

Eastern Star Real Estate Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2021

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 2021, 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 2021, 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 4.1 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 4.12 and Note 13 to the consolidated financial statements, in evaluating impairment of investment properties of the Group, 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 2022

Eastern Star Real Estate Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents	7	312,172,389	362,559,218	306,074,406	361,033,471
Other current financial assets	8	50,822,171	325,583,479	40,170,518	300,051,565
Trade and other receivables	6, 9	8,406,702	10,899,019	13,529,480	41,922,231
Real estate development costs and inventories	10	2,831,372,771	3,020,339,894	2,835,551,857	3,024,945,605
Advance for construction work		36,992,422	12,079,461	36,992,422	12,079,461
Cost to obtain a contract	17	68,744,204	136,227,006	68,744,204	136,227,006
Other current assets		31,867,789	15,666,857	30,780,830	14,355,790
Total current assets		3,340,378,448	3,883,354,934	3,331,843,717	3,890,615,129
Non-current assets					
Lease receivables	11.1	21,768,170	23,613,967	21,768,170	23,613,967
Investments in subsidiaries	12	-	-	505,374,400	505,374,400
Investment properties	13	922,532,586	883,748,673	960,424,308	922,663,814
Property, plant and equipment	14	413,912,340	430,160,150	251,106,157	251,332,729
Right-of-use assets	21	31,734,677	37,636,171	31,734,677	37,636,171
Intangible assets	15	7,216,641	10,477,132	7,206,785	10,477,123
Deferred tax assets	28	34,924,767	33,523,054	33,660,831	32,510,780
Land and improvement awaiting development	16	1,922,502,116	1,794,990,576	1,776,883,733	1,660,485,281
Other non-current assets		58,359,087	105,999,220	53,367,814	101,020,483
Total non-current assets		3,412,950,384	3,320,148,943	3,641,526,875	3,545,114,748
Total assets		6,753,328,832	7,203,503,877	6,973,370,592	7,435,729,877

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 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from related party	6	-	-	15,000,000	-
Trade and other payables	6, 19	60,691,568	42,568,512	59,781,924	78,495,516
Current portion of long-term loans	20	441,834,870	226,919,981	441,834,870	226,919,981
Current portion of lease liabilities	21	5,293,934	7,087,824	5,293,934	7,087,824
Advance received from customers	22	121,863,799	279,399,700	119,228,408	278,677,414
Accrued expenses		93,298,110	120,877,863	92,781,576	119,966,718
Income tax payable		1,678,444	53,327,227	1,678,444	53,327,227
Other current liabilities	23	71,172,622	64,090,699	70,009,122	63,312,735
Total current liabilities		795,833,347	794,271,806	805,608,278	827,787,415
Non-current liabilities					
Long-term loans, net of current portion	20	952,716,000	1,347,199,000	952,716,000	1,347,199,000
Lease liabilities, net of current portion	21	27,260,264	31,393,040	27,260,264	31,393,040
Provision for long-term employee benefits	24	32,659,280	29,864,108	23,997,635	22,460,772
Retention guarantees		14,412,213	32,011,303	14,412,213	32,011,303
Advance received from land lease	11.2	2,534,331	2,860,731	2,534,331	2,860,731
Deferred tax liabilities	28	18,738,627	32,336,250	18,738,627	32,336,250
Other non-current liabilities		25,062,201	18,030,421	25,054,435	18,005,136
Total non-current liabilities		1,073,382,916	1,493,694,853	1,064,713,505	1,486,266,232
Total liabilities		1,869,216,263	2,287,966,659	1,870,321,783	2,314,053,647

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 2021

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Shareholders' equity					
Share capital					
Registered					
5,172,246,185 ordinary shares of Baht 1 each		<u>5,172,246,185</u>	<u>5,172,246,185</u>	<u>5,172,246,185</u>	<u>5,172,246,185</u>
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		978,875	978,875	978,875	978,875
Retained earnings					
Appropriated - statutory reserve	25	81,604,224	80,004,224	81,604,224	80,004,224
Unappropriated		22,660,086	52,833,057	427,484,411	447,711,832
Other components of shareholders' equity		74,131,479	74,131,479	-	-
Total shareholders' equity		<u>4,772,355,963</u>	<u>4,800,928,934</u>	<u>5,103,048,809</u>	<u>5,121,676,230</u>
Non-controlling interest of the subsidiaries		111,756,606	114,608,284	-	-
Total shareholders' equity		<u>4,884,112,569</u>	<u>4,915,537,218</u>	<u>5,103,048,809</u>	<u>5,121,676,230</u>
Total liabilities and shareholders' equity		<u>6,753,328,832</u>	<u>7,203,503,877</u>	<u>6,973,370,592</u>	<u>7,435,729,877</u>
		-	-	-	-

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 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Profit or loss:					
Revenues					
Revenue from sales of real estate	30	1,182,466,445	2,562,154,715	1,182,608,945	2,582,690,467
Services revenue	30	32,248,872	43,411,207	3,247,794	2,475,907
Rental revenue	11, 30	38,904,860	40,557,093	38,862,860	40,543,671
Other income		72,760,755	33,788,656	75,038,652	37,685,616
Total revenues		1,326,380,932	2,679,911,671	1,299,758,251	2,663,395,661
Expenses					
Cost of real estate sold		860,393,241	1,735,754,524	861,117,806	1,733,311,034
Cost of services		27,074,705	32,633,223	2,708,762	1,968,727
Cost of rent		29,539,571	29,145,727	30,562,989	30,171,949
Selling and distribution expenses		135,160,343	243,461,227	133,466,996	241,451,187
Administrative expenses		244,883,136	277,631,062	229,180,437	257,547,685
Loss on diminution in value of assets	13, 14, 16	-	101,199,473	-	95,880,452
Reversal of loss on diminution in value of assets	13	(16,680,242)	(14,558,414)	(16,680,242)	(21,377,870)
Total expenses		1,280,370,754	2,405,266,822	1,240,356,748	2,338,953,164
Profit before finance cost and income tax expenses		46,010,178	274,644,849	59,401,503	324,442,497
Finance costs	26	(17,856,022)	(11,297,955)	(18,198,457)	(11,297,955)
Profit before income tax expenses		28,154,156	263,346,894	41,203,046	313,144,542
Income tax expenses	28	(9,366,784)	(71,843,279)	(9,618,446)	(73,279,127)
Profit for the year		18,787,372	191,503,615	31,584,600	239,865,415
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		18,787,372	193,983,414	31,584,600	243,203,236

