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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 17 February 2023.

**1 General information**

Grand Canal Land Public Company Limited (“the Company”) is incorporated in Thailand and was listed on the Stock of Thailand. 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 and associate as at 31 December 2022 and 2021 are given in notes 9   
and 10.

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

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

The consolidated financial statements relate to the Company and its subsidiaries and joint operation (together referred to as the “Group”) and the Group’s interests in associates and joint venture. 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 that are described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2022. The initial application of these new and revised TFRS has no material effect 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. The Group has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

**3 Significant Accounting Policies**

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

1. ***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 associate and joint venture.

*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.

Change 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, any related non-controlling interests and other components of equity of the subsidiary. Any resulting gain or loss is recognised in profit or loss.

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.

The Group recognised investments in associates and joint ventures using the equity method in the consolidated financial statements in which the equity method is applied. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements in which the equity method is applied include the Group’s dividend income and 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.

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated on consolidation. 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.

Business combination under common control are accounted for using a method similar to the pooling of interest method, by recognising assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the transaction date. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or deficit from business combinations under common control in shareholder’s equity. The surplus or deficit will be written off upon divestment of the businesses acquired. The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

1. ***Investments in subsidiaries, associates and joint ventures***

Investments in subsidiaries, associates and joint ventures in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group’s right to receive payment is established. If the Company disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains and losses on disposal of the investments are recognised in profit or loss.

1. ***Foreign currencies***

Foreign currency differences arising on retranslation are generally recognised in profit or loss. Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated at the exchange rates at the dates that fair value was determined.

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

1. ***Financial instruments***

*(d.1) Classification and measurement*

Debt securities issued by the Group are initially recognised when they are originated. Other financial assets and financial liabilities (except trade accounts receivables (see note 3(f))) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method or FVTPL. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss, gain or loss on derecognition are recognised in profit or loss.

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

*(d.2) Derecognition and offsetting*

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

*(d.3) Impairment of financial assets other than trade accounts receivables*

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI, and lease receivables which are not measured at FVTPL.

The Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group recognises ECLs for low credit risk financial asset as 12-month ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due, significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor’s ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

- the financial asset is more than 90 days past due.

*(d.4) Write-offs*

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

*(d.5) Interest*

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

1. ***Cash and cash equivalents***

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which has a maturity of three months or less from the date of acquisition.

1. ***Trade accounts receivable***

A trade receivable is recognised when the Group has an unconditional right to receive consideration. A trade receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

1. ***Real estate development for sale***

Real estate development for sale is real estate that is held with the intention to sell in the ordinary course of business. This real estate is measured at the lower of cost and net realisable value.

The cost of real estate development for sale comprises the cost of land, including acquisition costs, land improvement cost, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding real estate development projects are capitalised as part of the cost of the property until the completion of development. Cost of real estate development for sale includes an allocation of common area property development expenditure based on saleable area.

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

When real estate development for sale are sold, the cost of that real estate is recognised as an expense in the period in which the related revenue is recognised.

1. ***Investment properties***

Investment properties are such as land, buildings and right-of-use assets that the Group held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business or use in operation.

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***

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.

*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 on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land and assets under construction.

The estimated useful lives are as follows:

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

1. ***Intangible assets***

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

*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 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. ***Leases***

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

*As a lessee*

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Group has elected not to separate non-lease components and accounted for the lease and non-lease components wholly as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group’s incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group remeasured lease liabilities using the original discount rate and recognised the impact of the change in lease liability in profit or loss.

*As a lessor*

At inception or on modification of a contract, the Group allocates the consideration in the contract to each component on the basis of their relative standalone selling prices.

At lease inception, the Group considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

When the Group is an intermediate lessor, the Group classifies the sub-lease either as a finance lease or an operating lease with reference to the right-of-use asset arising from the head lease. In case of a head lease is a short-term lease, the sub-lease is classified as an operating lease. Those right-of-use assets are presented as investment properties.

The Group recognises finance lease receivables at the net investment of the leases, which includes the present value of the lease payments, and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease income reflects a constant periodic rate of return on the Group’s net investment outstanding in respect of the leases.

The Group recognises lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of rental income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the lease receivables based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date. The Group derecognises the lease receivables as disclosed in note 3(d).

1. ***Impairment of non-financial assets***

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

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

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

Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1. ***Contract liabilities***

A contract liability 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 by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in 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.

The Group’s net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

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. ***Fair value measurement***

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

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.

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

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

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.

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

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.

Revenue from sale of real estate is recognized at point in time when a customer obtains control of the real estate upon transfer the legal ownership in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties or other sales taxes and is after deduction of any discounts and consideration payable to the customer.

For bundled packages, the Group accounts for individual real estate and other products separately if they are distinct and a customer can benefit from it separately. The consideration received is allocated based on their relative stand-alone selling prices.

Deposits and advance received from customers on real estate sold prior to the date of revenue recognition are as contract liabilities in the statement of financial position. Deposits and advance received from customers are recognised as revenue when the Group transfers control over the real estate to the customers. For advances that contain a significant financing component interest expense. Interest expense is recognized using the effective interest method. The Group uses the practical expedient which allows not to adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

1. ***Dividend income***

Dividend income is recognised in profit or loss on the date on which the Group’s right to receive payment is established.

1. ***Income tax***

Income tax expense for the year comprises current and deferred tax, which is 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 recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in 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, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

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

1. ***Earnings per share***

Basic 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 period.

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 Impact of COVID-19 pandemic**

In 2022, the COVID-19 pandemic is still ongoing, while vaccines for COVID-19 are being rolling out during 2021. The management is closely monitoring the situation and managing to lessen the impact as much as possible. However, as at 31 December 2022, the outbreak is still ongoing, affected to the uncertainty of measurement of the impact from the situation of COVID-19.

**5 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 Department Store Public Company Limited | Thailand | Common directors |
| Central Food Retail Co., Ltd. | Thailand | Common directors |
| COL Public Company Limited | Thailand | Common directors |
| Italianthai Development Public Company Limited | Thailand | Held by a subsidiary |
| Italthai Trevi Company Limited | Thailand | Common directors |
| 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 |
| Common Ground (Thailand)  Co., Ltd. | Thailand | Joint venture of the group |
| CPN Retail Growth Leasehold REIT | Thailand | Joint venture of Central Pattana Public Company Limited and 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** |
| --- | --- |
| Property and real estate management income | Agreed prices |
| Revenue from rental and rendering services | Agreed prices |
| Interest income | Rate stipulated in the agreement |
| Other income | Agreed prices |
| Cost of rent and services | Agreed prices |
| Management fee | Agreed prices |
| Interest expense | Rate stipulated in the agreement |

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

| ***Significant transactions with related parties*** | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Year ended 31 December*** | 2022 |  | 2021 |  | 2022 |  | 2021 |
|  | *(in thousand Baht)* | | | | | | |
| **Ultimate parent company** |  |  |  |  |  |  |  |
| Cost of rent and services | 80 |  | 12,069 |  | - |  | 12,069 |
| Management fee | 105,073 |  | 84,030 |  | 103,133 |  | 82,649 |
|  |  |  |  |  |  |  |  |
| **Parent company** |  |  |  |  |  |  |  |
| Interest expense | 32,913 |  | 46,632 |  | 32,913 |  | 46,632 |
|  |  |  |  |  |  |  |  |
| **Subsidiaries** |  |  |  |  |  |  |  |
| Revenue from rental and rendering service | - |  | - |  | 10,050 |  | 6,060 |
| Property management income | - |  | - |  | 80,111 |  | 67,469 |
| Interest income | - |  | - |  | 153,167 |  | 179,874 |
| Other income | - |  | - |  | 52,434 |  | 55,401 |
| Management fee | - |  | - |  | 3,957 |  | 3,957 |
| Interest expense | - |  | - |  | 48,384 |  | 26,314 |
|  |  |  |  |  |  |  |  |
| **Associates** |  |  |  |  |  |  |  |
| Interest income | 152,790 |  | 84,709 |  | - |  | - |
| Management fee | 7,726 |  | 6,000 |  | 22 |  | 6,000 |
|  |  |  |  |  |  |  |  |
| **Other related parties** |  |  |  |  |  |  |  |
| Revenue from rental and rendering service | 299,845 |  | 289,075 |  | 157,273 |  | 151,934 |
| Property management income | 33,547 |  | 33,340 |  | 21,533 |  | 21,281 |
| Other income | 25 |  | 53 |  | - |  | - |
| Cost of rent and services | 4,800 |  | 4,752 |  | 2,646 |  | - |
| Management fee | 528 |  | - |  | 330 |  | - |
|  |  |  |  |  |  |  |  |
| **Key management personnel** |  |  |  |  |  |  |  |
| Key management personnel compensation |  |  |  |  |  |  |  |
| Short-term employee benefit  *(including director’s renumeration)* | 20,202 |  | 38,492 |  | 20,202 |  | 38,492 |

