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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 19 February 2021.

**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, associate and joint venture as at 31 December 2020 and 2019 are given in notes 9 and 10.

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

*(a) Statement of compliance*

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. In addition, the Group elected to apply accounting guidance on temporary accounting relief measures for additional accounting options for the year ended   
31 December 2020, in response to impact from the situation of COVID-19 outbreak.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies.

The Group has initial applied standards which comprise TFRS 9 *Financial Instruments* and relevant standards and interpretations and TFRS 16 *Leases* and disclosed impact from changes to significant accounting policies in note 3.

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.

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

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Company’s name |  | Nature of business |  | Percentage of shareholding | | | |
|  |  |  |  | 2020 | | 2019 | |
|  |  |  |  | % | | % | |
| **Owned by the Company** |  |  |  |  | |  | |
| Sterling Equity Co., Ltd. |  | Property development |  | 100.00 | 100.00 | |
| Belle Assets Co., Ltd. |  | Property development |  | 100.00 | 100.00 | |
| G Land Property Management Co., Ltd. |  | Property development |  | 100.00 | 100.00 | |
| Ratchada Asset Holding Co., Ltd. |  | Holding company |  | 100.00 | 100.00 | |
| GLAND REIT Management Co., Ltd. |  | Manager of the Real Estate Investment Trust |  | 100.00 | 100.00 | |
| **Owned by Praram 9 Square Ltd.** |  |  |  |  |  | |
| Praram 9 Square Hotel Ltd. |  | Hotel business |  | 99.99 | 99.99 | |

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

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

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

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

*(b) Functional and presentation currency*

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

*(c) Use of judgements and estimates*

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

* + 1. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

4(k) and 15 Leases:

* whether an arrangement contains a lease;
* whether the Group is reasonably certain to exercise extension options;
* whether the Group exercise termination options;
* whether the Group has transferred substantially all the risks and rewards incidental to the ownership of the assets to lessees.

5 Impact of COVID-19 Outbreak

* + 1. Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

4(k) Determining the incremental borrowing rate to measure lease liabilities;

5 Impact of COVID-19;

13 Measurement of investment properties;

17 Measurement of defined benefit obligations: key actuarial assumptions;

23 Recognition of deferred tax assets: availability of future taxable profit against which  
 deductible temporary differences and tax losses carried forward can be utilised; and

26 Determining the fair value of financial instruments on the basis of significant  
 unobservable inputs.

**3 Changes in accounting policies**

From 1 January 2020, the Group has initially applied TFRS - Financial instruments standards and   
TFRS 16.

***(a) TFRS - Financial instruments standards***

The Group has adopted TFRS - Financial instruments standards by adjusting the cumulative effects to retained earnings and other components of equity on 1 January 2020. Therefore, the Group did not adjust the information presented for 2019. The disclosure requirements of TFRS for financial instruments have not generally been applied to comparative information.

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities. The details of accounting policies are disclosed in note 4(d) and 4(m). The impact from adoption of TFRS – Financial instruments standards are as follows:

1. Classification and measurement of financial assets and financial liabilities

TFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification is based on the cash flow characteristics of the financial asset and the business model in which they are managed. However, the Group may, at initial recognition, irrevocably designate a financial asset as measured at FVTPL. TFRS 9 eliminates the previous classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105.

Under TFRS 9, interest income and interest expenses recognised from all financial assets and financial liabilities measured at amortised cost shall be calculated using effective interest rate method. Previously, the Group recognised interest income and interest expenses at the rate specified in the contract.

The Group intends to hold non-marketable equity securities amounted of Baht 572 million, for the long-term strategic purposes. The Group has designated them as measured at FVOCI. The accumulated gain on measurement of these investments will not be reclassified to profit or loss.

|  | **Consolidated financial statements** | | |
| --- | --- | --- | --- |
|  | Classification under previous standards at 31 December 2019 |  | Classification under TFRS 9  at 1 January 2020 |
|  | Carrying amounts |  | Fair value through other comprehensive income |
|  | *(in million Baht)* | | |
| Other non-current financial assets |  |  |  |
| - Other non-marketable equity instruments | **105** |  | **572** |

1. Impairment – Financial assets

TFRS 9 introduces forward-looking ‘expected credit loss’ (ECL) model whereas previously the Group estimates allowance for doubtful account by analysing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments measured at FVOCI, lease receivables, except for investments in equity instruments. The change of accounting policies has no material impact on the consolidated and separate financial statements.

***(b) TFRS 16 Leases***

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously, the Group, as a lessee, recognised payments made under operating leases in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 January 2020, the Group recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised gain (loss) from change in fair value of right-of-use assets and interest expense on lease liabilities.

On transition, the Group also elected to use the following practical expedients:

* do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term;
* use hindsight when determining the lease term;
* apply a single discount rate to a portfolio of leases with similar characteristics;
* rely on previous assessments whether leases are onerous as an alternative to performing an impairment review; and
* exclude initial direct costs from measuring the right-of-use asset.

|  | Consolidated financial statements |  | Separate financial statements |
| --- | --- | --- | --- |
|  | *(in million Baht)* | | |
| ***Impact from the adoption of TFRS 16*** |  | | |
| ***At 1 January 2020*** |  | | |
| Decrease in land leasehold right from related parties | (97) |  | - |
| Increase in investment properties | 230 |  | - |
| Increase in lease liabilities | (133) |  | - |
| ***Measurement of lease liability*** |  |  |  |
| Operating lease commitment at 31 December 2019 | 286 |  | - |
| *Less* recognition exemption for short-term lease | (4) |  | - |
|  | **282** |  | **-** |
| Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2020 | 133 |  | - |
| Finance lease liability recognised as at 31 December 2019 | - |  | - |
| **Lease liabilities recognised at 1 January 2020** | **133** |  | **-** |
| Weighted-average incremental borrowing rate*(% per annum)* | **4.36** |  | **-** |

Right-of-use assets and lease liabilities shown above were presented as part of real estate for rental and service business segment.

*As a lessor*

The accounting policy under TFRS16 that the Group applied as a lessor are not different from those under TAS 17.

**4 Significant Accounting Policies**

The accounting policies set out below have been applied consistently to all period presented in these financial statements, except as explained in note 3.

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.

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

*Loss of control*

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

*Interests in equity - accounted investees*

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

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

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

*Transactions eliminated on consolidation*

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

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

Investments in subsidiaries, associates and joint ventures in the separate financial statements of the Company are measured at cost less allowance for impairment losses.

*Disposal of investments in the separate financial statements*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment

1. ***Foreign currencies***

*Foreign currency transactions*

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

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

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

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

1. ***Financial instruments***

***Accounting policies applicable from 1 January 2020***

*(d.1) Recognition and initial measurement*

Trade receivables, debt securities issued and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

*(d.2) Classification and subsequent measurement*

*Financial assets - classification*

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comphehensive income (FVOCI); or fair value to profit or loss (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.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

* it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
* its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

* it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
* its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment’s fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

*Financial assets – business model assessment*

The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

* the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management’s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
* how the performance of the portfolio is evaluated and reported to the Group’s management;
* the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
* how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected;
* and the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group’s continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

*Financial assets – assessment whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

* contingent events that would change the amount or timing of cash flows;
* terms that may adjust the contractual coupon rate, including variable-rate features; and
* terms that limit the Group’s claim to cash flows from specified assets (e.g. non-recourse features).

*Financial assets – subsequent measurement and gains and losses*

|  |  |  |
| --- | --- | --- |
| Financial assets at FVTPL |  | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However, |
| Equity investments at FVOCI |  | 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. |

*Financial liabilities – classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

*(d.3) Derecognition*

*Financial assets*

The Group derecognises a financial asset when the contractual rights to 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 enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

*Financial liabilities*

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.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

***Accounting policies applicable before 1 January 2020***

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

*Disposal of investments*

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

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment

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

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

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

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

A receivable is measured at transaction price less allowance for expected credit loss *(2019: allowance for doubtful accounts)* which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

1. ***Revenue from sale of real estate***

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 properties include properties that are held as right-of-use assets, as well as properties that are owned by the Group which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in supply of goods or services or for administrative purposes.

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

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

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

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

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

*Recognition and measurement*

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

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

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

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

*Reclassification to investment property*

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

*Subsequent costs*

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

*Depreciation*

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

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

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

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

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

1. ***Intangible assets***

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

*Subsequent expenditure*

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

*Amortisation*

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

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

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

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

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

1. ***Leases***

***Accounting policies applicable from 1 January 2020***

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

*As a lessee*

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components 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 lease payments made at or before the commencement date, 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 cost of the right-of-use asset reflects that 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 the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group’s incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are reconised as expenses in the accounting period in which they are incurred.

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 change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. 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 presents right-of-use assets that do not meet the definition of investment property in ‘property, plant and equipment/intangible assets’ and lease liabilities in ‘long-term loan’ in the statement of financial position.

*As a lessor*

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

The Group recognises lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of ‘rental income/other 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 applies the derecognition and impairment requirements in TFRS 9 to the net investment in the lease (See note 4(h)). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

***Accounting policies applicable before 1 January 2020***

As a lessee, leases in terms, lease payments are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

As a lessor, 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.

1. ***Impairment of financial assets***

***Accounting policies applicable from 1 January 2020***

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, loans to others and related parties), debt investments measured at FVOCI, contract assets, lease receivables, and loan commitments issued which are not measured at FVTPL.

*Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or

- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for trade receivables, lease receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the group’s historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, 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.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in financial instruments’s 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.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument’s credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

*Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract.

*Write-off*

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.

***Accounting policies applicable before 1 January 2020***

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

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

*Reversal of impairment*

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss.

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. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

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

*Calculation of recoverable amount*

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

*Reversal of impairment*

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss.

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

1. ***Contract liabilities***

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

1. ***Employee benefits***

*Defined contribution plans*

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

*Defined benefit plans*

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

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

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

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

*Short-term employee benefits*

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

1. ***Provisions***

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

1. ***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.

A number of the Group’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short 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 and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

* *Level 1*: quoted prices in active markets for identical assets or liabilities.
* *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
* *Level 3*: inputs for the asset or liability that are based on unobservable input.

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

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

1. ***Revenue***

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

*Rental*

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

*Service*

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

*Sale of real estate*

Revenue from sale of real estate is recognised when a customer obtains control of the real estate 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 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 get benefit from it separately. The consideration received is allocated based on their relative stand-alone selling prices.

Deposits and instalments received from customers on real estate sold prior to the date of revenue recognition are presented as contract liabilities in the statement of financial position. Deposits and instalments 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. ***Other income***

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

1. ***Interest***

***Accounting policies applicable from 1 January 2020***

*Effective Interest Rate (EIR)*

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

* the gross carrying amount of the financial asset; or
* the amortised cost of the financial liability.

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.

***Accounting policies applicable before 1 January 2020***

Interest income is recognised in profit or loss at the rate specified in the contract.

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

1. ***Income tax***

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

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

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

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

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

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

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

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

1. ***Earnings per share***

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

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.

