

Eastern Star Real Estate Public Company Limited  
and its subsidiaries  
Report and consolidated financial statements  
31 December 2020

## **Independent Auditor's Report**

To the Shareholders of Eastern Star Real Estate Public Company Limited

### **Opinion**

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Eastern Star Real Estate Public Company Limited and its subsidiaries and of Eastern Star Real Estate Public Company Limited as at 31 December 2020, their financial performance and 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 in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. 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 my professional judgement, were of most significance in my audit of the financial statements of the current year. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

### *Recognition for revenue from sales of real estate*

The Company's accounting policy on revenue recognition for revenue from sales of real estate, sales of land, sales of land with houses and sales of residential condominium units, are disclosed in Note 5.1 to the consolidated financial statements. Revenue from sales of real estate is a significant amount in the statement of comprehensive income, and the Company has significant numbers of property units for sale and property sales agreements. I have therefore identified revenue recognition as a key audit matter and focused on the amount and timing of the recognition for revenue from sales of real estate.

I performed the audit procedures on the revenue recognition of the Company including:

- a. Assessing and testing the Company's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- b. Applying a sampling method to select property sales agreements to assess whether revenue recognition was consistent with the conditions of the relevant property sales agreement, and whether it was in compliance with the Company's accounting policy.
- c. On a sampling basis, examining supporting documents for actual real estate sales transactions occurring during the year and near the end of the accounting period.
- d. Performing analytical procedures on disaggregated data of revenue from sales of real estate.

### *Impairment evaluation of investment properties*

As discussed in Note 5.11 and Note 14 to the consolidated financial statements, in evaluating impairment of investment properties of the Company and its subsidiary, management had to exercise significant judgement with respect to the analysis of the nature of the assets and asset use, and determination of key assumptions. I have therefore identified the provision for impairment of investment properties as a key audit matter and focused on the amount of provision for impairment of investment properties.

I assessed the internal controls of the Group relevant to the determination of provision for impairment of investment properties by making enquiry of responsible executives and gaining an understanding of the controls. In addition, I assessed the methods and the assumptions applied by management in determining such provision. The audit procedures included, among others, the following.

- a. A consideration of related internal and external information to assess whether there are any indicators of impairment of investment properties and an analysis of information related to the asset's fair value less costs to sell and its value in use.
- b. A review of the basis applied in determining impairment of investment properties, the consistency of the application of that basis, and the rationale for the recording of provision.
- c. A review of the reasonableness of the report on net realisable values prepared by the Company's management or the appraisal reports of independent appraisers.

In addition, I assessed the disclosure of information by the Group's management with respect to assessment of impairment of investment properties.

### **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group 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 do 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 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 of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

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

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

My objectives are to obtain reasonable assurance about whether the 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 Thai 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 I 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 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.

I am responsible for the audit resulting in this independent auditor's report.

Gingkarn Atsawarangsalit

Certified Public Accountant (Thailand) No. 4496

EY Office Limited

Bangkok: 24 February 2021

**Eastern Star Real Estate Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 31 December 2020**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	8	362,559,218	101,720,939	361,033,471	95,798,265
Current investments	9	-	100,237,736	-	69,804,962
Other current financial assets	9	325,583,479	-	300,051,565	-
Trade and other receivables	7, 10	10,899,019	8,743,345	41,922,231	12,550,972
Real estate development costs and inventories	11	3,020,339,894	4,194,521,248	3,024,945,605	4,191,398,910
Advance for construction work		12,079,461	39,029,890	12,079,461	39,029,890
Cost to obtain a contract	18	136,227,006	131,306,267	136,227,006	131,306,267
Other current assets		15,666,857	34,465,822	14,355,790	33,305,968
<b>Total current assets</b>		<b>3,883,354,934</b>	<b>4,610,025,247</b>	<b>3,890,615,129</b>	<b>4,573,195,234</b>
<b>Non-current assets</b>					
Lease receivables	12.1	23,613,967	27,289,015	23,613,967	27,289,015
Investments in subsidiaries	13	-	-	505,374,400	505,374,400
Investment properties	14	883,748,673	1,182,717,778	922,663,814	1,222,659,141
Property, plant and equipment	15	430,160,150	456,877,614	251,332,729	249,785,771
Right-of-use assets	22	37,636,171	-	37,636,171	-
Intangible assets	16	10,477,132	6,634,352	10,477,123	6,628,968
Deferred tax assets	30	33,523,054	24,196,252	32,510,780	24,619,826
Land and improvement awaiting development	17	1,794,990,576	1,400,054,285	1,660,485,281	1,250,487,978
Other non-current assets		105,999,220	72,209,976	101,020,483	67,606,445
<b>Total non-current assets</b>		<b>3,320,148,943</b>	<b>3,169,979,272</b>	<b>3,545,114,748</b>	<b>3,354,451,544</b>
<b>Total assets</b>		<b>7,203,503,877</b>	<b>7,780,004,519</b>	<b>7,435,729,877</b>	<b>7,927,646,778</b>

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



Eastern Star Real Estate Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	19	-	780,293,400	-	780,293,400
Trade and other payables	7, 20	42,568,512	76,337,753	78,495,516	80,202,301
Current portion of long-term loans	21	226,919,981	729,473,000	226,919,981	729,473,000
Current portion of lease liabilities	22	7,087,824	-	7,087,824	-
Advance received from customers	23	279,399,700	361,233,810	278,677,414	357,072,335
Accrued expenses		120,877,863	106,291,822	119,966,718	105,400,821
Income tax payable		53,327,227	-	53,327,227	-
Other current liabilities	24	64,090,699	49,535,174	63,312,735	48,532,528
Total current liabilities		794,271,806	2,103,164,959	827,787,415	2,100,974,385
Non-current liabilities					
Long-term loans - net of current portion	21	1,347,199,000	822,199,000	1,347,199,000	822,199,000
Lease liabilities - net of current portion	22	31,393,040	-	31,393,040	-
Provision for long-term employee benefits	25	29,864,108	31,289,868	22,460,772	24,246,316
Retention guarantees		32,011,303	52,341,916	32,011,303	52,341,916
Advance received from land lease	12.2	2,860,731	4,174,491	2,860,731	4,174,491
Deferred tax liabilities	30	32,336,250	31,719,056	32,336,250	31,719,056
Other non-current liabilities		18,030,421	13,561,425	18,005,136	13,518,620
Total non-current liabilities		1,493,694,853	955,285,756	1,486,266,232	948,199,399
Total liabilities		2,287,966,659	3,058,450,715	2,314,053,647	3,049,173,784

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

**Eastern Star Real Estate Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 31 December 2020**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Shareholders' equity					
Share capital					
Registered					
5,172,246,185 ordinary shares of Baht 1 each		5,172,246,185	5,172,246,185	5,172,246,185	5,172,246,185
Issued and paid up					
5,022,246,185 ordinary shares of Baht 1 each		5,022,246,185	5,022,246,185	5,022,246,185	5,022,246,185
Share discount		(429,264,886)	(429,264,886)	(429,264,886)	(429,264,886)
Capital reserve for share-based payment transactions	26	978,875	978,875	978,875	978,875
Retained earnings					
Appropriated - statutory reserve	27	80,004,224	68,004,224	80,004,224	68,004,224
Unappropriated (deficits)		52,833,057	(126,162,718)	447,711,832	216,508,596
Other components of shareholders' equity		74,131,479	74,131,479	-	-
Total shareholders' equity		4,800,928,934	4,609,933,159	5,121,676,230	4,878,472,994
Non-controlling interest of the subsidiaries		114,608,284	111,620,645	-	-
Total shareholders' equity		4,915,537,218	4,721,553,804	5,121,676,230	4,878,472,994
Total liabilities and shareholders' equity		7,203,503,877	7,780,004,519	7,435,729,877	7,927,646,778
		-	-	-	-

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

Directors

Eastern Star Real Estate Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Profit or loss:					
Revenues					
Revenue from sales of real estate	32	2,562,154,715	1,273,043,228	2,582,690,467	1,273,043,228
Services revenue	32	43,411,207	55,508,838	2,475,907	2,054,415
Rental revenue	12,32	40,557,093	44,410,638	40,543,671	44,410,638
Other income		33,788,656	27,241,267	37,685,616	30,157,434
Total revenues		2,679,911,671	1,400,203,971	2,663,395,661	1,349,665,715
Expenses					
Cost of real estate sold		1,735,754,524	885,767,877	1,733,311,034	886,207,778
Cost of services		32,633,223	37,029,537	1,968,727	3,438,749
Cost of rent		29,145,727	30,373,057	30,171,949	31,411,727
Selling and distribution expenses		243,461,227	134,000,034	241,451,187	132,142,383
Administrative expenses		277,631,062	264,812,678	257,547,685	242,526,662
Loss on diminution in value of assets	14, 15, 17	101,199,473	-	95,880,452	-
Reversal of loss on diminution in value of assets	14, 15	(14,558,414)	(28,469,543)	(21,377,870)	(28,469,543)
Total expenses		2,405,266,822	1,323,513,640	2,338,953,164	1,267,257,756
Profit before finance cost and income tax expenses		274,644,849	76,690,331	324,442,497	82,407,959
Finance costs	28	(11,297,955)	(4,473,221)	(11,297,955)	(4,473,221)
Profit before income tax expenses		263,346,894	72,217,110	313,144,542	77,934,738
Income tax expenses	30	(71,843,279)	(20,731,964)	(73,279,127)	(20,977,994)
Profit for the year		191,503,615	51,485,146	239,865,415	56,956,744
Other comprehensive income:					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Actuarial gain (loss)		3,314,254	-	4,172,276	-
Less: Income tax effect		(834,455)	-	(834,455)	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax					
		2,479,799	-	3,337,821	-
Other comprehensive income for the year		2,479,799	-	3,337,821	-
Total comprehensive income for the year					
		193,983,414	51,485,146	243,203,236	56,956,744