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 2021

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit attributable to:				
Equity holders of the Company	21,639,050	188,515,976	<u>31,584,600</u>	<u>239,865,415</u>
Non-controlling interests of the subsidiaries	<u>(2,851,678)</u>	<u>2,987,639</u>		
	<u>18,787,372</u>	<u>191,503,615</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	21,639,050	190,995,775	<u>31,584,600</u>	<u>243,203,236</u>
Non-controlling interests of the subsidiaries	<u>(2,851,678)</u>	<u>2,987,639</u>		
	<u>18,787,372</u>	<u>193,983,414</u>		
Earnings per share	29			
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.004</u>	<u>0.038</u>	<u>0.006</u>	<u>0.048</u>

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 2021

(Unit: Baht)

Consolidated financial statements										
Equity attributable to the parent's shareholders										
	Issued and paid-up share capital		Capital reserve for share-based payment transactions	Retained earnings		Other comprehensive of equity		Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
				Appropriated	Unappropriated (deficit)	Surplus from change in the ownership interests in subsidiaries	Total other attributable to owners of the Company			
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 25)	-	-	-	12,000,000	(12,000,000)	-	-	-	-	-
Balance as at 31 December 2020	<u>5,022,246,185</u>	<u>(429,264,886)</u>	<u>978,875</u>	<u>80,004,224</u>	<u>52,833,057</u>	<u>74,131,479</u>	<u>74,131,479</u>	<u>4,800,928,934</u>	<u>114,608,284</u>	<u>4,915,537,218</u>
Balance as at 1 January 2021	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
Profit for the year	-	-	-	-	21,639,050	-	-	21,639,050	(2,851,678)	18,787,372
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	21,639,050	-	-	21,639,050	(2,851,678)	18,787,372
Dividend paid (Note 31)	-	-	-	-	(50,212,021)	-	-	(50,212,021)	-	(50,212,021)
Transfer unappropriated retained earnings to statutory reserve (Note 25)	-	-	-	1,600,000	(1,600,000)	-	-	-	-	-
Balance as at 31 December 2021	<u>5,022,246,185</u>	<u>(429,264,886)</u>	<u>978,875</u>	<u>81,604,224</u>	<u>22,660,086</u>	<u>74,131,479</u>	<u>74,131,479</u>	<u>4,772,355,963</u>	<u>111,756,606</u>	<u>4,884,112,569</u>
	-	-	-	-	-	-	-	-	-	-

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 2021

(Unit: Baht)

	Separate financial statements					Total shareholders' equity
	Issued and paid-up share capital	Share discount	Capital reserve for share-based payment transactions	Retained earnings		
				Appropriated	Unappropriated	
Balance as at 1 January 2020	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 25)	-	-	-	12,000,000	(12,000,000)	-
Balance as at 31 December 2020	<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>
Balance as at 1 January 2021	5,022,246,185	(429,264,886)	978,875	80,004,224	447,711,832	5,121,676,230
Profit for the year	-	-	-	-	31,584,600	31,584,600
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	31,584,600	31,584,600
Dividend paid (Note 31)	-	-	-	-	(50,212,021)	(50,212,021)
Transfer unappropriated retained earnings to statutory reserve (Note 25)	-	-	-	1,600,000	(1,600,000)	-
Balance as at 31 December 2021	<u>5,022,246,185</u>	<u>(429,264,886)</u>	<u>978,875</u>	<u>81,604,224</u>	<u>427,484,411</u>	<u>5,103,048,809</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 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from operating activities				
Profit before income tax expenses	28,154,156	263,346,894	41,203,046	313,144,542
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	861,698,430	1,737,347,938	862,401,275	1,734,904,448
Reversal of loss on diminution in value of project	(1,283,469)	(1,593,415)	(1,283,469)	(1,593,415)
Allowance (Reversal) for expected credit losses	288,050	(8,513,566)	288,050	(8,513,566)
Depreciation and amortisation	64,636,001	65,160,496	60,429,143	60,285,201
Discount received from rental agreement	(900,000)	(160,000)	(900,000)	(160,000)
Provision for long-term employee benefits	5,858,615	8,008,516	4,600,306	6,331,736
Unearned revenues	(2,701,236)	(9,192,585)	-	-
Recognised income from lease	(1,390,124)	(1,395,629)	(1,390,124)	(1,395,629)
Gain on sales of financial assets	(124,768)	(48,993)	(116,256)	(48,993)
Unrealised gain on changes in value of financial assets	(76,040)	(106,227)	(64,813)	(7,004)
Reversal Loss on diminution in value of investment properties	(16,680,242)	(5,534,676)	(16,680,242)	(5,534,676)
Loss (gain) on sales and written off of investment properties	3,086	(98,144,964)	3,086	(98,144,964)
Loss (reversal) on diminution in value of property, plant and equipment	-	5,319,021	-	(6,819,457)
Loss on disposal and written off of equipment	329,640	17,800,629	257,974	17,771,394
Loss on diminution in value of land and improvement awaiting development	-	86,856,714	-	86,856,714
Loss (gain) on sales and written off of land and improvement awaiting development	4,768,937	(217,187,344)	4,648,157	(217,187,344)
Finance cost	17,856,022	9,467,123	18,198,457	9,467,123
Profit from operating activities before changes in operating assets and liabilities	960,437,058	1,851,429,932	971,594,590	1,889,356,110
Decrease (increase) in operating assets				
Trade and other receivables	2,204,267	6,357,892	28,104,701	(20,857,693)
Real estate development costs and inventories	(572,516,401)	(1,088,875,130)	(572,792,622)	(1,089,129,347)
Advance for construction work	(87,547,367)	(9,782,431)	(87,547,367)	(9,782,431)
Other current assets	(16,195,412)	(147,917)	(16,419,519)	3,298
Lease receivables and advance received from land lease	2,904,000	2,904,000	2,904,000	2,904,000
Cost to obtain a contract	67,482,802	(4,920,739)	67,482,802	(4,920,739)
Other non-current assets	15,605,969	(17,375,875)	15,605,970	(17,375,876)
Increase (decrease) in operating liabilities				
Trade and other payables	18,930,768	(28,925,307)	(17,882,816)	(588,787)
Accrued expenses	(26,931,321)	14,979,440	(26,795,364)	14,959,296
Advance received from customers	(154,834,665)	(72,641,525)	(159,449,006)	(78,394,921)
Other current liabilities	7,089,691	13,568,165	6,704,155	13,792,847
Retention guarantees	(17,599,090)	(20,330,613)	(17,599,090)	(20,330,613)
Employee benefits paid	(3,063,443)	(6,120,022)	(3,063,443)	(3,945,004)
Other non-current liabilities	7,031,780	4,468,997	7,049,299	4,486,516
Cash flows from operating activities	202,998,636	644,588,867	197,896,290	680,176,656
Cash paid for interest expenses	(51,551,973)	(76,757,695)	(51,635,754)	(76,757,695)
Cash paid for income tax	(76,027,438)	(28,435,324)	(76,014,903)	(28,060,116)
Tax refund	-	19,611,070	-	19,611,070
Net cash flows from operating activities	75,419,225	559,006,918	70,245,633	594,969,915