**5 Impact of COVID-19 Outbreak**

Due to the COVID-19 outbreak at the beginning of 2020, Thailand and many other countries have enacted several protective measures against the outbreak, e.g. the order to temporarily shut down operating facilities or reduce operating hours, social distancing, etc. This has affected to the Group’s businesses as follows:

*Rental and services in office buildings and retail shop*

In March 2020, in an effort to contain the impact of COVID-19, provincial governments decided to temporarily shut down the Group’s retail shop in the enforced locations for specific periods of time .The retail shop remains to open the restaurants (take-away), and some businesses according to provincial government orders. During temporarily shut down, the Group considered to provide rental discounts to tenants that has affected. In May 2020, the Group’s retail shop had reopened according to governance announcement.

At 31 December 2020, the situation of COVID-19 outbreak is still ongoing, resulting in estimation uncertainty on the potential impact, therefore, the Group elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 outbreak. The Group considered impairment of trade accounts receivables under simplified approach using historical loss rate and did not take forward-looking information into account and fair value under TFRS13. Non-financial assets and non-marketable equity securities : The Group can choose to exclude the factor of COVID-19 situation, which may affect future financial forecast, in fair value measurement technique.

**6 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 | Held by a subsidiary |
| Grand Fortune Company Limited | Thailand | Common directors |
| CKS Holding Company Limited | Thailand | Common directors |
| Super Assets Company Limited | Thailand | Common directors |
| B2S Co., Ltd. | Thailand | Common directors |
| Common Ground (Thailand)  Co., Ltd. | Thailand | Joint venture of the group |
| CPN Village Company Limited | Thailand | Common directors |
| 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** |
| --- | --- |
| Project management income | Agreed prices |
| Selling management income | Agreed prices |
| Rental income | Agreed prices |
| Property management income | Agreed prices |
| Trust management income | Agreed prices |
| Sales of investment property | Agreed prices |
| Sales of equipment | Cost plus margin |
| Interest income | Rate stipulated in the agreement |
| Other income | Agreed prices |
| Dividend income | The declared amount |
| Rental and service expenses | Agreed prices |
| Construction service expenses | Agreed prices |
| Insurance expenses | Agreed prices |
| Interest expense | Rate stipulated in the agreement |

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

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Year ended 31 December*** | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| **Ultimate parent company** |  |  |  |  |  |  |  |
| Rental and service cost | 6,647 |  | - |  | 6,647 |  | - |
| Management fee | 58,362 |  | 56,494 |  | 57,022 |  | 55,060 |
|  |  |  |  |  |  |  |  |
| **Parent company** |  |  |  |  |  |  |  |
| Interest Expense | 14,090 |  | 2,718 |  | 14,090 |  | 2,718 |
|  |  |  |  |  |  |  |  |
| **Subsidiaries** |  |  |  |  |  |  |  |
| Project management income | - |  | - |  | 71,671 |  | 53,562 |
| Selling management income | - |  | - |  | 13,418 |  | 19,522 |
| Construction management income | - |  | - |  | 2,335 |  | - |
| Interest income | - |  | - |  | 221,427 |  | 270,662 |
| Interest expense | - |  | - |  | 28,892 |  | 92,979 |
| Rental and service income | - |  | - |  | 3,294 |  | - |
| Dividend income | - |  | - |  | 59,877 |  | - |
|  |  |  |  |  |  |  |  |
| **Associates** |  |  |  |  |  |  |  |
| Rental income | 36,764 |  | 234,482 |  | 24,445 |  | 163,743 |
| Property management income | 5,484 |  | 32,849 |  | 3,744 |  | 22,644 |
| Trust management income | 2,886 |  | 17,192 |  | - |  | - |
| Income for proceed disposal of asset | 56,290 |  | - |  | - |  | - |
| Rental and service income | 2,170 |  | 17,189 |  | 2,170 |  | 17,189 |
| Dividend income | - |  | - |  | 308,242 |  | 52,993 |
| Interest income | 59,364 |  | - |  | - |  | - |
|  |  |  |  |  |  |  |  |
| **Joint venture** |  |  |  |  |  |  |  |
| Interest income | 44,759 |  | 131,800 |  | - |  | - |
|  |  |  |  |  |  |  |  |
| **Other related parties** |  |  |  |  |  |  |  |
| Rental income | 238,295 |  | 20,771 |  | 125,299 |  | 37 |
| Project management income | 27,066 |  | - |  | 18,139 |  | - |
| Other Income | 167 |  | 8 |  | - |  | - |
| Rental and service income | 1,659 |  | - |  | 1,659 |  | - |
|  |  |  |  |  |  |  |  |
| **Key management personnel** |  |  |  |  |  |  |  |
| Key management personnel  compensation |  |  |  |  |  |  |  |
| Short-term employee benefit | 40,169 |  | 38,661 |  | 39,859 |  | 37,186 |
|  |  |  |  |  |  |  |  |

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

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| ***Trade accounts receivable*** |  | | | | | | |
| Subsidiaries | - |  | - |  | 14,904 |  | 49,745 |
| Associates | - |  | 30,993 |  | - |  | 17,246 |
| Other related parties | 20,464 |  | 21,832 |  | 8,680 |  | 20,706 |
| **Total** | **20,464** |  | **52,825** |  | **23,584** |  | **87,697** |
|  |  |  |  |  |  |  |  |
| ***Other receivables*** |  |  |  |  |  |  |  |
| Ultimate parent company | 739 |  | - |  | 739 |  | - |
| Subsidiaries | - |  | - |  | 51,642 |  | 54,340 |
| Associates | - |  | 42,216 |  | - |  | 27,300 |
| Other related parties | 2,604 |  | - |  | 1,644 |  | - |
| **Total** | **3,343** |  | **42,216** |  | **54,025** |  | **81,640** |
|  |  |  |  |  |  |  |  |
| ***Land leasehold right*** |  |  |  |  |  |  |  |
| Other related parties | **-** |  | **97,527** |  | **-** |  | **-** |
|  |  |  |  |  |  |  |  |
| ***Property, plant and equipment*** |  |  |  |  |  |  |  |
| Subsidiaries | **-** |  | **-** |  | **9,368** |  | **-** |
|  |  |  |  |  |  |  |  |
| ***Investment Properties*** |  |  |  |  |  |  |  |
| Other related parties | **231,607** |  | **-** |  | **-** |  | **-** |
|  |  |  |  |  |  |  |  |
| ***Rental and service deposit***  ***(shown under other non-current***  ***assets)*** |  |  |  |  |  |  |  |
| Associates | - |  | 3,074 |  | - |  | 3,074 |
| Other related parties | 3,074 |  | - |  | 3,074 |  | - |
| **Total** | **3,074** |  | **3,074** |  | **3,074** |  | **3,074** |

|  |  | | **Interest rate** |  | **Consolidated financial statements** | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | As at 31 December |  | As at 1 January |  | Increase |  | Decrease |  | As at 31 December |
|  |  | | *(% per annum)* |  | *(in thousand Baht)* | | | | | | | |
| ***2020*** |  | |  |  |  | | | | | | | |
| ***Long-term loans to*** |  | |  |  |  | | | | | | | |
| Joint venture |  | | - |  | 4,979,062 |  | 89,518 |  | (5,068,580) |  | - |
| *Less* The excess of accumulated share of loss from investment in joint venture over cost of investment |  | |  |  | (414,359) |  | (1,356) |  | 415,715 |  | - |
| *Less* The elimination of interest income |  |  | |  | (131,800) |  | (44,758) |  | 176,558 |  | - |
| **Net** |  | |  |  | **4,432,903** |  |  |  |  |  | **-** |
|  |  | |  |  |  |  |  |  |  |  |  |
| Associate |  | | 4.03 |  | - |  | 5,198,308 |  | - |  | 5,198,308 |
| *Less* The excess of accumulated share of loss from investment in associate over cost of investment |  | |  |  | - |  | (409,780) |  | - |  | (409,780) |
| *Less* The elimination of interest income |  | |  |  | - |  | (235,924) |  | - |  | (235,924) |
| **Net** |  | |  |  | - |  |  |  |  |  | 4,552,604 |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***2019*** | |  | |  |  |  | | | | | | | | | | | | | | |
| ***Long-term loans to*** | |  | |  |  |  | | | | | | | | | | | | | | |
| Joint venture | |  | | MLR - 0.5 |  | 4,712,956 | | |  | 266,106 | | |  | - | | |  | | 4,979,062 | |
| *Less* The excess of accumulated share of loss from investment  in joint venture over cost of investment | | | | |  | (409,765) | | |  | (4,594) | | |  | - | | |  | | (414,359) | |
| *Less* The elimination of interest  income | | | | |  | - | | |  | (131,800) | | |  | - | | |  | | (131,800) | |
| **Net** | |  | |  |  | |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **4,303,191** |  |  |  |  |  |  | |  |  |  |  |  |  |  | | | |  |  | | |  |  | | |  | | |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **4,432,903** |  |  |  |  |  |  | |  |  |  |  |  |  |  | | |  | |  |  |
|  |  | | **Interest rate** | | | |  | **Separate financial statements** | | | | | | | | | | | | | |
|  |  | | As at 31 December | | | |  | As at 1 January | | |  | Increase | | |  | Decrease | |  | | As at 31 December | |
|  |  | | *(% per annum)* | | | |  | *(in thousand Baht)* | | | | | | | | | | | | | |
| ***2020*** |  | |  | | | |  |  | | | | | | | | | | | | | |
| ***Short-term loans*** |  | |  | | | |  |  | | | | | | | | | | | | | |
| Subsidiaries |  | | 4.03 | | | |  | 1,502,336 | | |  | 216,147 | | |  | (88,416) | |  | | 1,630,067 | |
|  |  | |  | | | |  |  | | |  |  | | |  |  | |  | |  | |
| ***Long-term loans*** |  | |  | | | |  |  | | |  |  | | |  |  | |  | |  | |
| Subsidiaries |  | | 4.03 | | | |  | 4,977,567 | | |  | 237,470 | | |  | (1,364) | |  | | 5,213,673 | |
|  |  | |  | | | |  |  | | | | | | | | | | | | | |
| ***2019*** |  | |  | | | |  |  | | | | | | | | | | | | | |
| ***Short-term loans*** |  | |  | | | |  |  | | | | | | | | | | | | | |
| Subsidiaries |  | | MLR - 0.5, 5.25 | | | |  | 1,352,153 | | |  | 1,081,847 | | |  | (931,664) | |  | | 1,502,336 | |
|  |  | |  | | | |  |  | | |  |  | | |  |  | |  | |  | |
| ***Long-term loans*** |  | |  | | | |  |  | | |  |  | | |  |  | |  | |  | |
| Subsidiaries |  | | MLR - 0.75 | | | |  | 4,707,306 | | |  | 490,549 | | |  | (220,288) | |  | | 4,977,567 | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | |  |  | | |  |  | | |  |  | | |  |  | |
|  | | | Consolidated  financial statements | | | | | | |  | Separate  financial statements | | | | | | |
|  | | | 2020 | | |  | 2019 | | |  | 2020 | | |  | 2019 | | |
|  | | | *(in thousand Baht)* | | | | | | | | | | | | | | |
| ***Trade accounts payable*** | | |  | | | | | | | | | | | | | | |
| Ultimate parent company | | | 4,557 | | |  | - | | |  | 4,439 | | |  | - | | |
| Subsidiaries | | | - | | |  | - | | |  | 135,799 | | |  | 137,007 | | |
| Associates | | | - | | |  | 155 | | |  | - | | |  | 155 | | |
| Other related parties | | | 2,807 | | |  | 602 | | |  | 2,422 | | |  | 449 | | |
| **Total** | | | **7,364** | | |  | **757** | | |  | **142,660** | | |  | **137,611** | | |
|  | | |  | | |  |  | | |  |  | | |  |  | | |
| ***Other payables*** | | |  | | |  |  | | |  |  | | |  |  | | |
| Ultimate parent company | | | 8,700 | | |  | - | | |  | 8,460 | | |  | - | | |
| Subsidiaries | | | - | | |  | - | | |  | 50 | | |  | - | | |
| Associates | | | - | | |  | 33,753 | | |  | - | | |  | - | | |
| Other related parties | | | 82 | | |  | 11,445 | | |  | 21 | | |  | 11,372 | | |
| **Total** | | | **8,782** | | |  | **45,198** | | |  | **8,531** | | |  | **11,372** | | |
|  | | |  | | |  |  | | |  |  | | |  |  | | |
| ***Retention payable*** | | |  | | |  |  | | |  |  | | |  |  | | |
| Other related parties | | | **1,296** | | |  | **42,293** | | |  | **457** | | |  | **457** | | |
|  | | |  | | |  |  | | |  |  | | |  |  | | |
| ***Advance rental and service income*** | | |  | | |  |  | | |  |  | | |  |  | | |
| Associates | | | - | | |  | 5,177,188 | | |  | - | | |  | 4,061,942 | | |
| Other related parties | | | 4,948,650 | | |  | - | | |  | 3,908,548 | | |  | - | | |
| **Total** | | | **4,948,650** | | |  | **5,177,188** | | |  | **3,908,548** | | |  | **4,061,942** | | |
|  | | |  | | |  |  | | |  |  | | |  |  | | |
| ***Rental and service retention*** | | |  | | |  |  | | |  |  | | |  |  | | |
| Other related parties | | | **6,109** | | |  | **-** | | |  | **-** | | |  | **-** | | |