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

|  | | Consolidated  financial statements | | | | | | |  | Separate  financial statements | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | 2022 | | |  | 2021 | | |  | 2022 | | |  | 2021 | | |
|  | | *(in thousand Baht)* | | | | | | | | | | | | | | |
| ***Trade accounts receivable*** | |  | | |  |  | | |  |  | | |  |  | | |
| Subsidiaries | | - | | |  | - | | |  | 20,996 | | |  | 6,426 | | |
| Other related parties | | 16,161 | | |  | 36,007 | | |  | 12,299 | | |  | 8,149 | | |
| **Total** | | **16,161** | | |  | **36,007** | | |  | **33,295** | | |  | **14,575** | | |
|  | |  | | |  |  | | |  |  | | |  |  | | |
| ***Other receivables*** | |  | | |  |  | | |  |  | | |  |  | | |
| Ultimate parent company | | 200 | | |  | - | | |  | - | | |  | - | | |
| Parent company | | 457 | | |  | - | | |  | 457 | | |  | - | | |
| Subsidiaries | | - | | |  | - | | |  | 55,919 | | |  | 36,767 | | |
| Other related parties | | 2,860 | | |  | 2,652 | | |  | 1,869 | | |  | 1,650 | | |
| **Total** | | **3,517** | | |  | **2,652** | | |  | **58,245** | | |  | **38,417** | | |
|  | |  | | |  |  | | |  |  | | |  |  | | |
|  | |  | | |  |  | | |  |  | | |  |  | | |
| ***Property, plant and equipment*** | |  | | |  |  | | |  |  | | |  |  | | |
| Subsidiaries | | **-** | | |  | **-** | | |  | **710** | | |  | **6,936** | | |
|  | |  | | |  |  | | |  |  | | |  |  | | |
| ***Investment properties*** | |  | | |  |  | | |  |  | | |  |  | | |
| Other related parties | | **234,338** | | |  | **233,072** | | |  | **-** | | |  | **-** | | |
|  | |  | | |  |  | | |  |  | | |  |  | | |
|  |  | |  |  | | | | | | | | | | | | | |
|  | **Interest rate** | |  | **Consolidated financial statements** | | | | | | | | | | | | | |
| ***Long-term loans to*** | At the end of  the year | |  | At the beginning of the year | | |  | Increase | | |  | Decrease | | |  | At the end of  the year | |
|  | *(% per annum)* | |  | *(in thousand Baht)* | | | | | | | | | | | | | |
| ***2022*** |  | |  |  | | | | | | | | | | | | | |
| Associate | 3.14 | |  | 5,390,726 | | |  | 234,290 | | |  | - | | |  | 5,625,016 | |
| *Less* The excess of accumulated share of loss from investment in associate over cost of investment |  | |  | (403,775) | | |  | 794 | | |  | - | | |  | (402,981) | |
| *Less* The elimination of interest income |  | |  | (320,633) | | |  | (76,395) | | |  | - | | |  | (397,028) | |
| **Net** |  | |  | **4,666,318** | | |  |  | | |  |  | | |  | **4,825,007** | |
|  |  | |  |  | | |  |  | | |  |  | | |  |  | |
| ***2021*** |  | |  |  | | |  |  | | |  |  | | |  |  | |
| Associate | 3.50 | |  | 5,198,308 | | |  | 192,418 | | |  | - | | |  | 5,390,726 | |
| *Less* The excess of accumulated share of loss from investment in joint venture over cost of investment |  | |  | (409,780) | | |  | 6,005 | | |  | - | | |  | (403,775) | |
| *Less* The elimination of interest income |  | |  | (235,924) | | |  | (84,709) | | |  | - | | |  | (320,633) | |
| **Net** |  | |  | **4,552,604** | | |  |  | | |  |  | | |  | **4,666,318** | |

|  | **Interest rate** |  | **Separate financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | At the end of  the year |  | At the beginning of the year |  | Increase |  | Decrease |  | At the end of  the year |
|  | *(% per annum)* |  | *(in thousand Baht)* | | | | | | |
| ***Short-term loans to*** |  |  |  | | | | | | |
| ***2022*** |  |  |  |  |  |  |  |  |  |
| Subsidiaries | 2.64 |  | 1,721,031 |  | 274,007 |  | (358,586) |  | 1,636,452 |
|  |  |  |  |  |  |  |  |  |  |
| ***2021*** |  |  |  |  |  |  |  |  |  |
| Subsidiaries | 3.50 |  | 1,630,067 |  | 294,735 |  | (203,771) |  | 1,721,031 |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| ***Long-term loans to*** |  |  |  |  |  |  |  |  |  |
| ***2022*** |  |  |  |  |  |  |  |  |  |
| Subsidiaries | 2.64 |  | 5,407,880 |  | 222,714 |  | (10) |  | 5,630,584 |
|  |  |  |  |  |  |  |  |  |  |
| ***2021*** |  |  |  |  |  |  |  |  |  |
| Subsidiaries | 3.50 |  | 5,213,673 |  | 194,214 |  | (7) |  | 5,407,880 |

|  | | | Consolidated  financial statements | | | | | | |  | | Separate  financial statements | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | | 2022 | | |  | 2021 | | |  | | 2022 | |  | | 2021 | | |
|  | | | *(in thousand Baht)* | | | | | | | | | | | | | | | |
| ***Trade accounts payable*** | | |  | | |  |  | | |  | |  | |  | |  | | |
| Ultimate parent company | | | 10,811 | | |  | 6,946 | | |  | | 10,766 | |  | | 6,785 | | |
| Subsidiaries | | | - | | |  | - | | |  | | 178 | |  | | 161 | | |
| Other related parties | | | 1,104 | | |  | 872 | | |  | | 534 | |  | | 519 | | |
| **Total** | | | **11,915** | | |  | **7,818** | | |  | | **11,478** | |  | | **7,465** | | |
|  | | |  | | |  |  | | |  | |  | |  | |  | | |
| ***Other payables*** | | |  | | |  |  | | |  | |  | |  | |  | | |
| Ultimate parent company | | | 1,881 | | |  | 23,435 | | |  | | 1,906 | |  | | 23,461 | | |
| Subsidiaries | | | - | | |  | - | | |  | | - | |  | | 16 | | |
| Associates | | | - | | |  | 6,000 | | |  | | - | |  | | 6,000 | | |
| Other related parties | | | - | | |  | 81 | | |  | | - | |  | | - | | |
| **Total** | | | **1,881** | | |  | **29,516** | | |  | | **1,906** | |  | | **29,477** | | |
|  | | |  | | |  |  | | |  | |  | |  | |  | | |
| ***Lease liabilities*** | | |  | | |  |  | | |  | |  | |  | |  | | |
| Subsidiaries | | | - | | |  | - | | |  | | 756 | |  | | 6,279 | | |
| Other related parties | | | 136,751 | | |  | 135,530 | | |  | | - | |  | | - | | |
| **Total** | | | **136,751** | | |  | **135,530** | | |  | | **756** | |  | | **6,279** | | |
|  | | |  | | |  |  | | |  | |  | |  | |  | | |
| ***Rental and service retention*** | | |  | | |  |  | | |  | |  | |  | |  | | |
| Other related parties | | | **16,216** | | |  | **7,609** | | |  | | **-** | |  | | **-** | | |
|  | | |  | | |  |  | | |  | |  | |  | |  | | |
| ***Advance rental and service income*** | | |  | | |  |  | | |  | |  | |  | |  | | |
| Other related parties | | | **4,549,524** | | |  | **4,729,285** | | |  | | **3,615,414** | |  | | **3,764,121** | | |
|  | | |  | | |  |  | | |  | |  | |  | |  | | |
|  |  | **Interest rate** | |  | **Separate financial statements** | | | | | | | | | | | | |
| ***Short-term loans from*** |  | At the end of  the year | |  | At the beginning of the year | | |  | Increase | |  | | Decrease | |  | | At the end of the year |
|  |  | *(% per annum)* | |  | *(in thousand Baht)* | | | | | | | | | | | | |
| ***2022*** |  |  | |  |  | | | | | | | | | | | | |
| Subsidiaries |  | THOR +2.06, 0.58 | |  | **3,974,537** | | |  | 870,160 | |  | | (391,546) | |  | | **4,453,151** |
| ***2021*** |  |  | |  |  | | | | | | | | | | | | |
| Subsidiaries |  | Fixed deposit rate 6M + 2, 0.25 | |  | **3,421,539** | | |  | 999,769 | |  | | (446,771) | |  | | **3,974,537** |

|  |  | **Interest rate** |  | **Consolidated financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Long-term loans from*** |  | At the end of  the year |  | At the beginning of the year |  | Increase |  | Decrease |  | At the end of the year |
|  |  | *(% per annum)* |  | *(in thousand Baht)* | | | | | | |
| ***2022*** |  |  |  |  | | | | | | |
| Parent company |  | 2.75 |  | **782,211** |  | 1,957,913 |  | (936,194) |  | **1,803,930** |
|  |  |  |  |  |  |  |  |  |  |  |
| ***2021*** |  |  |  |  |  |  |  |  |  |  |
| Parent company |  | 2.75 |  | **1,426,366** |  | 1,046,637 |  | (1,690,792) |  | **782,211** |

|  |  | **Interest rate** |  | **Separate financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Long-term loans from*** |  | At the end of  the year |  | At the beginning of the year |  | Increase |  | Decrease |  | At the end of the year |
|  |  | *(% per annum)* |  | *(in thousand Baht)* | | | | | | |
| ***2022*** |  |  |  |  | | | | | | |
| Subsidiaries |  | 2.75 |  | **782,211** |  | 1,957,913 |  | (936,194) |  | **1,803,930** |
|  |  |  |  |  | | | | | | |
| ***2021*** |  |  |  |  | | | | | | |
| Subsidiaries |  | 2.75 |  | **1,426,366** |  | 1,046,637 |  | (1,690,792) |  | **782,211** |

***Significant agreements with related parties***

*Service agreement*

The Company entered into service agreement with Central Pattana Public Company Limited, ultimate parent company, for business consulting, setting policies, and advising on business operation. The agreement will be effective for two years from 1 January 2021 to 31 December 2022 with rate 3% of revenue from rental and rendering services of the Company and rate 2% of the net income of the Company and management tenant fill and/or the operation for business investing or transferring of real estate with rate 1.5% of the amount of addition investing of the Company and rate 0.75% of the operation of the Company. Subsequently, in January 2023, the Company extended the agreement for another two years ending on 31 December 2024.

*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 and charges commission fee at 0.5% - 1% from 1 month rental and rendering services.

*Land lease agreement and right of using area*

The subsidiary had commitments with Super Assets Company Limited and CKS Holding Company Limited totaling Baht 269 million under a land lease agreement and right of using area *(31 December 2021: Baht 273 million)*. These agreements expire in June 2050 and June 2029, respectively.

*Loan agreements*

The subsidiary and joint venture had loan agreements for the loan lines totaling Baht 10,450 million which interest rate per annum are repayable on demand.

On 10 November 2021, CPN Pattaya Co., Ltd., a major shareholder of the Company, extend the Loan Agreement with the Company in which the agreement length is not exceeding 2 years from the transaction date, the credit lines are 2,500 million Bath and the interest rate is not exceeding 4% per annum and not exceeding the interest rate given by the external funding under the same condition and amount which the Company receives from CPN Pattaya Co., Ltd.

