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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 14 February 2020

**1 General information**

Grand Canal Land Public Company Limited (“the Company”) is incorporated and was listed on the Stock Exchange of Thailand in February 1996. The Company’s registered office at 33/4 Rama 9 Road, Huaykwang, Huaykwang, Bangkok.

The immediate and ultimate parent companies during the financial year were CPN Pattaya Company Limited and Central Pattana Public Company Limited. Both were incorporated in Thailand.

The principal activities of the Company and subsidiaries is real estate development in Thailand. Details of the Company’s subsidiaries, associate and joint venture as at 31 December 2019 and 2018 are given in note 9 and 10.

**2 Basis of preparation of the financial statements**

*(a) Statement of compliance*

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. There is no material impact on the Group’s financial statements. The Group has initial applied TFRS 15 *Revenue from Contracts with Customers* (“TFRS 15”) which replaces TAS 18 *Revenue* (“TAS 18”), TAS 11 *Construction Contracts* (“TAS 11”) and related interpretations. The details of accounting policies are disclosed in note 3 (r).

The Group has adopted TFRS 15 using retrospective approach, hence, the Group has applied all requirements of TFRS 15 to each comparative period presented in the consolidated and separate financial statements.

Under TFRS 15, the Group recognises revenue when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled to. In addition, judgement is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time. Whereas, under TAS 18, the Group assessed that it has significant risks and rewards of ownership of the goods. This change results in similar decreases in revenue from food center services, and cost of food center services as presented in revenue from rent and services in the consolidated financial statements of comprehensive income for the year ended 31 December 2019 of Baht 16 million *(2018: Baht 21 million)*. Such change in accounting policy has no material impacts on the financial statements.

In addition, the Group has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 33.

In 2009, Grand Canal Land Public Company Limited issued new ordinary shares to the existing shareholders of Grand Canal Co., Ltd., Belle Development Ltd. and Praram 9 Square Ltd., and transferred the entire business of Grand Canal Co., Ltd. to combine with the business of Grand Canal Land Public Company Limited. This business combination is treated as a reverse acquisition.

These consolidated financial statements are prepared for a reverse acquisition, for which Grand Canal Land Public Company Limited is the legal parent company (accounting acquiree) and Belle Development Ltd. and Praram 9 Square Ltd. are the legal subsidiaries (accounting acquirers). In addition, these consolidated financial statements include the financial statements of the following subsidiary companies of the legal parent company and the legal subsidiaries, which are incorporated in Thailand:

|  |  |  |  |
| --- | --- | --- | --- |
| Company’s name | Nature of business | Percentage of shareholding | |
|  |  | 2019 | 2018 |
|  |  | Percent | Percent |
| **Owned by the Company** |  |  |  |
| Sterling Equity Co., Ltd. | Property development | 100.00 | 100.00 |
| Belle Assets Co., Ltd. | Property development | 100.00 | 100.00 |
| G Land Property Management Co., Ltd. | Property development | 100.00 | 100.00 |
| Ratchada Asset Holding Co., Ltd. | Holding company | 100.00 | 100.00 |
| GLAND REIT Management Co., Ltd. | Manager of the Real Estate Investment Trust | 100.00 | 100.00 |
| **Owned by Praram 9 Square Ltd.** |  |  |  |
| Praram 9 Square Hotel Ltd. | Hotel business | 99.99 | 99.99 |

The consolidated financial statements as at the date of the reverse acquisition were prepared as follows:

1.     The assets and liabilities of the legal subsidiaries are recognised and measured in the consolidated financial statements at their pre-combination carrying amounts.

2.     Deficit and the outstanding balance of other equities in the consolidated financial statements are recognised at the last amounts of deficit and outstanding balance of other equities of the legal subsidiaries before the business combination.

3.     Equity interests, as presented in the consolidated financial statements, represent the sum of the issued equity interests of the legal subsidiaries (accounting acquirers) outstanding before the business combination and the cost of the business combination

1. ***Functional and presentation currency***

The financial statements are prepared in Thai Baht, which is the Company’s functional currency.

1. ***Use of estimates and judgements***

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2019 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 19 Measurement of defined benefit obligations: key actuarial assumptions

Note 26 Recognition of deferred tax assets: availability of future taxable profit against which tax   
 losses carried forward can be used

**3 Significant Accounting Policies**

The accounting policies set out below have been applied consistently to all period presented in these financial statements.

***(a)     Basis of consolidation***

The consolidated financial statements relate to the Company and its subsidiaries (together referred

to as the “Group”) and the Group’s interests in associates and joint ventures.

*Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

*Non-controlling interests*

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

*Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

*Interests in equity - accounted investees*

The Group’s interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s share of the profit or loss and other comprehensive income of equity–accounted investees, until the date on which significant influence or joint control ceases.

*Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains   
arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

***(b) Foreign currencies***

*Foreign currency transactions*

Transactions in foreign currencies are translated to the functional currency at the dates of the transactions.

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

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

Foreign currency differences arising on retranslation are generally recognised in profit or loss.

in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

***(c) Cash and cash equivalents***

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

1. ***Trade and other accounts receivable***

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is stated at invoice value less allowance for doubtful accounts which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

1. ***Real estate development projects***

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

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

1. ***Investments***

*Investments in subsidiaries , associates and joint venture*

Investments in subsidiaries , associates and joint venture in the separate financial statements of the Company are accounted for using the cost method. Investment in associates and joint ventures in the consolidated financial statements is accounted for using the equity method.

*Investments in other equity securities*

Equity securities which are not marketable are stated at cost less any impairment losses.

*Disposal of investments*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

1. ***Investment properties***

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

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

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

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

Any gains and losses on disposal of investment properties are determined by comparing the proceeds from disposal with the carrying amount of investment property, and are recognised in profit or loss.

1. ***Property, plant and equipment***

*Recognition and measurement*

*Owned assets*

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

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

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

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

*Reclassification to investment property*

When the use of a property changes from owner-occupied to investment property, the property is remeasured to cost and reclassified as investment property.

*Subsequent costs*

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

*Depreciation*

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

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

|  |  |
| --- | --- |
| Buildings and system work | 20 years |
| Equipment and fixtures | 5 - 20 years |
| Vehicle | 5 years |

No depreciation is provided on freehold land or assets under construction.

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

1. ***Intangible assets***

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

*Subsequent expenditure*

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

*Amortisation*

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

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

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

|  |  |  |
| --- | --- | --- |
| Software licences | 5 | years |

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

1. ***Land leasehold right***

Land leasehold rights are recorded at cost less accumulated amortisation and impairment losses.

*Amortisation*

Amortisation is recognised in profit or loss on a straight-line basis over the period of lease.

1. ***Impairment***

The carrying amounts of the Group’s assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets’ recoverable amounts are estimated. For goodwill, the recoverable amount is estimated each year at the same time.

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

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised.  The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

*Calculation of recoverable amount*

The recoverable amount of held-to-maturity securities is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

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

*Reversals of impairment*

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss.  Available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

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

1. ***Interest-bearing liabilities***

Interest-bearing liabilities are stated at cost.

1. ***Trade and other accounts payable***

Trade and other accounts payable are stated at cost.

1. ***Contract liabilities***

A contract liability represented advance received from customers  is the obligation to transfer goods or services to the customer. A contract liability is recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

1. ***Employee benefits***

*Defined contribution plans*

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

*Defined benefit plans*

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

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

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

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

*Short-term employee benefits*

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

1. ***Provisions***

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.  Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

1. ***Measurement of fair value***

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

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

Significant valuation issues are reported to the Group’s Audit Committee.

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

•   *Level 1*: quoted prices in active markets for identical assets or liabilities.

•   *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

•   *Level 3*: inputs for the asset or liability that are based on unobservable input.

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

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

1. ***Revenue***

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

*Rental*

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

*Service*

Service income is recognised when a customer obtains control of the services in an amount that reflects the consideration to which the Company expects to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates. Service income is recognised over time when services are render to customer.

*Sale of real estate*

Sale of real estate development project is recognised when a customer obtains control of goods or services, the construction works are completed and the ownership has been transferred to buyers. Advance received before transfer goods and services recognised as contract liabilities in advance received from customer in the.

*Investments*

Revenue from investments dividend and interest income from investments and bank deposits. Dividend income is recognised in profit or loss on the date the Group’s right to receive payments is established. Interest income is recognised in profit or loss as it accrues.

1. ***Expenses***

         Expenses are recorded as it accrued .

1. ***Finance costs***

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

1. ***Lease payments***

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

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

1. ***Income tax***

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

1. ***Finance costs***

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

1. ***Lease payments***

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

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

*Determining whether an arrangement contains a lease*

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

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

1. ***Income tax***

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments is subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

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

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

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

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1. ***Basic earnings per share***

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

1. ***Related parties***

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

1. ***Segment reporting***

Segment results that are reported to the Group’s CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses, and tax assets and liabilities.

**4 Related parties**

Relationships with subsidiaries, associates and joint ventures are described in notes 9 and 10. Relationship with key management and other related parties were as follows:

| **Name of entities** | **Country of incorporation/ nationality** | **Nature of relationships** |
| --- | --- | --- |
| Central Pattana Public Company Limited | Thailand | Ultimate parent company |
| CPN Pattaya Company Limited | Thailand | Parent company (67.53% shareholding) |
| Central Pattana Nine Square Company Limited | Thailand | Common directors |
| Central Insurance Services Inc. | Thailand | Common directors |
| Robinson Public Company Limited | Thailand | Common directors |
| Central Department Store  Company Limited | Thailand | Common directors |
| Central Food Retail Co., Ltd. | Thailand | Common directors |
| Central FamilyMart Co., Ltd. | Thailand | Common directors |
| Thai Watts Company Limited | Thailand | Common directors |
| COL Public Company Limited | Thailand | Common directors |
| Italianthai Development Public | Thailand | Held by a subsidiary |
| Company Limited |  |  |
| I Tal Thai Trevi Company Limited | Thailand | Held by a subsidiary |
| Grand Fortune Company Limited | Thailand | Common directors |
| CKS Holding Company Limited | Thailand | Common directors |
| Super Assets Company Limited | Thailand | Common directors |
| B2S Co., Ltd. | Thailand | Common directors |
| RIS Company Limited  World Plant Center Co., Ltd.  Common Ground (Thailand)     Co., Ltd. | Thailand  Thailand  Thailand | Common directors  Common directors  Joint venture of the group |
| Central Trading Co., Ltd. | Thailand | Common directors |
| CPN Village Company Limited | Thailand | Common directors |
| Key management personnel | Thai | Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group. |

The pricing policies for transactions with related parties are explained further below:

| **Transactions** | **Pricing policies** |
| --- | --- |
| Project management income | Agreed prices |
| Selling management income | Agreed prices |
| Rental income | Agreed prices |
| Property management income | Agreed prices |
| Trust management income | Agreed prices |
| Sales of equipment | Cost plus margin |
| Interest income | MLR-0.5, 0.75 and 5.25 |
| Other income | Agreed prices |
| Dividend income | The declared amount |
| Rental and service expenses | Agreed prices |
| Construction service expenses | Agreed prices |
| Insurance expenses | Agreed prices |
| Interest expense | Fixed deposit rate 6 months + 2%, 0.25% and MLR-0.5 - 1.5% |

Significant transactions for periods ended 31 December with related parties were as follows:

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Year ended 31 December*** | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | | | | | |
| ***Ultimate parent company*** |  |  |  |  |  |  |  |
| *Management fee* | 56,494 |  | - |  | 55,060 |  | - |
|  |  |  |  |  |  |  |  |
| ***Parent company*** |  |  |  |  |  |  |  |
| *Interest Expense* | 2,718 |  | - |  | 2,718 |  | - |
|  |  |  |  |  |  |  |  |
| **Subsidiaries** |  |  |  |  |  |  |  |
| Project management income | - |  | - |  | 53,562 |  | 41,999 |
| Selling management income | - |  | - |  | 19,522 |  | 8,217 |
| Interest income | - |  | - |  | 270,662 |  | 319,458 |
| Interest expense | - |  | - |  | 92,979 |  | 137,682 |
| Sales of equipment | - |  | - |  | - |  | 31,722 |
| Sales of investment property | - |  | - |  | - |  | 7,485 |
|  |  |  |  |  |  |  |  |
| **Associates** |  |  |  |  |  |  |  |
| Rental income | 234,482 |  | 224,724 |  | 163,743 |  | 104,706 |
| Property management income | 32,849 |  | 21,032 |  | 22,644 |  | 14,271 |
| Trust management income | 17,192 |  | 16,500 |  | - |  | - |
| Rental and service expenses | 17,189 |  | 24,482 |  | 17,189 |  | 24,482 |
| Dividend income | - |  | - |  | 52,993 |  | - |
|  |  |  |  |  |  |  |  |
| **Joint ventures** |  |  |  |  |  |  |  |
| Interest income | 131,800 |  | 259,676 |  | - |  | - |
|  |  |  |  |  |  |  |  |
| **Other related parties** |  |  |  |  |  |  |  |
| Rental income | 20,771 |  | 3,095 |  | 37 |  | - |
| Project management income | - |  | 17,401 |  | - |  | 17,401 |
| Selling management income | - |  | 1,316 |  | - |  | 1,316 |
| Other Income | 8 |  | - |  | - |  | - |
| Insurance expenses | - |  | 1,711 |  | - |  | 1,711 |
| Construction service expenses | - |  | 57,898 |  | - |  | - |
|  |  |  |  |  |  |  |  |
| **Key management personnel** |  |  |  |  |  |  |  |
| Key management personnel compensation |  |  |  |  |  |  |  |
| Short-term employee benefit | 38,661 |  | 29,391 |  | 37,186 |  | 27,954 |