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 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from investing activities				
Increase in fixed deposits	(132)	(956)	(132)	(956)
Purchase of financial instruments	(12,300,000)	(327,775,000)	-	(307,774,999)
Proceed from sales of financial instruments	287,262,249	102,585,433	260,062,249	77,585,349
Acquisition of investment properties	(4,219,581)	(6,188,469)	(4,219,581)	(6,188,469)
Acquisition of land building and equipment and intangible assets	(17,837,959)	(58,570,293)	(17,479,103)	(53,864,955)
Acquisition of land and improvement awaiting development	(140,059,200)	-	(140,059,200)	(31,244,221)
Acquisition of right-of-use assets	(1,235,096)	-	(1,235,096)	-
Proceed from disposal of investment properties	11,989	393,961,215	11,989	393,961,215
Proceed from disposal of assets	14,206	653,093	14,206	625,990
Proceed from disposal of land and improvement awaiting development	-	364,512,000	142,500	364,512,000
Net cash flows from investing activities	111,636,476	469,177,023	97,237,832	437,610,954
Cash flows from financing activities				
Cash receipt from short-term loans from financial institution	180,000,000	889,000,000	180,000,000	889,000,000
Cash receipt from short-term loans from subsidiary	-	-	25,000,000	-
Cash receipt from long-term loans from financial institution	538,681,229	1,011,626,000	538,681,229	1,011,626,000
Repayment of short-term loans from financial institution	(180,000,000)	(1,669,293,400)	(180,000,000)	(1,669,293,400)
Repayment of short-term loans from subsidiary	-	-	(10,000,000)	-
Repayment of long-term loans from financial institution	(718,249,340)	(989,179,019)	(718,249,340)	(989,179,019)
Repayment of lease liabilities	(7,708,527)	(9,496,233)	(7,708,527)	(9,496,234)
Dividend paid	(50,165,892)	(3,010)	(50,165,892)	(3,010)
Net cash flow from (used in) financing activities	(237,442,530)	(767,345,662)	(222,442,530)	(767,345,663)
Net increase (decrease) in cash and cash equivalents	(50,386,829)	260,838,279	(54,959,065)	265,235,206
Cash and cash equivalents at beginning of year	362,559,218	101,720,939	361,033,471	95,798,265
Cash and cash equivalents at end of year	312,172,389	362,559,218	306,074,406	361,033,471
	-	-	-	-

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 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Supplemental cash flows information				
Non-cash transactions				
Transfer real estate development costs to investment properties	32,265,000	-	32,265,000	-
Transfer real estate development costs to building and equipment	73,745	-	73,745	-
Transfer advance for construction work to real estate development costs	62,634,406	36,732,860	62,634,406	36,732,860
Transfer land awaiting development to real estate development costs	33,668,504	-	33,668,504	-
Transfer land awaiting development to land	6,156,917	-	17,248,286	-
Transfer land and improvement awaiting development to other non current assets	32,046,699	16,011,200	32,046,699	16,011,199
Transfer interest expenses to real estate development costs	34,967,271	51,729,388	34,967,271	51,729,388
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 equipment to other current assets	-	23,913	-	23,913
Transfer equipment to real estate development cost	-	1,200,953	-	1,200,953
Transfer investment properties to other non-current assets	-	26,961	-	26,961
Accounts payable for purchase of equipment	120,572	915,522	97,508	915,522
Accounts payable for purchase of investment properties	649,694	473,176	649,694	473,176
Dividend payable	976,862	930,732	976,862	930,732

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 2021

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 28 May 2021*)
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	2.07

*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 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”) (collectively as “the Group”):

Subsidiary companies	Nature of business	Country of incorporation	Percentage of shareholding	
			2021 Percent	2020 Percent
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

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the 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 adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 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.

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.

4.2 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.

4.3 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.

4.4 Cost to obtain a contract

The Group recognises a commission paid to obtain a customer contract as an asset and amortises it to expenses on a systematic basis that is 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 the consideration that the entity expects to receive less direct costs.

4.5 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).

4.6 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.

4.7 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.

4.8 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.

4.9 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
-------------------	---	--------------

4.10 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

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.

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.

4.11 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 associates 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.

4.12 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-assets, 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.

4.13 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.

4.14 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.

4.15 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.

4.16 Financial instruments

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

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 transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

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 as credit impaired or 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 and contract assets, 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.

ECLs are calculated 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.

4.17 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.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards 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 assets 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 and contract assets, 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 and intangible assets / Depreciation

In determining depreciation of plant and equipment and investment properties and intangible assets, 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 and intangible assets 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.

Litigation

The Group has contingent liabilities as a result of litigation. The Group's management has used judgement to assess of the results of the litigation. If for the cases that management believes that no loss will result, therefore, no contingent liabilities are recorded as at the end of reporting period.

6. Related party transactions

During the years, the Group had significant business transactions with related person or 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 related person and those companies. Below is a summary of those transactions.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
<u>Transactions with subsidiary companies</u>				
(eliminated from the consolidated financial statements)				
Income of central service management	-	-	1	1
Other income	-	-	3	4
Sales of assets (Note 14)	-	-	-	21
Purchase of assets (Note 16)	-	-	-	31
<u>Transactions with related parties</u>				
Office rental and service expenses	6	7	6	7
Service expenses	6	7	6	7

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

- Central service management, office rental and service charges are set on a mutually agreed based on market price basis.
- Service fee is 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.
- Other income are based on the same basis that charge to outside parties.
- Interest paid is based on contract 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	
	2021	2020	2021	2020
Other receivables (Note 9)				
Subsidiaries	-	-	5,438	31,159
Other payables (Note 19)				
Subsidiaries	-	-	-	37,279
Related parties	578	952	915	952
Total	578	952	915	38,231
Accrued expense				
Subsidiaries	-	-	322	63
Retentions				
Related party	1,555	1,555	1,555	1,555
Short-term loans from related party				
Short-term loans from subsidiary	-	-	15,000	-

The Company has balance of short-term loans from subsidiary in the form of promissory notes amounting to Baht 15 million (31 December 2020: Nil) which are loans for using as working capital in business operations. The loans carried interest at average rate between rate from fixed deposit and short-term loan, and due within 1 year.