At the Board of Directors meeting held on 3 November 2022, it was passed the resolution to approve the grant of financial assistance which is the ordinary business transactions in proportion of shareholding to Bayswater Company Limited (associate company hold by the Company through Ratchada Asset Holding Company Limited, a subsidiary in which the Company holds 100% of shares, and Central Pattana Public Company Limited with the shareholding proportion of 50 : 50 percent) in the Company’s amount of not more than THB 5,500 million at interest rate of MLR for development in the Mixed-use Project consisting of shopping mall, office building and hotel etc. located in Phaholyothin Road area in which the shopping mall will be developed for the first phase.

**6 Cash and cash equivalents**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | **Consolidated** | | |  | **Separate** | | |
|  | | **financial statements** | | |  | **financial statements** | | |
|  |  | 2022 |  | 2021 |  | 2022 |  | 2021 |
|  | | *(in million Baht)* | | | | | | |
| Cash on hands |  | 0.04 |  | 0.04 |  | 0.03 |  | 0.03 |
| Call deposits |  | 107.17 |  | 104.24 |  | 80.85 |  | 34.33 |
| **Total** |  | **107.21** |  | **104.28** |  | **80.88** |  | **34.36** |

Call deposits have interest rate at 0.10% - 0.20% per annum *(2021: 0.05% - 0.13% per annum)*.

**7 Trade accounts receivables**

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2022 |  | 2021 |  | 2022 |  | 2021 |
|  | *(in million Baht)* | | | | | | |
| ***At 31 December*** |  | | | | | | |
| Within credit terms | 14.49 |  | 8.18 |  | 15.29 |  | 12.33 |
| Overdue: |  |  |  |  |  |  |  |
| Less than 3 months | 16.46 |  | 23.70 |  | 18.05 |  | 1.59 |
| 3 - 6 months | 1.69 |  | 18.98 |  | 0.03 |  | 2.59 |
| 6 - 12 months | 3.38 |  | 2.22 |  | 1.51 |  | - |
| More than 12 months | 0.91 |  | 0.16 |  | 0.84 |  | 0.02 |
| Accrued rental service revenue | 19.70 |  | 17.34 |  | 13.30 |  | 13.67 |
| **Total** | **56.63** |  | **70.58** |  | **49.02** |  | **30.20** |
| *Less* allowance for expected credit loss | (0.28) |  | (5.05) |  | (0.02) |  | - |
| **Trade receivables net** | **56.35** |  | **65.53** |  | **49.00** |  | **30.20** |

| ***Expected credit loss*** | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2022 |  | 2021 |  | 2022 |  | 2021 |
|  | *(in million Baht)* | | | | | | |
| * (Reversal) additions | (4.77) |  | 3.06 |  | 0.02 |  | (0.21) |

**8 Real estate development for sale**

|  | | **Consolidated** | | |  | **Separate** | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | **financial statements** | | |  | **financial statements** | | |
|  |  | 2022 |  | 2021 |  | 2022 |  | 2021 |
|  | | *(in million Baht)* | | | | | | |
| Real estate under development |  | 889 |  | 897 |  | 623 |  | 623 |
| Real estate developed |  | 33 |  | 38 |  | - |  | - |
| **Total** |  | **922** |  | **935** |  | **623** |  | **623** |
|  |  |  |  |  |  |  |  |  |
| Finance costs capitalised  during the year |  | 4 |  | 8 |  | **-** |  | **-** |
| Rates of interest capitalised  *(% per annum)* |  | 2.86 |  | 3.50 |  | **-** |  | **-** |
|  |  |  |  |  |  |  |  |  |
| Real estate projects under development recognised as an expense in ‘cost of sales of real estate project’ |  |  |  |  |  |  |  |  |
| - Cost |  | 153 |  | 127 |  | **-** |  | **-** |

At 31 December 2022, real estate under development of the Group amounted of Baht 623 million *(2021: Baht 623 million)* are expected to be completed more than one year after the reporting period.

**9 Investment in associate and joint venture**

|  |  |  | Consolidated financial statements | | | | | | | | | | | | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Type of business |  | Ownership  interest | | |  | Paid-up capital | | |  | Cost | | |  | Equity | | |  | Fair value of  listed securities | | |  | Dividend income | | | |
|  |  |  | 2022 |  | 2021 |  | 2022 |  | 2021 |  | 2022 |  | 2021 |  | 2022 |  | 2021 |  | 2022 |  | 2021 |  | 2022 |  | 2021 | |
|  |  |  | *(%)* | | |  | *(in million Baht)* | | | | | | | | | | | | | | | | | | |
| ***Associates*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | |
| GLAND Office Leasehold Real Estate Investment Trust  *(Under liquidation process)* | Investment  trust |  | 15 |  | 15 |  | 1 |  | 1 |  | 0.1 |  | 0.1 |  | 1 |  | 1 |  | - |  | - |  | - |  | - | |
| Bayswater Co., Ltd. *(Indirect shareholding  by a subsidiary)* | Real estate development |  | 50 |  | 50 |  | 10 |  | 10 |  | - |  | - |  | - |  | - |  | - |  | - |  | - |  | - | |
|  |  |  |  |  |  |  |  |  |  |  | **0.1** |  | **0.1** |  | **1** |  | **1** |  |  |  |  |  | **-** |  | - | |

|  |  |  | Separate financial statements | | | | | | | | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Type of business |  | Ownership  interest | | |  | Paid-up capital | | |  | Cost | | |  | Fair value of  listed securities | | |  | Dividend income | | | |
|  |  |  | 2022 |  | 2021 |  | 2022 |  | 2021 |  | 2022 |  | 2021 |  | 2022 |  | 2021 |  | 2022 |  | 2021 | |
|  |  |  | *(%)* | | |  | *(in million Baht)* | | | | | | | | | | | | | | | |
| ***Associates*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | |
| GLAND Office Leasehold  Real Estate Investment Trust *(Under liquidation process)* | Investment trust |  | 15 |  | 15 |  | 1 |  | 1 |  | **0.1** |  | **0.1** |  | - |  | - |  | **-** |  | **-** | |

All associates were incorporated and operated in Thailand.

None of the Group’s and the Company’s associates is publicly listed and consequently do not have published price quotations.

At 31 December 2022, the Group presented the excess of accumulated share of loss over cost of investment, amounting to Baht 800 million as a deduction from long-term loan to associates *(2021: Baht 724.4 million)* as a deduction from long-term loan to joint venturein the consolidated financial position.

*Associate*

The following table summarises the financial information of the associate and joint venture as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarized financial information to the carrying amount of the Group’s interest in these companies.

The summary of the financial information as follows:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | | |  | Bayswater Co., Ltd. | | |
|  |  |  |  |  |  | 2022 |  | 2021 |
|  |  |  |  |  |  | *(in million Baht)* | | |
| ***Associates*** |  |  |  |  |  |  |  |  |
| Revenue |  |  |  |  |  | 14 |  | 12 |
| Total comprehensive income (100%) |  |  |  |  |  | 2 |  | 10 |
|  |  |  |  |  |  |  |  |  |
| **Total comprehensive income of  the Group’s interest** |  |  |  |  |  | **1** |  | **5** |
|  |  |  |  |  |  |  |  |  |
| Current assets |  |  |  |  |  | 28 |  | 13 |
| Non-current assets |  |  |  |  |  | 10,521 |  | 10,054 |
| Current liabilities |  |  |  |  |  | (22) |  | (11) |
| Non-current liabilities |  |  |  |  |  | (11,250) |  | (10,781) |
| Net assets |  |  |  |  |  | (723) |  | (725) |
| **Shareholding percentage (%)** |  |  |  |  |  | 50 |  | 50 |
| Share of net assets |  |  |  |  |  | (362) |  | (363) |
| Elimination entries |  |  |  |  |  | (41) |  | (41) |
| **Carrying amounts of associates** |  |  |  |  |  | **(403)** |  | **(404)** |

During the year 2021, Central Pattana Public Company Limited obtained the control over Bayswater

Co., Ltd. from purchase the ordinary shares of BTS Group Holding Public Company Limited. Investment in such company was classified from indirect joint venture to indirect associate.

**10 Investments in subsidiaries**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Separate financial statements | | | | | | | | | | | | | |
|  | Type of business | Ownership interest | | | Paid-up capital | | |  | Cost method | | |  | Dividend income | | |
|  |  | 2022 |  | 2021 | 2022 |  | 2021 |  | 2022 |  | 2021 |  | 2022 |  | 2021 |
|  |  | *(%)* | | | *(million Baht)* | | | | | | | | | | |
| ***Subsidiaries*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Direct*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Belle Development Ltd. | Real estate development | 79.57 |  | 79.57 | 2,064 |  | 2,064 |  | 1,920 |  | 1,920 |  | - |  | - |
| Praram 9 Square Ltd. | Real estate for rent and development | 93.09 |  | 93.09 | 1,900 |  | 1,900 |  | 1,771 |  | 1,771 |  | - |  | - |
| Sterling Equity Co., Ltd. | Real estate development | 100.00 |  | 100.00 | 1,800 |  | 1,800 |  | 1,765 |  | 1,765 |  | - |  | - |
| Belle Assets Co., Ltd. | Real estate development | 100.00 |  | 100.00 | 11 |  | 11 |  | 11 |  | 11 |  | - |  | - |
| G Land Property Management Co., Ltd. | Real estate development | 100.00 |  | 100.00 | 1,300 |  | 1,300 |  | 1,334 |  | 1,334 |  | - |  | - |
| Ratchada Asset Holding Co., Ltd. | Investment company | 100.00 |  | 100.00 | 6 |  | 6 |  | 6 |  | 6 |  | - |  | - |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Indirect*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Praram 9 Square Hotel Ltd. | Hotel | 100.00 |  | 100.00 | 16 |  | 16 |  | - |  | - |  | - |  | - |
| **Total** |  |  |  |  |  |  |  |  | **6,807** |  | **6,807** |  | **-** |  | **-** |

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 non-current financial asset - investment in equity securities**

Investment in equity securities 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. For the year 2022, gain on fair value adjustment recognised in other comprehensive income (OCI) amounting to Baht 34 million *(2021: Baht 44 million)*.