|  |  | **Interest rate** |  | **Consolidated financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Short-term loans*** |  | As at 31 December |  | As at 1 January |  | Increase |  | Decrease |  | As at 31 December |
|  |  | *(% per annum)* |  | *(in thousand Baht)* | | | | | | |
| ***2020*** |  |  |  |  | | | | | | |
| Parent company |  | 2.75 |  | 170,745 |  | 1,724,090 |  | (468,469) |  | 1,426,366 |
|  |  |  |  |  |  |  |  |  |  |  |
| ***2019*** |  |  |  |  |  |  |  |  |  |  |
| Parent company |  | MLR - 0.75 |  | - |  | 502,718 |  | (331,973) |  | 170,745 |

|  | |  | **Interest rate** |  | **Separate financial statements** | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Short-term loans*** | |  | As at 31 December |  | As at 1 January |  | Increase |  | Decrease |  | As at 31 December | |
|  | |  | *(% per annum)* |  | *(in thousand Baht)* | | | | | | | |
| ***2020*** | |  |  |  |  | | | | | | | |
| Subsidiaries | |  | Fixed deposite rate 6M+2, +0.25 |  | 3,047,687 |  | 1,041,355 |  | (667,503) |  | 3,421,539 | |
| Parent company | |  | 2.75 |  | 170,745 |  | 1,724,090 |  | (468,469) |  | 1,426,366 | |
| **Total** | |  |  |  | **3,218,432** |  |  |  |  |  | **4,847,905** | |
|  |  | | | | | |
| ***2019*** | |  |  |  |  | | | | | | | |
| Subsidiaries | |  | MLR - 0.5, -1.5, Fixed deposit rate 6M +2, +0.25 |  | 2,919,832 |  | 1,132,570 |  | (1,004,715) |  | | 3,047,687 |
| Parent company | |  | MLR - 0.75 |  | - |  | 502,718 |  | (331,973) |  | | 170,745 |
| **Total** | |  |  |  | **2,919,832** |  |  |  |  |  | | **3,218,432** |

***Significant agreements with related parties***

As at 31 December 2020,

The subsidiary had commitments with Super Assets Company Limited and CKS Holding Company Limited totaling Baht 278 million under a land lease agreement and right of using area *(31 December 2019: Baht 282 million)*. These agreements expire in June 2050 and June 2029, respectively.

*Project management agreements*

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

*Property management and trust manager agreements*

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

*Loan agreements*

The subsidiary and joint venture had loan agreements for the loan lines totaling Baht 4,950 million which interest rate at 4.03% per annum and are repayable on demand.

*Service agreement*

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

**7 Cash and cash equivalents**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | **Consolidated** | | |  | **Separate** | | |
|  | | **financial statements** | | |  | **financial statements** | | |
|  |  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | | *(in million Baht)* | | | | | | |
| Cash on hands |  | 0.10 |  | 0.10 |  | 0.03 |  | 0.03 |
| Call deposits |  | 69.66 |  | 51.13 |  | 39.24 |  | 35.03 |
| **Cash and cash equivalents** |  | **69.76** |  | **51.23** |  | **39.27** |  | **35.06** |

**8 Real estate development for sale**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | **Consolidated** | | |  | **Separate** | | |
|  | | **financial statements** | | |  | **financial statements** | | |
|  |  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | | *(in million Baht)* | | | | | | |
| Land and construction under  Development |  | 878 |  | 818 |  | 624 |  | 624 |
| Land and construction developed |  | 12 |  | 136 |  | - |  | - |
| **Total** |  | **890** |  | **954** |  | **624** |  | **624** |
|  |  |  |  |  |  |  |  |  |
|  |  | **Consolidated** | | |  | **Separate** | | |
|  |  | **financial statements** | | |  | **financial statements** | | |
|  |  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  |  | *(in million Baht)* | | | | | | |
| Finance costs capitalised  during the year |  | 24 |  | 25 |  | - |  | - |
| Rates of interest capitalised  *(% per annum)* |  | 4.03 |  | 4.52 |  | - |  | - |
|  |  |  |  |  |  |  |  |  |
| Real estate projects under development recognised as an expense in ‘cost of sales of real estate project’ |  |  |  |  |  |  |  |  |
| - Cost |  | 77 |  | 112 |  | - |  | - |

The Group has mortgaged its land and construction thereon with banks to secure loans from the banks.

At 31 December 2020, real estate under development of the Group amounted of Baht 489 million *(2019; Baht 770 million)* are expected to be completed more than one year after the reporting period.

**9 Investment in associate and joint venture**

During the period ended 31 December 2020 and 2019, there was no acquisitions or disposals of investments in associates and joint venture.

*Classification from investment in joint venture to be investment in associate*

During the year 2020, 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.

|  |  |  | Consolidated financial statements | | | | | | | | | | | | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Type of business |  | Ownership  interest | | |  | Paid-up capital | | |  | Cost | | |  | Equity | | |  | Fair value of  listed securities | | |  | Dividend income | | |
|  |  |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  |  |  | *(%)* | | |  | *(in million Baht)* | | | | | | | | | | | | | | | | | | |
| ***Associates*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| GLAND Office Leasehold  Real Estate Investment Trust  *(Under liquidation process)* | Investment  trust |  | 15 |  | 15 |  | 1 |  | 4,558 |  | 0.1 |  | 684 |  | 1 |  | 791 |  | - |  | 997 |  | 308 |  | 53 |
| Bayswater Co., Ltd*.*  *(Indirect   shareholding by*  *a subsidiary)* | Real estate development |  | 50 |  | - |  | 10 |  | - |  | - |  | - |  | - |  | - |  | - |  | - |  | - |  | - |
|  |  |  |  |  |  |  |  |  |  |  | **0.1** |  | **684** |  | **1** |  | **791** |  |  |  |  |  | **308** |  | **53** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Joint venture - indirect shareholding by a subsidiary*** | | | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Bayswater Co., Ltd. | Real estate development |  | - |  | 50 |  | - |  | 10 |  | - |  | - |  | - |  | - |  | - |  | - |  | - |  | - |
| **Total** |  |  |  |  |  |  |  |  |  |  | **0.1** |  | **684** |  | **1** |  | **791** |  |  |  |  |  | **308** |  | **53** |

|  |  |  | Separate financial statements | | | | | | | | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Type of business |  | Ownership  interest | | |  | Paid-up capital | | |  | Cost | | |  | Fair value of  listed securities | | |  | Dividend income | | |
|  |  |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  |  |  | *(%)* | | |  | *(in million Baht)* | | | | | | | | | | | | | | |
| ***Associates*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| GLAND Office Leasehold  Real Estate Investment Trust *(Under liquidation process)* | Investment trust |  | 15 |  | 15 |  | 1 |  | 4,558 |  | **0.1** |  | **684** |  | - |  | **997** |  | **308** |  | **53** |

All associates and joint venture were incorporated and operated in Thailand.

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

At 31 December 2020, the Group presented the excess of accumulated share of loss over cost of investment, amounting to Baht 645.7 million as a deduction from long-term loan to associates *(31 December 2019: Baht 546.1 million as a deduction from long-term loan to joint venture)* in the consolidated financial position.

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

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

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

On 22 November 2019 GLAND REIT Management Company Limited (“REIT Manager”) as the REIT manager of GLAND Office Leasehold Real Estate Investment Trust (“GLANDRT”) acknowledge the transfer of GLANDRT’s main assets schedule, early repayment of loan to financial institution, the schedule for the SP and the delisting from the Stock Exchange of Thailand's Securities GLANDRT. The Board of Directors meeting also approved the dissolution, liquidation, capital reduction and delisting of GLANDRT from being listed securities on the Stock Exchange of Thailand on 3 March 2020.