Significant balances as at 31 December with related parties were as follows:

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | | | | | |
| ***Trade accounts receivable*** |  | | | | | | |
| Subsidiaries | - |  | - |  | 49,745 |  | 33,979 |
| Associates | 30,993 |  | 11,546 |  | 17,246 |  | 5,746 |
| Other related parties | 21,832 |  | 18,976 |  | 20,706 |  | 18,338 |
| **Total** | **52,825** |  | **30,522** |  | **87,697** |  | **58,063** |
|  |  |  |  |  |  |  |  |
| ***Other receivables*** |  |  |  |  |  |  |  |
| Subsidiaries | - |  | - |  | 54,340 |  | 230,409 |
| Associates | 42,216 |  | 143,475 |  | 27,300 |  | 109,158 |
| **Total** | **42,216** |  | **143,475** |  | **81,640** |  | **339,567** |
|  |  |  |  |  |  |  |  |
| ***Land leasehold right (presents under other non-current assets)*** |  |  |  |  |  |  |  |
| Other related parties | **97,527** |  | **105,905** |  | **-** |  | **-** |
|  |  |  |  |  |  |  |  |
| ***Rental and service retention (presents under other non-current assets)*** |  |  |  |  |  |  |  |
| Associates | **3,074** |  | **6,265** |  | **3,074** |  | **6,265** |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Consolidated** | | |
|  | **financial statements** | | |
|  | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | |
| ***Accrued interest income (Presents under other non-current Assets)*** |  | | |
|  |  | | |
| Joint ventures | **393,557** |  | **129,957** |

Movements during the year ended 31 December 2019 of loans to related parties were as follows:

|  |  | **Interest rate** |  | **Consolidated financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | As at 31 December |  | As at 1 January |  | Increase |  | Decrease |  | As at 31 December |
|  |  | *(% per annum)* |  | *(in thousand Baht)* | | | | | | |
| ***2019*** |  |  |  |  | | | | | | |
| ***Long-term loans to*** |  |  |  |  | | | | | | |
| Joint ventures |  | MLR - 0.5 |  | 4,583,000 |  | 2,505 |  | - |  | 4,585,505 |
| *Less* The excess of accumulated share of  loss from investment in joint venture over   cost of investment | | |  | (409,765) |  | (4,594) |  | - |  | (414,359) |
| *Less* The elimination of interest income | | |  | - |  | (131,800) |  | - |  | (131,800) |
| **Net** |  |  |  | **4,173,235** |  |  |  |  |  | **4,039,346** |

|  |  | **Interest rate** |  | **Consolidated financial statements** | | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | As at 31 December |  | As at 1 January | |  | | Increase | |  | | Decrease |  | | As at 31 December | |
|  |  | *(% per annum)* |  | *(in thousand Baht)* | | | | | | | | | | | | |
| ***2018*** |  |  |  | |  | | | | | | | | | | | |
| ***Long-term loans*** |  |  |  | |  | | | | | | | | | | | |
| Joint ventures |  | MLR - 0.5 |  | | 4,451,000 |  | 132,000 | |  | | - | | |  | | 4,583,000 |
| *Less* The excess of accumulated share of loss  from investment in joint venture over cost   of investment | | |  | | (147,235) |  | - | |  | | (262,530) | | |  | | (409,765) |
| **Net** |  |  |  | | **4,303,765‬** |  |  | |  | |  | | |  | | **4,173,235** |

|  |  | **Interest rate** |  | **Separate financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | As at 31 December |  | As at 1 January |  | Increase |  | Decrease |  | As at 31 December |
|  |  | *(% per annum)* |  | *(in thousand Baht)* | | | | | | |
| ***2019*** |  |  |  |  | | | | | | |
| ***Short-term loans*** |  |  |  |  | | | | | | |
| Subsidiaries |  | MLR - 0.5, - 5.25 |  | 1,352,153 |  | 1,081,847 |  | (931,664) |  | 1,502,336 |
|  |  |  |  |  |  |  |  |  |  |  |
| ***Long-term loans*** |  |  |  |  |  |  |  |  |  |  |
| Subsidiaries |  | MLR - 0.75 |  | 4,707,306 |  | 490,549 |  | (220,288) |  | 4,977,567 |
|  |  |  |  |  | | | | | | |
| ***2018*** |  |  |  |  | | | | | | |
| ***Short-term loans*** |  |  |  |  | | | | | | |
| Subsidiaries |  | MLR - 0.5, - 5.25 |  | 1,232,000 |  | 272,153 |  | (152,000) |  | 1,352,153 |
|  |  |  |  |  |  |  |  |  |  |  |
| ***Long-term loans*** |  |  |  |  |  |  |  |  |  |  |
| Subsidiaries |  | MLR - 0.75 |  | 4,305,869 |  | 401,437 |  | - |  | 4,707,306 |

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | | | | | |
| ***Trade accounts payable*** |  | | | | | | |
| Subsidiaries | - |  | - |  | 137,007 |  | 119,305 |
| Associates | 155 |  | - |  | 155 |  | - |
| Other related parties | 602 |  | 82,651 |  | 499 |  | - |
| **Total** | **757** |  | **82,651** |  | **137,611** |  | **119,305** |
|  |  |  |  |  |  |  |  |
| ***Other payables*** |  |  |  |  |  |  |  |
| Associates | 33,753 |  | 494 |  | - |  | 474 |
| Other related parties | 11,445 |  | - |  | 11,372 |  | - |
| **Total** | **45,198** |  | **494** |  | **11,372** |  | **474** |
|  |  |  |  |  |  |  |  |
| ***Retention payable*** |  |  |  |  |  |  |  |
| Other related parties | **42,293** |  | **42,448** |  | **457** |  | **-** |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| ***Advance rental and service income*** |  |  |  |  |  |  |  |
| Associates | 5,177,188 |  | 5,400,833 |  | 4,061,942 |  | 4,210,649 |
| Other related parties | - |  | 2,406 |  | - |  | - |
| **Total** | **5,177,188** |  | **5,403,239** |  | **4,061,942** |  | **4,210,649** |
|  |  |  |  |  |  |  |  |
| ***Rental and service retention*** |  |  |  |  |  |  |  |
| Subsidiaries | **-** |  | **-** |  | **130** |  | **130** |

Movements during the periods ended 31 December 2019 of loans from related parties were as follows:

|  |  | **Interest rate** |  | **Consolidated financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | As at 31 December |  | As at 1 January |  | Increase |  | Decrease |  | As at 31 December |
|  |  | *(% per annum)* |  | *(in thousand Baht)* | | | | | | |
| ***2019*** |  |  |  |  | | | | | | |
| ***short-term loans*** |  |  |  |  | | | | | | |
| Parent company |  | MLR - 0.75 |  | - |  | 502,718 |  | (331,973) |  | 170,745 |

|  |  | **Interest rate** |  | **Separate financial statements** | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | As at 31 December |  | As at 1 January |  | Increase |  | Decrease |  | As at 31 December | |
|  |  | *(% per annum)* |  | *(in thousand Baht)* | | | | | | | |
| ***2019*** |  |  |  |  | | | | | | | |
| ***short-term loans*** |  |  |  |  | | | | | | | |
| Subsidiaries |  | MLR - 0.5, -1.5, Fixed deposit rate 6M +2, 0.25 |  | 2,919,832 |  | 1,132,570 |  | (1,004,715) |  | 3,047,687 | |
| Parent company |  | MLR - 0.75 |  | - |  | 502,718 |  | (331,973) |  | 170,745 | |
| Total |  |  |  | **2,919,832** |  |  |  |  |  | **3,218,432** | |
|  |  |  |  |  | | | | | | | |
| ***2018*** |  |  |  |  | | | | | | | |
| ***Long-term loans*** |  |  |  |  | | | | | | | |
| Subsidiaries |  | MLR - 0.5,  MLR - 1.0, 5 |  | 1,261,610 |  | 1,708,222 |  | (50,000) |  | | 2,919,832 |

**Commitments with related parties**

The subsidiary had commitments with Super Assets Company Limited and CKS Holding Company Limited totaling Baht 282 million under a land lease agreement and right of using area *(31 December 2018: Baht 286 million)*. These agreements expire in June 2050 and June 2029, respectively. The details are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Consolidated** | | |
|  | **financial statements** | | |
|  | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | |
| ***Non-cancellable operating lease*** |  |  |  |
| ***commitments*** |  |  |  |
| Within one year | 4,380 |  | 4,094 |
| After one year but within five years | 19,170 |  | 18,510 |
| After five years | 258,675 |  | 263,715 |
| **Total** | **282,225** |  | **286,319** |

***Significant agreements with related parties***

As at 31 December 2019,

*Project management agreements*

The Company and subsidiaries have project management agreements which provide construction and operation management for 1 year. The Company charges construction management fee at 2% from progress from construction and operation management fee at 5% from operating income.

*Property management and trust manager agreements*

In April 2017, the Company and Sterling Equity Co., Ltd. were appointed to be property management company of GLAND Office Leasehold Real Estate Investment Trust (associate). According to the agreement, the Company and Sterling Equity Co., Ltd. will receive property management and GLAND REIT Management Co., Ltd. will receive trust management fee.

*Loan agreements*

The subsidiary and joint venture had loan agreements for the loan lines totalling Baht 4,950 million which interest rate at MLR-0.5% per annum and are repayable on demand.

*Service agreement*

The Company entered into service agreement with Central Pattana Public Company Limited for business consulting, setting policies, and advising on business operation. The agreement will be effective for two years from 1 January, 2019 with rate 3% of revenue from rental and rendering services.

**5 Cash and cash equivalents**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | 2019 | 2018 | 2019 | 2018 |
|  | *(in thousand baht)* | | | |
| Cash | 100 | 81 | 33 | 21 |
| Call deposits | 51,133 | 178,287 | 35,045 | 47,622 |
| **Total** | **51,233** | **178,368** | **35,078** | **47,643** |

**6 Trade and other receivables**

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | | | | | |
| **Related parties** |  | | | | | | |
| Within credit terms | 28,291 |  | 10,823 |  | 23,504 |  | 16,574 |
| Overdue: |  |  |  |  |  |  |  |
| Less than 3 months | 1,989 |  | 8,775 |  | 30,224 |  | 14,469 |
| 3 - 6 months | 3 |  | 5,422 |  | - |  | 9,647 |
| 6 - 12 months | 3,478 |  | 5,502 |  | 14,931 |  | 14,028 |
| Over 12 months | 19,064 |  | - |  | 19,038 |  | 3,345 |
|  | **52,825** |  | **30,522** |  | **87,697** |  | **58,063** |
| **Other parties** |  |  |  |  |  |  |  |
| Within credit terms | 10,175 |  | 20,623 |  | 400 |  | 3,317 |
| Overdue: |  |  |  |  |  |  |  |
| Less than 3 months | 18,343 |  | 16,121 |  | 1,623 |  | 297 |
| 3 - 6 months | 909 |  | 1,569 |  | 41 |  | 4 |
| 6 - 12 months | 539 |  | 5,035 |  | - |  | 646 |
| Over 12 months | 3,350 |  | 59,810 |  | 3,277 |  | 59,208 |
|  | **33,316** |  | **103,158** |  | **5,341** |  | **63,472** |
| *Less* allowance for doubtful accounts | (2,257) |  | (59,204) |  | (2,257) |  | (58,234) |
|  | **31,059** |  | **43,954** |  | **3,084** |  | **5,238** |
| **Total** | **87,884** |  | **74,476** |  | **90,781** |  | **63,301** |

The normal credit terms granted by the Group ranges from 5 days to 30 days.