**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 2022 | | | | |  | | 31 December 2021 | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Belle Development Ltd. |  | Praram 9 Square Ltd. |  | Total | |  | | Belle Development Ltd. |  | Praram 9 Square Ltd. |  | Total | |
|  | *(in million Baht)* | | | | | | | | | | | | |
| Non-controlling interest percentage | 20.4% |  | 6.9% |  |  | |  | | 20.4% |  | 6.9% |  |  | |
| Current assets | 2,599 |  | 1,604 |  |  | |  | | 2,627 |  | 1,122 |  |  | |
| Non-current assets | 532 |  | 7,864 |  |  | |  | | 536 |  | 7,731 |  |  | |
| Current liabilities | (26) |  | (172) |  |  | |  | | (70) |  | (2,696) |  |  | |
| Non-current liabilities | (60) |  | (3,516) |  |  | |  | | (67) |  | (925) |  |  | |
| **Net assets** | 3,045 |  | 5,780 |  |  | |  | | 3,026 |  | 5,232 |  |  | |
| Carrying amount of non-controlling interest | 622 |  | 399 |  | 1,021 | |  | | 617 |  | 362 |  | 979 | |
|  |  |  |  |  |  | |  | |  |  |  |  |  | |
| Revenue | 89 |  | 952 |  |  | |  | | 2,613 |  | 790 |  |  | |
| Profit for the year | 19 |  | 526 |  |  | |  | | 115 |  | 425 |  |  | |
| **Total comprehensive income** | 19 |  | 553 |  |  | |  | | **115** |  | 425 |  |  | |
| Profit allocated to non-controlling interest | 4 |  | 38 |  | **42** | |  | | 23 |  | 29 |  | **52** | |
|  |  |  |  |  |  | |  | |  |  |  |  |  | |
| Cash flows from operating activities | - |  | 49 |  |  | |  | | 13 |  | 63 |  |  | |
| Cash flows (used in) from investing activities | 4 |  | (103) |  |  | |  | | (15) |  | (60) |  |  | |
| Cash flows (used in) from financing activities  (dividends to non-controlling interest: none) | (7) |  | 52 |  |  | |  | | (8) |  | - |  |  | |
| **Net increase (decrease) in cash and cash equivalents** | (3) |  | (2) |  |  | |  | | **(10)** |  | 3 |  |  | |

**13 Investment properties**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | |  | **Separate** | | |
|  | financial statements | | |  | **financial statements** | | |
|  | 2022 |  | 2021 |  | 2022 |  | 2021 |
|  | *(in million Baht)* | | | | | | |
| **At 1 January** | **22,251** |  | **22,341** |  | **10,207** |  | **10,365** |
| Additions | 105 |  | 76 |  | 72 |  | 31 |
| Disposals | (1) |  | (138) |  | (2) |  | (134) |
| Finance cost capitalised | - |  | 38 |  | - |  | - |
| Gain (loss) on change in fair value | 152 |  | (66) |  | 23 |  | (55) |
| **At 31 December** | **22,507** |  | **22,251** |  | **10,300** |  | **10,207** |

At 31 December 2022, the Group had the investment properties consist of land for leased of Baht 435 million, office project for leased of Baht 21,482 million, and land under development of Baht 589 million. The Company had the investment properties consist of land for leased of Baht 435 million, office project for leased of Baht 9,293 million, and land under development of Baht 572 million.

|  | Consolidated financial statements | | |  | Separate financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Year ended 31 December*** | 2022 |  | 2021 |  | 2022 |  | 2021 |
|  | *(in million Baht)* | | | | | | |
| ***Amounts recognised in profit or loss*** |  |  |  |  |  |  |  |
| Rental income | 1,208 |  | 1,153 |  | 343 |  | 296 |
| COVID-19 rent consessions | - |  | (28) |  | - |  | (3) |
| Gain (loss) on change in fair value | 152 |  | (66) |  | 23 |  | (55) |
| Repair and maintenance expense |  |  |  |  |  |  |  |
| * + - property that generate rental income | (30) |  | (20) |  | (6) |  | (2) |

Information relating to leases are disclosed in note 15.

**Measurement of fair values**

*Fair value hierarchy*

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 2022 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% |  | Decrease in fair value |
| Occupancy rate (depending on location of assets) | 53% - 96% |  | 53% |  | Increase in fair value |
| Rental rate per month (depending on location of assets) | Baht 700 - 880  per square meter |  | Baht 865  per square meter |  | Increase in fair value |

**14 Property, plant and equipment**

|  | **Consolidated financial statements** | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Land |  | Building  and improvement |  | Office equipment and furniture fixture |  | Vehicles |  | Assets  under installation |  | Total |
|  | *(in million Baht)* | | | | | | | | | | |
| ***Cost*** |  |  |  |  |  |  |  |  |  |  |  |
| At 1 January 2021 | 339 |  | 28 |  | 144 |  | 10 |  | 68 |  | 589 |
| Additions | - |  | - |  | 1 |  | 3 |  | - |  | 4 |
| Disposals | - |  | - |  | (6) |  | (4) |  | - |  | (10) |
| **At 31 December 2021 and 1 January 2022** | **339** |  | **28** |  | **139** |  | **9** |  | **68** |  | **583** |
| Additions | - |  | - |  | 3 |  | **-** |  | - |  | 3 |
| **At 31 December 2022** | **339** |  | **28** |  | **142** |  | **9** |  | **68** |  | **586** |
|  |  |  |  |  |  |  |  |  |  |  |  |
| ***Depreciation*** |  |  |  |  |  |  |  |  |  |  |  |
| At 1 January 2021 | - |  | 17 |  | 77 |  | 9 |  | - |  | 103 |
| Depreciation charge for the year | - |  | 2 |  | 7 |  | - |  | - |  | 9 |
| Disposals | - |  | - |  | (6) |  | (4) |  | - |  | (10) |
| **At 31 December 2021 and 1 January 2022** | - |  | **19** |  | **78** |  | **5** |  | - |  | **102** |
| Depreciation charge for the year | - |  | 1 |  | 7 |  | 1 |  | - |  | 9 |
| **At 31 December 2022** | - |  | **20** |  | **85** |  | **6** |  | - |  | **111** |
|  |  |  |  |  |  |  |  |  |  |  |  |
| ***Net book value*** |  |  |  |  |  |  |  |  |  |  |  |
| **At 31 December 2021** | **339** |  | **9** |  | **61** |  | **4** |  | **68** |  | **481** |
| **At 31 December 2022** | **339** |  | **8** |  | **57** |  | **3** |  | **68** |  | **475** |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |

|  | **Separate financial statements** | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Building and improvement |  | Furniture, fixtures, office and equipment |  | Vehicles |  | Assets under installation |  | Total |
|  | *(in million Baht)* | | | | | | | | |
| ***Cost*** |  |  |  |  |  |  |  |  |  |
| At 1 January 2021 | 20 |  | 30 |  | 5 |  | 7 |  | 62 |
| Additions | - |  | 1 |  | 3 |  | - |  | 4 |
| Disposals | - |  | (5) |  | (4) |  | - |  | (9) |
| **At 31 December 2021 and** |  |  |  |  |  |  |  |  |  |
| **1 January 2022** | **20** |  | **26** |  | **4** |  | **7** |  | **57** |
| Additions | - |  | 3 |  | **-** |  | - |  | 3 |
| **At 31 December 2022** | **20** |  | **29** |  | **4** |  | **7** |  | **60** |
|  |  |  |  |  |  |  |  |  |  |
| ***Depreciation*** |  |  |  |  |  |  |  |  |  |
| At 1 January 2021 | 4 |  | 24 |  | 5 |  | - |  | 33 |
| Depreciation charge for the year | 5 |  | 2 |  | - |  | - |  | 7 |
| Disposals | - |  | (5) |  | (4) |  | - |  | (9) |
| **At 31 December 2021 and** |  |  |  |  |  |  |  |  |  |
| **1 January 2022** | **9** |  | **21** |  | **1** |  | **-** |  | **31** |
| Depreciation charge for the year | 5 |  | 1 |  | - |  | - |  | 6 |
| **At 31 December 2022** | **14** |  | **22** |  | **1** |  | - |  | **37** |
|  |  |  |  |  |  |  |  |  |  |
| ***Net book value*** |  |  |  |  |  |  |  |  |  |
| **At 31 December 2021** |  |  |  |  |  |  |  |  |  |
| Owned assets | 6 |  | 5 |  | - |  | 7 |  | 18 |
| Right-of-use assets | 5 |  | - |  | 3 |  | - |  | 8 |
|  | **11** |  | **5** |  | **3** |  | **7** |  | **26** |
|  |  |  |  |  |  |  |  |  |  |
| **At 31 December 2022** |  |  |  |  |  |  |  |  |  |
| Owned assets | 5 |  | 7 |  | 3 |  | 7 |  | 22 |
| Right-of-use assets | 1 |  | - |  | - |  | **-** |  | 1 |
|  | **6** |  | **7** |  | **3** |  | **7** |  | **23** |

**15 Leases**

*As a lessee*

| ***Right-of-use assets at 31 December 2022*** | Consolidated  financial statements |  | Separate  financial statements |
| --- | --- | --- | --- |
|  | *(in million Baht)* | | |
| Land | **234** |  | **-** |

In 2022, additions to the right-of-use assets of the Group were Baht 1 million**.**

The Group leases a land for 30 years, with extension options at the end of lease term. The rental is payable monthly as specified in the contract.

*Extension options*

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

| ***For the year ended 31 December*** | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2022 |  | 2021 |  | 2022 |  | 2021 |
|  | *(in million Baht)* | | | | | | |
| ***Amounts recognised in profit or loss*** |  |  |  |  |  |  |  |
| Interest expenses on lease liabilities | 6 |  | 6 |  | - |  | - |
| Expenses relating to short-term leases | - |  | - |  | 4 |  | 4 |
| Expenses associated with low-value asset   leases | - |  | 1 |  | - |  | - |

In 2022, total cash outflow for leases of the Group were Baht 5.06 million and Baht 4.91 million, respectively.