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

*Associate and Joint Venture*

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:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | GLAND Office Leasehold  Real Estate Investment Trust | | |  | Bayswater Co., Ltd. | | |
|  |  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  |  | *(in million Baht)* | | | | | | |
| ***Associates*** |  |  |  |  |  |  |  |  |
| Revenue |  | 1,913 |  | 701 |  | 12 |  | - |
| Total comprehensive income (100%) |  | 1,807 |  | 493 |  | 12 |  | - |
|  |  |  |  |  |  |  |  |  |
| **Total comprehensive income of  the Group’s interest** |  | **202** |  | **74** |  | **6** |  | **-** |
|  |  |  |  |  |  |  |  |  |
| Current assets |  | 7 |  | 485 |  | 14 |  | - |
| Non-current assets |  | - |  | 5,541 |  | 9,656 |  | - |
| Current liabilities |  | - |  | (95) |  | (8) |  | - |
| Non-current liabilities |  | - |  | (1,118) |  | (10,397) |  | - |
| Net assets |  | 7 |  | 4,813 |  | (735) |  | - |
| **Shareholding percentage (%)** |  | 15 |  | 15 |  | 50 |  | - |
| Share of net assets |  | 1 |  | 721 |  | (368) |  | - |
| Less: Elimination entries |  | - |  | 70 |  | (42) |  | - |
| **Carrying amounts of associates** |  | **1** |  | **791** |  | **(410)** |  | **-** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | Bayswater Co., Ltd. | | |
|  |  | 2020 |  | 2019 |
|  |  | *(in million Baht)* | | |
| ***Joint venture*** |  |  |  |  |
| Revenue |  | - |  | - |
| Total comprehensive income (100%) |  | (2) |  | (9) |
|  |  |  |  |  |
| **Total comprehensive income of  the Group’s interest** |  | **(1)** |  | **(5)** |
|  |  |  |  |  |
| Current assets |  | - |  | 9,216 |
| Non-current assets |  | - |  | - |
| Current liabilities |  | - |  | (789) |
| Non-current liabilities |  | - |  | (9,171) |
| Net assets |  | - |  | (744) |
| **Shareholding percentage (%)** |  | - |  | 50 |
| Share of net assets |  | - |  | (372) |
| Less: Elimination entries |  | - |  | (42) |
| **Carrying amounts of joint venture** |  | **-** |  | **(414)** |

**10 Investments in subsidiaries**

During the period ended 31 December 2020 and 2019, there was no acquisitions or disposals of investments in subsidiaries.

At the annual general meeting of shareholders of GLAND REIT Management Co., Ltd. held on 24 June 2020, approved a resolution to dissolve the company. The company registered for the dissolution to the Ministry of Commerce on 29 June 2020. Moreover, the meeting has resolved to approve as follows;

* Dividend payment from operating result from 1 January - 29 June 2020 (the Dissolution date) and dividend from retained earnings of the company of Baht 59.9 million.
* Reduce capital of Baht 9.7 million.
* Payment for dividend and capital reduction on 23 July 2020.

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

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | Separate financial statements | | | | | | | | | | | | | |
|  | Type of business |  | Ownership interest | | | Paid-up capital | | |  | Cost method | | |  | Dividend income | | |
|  |  |  | 2020 |  | 2019 | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  |  |  | *(%)* | | | *(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 |  | - |  | - |
| GLAND REIT Management Co., Ltd. *(under liquidation process)* | Trust manager |  | 100.00 |  | 100.00 | 0.3 |  | 10 |  | 0.3 |  | 10 |  | 60 |  | - |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Indirect*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Praram 9 Square Hotel Ltd. | Hotel |  | 100.00 |  | 100.00 | 16 |  | 16 |  | - |  | - |  | - |  | - |
| **Total** |  |  |  |  |  |  |  |  |  | **6,807** |  | **6,817** |  | **60** |  | **-** |

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 - long term investment**

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

**12 Non-controlling interest**

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

|  |  | 31 December 2020 | | | | |  | 31 December 2019 | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Belle development Co., Ltd. |  | Praram 9 Square Ltd. |  | Total |  | Belle development Co., Ltd. |  | Praram 9 Square Ltd. |  | Total |
|  |  | *(in million Baht)* | | | | | | | | | | |
| Non-controlling interest percentage |  | 20.4% |  | 6.9% |  |  |  | 20.4% |  | 6.9% |  |  |
| Current assets |  | 2,557 |  | 847 |  |  |  | 2,704 |  | 561 |  |  |
| Non-current assets |  | 521 |  | 7,671 |  |  |  | 709 |  | 6,822 |  |  |
| Current liabilities |  | (92) |  | (330) |  |  |  | (331) |  | (470) |  |  |
| Non-current liabilities |  | (75) |  | (3,421) |  |  |  | (79) |  | (3,136) |  |  |
| **Net assets** |  | 2,911 |  | 4,767 |  |  |  | 3,003 |  | 3,777 |  |  |
| Carrying amount of non-controlling interest |  | 594 |  | 329 |  | 923 |  | 613 |  | 261 |  | 874 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Revenue |  | 316 |  | 1,049 |  |  |  | 443 |  | 1,758 |  |  |
| Profit for the year |  | (92) |  | 615 |  |  |  | 109 |  | 1,129 |  |  |
| **Total comprehensive income** |  | (92) |  | **615** |  |  |  | **109** |  | **1,129** |  |  |
| Profit allocated to non-controlling interest |  | (19) |  | 42 |  | **23** |  | 22 |  | 78 |  | **100** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cash flows (used in) from operating activities |  | (173) |  | 320 |  |  |  | 263 |  | 719 |  |  |
| Cash flows (used in) from investing activities |  | 188 |  | (382) |  |  |  | 76 |  | (635) |  |  |
| Cash flows (used in) from financing activities  (dividends to non-controlling interest: none) |  | (4) |  | 62 |  |  |  | (383) |  | (129) |  |  |
| **Net decrease in cash and cash equivalents** |  | **11** |  | **-** |  |  |  | **(44)** |  | (45) |  |  |

**13 Investment properties**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | |  | **Separate** | | |
|  | financial statements | | |  | **financial statements** | | |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in million Baht)* | | | | | | |
| At 1 January | 22,109 |  | 21,446 |  | 10,383 |  | 10,267 |
| Recognised right of use from   adoption of TFRS16 | 230 |  | - |  | - |  | - |
| **At 1 January 2020 - adjusted** | **22,339** |  | **21,446** |  | **10,383** |  | **10,267** |
| Additions | 56 |  | 15 |  | 32 |  | 12 |
| Disposals | (5) |  | (136) |  | (1) |  | - |
| Finance cost capitalised | 45 |  | 71 |  | - |  | - |
| Loss on fair value adjustment | (94) |  | 713 |  | (49) |  | 104 |
| **At 31 December** | **22,341** |  | **22,109** |  | **10,365** |  | **10,383** |

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

Information about the lease is disclosed in Note 15.

|  | Consolidated financial statements | | |  | Separate financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Year ended 31 December*** | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in million Baht)* | | | | | | |
| ***Amounts recognised in profit or loss*** |  |  |  |  |  |  |  |
| Rental income | 1,247 |  | 1,262 |  | 316 |  | 349 |
| Unrealised gains on fair value  adjustments | (94) |  | 713 |  | (49) |  | 104 |
| Repair and maintenance expense |  |  |  |  |  |  |  |
| * + - property that generate rental income | 21 |  | 18 |  | 5 |  | 3 |

**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 2020 are summarised below.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | **Separate**  **financial statements** | **Result to lair value where as an increase in assumption value** |
| Discount rate | 9.5% - 11% | 9.5% - 10% | Decrease in fair value |
| Occupancy rate (depending on location of assets) | 30 % - 100% | 30 % - 80 % | Increase in fair value |
| Rental rate per month (depending on location of assets) | Baht 630 - 1,100  per square meter | Baht 720 - 1,100  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 2019 | 339 |  | 21 |  | 155 |  | 19 |  | 68 |  | 602 |
| Additions | - |  | 1 |  | - |  | - |  | - |  | 1 |
| Disposals | - |  | - |  | (10) |  | (9) |  | - |  | (19) |
| **At 31 December 2019 and** |  |  |  |  |  |  |  |  |  |  |  |
| **1 January 2020** | **339** |  | **22** |  | **145** |  | **10** |  | 68 |  | **584** |
| Additions | - |  | 7 |  | 1 |  | - |  | 1 |  | 9 |
| Disposals | - |  | (1) |  | (2) |  | - |  | (1) |  | (4) |
| **At 31 December 2020** | **339** |  | **28** |  | **144** |  | **10** |  | **68** |  | **589** |
|  |  |  |  |  |  |  |  |  |  |  |  |
| ***Depreciation*** |  |  |  |  |  |  |  |  |  |  |  |
| At 1 January 2019 | - |  | 14 |  | 74 |  | 15 |  | - |  | 103 |
| Depreciation charge for the year | - |  | 1 |  | 8 |  | 2 |  | - |  | 11 |
| Disposals | - |  | - |  | (10) |  | (8) |  | - |  | (18) |
| **At 31 December 2019 and** |  |  |  |  |  |  |  |  |  |  |  |
| **1 January 2020** | **-** |  | **15** |  | **72** |  | **9** |  | **-** |  | **96** |
| Depreciation charge for the year | - |  | 2 |  | 7 |  | - |  | - |  | 9 |
| Disposals | - |  | - |  | (2) |  | **-** |  | - |  | (2) |
| **At 31 December 2020** | **-** |  | **17** |  | **77** |  | **9** |  | **-** |  | **103** |
|  |  |  |  |  |  |  |  |  |  |  |  |
| ***Net book value*** |  |  |  |  |  |  |  |  |  |  |  |
| **At 31 December 2019** | **339** |  | **7** |  | **73** |  | **1** |  | **68** |  | **488** |
| **At 31 December 2020** | **339** |  | **11** |  | **67** |  | **1** |  | **68** |  | **486** |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |

|  | **Separate financial statements** | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Building and improvement |  | Furniture, fixtures, office and equipment |  | Vehicles |  | Assets under installation |  | Total |
|  | *(in million Baht)* | | | | | | | | | |
| ***Cost*** |  |  |  |  |  |  |  |  |  |  |
| At 1 January 2019 |  | - |  | 39 |  | 8 |  | 7 |  | 54 |
| Additions |  | 1 |  | - |  | - |  | - |  | 1 |
| Disposals |  | - |  | (9) |  | (3) |  | - |  | (12) |
| **At 31 December 2019 and** |  |  |  |  |  |  |  |  |  |  |
| **1 January 2020** |  | **1** |  | **30** |  | **5** |  | **7** |  | **43** |
| Additions |  | 20 |  | 1 |  | **-** |  | - |  | 21 |
| Disposals |  | (1) |  | (1) |  | - |  | - |  | (2) |
| **At 31 December 2020** |  | **20** |  | **30** |  | **5** |  | **7** |  | **62** |
|  |  |  |  |  |  |  |  |  |  |  |
| ***Depreciation*** |  |  |  |  |  |  |  |  |  |  |
| At 1 January 2019 |  | - |  | 30 |  | 7 |  | - |  | 37 |
| Depreciation charge for the year |  | - |  | 1 |  | 1 |  | - |  | 2 |
| Disposals |  | - |  | (8) |  | (3) |  | - |  | (11) |
| **At 31 December 2019 and** |  |  |  |  |  |  |  |  |  |  |
| **1 January 2020** |  | **-** |  | **23** |  | **5** |  | **-** |  | **28** |
| Depreciation charge for the year |  | 4 |  | 2 |  | - |  | - |  | 6 |
| Disposals |  | - |  | (1) |  | - |  | - |  | (1) |
| **At 31 December 2020** |  | **4** |  | **24** |  | **5** |  | - |  | **33** |
|  |  |  |  |  |  |  |  |  |  |  |
| ***Net book value*** |  |  |  |  |  |  |  |  |  |  |
| **At 31 December 2019** |  | **1** |  | **7** |  | **-** |  | **7** |  | **15** |
| **At 31 December 2020** |  |  |  |  |  |  |  |  |  |  |
| Owned assets |  | 6 |  | 6 |  | - |  | 7 |  | 19 |
| Right-of-use assets |  | 10 |  | - |  | - |  | - |  | 10 |
|  |  | **16** |  | **6** |  | **-** |  | **7** |  | **29** |