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

**Eastern Star Real Estate Public Company Limited and its subsidiaries**

**Statement of comprehensive income (continued)**

**For the year ended 31 December 2020**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Profit attributable to:</b>					
Equity holders of the Company		188,515,976	52,651,760	239,865,415	56,956,744
Non-controlling interests of the subsidiaries		2,987,639	(1,166,614)		
		<u>191,503,615</u>	<u>51,485,146</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		190,995,775	52,651,760	243,203,236	56,956,744
Non-controlling interests of the subsidiaries		2,987,639	(1,166,614)		
		<u>193,983,414</u>	<u>51,485,146</u>		
<b>Earnings per share</b>					
	31				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.038	0.010	0.048	0.011

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

Eastern Star Real Estate Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2020

(Unit: Baht)

Consolidated financial statements										
Equity attributable to the parent's shareholders										
						Other comprehensive of equity		Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
						Surplus from change in the ownership interests in subsidiaries	Total other attributable to owners of the Company			
	Issued and paid-up share capital	Share discount	Capital reserve for share-based payment transactions	Retained earnings Appropriated	Retained earnings Unappropriated (deficit)					
Balance as at 1 January 2019	5,022,246,185	(429,264,886)	978,875	65,154,224	(75,544,416)	74,131,479	74,131,479	4,657,701,461	112,787,259	4,770,488,720
Profit for the year	-	-	-	-	52,651,760	-	-	52,651,760	(1,166,614)	51,485,146
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	52,651,760	-	-	52,651,760	(1,166,614)	51,485,146
Dividend paid (Note 33)	-	-	-	-	(100,420,062)	-	-	(100,420,062)	-	(100,420,062)
Transfer unappropriated retained earnings to statutory reserve (Note 27)	-	-	-	2,850,000	(2,850,000)	-	-	-	-	-
Balance as at 31 December 2019	5,022,246,185	(429,264,886)	978,875	68,004,224	(126,162,718)	74,131,479	74,131,479	4,609,933,159	111,620,645	4,721,553,804
Balance as at 1 January 2020	5,022,246,185	(429,264,886)	978,875	68,004,224	(126,162,718)	74,131,479	74,131,479	4,609,933,159	111,620,645	4,721,553,804
Profit for the year	-	-	-	-	188,515,976	-	-	188,515,976	2,987,639	191,503,615
Other comprehensive income for the year	-	-	-	-	2,479,799	-	-	2,479,799	-	2,479,799
Total comprehensive income for the year	-	-	-	-	190,995,775	-	-	190,995,775	2,987,639	193,983,414
Transfer unappropriated retained earnings to statutory reserve (Note 27)	-	-	-	12,000,000	(12,000,000)	-	-	-	-	-
Balance as at 31 December 2020	5,022,246,185	(429,264,886)	978,875	80,004,224	52,833,057	74,131,479	74,131,479	4,800,928,934	114,608,284	4,915,537,218
	-	-	-	-	-	-	-	-	-	-

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

**Eastern Star Real Estate Public Company Limited and its subsidiaries**  
**Statement of changes in shareholders' equity (continued)**  
**For the year ended 31 December 2020**

(Unit: Baht)

	Separate financial statements					
	Issued and paid-up		Capital reserve for share-based payment transactions	Retained earnings		Total shareholders' equity
	share capital	Share discount		Appropriated	Unappropriated	
<b>Balance as at 1 January 2019</b>	5,022,246,185	(429,264,886)	978,875	65,154,224	262,821,914	4,921,936,312
Profit for the year	-	-	-	-	56,956,744	56,956,744
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	56,956,744	56,956,744
Dividend paid (Note 33)	-	-	-	-	(100,420,062)	(100,420,062)
Transfer unappropriated retained earnings to statutory reserve (Note 27)	-	-	-	2,850,000	(2,850,000)	-
<b>Balance as at 31 December 2019</b>	<u>5,022,246,185</u>	<u>(429,264,886)</u>	<u>978,875</u>	<u>68,004,224</u>	<u>216,508,596</u>	<u>4,878,472,994</u>
<b>Balance as at 1 January 2020</b>	5,022,246,185	(429,264,886)	978,875	68,004,224	216,508,596	4,878,472,994
Profit for the year	-	-	-	-	239,865,415	239,865,415
Other comprehensive income for the year	-	-	-	-	3,337,821	3,337,821
Total comprehensive income for the year	-	-	-	-	243,203,236	243,203,236
Transfer unappropriated retained earnings to statutory reserve (Note 27)	-	-	-	12,000,000	(12,000,000)	-
<b>Balance as at 31 December 2020</b>	<u>5,022,246,185</u>	<u>(429,264,886)</u>	<u>978,875</u>	<u>80,004,224</u>	<u>447,711,832</u>	<u>5,121,676,230</u>
	-	-	-	-	-	-

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

**Eastern Star Real Estate Public Company Limited and its subsidiaries**

**Cash flows statement**

**For the year ended 31 December 2020**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities</b>				
Profit before income tax expenses	263,346,894	72,217,110	313,144,542	77,934,738
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Decrease in real estate development costs as a result of transfer to cost of real estate sold	1,737,347,938	888,778,718	1,734,904,448	888,778,718
Reversal of loss on diminution in value of project	(1,593,415)	(2,802,101)	(1,593,415)	(2,802,101)
Reversal allowance for expected credit losses	(8,513,566)	-	(8,513,566)	-
Depreciation and amortisation	65,160,496	41,405,350	60,285,201	35,231,432
Discount received from rental agreement	(160,000)	-	(160,000)	-
Provision for long-term employee benefits	8,008,516	10,958,682	6,331,736	8,274,332
Recognised income from lease	(1,395,629)	(1,401,116)	(1,395,629)	(1,401,116)
Gain on sales of financial assets	(48,993)	(440,699)	(48,993)	(437,597)
Unrealised gain on changes in value of financial assets	(106,227)	(251,429)	(7,004)	(21,757)
Loss on diminution in value of land and improvement awaiting development	86,856,714	-	86,856,714	-
Reversal of loss on diminution in value of investment properties	(5,534,676)	-	(5,534,676)	-
Loss (reversal) on diminution in value of assets	5,319,021	(28,469,543)	(6,819,457)	(28,469,543)
Loss (gain) on sales and written off of investment properties	(98,144,964)	246,851	(98,144,964)	246,851
Gain on sales and written off of land and improvement awaiting development	(217,187,344)	-	(217,187,344)	-
Loss (gain) on disposal and written off of equipment	17,800,629	9,680,560	17,771,394	9,650,576
Finance cost	9,467,123	4,473,221	9,467,123	4,473,221
Profit from operating activities before changes in operating assets and liabilities	1,860,622,517	994,395,604	1,889,356,110	991,457,754
Decrease (increase) in operating assets				
Trade and other receivables	6,357,892	(436,639)	(20,857,693)	5,418,931
Real estate development costs and inventories	(1,088,875,130)	(666,276,970)	(1,089,129,347)	(665,830,226)
Advance for construction work	(9,782,431)	(55,160,479)	(9,782,431)	(55,160,479)
Other current assets	(147,917)	(440,634)	3,298	(1,369,941)
Lease receivables and advance received from land lease	2,904,000	2,904,000	2,904,000	2,904,000
Commission paid to obtain a contract	(4,920,739)	(38,436,814)	(4,920,739)	(38,436,814)
Other non-current assets	(17,375,875)	(5,033,337)	(17,375,876)	(5,033,337)
Increase (decrease) in operating liabilities				
Trade and other payables	(28,925,307)	11,898,972	(588,787)	14,959,735
Accrued expenses	14,979,440	58,518,431	14,959,296	58,393,533
Advance received from customers	(81,834,110)	69,374,027	(78,394,921)	68,696,999
Other current liabilities	13,568,165	(1,611,597)	13,792,847	(723,677)
Retention guarantees	(20,330,613)	(28,906,843)	(20,330,613)	(28,906,843)
Employee benefits paid	(6,120,022)	(3,670,561)	(3,945,004)	(2,216,361)
Other non-current liabilities	4,468,997	1,100,273	4,486,516	1,117,790
Cash flows from operating activities	644,588,867	338,217,433	680,176,656	345,271,064
Cash paid for interest expenses	(76,757,695)	(65,424,415)	(76,757,695)	(65,424,415)
Cash paid for income tax	(28,435,324)	(14,012,246)	(28,060,116)	(14,535,098)
Tax refund	19,611,070	812,753	19,611,070	812,753
<b>Net cash flows from operating activities</b>	<b>559,006,918</b>	<b>259,593,525</b>	<b>594,969,915</b>	<b>266,124,304</b>