**7 Other receivables**

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | | | | | |
| Receivable from Revenue department | 248,032 |  | - |  | 248,032 |  | - |
| Accrued income | 76,346 |  | 179,007 |  | 96,316 |  | 88,592 |
| Advance payment to contractors | 22,058 |  | 28,107 |  | 2,985 |  | 45 |
| Prepaid expenses | 13,999 |  | 13,569 |  | 8,747 |  | 5,886 |
| Others | 5,728 |  | 47,865 |  | 1,732 |  | 80,206 |
|  | **366,163** |  | **268,548** |  | **357,812** |  | **174,729** |
| *Less* allowance for doubtful accounts | (2,940) |  | (13,235) |  | (2,940) |  | (13,235) |
| **Net** | **363,223** |  | **255,313** |  | **354,872** |  | **161,494** |

**8 Real estate projects under development**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | Consolidated | | |  | Separate | | |
|  | | financial statements | | |  | financial statements | | |
|  |  | 2019 |  | 2018 |  | 2019 |  | 2017 |
|  | | *(in thousand Baht)* | | | | | | |
| Land and construction under  development |  | 817,974 |  | 791,839 |  | 623,563 |  | 623,563 |
| Land and construction developed |  | 136,076 |  | 218,512 |  | - |  | - |
| **Total** |  | **954,050** |  | **1,010,351** |  | **623,563** |  | **623,563** |
|  |  |  |  |  |  |  |  |  |
| Finance costs capitalised  during the year |  | 25,362 |  | - |  | - |  | - |
| Rates of interest capitalised  *(% per annum)* |  | 4.52 |  | - |  | - |  | - |
|  |  |  |  |  |  |  |  |  |
| Real estate projects under development recognised as an expense in ‘cost of sales of real estate project’ |  |  |  |  |  |  |  |  |
| - Cost |  | 112,322 |  | 73,069 |  | - |  | - |

**9 Investment in associate and joint venture**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | |  | **Separate** | | |
|  | financial statements | | |  | **financial statements** | | |
|  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | | | | | |
| **Associate** |  |  |  |  |  |  |  |
| At 1 January | 773,442 |  | 735,957 |  | 683,774 |  | 736,909 |
| Capital reduction | - |  | (53,135) |  | - |  | (53,135) |
| Share of net profits in associate | 71,010 |  | 90,620 |  | - |  | - |
| Dividend income | (52,993) |  | - |  | - |  | - |
| **At 31 December** | **791,459** |  | **773,442** |  | **683,774** |  | **683,774** |

|  | Consolidated  financial statements | | |
| --- | --- | --- | --- |
|  | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | |
| **Joint venture** |  |  |  |
| At 1 January | - |  | - |
| Share of net losses in joint venture | 4,594 |  | 262,530 |
| Reversal of share of loss of investment in joint venture  over cost of investment | (4,594) |  | (262,530) |
| **At 31 December** | **-** |  | **-** |
|  |  |  |  |

Investments in associate and joint venture as at 31 December 2019 and 31 December 2018, and dividend income from those investments for the year ended 31 December were as follows:

|  |  |  |  |  | | |  |  | | |  | Consolidated financial statements | | | | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Type of business |  | Country of corporation | Ownership  interest | | |  | Paid-up capital | | |  | Cost | | |  | Equity | | |  | Fair value of  listed securities | | |  | Dividend income for the  year  periods ended | | |
|  |  |  |  | 2019 |  | 2018 |  | 2019 |  | 2018 |  | 2019 |  | 2018 |  | 2019 |  | 2018 |  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  |  |  |  | *(%)* | | |  | *(in thousand Baht)* | | | | | | | | | | | | | | | | | | |
| ***Associate*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| GLAND Office Leasehold  Real Estate Investment  Trust\* | Investment  trust |  | Thailand | 15 |  | 15 |  | 4,558,489 |  | 4,558,489 |  | 683,774 |  | 683,774 |  | 791,459 |  | 773,442 |  | 997,038 |  | 884,591 |  | 52,993 |  | - |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Joint venture - indirect shareholding by a subsidiary*** | | | | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Bays water Co., Ltd.\*\* | Real estate development |  | Thailand | 50 |  | 50 |  | 10,000 |  | 10,000 |  | - |  | - |  | - |  | - |  | - |  | - |  | - |  | - |
| **Total** |  |  |  |  |  |  |  |  |  |  |  | **683,774** |  | **683,774** |  | **791,459** |  | **773,442** |  |  |  |  |  | **52,993** |  | **-** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

All associate and joint venture were incorporated in Thailand.

None of the Group’s and the Company’s joint venture are publicly listed and consequently do not have published price quotations.

On 8 May 2019, the Board of Directors meeting of the REIT manager which is a subsidiary of the Group held approved the distribution of benefit from the result of operation from 1 January 2019 to 31 March 2019 to the Trust unitholders of Baht 0.1767 per unit, amounting to Baht 88.31 million. The benefit will be paid to the Trust unitholders on 6 June 2019.

On 7 August 2019, the Board of Directors meeting of the REIT manager held approved the distribution of benefit from the result of operation from 1 April 2019 to 30 June 2019 to the Trust unitholders of Baht 0.1780 per unit, amounting to Baht 88.96 million. The benefit was paid to the Trust unitholders on 6 September 2019.

On 29 October 2019, the Board of Directors meeting of the REIT manager held approved the distribution of benefit from the result of operation from 1 July 2019 to 30 September 2019 to the Trust unitholders of Baht 0.1800 per unit, amounting to Baht 89.96 million. The benefit was paid to the Trust unitholders on 29 November 2019.

In February, May, August and October 2018, meetings of the Board of Directors of the REIT Manager of the Trust passed resolutions to approve capital reductions at rates of Baht 0.2109 per unit trust, Baht 0.2059 per unit trust, Baht 0.1320 per unit trust and Baht 0.1600 per unit trust, respectively, or a total of Baht 354.3 million. The Company received a total of Baht 53.1 million as a result of these capital reductions in 2018.

On 22 November 2019 GLAND REIT Management Company Limited (“REIT Manager”) as the REIT manager of GLAND Office Leasehold Real Estate Investment Trust (“GLANDRT”) acknowledge the transfer of GLANDRT’s main assets schedule, early repayment of loan to financial institution, the schedule for the SP and the delisting from the Stock Exchange of Thailand's Securities GLANDRT. The Board of Directors meeting also approved the dissolution, liquidation, capital reduction and delisting of GLANDRT from being listed securities on the Stock Exchange of Thailand within the month of   
April 2563.

In May 2019, the Board of Directors passed the resolution to approve Ratchada Asset Holding Company Limited (a subsidiary) to refuse the right to purchase ordinary shares from BTS Group Holding Public Company Limited holding in Bayswater Company Limited in a total amount of 50,000 shares or accounted for 50% of the total issued and paid-up shares, which is in accordance with the Right of First Refusal stated in the Shareholders’ Agreement. However, Central Pattana Public Company Limited, ultimate parent company, acquired the remaining shares. The share purchase agreement and all related liabilities were completed when Central Pattana Public Company Limited comply with the conditions according to share purchase agreement and related agreement.

The following is summarized financial information for the Group’s interest in immaterial associates and joint ventures based on the amounts reported in the Group’s consolidated financial statements.

The summary of the financial information of the associates

***Associate***

|  | 2019 | 2018 |
| --- | --- | --- |
|  | *(Unit: Million Baht)* | |
| Revenue | 701 | 701 |
| Total comprehensive income (100%) | 493 | 624 |
| Total comprehensive income of the Group’s interest | 74 | 94 |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
| Current assets | 485 | 470 |
| Non-current assets | 5,541 | 5,484 |
| Current liabilities | (95) | (162) |
| Non-current liabilities | (1,118) | (1,119) |
| Net assets | **4,813** | **4,673** |
| Shareholding percentage (%) | 15% | 15% |
| Share of net assets | 722 | 701 |
| Less: Elimination entries | 70 | 72 |
| **Carrying amounts of associate based on equity method** | **792** | **773** |

***Joint venture***

|  |  |  |
| --- | --- | --- |
| Revenue | - | - |
| Total comprehensive income (100%) | (9) | (525) |
| Total comprehensive income of the Group’s interest | (5) | (263) |
|  |  |  |
| Current assets | 9,216 | 8,695 |
| Current liabilities | (789) | (9,429) |
| Non-current liabilities | (9,171) | - |
| Net assets | **(744)** | **(734)** |
| Shareholding percentage (%) | 50% | 50% |
| Share of net assets | (372) | (367) |
| Less: Elimination entries | 42 | (43) |
| **Carrying amounts of joint venture based on equity method** | **(414)** | **(410)** |

At 31 December 2019, the Group presented the excess of accumulated share of loss over cost of investment, amounting to Baht 546.1 million *(31 December 2018: Baht 409.8 million)* as a deduction from long-term loan to joint venture in the consolidated financial position.

**10 Investments in subsidiaries**

|  | Separate  financial statements | | |
| --- | --- | --- | --- |
| ***Year ended 31 December*** | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | |
| At 1 January | 6,017,375 |  | 6,017,375 |
| Increase | 800,000 |  |  |
| **At 31 December** | **6,817,375** |  | **6,017,375** |

On 8 October 2019, a subsidiary registered the increase share capital from Baht 500 million by Baht 800 million. The share capital was increased to Baht 1,300 million to reduce finance cost by issuing 8 million ordinary shares at Baht 100 per value each.  The subsidiary offered the share capital to existing shareholder at the same proportion and called for fully paid-up shares capital.

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

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | Separate financial statements | | | | | | | | | | | | | |
|  | Type of business |  | Ownership interest | | | Paid-up capital | | |  | Cost method | | |  | Dividend income for the year period ended | | |
|  |  |  | 2019 |  | 2018 | 2019 |  | 2018 |  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  |  |  | *(%)* | | | *(in thousand Baht)* | | | | | | | | | | |
| ***Subsidiaries*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Direct*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Belle Development Ltd. | Real estate development |  | 79.57 |  | 79.57 | 2,064,261 |  | 2,064,261 |  | 1,920,104 |  | 1,920,104 |  | - |  | - |
| Praram 9 Square Ltd. | Real estate for rent and development |  | 93.09 |  | 93.09 | 1,900,000 |  | 1,900,000 |  | 1,771,016 |  | 1,771,016 |  | - |  | - |
| Sterling Equity Co., Ltd. | Real estate development |  | 100.00 |  | 100.00 | 1,800,000 |  | 1,800,000 |  | 1,765,464 |  | 1,765,464 |  | - |  | - |
| Belle Assets Co., Ltd. | Real estate development |  | 100.00 |  | 100.00 | 11,000 |  | 11,000 |  | 11,000 |  | 11,000 |  | - |  | - |
| G Land Property Management Co., Ltd | Real estate development |  | 100.00 |  | 100.00 | 1,300,000 |  | 500,000 |  | 1,333,791 |  | 533,791 |  | - |  | - |
| Ratchada Asset Holding Co., Ltd. | Investment company |  | 100.00 |  | 100.00 | 6,000 |  | 6,000 |  | 6,000 |  | 6,000 |  | - |  | - |
| GLAND REIT Management Co., Ltd. | Trust manager |  | 100.00 |  | 100.00 | 10,000 |  | 10,000 |  | 10,000 |  | 10,000 |  | - |  | - |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Indirect*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Praram 9 Square Hotel Ltd. | Hotel |  | 100.00 |  | 100.00 | 16,000 |  | 16,000 |  | - |  | - |  | - |  | - |
| **Total** |  |  |  |  |  |  |  |  |  | **6,817,375** |  | **6,017,375** |  | **-** |  | **-** |

All subsidiaries were incorporated in Thailand.

None of the Group’s subsidiaries are publicly listed and consequently do not have published price quotations.

**11 Other long-term investment**

Other long-term investments represent investments in ordinary shares of Central Pattana Nine Square Co., Ltd., in which Praram 9 Square Limited, a subsidiary, holds a 3.27% interest.