**15 Leases**

*As a lessee*

| ***At 31 December 2020*** | Consolidated  financial statements |  | Separate  financial statements |
| --- | --- | --- | --- |
|  | *(in million Baht)* | | |
| ***Right-of-use assets*** |
| Land | **231** |  | **-** |

In 2020, additions to the right-of-use assets of the Group were Baht 231 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 | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in million Baht)* | | | | | | |
| ***Amounts recognised in profit or loss*** |  |  |  |  |  |  |  |
| Interest expenses on lease liabilities | 5,787 |  | - |  | 314 |  | - |
| Expenses relating to short-term leases | 6,246 |  | - |  | 6,763 |  | - |
| Expenses associated with low-value asset   leases | 551 |  | - |  | 295 |  | - |

In 2020, total cash outflow for leases of the Group were Baht 4.38 million and Baht 3.79 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.

| ***At 31 December*** | Consolidated financial statements | | |  | Separate financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in million Baht)* | | | | | | |
| ***Minimum lease payments under  non-concellable operating lease  are receivable*** |  | | |  |  |  |  |
| Within 1 year | 900 |  | 619 |  | 33 |  | 29 |
| 1 - 5 years | 978 |  | 674 |  | 53 |  | 23 |
| After 5 years | - |  | 115 |  | - |  | 112 |
| **Total** | **1,878** |  | **1,408** |  | **86** |  | **164** |

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** | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2020 | | | | |  | 2019 | | | | | |
|  | Secured |  | Unsecured |  | Total |  | Secured |  | Unsecured |  | Total | |
|  | *(in million Baht)* | | | | | | | | | | |
| Debentures | - |  | 2,189 |  | 2,189 |  | - |  | 3,845 |  | 3,845 | |
| Short-term loans from financial institutions | - |  | 550 |  | 550 |  | - |  | 1,370 |  | 1,370 | |
| Short-term loans from related parties | - |  | 1,426 |  | 1,426 |  | - |  | 171 |  | 171 | |
| Long-term loans from financial institutions | 2,532 |  | - |  | 2,532 |  | 2,532 |  | - |  | 2,532 | |
| Lease liabilities | - |  | 134 |  | 134 |  | - |  | - |  | - | |
| **Total interest-bearing liabilities** | **2,532** |  | **4,299** |  | **6,831** |  | **2,532** |  | **5,386** |  | **7,918** | |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | | | | | | |
| 2020 | | | | |  | 2019 | | | | | |
|  | Secured |  | Unsecured |  | Total |  | Secured |  | Unsecured |  | Total | |
|  | *(in million Baht)* | | | | | | | | | | |
| Debentures | - |  | 2,189 |  | 2,189 |  | - |  | 3,845 |  | 3,845 | |
| Short-term loans from financial institutions | - |  | 550 |  | 550 |  | - |  | 1,370 |  | 1,370 | |
| Short-term loans from related parties | - |  | 4,848 |  | 4,848 |  | - |  | 3,218 |  | 3,218 | |
| Lease liabilities | - |  | 10 |  | 10 |  | - |  | - |  | - | |
| **Total interest-bearing liabilities** | **-** |  | **7,597** |  | **7,597** |  | - |  | **8,433** |  | **8,433** | |
|  |  |  |  |  |  |  |  |  |  |  |  | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | |  | **Separate** | | |
| ***Assets pledged as security for liabilities*** | financial statements | | |  | **financial statements** | | |
| ***as at 31 December*** | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in million Baht)* | | | | | | |
| Real estate development for sale | 624 |  | 624 |  | 624 |  | 624 |
| Investment properties | 11,240 |  | 10,907 |  | 4,600 |  | 4,514 |
| Property plant and equipment | - |  | 403 |  | - |  | - |
| Land leasehold right | - |  | 98 |  | - |  | - |
| **Total** | **11,864** |  | **12,032** |  | **5,224** |  | **5,138** |

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

As at 31 December 2020, the Group had unutilised credit facilities totalling Baht 940 million *(2019: Baht 738 million).*

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

In September 2010, the Group entered into a loan agreement within credit line not exceeding Baht 3,100 millions with financial institution. Such agreement stipulated the Group to repay the remaining principal within 3 years from 17 July 2020. As at 31 December 2020, the Group had utilised Baht 2,532 million *(2019: Baht 2,532 million)*.

***Debentures***

The Group’s debentures as at 31 December 2020 and 2019, were registered, unsubordinated, unsecured, with no debenture holders’ representative (except for the second to fifth series, which have a debenture holders’ representative) and no early redemption provisions. These debentures have a face value of Baht 1,000. At shareholders’ meetings of the Company, the shareholders approved the issuance and offer for sale of debt securities as follows:

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

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

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

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

|  |  |  | **Consolidated financial statements** | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | The periods in which  those liabilities mature | | |  | | | |  | |
|  | Effective |  |  |  | After one year but |  |  |  |  | | |
|  | Interest rate |  | Within one year |  | Within five years |  | Book value |  | Fair value | | |
|  | *(% per annum)* |  | *(in million baht)* | | | | | | | | |
| ***As at 31 December 2020*** |  |  |  |  |  |  |  |  |  | | |
| ***Financial liabilities*** |  |  |  |  |  |  |  |  |  | | |
| Debentures | 4.9 – 5.0 |  | 1,163 |  | 1,026 |  | 2,189 |  | 2,215 | | |
| Loan from financial institutions | 2.2 – 2.5 |  | 550 |  | 2,532 |  | 3,082 |  | 3,071 | | |
| Loan from related parties | MLR-0.75 |  | 1,426 |  | - |  | 1,426 |  | 1,426 | | |
| **Total** |  |  | **3,139** |  | **3,558** |  | **6,697** |  | **6,712** | | |
|  |  |  |  |  |  |  |  |  |  | |  |  |
| ***As at 31 December 2019*** |  |  |  |  |  |  |  |  |  | |  |  |
| ***Financial liabilities*** |  |  |  |  |  |  |  |  |  | |  |  |
| Debentures | 4.8 - 5.1 |  | 1,399 |  | 2,446 |  | 3,845 |  | 3,905 | | |
| Loan from financial institutions | 2.8 - 3.15 |  | 1,370 |  | 2,532 |  | 3,902 |  | 1,367 | | |
| Loan from related parties | MLR-0.75 |  | 171 |  | - |  | 171 |  | 171 | | |
| **Total** |  |  | **2,940** |  | **4,978** |  | **7,918** |  | **5,443** | | |

|  |  |  | **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 2020*** |  |  |  |  |  |  |  |  |  | | | |
| ***Financial liabilities*** |  |  |  |  |  |  |  |  |  | | | |
| Debentures | 4.9 – 5.0 |  | 1,163 |  | 1,026 |  | 2,189 |  | 2,215 | | | |
| Loan from financial institutions | 2.2 – 2.3 |  | 550 |  | - |  | 550 |  | 548 | | | |
| Loan from related parties | MLR-0.75 Fixed deposit rate 6M+2, +0.25 |  | 4,848 |  | - |  | 4,848 |  | 4,848 | | | |
| **Total** |  |  | **6,561** |  | **1,026** |  | **7,587** |  | **7,611** | | | |
|  |  |  |  |  |  |  |  |  |  | |  |  | |
| ***As at 31 December 2019*** |  |  |  |  |  |  |  |  |  | |  |  | |
| ***Financial liabilities*** |  |  |  |  |  |  |  |  |  | |  |  | |
| Debentures | 4.8 - 5.1 |  | 1,399 |  | 2,446 |  | 3,845 |  | 3,905 | | | |
| Loan from financial institutions | 2.8 - 3.15 |  | 1,370 |  | - |  | 1,370 |  | 1,367 | | | |
| Loan from related parties | 1.25 - 3.15 |  | 3,218 |  | - |  | 3,218 |  | 3,218 | | | |
| **Total** |  |  | **5,987** |  | **2,446** |  | **8,433** |  | **8,490** | | | |

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

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in million Baht)* | | | | | | |
| **Financial statement** |  |  |  |  |  |  |  |
| **Non-current provisions for employee**  **benefits** |  |  |  |  |  |  |  |
| Defined benefit plan | **21** |  | **19** |  | **19** |  | **17** |
|  |  |  |  |  |  |  |  |
| ***As at 31 December*** |  |  |  |  |  |  |  |
| **Statement of comprehensive income:** |  |  |  |  |  |  |  |
| **Recognised in profit or loss:** |  |  |  |  |  |  |  |
| Termination benefits |  |  |  |  |  |  |  |
| Defined benefit plan | **4** |  | **5** |  | **4** |  | **4** |

***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*** |  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  |  | *(in million Baht)* | | | | | | |
| At 1 January |  | 19 |  | 17 |  | 17 |  | 16 |
|  |  |  |  |  |  |  |  |  |
| **Include in profit or loss:** |  |  |  |  |  |  |  |  |
| Current service cost |  | 3 |  | 5 |  | 3 |  | 4 |
| Interest on obligation |  | 1 |  | - |  | 1 |  | - |
|  |  | 4 |  | 5 |  | 4 |  | 4 |
| Benefit paid |  | (2) |  | (3) |  | (2) |  | (3) |
|  |  |  |  |  |  |  |  |  |
| **At 31 December** |  | **21** |  | **19** |  | **19** |  | **17** |

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

| ***Principal actuarial assumptions*** | **Consolidated and Separate**  financial statements | | |
| --- | --- | --- | --- |
|  | 2020 |  | 2019 |
|  | *(%)* | | |
| Discount rate | 2.3 – 2.8 |  | 2.3 - 2.8 |
| Future salary growth | 6.0 |  | 6.0 |
| Employee turnover (Depend on age range) | 1.0 – 35.0 |  | 1.0 - 35.0 |

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

At 31 December 2020 and 2019 the weighted-average duration of the defined benefit obligation was 10 years

***Sensitivity analysis***

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

|  | Consolidated financial statements | | |  | Separate financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | *(in million Baht)* | | | | | | |
| ***Effect to the defined benefit obligation*** | Increase |  | Decrease |  | Increase |  | Decrease |
| ***At 31 December 2020*** |  |  |  |  |  |  |  |
| Discount rate (0.5% Change) | (1) |  | 1 |  | (1) |  | 1 |
| Future salary growth (1% Change) | 2 |  | (2) |  | 2 |  | (2) |
| Employee turnover (10% Change) | (2) |  | 2 |  | (2) |  | 2 |
|  |  |  |  |  |  |  |  |
| ***At 31 December 2019*** |  |  |  |  |  |  |  |
| Discount rate (0.5% Change) | (1) |  | 1 |  | (1) |  | 1 |
| Future salary growth (1% Change) | 2 |  | (2) |  | 2 |  | (2) |
| Employee turnover (10% Change) | (2) |  | 2 |  | (2) |  | 2 |