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

Eastern Star Real Estate Public Company Limited and its subsidiaries

Cash flows statement (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Cash flows from investing activities</b>				
Increase in fixed deposits	(956)	-	(956)	-
Purchase of financial instruments	(327,775,000)	(400,480,000)	(307,774,999)	(361,480,000)
Proceed from sales of financial instruments	102,585,433	368,904,542	77,585,349	360,104,542
Proceed from disposal of equipments	653,093	821,392	625,990	760,280
Proceed from disposal of investment properties	393,961,215	116,355	393,961,215	116,355
Proceed from disposal of land and improvement awaiting development	364,512,000	-	364,512,000	-
Acquisition of investment properties	(6,188,469)	(17,100,694)	(6,188,469)	(17,100,694)
Acquisition of building and equipment and intangible assets	(58,570,293)	(83,434,208)	(53,864,955)	(80,490,955)
Acquisition of land and improvement awaiting development	-	(1,753,970,825)	(31,244,221)	(1,753,970,825)
Decrease in deposits for purchase of land	-	5,000,000	-	5,000,000
<b>Net cash flows from (used in) investing activities</b>	<b>469,177,023</b>	<b>(1,880,143,438)</b>	<b>437,610,954</b>	<b>(1,847,061,297)</b>
<b>Cash flows from financing activities</b>				
Cash receipt from short-term loans	889,000,000	1,134,095,400	889,000,000	1,134,095,400
Repayment of short-term loans	(1,669,293,400)	(487,285,000)	(1,669,293,400)	(487,285,000)
Cash receipt from long-term loans	1,011,626,000	1,306,589,000	1,011,626,000	1,306,589,000
Repayment of long-term loans	(989,179,019)	(329,774,039)	(989,179,019)	(329,774,039)
Repayment of lease liabilities	(9,496,233)	-	(9,496,234)	-
Dividend paid	(3,010)	(100,067,446)	(3,010)	(100,067,446)
<b>Net cash flow from (used in) financing activities</b>	<b>(767,345,662)</b>	<b>1,523,557,915</b>	<b>(767,345,663)</b>	<b>1,523,557,915</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>260,838,279</b>	<b>(96,991,998)</b>	<b>265,235,206</b>	<b>(57,379,078)</b>
Cash and cash equivalents at beginning of year	101,720,939	198,712,937	95,798,265	153,177,343
<b>Cash and cash equivalents at end of year</b>	<b>362,559,218</b>	<b>101,720,939</b>	<b>361,033,471</b>	<b>95,798,265</b>
	-	-	-	-

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



**Eastern Star Real Estate Public Company Limited and its subsidiaries**

**Cash flows statement (continued)**

**For the year ended 31 December 2020**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Supplemental cash flows information				
Non-cash transactions				
Transfer advance for construction work to real estate development costs	36,732,860	22,012,408	36,732,860	22,012,408
Transfer land awaiting development to real estate development costs	-	1,745,085,650	-	1,745,085,650
Transfer land and improvement awaiting development to other non current assets	16,011,200	-	16,011,199	-
Transfer interest expenses to real estate development costs	51,729,388	60,125,820	51,729,388	60,125,820
Transfer interest expenses to land and improvement awaiting development	17,010,831	-	17,010,831	-
Transfer real estate development cost to land and improvement awaiting development	611,934,820	-	611,934,820	-
Transfer building and equipment to other non-current assets	-	2,411,248	-	2,411,248
Transfer equipment to real estate development cost	1,200,953	818,463	1,200,953	818,463
Transfer equipment to other current assets	23,913	-	23,913	-
Transfer investment properties to other non-current assets	26,961	12,555	26,961	12,555
Transfer other non-current assets to building and equipment	-	-	-	-
Accounts payable for purchase of equipment	915,522	5,654,125	915,522	1,928,189
Accounts payable for purchase of investment properties	473,176	578,507	473,176	578,507
Dividend payable	930,732	933,742	930,732	933,742

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

**Eastern Star Real Estate Public Company Limited and its subsidiaries**  
**Notes to consolidated financial statements**  
**For the year ended 31 December 2020**

**1. General information**

**1.1 General information of the Company**

Eastern Star Real Estate Public Company Limited ("The Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the property development. Its major shareholder is Sunrise Group, which was incorporated in Thailand, and consists of:-

	Percentage of shareholding (base on paid-up capital) (as at 30 June 2020*)
1. Bangkok Broadcasting & Television Co., Ltd.	43.65
2. BBTV Equity Co., Ltd.	11.03
3. Sunrise Equity Co., Ltd.	5.56
4. Person	2.61
5. Person	1.95

\*The latest closing date of the shares register book

The registered office of the Company is at 898 Ploenchit Tower Building, 5th floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok.

**1.2 Coronavirus disease 2019 Pandemic**

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

## 2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

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 the Thai language financial statements.

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

### 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Eastern Star Real Estate Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

<u>Subsidiary companies</u>	<u>Nature of business</u>	<u>Country of incorporation</u>	<u>Percentage of shareholding</u>	
			<u>2020</u>	<u>2019</u>
			%	%
Eastern Star Resort Co., Ltd.	Golf course	Thailand	81.30	81.30
Eastern Star-Lai San				
New World Co., Ltd.	Real estate	Thailand	60.00	60.00

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- f) 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 in the consolidated profit or loss and within equity in the consolidated statement of financial position.

- 2.3 The separate financial statements present investments in subsidiaries under the cost method.

### 3. New financial reporting standards

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

During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 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. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

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

A set of TFRSs related to financial instruments 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 amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

These standards do not have any significant impact on the Group's financial statements.

## **TFRS 16 Leases**

TFRS 16 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 recognise 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.

The Group recognised the cumulative effect of the adoption of this financial reporting standard as an adjustment to retained earnings as at 1 January 2020 (if any), and the comparative information was not restated.

The cumulative effect of the change is described in Note 4.

## **Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic**

The Federation of Accounting Professions announced Accounting Treatment Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

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

During the period from the first quarter to the third quarter of 2020, the Group elected to apply the temporary relief measures on accounting alternatives relating to measuring the fair values of property, plant and equipment, and investment property, and Impairment of assets.

In the fourth quarter of 2020, the Group has assessed the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of assets, provisions and contingent liabilities. As a result, in preparing the financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of all temporary relief measures on accounting alternatives with no significant impact on the Group's financial statements.

**b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021**

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. 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.

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

**4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standard**

As described in Note 3 to the financial statements, during the current year, the Group has adopted set of financial reporting standards related to financial instruments and TFRS 16. There is no effect to retained earnings as at 1 January 2020, and the comparative information was not restated.

The impacts of changes in accounting policies on the statements of financial position at the beginning of 2020 due to the adoption of these standards are presented as follows:

	(Unit: Thousand Baht)		
	Consolidated and separate financial statements		
	31 December		1 January 2020
	2019	TFRS 16	
<b>Statement of financial position</b>			
<b>Current assets</b>			
Other current assets	1,200	(1,200)	-
<b>Non-current assets</b>			
Right-of-use assets	-	47,497	47,497
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Current portion of lease liabilities	-	7,816	7,816
<b>Non-current liabilities</b>			
Lease liabilities, net of current portion	-	38,481	38,481

#### 4.1 Financial instruments

As at 1 January 2020, classification and measurement of financial assets required by TFRS 9, in comparison with classification and the former carrying amount, are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements				
Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9				
	Fair value				
	Fair value through profit or loss	through other comprehensive income	Amortised cost	Total	
<b>Financial assets as at 1 January 2020</b>					
Cash and cash equivalents	101,721	-	-	101,721	101,721
Current investments	44	-	-	44	44
Other current financial assets	100,194	100,194	-	-	100,194
Trade and other receivables	8,743	-	-	8,743	8,743
<b>Total financial assets</b>	210,702	100,194	-	110,508	210,702

(Unit: Thousand Baht)

	Separate financial statements				
Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9				
	Fair value				
	Fair value through profit or loss	through other comprehensive income	Amortised cost	Total	
Financial assets as at 1 January 2020					
Cash and cash equivalents	95,798	-	-	95,798	95,798
Current investments	44	-	-	44	44
Other current financial assets	69,761	69,761	-	-	69,761
Trade and other receivables	12,551	-	-	12,551	12,551
Total financial assets	178,154	69,761	-	108,393	178,154

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss.

## 4.2 Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases that previously classified as operating leases measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 January 2020. For leases that previously classified as finance leases, the Group recognised the carrying amount of the lease assets and lease liabilities before transition as right-of-use assets and lease liabilities, respectively at the date of initial application.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	14,705	13,596
Less: Short-term leases and leases of low-value assets	(1,259)	(840)
Add: Option to extend lease term	41,223	41,223
Less: Contracts reassessed as service agreements	(895)	(205)
Less: Deferred interest expenses	(7,477)	(7,477)
Increase in lease liabilities due to TFRS 16 adoption	46,297	46,297
Liabilities under finance lease agreements as at 31 December 2019	-	-
Lease liabilities as at 1 January 2020	46,297	46,297
Weighted average incremental borrowing rate ( <i>percent per annum</i> )	4.04 - 4.33	4.04 - 4.33
Comprise of:		
Current lease liabilities	7,816	7,816
Non-current lease liabilities	38,481	38,481
	46,297	46,297



## **5. Significant accounting policies**

### **5.1 Revenue and expense recognition**

#### **Revenue from sales of real estate**

Revenue from sales of land, land with houses and residential condominium units is recognised at the point in time when control of the real estate is transferred to the customer, generally upon transfer of the legal ownership. Revenue from sales of real estate is measured at the amount of the consideration received after deducting discounts and considerations payable to the customer. The terms of payment are in accordance with the payment schedule specified in the customer contract. Considerations received before transferring control of the real estate to the customer are presented under the caption of “Advances received from customers” in the statement of financial position.

The Company allocates the revenues under the contract to the real estate and related furnishings in proportion to the relationship with the standalone selling prices and recognises income when the business has transferred the ownership of the real estate and delivered the related furnishings to the customer by measuring at the amount of the consideration received or receivable, excluding value added tax.

#### **Cost of real estate sales**

In determining the cost of land, cost of land with houses sold and cost of residential condominium units sold, the anticipated total development costs (taking into account actual costs incurred to date) are attributed to land, land with houses, and residential condominium units on the basis of the salable area.

Cost of real estate sales includes cost of other goods, such as furniture and fixtures, that are considered part of the house or residential condominium unit and transferred to a customer in accordance with the contract.