*As a lessor*

The leases of investment properties comprise a number of commercial properties that are leased to third parties under operating leases. Each of the leases contains an initial non-cancellable period of 1 - 5 years. Subsequent renewals are negotiated with the lessee.

| ***Lease payments to be received from operating leases*** | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2022 |  | 2021 |  | 2022 |  | 2021 |
|  | *(in million Baht)* | | | | | | |
| ***At 31 December 2022*** |  | | | | | | |
| 1st year | 597 |  | 699 |  | 39 |  | 26 |
| 2nd year | 351 |  | 278 |  | 39 |  | 18 |
| 3rd year | 257 |  | 18 |  | 41 |  | 7 |
| 4th year | 29 |  | 1 |  | 42 |  | 1 |
| 5th year | - |  | - |  | 42 |  | - |
| More than 5 years | - |  | - |  | 743 |  | - |
| **Total** | **1,234** |  | **996** |  | **946** |  | **52** |

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 4,592.5 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 1,398.2 million to Sterling Equity Company Limited for this leasehold right.

c) 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.

However, GLAND office Leasehold Real Estate Investment Trust had transferred such right in leasehold to CPN Retail Growth Leasehold REIT in 2020.

**16 Interest bearing liabilities**

|  | **Consolidated financial statements** | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2022 | | | | |  | 2021 | | | | | |
|  | Secured |  | Unsecured |  | Total |  | Secured |  | Unsecured |  | Total | |
|  | *(in million Baht)* | | | | | | | | | | |
| Short-term loans from financial institutions | - |  | 820 |  | 820 |  | 150 |  | 850 |  | 1,000 | |
| Debentures | - |  | - |  | - |  | - |  | 1,028 |  | 1,028 | |
| Long-term loans from related parties | - |  | 1,804 |  | 1,804 |  | - |  | 782 |  | 782 | |
| Long-term loans from financial institutions | 3,632 |  | - |  | 3,632 |  | 3,632 |  | - |  | 3,632 | |
| Lease liabilities | - |  | 138 |  | 138 |  | - |  | 137 |  | 137 | |
| **Total interest-bearing liabilities** | **3,632** |  | **2,762** |  | **6,394** |  | **3,782** |  | **2,797** |  | **6,579** | |

|  | **Separate financial statements** | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2022 | | | | |  | 2021 | | | | | |
|  | Secured |  | Unsecured |  | Total |  | Secured |  | Unsecured |  | Total | |
|  | *(in million Baht)* | | | | | | | | | | |
| Short-term loans from financial institutions | - |  | 820 |  | 820 |  | 150 |  | 850 |  | 1,000 | |
| Debentures | - |  | - |  | - |  | - |  | 1,028 |  | 1,028 | |
| Short-term loans from related parties | - |  | 4,453 |  | 4,453 |  | - |  | 3,975 |  | 3,975 | |
| Long-term loans from related parties | - |  | 1,804 |  | 1,804 |  | - |  | 782 |  | 782 | |
| Long-term loans from financial institutions | 1,100 |  | - |  | 1,100 |  | 1,100 |  | - |  | 1,100 | |
| Lease liabilities | - |  | 2 |  | 2 |  | - |  | 7 |  | 7 | |
| **Total interest-bearing liabilities** | **1,100** |  | **7,079** |  | **8,179** |  | **1,250** |  | **6,642** |  | **7,892** | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | |  | **Separate** | | |
| ***Assets pledged as security for liabilities*** | financial statements | | |  | **financial statements** | | |
| ***as at 31 December*** | 2022 |  | 2021 |  | 2022 |  | 2021 |
|  | *(in million Baht)* | | | | | | |
| Real estate development for sale | 623 |  | 623 |  | 623 |  | 623 |
| Investment properties | 11,437 |  | 11,156 |  | 4,713 |  | 4,536 |
| **Total** | **12,060** |  | **11,779** |  | **5,336** |  | **5,159** |

*Long-term loans from financial institutions*

In September 2010, the Group entered into a loan agreement within credit line not exceeding Baht 3,100 million with financial institution. Such agreement stipulated the Group to repay the remaining principal within 3 years from 17 July 2019. Subsequently, In July 2022, the Group entered into a memorandum of loan agreement with such financial institution to amend the repayment principal period to by 17 July 2024 and amended interest rate as mutually agreed. As at 31 December 2022, the Group had utilised Baht 2,532 million *(31 December 2021: Baht 2,532 million)*.

In September 2021, the Company entered into a loan agreement Baht 1,100 million with financial institution. Such agreement stipulated the Company to repay the principal within 2 years from loan utilised date. As at 31 December 2022, the Company had utilised Baht 1,100 million *(31 December 2021: Baht 1,100 million).*

In November 2022, the Company entered into a loan agreement within credit line Baht 300 million with financial institution. Such agreement stipulated the Company to repay the principal and due date in the promissory note. As at 31 December 2022, the Company had utilised Baht 200 million

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 and debt service coverage ratio at the rate prescribed in the agreements.

Restricted bank deposit represented fixed deposit of the Group as collateral for credit facilities.

As at 31 December 2022, the Group had unutilised credit facilities totalling Baht 340 million *(2021: Baht 410 million)*.

**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 million baht)* | | | | | | | |
| ***As at 31 December 2022*** |  |  |  |  |  |  |  |  |  | |
| ***Financial liabilities*** |  |  |  |  |  |  |  |  |  | |
| Loan from financial institutions | 2.15 - 3.50 |  | 1,920 |  | 2,532 |  | 4,452 |  | 4,436 | |
| Loan from related parties | 2.75 |  | - |  | 1,804 |  | 1,804 |  | 1,804 | |
| **Total** |  |  | **1,920** |  | **4,336** |  | **6,256** |  | **6,240** | |
|  |  |  |  |  |  |  |  |  |  | |
| ***As at 31 December 2021*** |  |  |  |  |  |  |  |  |  | |
| ***Financial liabilities*** |  |  |  |  |  |  |  |  |  | |
| Debentures | 4.9 - 5.0 |  | 1,028 |  | - |  | 1,028 |  | 1,032 | |
| Loan from financial institutions | 1.85 - 2.87 |  | 3,532 |  | 1,100 |  | 4,632 |  | 4,619 | |
| Loan from related parties | 2.75 |  | - |  | 782 |  | 782 |  | 782 | |
| **Total** |  |  | **4,560** |  | **1,882** |  | **6,442** |  | **6,433** | |

|  |  |  | **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 million Baht)* | | | | | | | |
| ***As at 31 December 2022*** |  |  |  |  |  |  |  |  |  | |
| ***Financial liabilities*** |  |  |  |  |  |  |  |  |  | |
| Loan from financial institutions | 2.15 - 3.50 |  | 1,920 |  | - |  | 1,920 |  | 1,918 | |
| Loan from related parties | 0.58, 2.75, THOR+2.06 |  | 4,453 |  | 1,804 |  | 6,257 |  | 6,257 | |
| **Total** |  |  | **6,373** |  | **1,804** |  | **8,177** |  | **8,175** | |
|  |  |  |  |  |  |  |  |  |  | |
| ***As at 31 December 2021*** |  |  |  |  |  |  |  |  |  | |
| ***Financial liabilities*** |  |  |  |  |  |  |  |  |  | |
| Debentures | 4.9 - 5.0 |  | 1,028 |  | - |  | 1,028 |  | 1,032 | |
| Loan from financial institutions | 1.85 - 2.87 |  | 1,000 |  | 1,100 |  | 2,100 |  | 2,093 | |
| Loan from related parties | MLR-0.75 |  | 3,975 |  | 782 |  | 4,757 |  | 4,757 | |
| **Total** |  |  | **6,003** |  | **1,882** |  | **7,885** |  | **7,882** | |

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

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2022 |  | 2021 |  | 2022 |  | 2021 |
|  | *(in million Baht)* | | | | | | |
| Defined benefit plan | **15** |  | **21** |  | **15** |  | **21** |

***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.

|  |  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| *Present value of the defined* |  |  |
| ***benefit obligations*** |  | 2022 |  | 2021 |  | 2022 |  | 2021 |
|  |  | *(in million Baht)* | | | | | | |
| At 1 January |  | 21 |  | 21 |  | 21 |  | 19 |
|  |  |  |  |  |  |  |  |  |
| ***Recognised in profit or loss:*** |  |  |  |  |  |  |  |  |
| Current service cost |  | 3 |  | 2 |  | 3 |  | 2 |
| Loss from segment transferring |  | - |  | - |  | - |  | 2 |
|  |  | 3 |  | 2 |  | 3 |  | 4 |
| ***Recognised in other comprehensive income:*** |  |  |  |  |  |  |  |  |
| Actuarial loss |  |  |  |  |  |  |  |  |
| * + - Financial assumptions |  | - |  | 4 |  | - |  | 4 |
| Benefit paid |  | (9) |  | (6) |  | (9) |  | (6) |
|  |  |  |  |  |  |  |  |  |
| **At 31 December** |  | **15** |  | **21** |  | **15** |  | **21** |

| ***Principal actuarial assumptions*** | **Consolidated and Separate**  financial statements | | |
| --- | --- | --- | --- |
|  | 2022 |  | 2021 |
|  | *(%)* | | |
| Discount rate | 1.6 |  | 1.6 |
| Future salary growth | 5.0 |  | 5.0 |

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

At 31 December 2022 and 2021 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.

| ***Effect to the defined benefit obligation*** | Consolidated financial statements | | |  | Separate financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Increase |  | Decrease |  | Increase |  | Decrease |
|  | *(in million Baht)* | | | | | | |
| ***At 31 December 2022*** |  |  |  |  |  |  |  |
| Discount rate (0.5% Change) | (3) |  | 2 |  | (3) |  | 2 |
| Future salary growth (1% Change) | 2 |  | (3) |  | 2 |  | (3) |
|  |  |  |  |  |  |  |  |
| ***At 31 December 2021*** |  |  |  |  |  |  |  |
| Discount rate (0.5% Change) | 3 |  | 3 |  | 2 |  | 3 |
| Future salary growth (1% Change) | 2 |  | 2 |  | 3 |  | 2 |

**18 Share capital**

***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.

**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.

**Other components of equity**

Other components of equity comprise the adjustment for change in interest in subsidiary and the cumulative net change in the fair value of equity securities designated at FVOCI.