**12 Non-controlling interest**

The following table summarises the information relating to each of the Group’s subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

|  |  | 31 December 2019 | | | | |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | Belle development Co., Ltd. |  | Praram 9 Square Ltd. |  | Total |
|  |  | *(in thousand Baht)* | | | | |
| Non-controlling interest percentage |  | 20.4% |  | 6.9% |  |  |
| Current assets |  | 2,703,911 |  | 561,484 |  |  |
| Non-current assets |  | 709,439 |  | 6,822,448 |  |  |
| Current liabilities |  | (331,750) |  | (470,766) |  |  |
| Non-current liabilities |  | (78,726) |  | (3,136,429) |  |  |
| **Net assets** |  | 3,002,874 |  | 3,776,737 |  |  |
| Carrying amount of non-controlling interest |  | 613,487 |  | 260,888 |  | 874,375 |
|  |  |  |  |  |  |  |
| Revenue |  | 443,031 |  | 1,758,356 |  |  |
| Profit for the year |  | 109,003 |  | 1,129,298 |  |  |
| **Total comprehensive income** |  | **109,003** |  | **1,129,298** |  |  |
| Profit allocated to non-controlling interest |  | 22,269 |  | 78,007 |  | **100,276** |
|  |  |  |  |  |  |  |
| Cash flows from operating activities |  | 262,793 |  | 718,989 |  |  |
| Cash flows (used in) from investing activities |  | 75,803 |  | (635,154) |  |  |
| Cash flows used in from financing activities  (dividends to non-controlling interest: nil) |  | (383,006) |  | (129,136) |  |  |
| **Net decrease in cash and cash equivalents** |  | **(44,410)** |  | **(45,301)** |  |  |

|  |  | 31 December 2018 | | | | |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | Belle development Co., Ltd. |  | Praram 9 Square Ltd. |  | Total |
|  |  | *(in thousand Baht)* | | | | |
| Non-controlling interest percentage |  | 20.4% |  | 6.9% |  |  |
| Current assets |  | 2,906,290 |  | 441,800 |  |  |
| Non-current assets |  | 815,448 |  | 6,091,367 |  |  |
| Current liabilities |  | (617,959) |  | (1,077,734) |  |  |
| Non-current liabilities |  | (209,909) |  | (2,807,994) |  |  |
| **Net assets** |  | 2,893,870 |  | 2,647,439 |  |  |
| Carrying amount of non-controlling interest |  | 591,214 |  | 182,885 |  | 774,099 |
|  |  |  |  |  |  |  |
| Revenue |  | 515,055 |  | 978,619 |  |  |
| Profit for the year |  | 211,884 |  | 456,029 |  |  |
| **Total comprehensive income** |  | **211,884** |  | **456,029** |  |  |
| Profit allocated to non-controlling interest |  | 43,284 |  | 31,502 |  | **74,786** |
|  |  |  |  |  |  |  |
| Cash flows from operating activities |  | 140,317 |  | 317,650 |  |  |
| Cash flows (used in) from investing activities |  | 33,318 |  | (157,851) |  |  |
| Cash flows used in from financing activities  (dividends to non-controlling interest: nil) |  | (272,754) |  | (203,900) |  |  |
| **Net decrease in cash and cash equivalents** |  | **(99,119)** |  | **(44,101)** |  |  |

**13 Investment properties**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | |  | **Separate** | | |
|  | financial statements | | |  | **financial statements** | | |
|  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | | | | | |
| At 1 January | 21,445,905 |  | 20,901,348 |  | 10,267,448 |  | 10,027,334 |
| Additions | 14,840 |  | 242,006 |  | 11,794 |  | 12,488 |
| Disposals | - |  | - |  | (7) |  | (7,485) |
| Finance cost capitalised | 70,702 |  | 56,317 |  | - |  | - |
| Transfer from project under  development | - |  | 7,485 |  | - |  | - |
| Transfer / adjust | (135,591) |  | (38,297) |  | - |  | - |
| Gain on fair value adjustment | 713,477 |  | 277,046 |  | 103,678 |  | 235,111 |
| **At 31 December** | **22,109,333** |  | **21,445,905** |  | **10,382,913** |  | **10,267,448** |

The investment properties consist of land, office rental project and land awaiting development.

|  | Consolidated financial statements | | |  | Separate financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Year ended 31 December*** | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(in million Baht)* | | | | | | |
| ***Amounts recognised in profit or***  ***loss for investment properties*** |  |  |  |  |  |  |  |
| Rental income | 1,262 |  | 1,204 |  | 349 |  | 301 |
| Other income |  |  |  |  |  |  |  |
| * + - unrealised gains on fair value adjustments | 713 |  | 277 |  | 104 |  | 253 |
| Repair and maintenance expense |  |  |  |  |  |  |  |
| * + - property that generate rental income | 18 |  | 8 |  | 3 |  | 5 |

|  | Consolidated financial statements | | |  | Separate financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Year ended 31 December*** | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(in million Baht)* | | | | | | |
| ***Minimum lease payments under non-concellable operating lease are receivable:*** |  |  |  |  |  |  |  |
| Within 1 year | 619 |  | 373 |  | 29 |  | 14 |
| 1 - 5 years | 674 |  | 170 |  | 23 |  | 21 |
| After 5 years | 115 |  | 115 |  | 112 |  | 125 |
| **Total** | **1,407** |  | **658** |  | **164** |  | **150** |

On 19 April 2017, the Company and Sterling Equity Company Limited (a subsidiary) entered into agreements to lease the investment properties to GLAND Office Leasehold Real Estate Investment Trust (“GLANDRT”). The details are as follows:

1. The Company entered into an agreement to lease the office rental areas, conventional room areas, storage areas, common areas related to the aforesaid areas, parking areas and utility systems of The 9th Towers Grand Rama 9 Project (“The 9th Towers Office Project”) to GLANDRT for a period of 30 years. GLANDRT paid Baht 4,592.53 million to the Company for this leasehold right.
2. Sterling Equity Company Limited entered into an agreement to lease the office rental areas, common areas related to the aforesaid areas, parking areas and utility systems of Unilever House Grand Rama 9 Project (“Unilever House Office Project”) to GLANDRT for a period of 17 years and 7 months. GLANDRT paid Baht 1,398.23 million to Sterling Equity Company Limited for this leasehold right.
3. The Company and its subsidiary present the cash received for the leasehold rights net of expense incurred directly in arranging the lease agreements, as advance rental income in the statement of financial position.

Measurement of fair values

The fair value of investment properties was determined by independent professional valuers. The fair value of investment property has been categorised as a Level 3 fair value*.*

Valuation technique

The Company and subsidiaries' management estimated that the fair values of projects under construction approximated their net book values. The fair values of the office rental project, units for rent, land for rent and land awaiting development were determined based on valuations performed by independent valuers. Land for rent and land awaiting development were valued using the market approach, while the office rental project and units for rent were valued using the income approach based on various assumptions, including the rate of return, discount rate and occupancy rate.

Key assumptions used in the valuation of office rental project units for rent, land for rent and land awaiting development as at 31 December 2019 are summarised below.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Consolidated  financial statements | Separate  financial statements | Result to lair value where as an increase in assumption value |
| Discount rate | 9% - 11% | 9% - 10% | Decrease in fair value |
| Occupancy rate (depending on location of assets) | 60% - 100% | 60% - 98% | Increase in fair value |
| Rental rate per month (depending on location of assets) | Baht 475 - 1,450  per square metre | Baht 675 - 1,075  per square metre | Increase in fair value |
| Land price  (depending on location of assets) | Baht 30,000 - 1,270,000  per square wah | Baht 30,000 - 1,270,000  per square wah | Increase in fair value |

**14 Property, plant and equipment**

|  | **Consolidated financial statements** | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Land |  | Building and improvement |  | Office equipment and furniture fixture |  | Vehicles |  | Assets under construction and installation |  | Total |
|  | *(in thousand Baht)* | | | | | | | | | | |
| ***Cost*** |  |  |  |  |  |  |  |  |  |  |  |
| At 1 January 2018 | 339,321 |  | 11,207 |  | 152,691 |  | 18,645 |  | 59,674 |  | 581,538 |
| Additions | - |  | - |  | 1,881 |  | 659 |  | 8,298 |  | 10,838 |
| **At 31 December 2018 and** |  |  |  |  |  |  |  |  |  |  |  |
| **1 January 2019** | **339,321** |  | **11,207** |  | **154,572** |  | **19,304** |  | **67,972** |  | **592,376** |
| Additions | - |  | 785 |  | 604 |  | - |  | 188 |  | 1,577 |
| Transfers | - |  | 521 |  | (559) |  | - |  | - |  | (38) |
| Disposals | - |  | - |  | (10,075) |  | (9,479) |  | (76) |  | (19,630) |
| **At 31 December 2019** | **339,321** |  | **12,513** |  | **144,542** |  | **9,825** |  | **68,084** |  | **574,285** |
|  |  |  |  |  |  |  |  |  |  |  |  |
| ***Depreciation and impairment losses*** |  |  |  |  |  |  |  |  |  |  |  |
| **At 1 January 2018** | - |  | 3,198 |  | 62,833 |  | 13,681 |  | - |  | 79,712 |
| Depreciation charge for the year | - |  | 1,066 |  | 10,851 |  | 1,846 |  | - |  | 13,763 |
| At 31 December 2018 and |  |  |  |  |  |  |  |  |  |  |  |
| **1 January 2019** | **-** |  | **4,264** |  | **73,684** |  | **15,527** |  | **-** |  | **93,475** |
| Depreciation charge for the year | - |  | 760 |  | 7,952 |  | 1,691 |  | - |  | 10,413 |
| Transfers | - |  | 113 |  | (113) |  | - |  | - |  | - |
| Disposals | - |  | - |  | (9,920) |  | (8,163) |  | - |  | (18,093) |
| **At 31 December 2019** | **-** |  | **5,137** |  | **71,603** |  | **9,055** |  | **-** |  | **85,795** |
|  |  |  |  |  |  |  |  |  |  |  |  |
| ***Net book value*** |  |  |  |  |  |  |  |  |  |  |  |
| **At 31 December 2018** | **339,321** |  | **6,943** |  | **80,888** |  | **3,777** |  | **67,972** |  | **498,901** |
| **At 31 December 2019** | **339,321** |  | **7,376** |  | **72,939** |  | **770** |  | **68,084** |  | **488,490** |

|  | **Separate financial statements** | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Building and improvement |  | Furniture, fixtures, office and equipment |  | Vehicles |  | Assets under construction |  | Total |
|  | *(in thousand Baht)* | | | | | | | | | |
| ***Cost*** |  |  |  |  |  |  |  |  |  |  |
| At 1 January 2018 |  | - |  | 38,352 |  | 7,789 |  | 32,304 |  | 78,445 |
| Additions |  | - |  | 272 |  | 659 |  | 3,484 |  | 4,415 |
| Disposals |  | - |  | - |  | - |  | (28,839) |  | (28,839) |
| **At 31 December 2018 and** |  |  |  |  |  |  |  |  |  |  |
| **1 January 2019** |  | **-** |  | **38,624** |  | **8,448** |  | **6,949** |  | **54,021** |
| Additions |  | 785 |  | 599 |  | - |  | - |  | 1,384 |
| Transfers |  | 521 |  | (521) |  | - |  | - |  | - |
| Disposals |  | - |  | (8,541) |  | (3,499) |  | - |  | (12,040) |
| **At 31 December 2019** |  | **1,306** |  | **30,161** |  | **4,949** |  | **6,949** |  | **43,365** |
|  |  |  |  |  |  |  |  |  |  |  |
| ***Depreciation and impairment losses*** |  |  |  |  |  |  |  |  |  |  |
| At 1 January 2018 |  | - |  | 26,330 |  | 7,011 |  | - |  | 33,341 |
| Depreciation charge for the year |  | - |  | 3,736 |  | 2 |  | - |  | 3,738 |
| **At 31 December 2018 and** |  |  |  |  |  |  |  |  |  |  |
| **1 January 2019** |  | **-** |  | **30,066** |  | 7,013 |  | - |  | **37,079** |
| Depreciation charge for the year |  | 34 |  | 1,732 |  | 561 |  | - |  | 2,327 |
| Transfers |  | 113 |  | (113) |  | - |  | - |  | - |
| Disposals |  | - |  | (8,424) |  | (3,149) |  | - |  | (11,573) |
| **At 31 December 2019** |  | **147** |  | **23,261** |  | **4,425** |  | **-** |  | **27,833** |
|  |  |  |  |  |  |  |  |  |  |  |
| ***Net book value*** |  |  |  |  |  |  |  |  |  |  |
| **At 31 December 2018** |  | **-** |  | **8,558** |  | **1,435** |  | **6,949** |  | **16,942** |
| **At 31 December 2019** |  | **1,159** |  | **6,900** |  | **524** |  | **6,949** |  | **15,532** |

**15 Land leasehold right from related parties**

|  | Consolidated  financial statements | | |
| --- | --- | --- | --- |
|  | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | |
| Land leasehold right | 221,000 |  | 221,000 |
| *Less* Accumulated amortisation | (64,265) |  | (59,105) |
| **Net book value** | **156,735** |  | **161,895** |
| *Less* Undue rental expenses | (59,208) |  | (55,990) |
| **Total** | **97,527** |  | **105,905** |

Land leasehold right from related parties was advance rental fees that a subsidiary paid to two related companies under a land lease agreement with a term of 43 years, which matures on 30 June 2050.