Directors and management's benefits

During the years ended 31 December 2021 and 2020, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Short-term employee benefits	35,967	35,224	33,588	32,216
Post-employment benefits	2,412	2,801	2,328	2,743
Total	38,379	38,025	35,916	34,959

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Cash	935	586	126	181
Bank deposits	311,237	361,973	305,948	360,852
Total	312,172	362,559	306,074	361,033

As at 31 December 2021 and 2020, 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.

8. Other current financial assets

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	2021		2020	
	Amount	Interest rate	Amount	Interest rate
	(% per annum)		(% per annum)	
<u>Other current financial assets - Investment in debt instrument designated amortised cost</u>				
Fixed deposits 12 months	45	0.15	44	0.25
<u>Other current financial assets - Investment in debt instrument designated at fair value</u>				
<u>through profit or loss</u>				
Investments in mutual funds	50,692		325,200	
Add: Unrealised gain on changes in value of unit trust	85		339	
Total	50,822		325,583	
	(Unit: Thousand Baht)			
	Separated financial statements			
	2021		2020	
	Amount	Interest rate	Amount	Interest rate
	(% per annum)		(% per annum)	
<u>Other current financial assets - Investment in debt instrument designated amortised cost</u>				
Fixed deposits 12 months	45	0.15	44	0.25
<u>Other current financial assets - Investment in debt instrument designated at fair value</u>				
<u>through profit or loss</u>				
Investments in unit trust of mutual fund	40,054		300,000	
Add: Unrealised gain on changes in value of unit trust	72		7	
Total	40,171		300,051	

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

As at 31 December 2021, the Company and one subsidiary have investments in money market funds. The funds focus on investing in debt securities issued by the government, by financial institution and corporate, and deposit with bank.

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<u>Trade accounts receivable - third parties</u>				
Not yet due	848	539	848	434
Past due not over 3 months	349	1,249	36	1,228
Past due 3 - 6 months	5	94	-	94
Past due 6 - 12 months	-	-	-	-
Past due over 12 months	434	331	316	201
Total trade accounts receivable	<u>1,636</u>	<u>2,213</u>	<u>1,200</u>	<u>1,957</u>
<u>Other receivables</u>				
Other receivables - related parties				
(Note 6)	-	-	5,438	31,159
Other receivables - third parties	3,511	4,970	3,509	4,968
Accrued income	905	1,148	905	1,148
Advanced payment	3,031	2,955	3,031	2,955
Interest receivable	-	1	-	1
Total other receivables	<u>7,447</u>	<u>9,074</u>	<u>12,883</u>	<u>40,231</u>
Less: Allowance for expected credit losses	<u>(676)</u>	<u>(388)</u>	<u>(554)</u>	<u>(266)</u>
Total other receivables - net	<u>6,771</u>	<u>8,686</u>	<u>12,329</u>	<u>39,965</u>
Total trade and other receivables - net	<u><u>8,407</u></u>	<u><u>10,899</u></u>	<u><u>13,529</u></u>	<u><u>41,922</u></u>

10. Real estate development costs and inventories

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Land	1,859,326	2,179,781	1,863,927	2,185,084
Construction under development	972,241	841,761	972,241	841,761
Total	<u>2,831,567</u>	<u>3,021,542</u>	<u>2,836,168</u>	<u>3,026,845</u>
Less: Provision for loss on diminution in value of projects	<u>(616)</u>	<u>(1,899)</u>	<u>(616)</u>	<u>(1,899)</u>
Real estate development costs - net	2,830,951	3,019,643	2,835,552	3,024,946
Other inventories	<u>422</u>	<u>697</u>	<u>-</u>	<u>-</u>
Total	<u><u>2,831,373</u></u>	<u><u>3,020,340</u></u>	<u><u>2,835,552</u></u>	<u><u>3,024,946</u></u>

The Company has mortgaged certain plots of land and structures thereon with total net book value as at 31 December 2021 of Baht 2,559 million (2020: Baht 2,825 million) as collateral for credit facilities granted by banks.

During the year ended 31 December 2021, the Company included borrowing costs in the cost of real estate development amounting to Baht 35 million (2020: Baht 52 million).

Additional information of the Company's projects.

	(Unit: Million Baht)	
	Consolidated and separate	
	financial statements	
	2021	2020
Total estimated sales value of projects on hand		
of which contracts have been signed	8,182	9,462
Total value of contracts signed of land and structures thereon	4,603	5,690
Percentage of total estimated sales value of projects on hand	56.25	60.13
Total value of contracts signed of land and structures thereon not yet recognised as revenue*	1,392	2,144

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

11. 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 1st 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 2nd - 5th 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:-

- 11.1 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 percent 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 2021			
	Less than		Over	
	1 year	1-5 years	5 years	Total
Original investment in lease agreement	1,917	8,433	13,704	24,054
Unearned financial income	(71)	(224)	(145)	(440)
Present value of the minimum payment debtor has to pay under lease agreement	<u>1,846*</u>	<u>8,209</u>	<u>13,559</u>	<u>23,614</u>

*Included in other current assets

(Unit: Thousand Baht)

	Consolidated and separate financial statements as at 31 December 2020			
	Less than		Over	
	1 year	1-5 years	5 years	Total
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	<u>1,841*</u>	<u>7,993</u>	<u>15,620</u>	<u>25,454</u>

*Included in other current assets

11.2 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 percent 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	
	2021	2020
Total minimum amount which the debtor has to pay under the outstanding operating lease		
Within 1 year	1,086	987
1 - 5 years	4,344	4,246
Over 5 years	5,974	8,146
Total	11,404	13,379
Add: Advance received for land lease (net from recognised income)	2,534	2,861
Land lease income to be recognised in future	13,938	16,240

12. Investments in subsidiaries

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

Company's name	(Unit: Thousand Baht)									
	Separate financial statements									
	Paid-up capital		Shareholding percentage		Cost		Impairment loss on investments		Net	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
			(%)	(%)						
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 2021 and 2020, the Company possessed 264 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.