**19 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*

Management determined that the Group has two reportable segments which are the Group’s strategic divisions for different products and services.

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.

Each segment's performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group’s CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm’s length basis.

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*** | 2022 |  | 2021 |  | 2022 |  | 2021 |  | 2022 |  | 2021 |
|  | *(in million Baht)* | | | | | | | | | | |
| ***Information about***  ***reportable segments*** |  | | | | | | | | | | |
| External revenues | 307 |  | 402 |  | 1,208 |  | 1,153 |  | 1,515 |  | 1,555 |
| Inter-segment revenue | - |  | - |  | 113 |  | 89 |  | 113 |  | 89 |
| **Total revenue** | **307** |  | **402** |  | **1,321** |  | **1,242** |  | **1,628** |  | **1,644** |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Interest income | 13 |  | 5 |  | 63 |  | 80 |  | 76 |  | 85 |
| Finance costs | 12 |  | 9 |  | 129 |  | 148 |  | 141 |  | 157 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Profit before income tax  expense | 155 |  | 276 |  | 1,089 |  | 1,041 |  | 1,244 |  | 1,317 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Timing of revenue  recognition** |  |  |  |  |  |  |  |  |  |  |  |
| At a point in time | 307 |  | 402 |  | - |  | - |  | 307 |  | 402 |
| Over time | - |  | - |  | 1,321 |  | 1,242 |  | 1,321 |  | 1,242 |
| **Total revenue** | **307** |  | **402** |  | **1,321** |  | **1,242** |  | **1,628** |  | **1,644** |

|  | 2022 |  | 2021 |
| --- | --- | --- | --- |
|  | *(in million Baht)* | | |
| **Profit or loss** |  |  |  |
| Total revenue from reportable segments | 1,244 |  | 1,317 |
| Other revenue | 100 |  | 97 |
|  | 1,344 |  | 1,414 |
| Elimination of inter-segment revenue | (112) |  | (89) |
| Unallocated amounts: |  |  |  |
| Gain (loss) on changes in fair value of investment properties | 152 |  | (66) |
| Other expenses | (434) |  | (468) |
| Share of profit of associates | 1 |  | 6 |
| **Total profit before tax** | **951** |  | **797** |

***Major customer***

In 2022, the Group has revenue from major customer is CPN Retail Growth Leasehold REIT (other related party) approximately Baht 268 million *(2021: CPN Retail Growth Leasehold REIT (other related party) Baht 224 million)* in the consolidated financial statements and Baht 179 million *(2021: Baht 149 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 | | |
|  | 2022 |  | 2021 |
|  | *(in million Baht)* | | |
| At 1 January | (0.40) |  | (0.20) |
| Recognised as revenue during the year | 388.80 |  | 43.23 |
| Advance received from customer | (391.39) |  | (43.43) |
| **At 31 December** | **(2.99)** |  | **(0.40)** |

**20 Employee benefit expenses**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
|  |  | 2022 |  | 2021 |  | 2022 |  | 2021 |
|  |  | *(in million Baht)* | | | | | | |
| Wages and salaries |  | 110 |  | 132 |  | 43 |  | 60 |
| Defined benefit plans |  | 3 |  | 2 |  | 3 |  | 4 |
| Defined contribution plans |  | 3 |  | 5 |  | 3 |  | 5 |
| Other welfares |  | 12 |  | 12 |  | 8 |  | 8 |
| **Total** |  | **128** |  | **151** |  | **57** |  | **77** |

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.

**21 Expenses by nature**

|  |  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | 2022 |  | 2021 |  | 2022 |  | 2021 |
|  |  | *(in million Baht)* | | | | | | |
| Finance costs |  | 141 |  | 157 |  | 116 |  | 116 |
| Salaries, wages and other employee  benefit expenses |  | 128 |  | 151 |  | 57 |  | 78 |
| Utility expenses |  | 142 |  | 122 |  | 14 |  | 9 |
| Cost of sale of real estate |  | 152 |  | 127 |  | - |  | - |
| Consulting and other fees |  | 137 |  | 136 |  | 122 |  | 115 |
| Maintenances and repairments |  | 31 |  | 26 |  | 7 |  | 7 |
| Advertising expenses |  | 22 |  | 23 |  | 1 |  | 6 |
| **Total** |  | **753** |  | **742** |  | **317** |  | **331** |

**22 Income tax**

***Income tax recognised in profit or loss***

|  |  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | 2022 |  | 2021 |  | 2022 |  | 2021 |
|  |  | *(in million Baht)* | | | | | | |
| **Current tax expense** |  |  |  |  |  |  |  |  |
| Current year |  | 100 |  | 109 |  | 2 |  | 1 |
|  |  |  |  |  |  |  |  |  |
| **Deferred tax expense** |  |  |  |  |  |  |  |  |
| Movements in temporary differences |  | 97 |  | 61 |  | 32 |  | 15 |
| **Total income tax expense** |  | **197** |  | **170** |  | **34** |  | **16** |

|  | **Consolidated financial statements** | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2022 | | | | |  | 2021 | | | | |
|  |  | Tax |  |  |  |  |  | Tax |  |  |
| Before |  | (expense) |  | Net of |  | Before |  | (expense) |  | Net of |
| tax |  | benefit |  | tax |  | tax |  | benefit |  | tax |
|  | *(in million Baht)* | | | | | | | | | | |
| ***Income tax recognised in other comprehensive income*** |  |  |  |  |  |  |  |  |  |  |  |
| Defined benefit plan actuarial losses | - |  | - |  | - |  | 4 |  | (1) |  | 3 |
| Gain on investments in equity instruments designated at FVOCI | (34) |  | 7 |  | (27) |  | (44) |  | 9 |  | (35) |
| **Total** | **(34)** |  | **7** |  | **(27)** |  | **(40)** |  | **8** |  | **(32)** |

|  | **Separate financial statements** | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2022 | | | | |  | 2021 | | | | |
|  |  | Tax |  |  |  |  |  | Tax |  |  |
| Before |  | (expense) |  | Net of |  | Before |  | (expense) |  | Net of |
| tax |  | benefit |  | tax |  | tax |  | benefit |  | tax |
|  | *(in million Baht)* | | | | | | | | | | |
| ***Income tax recognised in other comprehensive income*** |  |  |  |  |  |  |  |  |  |  |  |
| Defined benefit plan actuarial losses | **-** |  | **-** |  | **-** |  | **4** |  | **(1)** |  | **3** |

***Reconciliation of effective tax rate***

|  | **Consolidated financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2022 | | |  | 2021 | | |
|  | *Rate*  *(%)* |  | *(in million Baht)* |  | *Rate*  *(%)* |  | *(in million Baht)* |
| Profit before income tax expense |  |  | 951 |  |  |  | 797 |
| Income tax using the Thai corporation tax rate | *20* |  | 190 |  | *20* |  | 159 |
| Income tax reduction |  |  | (6) |  |  |  | (2) |
| Income not subject to tax |  |  | (1) |  |  |  | (3) |
| Expenses not deductible for tax purposes |  |  | 14 |  |  |  | 14 |
| Current year losses for which no deferred tax asset was recognised |  |  | - |  |  |  | 2 |
| **Total** | *21* |  | **197** |  | *21* |  | **170** |

|  | **Separate financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2022 | | |  | 2021 | | |
|  | *Rate*  *(%)* |  | *(in million Baht)* |  | *Rate*  *(%)* |  | *(in million Baht)* |
| Profit before income tax expense |  |  | 172 |  |  |  | 77 |
| Income tax using the Thai corporation tax rate | *20* |  | 34 |  | *20* |  | 15 |
| Income tax reduction |  |  | 3 |  |  |  | (1) |
| Expenses not deductible for tax purposes |  |  | (3) |  |  |  | 2 |
| **Total** | *20* |  | **34** |  | *21* |  | **16** |

|  | **Consolidated financial statements** | | |  | **Separate financial statements** | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***At 31 December*** | 2022 |  | 2021 |  | 2022 |  | 2021 |
|  | *(in million Baht)* | | | | | | |
| Deferred income tax assets | 77 |  | 82 |  | - |  | - |
| Deferred income tax liabilities | (1,756) |  | (1,657) |  | (928) |  | (896) |
|  | **(1,679)** |  | **(1,575)** |  | **(928)** |  | **(896)** |

|  | Consolidated financial statements | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Deferred tax*** | Assets | | |  | Liabilities | | |
| ***At 31 December*** | 2022 |  | 2021 |  | 2022 |  | 2021 |
|  | *(in million Baht)* | | | | | | |
| Total | 33 |  | 28 |  | (44) |  | (54) |
| Set off of tax | 44 |  | 54 |  | (1,712) |  | (1,603) |
| **Net deferred tax assets (liabilities)** | **77** |  | **82** |  | **(1,756)** |  | **(1,657)** |

|  | Separate financial statements | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Deferred tax*** | Assets | | |  | Liabilities | | |
| ***At 31 December*** | 2022 |  | 2021 |  | 2022 |  | 2021 |
|  | *(in million Baht)* | | | | | | |
| Total | 3 |  | 4 |  | (931) |  | (900) |
| Set off of tax | (3) |  | (4) |  | 3 |  | 4 |
| **Net deferred tax liabilities** | **-** |  | **-** |  | **(928)** |  | **(896)** |