Direct operating expense included in cost of rent and services as the following:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | 2019 | 2018 | 2019 | 2018 |
|  | *(in thousand Baht)* | | | |
| **Assets generate rental income** | **97,527** | **105,905** | **-** | **-** |

**16 Interest bearing liabilities**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated  financial statements** | | |  | **Separate  financial statements** | | |
|  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | | | | | |
| ***Current*** |  |  |  |  |  |  |  |
| Short-term loans from financial   institution | 1,370,000 |  | 520,000 |  | 1,370,000 |  | 520,000 |
| Short-term loans from related parties | 170,745 |  | **-** |  | 3,218,432 |  | 2,919,832 |
| Current portion of long-term loans | - |  | 522,869 |  | - |  | **-** |
| Current portion of debentures | 1,399,081 |  | - |  | 1,399,081 |  | **-** |
| **Total current interest -bearing   liabilities** | **2,939,826** |  | **1,042,869** |  | **5,987,513** |  | **3,439,832** |
|  |  |  |  |  |  |  |  |
| ***Non-current*** |  |  |  |  |  |  |  |
| Long-term loans from financial   institution | 2,531,906 |  | 3,322,044 |  | **-** |  | **-** |
| Long-term debentures | 2,446,330 |  | 3,842,061 |  | 2,446,330 |  | 3,842,061 |
| **Total non-current interest -  bearing liabilities** | **4,978,236** |  | **7,164,105** |  | **2,446,330** |  | **3,842,061** |
| **Total** | **7,918,062** |  | **8,206,974** |  | **8,433,843** |  | **7,281,893** |

The periods to maturity of interest-bearing liabilities, as at 31 December were as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | |  | **Separate** | | |
|  | financial statements | | |  | **financial statements** | | |
|  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | | | | | |
|  |  |  |  |  |  |  |  |
| Within one year | 2,939,826 |  | 1,042,869 |  | 5,987,513 |  | 3,439,832 |
| After one year but within five year | 4,978,236 |  | 7,164,105 |  | 2,446,330 |  | 3,842,061 |
| **Total** | **7,918,062** |  | **8,206,974** |  | **8,433,843** |  | **7,281,893** |
|  |  |  |  |  |  |  |  |

As at 31 December, secured loans of the Group were collateralised by the following assets:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | |  | **Separate** | | |
| ***Assets pledged as security for liabilities*** | financial statements | | |  | **financial statements** | | |
| ***as at 31 December*** | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(in million Baht)* | | | | | | |
|  |  |  |  |  |  |  |  |
| Project under development | 624 |  | 834 |  | 624 |  | 624 |
| Investment properties | 10,907 |  | 12,930 |  | 4,514 |  | 4,104 |
| Property plant and equipment | 403 |  | 387 |  | - |  | - |
| Land leasehold right | 98 |  | 106 |  | - |  | - |
| **Total** | **12,032** |  | **14,257** |  | **5,138** |  | **4,728** |

As at 31 December 2019 the Group had unutilised credit facilities totalling Baht 2,068 million *(2018: Baht 1,138 million).*

***Long-term loans from financial institutions***

In September 2010, the Group entered into a loan agreement within credit line not exceeding Baht 3,100 millions with financial institution. Such agreement stipulated the Group to repay the remaining principal within 3 years from 17 July 2019. As at 31 December 2019, the Group had utilised Baht 2,532 million *(2018: Baht 3,100 Baht)*.

***Debentures***

The Group’s debentures as at 31 December 2019 and 2018, were registered, unsubordinated, unsecured, with no debenture holders’ representative (except for the second to fifth series, which have a debenture holders’ representative) and no early redemption provisions. These debentures have a face value of Baht 1,000. At shareholders’ meetings of the Company, the shareholders approved the issuance and offer for sale of debt securities as follows:

1. In November 2015, the Group issued debentures with a maturity of 5 years amounting to Baht 100 million. Those debentures paid interest every quarter and due to maturity on 26 November 2020.
2. In September 2017, the Group issued debentures with a maturity of 3 years amounting to Baht 1,100 million. Those debentures paid interest every 6 months and due to maturity on 7 September 2020.
3. In November 2017, the Group issued debentures with a maturity of 3.5 years amounting to Baht 1,300 million. Those debentures paid interest every quarter and due to maturity on 9 May 2021.
4. In November 2017, the Group issued debentures with a maturity of 3 years amounting to Baht 200 million. Those debentures paid interest every 6 months and due to maturity on 9 November 2020.
5. In April 2018, the Group issued debentures with a maturity of 4 years amounting to Baht 1,150 million. Those debentures paid interest every quarter and due to maturity on 26 April 2022.

The conditions regarding loan agreements and the rights and obligations of the debenture issuer stipulate certain covenants which, among other things, require the Group to maintain debt-to-equity ratio at the rate described in the agreements.

At the annual general meeting of the shareholders of the Company held on 5 April 2019, the shareholders considered and approved the additional issuance of debenture in the amount not exceeding Bath 6,000 million. The debentures are secured and/or unsecured, unsubordinated and/or subordinated, callable and/or non-callable and convertible and/or non-convertible debentures with a fixed redemption date and/or without a fixed redemption date, in accordance with the Notification of the Securities and Exchange Commission or as to be amended and notified by the Securities and Exchange Commission.

**Effective interest rates and reprising / maturing analysis**

|  |  |  | **Consolidated financial statements** | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | The periods in which  those liabilities mature | | |  | | | |  | | |
|  | Effective |  |  |  | After one year but |  |  |  |  | | | |
|  | Interest rate |  | Within one year |  | Within five years |  | Book value |  | Fair value | | | |
|  | *(% per annum)* |  | *(in thousand baht)* | | | | | | | | | |
| ***As at 31 December 2019*** |  |  |  |  |  |  |  |  |  | | | |
| ***Financial liabilities*** |  |  |  |  |  |  |  |  |  | | | |
| Debentures | 4.8 - 5.1 |  | 1,399,081 |  | 2,446,330 |  | 3,845,411 |  | 3,904,650 | | | |
| Loan from financial institutions | 2.8 - 3.15 |  | 1,370,000 |  | 2,531,906 |  | 3,901,906 |  | 1,367,494 | | | |
| Loan from related parties | 2.98 |  | 170,745 |  | - |  | 170,745 |  | 170,745 | | | |
| **Total** |  |  | **2,939,826** |  | **4,978,236** |  | **7,918,062** |  | **5,442,889** | | | |
|  |  |  |  |  |  |  |  |  |  | |  |  |
| ***As at 31 December 2018*** |  |  |  |  |  |  |  |  |  | |  |  |
| ***Financial liabilities*** |  |  |  |  |  |  |  |  |  | |  |  |
| Debentures | 4.8 - 5.1 |  | - |  | 3,842,061 |  | 3,842,061 |  | 3,839,233 | | | |
| Loan from financial institutions | 3.7 - 4.31 |  | 1,042,862 |  | 3,322,044 |  | 4,364,913 |  | 1,078,893 | | | |
| **Total** |  |  | **1,042,862** |  | **7,164,105** |  | **8,206,974** |  | **4,918,126** | | | |

|  |  |  | **Separated financial statements** | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | The periods in which  those liabilities mature | | |  | | | |  | | |
|  | Effective |  |  |  | After one year but |  |  |  |  | | | |
|  | Interest rate |  | Within one year |  | Within five years |  | Book value |  | Fair value | | | |
|  | *(% per annum)* |  | *(in thousand Baht)* | | | | | | | | | |
| ***As at 31 December 2019*** |  |  |  |  |  |  |  |  |  | | | |
| ***Financial liabilities*** |  |  |  |  |  |  |  |  |  | | | |
| Debentures | 4.8 - 5.1 |  | 1,399,081 |  | 2,446,330 |  | 3,845,411 |  | 3,904,650 | | | |
| Loan from financial institutions | 2.8 - 3.15 |  | 1,370,000 |  | - |  | 1,370,000 |  | 1,367,494 | | | |
| Loan from related parties | 1.25 - 3.15 |  | 3,218,432 |  | - |  | 3,218,432 |  | 3,218,432 | | | |
| **Total** |  |  | **5,987,513** |  | **2,446,330** |  | **8,433,843** |  | **8,490,576** | | | |
|  |  |  |  |  |  |  |  |  |  | |  |  |
| ***As at 31 December 2018*** |  |  |  |  |  |  |  |  |  | |  |  |
| ***Financial liabilities*** |  |  |  |  |  |  |  |  |  | |  |  |
| Debentures | 4.8 - 5.1 |  | - |  | 3,842,061 |  | 3,842,061 |  | 3,839,233 | | | |
| Loan from financial institutions | 3.7 |  | 520,000 |  | - |  | 520,000 |  | 525,802 | | | |
| Loan from related parties | 5.75 |  | 2,919,832 |  | - |  | 2,919,832 |  | 2,919,832 | | | |
| **Total** |  |  | **3,439,832** |  | **3,842,061** |  | **7,281,893** |  | **7,284,867** | | | |

**17 Trade accounts payable**

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | | | | | |
| Related parties | 757 |  | 82,651 |  | 137,611 |  | 119,305 |
| Other parties | 255,006 |  | 263,996 |  | 23,853 |  | 38,812 |
| **Total** | **255,763** |  | **346,647** |  | **161,464** |  | **158,117** |

**18 Other payable**

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | | | | | |
| Accrued expense | 58,890 |  | 321,483 |  | 50,227 |  | 115,359 |
| Accrued interest expense | 39,660 |  | 41,493 |  | 39,183 |  | 38,727 |
| Advance received from sales of assets | 35,198 |  | 35,198 |  | 35,198 |  | 35,198 |
| Retentions | 9,371 |  | - |  | 1,829 |  | - |
| Others | 19,208 |  | 177,158 |  | 4,279 |  | 9,961 |
| **Total** | **162,327** |  | **575,332** |  | **130,716** |  | **199,245** |

**19 Non-current provisions for employee benefits**

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | | | | | |
| **Financial statement** |  |  |  |  |  |  |  |
| **Non-current provisions for employee**  **benefits** |  |  |  |  |  |  |  |
| Defined benefit plan | **19,473** |  | **17,627** |  | **17,239** |  | **15,969** |
|  |  |  |  |  |  |  |  |
| ***As at 31 December*** |  |  |  |  |  |  |  |
| **Statement of comprehensive income:** |  |  |  |  |  |  |  |
| **Recognised in profit or loss:** |  |  |  |  |  |  |  |
| Termination benefits |  |  |  |  |  |  |  |
| **Defined benefit plan** | **5,244** |  | **2,575** |  | **4,668** |  | **2,326** |

***Defined benefit plan***

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

| *Present value of the defined*  *benefit obligations* |  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  |  | *(in thousand Baht)* | | | | | | |
| At 1 January |  | 17,627 |  | 15,554 |  | 15,969 |  | 14,145 |
|  |  |  |  |  |  |  |  |  |
| **Include in profit or loss:** |  |  |  |  |  |  |  |  |
| Current service cost |  | 4,799 |  | 2,233 |  | 4,271 |  | 2,019 |
| Interest on obligation |  | 445 |  | 342 |  | 397 |  | 307 |
|  |  | 5,244 |  | 2,575 |  | 4,668 |  | 2,326 |
|  |  |  |  |  |  |  |  |  |
| Benefit paid |  | (3,398) |  | (502) |  | (3,398) |  | (502) |
|  |  |  |  |  |  |  |  |  |
| **At 31 December** |  | **19,473** |  | **17,627** |  | **17,239** |  | **15,969** |

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in 2019. As a result of this change, the provision for retirement benefits as well as past service cost recognised increased.