**18 Share capital**

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

|  | 2020 |  | 2019 |
| --- | --- | --- | --- |
|  | *(in million Baht)* | | |
| **Issued equity interests of the legal subsidiaries (net of non-**  **controlling interests due to business combination)** |  |  |  |
| Issued equity interests of the legal subsidiaries as at the  acquisition date |  |  |  |
| - Belle Development Co., Ltd. | 1,622 |  | 1,622 |
| - Praram 9 Square Co., Ltd. | 781 |  | 781 |
|  | **2,403** |  | **2,403** |
| Change of issued equity interests of the legal subsidiaries  from the acquisition date |  |  |  |
| - Praram 9 Square Co., Ltd. | (312) |  | (312) |
| **Total** | **2,091** |  | **2,091** |
|  |  | | |
| **Cost of business combination** |  |  |  |
| Cost of business combination as at the acquisition date | 1,611 |  | 1,611 |
| Change of accounting acquirer’s equity from the acquisition date | (271) |  | (271) |
| **Total** | **1,340** |  | **1,340** |
| Adjustment to present assets purchased under common  control at book value | (423) |  | (423) |
| **Equity interests of the legal parent company issued after** |  |  |  |
| **the business combination** |  |  |  |
| * Share capital issued during 2010 - 2019 | 3,519 |  | 3,519 |
| * Increase in share premium due to share issue in 2011 - 2014 | 953 |  | 953 |
| **Total** | **4,472** |  | **4,472** |
| **Equity interests in the consolidated financial statements** | **7,480** |  | **7,480** |

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

|  |  |  |  |
| --- | --- | --- | --- |
|  | 2020 |  | 2019 |
|  | *(in million Baht)* | | |
| Issued and fully paid share capital | 6,500 |  | 6,500 |
| Share premium | 1,532 |  | 1,532 |
| Adjustment to present assets purchased under common control  at book value | (423) |  | (423) |
| Adjustment of equity interest under reverse acquisition | (129) |  | (129) |
| **Total** | **7,480** |  | **7,480** |

**Warrants to purchase shares**

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

The last exercise date of warrants (GLAND-W4) was on 30 June 2018, and 1,052,887 warrants (GLAND-W4) expired without being exercised. As a result, as at 31 December 2019, there were no outstanding unexercised warrants.

***Share premium***

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

***Reserves***

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

**Legal reserve**

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

**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*

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

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

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

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

|  | **Real estate for sale business** | | |  | **Real estate for rental and service business** | | |  | **Total** | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Year ended 31 December*** | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in million Baht)* | | | | | | | | | | |
| ***Information about***  ***reportable segments*** |  | | | | | | | | | | |
| External revenues | 222 |  | 328 |  | 1,247 |  | 1,262 |  | 1,469 |  | 1,590 |
| Inter-segment revenue | - |  | - |  | 123 |  | 90 |  | 123 |  | 90 |
| **Total revenue** | **222** |  | **328** |  | **1,370** |  | **1,352** |  | **1,592** |  | **1,680** |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Interest income | 14 |  | 132 |  | 90 |  | - |  | 104 |  | 132 |
| Finance costs | - |  | 274 |  | 199 |  | 7 |  | 199 |  | 281 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Profit before income tax  expense | 144 |  | 216 |  | 1,138 |  | 1,100 |  | 1,282 |  | 1,316 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Timing of revenue  recognition** |  |  |  |  |  |  |  |  |  |  |  |
| At a point in time | 222 |  | 328 |  | - |  | - |  | 222 |  | 328 |
| Over time | - |  | - |  | 1,370 |  | 1,352 |  | 1,370 |  | 1,352 |
| **Total revenue** | **222** |  | **328** |  | **1,370** |  | **1,352** |  | **1,592** |  | **1,680** |
|  |  |  |  |  |  |  |  |  |  |  |  |

|  | 2020 |  | 2019 |
| --- | --- | --- | --- |
|  | *(in million Baht)* | | |
| **Profit or loss** |  |  |  |
| Total revenue from reportable segments | 1,282 |  | 1,316 |
| Other revenue | 120 |  | 333 |
|  | 1,402 |  | 1,649 |
| Elimination of inter-segment revenue | (123) |  | (90) |
| Unallocated amounts: |  |  |  |
| Gain (loss) on changes in fair value of investment properties | (94) |  | 714 |
| Other expenses | (444) |  | (593) |
| Share of profit (loss) of associates and joint venture | 206 |  | 66 |
| **Total profit before tax** | **947** |  | **1,746** |

***Major customer***

In 2020, the Group has revenue from major customer is CPN Retail Growth Leasehold REIT (other related party) approximately Baht 187 million *(2019: GLAND Office Leasehold Real Estate Investment Trust (associate) Baht 234 million)* in the consolidated financial statements and Baht 125 million *(2019: Baht 164 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 | | |
|  | 2020 |  | 2019 |
|  | *(in million Baht)* | | |
| At 1 January | (13.13) |  | (16.94) |
| Recognised as revenue during the year | 62.53 |  | 84.20 |
| Advance received from customer | (49.60) |  | (80.39) |
| **At 31 December** | **(0.20)** |  | **(13.13)** |

**20 Employee benefit expenses**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
|  |  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  |  | *(in million Baht)* | | | | | | |
| Wages and salaries |  | 113 |  | 134 |  | 57 |  | 57 |
| Defined benefit plans |  | 3 |  | 5 |  | 3 |  | 5 |
| Defined contribution plans |  | 3 |  | 3 |  | 3 |  | 3 |
| Other welfares |  | 19 |  | 29 |  | 16 |  | 23 |
| **Total** |  | **138** |  | **171** |  | **79** |  | **88** |

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** | | |
|  |  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  |  | *(in million Baht)* | | | | | | |
| Finance costs |  | 199 |  | 281 |  | 155 |  | 251 |
| Salaries, wages and other employee  benefit expenses |  | 138 |  | 172 |  | 79 |  | 88 |
| Utility expenses |  | 145 |  | 169 |  | 10 |  | 12 |
| Cost of sale of real estate |  | 77 |  | 112 |  | - |  | - |
| Consulting and other fees |  | 91 |  | 101 |  | 78 |  | 76 |
| Rental expenses |  | 7 |  | 27 |  | 7 |  | 17 |
| Maintenances and repairments |  | 28 |  | 22 |  | 7 |  | 5 |
| Advertising expenses |  | 14 |  | 8 |  | 26 |  | - |
| Write off of doubtful debt |  | - |  | (7) |  | (2) |  | (6) |

**22 Finance costs**

|  |  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  |  | *(in million Baht)* | | | | | | |
| Interest expense and other |  | 259 |  | 369 |  | 152 |  | 247 |
| Financial institutions and |  |  |  |  |  |  |  |  |
| institutional investors |  | 9 |  | 8 |  | 3 |  | 4 |
| **Total finance costs** |  | **268** |  | **377** |  | **155** |  | **251** |
|  |  |  |  |  |  |  |  |  |
| *Less*: amounts included in the cost of assets: |  |  |  |  |  |  |  |  |
| - Real estate  development for sale |  | (24) |  | (25) |  | - |  | - |
| - Investment properties |  | (45) |  | (71) |  | - |  | - |
|  |  | **(69)** |  | **(96)** |  | - |  | - |
| **Net** |  | **199** |  | **281** |  | **155** |  | **251** |

**23 Income tax**

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

|  |  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  |  | *(in million Baht)* | | | | | | |
| **Current tax expense** |  |  |  |  |  |  |  |  |
| Current year |  | 185 |  | 116 |  | 81 |  | 8 |
| **Deferred tax expense** |  |  |  |  |  |  |  |  |
| Movements in temporary differences |  | 22 |  | 276 |  | 11 |  | 62 |
| **Total income tax expense** |  | **207** |  | **392** |  | **92** |  | **70** |

***Reconciliation of effective tax rate***

|  | **Consolidated financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2020 | | |  | 2019 | | |
|  | *Rate*  *(%)* |  | *(in million Baht)* |  | *Rate*  *(%)* |  | *(in million Baht)* |
| Profit before income tax expense |  |  | 947 |  |  |  | 1,746 |
| Income tax using the Thai corporation tax rate | *20* |  | 189 |  | *20* |  | 349 |
| Income tax reduction - current |  |  | (38) |  |  |  | - |
| Expenses not deductible for tax purposes |  |  | 15 |  |  |  | 25 |
| Under (over) provided in prior years |  |  | 19 |  |  |  | - |
| Income tax reduction - deferred |  |  | 22 |  |  |  | 16 |
| Recognition of previously unrecognised tax losses |  |  | - |  |  |  | 1 |
| **Total** | *22* |  | **207** |  | *22* |  | **391** |

|  | **Separate financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2020 | | |  | 2019 | | |
|  | *Rate*  *(%)* |  | *(in million Baht)* |  | *Rate*  *(%)* |  | *(in million Baht)* |
| Profit before income tax expense |  |  | 461 |  |  |  | 392 |
| Income tax using the Thai corporation tax rate | *20* |  | 92 |  | *20* |  | 78 |
| Income not subject to tax |  |  | (12) |  |  |  | (11) |
| Income tax reduction - deferred |  |  | 11 |  |  |  | 1 |
| Under provided in prior years |  |  | 16 |  |  |  | - |
| Income tax reduction - current |  |  | (24) |  |  |  | - |
| Expenses not deductible for tax purposes |  |  | 9 |  |  |  | 2 |
| **Total** | *20* |  | **92** |  | *18* |  | **70** |

|  | **Consolidated financial statements** | | |  | **Separate financial statements** | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***At 31 December*** | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in million Baht)* | | | | | | |
| Deferred income tax assets | 93 |  | 19 |  | - |  | - |
| Deferred income tax liabilities | (1,605) |  | (1,410) |  | (882) |  | (871) |
|  | **(1,512)** |  | **(1,391)** |  | **(882)** |  | **(871)** |

