement of financial position.

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.

#### 19.4 Long-term loans from other parties

Movements of long-term loans from other parties during for the years ended December 31, 2019 and 2018 were as follows :

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Beginning balance	-	-	-	-
Increase	480,000	-	480,000	-
Decrease	-	-	-	-
Ending balance	480,000	-	480,000	-

Long-term loans from other parties carries interest at the fixed rate and the principal has to be fully repaid within 2021.

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

#### 19.5 Unutilised credit facilities

As at December 31, 2019, the credit facilities of the Group and the Company which have not yet been drawn down amounted to Baht 2,769.37 million and Baht 1,564.93 million, respectively (December 31, 2018 : Baht 3,528.80 million and Baht 2,182.83 million, respectively).

## 19.6 Debentures

As at December 31, 2019 and 2018, 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 :

Debenture	Units (Thousand units)	Issuance date	Term	Maturity date	Interest rate (% per annum)	In Thousand Baht					
						Consolidated/Separate Financial Statements					
						Current portion		Non-current		Total	
As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018						
No. 1/2016	1,353.2	1 April 2016	3 years	1 April 2019	5.45	-	1,353,200	-	-	-	1,353,200
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	1,000,000	1,000,000
No. 3/2016	646.8	20 October 2016	2 years 9 months	20 July 2019	5.00	-	646,800	-	-	-	646,800
No. 1/2017	654.5	31 January 2017	3 years	31 January 2020	5.25	654,500	-	-	654,500	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	1,500,000	1,500,000
No. 3/2017	842.3	31 October 2017	3 years 5 months 30 days	31 October 2019 2 November 2020 30 April 2021	5.95	- 31,215 -	31,215 -	- -	- 31,215 748,655	- 31,215 748,655	31,215 31,215 748,655
No. 1/2018	250	18 October 2018	3 years	19 October 2021	6.05	-	-	250,000	250,000	250,000	250,000
No. 2/2018	166.6	22 November 2018	3 years 3 months	22 February 2022	6.05	-	-	166,600	166,600	166,600	166,600
No. 1/2019 *	2,000	1 April 2019	2 years 6 months 7 days	8 October 2021 or redeem before due date	6.75	-	-	2,000,000	-	2,000,000	-
Total debentures, at face value						3,185,715	2,031,215	3,165,255	4,350,970	6,350,970	6,382,185
Less deferred transaction costs from issuing of debentures						-	-	(36,275)	(14,048)	(36,275)	(14,048)
Debentures – net						3,185,715	2,031,215	3,128,980	4,336,922	6,314,695	6,368,137

\* Secured bond

The debenture No. 2/2017 had the maturity date in 2020 and the debenture No. 1/2019 had the maturity date in 2021. 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 terms of the debentures, the Company had to maintain net debt to equity ratio not over 3 : 1 and definition in the requirements on the rights and duties of the debenture issuer and debenture holders. It had been calculated from the financial statements as at the end of the quarterly accounting period or the end of the fiscal year. The Company also had to comply with the terms and conditions regarding the rights and duties of debenture issuers and debenture holders.

## 19.7 Finance lease liabilities

Finance lease liabilities as at December 31, 2019 and 2018 were payable as follows:

	In Thousand Baht					
	Consolidated Financial Statements					
	2019			2018		
Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments	
Within one year	10,882	(833)	10,049	93,053	(2,772)	90,281
After one year but within five years	13,525	(628)	12,897	24,647	(1,458)	23,189
<b>Total</b>	<b>24,407</b>	<b>(1,461)</b>	<b>22,946</b>	<b>117,700</b>	<b>(4,230)</b>	<b>113,470</b>

  

	In Thousand Baht					
	Separate Financial Statements					
	2019			2018		
Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments	
Within one year	10,299	(733)	9,566	92,197	(2,652)	89,545
After one year but within five years	10,855	(447)	10,408	21,394	(1,178)	20,216
<b>Total</b>	<b>21,154</b>	<b>(1,180)</b>	<b>19,974</b>	<b>113,591</b>	<b>(3,830)</b>	<b>109,761</b>

The Group has entered into the finance lease agreements with leasing company for rental of vehicle and equipment for use in their operations, whereby they are committed to pay rental on a monthly basis. The term of the agreements is generally 1 - 5 years. Finance lease agreements cannot be cancelled.

Interest-bearing liabilities of the Group as at December 31, 2019 and 2018 was denominated entirely in Thai Baht.