13. Investment properties

The net book value of investment properties as at 31 December 2021 and 2020 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		
	Land	Building and improvements	Total
31 December 2021:			
Cost	736,922	719,459	1,456,381
Less: Accumulated depreciation	-	(513,828)	(513,828)
Less: Allowance for impairment	(14,873)	(5,147)	(20,020)
Net book value	<u>722,049</u>	<u>200,484</u>	<u>922,533</u>
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	<u>676,981</u>	<u>206,768</u>	<u>883,749</u>

(Unit: Thousand Baht)

	Separate financial statements		
	Land	Building and improvements	Total
31 December 2021:			
Cost	736,922	762,384	1,499,306
Less: Accumulated depreciation	-	(518,862)	(518,862)
Less: Allowance for impairment loss	(14,873)	(5,147)	(20,020)
Net book value	<u>722,049</u>	<u>238,375</u>	<u>960,424</u>
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	<u>676,981</u>	<u>245,683</u>	<u>922,664</u>

A reconciliation of the net book value of investment properties for the years 2021 and 2020 is presented below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Net book value at beginning of year	883,749	1,182,718	922,664	1,222,659
Acquisition of assets - at cost	1,379	3,070	1,379	3,070
Costs of asset improvement	3,017	3,013	3,017	3,013
Disposal and written off - net book value	(15)	(295,816)	(15)	(295,816)
Transfer in - net book value at transfer date	32,265	(27)	32,265	(27)
Depreciation	(14,542)	(14,743)	(15,566)	(15,769)
Impairment losses recognised	-	(9,024)	-	(9,024)
Reversal of impairment loss	16,680	14,558	16,680	14,558
Net book value at end of year	<u>922,533</u>	<u>883,749</u>	<u>960,424</u>	<u>922,664</u>
Rental income arising from investment properties	34,534	35,685	34,534	35,685

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

(Unit: Thousand Baht)

	Consolidated and Separate	
	financial statements	
	2021	2020
In up to 1 year	19,926	21,532
In over 1 and up to 2 years	3,040	3,586

Additional information of the investment properties as at 31 December 2021 and 2020 stated below:

(Unit: Thousand Baht)

	Consolidated and Separate	
	financial statements	
	2021	2020
The fair value	1,299,912	1,204,689

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, land and building and improvement has been determined using the market value or force sale price, while that of the land and building for rent has been determined using the income approach.

Furniture and fixtures have carried at net book value of assets. The management believes that the fair value does not have any significant difference.

During the year 2021, the Company reversed Baht 17 million (2020: Baht 15 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 2021 of Baht 282 million (2020: Baht 82 million) as collateral for credit facilities granted by banks.

14. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements							Total
	Land and land improvement	Buildings and construction	Machines and equipment	Furniture and fixtures	Office equipment	Vehicles	Construction in progress	
Cost								
1 January 2020	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
Additions	44	5,807	723	553	1,177	2	8,341	16,647
Disposals and written off	-	(9,765)	(2,816)	(387)	(432)	(370)	-	(13,770)
Transfer in (out)	6,156	15,959	180	1,388	2	-	(17,695)	5,990
31 December 2021	172,546	517,282	46,286	23,264	31,364	36,861	14,345	841,948
Accumulated depreciation								
1 January 2020	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
Depreciation for the year	86	27,315	1,878	2,497	2,994	3,316	-	38,086
Accumulated depreciation on disposals and written off	-	(9,233)	(2,749)	(194)	(425)	(370)	-	(12,971)
31 December 2021	873	302,451	41,516	16,572	25,300	32,325	-	419,037
Allowance for impairment loss								
1 January 2020	-	3,680	-	-	-	-	-	3,680
Allowance for impairment loss	-	5,319	-	-	-	-	-	5,319
31 December 2020	-	8,999	-	-	-	-	-	8,999
Allowance for impairment loss	-	-	-	-	-	-	-	-
31 December 2021	-	8,999	-	-	-	-	-	8,999
Net book value								
31 December 2020	166,559	211,913	5,812	7,441	7,886	7,850	23,699	430,160
31 December 2021	171,673	205,832	4,770	6,692	6,064	4,536	14,345	413,912
Depreciation for the year								
2020 (Baht 4 million included in cost of real estate sold and services, and the balance in administrative expenses)								38,857
2021 (Baht 4 million included in cost of real estate sold and services, and the balance in administrative expenses)								38,086

Separate financial statements								
	Land and land improvement	Buildings and construction	Machines and equipment	Furniture and fixtures	Office equipment	Vehicles	Construction in progress	Total
Cost								
1 January 2020	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
Additions	44	5,807	588	553	1,010	3	8,272	16,277
Disposals and written off	-	(9,765)	(133)	(388)	-	(370)	-	(10,656)
Transfer in (out)	17,248	15,890	180	1,388	2	-	(17,627)	17,081
31 December 2021	96,262	205,241	8,934	22,728	25,583	16,840	14,344	389,932
Accumulated depreciation								
1 January 2020	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
Depreciation for the year	85	24,889	1,082	2,497	2,688	1,616	-	32,857
Accumulated depreciation on disposals and written off	-	(9,233)	(131)	(194)	-	(370)	-	(9,928)
31 December 2021	872	79,295	5,345	16,099	20,125	14,748	-	136,484
Allowance for impairment loss								
1 January 2020	-	9,161	-	-	-	-	-	9,161
Reversal of allowance for impairment loss (net)	-	(6,819)	-	-	-	-	-	(6,819)
31 December 2020	-	2,342	-	-	-	-	-	2,342
Reversal of allowance for impairment loss (net)	-	-	-	-	-	-	-	-
31 December 2021	-	2,342	-	-	-	-	-	2,342
Net book value								
31 December 2020	78,183	127,328	3,905	7,379	7,134	3,705	23,699	251,333
31 December 2021	95,390	123,604	3,589	6,629	5,458	2,092	14,344	251,106
Depreciation for the year								
2020 (Included in administrative expenses)								32,959
2021 (Included in administrative expenses)								32,857

As at 31 December 2021, 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 268 million (Separate financial statements: Baht 57 million) (2020: Baht 149 million (Separate financial statements: Baht 50 million)).

The Company has mortgaged certain plots of land and structures thereon with a net book value as at 31 December 2021 of Baht 7 million (2020: Baht 2 million) as collateral for credit facilities granted by a bank.