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

|  | **Consolidated financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **(**Charged) / credited to: | | |  |  |
|  | At 1 |  | Profit or |  | Other comprehensive |  | At 31 |
| ***Deferred tax*** | January |  | loss |  | income |  | December |
|  | *(in million Baht)* | | | | | | |
| ***2022*** |  | | | | | | |
| ***Deferred tax assets*** |  |  |  |  |  |  |  |
| Trade accounts receivable *(expected credit losses)* | 1 |  | (1) |  | - |  | - |
| Real estate projects development for sale | 3 |  | - |  | - |  | 3 |
| Gain on sales of assets to related party | 1 |  | - |  | - |  | 1 |
| Advance service income | 7 |  | 1 |  | - |  | 8 |
| Provisions for employee benefits | 4 |  | (1) |  | - |  | 3 |
| Revenue and expense recognitions of real estate business | 8 |  | - |  | - |  | 8 |
| Loss carry forward | 4 |  | 1 |  | - |  | 5 |
| Provision for repairing real estate and infrastructure | - |  | 1 |  | - |  | 1 |
| Deposits | - |  | 4 |  | - |  | 4 |
| **Total** | **28** |  | **5** |  | - |  | **33** |
|  |  |  |  |  |  |  |  |
| ***Deferred tax liabilities*** |  |  |  |  |  |  |  |
| Deferred debenture issuing costs | (1) |  | 1 |  | - |  | - |
| Right-of-use asset | (1) |  | (1) |  | - |  | (2) |
| Unrealized gain from investment in equity securities measured at FVOCI | (102) |  | - |  | (7) |  | (109) |
| Gain on fair value of investment properties | (1,499) |  | (102) |  | - |  | (1,601) |
| **Total** | **(1,603)** |  | **(102)** |  | **(7)** |  | **(1,712)** |
|  |  |  |  |  |  |  |  |
| **Net** | **(1,575)** |  | **(97)** |  | **(7)** |  | **(1,679)** |
|  |  |  |  |  |  |  |  |
| ***2021*** |  |  |  |  |  |  |  |
| ***Deferred tax assets*** |  |  |  |  |  |  |  |
| Trade accounts receivable *(expected credit losses)* | - |  | 1 |  | - |  | 1 |
| Real estate projects development for sale | 3 |  | - |  | - |  | 3 |
| Gain on sales of assets to related party | 1 |  | - |  | - |  | 1 |
| Advance service income | 6 |  | 1 |  | - |  | 7 |
| Provisions for employee benefits | 4 |  | (1) |  | 1 |  | 4 |
| Revenue and expense recognitions of real estate business | 2 |  | 6 |  | - |  | 8 |
| Loss carry forward | 13 |  | (9) |  | - |  | 4 |
| **Total** | **29** |  | **(2)** |  | **1** |  | **28** |
|  |  |  |  |  |  |  |  |
| ***Deferred tax liabilities*** |  |  |  |  |  |  |  |
| Deferred debenture issuing costs | (1) |  | - |  | - |  | (1) |
| Right-of-use asset | (1) |  | - |  | - |  | (1) |
| Unrealized gain from investment in equity securities measured at FVOCI | (93) |  | - |  | (9) |  | (102) |
| Gain on fair value of investment properties | (1,441) |  | (58) |  | - |  | (1,499) |
| **Total** | **(1,536)** |  | **(58)** |  | **(9)** |  | **(1,603)** |
|  |  |  |  |  |  |  |  |
| **Net** | **(1,507)** |  | **(60)** |  | **(8)** |  | **(1,575)** |

|  | **Separate financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | (Charged) / credited to: | | |  |  |
|  | At 1 |  | Profit or |  | Other comprehensive |  | At 31 |
| ***Deferred tax*** | January |  | loss |  | income |  | December |
|  | *(in million Baht)* | | | | | | |
| ***2022*** |  | | | | | | |
| ***Deferred tax assets*** |  |  |  |  |  |  |  |
| Provisions for employee benefits | 4 |  | (1) |  | - |  | 3 |
|  |  |  |  |  |  |  |  |
| ***Deferred tax liabilities*** |  |  |  |  |  |  |  |
| Gain on fair value of investment properties | (900) |  | (31) |  | - |  | (931) |
| **Total** | **(900)** |  | **(31)** |  | **-** |  | **(931)** |
|  |  |  |  |  |  |  |  |
| **Net** | **(896)** |  | **(32)** |  | **-** |  | **(928)** |
|  |  |  |  |  |  |  |  |
| ***2021*** |  |  |  |  |  |  |  |
| ***Deferred tax assets*** |  |  |  |  |  |  |  |
| Provisions for employee benefits | 4 |  | (1) |  | 1 |  | 4 |
|  |  |  |  |  |  |  |  |
| ***Deferred tax liabilities*** |  |  |  |  |  |  |  |
| Deferred debenture issuing costs | (1) |  | 1 |  | - |  | - |
| Gain on fair value of investment properties | (885) |  | (15) |  | - |  | (900) |
| **Total** | **(886)** |  | **(14)** |  | **-** |  | **(900)** |
|  |  |  |  |  |  |  |  |
| **Net** | **(882)** |  | **(15)** |  | **1** |  | **(896)** |

As at 31 December 2022, the Company’s unused tax losses totaling Baht 11 million *(2021: Baht 23 million),* on which deferred tax assets have not been recognised, will expire by 2023. The management believes that they might not be used to offsets taxable income in the future.

**23 Basic earnings per share**

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2022 |  | 2021 |  | 2022 |  | 2021 |
|  | *(in million Baht / million shares)* | | | | | | |
| **Profit attributable to ordinary shareholders of the Company (basic)** | **714** |  | **574** |  | **138** |  | **61** |
|  |  |  |  |  |  |  |  |
| **Number of ordinary shares outstanding** | **6,500** |  | **6,500** |  | **6,500** |  | **6,500** |
|  |  |  |  |  |  |  |  |
| **Earnings per share (basic) *(in Baht)*** | **0.110** |  | **0.088** |  | **0.021** |  | **0.009** |

**24 Level of fair value and financial instruments**

1. *Level of fair value*

|  |  | **Consolidated financial statement** | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | | | | |  | **Fair value** | | | | |
|  |  |  |  |  |  |  |  | Level 1 |  | Level 2 |  | Level 3 |
|  |  | *(in million Baht)* | | | | | | | | | | |
| ***At 31 December 2022*** |  |  | | | | | | | | | | |
| ***Financial assets measured at fair value*** |  |  | | | | | | | | | | |
| Other non-current financial assets - investment in equity securities |  |  |  |  |  |  |  | - |  | - |  | 650 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Financial liabilities disclosed at fair value*** |  |  |  |  |  |  |  |  |  |  |  |  |
| Short-term loans from financial institutions |  |  |  |  |  |  |  | - |  | - |  | (820) |
| Current portion of long-term loans from financial institutions |  |  |  |  |  |  |  | - |  | - |  | (1,100) |
| Loan-term loans from financial institutions |  |  |  |  |  |  |  | - |  | - |  | (2,518) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***At 31 December 2021*** |  |  | | | | | | | | | | |
| ***Financial assets measured at fair value*** |  |  | | | | | | | | | | |
| Other current financial assets - investments in debt securities |  |  |  |  |  |  |  | - |  | 40 |  | - |
| Other non-current financial assets - investment in equity securities |  |  |  |  |  |  |  | - |  | - |  | 615 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Financial liabilities disclosed at fair value*** |  |  |  |  |  |  |  |  |  |  |  |  |
| Short-term loans from financial institutions |  |  |  |  |  |  |  | - |  | - |  | (1,000) |
| Current portion of long-term loans from financial institutions |  |  |  |  |  |  |  | - |  | - |  | (2,526) |
| Debentures |  |  |  |  |  |  |  | - |  | (1,032) |  | - |

|  | **Separate financial statements** | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | Fair value | | | | | |
|  |  |  |  |  | Level 1 | Level 2 | | Level 3 | | |
|  | *(in million Baht)* | | | | | | | | | |
| ***At 31 December 2022*** |  |  |  |  | | | | | | |
| ***Financial liabilities disclosed at fair value*** |  |  |  |  |  |  |  | |  |  |
| Short-term loans from financial institutions |  |  |  |  | - |  | - | |  | (820) |
| Current portion of long-term loans from financial institutions |  |  |  |  | - |  | - | |  | (1,100) |
|  |  |  |  |  |  |  |  | |  |  |
|  |  |  |  |  |  |  |  | |  |  |
|  |  |  |  |  |  |  |  | |  |  |
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|  |  |  |  |  |  |  |  | |  |  |
|  |  |  |  |  |  |  |  | |  |  |
| ***At 31 December 2021*** |  |  |  |  |  |  |  | |  |  |
| ***Financial assets measured at fair value*** |  |  |  |  |  |  |  | |  |  |
| Other current financial assets - investments in debt securities |  |  |  |  | - |  | 40 | |  | - |
|  |  |  |  |  |  |  |  | |  |  |
| ***Financial liabilities disclosed at fair value*** |  |  |  |  |  |  |  | |  |  |
| Short-term loans from financial institutions |  |  |  |  | - |  | - | |  | (1,000) |
| Debentures |  |  |  |  | - |  | (1,032) | |  | - |

The methods and assumptions used by the Company and its subsidiaries in estimating the fair value of financial instruments are as follows:

1. For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, accounts receivable, loans to related parties, accounts payable and loans from related parties approximate market rate, their carrying amounts in the statements of financial position approximate their fair value.
2. For fixed rate debentures, their fair value is determined by using the price as announced by the Thai Bond Market Association.
3. For long-term loans carrying interest approximate to the market rate, their carrying amounts in the statements of financial position approximates their fair value.
4. Investment in non-marketable equity securities, the fair value is determined by using financial pricing model.
5. Investments in marketable unit trusts classified as financial assets measured at FVTPL is determined using the net asset value as of the reporting date.

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, deposit received from customer is taken to approximate the carrying value due to the relatively short-term maturity of these financial instruments.

There were no transfers between the fair value hierarchies during the year.