Selling expenses directly associated with projects, such as specific business tax and transfer fees, are recognised as expenses when the sale occurs.

#### **Cost to obtain a contract**

The Company recognises a commission paid to obtain a customer contract as an asset and recognises it as expenses in a manner consistent with the pattern of revenue recognition. An impairment loss is recognised to the extent that the carrying amount of an asset recognised exceeds the remaining amount of consideration that the entity expects to receive less direct costs.

### **Service income**

Services income is recognised when the services have been rendered.

### **Revenue from golf course and sport membership**

A subsidiary recognises revenue from golf course and sport memberships over the period of contracts.

### **Interest income**

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

### **Finance cost**

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

## **5.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

## **5.3 Real estate development costs and inventories**

Real estate development costs are stated at the lower of cost and net realisable value. Cost consists of the cost of land, land improvement costs, design fees, utilities, construction costs, capitalised borrowing costs and other related expenses, as well as estimated project development costs. The details of cost calculation are as follows:

- |                          |   |
|--------------------------|---|
| Land                     | - Cost of land using the weighted average method, calculating it separately for each project.   |
| Construction in progress | - Construction in progress consists of the cost of construction, public utility costs and interest capitalised (if any) to cost of projects by records cost of construction and public utilities based on the actual cost incurred. |

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the First-in First-out method.

#### **5.4 Investments in subsidiaries**

Investments in subsidiaries are accounted for in the separate financial statements using the cost method, net of allowance for impairment loss (if any).

#### **5.5 Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for impairment loss (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 2 - 5 years for fixtures and building infrastructure, 20 years for building development and 40 - 50 years for building. Depreciation of the investment properties is included in determining income.

No depreciation is provided on investment properties - land.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

#### **5.6 Property, plant and equipment/Depreciation**

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation, and less allowance for impairment loss (if any). Depreciation of building and equipment is calculated by reference to their costs on a straight-line basis over the following estimated useful lives as follow:

Buildings and construction	-	2 - 50 years
Sales office	-	2 - 20 years
Machines and equipment	-	2 - 5 years
Furniture, fixtures and office equipment	-	2 - 10 years
Vehicles	-	3 - 10 years

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

## 5.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Capitalisation rates are calculated based on the weighted average of the interest expenses incurring during the year on loans for development of projects.

## 5.8 Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

Computer software	-	5 - 10 years
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## 5.9 Leases

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

### **The Group as a lessee**

#### Accounting policies adopted since 1 January 2020

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

### **Right-of-use assets**

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

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

Land and Land improvement	1 - 2 years
Buildings and construction	3 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

### ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

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

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

***Accounting policies adopted before 1 January 2020***

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

**The Group as a lessor**

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognised as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

## **5.10 Related party transactions**

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

## **5.11 Impairment of non-financial assets**

At the end of each reporting period, the Group perform impairment reviews in respect of the property, plant and equipment, right-of-use-asset, investment properties, land and improvement awaiting development and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

## **5.12 Employee benefits**

### **Short-term employee benefits**

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

### **Post-employment benefits and other long-term employee benefits**

#### Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the contributions of the Group are recognised as expenses when incurred.

#### Defined benefit plans and other long-term employee benefits

The Group have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treat these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, namely gold from long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognises restructuring-related costs.

#### **5.13 Provisions**

Provisions are recognised when the Group have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### **5.14 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that they are probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.



At each reporting date, the Group review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

## **5.15 Financial instruments**

### **Accounting policies adopted since 1 January 2020**

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

#### **Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

#### ***Financial assets at amortised cost***

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

#### ***Financial assets at FVTPL***

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

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

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

In determining amortised cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

### **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

### **Impairment of financial assets**

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **Accounting policies adopted before 1 January 2020**

#### **Trade accounts receivable**

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

#### **Investments**

Investments in unit trusts that are held for trading are stated at fair value based on their net asset.

The Group record changes in the carrying amounts of securities are recorded as gains or losses in the income statements.

The weighted average method is used for computation of the cost of unit trust for the Group.

## **5.16 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## **6. Significant accounting judgments and estimates**

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

### **Costs to obtain contracts**

The recognition of costs incurred to obtain a contract as an asset requires management to use judgement regarding whether such costs are the incremental costs of obtaining a contract with a customer as well as what amortisation method should be used.

### **Leases**

#### ***Determining the lease term with extension and termination options - The Group as a lessee***

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

#### ***Estimating the incremental borrowing rate - The Group as a lessee***

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

#### ***Lease classification - The Group as lessor***

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgement as to whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

**Allowance for expected credit losses of trade receivables and contract assets**

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

**Property, plant and equipment and investment properties/Depreciation**

In determining depreciation of plant and equipment and investment properties, the management is required to make estimates of the useful lives and residual values and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment and investment properties for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying cost. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

**Project development costs estimation**

In calculating cost of land and houses sold, the Company has to estimate all project development costs, comprising land and land improvement costs, design and construction costs, public utility costs, borrowing costs and other related costs. The management estimates these costs based on their business experience and revisits the estimations on a periodical basis or when the actual costs incurred significantly vary from the estimated costs.

**Deferred tax assets**

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

**Allowance for impairment of non-financial assets**

In determining allowance for impairment of a non-financial asset, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset.

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

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

### **7. Related party transactions**

During the years, the Group had significant business transactions with its related parties. These transactions which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between the Company and those companies. Below is a summary of those transactions.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<u>Transactions with subsidiary companies</u>				
(eliminated from the consolidated financial statements)				
Income of central service management	-	-	1	1
Other income	-	-	4	3
Purchase of assets (Note 17)	-	-	31	-
Sales of assets	-	-	21	-
<u>Transactions with related parties</u>				
Office rental and service expenses	7	6	7	6

The pricing policies for the related parties transactions between the Company with its related parties are as follows: -

- Central service management, office rental and service charges, and business transfer are set on a mutually agreed basis.
- Other income are based on the same basis that charge to outside parties.
- The purchase price of assets is based on the agreed price.
- The sales price of assets is based on the agreed price.

### Nature of relationship

Company's name	Relationship	Connection
Eastern Star Resort Co., Ltd.	Subsidiary company	Direct shareholding and common directors
Eastern Star-Lai San New World Co., Ltd.	Subsidiary company	Direct shareholding and common directors
Related person of Bangkok Broadcasting & Television Co., Ltd.	Related person and parties	Direct and indirect shareholding and some common directors

The balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Other receivables (Note 10)</b>				
Subsidiaries	-	-	31,159	4,347
<b>Other payables (Note 20)</b>				
Subsidiaries	-	-	37,279	7,080
Related parties	952	27	952	27
Total	952	27	38,231	7,107
<b>Accrued expense</b>				
Related parties	-	-	63	63
<b>Retentions</b>				
Related party	1,555	1,555	1,555	1,555
<b>Advance received</b>				
Related parties	-	658	-	658

### Directors and management's benefits

During the years ended 31 December 2020 and 2019, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Short-term employee benefits	35,797	37,876	33,277	34,874
Post-employment benefits	11,390	13,498	10,895	13,224
Total	47,187	51,374	44,172	48,098

## 8. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Cash	586	1,166	181	435
Bank deposits	361,973	100,555	360,852	95,363
Total	362,559	101,721	361,033	95,798

As at 31 December 2020 and 2019, bank deposits in current accounts, saving accounts and fixed deposits with an original maturity of three months or less carried interests between 0.05 and 0.25 percent per annum.

## 9. Current investments/Other current financial assets

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	2020		2019	
	Amount	Interest rate	Amount	Interest rate
		(% per annum)		(% per annum)
<b><u>Current investments</u></b>				
Fixed deposits 12 months	-	-	44	1.10
Investments in mutual funds	-		99,940	
Add: Unrealised gain (loss) on changes in value of unit trust	-		254	
Total	-		100,238	
<b><u>Other current financial assets - Investment in debt instrument designated amortised cost</u></b>				
Fixed deposits 12 months	44	0.25	-	-
<b><u>Other current financial assets - Investment in debt instrument designated at fair value through profit or loss</u></b>				
Investments in mutual funds	325,200		-	
Add: Unrealised gain on changes in value of unit trust	339		-	
Total	325,539		-	



(Unit: Thousand Baht)

	Separated financial statements			
	2020		2019	
	Amount	Interest rate	Amount	Interest rate
		(% per annum)		(% per annum)
<b><u>Current investments</u></b>				
Fixed deposits 12 months	-		44	1.10
Investments in unit trust of mutual fund	-		69,739	
Add: Unrealised gain (loss) on				
changes in value of unit trust	-		22	
Total	-		69,805	

**Other current financial assets - Investment in debt instrument designated amortised cost**

Fixed deposits 12 months	44	0.25	-	-
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**Other current financial assets - Investment in debt instrument designated at fair value through profit or loss**

Investments in unit trust of mutual fund	300,000	-
Add: Unrealised gain on changes		
in value of unit trust	7	-
Total	300,007	-

As at 31 December 2019, the Company had investment in a debt mutual fund. The fund focuses on investing in debt securities issued or guaranteed by the government, financial institution or corporate both domestic and international. During the year, the Company has sold all unit trust of this mutual fund in March 2020.

As at 31 December 2020 and 2019, the Company and a subsidiary have investments in money market mutual funds and fixed income mutual fund. The funds focus on investing in debt securities issued by the government, debt securities issued by financial institution and corporate, and deposit with bank.