15. Intangible assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Computer software - cost	20,649	20,211	19,600	19,173
Less: Accumulated amortisation	(13,432)	(9,734)	(12,393)	(8,696)
Net book value	<u>7,217</u>	<u>10,477</u>	<u>7,207</u>	<u>10,477</u>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Net book value at beginning year	10,477	6,634	10,477	6,629
Additions	439	5,542	428	5,542
Amortisation	(3,699)	(1,699)	(3,698)	(1,694)
Net book value at end of year	<u>7,217</u>	<u>10,477</u>	<u>7,207</u>	<u>10,477</u>

16. Land and improvement awaiting development

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Land	1,955,003	1,834,745	1,809,385	1,700,239
Development costs	54,356	47,103	54,356	47,103
Less: allowance for impairment loss	(86,857)	(86,857)	(86,857)	(86,857)
Net book value	<u>1,922,502</u>	<u>1,794,991</u>	<u>1,776,884</u>	<u>1,660,485</u>

A reconciliation of the net book value of land and improvement awaiting development for the years 2021 and 2020 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Net book value at beginning of year	1,794,991	1,400,054	1,660,485	1,250,488
Addition purchase - at cost	140,059	-	140,059	31,244
Sales / Write off - at cost	(4,769)	(147,325)	(4,791)	(147,325)
Transfer in (out) - at cost	(7,779)	629,119	(18,869)	612,935
Allowance for impairment loss	-	(86,857)	-	(86,857)
Net book value at end of year	<u>1,922,502</u>	<u>1,794,991</u>	<u>1,776,884</u>	<u>1,660,485</u>

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

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.

In December 2020, the Company entered in to a land sales agreement with sales price of Baht 365 million. The Company presented this transaction as revenue from sales of real estate.

As at 31 December 2021, land awaiting development of Baht 0.5 million (separate financial statements: Baht 0.3 million) (31 December 2020: 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.

As at 31 December 2021, the Company mortgaged certain plots of land and improvement awaiting development with a net book value of Baht 1,397 million (2020: 1,304 million) as collateral for credit facilities granted by banks.

17. Cost to obtain a contract

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Balance as at 1 January 2021	136,227
Increase during the year	27,092
Recognised in profit or loss	(94,575)
Balance as at 31 December 2021	<u>68,744</u>

18. Short-term loans from financial institutions

As at 31 December 2021 and 2020, the Group had no outstanding balance of short-term loans from financial institutions. The partial of short-term credit facilities are secured by the mortgages of the Company's land and structures there on.

19. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Trade accounts payable				
- unrelated parties	50,330	17,544	49,575	16,955
Other payables - related parties (Note 6)	578	952	915	38,231
Other payables - unrelated parties	9,784	24,072	9,292	23,309
Total	<u>60,692</u>	<u>42,568</u>	<u>59,782</u>	<u>78,495</u>

20. Long-term loans

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	2021	2020
Long-term loans from banks	1,394,551	1,574,119
Less: Current portion	(441,835)	(226,920)
Long-term loans - net of current portion	<u>952,716</u>	<u>1,347,199</u>

Movements in the long-term loans during the year ended 31 December 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated and Separate financial statements
Balance as at 1 January 2021	1,574,119
Add: Additional borrowings	538,681
Less: Repayments	(718,249)
Balance as at 31 December 2021	<u>1,394,551</u>

Long-term loans from local banks are summarised as follows:

Consolidated and Separate financial statements		Interest rate (percent per annum)	Interest Repayment schedules	Principal repayment schedules
2021	2020			
1,050	1,253	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 - 72 months after the date of the loan agreement or the first draw down of principal.
42	48	MLR - fixed rate	Monthly	Payments of principal are to be made at the specific rate by bank, by type of the secured real estates which transferred to customers, with full repayment to be made within 60 months after the date of the loan agreement.
273	273	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 90 months after the date of the loan agreement.
30	-	MLR - fixed rate	Monthly	Full repayment to be made within 48 months after the date of the loan agreement.
<u>1,395</u>	<u>1,574</u>			

On 25 January 2021, the Company has entered into long-term credit facility agreement with a financial institute, with facility amount of Baht 112 million. The loan carried interest at MLR - fixed percent per annum and has to draw down within 12 months since the contract date. The Company has mortgaged the Company's land and construction thereon for such credit facility.

The Company has drawn down the facility amounting to Baht 30 million.

On 1 April 2021, the Company has entered into long-term credit facility agreement with another financial institute, with facility amount of Baht 240 million. The loan carried interest at MLR - fixed percent per annum and has to draw down within 48 months since the contract date. The loan is secured by the mortgage of the Company's lands and construction thereon. The Company has drawn down the facility amounting to Baht 92 million.

On 28 December 2021, the Company has entered into long-term credit facilities agreement with a financial institute with facility amount of Baht 305 million. The facility for project development amount of Baht 255 million, interest at MLR - fixed percent per annum, and bank guarantee amount of Baht 50 million. The facilities are valids for 60 months and 78 months respectively. The loan is secured by the mortgage of the Company's lands and construction thereon. The credit facilities of the Company have not yet been drawn down.

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 2021, the long-term credit facilities of the Company which have not yet been drawn down totaling Baht 2,700 million (2020: Baht 3,043 million).

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

21. Leases

a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated and Separate financial statements			
	Land and land improvement	Buildings space	Vehicles	Total
As at 1 January 2020	6,889	40,608	-	47,497
Depreciation for the year	(4,621)	(5,240)	-	(9,861)
As at 31 December 2020	2,268	35,368	-	37,636
Addition during the year	1,200	-	1,207	2,407
Depreciation for the year	(3,068)	(5,240)	-	(8,308)
As at 31 December 2021	400	30,128	1,207	31,735

b) Lease liabilities

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	2021	2020
Lease payments	36,737	44,118
Less: Deferred interest expenses	(4,183)	(5,637)
Total	32,554	38,481
Less: Portion due within one year	(5,294)	(7,088)
Lease liabilities - net of current portion	27,260	31,393

A maturity analysis of lease payments is disclosed in Notes to the consolidated financial statements No.35.1 under the liquidity risk.

The movement of lease liabilities for the year ended 31 December 2021 are as follows:

	(Unit: Thousand Baht)
	Consolidated and separate financial statements
Balance at beginning of year	38,481
Addition	1,171
Increase from interest	1,511
Discount received during the year	(900)
Repayment	(7,709)
Balance at end of year	32,554

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

	(Unit: Thousand Baht)	
	For the year ended 31 December 2021	
	Consolidated financial statements	Separate financial statements
Depreciation expense of right-of-use assets	8,308	8,308
Interest expense on lease liabilities	1,511	1,511
Expense relating to short-term leases	2,799	2,799
Expense relating to leases of low-value assets	404	375

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2021 of Baht 11 million, including the cash outflow related to short-term lease and leases of low-value assets.