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

|  | **Consolidated financial statements** | | | | |
| --- | --- | --- | --- | --- | --- |
|  |  |  | (Charged) / credited to: |  |  |
|  | At 1 |  |  |  | At 31 |
|  | January |  | Profit or |  | December |
|  | 2020 |  | loss |  | 2020 |
|  | *(in million Baht)* | | | | |
| ***Deferred tax assets*** |  |  |  |  |  |
| Real estate projects development for sale | 3 |  | - |  | 3 |
| Gain on sales of assets to related party | 1 |  | - |  | 1 |
| Advance service income | 5 |  | 1 |  | 6 |
| Provisions for employee benefits | - |  | 4 |  | 4 |
| Revenue and expense recognitions of real estate  business | 2 |  | - |  | 2 |
| Loss carry forward | 26 |  | (13) |  | 13 |
| **Total** | **37** |  | **(8)** |  | **29** |
|  |  |  |  |  |  |
| ***Deferred tax liabilities*** |  |  |  |  |  |
| Deferred debenture issuing costs | (1) |  | - |  | (1) |
| Unrealized gain from investment | - |  | (99) |  | (99) |
| Value of investment properties | (1,427) |  | (14) |  | (1,441) |
| **Total** | **(1,428)** |  | **(113)** |  | **(1,541)** |
|  |  |  |  |  |  |
| **Net** | **(1,391)** |  | **(121)** |  | **(1,512)** |

|  | **Consolidated financial statements** | | | | |
| --- | --- | --- | --- | --- | --- |
|  |  |  | (Charged) / credited to: |  |  |
|  | At 1 |  |  |  | At 31 |
|  | January |  | Profit or |  | December |
|  | 2019 |  | loss |  | 2019 |
|  | *(in million Baht)* | | | | |
| ***Deferred tax assets*** |  |  |  |  |  |
| Real estate projects development for sale | 3 |  | - |  | 3 |
| Gain on sales of assets to related party | 1 |  | - |  | 1 |
| Advance service income | 4 |  | 1 |  | 5 |
| Revenue and expense recognitions of real estate  business | 9 |  | (7) |  | 2 |
| Loss carry forward | 51 |  | (25) |  | 26 |
| **Total** | **68** |  | **(31)** |  | **37** |
| ***Deferred tax liabilities*** |  |  |  |  |  |
| Deferred debenture issuing costs | (1) |  | - |  | (1) |
| Value of investment properties | (1,182) |  | (245) |  | (1,427) |
| **Total** | **(1,183)** |  | **(245)** |  | **(1,428)** |
|  |  |  |  |  |  |
| **Net** | **(1,115)** |  | **(276)** |  | **(1,391)** |

|  | **Separate financial statements** | | | | |
| --- | --- | --- | --- | --- | --- |
|  |  |  | (Charged) / credited to: |  |  |
|  | At 1 |  |  |  | At 31 |
|  | January |  | Profit or |  | December |
|  | 2020 |  | loss |  | 2020 |
|  | *(in million Baht)* | | | | |
| ***Deferred tax assets*** |  |  |  |  |  |
| Provisions for employee benefits | - |  | 4 |  | 4 |
| **Total** | **-** |  | **4** |  | **4** |
|  |  |  |  |  |  |
| ***Deferred tax liabilities*** |  |  |  |  |  |
| Deferred debenture issuing costs | (1) |  | - |  | (1) |
| Value of investment properties | (870) |  | (15) |  | (885) |
| **Total** | **(871)** |  | **(15)** |  | **(886)** |
|  |  |  |  |  |  |
| **Net** | **(871)** |  | **(11)** |  | **(882)** |

|  | **Separate financial statements** | | | | |
| --- | --- | --- | --- | --- | --- |
|  |  |  | (Charged) / credited to: |  |  |
|  | At 1 |  |  |  | At 31 |
|  | January |  | Profit or |  | December |
|  | 2019 |  | loss |  | 2019 |
|  | *(in million Baht)* | | | | |
| ***Deferred tax assets*** |  |  |  |  |  |
| Provisions for employee benefits | - |  | - |  | - |
| Loss carry forward | 19 |  | (19) |  | - |
| **Total** | **19** |  | **(19)** |  | **-** |
|  |  |  |  |  |  |
| ***Deferred tax liabilities*** |  |  |  |  |  |
| Deferred debenture issuing costs | (2) |  | 1 |  | (1) |
| Value of investment properties | (825) |  | (45) |  | (870) |
| **Total** | **(827)** |  | **(44)** |  | **(871)** |
|  |  |  |  |  |  |
| **Net** | **(808)** |  | **(63)** |  | **(871)** |

As at 31 December 2020, the Group has deductible temporary differences and tax losses totaling Baht 0.4 million *(2019: Baht 18 million)*, on which deferred tax assets have not been recognised as the management believes that they might not be used to offsets taxable income in the future. As at   
31 December 2020, the Company’s unused tax losses totaling Baht 2 million *(2019: Baht 92 million),* on which deferred tax assets have not been recognised, will expire by 2023.

**24 Basic earnings per share**

Basic earnings per share for the year ended 31 December 2020 and 2019 are calculated from the profit for the year attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the year as below calculation:

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in million Baht / million shares)* | | | | | | |
| **Profit (loss) attributable to ordinary shareholders of the Company (basic)** | **716** |  | **1,254** |  | **368** |  | **321** |
|  |  |  |  |  |  |  |  |
| **Number of ordinary shares outstanding** | **6,500** |  | **6,500** |  | **6,500** |  | **6,500** |
|  |  |  |  |  |  |  |  |
| **Earnings per share (basic) *(in Baht)*** | **0.110** |  | **0.193** |  | **0.057** |  | **0.049** |

**25 Financial instruments**

1. ***Carrying amounts and fair values***

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

|  |  | **Consolidated financial statement** | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Carrying amount** | | | | |  |  | **Fair value** | | | | |
| ***At 31 December 2020*** |  | Financial instruments measured at FVTPL |  | Financial instruments measured at FVOCI |  | Financial instruments measured at amortised cost |  |  | Level 1 |  | Level 2 |  | Level 3 |
|  |  | *(in million Baht)* | | | | | | | | | | | |
| ***Financial assets*** |  |  | | | | | | | | | | | |
| Other current financial assets - investments in debt securities |  | 40 |  | - |  | - |  |  | - |  | 40 |  | - |
| Other non-current financial assets - Long-term investments |  | - |  | 572 |  | - |  |  | - |  | - |  | 572 |
| Investment properties |  | 22,342 |  | - |  | - |  |  | - |  | - |  | 22,342 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Financial liabilities*** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Short-term loans from financial institutions |  | - |  | - |  | (550) |  |  | - |  | - |  | (548) |
| Long-term loans from financial institutions |  | - |  | - |  | (2,532) |  |  | - |  | - |  | (2,523) |
| Debentures |  | - |  | - |  | (2,189) |  |  | - |  | (2,215) |  | - |

|  |  |  | **Separate financial statements** | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | Carrying amount |  | Fair value | | | | | |
|  |  |  |  | | Level 1 | | Level 2 | | Level 3 | |
| ***At 31 December 2020*** |  |  | *(in million Baht)* | | | | | | | |
| ***Financial assets*** |  |  |  |  |  |  | |  |  |  |
| Other current financial assets - investments in debt securities |  |  | 40 |  | - |  | | 40 |  | - |
| Investment properties |  |  | 10,364 |  | - |  | | - |  | 10,364 |
|  |  |  |  |  |  |  | |  |  |  |
| ***Financial liabilities*** |  |  |  |  |  |  | |  |  |  |
| Short-term loans from financial institutions |  |  | (550) |  | - |  | | - |  | (548) |
| Debentures |  |  | (2,189) |  | - |  | | (2,215) |  | - |

|  |  |  | **Consolidated financial statement** | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | Carrying amount |  | Fair value | | | | | |
|  |  |  |  | | Level 1 | | Level 2 | | Level 3 | |
| ***At 31 December 2019*** |  |  | *(in million Baht)* | | | | | | | |
| ***Assets measured at fair value*** |  |  |  |  |  |  | |  |  |  |
| Investment properties |  |  | 22,109 |  | - |  | | - |  | 22,109 |
|  |  |  |  |  |  |  | |  |  |  |
| ***Financial liabilities*** |  |  |  |  |  |  | |  |  |  |
| Loans from financial institutions |  |  | (3,902) |  | - |  | | - |  | (3,870) |
| Loans from related parties |  |  | (171) |  | - |  | | - |  | (171) |
| Debentures |  |  | (3,845) |  | - |  | | (3,903) |  | - |

|  |  |  | **Separate financial statements** | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | Carrying amount |  | Fair value | | | | | |
|  |  |  |  | | Level 1 | | Level 2 | | Level 3 | |
| ***31 December 2019*** |  |  | *(in million Baht)* | | | | | | | |
| ***Assets measured at fair value*** |  |  |  |  |  |  | |  |  |  |
| Investment properties |  |  | 10,383 |  | - |  | | - |  | 10,383 |
|  |  |  |  |  |  |  | |  |  |  |
| ***Financial liabilities*** |  |  |  |  |  |  | |  |  |  |
| Loans from financial institutions |  |  | (1,370) |  | - |  | | - |  | (1,370) |
| Loans from related parties |  |  | (3,218) |  | - |  | | - |  | (3,218) |
| Debentures |  |  | (3,845) |  | - |  | | (3,903) |  | - |

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

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

***Financial instruments measured at fair value***

| **Type** |  | **Valuation technique** |  |
| --- | --- | --- | --- |
| Investments in marketable unit trusts classified as financial assets measured at FVTPL *(2019:None)* |  | The net asset value as of the reporting date. |  |

***Financial instruments not measured at fair value***

|  |  |  |
| --- | --- | --- |
| **Type** |  | **Valuation technique** |
| Debt securities and other financial liabilities |  | Adjusted net asset value as of the reporting date. |

***(b) Movement of marketable debt securities***

|  | **Consolidated financial statements** | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Marketable debt securities*** | At 1 January |  | Purchase |  | Disposal |  | Fair value adjustment |  | At 31 December |
|  | *(in million Baht)* | | | | | | | | |
| ***2020*** |  |  |  |  |  |  |  |  |  |
| ***Current financial assets*** |  |  |  |  |  |  |  |  |  |
| Debt securities measured at   * FVTPL | - |  | 346 |  | (306) |  | - |  | 40 |

|  | **Separate financial statements** | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Marketable equity and debt securities*** | At 1 January |  | Purchase |  | Disposal |  | Fair value adjustment |  | At 31 December |
|  | *(in million Baht)* | | | | | | | | |
| ***2020***  ***Current financial assets*** |  |  |  |  |  |  |  |  |  |
| Debt securities measured at   * FVTPL | - |  | 346 |  | (306) |  | - |  | 40 |

***(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 three months.

The following table provides information about the exposure to credit risk and ECLs for trade accounts receivables.

