

J.S.P. Property Public Company Limited and its subsidiaries  
Report and consolidated financial statements  
31 December 2018

## **Independent Auditor's Report**

To the Shareholders of J.S.P. Property Public Company Limited

### **Opinion**

I have audited the accompanying consolidated financial statements of J.S.P. Property Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2018, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of J.S.P. Property Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of J.S.P. Property Public Company Limited and its subsidiaries and of J.S.P. Property Public Company Limited as at 31 December 2018, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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

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

***Recognition of revenue from sale of real estate***

Revenue from sale of real estate is the most significant amount in the statements of comprehensive income and it is a key performance indicator for the real estate business on which the financial statements' users focus. Moreover, the real estate business is currently highly competitive. Therefore there are risks with respect to the occurrence and the timing of revenue from sale of real estate presented in the financial statements.

I have examined the recognition of revenue from sale of real estate of the Group by:

- Assessing and testing the Group's IT system and its internal controls with respect to the cycle of revenue from sale of real estate by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select sales agreements to assess whether recognition of revenue from sale of real estate was consistent with the conditions of the relevant agreements, and whether it was in compliance with the Group's policy.
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Performing analytical procedures on disaggregated data to detect possible irregularities in revenue from sale of real estate transactions throughout the period, particularly for accounting entries made through journal vouchers including reversal of revenue after the period-end.

### ***Impairment of investment properties***

As discussed in Note 12 to the financial statements, as at 31 December 2018 impairment loss on investment properties of Baht 251 million in the consolidated statement of financial position is significant to the financial statements. In determining the impairment loss, the Group's management had to exercise judgement with respect to the net recoverable amount of investment properties, including the fair value of assets and projections of future operating performance. There is thus a risk with respect to the amount of the impairment loss recorded on investment properties.

I assessed the appropriateness of the following aspects of the determination of impairment loss on investment properties prepared by the management.

- The assumptions and approaches used by the independent valuer in estimating the fair value of assets.
- The assumptions applied in preparing cash flow projections for the Group, in order to assess management's use of judgement in projecting the cash flows.
- Management's judgement in determining the net recoverable amount of assets.

In performing the above work, I considered the scope and probability of potential changes in the assumptions. In addition, I evaluate the impact of changes in the assumptions of net recoverable amount.

### ***Allowance for doubtful debt of loan to subsidiary***

As discussed in Note 6 to the financial statements, the Company recorded allowance for doubtful debt of loan to a subsidiary who has continuing loss from operation as an expense in the separated statement of comprehensive income for the year 2018 totaling Baht 500 million, which is significant to financial performance. The assessment of allowance for doubtful debt of loan to subsidiary is a significant accounting estimate requiring management to exercise a high degree of judgment in estimating the cash inflows that are expected to be generated from the subsidiary's operation in the future including fair value of assets hold by the subsidiary. There are thus risks with respect to the amount of allowance for doubtful debt of loan to subsidiary.

I gained an understand and assessed the assumptions and approaches used by the independent valuer in estimation the fair value of assets holds by the subsidiary, the assumptions applied in preparing business plan and cash flow projections for the subsidiary, including the determination of net realisable value of the loan to subsidiary prepared by the management.

## **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Poonnard Paocharoen  
Certified Public Accountant (Thailand) No. 5238

EY Office Limited  
Bangkok: 26 February 2019

**J.S.P. Property Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 31 December 2018**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	238,026,361	160,811,781	143,014,986	90,043,624
Current investments		27,742	27,420	27,742	27,420
Trade and other receivables	8	14,160,248	40,971,735	150,663,972	119,745,301
Project development costs	9	6,142,115,815	7,856,269,109	3,270,996,724	4,259,614,683
Advances for purchase of land		-	13,861,050	-	13,861,050
Other current assets		34,171,603	57,354,629	15,010,215	25,242,451
<b>Total current assets</b>		<b>6,428,501,769</b>	<b>8,129,295,724</b>	<b>3,579,713,639</b>	<b>4,508,534,529</b>
<b>Non-current assets</b>					
Restricted bank deposits	19, 28.4	68,607,841	45,123,982	36,148,460	34,699,556
Long-term loans to related parties and interest receivable	6	695,412,024	803,466,253	2,485,340,395	3,324,727,857
Investment in subsidiaries	10	-	-	859,939,300	844,557,700
Investment in joint ventures	11	62,844,638	31,302,606	27,500,000	68,309,500
Land and project cost awaiting for development	9	1,588,534,618	1,323,125,395	1,543,824,618	1,278,415,395
Investment properties	12	1,027,932,140	1,232,486,870	604,339,354	609,926,000
Property, plant and equipment	13	35,606,183	44,882,487	29,407,770	36,182,826
Intangible assets		11,855,740	14,195,532	11,096,608	13,011,055
Deferred tax assets	23	48,829,941	47,616,814	8,964,342	3,904,208
Other non-current assets		47,126,304	23,980,012	8,309,303	13,067,402
<b>Total non-current assets</b>		<b>3,586,749,429</b>	<b>3,566,179,951</b>	<b>5,614,870,150</b>	<b>6,226,801,499</b>
<b>Total assets</b>		<b>10,015,251,198</b>	<b>11,695,475,675</b>	<b>9,194,583,789</b>	<b>10,735,336,028</b>