***Actuarial assumptions***

| ***Principal actuarial assumptions*** | **Consolidated and Separate**  financial statements | | |
| --- | --- | --- | --- |
|  | 2019 |  | 2018 |
|  | *(%)* | | |
| Discount rate | 2.3 - 2.8 |  | 2.3 - 2.8 |
| Future salary growth | 6.0 |  | 6.0 |
| Employee turnover (Depend on age range) | 1.0 - 35.0 |  | 1.0 - 35.0 |

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2019 and 2018 the weighted-average duration of the defined benefit obligation was 10 years

***Sensitivity analysis***

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant.

|  | Consolidated financial statements | | |  | Separate financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Effect to the defined benefit obligation*** | *(in thousand Baht)* | | | | | | |
|  | Increase |  | Decrease |  | Increase |  | Decrease |
| ***At 31 December 2019*** |  |  |  |  |  |  |  |
| Discount rate (0.5% Change) | (800) |  | 852 |  | (708) |  | 754 |
| Future salary growth (1% Change) | 1,938 |  | (1,831) |  | 1,714 |  | (1,622) |
| Employee turnover (10% Change) | (1,853) |  | 2,113 |  | (1,644) |  | 1,876 |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| ***At 31 December 2018*** |  |  |  |  |  |  |  |
| Discount rate (0.5% Change) | (656) |  | 698 |  | (580) |  | 618 |
| Future salary growth (1% Change) | 1,408 |  | (1,334) |  | 1,244 |  | (1,180) |
| Employee turnover (10% Change) | (1,340) |  | 1,515 |  | (1,188) |  | 1,343 |

**20 Share capital**

|  | Par value | 2019 | | |  | 2018 | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | per share | Number |  | Baht |  | | Number |  | Baht |
|  | *(in Baht)* | *(thousand shares /thousand Baht)* | | | | | | | |
| ***Authorised*** |  |  |  |  |  |  | |  |  |
| As at 1 January |  |  |  |  |  |  | |  |  |
| - ordinary shares | 1 | 6,535,484 |  | 6,535,484 |  | 6,535,484 | |  | 6,535,484 |
| **At 31 December** |  |  |  |  |  |  | |  |  |
| **- ordinary shares** | 1 | **6,535,484** |  | **6,535,484** |  | **6,535,484** | |  | **6,535,484** |
| ***Issued and paid-up shares*** |  |  |  |  |  |  | |  |  |
| At 1 January |  |  |  |  |  |  | |  |  |
| - ordinary shares | 1 | 6,499,830 |  | 6,499,830 |  | 5,951,449 | |  | 5,951,449 |
| Increase of new shares | 1 | - |  | - |  | 548,381 | |  | 548,381 |
| **At 31 December** |  |  |  |  |  |  | |  |  |
| **- ordinary shares** | 1 | **6,499,830** |  | **6,499,830** |  | **6,499,830** | |  | **6,499,830** |

In 2018, the increase of Baht 548,380,610 is the result of the exercise of warrant No.4 (GLAND-W4) in June 2018. On 12 July 2018, the Company registered the increase in its issued and fully paid share capital to Baht 6,499,829,661 with the Ministry of Commerce.

In the preparation of the consolidated financial statements for a reverse acquisition (which occurred in 2009), for which Grand Canal Land Public Company Limited is the legal parent company (accounting acquiree) and Belle Development Ltd. and Praram 9 Square Ltd. are the legal subsidiaries (accounting acquirers), equity interests, as presented in the consolidated financial statements, represent the sum of the issued equity interests of the legal subsidiaries (accounting acquirers) outstanding before the business combination, the cost of business combination and the equity interests of the legal parent company (accounting acquiree) issued after the business combination. The details are as follows:

|  | 2019 |  | 2018 |
| --- | --- | --- | --- |
|  | *(in thousand Baht)* | | |
| **Issued equity interests of the legal subsidiaries (net of non-**  **controlling interests due to business combination)** |  |  |  |
| Issued equity interests of the legal subsidiaries as at the  acquisition date |  |  |  |
| - Belle Development Co., Ltd. | 1,621,967 |  | 1,621,967 |
| - Praram 9 Square Co., Ltd. | 781,250 |  | 781,250 |
|  | **2,403,217** |  | **2,403,217** |
| Change of issued equity interests of the legal subsidiaries  from the acquisition date |  |  |  |
| - Praram 9 Square Co., Ltd. | (312,500) |  | (312,500) |
| **Total** | **2,090,717** |  | **2,090,717** |

|  |  |  |  |
| --- | --- | --- | --- |
|  | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | |
| **Cost of business combination** |  |  |  |
| Cost of business combination as at the acquisition date | 1,611,416 |  | 1,611,416 |
| Change of accounting acquirer’s equity from the acquisition date | (271,617) |  | (271,617) |
| **Total** | **1,339,799** |  | **1,339,799** |

|  |  |  |  |
| --- | --- | --- | --- |
| Adjustment to present assets purchased under common  control at book value | (423,185) |  | (423,185) |
| **Equity interests of the legal parent company issued after** |  |  |  |
| **the reverse acquisition date** |  |  |  |
| * Share capital issued during the year | - |  | 548,381 |
| * Share capital issued during 2010 - 2018 | 3,519,566 |  | 2,971,185 |
| * Increase in share premium due to share issue in 2011 - 2014 | 952,732 |  | 952,732 |
| **Total** | **4,472,298** |  | **4,472,298** |
| **Equity interests in the consolidated financial statements** | **7,479,629** |  | **7,479,629** |

The above transactions are presented as follows in the consolidated financial statements to reflect the equity structure of the Company which is the legal parent company:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2019** |  | **2018** |
|  | *(in thousand Baht)* | | |
| Issued and fully paid share capital | 6,499,830 |  | 6,499,830 |
| Share premium | 1,532,321 |  | 1,532,321 |
| Adjustment to present1 asset1s purchased under common control  at bock value | (423,185) |  | (423,185) |
| Adjustment of equity interest under reverse acquisition | (129,337) |  | (129,337) |
| **Total** | **7,479,629** |  | **7,479,629** |

In June 2018, 546,195,935 warrants (GLAND-W4) were exercised. The Company has issued ordinary shares to support the exercise of these warrants.

The last exercise date of warrants (GLAND-W4) was on 30 June 2018, and 1,052,887 warrants (GLAND-W4) expired without being exercised. As a result, as at 31 December 2018, there were no outstanding unexercised warrants.

***Share premium***

Section 51 of the Public Companies Act B.E. 1992 requires companies to set aside share subscription money received in excess of the par value of the shares issued as a reserve account (“share premium”). Share premium is not available for dividend distribution.

***Reserves***

***Appropriations of profit and/or retained earnings***

**Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

**21 Segment information and disaggregation of revenue**

The Group’s operations and main revenue streams are described in the last annual financial statements. The Group’s main revenue is derived from contracts with customers.

*Geographical segments*

The Company operates real estate for sale business and real estate for rental and service business principally in Thailand.

*Business segments*

The Company and its subsidiaries have 2 reportable segments, which are real estate for sale business, consisting of land and house projects and residential condominium projects, and real estate for rental and service business, consisting of office building for rent project.

Management considers that the Company operates in a single line of business, namely real estate for rental and service business, and has, therefore, only one reportable segment.

Management considers the Company’s timing of revenue recognition which is mainly recognised overtime.

Segment information disclosures with disaggregation of revenue and timing of revenue recognition as follow:

|  | **Real estate for sale business** | | |  | **Real estate for rental and service business** | | |  | **Total** | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Year ended 31 December*** | 2019 |  | 2018 |  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | | | | | | | | | |
| ***Information about***  ***reportable segments*** |  | | | | | | | | | | |
| External revenues | 328,028 |  | 273,734 |  | 1,262,491 |  | 1,217,550 |  | 1,590,519 |  | 1,491,284 |
| Inter-segment revenue | - |  | - |  | 90,123 |  | 50,489 |  | 90,123 |  | 50,489 |
| **Total revenue** | **328,028** |  | **273,734** |  | **1,352,614** |  | **1,268,039** |  | **1,680,642** |  | **1,541,773** |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Interest income | 132,594 |  | 261,155 |  | 124 |  | 434 |  | 132,718 |  | 261,589 |
| Finance costs | 273,958 |  | 352,214 |  | 7,204 |  | 26,025 |  | 281,162 |  | 378,239 |
| Depreciation and  amortisation | 11,117 |  | 7,923 |  | 5,400 |  | 6,318 |  | 16,517 |  | 14,241 |
| Capital expenditure | 474 |  | 185 |  | 19,657 |  | 353,957 |  | 20,131 |  | 354,142 |
| Profit before income tax expense | 215,706 |  | 200,665 |  | 1,099,698 |  | 862,387 |  | 1,315,404 |  | 1,063,052 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Timing of revenue recognition** |  |  |  |  |  |  |  |  |  |  |  |
| At a point in time | 328,028 |  | 273,734 |  | - |  | - |  | 328,028 |  | 273,734 |
| Over time | - |  | - |  | 1,262,491 |  | 1,217,550 |  | 1,262,491 |  | 1,217,550 |
| **Total revenue** | **328,028** |  | **273,734** |  | **1,262,491** |  | **1,217,550** |  | **1,590,519** |  | **1,491,284** |
|  |  |  |  |  |  |  |  |  |  |  |  |

|  | 2019 |  | 2018 |
| --- | --- | --- | --- |
|  | *(in thousand Baht)* | | |
| **Profit or loss** |  |  |  |
| Total revenue from reportable segments | 1,315,404 |  | 1,052,354 |
| Other revenue | 333,630 |  | 289,473 |
|  | 1,649,034 |  | 1,341,827 |
| Elimination of inter-segment revenue | (90,123) |  | (50,489) |
| Unallocated amounts: |  |  |  |
| Gain on changes in fair value of investment properties | 713,477 |  | 277,045 |
| Other expenses | (593,095) |  | (668,834) |
| Share of profit (loss) of associates and joint venture | 66,417 |  | (171,909) |
| **Total profit before tax** | **1,745,710** |  | **727,640** |

***Major customer***

In 2019, the Group has revenue from major customer is GLAND Office Leasehold Real Estate Investment Trust Associate approximately Baht 234 million *(2018: Baht 225 million)* and Baht 164 million *(2018: Baht 105 million)* in the separate financial statements from office building for rent.

***Balance of contract liability***

Major changes of contract liability during the year are as follows.

|  | Consolidated  financial statements | | |
| --- | --- | --- | --- |
|  | contract liability | | |
|  | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | |
| At 1 January | (16,944) |  | (27,284) |
| Recognised as revenue during the year | 84,199 |  | 107,249 |
| Advance received | (80,055) |  | (96,909) |
| **At 31 December** | **(12,800)** |  | **(16,944)** |

**22 Other income**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
|  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | | | | | |
| Reversal of the prior year accrued property tax | 162,453 |  | - |  | 60,433 |  | - |
| Compensation | 30,114 |  | - |  | 2,246 |  | - |
| Gain from sale assets | 1,889 |  | - |  | 634 |  | - |
| Others | 6,457 |  | 14,696 |  | 1,121 |  | 20,274 |
| **Total** | **200,913** |  | **14,696** |  | **64,434** |  | **20,274** |

**23 Employee benefit expenses**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
|  |  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  |  | *(in thousand Baht)* | | | | | | |
| Wages and salaries |  | 134,542 |  | 150,415 |  | 57,551 |  | 135,587 |
| Defined benefit plans |  | 5,244 |  | 2,575 |  | 4,668 |  | 2,326 |
| Defined contribution plans |  | 2,886 |  | 5,266 |  | 2,630 |  | 4,737 |
| Other welfares |  | 29,186 |  | 3,189 |  | 22,941 |  | 2,967 |
| **Total** |  | **171,858** |  | **161,445** |  | **87,790** |  | **145,617** |

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 10% of their basic salaries and by the Group at rates ranging from 3% to 10% of the employees’ basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

**24 Expenses by nature**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
|  |  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  |  | *(in thousand Baht)* | | | | | | |
| Finance costs |  | 281,162 |  | 378,239 |  | 251,492 |  | 295,608 |
| Salaries, wages and other employee  benefit expenses |  | 171,858 |  | 161,445 |  | 87,791 |  | 145,617 |
| Utility expenses |  | 169,012 |  | 140,180 |  | 11,580 |  | 16,293 |
| Cost of sale of real estate |  | 112,322 |  | 73,069 |  | - |  | - |
| Consulting and other fees |  | 100,606 |  | 26,125 |  | 75,604 |  | 16,262 |
| Rental expenses |  | 27,247 |  | 31,412 |  | 16,913 |  | 26,181 |
| Maintenances and repairments |  | 21,959 |  | 8,421 |  | 5,386 |  | 4,662 |
| Depreciation and amortisation |  | 11,378 |  | 14,241 |  | 3,148 |  | 4,051 |
| Advertising expenses |  | 8,419 |  | 40,656 |  | 492 |  | 5,790 |
| (Write off) doubtful debt |  | (7,081) |  | 1,986 |  | (5,738) |  | 1,016 |
| Others |  | 61,451 |  | 269,292 |  | 2,203 |  | 52,067 |
| **Total** |  | **958,333** |  | **1,145,066** |  | **448,870** |  | **567,547** |