| ***At 31 December 2020*** | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Trade accounts receivables |  | Allowance  for expected credit loss |  | Trade accounts receivables |  | Allowance  for expected credit loss |
|  | *(in million Baht)* | | | | | | |
| ***Individual - Other parties*** |  |  |  |  |  |  |  |
| Within credit terms | 0.01 |  | - |  | 0.01 |  | - |
| Overdue: |  |  |  |  |  |  |  |
| Less than 3 months | 2.81 |  | (0.12) |  | 0.21 |  | (0.01) |
| 3-6 months | 0.07 |  | - |  | 0.04 |  | - |
| 6-12 months | 0.07 |  | - |  | 0.07 |  | - |
| Over 12 months | 0.05 |  | (0.01) |  | - |  | - |
| **Total** | **3.01** |  | **(0.13)** |  | **0.33** |  | **(0.01)** |
| *Less* allowance for expected credit loss | **(0.13)** |  |  |  | (0.01) |  |  |
| **Net** | **2.88** |  |  |  | **0.32** |  |  |

| ***At 31 December 2020*** | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Trade accounts receivables |  | Allowance  for expected credit loss |  | Trade accounts receivables |  | Allowance  for expected credit loss |
|  | *(in million Baht)* | | | | | | |
| ***Corporate - Other parties*** |  |  |  |  |  |  |  |
| Within credit terms | 22.70 |  | (1.02) |  | 13.42 |  | (0.18) |
| Overdue: |  |  |  |  |  |  |  |
| Less than 3 months | 18.45 |  | (0.83) |  | 0.68 |  | (0.01) |
| 3-6 months | 0.04 |  | - |  | 0.04 |  | - |
| 6-12 months | 0.05 |  | - |  | 0.04 |  | - |
| Over 12 months | 0.10 |  | (0.01) |  | - |  | - |
| **Total** | **41.34** |  | **(1.86)** |  | **14.18** |  | **(0.19)** |
| *Less* allowance for expected credit loss | (1.86) |  |  |  | (0.19) |  |  |
| **Net** | **39.48** |  |  |  | **13.99** |  |  |

| ***Trade accounts receivable*** | Consolidated  financial statements |  |  | Separate financial statements |
| --- | --- | --- | --- | --- |
|  | *(in million Baht)* | | | |
| ***At 31 December 2020*** |  | | | |
| **Related parties** |  |  |  |  |
| Within credit terms | 11.84 |  |  | 23.58 |
| Overdue: |  |  |  |  |
| Less than 3 months | 4.53 |  |  | - |
| 3 - 6 months | 4.10 |  |  | - |
| **Total** | **20.47** |  |  | **23.58** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Other accounts receivable** | **101.73** |  |  | **75.85** |

| ***Trade accounts receivable*** | Consolidated  financial statements |  | Separate financial statements |
| --- | --- | --- | --- |
|  | *(in million Baht)* | | |
| **Other parties** |  |  |  |
| Within credit terms | 10.18 |  | 0.40 |
| Overdue: |  |  |  |
| Less than 3 months | 18.34 |  | 1.62 |
| 3 - 6 months | 0.91 |  | 0.04 |
| 6 - 12 months | 0.54 |  | - |
| Over 12 months | 3.35 |  | 3.28 |
|  | 33.32 |  | 5.34 |
| *Less* allowance for doubtful accounts | (2.26) |  | (2.26) |
| **Net** | **31.06** |  | **3.08** |
| **Total** | **83.88** |  | **90.78** |

| ***Trade accounts receivable*** | Consolidated  financial statements |  | Separate financial statements |
| --- | --- | --- | --- |
|  | *(in million Baht)* | | |
| ***At 31 December 2019*** |  |  |  |
| **Related parties** |  |  |  |
| Within credit terms | 28.29 |  | 23.50 |
| Overdue: |  |  |  |
| Less than 3 months | 1.99 |  | 30.22 |
| 3 - 6 months | - |  | - |
| 6 - 12 months | 3.48 |  | 14.93 |
| Over 12 months | 19.06 |  | 19.04 |
|  | **52.82** |  | **87.69** |
|  |  |  |  |
| **Other accounts receivable** | **543.70** |  | **381.35** |

(c.1.2) Cash and cash equivalent and derivatives

The Group’s exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks and financial institutions with a minimum credit rating of A and A+ assigned by rating agency A and A+, for 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.

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 | | | | | | |
| ***At 31 December 2020*** | Carrying amount |  | 1 year  or less |  | More than  1 year |  | Total |
|  | *(in million Baht)* | | | | | | |
| ***Non-derivative financial liabilities*** |  |  |  |  |  |  |  |
| Loans from financial institutions | 3,082 |  | 550 |  | 2,532 |  | 3,082 |
| Trade and other payables | 93 |  | 93 |  | - |  | 93 |
| Lease liabilities | 134 |  | 4 |  | 130 |  | 134 |
| Loans from related parties | 1,426 |  | 1,426 |  | - |  | 1,426 |
| Debentures | 2,189 |  | 1,163 |  | 1,026 |  | 2,189 |
| Deposit and advance received from customers | 204 |  | 76 |  | 128 |  | 204 |
| Contractor payables | 162 |  | 162 |  | - |  | 162 |
|  | **7,290** |  | **3,474** |  | **3,816** |  | **7,290** |

|  | **Separate financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Contractual cash flows | | | | | | |
| ***At 31 December 2020*** | Carrying amount |  | 1 year  or less |  | More than  1 year |  | Total |
|  | *(in million Baht)* | | | | | | |
| ***Non-derivative financial liabilities*** |  |  |  |  |  |  |  |
| Loans from financial institutions | 550 |  | 550 |  | - |  | 550 |
| Trade and other payables | 151 |  | 151 |  | - |  | 151 |
| Lease liabilities | 10 |  | 5 |  | 5 |  | 10 |
| Loans from related parties | 4,848 |  | 4,848 |  | - |  | 4,848 |
| Debentures | 2,189 |  | 1,163 |  | 1,026 |  | 2,189 |
| Deposits and advance received from customers | 11 |  | 6 |  | 5 |  | 11 |
| Contractor payables | 14 |  | 14 |  | - |  | 14 |
|  | **7,773** |  | **6,737** |  | **1,036** |  | **7,773** |

|  | **Consolidated financial statements** | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | Maturity period | | | | | | |
| ***At 31 December 2019*** | Effective interest  rate |  | Within  1 year |  | After 1 year but within 5 years |  | After  5 years |  | Total |
|  | *(% per annum)* |  | *(in million Baht)* | | | | | | |
| ***Financial Assets*** |  |  |  |  |  |  |  |  |  |
| Loans receivables from financial  institutions | 2.8 – 3.15 |  | 1,370 |  | 2,532 |  | - |  | 3,902 |
| Loans receivables from other  parties | 4.8 – 5.1 |  | 1,399 |  | 2,446 |  | - |  | 3,845 |
| **Total** |  |  | **2,769** |  | **4,978** |  | **-** |  | **7,747** |
|  |  |  |  |  |  |  |  |  |  |
| ***Financial Liabilities*** |  |  |  |  |  |  |  |  |  |
| Loans payable - Financial  institutions | 2.8 |  | 1,370 |  | - |  | - |  | 1,370 |
| Loans payable - Other parties | 4.8 – 5.1 |  | 1,399 |  | 2,446 |  | - |  | 3,845 |
| **Total** |  |  | **2,769** |  | **2,466** |  | **-** |  | **5,215** |

***(c.3) Market risk***

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

(c.3.1) 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. However, most of the Company and its subsidiaries’ financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

**26 Capital management**

The Board of Directors’ policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital.

**27 Commitments with non-related parties**

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in million Baht)* | | | | | | |
| ***Contracted but not provided for:*** |  |  |  |  |  |  |  |
| Building and utility system | **27** |  | **95** |  | **3** |  | **4** |
|  |  |  |  |  |  |  |  |
| ***Other commitments*** |  |  |  |  |  |  |  |
| Real estate projects under development contract | 91 |  | 89 |  | - |  | - |
| Services contract | 48 |  | 156 |  | 1 |  | 55 |
| Other contracts | 16 |  | 18 |  | - |  | - |
| **Total** | **155** |  | **263** |  | **1** |  | **55** |

***Others***

As at 31 December 2020

1. The Group and the Company have outstanding bank guarantees of approximately Baht 19 million and Baht 8 million, respectively issued by the banks in respect of certain performance in the normal course of businesses.

**28 Litigations**

1. During 2017, Bayswater Company Limited was being sued in a civil lawsuit by an individual person who request joint venture to register use of the entrance as a prescriptive servitude or as the public road. In March 2018, the Civil Court dismissed such request and the Appeal Court affirmed the Civil Court decision in January 2020. However, such individual person has the right to make a final appeal to the Supreme Court. The Supreme Court made an appointment to listen of court decree in August 2020, the Supreme Court dismissed such request and did not accept the plaintiff’s petition, so the case was final.
2. During 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 1.1 million Baht. The court made an appointment to determine the guidelines for the trial and mediation in August 2020, so the case was final.
3. During 2020, a subsidiary was being sued in a civil by a juristic person (“Complainant”) requesting the payment from breach of management and construction contract. The court made an appointment to determine the guidelines for the trial and mediation in January 2021, but according to the situation of COVID-19, the court demanded to postpone the trial and mediation.

**29 Events after the reporting period**

According to the Board of Directors’ Meeting of Grand Canal Land Public Company Limited (the “Company") held on 19 February 2021, the Board of Directors passed the resolution to approve the entering into the Service Agreement with Central Pattana Public Company Limited , a parent company, for business consulting, setting policies, as well as, advising on business operation. The agreement will be effective for two years from 1 January 2021 to 31 December 2022.

*Impact of COVID-19*

As disclosed in note 5, the Group has elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of coronavirus pandemic (COVID-19). The guidance expired on 31 December 2020.

The COVID-19 pandemic continued subsequent to the expiration of the guidance as increasingly affected cases were found and spread all over Thailand. In response to the situation, Thailand has enacted measures to monitor and control the spread, encouraging people to keep social distancing, avoid crowded gathering and travel less. Meanwhile, according to information from the World Health Organization (WHO), vaccines for COVID-19 have become available and are being rolled out around the world. However, it is still not possible to predict for how long and to what extent the vaccines will provide protection and when the spread will be over.

As the situation is highly uncertain and fluid, it is currently not possible to determine the impact of the continued pandemic, government measures and roll out of the vaccination on the business of the Group. Management is closely monitoring the situation and managing to lessen the impact as much as possible.

# 30 Reclassification of accounts

Certain accounts in the statement of financial position as at 31 December 2019 and the statement of comprehensive income for year ended 31 December 2019, which are included in the 2020 financial statements for comparative purposes, have been reclassified to conform to the presentation in the 2020 financial statements.

|  | **2019** | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated  **financial statements** | | | | |  | Separate  **financial statements** | | | | |
|  | Before  reclass |  | Reclass. |  | After  reclass. |  | Before  reclass. |  | Reclass. |  | After  reclass. |
|  | *(in million Baht)* | | | | | | | | | | |
| ***Statement of financial***  ***position*** | | | |  |  |  |  |  |  |  |  |
| Trade accounts receivable | 84 |  | (84) |  | - |  | 91 |  | (91) |  | - |
| Other receivables | 363 |  | (363) |  | - |  | 355 |  | (355) |  | - |
| Other current assets | 180 |  | (180) |  | - |  | 26 |  | (26) |  | - |
| Trade and other |  |  |  |  |  |  |  |  |  |  |  |
| receivables | - |  | 627 |  | 627 |  | - |  | 472 |  | 472 |
| Other non-current assets | 405 |  | (394) |  | 11 |  | 4 |  | - |  | 4 |
| Long-term loans to related |  |  |  |  |  |  |  |  |  |  |  |
| parties | 4,039 |  | 394 |  | 4,433 |  | 4,978 |  | - |  | 4,978 |
| Trade accounts payables | (256) |  | 256 |  | - |  | (161) |  | 161 |  | - |
| Other payables | (162) |  | 162 |  | - |  | (131) |  | 131 |  | - |
| Trade and other payables | - |  | (418) |  | (418) |  | - |  | (292) |  | (292) |
|  |  |  | **-** |  |  |  |  |  | **-** |  |  |

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