## 10. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b><u>Trade accounts receivable - third parties</u></b>				
Not yet due	1,568	438	1,463	435
Past due not over 3 months	219	952	198	749
Past due 3 - 6 months	426	366	296	285
Total trade accounts receivable	2,213	1,756	1,957	1,469
<b><u>Other receivables</u></b>				
Other receivables - related parties				
(Note 7)	-	-	31,159	4,347
Other receivables - third parties	4,970	2,287	4,968	2,286
Accrued income	1,148	9,830	1,148	9,830
Advanced payment	2,955	3,649	2,955	3,398
Interest receivable	1	1	1	1
Total other receivables	9,074	15,767	40,231	19,862
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	(388)	(8,780)	(266)	(8,780)
Total other receivables - net	8,686	6,987	39,965	11,082
Total trade and other receivables - net	10,899	8,743	41,922	12,551

## 11. Real estate development costs and inventories

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Land	2,179,781	3,273,143	2,185,084	3,270,973
Construction under development	841,761	923,919	841,761	923,919
Total	3,021,542	4,197,062	3,026,845	4,194,892
Less: Provision for loss on diminution in value of projects	(1,899)	(3,493)	(1,899)	(3,493)
Real estate development costs - net	3,019,643	4,193,569	3,024,946	4,191,399
Other inventories	697	952	-	-
Total	3,020,340	4,194,521	3,024,946	4,191,399

The Company has mortgaged certain plots of land and structures thereon with total net book value as at 31 December 2020 of Baht 2,825 million (2019: Baht 3,800 million) as collateral for credit facilities granted by banks.

During the year ended 31 December 2020, the Company included borrowing costs in the cost of real estate development amounting to Baht 52 million (2019: Baht 60 million).

Additional information of the Company's projects.

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	2020	2019
Total estimated sales value of projects on hand		
of which contracts have been signed	9,462	13,101
Total value of contracts signed of land and structures thereon	5,690	10,787
Percentage of total estimated sales value of projects on hand	60.13	82.33
Total value of contracts signed of land and structures thereon not yet recognised as revenue*	2,144	1,977

\* The revenue will be recognised in the future approximately 1 - 2 years.

## 12. Lease contract receivables / Advance received from land lease

On 23 August 2007, the Company entered into a contract to lease a land and plaza center building to a company. The lease tenor is for 25 years 5 months commencing from 23 August 2007 and the total contractual value of the lease is Baht 97.3 million, which the Company received the contractual lease fee on the lease registration date at Baht 24 million and for the remaining amount, the Company received the 1<sup>st</sup> lease fee for the total leasing period of 17 months at Baht 2.4 million. After which, the lease fee is payable annually. The lease fee for the 2<sup>nd</sup> - 5<sup>th</sup> year is Baht 2.4 million per year and afterwards the lease fee will be increased by 10% every 5 years. The Company recognises the land and building leasing fee by apportioning all leasing fee under the lease contract to the fair value of the land and the plaza center building as follows:-

- 12.1** From the total building lease fee of Baht 64.2 million, the advance of Baht 15.8 million was received on the lease registration date and the remaining amount will be receivable at 66% of annual lease fee as mentioned in above contract. The Company will gradually recognise as income from the building lease fee under financial lease contract. The remaining accounts receivable under the finance lease agreement are as follows:-

(Unit: Thousand Baht)

Consolidated and separate financial statements as at 31 December 2020				
	Less than	1-5 years	Over	Total
	1 year		5 years	
Original investment in lease agreement	1,917	8,241	15,812	25,970
Unearned financial income	(76)	(248)	(192)	(516)
Present value of the minimum payment debtor has to pay under lease agreement	1,841*	7,993	15,620	25,454

\*Included in other current assets

(Unit: Thousand Baht)

Consolidated and separate financial statements as at 31 December 2019				
	Less than	1-5 years	Over	Total
	1 year		5 years	
Original investment in lease agreement	1,917	8,050	17,920	27,887
Unearned financial income	(82)	(272)	(244)	(598)
Present value of the minimum payment debtor has to pay under lease agreement	1,835*	7,778	17,676	27,289

\*Included in other current assets

- 12.2** From total land lease fee of Baht 33.1 million, the advance of Baht 8.2 million was received on the lease registration date and the remaining amount will be receivable at 34% of annual lease fee as mentioned in above contract. The Company will gradually recognise as income from the land lease fee under the operating lease contract throughout the lease tenor. The outstanding balance is as follows:-

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	2020	2019
Total minimum amount which the debtor has to pay under the outstanding operating lease		
Within 1 year	987	987
1 - 5 years	4,246	4,147
Over 5 years	8,146	9,232
Total	13,379	14,366
Add: Advance received for land lease (net from recognised income)	2,861	4,174
Land lease income to be recognised in future	16,240	18,540

### 13. Investments in subsidiaries

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

	(Unit: Thousand Baht)									
	Separate financial statements									
Company's name	Paid-up capital		Shareholding percentage		Cost		Impairment loss on investments		Net	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
			(%)	(%)						
Eastern Star Resort Co., Ltd.	500,000	500,000	81.30	81.30	409,374	409,374	-	-	409,374	409,374
Eastern Star-Lai San New World Co., Ltd.	160,000	160,000	60.00	60.00	96,000	96,000	-	-	96,000	96,000
					505,374	505,374	-	-	505,374	505,374

As at 31 December 2020 and 2019, the Company possessed 326 remaining golf-membership rights, which were not included in the financial statements because the Company obtained such rights at no cost as a result of its investment in a subsidiary.

#### 14. Investment properties

The net book value of investment properties as at 31 December 2020 and 2019 is presented below.

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	Land	Building and improvements	Total
31 December 2020:			
Cost	704,657	715,133	1,419,790
Less: Accumulated depreciation	-	(499,341)	(499,341)
Less: Allowance for impairment	(27,676)	(9,024)	(36,700)
Net book value	676,981	206,768	883,749
31 December 2019:			
Cost	1,000,467	709,165	1,709,632
Less: Accumulated depreciation	-	(484,679)	(484,679)
Less: Allowance for impairment	(41,584)	(651)	(42,235)
Net book value	958,883	223,835	1,182,718

	(Unit: Thousand Baht)		
	Separate financial statements		
	Land	Building and improvements	Total
31 December 2020:			
Cost	704,657	758,057	1,462,714
Less: Accumulated depreciation	-	(503,350)	(503,350)
Less: Allowance for impairment loss	(27,676)	(9,024)	(36,700)
Net book value	676,981	245,683	922,664
31 December 2019:			
Cost	1,000,467	752,090	1,752,557
Less: Accumulated depreciation	-	(487,663)	(487,663)
Less: Allowance for impairment loss	(41,584)	(651)	(42,235)
Net book value	958,883	263,776	1,222,659

A reconciliation of the net book value of investment properties for the years 2020 and 2019 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Net book value at beginning of year	1,182,718	1,158,187	1,222,659	1,199,151
Addition - at cost	6,083	10,784	6,083	10,784
Transfer out - net book value at transfer date	(27)	(13)	(27)	(13)
Disposal and written off - net book value at disposal and written off date	(295,816)	(363)	(295,816)	(363)
Impairment loss	(9,024)	-	(9,024)	-
Reversal of impairment loss	14,558	28,470	14,558	28,470
Depreciation	(14,743)	(14,347)	(15,769)	(15,370)
Net book value at end of year	883,749	1,182,718	922,664	1,222,659
Rental income arising from investment properties	35,685	39,126	35,685	39,126

Future minimum rental income to be generated under these investment properties is as follows:

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	2020	2019
In up to 1 year	21,532	24,636
In over 1 and up to 2 years	3,586	4,818

The fair values of the investment properties as at 31 December 2020 and 2019 stated below:

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	2020	2019
Land	1,021,853	1,358,501
Building and improvement	182,836	205,268

The fair values of the above investment properties have been determined based on valuations performed by an accredited independent valuer. The fair value of the land has been determined based on market price, while that of the land and building and improvement has been determined using the market price and force sale price.

As a result of the impairment assessment in 2020, the Company recorded allowance for impairment loss of land and building of Baht 9 million, and reversed Baht 15 million (2019: Baht 28 million) of the impairment losses of land and building previously recognised in profit or loss.

The Company has mortgaged certain plots of land with a net book value as at 31 December 2020 of Baht 82 million (2019: Baht 364 million) as collateral for credit facilities granted by banks.

On 24 July 2020, the Company entered into a sales agreement of land with the sale price of Baht 394 million. On 14 August 2020, the Company fully received the amount of land and transferred the registration of land ownership. The Company presented this transaction as revenue from sales of real estate. In addition, the Company also reversed the total amount of allowance for impairment loss of this plot of land of Baht 9.6 million.