**25 Finance costs**

|  |  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  |  | *(in thousand Baht)* | | | | | | |
| Interest expense |  | 369,008 |  | 430,170 |  | 247,751 |  | 291,222 |
| Financial institutions and |  |  |  |  |  |  |  |  |
| institutional investors |  | 8,218 |  | 4,386 |  | 3,741 |  | 4,386 |
| **Total finance costs** |  | **377,226** |  | **434,556** |  | **251,492** |  | **295,608** |
|  |  |  |  |  |  |  |  |  |
| *Less*: amounts included in the cost of assets: |  |  |  |  |  |  |  |  |
| Real estate projects under development |  | (25,362) |  | - |  | - |  | - |
| Investment properties |  | (70,702) |  | (56,317) |  | - |  | - |
|  |  | **(96,064)** |  | **(56,317)** |  | - |  | - |
| **Net** |  | **281,162** |  | **378,239** |  | **251,492** |  | **295,608** |

**26 Income tax**

**Income tax recognised in profit or loss**

|  |  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  |  | *(in thousand Baht)* | | | | | | |
| **Current tax expense** |  |  |  |  |  |  |  |  |
| Current year |  | 115,559 |  | 61,725 |  | 8,278 |  | 2,080 |
| **Deferred tax expense** |  |  |  |  |  |  |  |  |
| Movements in temporary differences |  | 276,030 |  | 158,576 |  | 62,225 |  | 67,678 |
|  |  | **391,589** |  | **220,301** |  | **70,503** |  | **69,758** |

***Reconciliation of effective tax rate***

|  | **Consolidated financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2019 | | |  | 2018 | | |
|  | *Rate*  *(%)* |  | *(in thousand Baht)* |  | *Rate*  *(%)* |  | *(in thousand Baht)* |
| Profit before income tax expense |  |  | 1,745,711 |  |  |  | 727,640 |
| Income tax using the Thai corporation tax rate | *20* |  | 349,142 |  | *20* |  | 145,528 |
| Income tax reduction - current |  |  | (77) |  |  |  | (85) |
| Expenses not deductible for tax purposes |  |  | 24,761 |  |  |  | 46,977 |
| Under (over) provided in prior years |  |  | (85) |  |  |  | 8,045 |
| Income tax reduction - deferred |  |  | 16,399 |  |  |  | 13,763 |
| Recognition of previously unrecognised tax losses |  |  | 1,449 |  |  |  | 5,661 |
| Others |  |  | - |  |  |  | 412 |
| **Total** | *22* |  | **391,589** |  | *30* |  | **220,301** |

|  | **Separate financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2019 | | |  | 2018 | | |
|  | *Rate*  *(%)* |  | *(in thousand Baht)* |  | *Rate*  *(%)* |  | *(in million Baht)* |
| Profit before income tax expense |  |  | 392,001 |  |  |  | 242,236 |
| Income tax using the Thai corporation tax rate | *20* |  | 78,400 |  | *20* |  | 48,447 |
| Income not subject to tax |  |  | (10,598) |  |  |  | - |
| Income tax reduction - deferred |  |  | 1,079 |  |  |  | 16,372 |
| Under (over) provided in prior years |  |  | (221) |  |  |  | 2,080 |
| Income tax reduction - current |  |  | (77) |  |  |  | (82) |
| Expenses not deductible for tax purposes |  |  | 1,920 |  |  |  | 2,529 |
| Others |  |  | - |  |  |  | 412 |
| **Total** | *18* |  | **70,503** |  | *29* |  | **69,758** |

|  | **Consolidated financial statements** | | |  | **Separate financial statements** | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***At 31 December*** | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | | | | | |
| Deferred income tax assets | 19,374 |  | 35,726 |  | - |  | - |
| Deferred income tax liabilities | (1,410,583) |  | (1,150,905) |  | (870,535) |  | (808,309) |
|  | **(1,391,209)** |  | **(1,115,179)** |  | **(870,535)** |  | **(808,309)** |

Movement of deferred tax assets and liabilities during the year as follows

|  | **Consolidated financial statements** | | | | |
| --- | --- | --- | --- | --- | --- |
|  |  |  | (Charged) / credited to: |  |  |
|  | At 1 |  |  |  | At 31 |
|  | January |  | Profit or |  | December |
|  | 2019 |  | loss |  | 2019 |
|  | *(in thousand Baht)* | | | | |
| ***Deferred tax assets*** |  |  |  |  |  |
| Real estate projects under development | 3,285 |  | (242) |  | 3,043 |
| Gain on sales of assets to related party | 577 |  | - |  | 577 |
| Advance service income | 3,992 |  | 914 |  | 4,906 |
| Provisions for employee benefits | 139 |  | 369 |  | 508 |
| Revenue and expense recognitions of real estate  business | 8,786 |  | (6,990) |  | 1,796 |
| Loss carry forward | 51,203 |  | (25,083) |  | 26,120 |
| **Total** | **67,982** |  | **(31,032)** |  | **36,950** |
|  |  |  |  |  |  |
| ***Deferred tax liabilities*** |  |  |  |  |  |
| Deferred debenture issuing costs | (1,588) |  | 670 |  | (918) |
| Value of investment properties | (1,181,573) |  | (245,668) |  | (1,427,241) |
| **Total** | **(1,183,161)** |  | **(244,998)** |  | **(1,428,159)** |
|  |  |  |  |  |  |
| **Net** | **(1,115,179)** |  | **(276,030)** |  | **(1,391,209)** |

|  | **Consolidated financial statements** | | | | |
| --- | --- | --- | --- | --- | --- |
|  |  |  | (Charged) / credited to: |  |  |
|  | At 1 |  |  |  | At 31 |
|  | January |  | Profit or |  | December |
|  | 2018 |  | loss |  | 2018 |
|  | *(in thousand Baht)* | | | | |
| ***Deferred tax assets*** |  |  |  |  |  |
| Allowance for doubtful accounts | 12,205 |  | (12,205) |  | - |
| Allowance for diminution in value of project |  |  |  |  |  |
| development costs | 7,339 |  | (4,054) |  | 3,285 |
| Value of property, plant and equipment | 327 |  | 250 |  | **577** |
| Advance service income | 3,086 |  | 906 |  | 3,992 |
| Provisions for employee benefits | 2,918 |  | (2,779) |  | 139 |
| Revenue and expense recognitions of real estate  business | 4,066 |  | 4,720 |  | 8,786 |
| Loss carry forward | 89,091 |  | (37,888) |  | 51,203 |
| **Total** | **119,032** |  | **(51,050)** |  | **67,982** |
| ***Deferred tax liabilities*** |  |  |  |  |  |
| Deferred debenture issuing costs | (1,572) |  | (16) |  | (1,588) |
| Value of investment properties | (1,074,063) |  | (107,510) |  | (1,181,573) |
| **Total** | **(1,075,635)** |  | **(107,526)** |  | **(1,183,161)** |
|  |  |  |  |  |  |
| **Net** | **(956,603)** |  | **(158,576)** |  | **(1,115,179)** |

|  | **Separate financial statements** | | | | |
| --- | --- | --- | --- | --- | --- |
|  |  |  | (Charged) / credited to: |  |  |
|  | At 1 |  |  |  | At 31 |
|  | January |  | Profit or |  | December |
|  | 2019 |  | loss |  | 2019 |
|  | *(in thousand Baht)* | | | | |
| ***Deferred tax assets*** |  |  |  |  |  |
| Provisions for employee benefits | - |  | 254 |  | 254 |
| Loss carry forward | 19,013 |  | (19,013) |  | - |
| **Total** | **19,013** |  | **(18,759)** |  | **254** |
|  |  |  |  |  |  |
| ***Deferred tax liabilities*** |  |  |  |  |  |
| Deferred debenture issuing costs | (1,588) |  | 670 |  | (918) |
| Value of investment properties | (825,735) |  | (44,136) |  | (869,871) |
| **Total** | **(827,323)** |  | **(43,466)** |  | **(870,789)** |
|  |  |  |  |  |  |
| **Net** | **(808,310)** |  | **(62,225)** |  | **(870,535)** |

|  | **Separate financial statements** | | | | |
| --- | --- | --- | --- | --- | --- |
|  |  |  | (Charged) / credited to: |  |  |
|  | At 1 |  |  |  | At 31 |
|  | January |  | Profit or |  | December |
|  | 2018 |  | loss |  | 2018 |
|  | *(in thousand Baht)* | | | | |
| ***Deferred tax assets*** |  |  |  |  |  |
| Allowance for doubtful accounts | 12,205 |  | (12,205) |  | - |
| Provisions for employee benefits | 2,829 |  | (2,829) |  | - |
| Allowance for diminution in value of project | 3,054 |  | (3,054) |  | - |
| development costs | **327** |  | (327) |  | - |
| Value of property, plant and equipment | - |  | 19,013 |  | 19,013 |
| **Total** | **18,415** |  | **598** |  | **19,013** |
|  |  |  |  |  |  |
| ***Deferred tax liabilities*** |  |  |  |  |  |
| Deferred debenture issuing costs | (1,572) |  | (16) |  | (1,588) |
| Value of investment properties | (757,475) |  | (68,260) |  | (825,735) |
| **Total** | **(759,047)** |  | **(68,276)** |  | **(827,323)** |
|  |  |  |  |  |  |
| **Net** | **(740,632)** |  | **(67,678)** |  | **(808,310)** |

As at 31 December 2019, the Group has deductible temporary differences and tax losses totaling Baht 18 million *(2018: Baht 30 million)*, on which deferred tax assets have not been recognised as the management believes that they might not be used to offsets taxable income in the future.

As at 31 December 2019, the Company’s unused tax losses totaling Baht 92 million *(2018: Baht 151 million),* on which deferred tax assets have not been recognised, will expire by 2023.

**27 Earnings per share**

Basic earnings per share for the year ended 31 December 2019 and 2018 are calculated from the profit for the year attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the year as below calculation:

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(in thousand Baht / thousand shares)* | | | | | | |
| **Profit (loss) attributable to ordinary shareholders of the Company (basic)** | **1,253,845** |  | **432,554** |  | **321,498** |  | **172,478** |
|  |  |  |  |  |  |  |  |
| **Number of ordinary shares outstanding** | **6,499,830** |  | **6,227,893** |  | **6,499,830** |  | **6,227,893** |
|  |  |  |  |  |  |  |  |
| **Earnings per share (basic) *(in Baht)*** | **0.193** |  | **0.069** |  | **0.049** |  | **0.028** |

***Diluted earnings per share***

Diluted earnings per share for the year ended 31 December 2018 is calculated from the profit for the year attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the year after adjusted effects from diluted share as below:

|  | Consolidated  financial statements |  | Separate  financial statements |
| --- | --- | --- | --- |
|  |  |  |  |
| ***For the year ended 31 December*** | 2018 |  | 2018 |
|  | *(in thousand Baht)* | | |
| **Profit attributable to ordinary shareholders of the Company (diluted)** | **432,554** |  | **172,478** |
|  |  |  |  |
| Profit of ordinary shareholders assuming |  |  |  |
| the conversion dilutive potential ordinary shares | 6,227,893 |  | 6,227,893 |
| Warrants | 173,625 |  | 173,625 |
| Weighted average number of ordinary shares (dilute) | 6,401,518 |  | 6,401,518 |
| **Earnings per share (diluted) *(in Baht)*** | **0.068** |  | **0.027** |

**28 Dividends**

The shareholders of the Company have approved dividends as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Approval date by shareholders meeting | Payment schedule | Dividend rate per share |  | Amount |
|  |  |  | *(Baht)* |  | *(in thousand Baht)* |
| 2018 |  |  |  |  |  |
| Annual dividend for 2017 | 23 April 2018 | May 2018 | 0.10 |  | 595,140 |

**29 Financial instruments**

***Financial risk management policies***

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

***Capital management***

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

***Interest rate risk***

The Company’s and its subsidiaries’ exposure to interest rate risk related primarily to cash at banks, loans and short-term and long-term borrowings. However, most of the Company and its subsidiaries’ financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The effective interest rate of the interest-bearing financial assets and liabilities as of 31 December and the maturity date as disclosed in the notes to the financial statements as follow;

Note 4 Related parties

Note 16 Interest-bearing liabilities

***Credit risk***

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade receivables, loans and other receivables. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade receivables, loans and other receivables as stated in the statement of financial position.