*(b) Movement of marketable debt securities*

|  | **Consolidated / separate financial statements** | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Marketable debt securities*** | At 1 January |  | Purchase |  | Disposal |  | Fair value adjustment |  | At 31 December |
|  | *(in million Baht)* | | | | | | | | |
| ***2022*** |  |  |  |  |  |  |  |  |  |
| ***Current financial assets*** |  |  |  |  |  |  |  |  |  |
| Debt securities measured at   * FVTPL | 40.18 |  | 20.00 |  | (60.00) |  | 0.03 |  | 0.21 |
|  |  | | | | | | | | |
| ***2021***  ***Current financial assets*** |  |  |  |  |  |  |  |  |  |
| Debt securities measured at   * FVTPL | 40.12 |  | 70.00 |  | (70.00) |  | 0.06 |  | 40.18 |

***Sensitivity analysis***

For the fair values of financial assets and financial liabilities at 31 December 2022 measured at fair value Level 3, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects

|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Effect to profit or loss*** | 1% increase in assumption |  | 1% decrease in assumption |  | 1% increase in assumption |  | 1% decrease in assumption |
|  | *(in million Baht)* | | | | | | |
| ***31 December 2022*** |  |  |  |  |  |  |  |
| ***Investment properties*** |  | | | | | | |
| Discount rate | (972) |  | 1,143 |  | (312) |  | 389 |

*(b.1) Interest rate risk*

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group’s operations and its cash flows because loan interest rates (see note 16) are mainly fixed. So the Group has low interest rate risk. The sensitivity impact to the increase or decrease in interest expenses from borrowings, as a result of changes in interest rates is immaterial on financial statements of the Group***.***

*(c) Financial risk management policies*

***Risk management framework***

The Group’s board of directors has overall responsibility for the establishment and oversight of the Group’s risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group’s risk management policies. The committee reports regularly to the board of directors on its activities.

The Group’s risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group’s activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group’s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

*(c.1) Credit risk*

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group’s receivables from customers and investments in debt securities

(c.1.1) Trade accounts receivables

The Group’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group’s standard payment and delivery terms and conditions are offered. The Group’s review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the risk management committee.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 3 months. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables/groupings of various customer segments with similar credit risks to reflect differences between economic conditions in the past, current conditions and the Group’s view of economic conditions over the expected lives of the receivables.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of three months.

(c.1.2) Investment in debt securities

The Group considers that all debt investments measured FVOCI have low credit risk. Then the credit loss allowance assessed during the year was therefore limited to 12 months expected losses or ‘low credit risk’. Marketable bonds are considered to be an investment grade credit rating published by external credit rating agencies. The credit risk of other instruments are considered to be low when the risk of default is low and the issuer has a strong capacity to meet its contractual cash flow obligations.

(c.1.3) Financial instrument and cash at banks

The Group manages the credit risk from balance with banks and financial institutions approved within credit limits is limited because the counterparties are banks and financial institutions which the Group considers to have low credit risk.

*(c.2) 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 which the Group considers to have low risk.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and reduce the impact of netting agreements

|  | **Consolidated financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Contractual cash flows | | | | | | |
|  | Carrying amount |  | 1 year  or less |  | More than  1 year but not over  5 years |  | Total |
|  | *(in million Baht)* | | | | | | |
| ***At 31 December 2022*** |  | | | | | | |
| ***Non-derivative financial liabilities*** |  |  |  |  |  |  |  |
| Loans from financial institutions | 4,452 |  | 1,920 |  | 2,532 |  | 4,452 |
| Trade and other payables | 219 |  | 219 |  | - |  | 219 |
| Lease liabilities | 138 |  | 5 |  | 133 |  | 138 |
| Loans from related parties | 1,804 |  | - |  | 1,804 |  | 1,804 |
| Rental and service retention | 209 |  | 133 |  | 76 |  | 209 |
| Contractor payables | 19 |  | 19 |  | - |  | 19 |
|  | **6,841** |  | **2,296** |  | **4,545** |  | **6,841** |
|  |  | | | | | | |
| ***At 31 December 2021*** |  | | | | | | |
| ***Non-derivative financial liabilities*** |  |  |  |  |  |  |  |
| Loans from financial institutions | 4,632 |  | 3,532 |  | 1,100 |  | 4,632 |
| Trade and other payables | 266 |  | 266 |  | - |  | 266 |
| Lease liabilities | 137 |  | 5 |  | 132 |  | 137 |
| Loans from related parties | 782 |  | - |  | 782 |  | 782 |
| Debentures | 1,028 |  | 1,028 |  | - |  | 1,028 |
| Rental and service retention | 201 |  | 71 |  | 130 |  | 201 |
| Contractor payables | 32 |  | 32 |  | - |  | 32 |
|  | **7,078** |  | **4,934** |  | **2,144** |  | **7,078** |

|  | **Separate financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Contractual cash flows | | | | | | |
|  | Carrying amount |  | 1 year  or less |  | More than  1 year but not over  5 years |  | Total |
|  | *(in million Baht)* | | | | | | |
| ***At 31 December 2022*** |  | | | | | | |
| ***Non-derivative financial liabilities*** |  |  |  |  |  |  |  |
| Loans from financial institutions | 1,920 |  | 1,920 |  | - |  | 1,920 |
| Trade and other payables | 85 |  | 85 |  | - |  | 85 |
| Lease liabilities | 2 |  | 1 |  | 1 |  | 2 |
| Loans from related parties | 6,257 |  | 4,453 |  | 1,804 |  | 6,257 |
| Rental and service retention | 17 |  | 8 |  | 9 |  | 17 |
| Contractor payables | 8 |  | 8 |  | - |  | 8 |
|  | **8,289** |  | **6,475** |  | **1,814** |  | **8,289** |
|  |  | | | | | | |
| ***At 31 December 2021*** |  | | | | | | |
| ***Non-derivative financial liabilities*** |  |  |  |  |  |  |  |
| Loans from financial institutions | 2,100 |  | 1,000 |  | 1,100 |  | 2,100 |
| Trade and other payables | 116 |  | 116 |  | - |  | 116 |
| Lease liabilities | 7 |  | 5 |  | 2 |  | 7 |
| Loans from related parties | 4,757 |  | 3,975 |  | 782 |  | 4,757 |
| Debentures | 1,028 |  | 1,028 |  | - |  | 1,028 |
| Rental and service retention | 10 |  | 6 |  | 4 |  | 10 |
| Contractor payables | 11 |  | 11 |  | - |  | 11 |
|  | **8,029** |  | **6,141** |  | **1,888** |  | **8,029** |

*(c.3) Market risk*

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group’s operations and its cash flows because debt securities and loan interest rates are mainly fixed. So the Group has low interest rate risk. The sensitivity impact to the increase or decrease in interest expenses from borrowings, as a result of changes in interest rates is immaterial on financial statements of the Group.

**25 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 regularly monitors the return on capital.

**26 Commitments with non-related parties**

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2022 |  | 2021 |  | 2022 |  | 2021 |
|  | *(in million Baht)* | | | | | | |
| ***Contracted but not provided for:*** |  |  |  |  |  |  |  |
| Unrecognized Contract |  |  |  |  |  |  |  |
| Building and utility system | 38 |  | 26 |  | 30 |  | 18 |
| Investment properties agreement under development | 45 |  | 57 |  | - |  | - |
| **Total** | **83** |  | **83** |  | **30** |  | **18** |
|  |  |  |  |  |  |  |  |
| ***Other commitments*** |  |  |  |  |  |  |  |
| Services contract | 75 |  | 112 |  | 16 |  | 26 |
| Bank guarantees | 19 |  | 19 |  | 7 |  | 7 |
| **Total** | **94** |  | **131** |  | **23** |  | **33** |

**27 Litigations**

In October 2020, a subsidiary was being sued in a civil by a juristic person (“Complainant”) requesting the payment from breach of management and construction contract of approximately Baht 5.8 million. The court made an appointment to determine the guidelines for the trial and mediation on 23 November 2021 and appoint both, complainant and defendant to investigate the witnesses in March 2022. In April 2022, the subsidiary agreed to pay to the complainant amounting to Baht 4.8 million.

In June 2021, a subsidiary was being sued in a civil by a juristic person (“Complainant”) requesting the payment from breach of contract of Baht 31 million. The court made an appointment to determine the guidelines for the trial and witness in May 2022. In June 2022, the subsidiary agreed to pay to the complainant amounting to Baht 15.15 million.

In December 2021, a subsidiary was being sued in a civil by a juristic person (“Complainant”) requesting the payment from breach of contract of Baht 2 million. The court made an appointment to determine the guidelines for the trial and witness in May 2022. The both sides entered compromise agreement. Subsequently, in July 2022, the subsidiary agreed to pay to the complainant amounting to Baht 1.45 million.

In October 2021, a subsidiary was being sued in a civil by a juristic person (“Complainant”) requesting the payment from breach of lease contract of Baht 51 million. The court made an appointment to determine the guidelines for the trial and witness in March 2023. Based on opinion of the management and the legal department of the Group, they consider that the Group has no possibility of litigating payment, therefore the Group did not recognize the provision from the outstanding legal case.

# 28 Reclassification

Certain accounts in the statement of financial position for the year ended 31 December 2021, which are included in the 2022 financial statement for comparative purpose, have been reclassified to confirm to the presentation in the 2022 financial statements as follow:

|  |  | 2021 | | | | |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | Consolidated financial statements | | | | |
|  |  | Before reclass |  | Reclass |  | After reclass |
|  |  | *(in million Baht)* | | | | |
| ***The statements of financial position*** |  |  |  |  |  |  |
| ***Current liabilities*** |  |  |  |  |  |  |
| Current contract liabilities |  | 782 |  | (782) |  | - |
|  |  |  |  |  |  |  |
| ***Non-current liabilities*** |  |  |  |  |  |  |
| Non-current contract liabilities |  | - |  | 782 |  | 782 |
|  |  |  |  | **-** |  |  |

|  |  | 2021 | | | | |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | Separate financial statements | | | | |
|  |  | Before reclass |  | Reclass |  | After reclass |
|  |  | *(in million Baht)* | | | | |
| ***The statements of financial position*** |  |  |  |  |  |  |
| ***Current liabilities*** |  |  |  |  |  |  |
| Current contract liabilities |  | 4,757 |  | (782) |  | 3,975 |
|  |  |  |  |  |  |  |
| ***Non-current liabilities*** |  |  |  |  |  |  |
| Non-current contract liabilities |  | - |  | 782 |  | 782 |
|  |  |  |  | **-** |  |  |

The reclassifications have been made because in the opinion of the management, the new classification is more appropriate to the Group’s business.