## 15. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements								
	Land and improvement	Buildings and construction	Machines and equipment	Furniture and fixtures	Office equipment	Vehicles	Construction in progress	Total
<u>Cost</u>								
1 January 2019	159,479	457,292	44,586	15,967	25,919	35,668	26,257	765,168
Additions	17,629	21,243	1,282	2,917	3,469	3,572	35,589	85,701
Disposals and written off	-	(14,214)	(1,088)	(164)	(1,167)	(2,587)	-	(19,220)
Transfer in (out)	-	32,313	60	1,476	400	948	(31,967)	3,230
31 December 2019	177,108	496,634	44,840	20,196	28,621	37,601	29,879	834,879
Additions	391	4,928	961	1,714	2,303	-	37,991	48,288
Disposals and written off	-	(31,540)	(895)	(1,406)	(307)	(1,467)	(2,092)	(37,707)
Transfer in (out)	(11,153)	35,259	3,293	1,206	-	1,095	(42,079)	(12,379)
31 December 2020	166,346	505,281	48,199	21,710	30,617	37,229	23,699	833,081
<u>Accumulated depreciation</u>								
1 January 2019	737	260,208	40,614	11,869	18,657	24,966	-	357,051
Depreciation for the year	-	15,422	1,857	1,560	2,544	4,605	-	25,988
Accumulated depreciation on disposals and written off	-	(3,807)	(1,060)	(123)	(1,146)	(2,582)	-	(8,718)
31 December 2019	737	271,823	41,411	13,306	20,055	26,989	-	374,321
Depreciation for the year	50	27,933	1,799	2,252	2,968	3,855	-	38,857
Accumulated depreciation on disposals and written off	-	(15,387)	(823)	(1,289)	(292)	(1,465)	-	(19,256)
31 December 2020	787	284,369	42,387	14,269	22,731	29,379	-	393,922
<u>Allowance for impairment loss</u>								
1 January 2019	-	3,680	-	-	-	-	-	3,680
31 December 2019	-	3,680	-	-	-	-	-	3,680
Allowance for impairment loss	-	5,319	-	-	-	-	-	5,319
31 December 2020	-	8,999	-	-	-	-	-	8,999
<u>Net book value</u>								
31 December 2019	176,371	221,131	3,429	6,890	8,566	10,612	29,879	456,878
31 December 2020	165,559	211,913	5,812	7,441	7,886	7,850	23,699	430,160
<b>Depreciation for the year</b>								
2019 (Baht 4 million included in cost of real estate sold and services, and the balance in administrative expenses)								25,988
2020 (Baht 4 million included in cost of real estate sold and services, and the balance in administrative expenses)								38,857

(Unit: Thousand Baht)

Separate financial statements								
	Land and improvement	Buildings and construction	Machines and equipment	Furniture and fixtures	Office equipment	Vehicles	Construction in progress	Total
<u>Cost</u>								
1 January 2019	60,951	166,653	5,059	15,430	19,188	19,046	6,818	293,145
Additions	17,629	20,552	370	2,917	3,158	172	34,291	79,089
Disposals and written off	-	(13,996)	(70)	(163)	(103)	(2,587)	-	(16,919)
Transfer in (out)	-	11,635	-	1,477	400	948	(11,230)	3,230
31 December 2019	78,580	184,844	5,359	19,661	22,643	17,579	29,879	358,545
Additions	390	4,827	328	1,714	2,140	-	37,910	47,309
Disposals and written off	-	(31,540)	(681)	(1,406)	(212)	(1,467)	(2,092)	(37,398)
Transfer in (out)	-	35,178	3,293	1,206	-	1,095	(41,998)	(1,226)
31 December 2020	78,970	193,309	8,299	21,175	24,571	17,207	23,699	367,230
<u>Accumulated depreciation</u>								
1 January 2019	737	44,405	4,063	11,396	12,936	13,644	-	87,181
Depreciation for the year	-	12,951	387	1,560	2,168	1,860	-	18,926
Accumulated depreciation on disposals and written off	-	(3,639)	(62)	(123)	(103)	(2,582)	-	(6,509)
31 December 2019	737	53,717	4,388	12,833	15,001	12,922	-	99,598
Depreciation for the year	50	25,309	665	2,252	2,638	2,045	-	32,959
Accumulated depreciation on disposals and written off	-	(15,387)	(659)	(1,289)	(202)	(1,465)	-	(19,002)
31 December 2020	787	63,639	4,394	13,796	17,437	13,502	-	113,555
<u>Allowance for impairment loss</u>								
1 January 2019	-	9,161	-	-	-	-	-	9,161
31 December 2019	-	9,161	-	-	-	-	-	9,161
Reversal of allowance for impairment loss (net)	-	(6,819)	-	-	-	-	-	(6,819)
31 December 2020	-	2,342	-	-	-	-	-	2,342
<u>Net book value</u>								
31 December 2019	77,843	121,966	971	6,828	7,642	4,657	29,879	249,786
31 December 2020	78,183	127,328	3,905	7,379	7,134	3,705	23,699	251,333
<b>Depreciation for the year</b>								
2019 (Included in administrative expenses)								18,926
2020 (Included in administrative expenses)								32,959

As at 31 December 2020, certain building and equipment items of the Group have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment) of those assets amounted to approximately Baht 149 million (Separate financial statements: Baht 50 million) (2019: Baht 145 million (Separate financial statements: Baht 51 million)).

The Company has mortgaged certain plots of land and structures thereon with a net book value as at 31 December 2020 and 2019 of Baht 2 million as collateral for credit facilities granted by a bank.

## 16. Intangible assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Computer software - cost	20,211	14,678	19,173	13,641
Less: Accumulated amortisation	(9,734)	(8,044)	(8,696)	(7,012)
Net book value	10,477	6,634	10,477	6,629

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Net book value at beginning year	6,634	5,002	6,629	4,861
Additions	5,542	2,703	5,542	2,703
Amortisation	(1,699)	(1,071)	(1,694)	(935)
Net book value at end of year	10,477	6,634	10,477	6,629

## 17. Land and improvement awaiting development

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Land	1,834,745	1,363,312	1,700,239	1,213,746
Development costs	47,103	36,742	47,103	36,742
Less: allowance for impairment loss	(86,857)	-	(86,857)	-
Net book value	1,794,991	1,400,054	1,660,485	1,250,488

A reconciliation of the net book value of land and improvement awaiting development for the years 2020 and 2019 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Net book value at beginning of year	1,400,054	1,391,169	1,250,488	1,241,603
Addition purchase - at cost	-	1,753,971	31,244	1,753,971
Sales - at cost	(147,325)	-	(147,325)	-
Transfer in (out) - at cost	640,099	(1,745,086)	628,946	(1,745,086)
Allowance for impairment loss	(86,857)	-	(86,857)	-
Adjust	(10,980)	-	(16,011)	-
Net book value at end of year	1,794,991	1,400,054	1,660,485	1,250,488

Movement of allowance for impairment loss of land and improvement awaiting development for the year ended 31 December 2020 and 2019 are as follow:

	(Unit: Thousand Baht)	
	Consolidated and Separate	
	financial statements	
	2020	2019
Balance at beginning year	-	-
Increase during the year	86,857	-
Balance at end of year	86,857	-

During the year, the Group arranged for an independent professional valuer to appraise the value of these land awaiting development using the Market Approach.

As a result of the impairment assessment in 2020, the Company recorded allowance for impairment loss on diminution in value of land of Baht 87 million.

On 16 December 2020, the Company entered in to a land sales agreement with sales price of Baht 365 million and the Company has fully received the amount of land and transferred the registration of land ownership on the same day. The Company presented this transaction as revenue from sales of real estate.

As at 31 December 2019, land awaiting development of Baht 1 million (separate financial statements: Baht 0.8 million) was land of which ownership is jointly held by the Company and a subsidiary. The Company and the subsidiary recorded the cost of land based on their ownership, with half allocated to each party.

In December 2020, the Company and the subsidiary have sold and allotment of the land awaiting development previously jointly hold, by allocating such land according to the use of each party. The Company and the subsidiary have registered the transfer of ownership of the land on 23 December 2020 and fully paid the amount of land in January 2021.

As at 31 December 2020, the Company mortgaged certain plots of land and improvement awaiting development with a net book value of Baht 1,390 million (2019: 762 million) as collateral for credit facilities granted by a bank.

#### 18. Cost to obtain a contract

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Balance as at 1 January 2020	131,306
Increase during the year	97,888
Recognised as expenses during the year	(92,967)
Balance as at 31 December 2020	136,227

#### 19. Short-term loans from financial institutions

		(Unit: Thousand Baht)	
	Interest rate (Percent per annum)	Consolidated and Separate financial statements	
		2020	2019
Short-term loans from financial institutions	MLR - fixed rate	-	453,293
Short-term loans from financial institutions	fixed rate	-	327,000
Total		-	780,293

Short-term loans from financial institutions were consisted of short-term loans from agreement and short-term loans from the promissory note of several financial institutions. The partial of short-term credit facilities are secured by the mortgages of the Company's land and structures there on.

**20. Trade and other payables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Trade accounts payable				
- unrelated parties	17,544	47,178	16,955	46,320
Other payables - related parties				
(Note 7)	952	27	38,231	7,107
Other payables - unrelated parties	24,072	29,133	23,309	26,775
Total	42,568	76,338	78,495	80,202

**21. Long-term loans**

	(Unit: Thousand Baht)	
	Consolidated and Separate	
	financial statements	
	2020	2019
Long-term loans from banks	1,574,119	1,551,672
Less: Current portion	(226,920)	(729,473)
Long-term loans - net of current portion	1,347,199	822,199

Movements in the long-term loans during the year ended 31 December 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated and Separate	
	financial statements	
Balance as at 1 January 2020	1,551,672	
Add: Additional borrowings	1,011,626	
Less: Repayments	(989,179)	
Balance as at 31 December 2020	1,574,119	

Long-term loans from local banks had the principal terms of the credit facilities as follows:

Consolidated and Separate financial statements		Interest rate (per annum)	Interest period	Principal repayment schedules
Total loan facilities				
2020	2019			
4,539	2,769	MLR - fixed rate	Monthly	Payments of principal are to be made at percentage of the value of secured real estates which transferred to customers, with full repayment to be made within 48 months after the date of the loan agreement or the first draw down of principal.
1,119	570	MLR - fixed rate	Monthly	Payments of principal are to be made at price per square meters of the value of secured real estates which transferred to customers, with full repayment to be made within 60 months after the date of the loan agreement or the first draw down of principal.
Total	5,658	3,339		

The above credit facilities agreements contain covenants relating to various matters, such as the maintenance of financial ratio and restrictions on creating or permitting the subsistence of security interest on property and assets.