## 20. TRADE AND OTHER PAYABLES

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		As at December	As at December	As at December	As at December
	Note	31, 2019	31, 2018	31, 2019	31, 2018
Related parties	5	-	-	412,837	462,006
Other parties		931,301	401,156	788,659	328,557
Total		<u>931,301</u>	<u>401,156</u>	<u>1,201,496</u>	<u>790,563</u>

Trade and other payables of the Group as at December 31, 2019 and 2018 was denominated entirely in Thai Baht.

## 21. 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, 2019	31, 2018	31, 2019	31, 2018
Value added tax suspense		63,306	55,546	16,713	13,968
Withholding tax deduct payable		5,613	10,008	3,407	7,571
Advance received		726	557	726	557
Others		40,269	4,937	4,706	4,154
Total		<u>109,914</u>	<u>71,048</u>	<u>25,552</u>	<u>26,250</u>

## 22. EMPLOYEE BENEFIT OBLIGATIONS

22.1 Movement of employee benefit obligations for the years ended December 31, 2019 and 2018 shown as follow :-

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements	Financial Statements	Financial Statements	Financial Statements
	2019	2018	2019	2018
	(For the year)	(For the year)	(For the year)	(For the year)
<b>The statements of financial position</b>				
Employee benefit obligations, beginning	56,769	50,546	24,002	21,081
Employee benefit obligations paid	11,779	6,223	5,162	2,921
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	8,390	-	5,404	-
Employee benefit obligations, ending	103,946	56,769	47,065	24,002

### 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.

22.2 Revenues and expenses recognized in the statement of comprehensive income for the years ended December 31, 2019 and 2018 are as follows:

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements	Financial Statements	Financial Statements	Financial Statements
	2019	2018	2019	2018
<b>The statement of comprehensive income</b>				
<b>Recognized in profit or loss</b>				
Cost of sale of real estate	8,496	993	2,965	430
Selling expenses	3,528	395	1,739	228
Administrative expenses	26,763	4,835	12,955	2,263
Total	38,787	6,223	17,659	2,921
<b>Recognized in other comprehensive income</b>				
Loss on actuarial gain loss	8,390	-	5,404	-
Total	47,177	6,223	23,063	2,921

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

	In Thousand Baht	
	For the year ended December 31, 2019	
	Consolidated Financial Statements	Separate Financial Statements
Recognize in other comprehensive income		
Financial assumption	11,683	7,020
Population assumption	(2,932)	(2,691)
Improvement from experience	(361)	1,075
Total	<u>8,390</u>	<u>5,404</u>

22.4 Actuarial assumptions

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

	(% per annum)			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2019	2018	2019	2018
Discount rate	2.10 - 3.19	2.39 - 3.12	2.30 - 3.13	3.11
Inflation rate	2.75	2.75	2.75	2.75
Future salary growth rate	4.00 - 7.00	4.00 - 8.00	7.00	8.00
Employee turnover rate (depending on age)	1.91 - 45.84	1.91 - 42.98	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

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

At December 31, 2019 and 2018, the Group has the weighted-average duration of the defined benefit obligation was 8 - 20 years. (Separate financial statements : 16 years and 15 years, respectively).

As at December 31, 2019, the Group expects to pay Baht 71.56 million of long-term employee benefits during the next year (Separate financial statements : Baht 1.11 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		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
	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	Increase	Decrease	Increase	Decrease
Defined benefit obligation as at December 31, 2018				
Discount rate (0.5% movement)	(2,289)	2,482	(1,372)	1,490
Future salary growth rate (1% movement)	5,360	(4,653)	3,149	(2,724)
Employee turnover rate (20% movement)	(6,147)	8,099	(4,166)	5,468

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.

As at December 31, 2019, long-term interest rate has significantly reduced that affected the discount rate assumed by the actuarial would be 2.10% - 3.13%. to 1.25% - 1.91%. (The Company : 2.30% - 3.13% to 1.32% - 1.80%) The Group has considered to record the increase of employee benefit obligations in the amount of Baht 9.65 million (the Company: Baht 5.83 million) by recognizing in other comprehensive income in the amount of Baht 9.24 million (the Company: Baht 5.63 million) and recognize in other long-term employee benefit in other comprehensive income in the amount of Baht 0.41 million (the Company: Baht 0.21 million). For the sensitivity analysis data above, it may have some changes as stated. However, the Group are in the process of reassessing the employee benefits by the actuary.

### 23. LONG-TERM LEASE AGREEMENT OBLIGATION

Movements of the long-term lease agreement obligation during years ended December 31, 2019 and 2018 were as follows :

	In Thousand Baht	
	Consolidated/Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018
Beginning balance	87,356	66,622
<u>Add</u> Increase during the year	25,567	20,734
<u>Less</u> Paid during the year	-	-
Ending balance	<u>112,923</u>	<u>87,356</u>

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 15).