***Liquidity risk***

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

***Carrying amount and fair values***

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

|  | **Consolidated financial statements** | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Carrying  amount |  | Fair value | | | | | | |
|  |  |  | Level 1 |  | Level 2 |  | Level 3 |  | Total |
|  | *(in thousand Baht)* | | | | | | | | |
| **31 December 2019** |  | | | | | | | | |
| ***Financial assets and financial liabilities measured at fair value*** | 22,109 |  | *-* |  |  |  | 22,109 |  | 22,109 |
| Investment property |  |  |  |  |  |  |  |  |  |
| ***Financial assets and financial liabilities not measured at fair value*** |  |  |  |  |  |  |  |  |  |
| Debentures | 3,845 |  | - |  | 3,903 |  | - |  | 3,903 |
|  |  |  |  |  |  |  |  |  |  |
| **31 December 2018** |  |  |  |  |  |  |  |  |  |
| ***Financial assets and financial liabilities measured at fair value*** |  |  |  |  |  |  |  |  |  |
| Investment property | 21,445 |  | - |  |  |  | 21,445 |  | 21,445 |
| ***Financial assets and financial liabilities not measured at fair value*** |  |  |  |  |  |  |  |  |  |
| Debentures | 3,842 |  | - |  | 3,839 |  | - |  | 3,839 |
|  |  |  |  |  |  |  |  |  |  |

|  | **Separate financial statements** | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Carrying  amount |  | Fair value | | | | | | |
|  |  |  | Level 1 |  | Level 2 |  | Level 3 |  | Total |
|  | *(in thousand Baht)* | | | | | | | | |
| **31 December 2019** |  |  |  |  |  |  |  |  |  |
| ***Assets measured at fair value*** | 10,383 |  | - |  | - |  | 10,383 |  | 10,383 |
| ***Financial assets and financial liabilities not measured at fair value*** |  |  |  |  |  |  |  |  |  |
| Debentures | 3,845 |  | - |  | 3,903 |  | - |  | 3,903 |
|  |  |  |  |  |  |  |  |  |  |
| **31 December 2018** |  |  |  |  |  |  |  |  |  |
| ***Assets t*** |  |  |  |  |  |  |  |  |  |
| Investment property | 10,267 |  | - |  | - |  | 10,267 |  | 10,267 |
| ***Financial liabilities not measured at fair value*** |  |  |  |  |  |  |  |  |  |
| Debentures | 3,842 |  | - |  | 3,839 |  | - |  | 3,839 |

The Group and the Company have not disclosed the fair value of financial instruments, such as trade accounts receivable, other receivables, loans to related parties, trade accounts payable, other payables, Contractor payables, loans from related parties, leasehold payables, deposit received, advance income is taken to approximate the carrying value due to the relatively short-term maturity of these financial instruments.

**30 Commitments with non-related parties**

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | | | | | |
| ***Contracted but not provided for:*** |  |  |  |  |  |  |  |
| Building and utility system | **95,459** |  | **209,922** |  | **4,368** |  | **71,850** |
|  |  |  |  |  |  |  |  |
| ***Future minimum lease payments under***  ***non-cancellable operating leases*** |  |  |  |  |  |  |  |
| Within 1 year | 1,860 |  | 1,860 |  | - |  | - |
| 1 - 5 years | 7,810 |  | 7,810 |  | - |  | - |
| After 5 years | 7,987 |  | 10,033 |  | - |  | - |
| **Total** | **17,657** |  | **19,703** |  | **-** |  | **-** |
|  |  |  |  |  |  |  |  |
| ***Other commitments*** |  |  |  |  |  |  |  |
| Real estate projects under development contract | 89,497 |  | 31,006 |  | - |  | - |
| Services contract | 156,256 |  | 47,467 |  | 54,884 |  | 6,922 |
| **Total** | **245,753** |  | **78,473** |  | **54,884** |  | **6,922** |

***Others***

As at 31 December 2019

1. The Company has provided guarantees to a subsidiary of Baht 1,960 million for the long-term loans and bank overdrafts obtained by a subsidiary.
2. The Group and the Company have outstanding bank guarantees of approximately Baht 50 million and Baht 8 million, respectively issued by the banks in respect of certain performance in the normal course of businesses.
3. **Litigations**
4. 1. During 2015, Bay Water Company Limited (“**Associated Company**”) was received the title of Bangkok Dome Project by winning the public auction at the price of 7,350 million Thai Baht. After that the debtor has won the bankruptcy compulsory auction and requested the court to revoke 3 public auction cases which value 350 million Thai Baht. In this regard, the Supreme Court has dismissed 2 petition pleas of debtor and creditor. Therefore, there are 2 remaining cases, the debtor and unsecured creditor have filed a plea to the Central Bankruptcy Court (“**Court**”) requesting the Court to revoke the public auction that the Associated Company has won and to suspend the compulsory execution during trial of such revocation. Giving the reason that the official receiver sold the property to the Associated Company at the price that is much lower than the current market price. The Court directed to hold the case in abeyance and staying the execution pending the Supreme Court's decision in other relevant case. In which the Supreme Court has completed the decision of other cases, this case has been returned to the trial again.

On 8 November 2018, the Court dismissed the plea.

On December 26, 2018, the 1st applicant filed an appeal against the lower court decision and the Central Bankruptcy Court directed to forward the case to the Court of Appeal for Specialized Cases for further decision. Meanwhile the 2nd and 3rd applicants were allowed for the time extension to file an appeal until February 8, 2019.

January 23, 2019, the 1st applicant filed the request to withdraw an appeal while the 2nd and 3rd applicants waived their right to appeal. This case is closed, and the Central Bankruptcy Court has issued the final disposition on March 2019.

2. During 2017, the Associated Company was being sued in a civil lawsuit by an individual person who request the Associated Company to register use of the entrance as a prescriptive servitude or as the public road. In March 2018, the Civil Court dismissed such request and the Appeal Court affirmed the Civil Court decision. However, such individual person has the right to make a final appeal to the Supreme Court.

3. During the year 2017, the Associated Company was being sued in a civil lawsuit by an individual person on the ground of alleged encroachment, mischief and burglary whereby the Criminal Court dismissed the plea in 2016. Therefore, in 2017, the individual person has filed the request for the time extension to appeal and the Appeal Court allowed. In April 2017, the Associated Company filed the objection and the Appeal Court sustained the decision of the case dismissal in February 2020. However, such individual person has the right to make a final appeal to the Supreme Court.

B) During 2015, the Associated Company was being sued in a civil lawsuit by a juristic person (“**Complainant**”) requesting the compensation under the lease and service agreements in the approximately amount of 193.2 million baht. The Appeal Court directed that no compensation be made this case but to return the rental and service deposit including the interest totaling approximately 2.7 million baht to the Complainant. However, the Associated Company and the Complainant filed an appeal to the Supreme Court in 2017. Therefore, the Supreme Court sustained the Appeal Court’s decision in April 2019. In this regard, the outcome of the case has no significant impact on the overall financial statements. The Associated Company has returned the rental and service deposit including the interest totaling approximately 2.7 million baht to the Complainant. The case is closed.

C) During 2018, the Subsidiary Company was being sued in a civil lawsuit by a juristic person (“Complainant”) requesting the damages resulting from a breach of contract in the amount of approximately 201.8 million Thai Baht. Therefore, both parties have reached the settlement agreement at the court in September 2019. The case is closed.

**32 Events after the reporting period**

On 13 February 2020, the Board of Directors meeting of the REIT manager held approved

* the distribution of benefit from the result of operation from 1 October 2019 to 31 December 2019 to the Trust unitholders at Baht 0.2078 per unit, amounting to Baht 103.85 million. The benefit will be paid to the Trust unitholders on 12 March 2020.
* the distribution of benefit from the disposal of the assets of the Trust to the Trust unitholders at   
  Baht 3.9040 per unit, amounting to Baht 1,951.10 million. The benefit will be paid to the Trust unitholders on 12 March 2020.
* the paid-up capital reduction of the Trust at the unit trusts of Bath 9.1200 per unit, amounting to Baht 4,557.89 million. The benefit will be paid to the Trust unitholders on ss12 March 2020.
* to set the date to determine the list of GLANDRT’s trust unitholders eligible to subscribe to CPNREIT’s Additional Trust Units (to post XB sign) on 25 February 2020, and set the book closing date to determine the rights of GLANDRT’s trust unitholders eligible to subscribe to Additional Trust Units on 27 February 2020.

**33 Thai Financial Reporting Standards (TFRS) not yet adopted**

# New and revised TFRS, which are relevant to the Group’s operations, expected to have material impact on the consolidated and separate financial statements when initially adopted, and will become effective for the financial statements in annual reporting periods beginning on or after 1 January 2020, are as follows:

| **TFRS** | **Topic** |
| --- | --- |
| TFRS 7\* | Financial Instruments: Disclosures |
| TFRS 9\* | Financial Instruments |
| TFRS 16 | Leases |
| TAS 32\* | Financial Instruments: Presentation |

*\* TFRS - Financial instruments standards*

* 1. ***TFRS - Financial instruments standards***

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRS are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The Group has made an assessment of the potential impact of adopting and initially applying    TFRS - Financial instruments standards on the consolidated and separate financial statements and there will be no material impact on the consolidated and separate financial statements in the period of initial application.

* 1. ***TFRS 16 Leases***

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability, with recognition exemptions for short-term leases and leases of low-value items. As a result, the Group will recognise new assets and liabilities for its operating leases. Lease accounting for lessor remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Management is currently considering the potential impact from these TFRS on the financial statements in the initial period adopted.

# 34 Reclassification of accounts

Certain accounts in the 2018 financial statements have been reclassified to conform to the presentation in the 2019 financial statements. The reclassification of these items is in accordance with the change in accounting policy. As a result of the adoption of the revised financial reporting standards as disclosed in Note 2. In addition, no other significant classification has been made.

|  | **2018** | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidation** | | | | |  | **Separate** | | | | |
|  | Before  reclass |  | Reclass |  | After  reclass |  | Before  reclass |  | Reclass |  | After  reclass |
|  | *(in thousand Baht)* | | | | | | | | | | |
| ***Statement of financial position*** | | | | | |  |  |  |  |  |  |
| Trade and other receivables | 301,681 |  | (301,681) |  | - |  | 421,210 | (421,210) | |  | - |
| Trade accounts receivable | - |  | 74,476 |  | 74,476 |  | - |  | 63,301 |  | 63,301 |
| Other receivables | - |  | 255,313 |  | 255,313 |  | - |  | 161,494 |  | 161,494 |
| Short-term loans to related parties | - |  | - |  | - | 1,280,000 | |  | 72,153 | 1,352,153 | |
| Advance payment to contractors | 28,107 |  | (28,107) |  | - |  | 45 |  | (45) |  | - |
| Long-term loans to related parties | 4,303,192 |  | (129,957) | 4,173,235 | | 4,583,000 | | 124,306 | | 4,707,306‬ | |
| Other non-current assets | 27,433 |  | 129,957 |  | 157,390 |  | - |  | - |  | - |
| Trade and other payables | 1,332,177 | (1,332,177) | |  | - |  | 437,552 | (437,552) | |  | - |
|  |  |  | |  |  |  |  |  | |  |  |
| Trade accounts payable | - |  | 346,647 |  | 346,647 |  | - | 158,117 | |  | 158,117 |
| Other payables | - |  | 575,331 |  | 575,331 |  | - | 199,246 | |  | 199,246 |
| Short-term loans from  financial institutions | - |  | - |  | - | 2,860,000 | |  | 59,833 | 2,919,833 | |
| Current portion of advance rental and service income |  |  |  |  |  |  |  |  |  |  |  |
| from customers | 223,645 |  | 6,456 |  | 230,101 |  | 148,707 |  | 6,456 |  | 155,163 |
| Contractor payables | - |  | 406,526 |  | 406,526 |  | - |  | 16,472 |  | 16,472 |
| Other current liabilities | 25,133 |  | (2,784) |  | 22,349 |  | 16,332 |  | (2,571) |  | 13,761 |
| Other non-current liabilities | 232,751 |  | (230,611) |  | 2,140 |  | 17,349 |  | (15,209) |  | 2,140 |
| Rental and service retention | - |  | 230,611 |  | 230,611 |  | - |  | 15,209 |  | 15,209 |
|  |  |  | **-** |  |  |  |  |  | **-** |  |  |
|  | | | | | |  |  |  |  |  |  |
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| ***Statement of comprehensive income*** | | | | | |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Rental and service income | 1,219,145 |  | (1,595) | 1,217,550 | |  | 298,530 |  | 2,907 |  | 301,437 |
| Interest income | 261,589 |  | - |  | 261,589 |  | 320,169 |  | (67,208) |  | 252,961 |
| Other income | 27,884 |  | (13,188) |  | 14,696 |  | 23,181 |  | (2,907) |  | 20,274 |
| Cost of rental and services | 417,945 |  | (12,293) |  | 405,652 |  | 147,683 |  | (92,910) |  | 54,773 |
| Administrative expense | 246,660 |  | (2,490) |  | 244,170 |  | 117,698 |  | 92,910 |  | 210,608 |
| Finance cost | 378,239 |  | - |  | 378,239 |  | 362,816 |  | (67,208) |  | 295,608 |
|  |  |  | **-** |  |  |  |  |  | **-** |  |  |

The reclassifications have been made in order to comply with the classification adopted by the parent company.