22. Advance received from customers

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
Advance received for real estate	121,864	279,120	119,228	278,397
Deferred revenue for fixtures	-	280	-	280
Total	121,864	279,400	119,228	278,677

23. Other current liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
Retention payable	54,427	30,328	54,427	30,328
Other current liabilities	16,746	33,763	15,582	32,985
Total	71,173	64,091	70,009	63,313

24. 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	financial statements	financial statements
	2021	2020	2021	2020
Provision for long-term employee benefits at beginning of year	29,864	31,290	22,461	24,246
Included in profit or loss:				
Current service cost	5,410	5,696	4,263	4,471
Interest cost	448	831	337	629
Past service costs and gains or losses on settlement	-	1,481	-	1,232

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions				
changes	-	2,191	-	936
Financial assumptions changes	-	935	-	597
Experience adjustments	-	(6,440)	-	(5,705)
Benefits paid during the year	(3,063)	(6,120)	(3,063)	(3,945)
Provision for long-term employee				
 benefits at end of year	32,659	29,864	23,998	22,461

As at 31 December 2021, the Group expected no employee benefit to be paid during the next year.

As at 31 December 2021 and 2020, the weighted average duration of the liabilities for long-term employee benefit is 13 years (Separate financial statements: 13 years)

Significant actuarial assumptions are summarised below:

	Consolidated and	
	separate financial statements	
	2021	2020
Discount rate	1.50%	1.50%
Average future salary increase rate	4.0% - 5.5%	4.0% - 5.5%
Staff turnover rate (depending on age)	0% - 35%	0% - 35%
Gold price for 1 Baht gold	26,800	26,800
Gold increase rate	2.50%	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 2021 and 2020 are summarised below:

(Unit: Million Baht)

	2021			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(3)	3	(2)	3
Salary increase rate	3	(3)	2	(2)
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Turnover rate	(2)	1	(1)	1

(Unit: Million Baht)

	2020			
	Consolidated		Separate	
	financial statements		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%
Turnover rate	(1)	1	(1)	1

25. 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 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

During the year 2021, the Company transferred unappropriated retained earnings to statutory reserve amounting to Baht 1.6 million (2020: Baht 12 million).

26. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Interest expenses on borrowings	16,345	9,467	16,687	9,467
Interest expenses on lease liabilities	1,511	1,831	1,511	1,831
Total	17,856	11,298	18,198	11,298

27. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Payment of land and construction during the year	661,042	679,626	661,042	679,626
Changes in real estate development costs and inventories	289,182	648,473	289,609	645,775
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	132,679	159,644	120,682	130,704
Depreciation and amortisation	64,636	65,160	60,429	60,285
Marketing expenses	135,160	243,461	133,467	241,451
Cost of other goods incurred and recognised during the year	5,125	6,122	-	-

28. Income tax

Income tax expenses for the years ended 31 December 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Current income tax:				
Current income tax charge	26,215	81,387	26,215	81,387
Adjustment in respect of income tax of previous year	(1,849)	-	(1,849)	-

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Deferred tax:				
Relating to origination and reversal of temporary differences	(14,999)	(9,544)	(14,748)	(8,108)
Income tax expenses reported in the statement of comprehensive income	9,367	71,843	9,618	73,279

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

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	2021	2020	2021	2020
Accounting profit before tax	28,154	263,347	41,203	313,144
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	5,631	52,669	8,241	62,629
Adjustment in respect of income tax of previous year	(1,849)	-	(1,849)	-
Tax effects of:				
Non-deductible expenses	1,270	3,793	992	3,470
Additional taxable revenues	1,768	4,049	1,768	4,049
Additional capital expenditure deductions allowed	-	(129)	-	(129)
Additional expense deductions allowed	(1,590)	(629)	(24)	(121)
Tax exempted expense (revenue)	(13)	1	(13)	1
Tax losses	3,899	8,709	-	-
Others	251	3,380	503	3,380
Income tax expenses reported in the statement of comprehensive income	9,367	71,843	9,618	73,279

The components of deferred tax assets and deferred tax liabilities as at 31 December 2021 and 2020 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Deferred tax assets				
Allowance for expected credit losses	88	-	88	-
Allowance for diminution in value of inventories	123	380	123	380
Allowance for diminution in value of assets	21,375	24,711	21,844	25,180
Deferred revenue for fixtures	-	56	-	56
Advance received for land rental income	718	783	718	783
Provision for long-term employee benefits	6,533	5,973	4,800	4,492
Right-of-use assets	164	169	164	169
Others	5,924	1,451	5,924	1,451
Total	34,925	33,523	33,661	32,511
Deferred tax liabilities				
Lease contract receivables	4,723	5,091	4,723	5,091
Cost to obtain a contract	13,749	27,245	13,749	27,245
Others	267	-	267	-
Total	18,739	32,336	18,739	32,336

As at 31 December 2021, the subsidiaries has unused tax losses totaling Baht 55 million (2020: Baht 41 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	
	2021	2020	2021	2020
31 December 2021	-	7	-	-
31 December 2022	19	19	-	-
31 December 2023	-	-	-	-
31 December 2024	13	13	-	-
31 December 2025	2	2	-	-
31 December 2026	21	-	-	-
	55	41	-	-

29. 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		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Profit attributable to equity holders of the Company (Thousand Baht)	21,639	188,516	31,585	239,865
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)	0.004	0.038	0.006	0.048

30. Segment information

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

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 6 to the consolidated financial statements.

Below is the revenue and gross profit of the Group for the year ended 31 December 2021 and 2020 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	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenues										
External customers	1,183	2,562	32	43	39	41	-	-	1,254	2,646
Inter- segment	-	21	-	-	-	-	-	(21)	-	-
Total revenues	1,183	2,583	32	43	39	41	-	(21)	1,254	2,646
Operating results										
Gross profit of segments	322	826	5	11	9	12	-	-	336	849
Other income									73	34
Selling and distribution expenses									(135)	(243)
Administrative expenses									(245)	(278)
Loss on diminution in value of assets									-	(101)
Reversal of loss on diminution in value of assets									17	14
Finance cost									(18)	(11)
Income tax expenses									(9)	(72)
Non-controlling interests of the subsidiaries									3	(3)
Profit for the year attributable to equity holders of the Company									22	189

The following table presents segment assets of the Group as at 31 December 2021 and 2020.

(Unit: Million Baht)

Consolidated financial statements as at 31 December								
	Real estate business		Golf course business		Rental business		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Real estate development cost and inventories	2,831	3,019	-	1	-	-	2,831	3,020
Investment properties	615	570	-	-	307	314	922	884
Property, plant and equipment	185	177	227	251	2	2	414	430
Land and improvement awaiting development	1,923	1,795	-	-	-	-	1,923	1,795
Unallocated assets							663	1,075
Total segment assets							6,753	7,204
Additions to non-current assets other than financial instruments, deferred tax assets and other non-current assets*	157	52	1	1	4	7	162	60

*Excluded the classification of assets.