### 24. OTHER NON-CURRENT LEABILITIES

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Advance received for common fees	62,280	68,355	39,880	43,212
Provision for compensation for housing estate juristic persons	22,242	21,583	16,464	17,946
Deposit receipt	10,075	9,083	9,241	8,266
Total	<u>94,597</u>	<u>99,021</u>	<u>65,585</u>	<u>69,424</u>

## 25. SHARE CAPITAL

	Par value per share in Baht	Consolidated / Separate Financial Statements			
		2019		2018	
		Number	Amount	Number	Amount
		(Thousand Shares)	(In Thousand Baht)	(Thousand Shares)	(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

## 26. 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.

## 27. 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, 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, 2019, the company has not deferred any interest payments to the subordinated perpetual debentures holders. Cumulative interest for the year ended December 31, 2019 which the debentures holders have the right to receive if the interest payment was announced amounting to Baht 300 million.

As at December 31, 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. If, as at January 1, 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.

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

## **28. 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.

## 29. DIVIDEND

At the annual general meeting of the shareholders of the Company held on April 27, 2018, the shareholders approved the appropriation of dividend of Baht 0.04 per share, amounting to Baht 39 million. The dividend was paid to the shareholders in May 2018.

## 30. 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

During the year, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

## 31. OTHER INCOME

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	For the years ended December 31,		For the years ended December 31,	
	2019	2018	2019	2018
Management income	-	-	40,631	72,035
Revenue from rental and rendering of services	29,342	26,690	24,973	23,106
Revenue from project management	19,602	25,552	-	920
Revenue from delay work	29,359	19,636	29,359	19,636
Others	36,831	28,240	25,858	20,308
Total	<u>115,134</u>	<u>100,118</u>	<u>120,821</u>	<u>136,005</u>

### 32. SELLING EXPENSES

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2019	2018	2019	2018
Marketing expenses	164,478	290,728	125,345	269,862
Employee benefit expenses	65,609	71,789	41,845	23,467
Others	32,561	22,233	30,774	21,977
Total	<u>262,648</u>	<u>384,750</u>	<u>197,964</u>	<u>315,306</u>

### 33. ADMINISTRATIVE EXPENSES

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2019	2018	2019	2018
Employee benefit expenses	246,875	242,935	128,620	124,101
Depreciation and amortisation	45,515	65,430	42,947	61,870
Common fee charge	56,319	43,045	47,973	36,175
Management fee	-	-	17,950	44,320
Security expenses	11,746	18,430	9,351	16,071
Utility expenses	17,860	20,218	14,975	17,384
Transportation expenses	8,182	20,145	5,132	14,255
Maintenance expenses	6,247	9,245	4,779	6,126
Others	149,529	132,548	117,516	98,153
Total	<u>542,273</u>	<u>551,996</u>	<u>389,243</u>	<u>418,455</u>

### 34. EMPLOYEE BENEFIT EXPENSES

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2019	2018	2019	2018
Wages and salaries	253,978	250,787	118,985	110,978
Contributions to provident fund	14,947	15,502	6,934	7,451
Others	52,048	49,428	30,682	29,569
<b>Total</b>	<b>320,973</b>	<b>315,717</b>	<b>156,601</b>	<b>147,998</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.

### 35. 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,	
	2019	2018	2019	2018
Depreciation and amortisation	49,365	66,014	42,947	61,870
Marketing expenses	164,478	290,728	125,345	269,862
Employee benefit expenses	320,973	315,517	156,601	147,998

### 36. FINANCE COSTS

		In Thousand Baht			
		Consolidated		Separate	
		Financial Statements		Financial Statements	
Note		2019	2018	2019	2018
	Interest expense:				
	Subsidiaries	5	-	833	5,460
	Interest bearings liabilities	579,110	521,492	529,751	488,741
	Total interest expenses	579,110	521,492	530,584	494,201
	Other finance costs	39,204	4,698	38,596	4,435
	Total	618,314	526,190	569,180	498,636
	<u>Less amounts included in the cost</u>				
	of qualifying assets:				
	- Real estate projects under				
	development	5, 9	(277,265)	(240,246)	(252,152)
	- Leasehold rights		(39,472)	(39,472)	(23,059)
	Total		(316,737)	(279,718)	(275,211)
	Net		301,577	289,462	223,425

### 37. TAX EXPENSE (INCOME)

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

For the years ended December 31, 2019 and 2018 consisted of:

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2019	2018	2019	2018
	Income tax expense (income) shown in profit or loss :				
	Current tax expense:				
	Income tax expense for the year	3,576	48,090	-	40,857
	Deferred tax expense (income):				
	Changes in temporary differences relating to the				
	original recognition and reversal	(34,971)	(12,649)	(38,384)	4,686
	Total	(31,395)	35,441	(38,384)	45,543
	Income tax relating to components of other				
	comprehensive income :				
	Gain on land revaluation	14,779	-	14,779	-
	Actuarial losses	(1,678)	-	(1,081)	-
	Total	13,101	-	13,698	-

37.2 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, 2019 and 2018 which are summarized as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Accounting profit (loss) for the year	(312,000)	66,227	(220,520)	193,835
The applicable tax rate (%)	20%	20%	20%	20%
Tax expense (income) at the applicable tax rate	(62,400)	13,245	(44,104)	38,767
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	9,952	13,111	5,823	7,460
Tax effect of income or profit that are not required in determining taxable profit:				
- Exemption of non-taxable income	-	(44)	-	(44)
- Additional expense deductions allowed	(114)	(711)	(103)	(640)
- Current year losses for which no deferred tax asset was recognized	20,041	1,831	-	-
- Eliminate income	1,126	8,009	-	-
Total reconciliation items	31,005	22,196	5,720	6,776
Total tax expense (income)	(31,395)	35,441	(38,384)	45,543

37.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2019 and 2018 are summarized as follows:

	Consolidated Financial Statements			
	2019		2018	
	Tax amount (In Thousand Baht)	Tax rate (%)	Tax amount (In Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	(312,000)		66,227	
Tax expense (income) at the applicable tax rate	(62,400)	20.00	13,245	20.00
Reconciliation items	31,005	(9.94)	22,196	33.51
Tax expense (income) at the average effective tax rate	(31,395)	10.06	35,441	53.51

  

	Separate Financial Statements			
	2019		2018	
	Tax amount (In Thousand Baht)	Tax rate (%)	Tax amount (In Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	(220,520)		193,835	
Tax expense (income) at the applicable tax rate	(44,104)	20.00	38,767	20.00
Reconciliation items	5,720	(2.59)	6,776	3.49
Tax expense (income) at the average effective tax rate	(38,384)	17.41	45,543	23.49

### 38. BASIC EARNINGS PER SHARE

The calculations of basic earnings per share for the years ended December 31, 2019 and 2018 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,	
	2019	2018	2019	2018
Profit (loss) attributable to ordinary shareholders of the Company (basic) (Thousand Baht)	(280,605)	30,785	(182,136)	148,292
Number of ordinary shares outstanding (Thousand shares)	980,000	980,000	980,000	980,000
Earnings (loss) per share (basic) (Baht per share)	(0.29)	0.03	(0.19)	0.15

### 39. 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.

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.

#### 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 balance sheet. 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 following table shows the carrying amounts and fair values of financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Consolidated Financial Statements (In Thousand Baht)			
	Level 1	Level 2	Level 3	Total
As at December 31, 2019				
Assets measured at fair value				
Current investments				
- Unit trust	-	85	-	85
Financial liability not measured at fair value				
- Debentures	-	6,389,390	-	6,389,390
As at December 31, 2018				
Assets measured at fair value				
Current investments				
- Unit trust	-	84	-	84
Financial liability not measured at fair value				
- Debentures	-	6,378,727	-	6,378,727



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

Changes in the liabilities arising from financing activities for the years ended December 31, 2019 and 2018 are as follows:

	Consolidated Financial Statements (In Thousand Baht)			
	Balance as at January 1, 2019	Cash flows Increase (decrease)*	Non-cash transaction Increase (decrease)	Balance as at December 31, 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
Liabilities under a finance lease agreements	113,470	(90,674)	150	22,946
Subordinated perpetual debentures	-	300,000	-	300,000
Total	9,452,678	256,264	(90,770)	9,618,172

	Consolidated Financial Statements (In Thousand Baht)			
	Balance as at January 1, 2018	Cash flows Increase (decrease)*	Non-cash transaction Increase	Balance as at December 31, 2018
Bank overdrafts and short-term loans from financial institutions	347,017	70,139	-	417,156
Long-term loans from financial institutions	1,643,200	799,222	-	2,442,422
Long-term loans from other parties	111,493	-	-	111,493
Debentures	6,976,065	(616,844)	8,916	6,368,137
Liabilities under a finance lease agreements	40,604	(18,595)	91,461	113,470
Total	9,118,379	233,922	100,377	9,452,678

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	2019
			(decrease)	
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
Liabilities under a finance lease agreements	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