As at 31 December 2020, the long-term credit facilities of the Company which have not yet been drawn down totaling Baht 3,043 million (2019: Baht 2,266 million).

The loans and credit facilities are secured by mortgages of land with structures of the Company.

## 22. Leases

### a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2020 are summarised below:

	(Unit: Thousand Baht)		
	Consolidated and Separate financial statements		
	Land and land		
	improvement	Buildings space	Total
<b>Cost:</b>			
As at 31 December 2019			
Adjustments of right-of-use assets due to TFRS 16 adoption	6,889	40,608	47,497
As at 1 January 2020	6,889	40,608	47,497
Increase (Decrease) during the year	-	-	-
As at 31 December 2020	6,889	40,608	47,497

(Unit: Thousand Baht)

	Consolidated and Separate financial statements		
	Land and land		
	improvement	Buildings space	Total
<b>Accumulated depreciation:</b>			
As at 1 January 2020	-	-	-
Depreciation for the year	4,621	5,240	9,861
As at 31 December 2020	4,621	5,240	9,861
<b>Net book value:</b>			
1 January 2020	6,889	40,608	47,497
31 December 2020	2,268	35,368	37,636

**b) Lease liabilities**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Lease payments	44,118	-	44,118	-
Less: Deferred interest expenses	(5,637)	-	(5,637)	-
Total	38,481	-	38,481	-
Less: Portion due within one year	(7,088)	-	(7,088)	-
Lease liabilities - net of current portion	(31,393)	-	(31,393)	-

A maturity analysis of lease payments is disclosed in Note 37.1 under the liquidity risk.

**c) Expenses relating to leases that are recognised in profit or loss**

(Unit: Thousand Baht)

	For the year ended 31 December 2020	
	Consolidated	Separate
	financial statements	financial statements
Depreciation expense of right-of-use assets	9,861	9,861
Interest expense on lease liabilities	1,831	1,831
Expense relating to short-term leases	300	300
Expense relating to leases of low-value assets	936	516



**d) Others**

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 11 million, including the cash outflow related to short-term lease and leases of low-value assets.

**23. Advance received from customers**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Advance received for real estate	279,120	358,594	278,397	354,432
Deferred revenue for fixtures	280	2,640	280	2,640
Total	279,400	361,234	278,677	357,072

Movements in the deferred revenue for fixtures account during the year ended 31 December 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated and Separate	
	financial statements	
Balance as at 1 January 2020	2,640	
Increase during the year	6,020	
Recognised as revenues during the year	(8,380)	
Balance as at 31 December 2020	280	

**24. Other current liabilities**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Retention payable	30,328	23,054	30,328	23,054
Other current liabilities	33,763	26,481	32,985	25,479
Total	64,091	49,535	63,313	48,533

## 25. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensations payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Provision for long-term employee</b>				
<b>benefits at beginning of year</b>	31,290	24,002	24,246	18,188
Included in profit or loss:				
Current service cost	5,696	5,222	4,471	4,092
Interest cost	831	698	629	517
Past service costs and gains or				
losses on settlement	1,481	-	1,232	-
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions				
changes	2,191	-	936	-
Financial assumptions changes	935	5,039	597	3,665
Experience adjustments	(6,440)	-	(5,705)	-
Benefits paid during the year	(6,120)	(3,671)	(3,945)	(2,216)
<b>Provision for long-term employee</b>				
<b>benefits at end of year</b>	29,864	31,290	22,461	24,246

The Group expected no employee benefit to be paid during the next year. (2019: Baht 2 million, separate financial statements: Baht 1 million).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 13 years (Separate financial statements: 13 years) (2019: 10 - 11 years, separate financial statements: 11 years).

Significant actuarial assumptions are summarised below:

	Consolidated and separate financial statements	
	2020	2019
Discount rate	1.50%	2.65% - 2.71%
Average future salary increase rate	4.0% - 5.5%	4.0% - 6.0%
Staff turnover rate (depending on age)	0% - 35%	0% - 35%
Gold price for 1 Baht gold	26,800	-
Gold increase rate	2.50%	-

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below:

	(Unit: million Baht)			
	2020			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(3)	3	(2)	2
Salary increase rate	3	(2)	2	(2)
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Turnover rate	(1)	1	(1)	1

	(Unit: million Baht)			
	2019			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(2)	3	(2)	2
Salary increase rate	3	(3)	3	(2)
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Turnover rate	(1)	1	(1)	1

## 26. Warrants

In 2016, the Company allotted warrants under Employee Stock Option Plan No. 1 (ESOP No. 1) to the directors, management and/or employees of the Company for 150,000,000 units at no offering price with a term of not exceeding 3 years from the issuance date of warrants at the exercise ratio of 1 unit of warrant per 1 ordinary share at the exercise price of Baht 1.05 baht per one ordinary share. The Company recorded capital reserve for share-based payment of Baht 1 million.

As at 30 June 2018, the term of the warrant was expired. There are no holders exercise these warrants.

## 27. Statutory reserve

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

During the year 2020, the Company transferred unappropriated retained earnings to statutory reserve amounting to Baht 12 million (2019: Baht 3 million).

## 28. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Interest expenses on borrowings	9,467	4,473	9,467	4,473
Interest expenses on lease liabilities	1,831	-	1,831	-
<b>Total</b>	<b>11,298</b>	<b>4,473</b>	<b>11,298</b>	<b>4,473</b>

## 29. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Payment of land and construction during the year	679,626	693,799	679,626	693,799
Changes in real estate development costs and inventories	578,654	160,014	578,400	160,021
Loss from impairment of property, plant and equipment, investment properties and land awaiting for development	101,199	-	95,880	-
Salaries and wages and other employee benefits	159,644	168,610	130,704	137,586
Depreciation and amortisation	65,010	41,418	60,135	35,231
Marketing expenses	243,461	134,000	241,451	132,142
Cost of other goods incurred and recognised during the year	6,122	7,420	-	-

## 30. Income tax

Income tax expenses for the years ended 31 December 2020 and 2019 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	2020	2019	2020	2019
<b>Current income tax:</b>				
Current income tax charge	81,387	-	81,387	-
Adjustment in respect of income tax of previous year	-	-	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(9,544)	20,732	(8,108)	20,978
<b>Income tax expenses reported in the statement of comprehensive income</b>	<b>71,843</b>	<b>20,732</b>	<b>73,279</b>	<b>20,978</b>

The reconciliation between accounting profit and income tax expenses is shown below.

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2020	2019	2020	2019
Accounting profit before tax	263,347	72,217	313,144	77,934
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	52,669	14,443	62,629	15,587
Tax effects of:				
Non-deductible expenses	3,793	3,150	3,470	2,659
Additional taxable revenues	4,049	2,786	4,049	2,786
Additional capital expenditure deductions allowed	(129)	(131)	(129)	(131)
Additional expense deductions allowed	(629)	(1,692)	(121)	(116)
Tax exempted expense (revenue)	1	(4)	1	(4)
Tax losses	8,709	1,983	-	-
Others	3,380	197	3,380	197
Income tax expenses reported in the statement of comprehensive income	71,843	20,732	73,279	20,978

The components of deferred tax assets and deferred tax liabilities as at 31 December 2020 and 2019 are as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2020	2019	2020	2019
<b>Deferred tax assets</b>				
Allowance for expected credit losses (2019: Allowance for doubtful accounts)	-	1,487	-	1,487
Allowance for diminution in value of inventories	380	699	380	699
Allowance for diminution in value of assets	24,711	8,447	25,180	10,279
Deferred revenue for fixtures	56	528	56	528
Advance received for land rental income	783	849	783	849
Provision for long-term employee benefits	5,973	6,257	4,492	4,849
Right-of-use assets	169	-	169	-
Tax loss carried forward	-	4,535	-	4,535
Others	1,451	1,394	1,451	1,394
Total	33,523	24,196	32,511	24,620

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Deferred tax liabilities</b>				
Lease contract receivables	5,091	5,458	5,091	5,458
Cost to obtain a contract	27,245	26,261	27,245	26,261
Total	32,336	31,719	32,336	31,719

As at 31 December 2020 the subsidiaries has unused tax losses totaling Baht 41 million (2019: Baht 38 million). No deferred tax assets have been recognised on these amounts as the subsidiaries believes future taxable profits may not be sufficient to allow utilisation of unused tax losses.

Details of expiry date of the subsidiaries' unused tax losses are summarised as below:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
31 December 2021	7	7	-	-
31 December 2022	19	19	-	-
31 December 2023	-	-	-	-
31 December 2024	13	13	-	-
31 December 2025	2	-	-	-
	41	39	-	-

### 31. Earnings per share

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

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Profit attributable to equity holders of the Company (Thousand Baht)	188,516	52,652	239,865	56,957
Weighted average number of ordinary shares (Thousand shares)	5,022,246	5,022,246	5,022,246	5,022,246
Earnings per share (Baht/share)	0.038	0.010	0.048	0.011

## 32. 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.

For management purposes, the Group are organised into business units based on its products and services and have three reportable segments as follows:

- (1) Real estate business
- (2) Golf course business
- (3) Rental business

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

Transfer prices between business segments are set out in Note 7 to the consolidated financial statements.

Below is the revenue and gross profit of the Group for the year ended 31 December 2020 and 2019 by segments.