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 2021 and 2020, the Group have no major customer, with revenue of 10% or more of an entity's revenue.

31. Dividend payment

<u>Dividend</u>	<u>Approved by</u>	<u>Total dividend</u> (Million Baht)	<u>Dividend per share</u> (Baht)
Interim dividend announced from operating result of 2020	Board of Directors' meeting on 26 April 2021 (Acknowledged by Annual General Meeting of the shareholders on 17 June 2021)	50	0.01
		<u>50</u>	

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

32. 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 2021 amounting to approximately Baht 3 million were recognised as expenses (Separate financial statements: Baht 3 million) (2020: Baht 3 million (Separate financial statements: Baht 3 million)).

33. Commitments and contingent liabilities

As at 31 December 2021 and 2020, the Group have the following outstanding commitments and contingent liabilities:

33.1 The Company had the outstanding commitments in respect of agreements to construction including project and interior design of projects amounting to Baht 358 million (2020: Baht 211 million).

33.2 As at 31 December 2021, the Company had no outstanding commitments in respect of land purchase agreements to develop project for sale. (31 December 2020: Baht 128 million).

33.3 As at 31 December 2021, the Company had no capital commitments in respect of the acquisition of software for the Company's operations. (31 December 2020: Baht 2 million).

33.4 As at 31 December 2021, the Company had capital commitments in respect of the construction of land improvement and buildings for the Company's operations amounting to Baht 2 million. (31 December 2020: Baht 4 million).

33.5 The Group have entered into several lease agreements to lease buildings and equipment and services, with terms of generally between 1 and 4 years.

Future minimum payments required under service agreements as at 31 December 2021 are as follows:

Payable	(Unit: Million Baht)	
	Consolidated financial statement	Separate financial statements
In up to 1 year	19	18
In over 1 and up to 3 year	-	-

Future minimum payments required under these operating leases contracts as at 31 December 2020 are as follows:

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

33.6 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	
	2021	2020
Letters of guarantee for arrangement and maintenance of public utilities	66	69
Letters of guarantee for electricity usage	7	7
Letters of guarantee for project area allocation	38	21
Total	111	97

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

33.7 Litigation

As at 31 December 2021, civil lawsuits were filed against the Company by customers, and consumer lawsuit were filed against the Company by the condominium juristic person and other cases, with the claim amounts totaling Baht 202 million (2020: Baht 124 million). These cases are currently under the court proceedings. Based on the Company's internal and external 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.

34. Fair value hierarchy

As at 31 December 2021 and 2020, 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 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Other current financial assets	-	51	-	51
Assets for which fair value are disclosed				
Investment properties	-	993	307	1,300

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

	(Unit: Million Baht)			
	Separate Financial Statements			
	31 December 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Other current financial assets	-	40	-	40
Assets for which fair value are disclosed				
Investment properties	-	993	307	1,300

(Unit: Million Baht)

	Separate Financial Statements			
	31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Other current financial assets	-	300	-	300
Assets for which fair value are disclosed				
Investment properties	-	896	309	1,205

35. Financial instruments

35.1 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 related party, short-term loans from financial institution and long-term loans from financial institution and lease liabilities. 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. 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 related party, short-term loans from financial institution, long-term loans from financial institution and lease liabilities 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 2021 and 2020, 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 2021							
Fixed interest rates							
Within	1-5	Over	Floating	Non-interest			
1 year	years	5 years	interest rate	bearing	Total	Interest rate	
							(% p.a.)
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	312	-	312	0.05 - 0.25
Other current financial assets	-	-	-	-	51	51	-
Trade and other receivables	-	-	-	-	8	8	-
Finance lease contract receivables	2	8	14	-	-	24	0.30
<u>Financial liabilities</u>							
Long-term loans from financial institutions	-	-	-	1,395	-	1,395	MLR - fixed rate
Trade and other payables	-	-	-	-	61	61	-
Lease liabilities	5	23	5	-	-	33	3.20 - 4.33

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2020							
Fixed interest rates							
Within	1-5	Over	Floating	Non-interest			
1 year	years	5 years	interest rate	bearing	Total	Interest rate	
							(% p.a.)
<u>Financial assets</u>							
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
<u>Financial liabilities</u>							
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

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 long-term loans from financial institution affected as at 31 December 2021, with all other variables held constant.

Currency	Increase/decrease	Effect on profit before tax
	(%)	(Thousand Baht)
Baht	+0.25	1,031
	-0.25	(1,031)

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.)

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank loans and lease contracts. Approximately 34% of the Group's debt will mature in less than one year at 31 December 2021 (2020: 17%) (the Company only: 34%, 2020: 18%) 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 2021 and 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements				
	As at 31 December 2021				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Trade and other payables	-	60,692	-	-	60,692
Lease liabilities	-	6,588	25,517	4,633	36,738
Long-term loans	-	489,341	1,026,330	-	1,515,671
Total non-derivatives	-	556,621	1,051,847	4,633	1,613,101

(Unit: Thousand Baht)

	Separate financial statements				
	As at 31 December 2021				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Trade and other payables	-	59,782	-	-	59,782
Lease liabilities	-	6,588	25,517	4,633	36,738
Long-term loans	-	489,341	1,026,330	-	1,515,671
Total non-derivatives	-	555,711	1,051,847	4,633	1,612,191

(Unit: Thousand Baht)

	Consolidated financial statements				
	As at 31 December 2020				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
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
Total non-derivatives	-	448,407	1,515,643	10,811	1,974,861

(Unit: Thousand Baht)

	Separate financial statements				
	As at 31 December 2020				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
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
Total non-derivatives	-	484,334	1,515,643	10,811	2,010,788

35.2 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.

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

36. 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 2021, the Group's total debt-to-equity ratio was 0.38:1 (2020: 0.47:1).

37. Event after the reporting period

On 19 January 2022, the Company entered into land acquisition agreement totaling Baht 264 million. The Company has fully paid the land cost and registered the transfer of ownership in the same day. Moreover, the Company has entered into a long-term credit facility agreement with a financial institute, with facility amount of Baht 389 million to purchase such land and to launch project on the land. The Company has mortgaged the Company's land and construction thereon for the credit facility. The loan carried interest at MLR - fixed percent per annum and 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 60 months after the first draw down of principal. The Company has drawn down such facility amounting to Baht 169 million.

38. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2022.