Separated Financial Statements (In Thousand Baht)				
	Balance as at	Cash flows	Non-cash	Balance as at
	January 1,	Increase	transaction	December 31,
	2018	(decrease)*	Increase	2018
			(decrease)	
Bank overdrafts and short-term loans from financial institutions	347,017	60,320	-	407,337
Short-term loans from related parties	82,238	(79,438)	-	2,800
Long-term loans from financial institutions	1,464,648	169,191	-	1,633,839
Long-term loans from related parties	9,700	-	-	9,700
Long-term loans from other parties	111,493	-	-	111,493
Debentures	6,976,065	(616,844)	8,916	6,368,137
Liabilities under a finance lease agreements	39,331	(17,479)	87,909	109,761
Total	9,030,492	(484,250)	96,825	8,643,067

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

#### **41. COMMITMENTS WITH NON-RELATED PARTIES**

As at December 31, 2019 and 2018, the Group had commitments as follows:

- 41.1 As at December 31, 2019, the Group have commitments relating to project development contracts amounting to Baht 1,047.04 million (As at December 31, 2018 : Baht 904.35 million).
- 41.2 During 2011, the Company entered into a Joint Developing Area agreement with an Association with a lease period of not less than 30 years. The Company must comply with terms and conditions stipulated in the agreement.
- 41.3 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, 2019, the Company had paid Baht 118.00 million for deposit. (As at December 31, 2018 : Baht 114.00 million).
- 41.4 In April 2017, the Company entered into a sale and purchase agreement of land amounting to Baht 414.89 million for a property development project. As at December 31, 2019, the Company had paid Baht 30.00 million for deposit. (As at December 31, 2018 : Baht 30.00 million) and the parties transferred the ownership over the certain part of land in January and April, 2018 Baht 218.32 million.
- 41.5 In April 2018, the Company entered into a sale and purchase agreement of land amounting to Baht 122.40 million for a property development project. As at December 31, 2019, the Company had paid Baht 62.00 million for deposit. (As at December 31, 2018 : Baht 53.00 million)
- 41.6 In August 2018, the Company entered into a sale and purchase agreement of land amounting to Baht 295.11 million for a property development project. As at December 31, 2019, the Company had paid Baht 65.20 million for deposit and some portion of the land have been transferred the ownership amounted Baht 115.13 million in May 2019. (As at December 31, 2018 : Baht 63.90 million)
- 41.7 In December 2018, the Company entered into a sale and purchase agreement of land amounting to Baht 175.82 million for a property development project and the parties transferred the ownership all the part of land in May, 2019 (As at December 31, 2018 : Baht 20.00 million)
- 41.8 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, 2019 the Company had Baht 2.00 million for deposit.

#### 41.9 Non-cancellable operating lease commitments

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December	As at December	As at December	As at December
	31, 2019	31, 2018	31, 2019	31, 2018
Future minimum lease payment under non-cancellable operating leases				
Within one year	45,659	45,083	43,271	42,695
After one year but within five years	109,897	125,927	109,897	123,539
After five years	711,630	737,198	711,630	737,198
Total	<u>867,186</u>	<u>908,208</u>	<u>864,798</u>	<u>903,432</u>

The Company has lease agreements of land rental, rental space and computer rental in the building for periods of 2 - 33 years ended 2052.

41.10 As at December 31, 2019, the Group and the Company have outstanding bank guarantees of Baht 837.05 million and Baht 496.22 million, respectively. (As at December 31, 2018, amount of Baht 1,014.98 million and Baht 757.76 million, respectively).

#### 42. CONTINGENT LIABILITIES

As at December 31, 2019, the Company had contingent liabilities from the charges filed by other company and persons in total of 5 lawsuits on the breach of agreement. The capital amount sued for damage claim and others amounted to Baht 185.37 million. Presently, the cases are under consideration of the court. The Court of First Instance had ruled in four case for the Company to pay Baht 17.91 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 did not record the provisions for contingent liabilities and damage from the cases mentioned in the financial statements.

#### 43. Events after the reporting period

On December 12, 2019, the Board of Directors' Meeting No.8/2019 had a resolution to establish 3 new subsidiaries and had been registered with the Department of Business Development on January 8, 2020.

**44. RECLASSIFICATION**

Certain amounts in the consolidated financial statements and separate financial statement for the year 2018 have been reclassified to conform to the current period classification with no effect to the previously reported profit for the period or shareholders' equity.

**45. APPROVAL OF INTERIM FINANCIAL STATEMENTS**

These financial statements were authorized for issue by the Company's Directors on February 28, 2020.