(Unit: Million Baht)

Consolidated financial statements for the year ended 31 December										
Revenue from Contracts with Customers										
	Real estate business		Golf course business		Rental business		Adjustments and eliminations		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>Revenues</b>										
External customers	2,562	1,273	43	56	41	44	-	-	2,646	1,373
Inter- segment	21	-	-	-	-	-	(21)	-	-	-
<b>Total revenues</b>	<b>2,583</b>	<b>1,273</b>	<b>43</b>	<b>56</b>	<b>41</b>	<b>44</b>	<b>(21)</b>	<b>-</b>	<b>2,646</b>	<b>1,373</b>
<b>Operating results</b>										
<b>Gross profit of segments</b>	826	387	11	19	12	14	-	-	849	420
Other income									34	27
Selling and distribution expenses									(243)	(134)
Administrative expenses									(278)	(265)
Loss on diminution in value of assets									(101)	-
Reversal of loss on diminution in value of assets									14	29
Finance cost									(11)	(4)
Income tax expenses									(72)	(21)
Non-controlling interests of the subsidiaries									(3)	1
<b>Profit for the year attributable to equity holders of the Company</b>									<b>189</b>	<b>53</b>



The following table presents segment assets of the Group as at 31 December 2020 and 2019.

(Unit: Million Baht)

	Consolidated financial statements as at 31 December							
	Real estate business		Golf course business		Rental business		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Real estate development cost and inventories	3,019	4,194	1	1	-	-	3,020	4,195
Investment properties	570	855	-	-	314	327	884	1,182
Property, plant and equipment	177	168	251	288	2	1	430	457
Land and improvement awaiting development	1,795	1,400	-	-	-	-	1,795	1,400
Unallocated assets							1,075	546
<b>Total segment assets</b>							<b>7,204</b>	<b>7,780</b>
Additions to non-current assets other than financial instruments, deferred tax assets and other non-current assets*	52	111	1	6	7	12	60	129

\*Excluded the classification of real estate development costs and inventories to land and improvement awaiting development.

### Geographic information

The Group operate in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

### Major customers

For the years 2020 and 2019, the Group have no major customer, with revenue of 10% or more of an entity's revenue.

### 33. Dividend payment

Dividend	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)
Dividend announced from operating result for the year 2018	Annual General Meeting of the shareholders on 30 April 2019	100	0.020
		<u>100</u>	

On 30 July 2020, the Annual General Meeting of the Company's shareholders no.1/2020 approved the non-dividend payment.

#### 34. Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees, and the Group contributed to the fund monthly at the rates of 3 - 5% of basic salary. The fund, which is managed by Ayudhya Fund Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2020 amounting to approximately Baht 3 million were recognised as expenses (Separate financial statements: Baht 3 million) (2019: Baht 3 million (Separate financial statements: Baht 3 million)).

#### 35. Commitments and contingent liabilities

As at 31 December 2020 and 2019, the Group have the following outstanding commitments and contingent liabilities:

- 35.1 The Company had the outstanding commitments in respect of agreements to construction including project and interior design of projects amounting to Baht 211 million (2019: Baht 257 million).
- 35.2 The Company had the outstanding commitments in respect of land purchase agreements to develop project for sale amounting to Baht 128 million (2019: 144 million).
- 35.3 The Company had capital commitments of Baht 2 million (2019: 1 million) in respect of the acquisition of software for the Company's operations.
- 35.4 The Group have entered into several lease agreements to lease buildings and equipment and services, with terms of generally between 1 and 3 years.

In 2020, as described in Note 4.2 to the financial statements, upon initial application of TFRS 16, the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020.

Future minimum payments required under service agreements as at 31 December 2020 are as follows:

Payable	Consolidated financial statement	(Unit: Million Baht)
		Separate financial statements
In up to 1 year	4	3
In over 1 and up to 3 year	3	3

Future minimum payments required under these operating leases contracts as at 31 December 2019 are as follows:

	(Unit: Million Baht)	
Payable	Consolidated financial statement	Separate financial statements
In up to 1 year	10	9
In over 1 and up to 3 years	5	5

### 35.5 Bank guarantees

There were the following outstanding bank guarantees issued by the banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business of the Company.

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	2020	2019
Letters of guarantee for arrangement and maintenance of public utilities	69	102
Letters of guarantee for electricity usage	7	9
Letters of guarantee for elevators	21	20
Total	97	131

Bank guarantees facilities are secured by the Company's land and structures thereon.

### 35.6 Litigation

As at 31 December 2020, civil lawsuits were filed against the Company by customers, and consumer lawsuit related to the default of the condominium Act (No.4) B.E. 2551 were filed against the Company by the condominium juristic person, with the claim amounts totaling Baht 124 million (2019: Baht 14 million). These cases are currently under the court proceedings. Based on the Company's legal counsel opinion, the Company's management believes that the result of these cases will have no significant impact on the financial position of the Company.

The Company has set aside a provision for claim from customers that may arise from the final of judicial processes in its financial statements as considers appropriate. The Company has not accrued the provision for claims from the condominium juristic person as per the reason mentioned above.

### 36. Fair value hierarchy

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

	(Unit: Million Baht)			
	Consolidated Financial Statements			
	31 December 2020			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Other current financial assets	-	326	-	326
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	896	309	1,205

	(Unit: Million Baht)			
	Consolidated Financial Statements			
	31 December 2019			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Current investments	-	100	-	100
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	1,248	316	1,564

	(Unit: Million Baht)			
	Separate Financial Statements			
	31 December 2020			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Other current financial assets	-	300	-	300
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	896	309	1,205

	(Unit: Million Baht)			
	Separate Financial Statements			
	31 December 2019			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Current investments	-	70	-	70
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	1,248	316	1,564

## **37. Financial instruments**

### **37.1 Financial risk management objectives and policies**

The Group's financial instruments principally comprise cash and cash equivalents, other current financial asset, trade and other receivables, lease contract receivables, trade and other payables, short-term loans from a financial institution and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

#### **Credit risk**

The Group are exposed to credit risk primarily with respect to trade and other receivables. The Group manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of receivables and other receivables as stated in the statement of financial position.

#### ***Financial instruments and cash deposits***

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

#### **Interest rate risk**

The Group exposure to interest rate risk relates primarily to their cash at financial institutions, other current financial asset, lease contract receivables, short-term loans from a financial institution and long-term loans with interest bearing. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowing. The Group's policy is to maintain borrowings at the appropriate level.

As at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

## Consolidated financial statements as at 31 December 2020

	Fixed interest rates					Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing		
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	363	-	363	0.05 - 0.25
Other current financial assets	-	-	-	-	326	326	-
Trade and other receivables	-	-	-	-	11	11	-
Finance lease contract receivables	2	7	16	-	-	25	0.30
<b>Financial liabilities</b>							
Long-term loans from financial institutions	-	-	-	1,574	-	1,574	MLR - fixed rate
Trade and other payables	-	-	-	-	43	43	-
Lease liabilities	7	27	4	-	-	38	4.04 - 4.33

(Unit: Million Baht)

## Consolidated financial statements as at 31 December 2019

	Fixed interest rates					Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing		
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	102	-	102	0.10 - 1.10
Current investments	-	-	-	-	100	100	-
Trade and other receivables	-	-	-	-	9	9	-
Finance lease contract receivables	2	7	18	-	-	27	0.30
<b>Financial liabilities</b>							
Short-term loans from financial institution	327	-	-	453	-	780	MLR - fixed rate, fixed rate
Long-term loans from financial institutions	-	-	-	1,552	-	1,552	MLR - fixed rate
Trade and other payables	-	-	-	-	77	77	-

### Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of loans from affected as at 31 December 2020, with all other variables held constant.

Currency	Increase/decrease	Effect on profit before tax
	(%)	(Thousand Baht)
Baht	+0.25	3,935
	-0.25	(3,935)

The above analysis has been prepared assuming that the amounts of loans from and all other variables remain constant over one year. Moreover, the floating legs of loans from are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest receivable/payable for the full 12-month period of the sensitivity calculation. (This information is not a forecast or prediction of future market conditions and should be used with care.)

### Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank loans and lease contracts. Approximately 17% of the Group's debt will mature in less than one year at 31 December 2020 (2019: 66%) (the Company only: 18%, 2019: 66%) based on the carrying value of borrowings reflected in the financial statements. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2020 based on contractual undiscounted cash flows:

	(Unit: Thousand Baht)				
	Consolidated financial statements				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
<b>Non-derivatives</b>					
Trade and other payables	-	42,569	-	-	42,569
Lease liabilities	-	8,598	24,709	10,811	44,118
Long-term loans	-	397,240	1,490,934	-	1,888,174
<b>Total non-derivatives</b>	-	448,407	1,515,643	10,811	1,974,861

(Unit: Thousand Baht)

	Separate financial statements				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
<b>Non-derivatives</b>					
Trade and other payables	-	78,496	-	-	78,496
Lease liabilities	-	8,598	24,709	10,811	44,118
Long-term loans	-	397,240	1,490,934	-	1,888,174
<b>Total non-derivatives</b>	-	484,334	1,515,643	10,811	2,010,788

### 37.2 Fair values of financial instruments

Since the majority of Group's financial instruments are short-term and loans denominated in Thai Baht bearing the market interest rate, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instruments or by using an appropriate valuation technique, depending on the nature of the instrument.

During the year, there were no transfers with in the fair value hierarchy.

### 38. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial capital structure in order to support its business and maximise shareholder value. As at 31 December 2020, the Group's total debt-to-equity ratio was 0.47:1 (2019: 0.65:1).

### 39. Event after the reporting period

#### Dividend payment

At the Company's Board of Directors' meeting held on 24 February 2021, the Board passed a resolution proposing the payment of a dividend of Baht 0.01 per share, or a total sum of approximately Baht 50 million, from the Company's operating result for the year 2020. The dividend will be paid to the shareholders within 27 May 2021. The dividend payment is subject to approval of the Annual General Meeting of the Company's shareholders.

### 40. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2021.