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



**J.S.P. Property Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 31 December 2018**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institution	14	93,448,290	134,151,050	93,448,290	134,151,050
Other short-term loans	15	107,670,000	210,000,000	20,000,000	210,000,000
Short-term bills of exchange	16	-	176,150,084	-	176,150,084
Trade and other payables	17	1,005,936,953	1,596,344,420	632,219,341	796,975,466
Deposits and advance received from customers		31,369,877	137,145,103	19,628,674	112,836,505
Short-term loans from related parties	6	1,124,418,000	508,650,000	1,945,045,102	1,242,765,466
Current portion of long-term debentures	18	-	881,796,908	-	881,796,908
Current portion of long-term loans	19	1,444,200,158	1,306,997,079	864,637,485	744,931,367
Income tax payable		36,999,673	17,074,067	-	-
Other current liabilities		47,466,068	57,093,180	39,140,095	43,315,622
<b>Total current liabilities</b>		<b>3,891,509,019</b>	<b>5,025,401,891</b>	<b>3,614,118,987</b>	<b>4,342,922,468</b>
<b>Non-current liabilities</b>					
Long-term debentures	18	685,173,078	-	685,173,078	-
Long-term loans, net of current portion	19	189,496,672	1,506,837,627	68,028,757	1,027,140,761
Deposit for rental and service		23,742,292	24,322,833	287,766	-
Provision for long-term employee benefits	20	17,685,008	16,724,241	16,989,257	16,208,062
Other non-current liabilities		-	848,704	-	848,705
<b>Total non-current liabilities</b>		<b>916,097,050</b>	<b>1,548,733,405</b>	<b>770,478,858</b>	<b>1,044,197,528</b>
<b>Total liabilities</b>		<b>4,807,606,069</b>	<b>6,574,135,296</b>	<b>4,384,597,845</b>	<b>5,387,119,996</b>

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

**J.S.P. Property Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 31 December 2018**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Shareholders' equity</b>					
Share capital					
Registered					
4,200 million ordinary shares of Baht 0.5 each		<u>2,100,000,000</u>	<u>2,100,000,000</u>	<u>2,100,000,000</u>	<u>2,100,000,000</u>
Issued and fully paid-up					
4,200 million ordinary shares of Baht 0.5 each		2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000
Share premium		2,438,832,857	2,438,832,857	2,438,832,857	2,438,832,857
Capital surplus on share-based payment		8,925,000	8,925,000	8,925,000	8,925,000
Retained earnings					
Appropriated - statutory reserve	21	92,651,000	92,651,000	92,651,000	92,651,000
Unappropriated		597,909,188	496,604,434	169,577,087	707,807,175
Other components of shareholders' equity					
Surplus from the change in the shareholding					
in a subsidiary	10	1,456,671	-	-	-
Deficit on business combination under					
common control		<u>(32,129,587)</u>	<u>(32,129,587)</u>	-	-
Equity attributable to owners of the Company		5,207,645,129	5,104,883,704	4,809,985,944	5,348,216,032
Non-controlling interests of subsidiary		-	16,456,675	-	-
<b>Total shareholders' equity</b>		<u>5,207,645,129</u>	<u>5,121,340,379</u>	<u>4,809,985,944</u>	<u>5,348,216,032</u>
<b>Total liabilities and shareholders' equity</b>		<u>10,015,251,198</u>	<u>11,695,475,675</u>	<u>9,194,583,789</u>	<u>10,735,336,028</u>
		-	-	-	-

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

..... Director

**J.S.P. Property Public Company Limited and its subsidiaries**

**Statement of comprehensive income**

**For the year ended 31 December 2018**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Profit or loss:</b>					
<b>Revenues</b>					
Revenues from sales of real estate		3,675,650,967	4,257,236,435	1,766,364,297	2,315,839,042
Revenues from rental and services		80,603,483	110,724,635	60,365,143	33,501,870
Other income					
Interest income		50,921,675	61,476,597	200,804,084	225,298,032
Dividend income	10	-	-	-	68,188,600
Gain on sales of investment properties		-	72,696,631	-	65,732,854
Gain on sales of investment in joint venture	11	10,065,019	-	-	-
Others		15,501,862	19,734,904	9,344,919	5,970,758
<b>Total revenues</b>		<b>3,832,743,006</b>	<b>4,521,869,202</b>	<b>2,036,878,443</b>	<b>2,714,531,156</b>
<b>Expenses</b>					
Cost of real estate sales		2,592,316,834	3,176,333,106	1,289,414,112	1,643,811,150
Cost of rental and services		108,731,667	122,223,676	33,220,489	34,921,207
Selling expenses		299,393,409	471,733,325	147,552,529	267,243,975
Administrative expenses		433,998,078	383,260,922	333,531,205	314,636,982
Loss on allowance for doubtful debt of loan to a subsidiary		-	-	500,000,000	-
Loss on impairment of investment in subsidiary		-	-	-	300,000,000
Loss on impairment of investment properties		-	64,589,180	-	4,589,180
<b>Total expenses</b>		<b>3,434,439,988</b>	<b>4,218,140,209</b>	<b>2,303,718,335</b>	<b>2,565,202,494</b>
<b>Profit (loss) before share of gain (loss) from investment in joint ventures, finance cost and income tax expense</b>					
		398,303,018	303,728,993	(266,839,892)	149,328,662
Share of gain (loss) from investment in joint ventures	11	63,026,697	(51,839,321)	-	-
<b>Profit (loss) before finance cost and income tax expenses</b>					
		461,329,715	251,889,672	(266,839,892)	149,328,662
Finance cost		(248,055,520)	(203,916,799)	(218,660,879)	(266,355,034)
<b>Profit (loss) before income tax expense</b>		<b>213,274,195</b>	<b>47,972,873</b>	<b>(485,500,771)</b>	<b>(117,026,372)</b>
Income tax expenses	23	(111,969,441)	(70,648,040)	(52,729,317)	(34,761,257)
<b>Profit (loss) for the year</b>		<b>101,304,754</b>	<b>(22,675,167)</b>	<b>(538,230,088)</b>	<b>(151,787,629)</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss	20	-	(1,491,951)	-	(1,600,592)
Income tax effect	23	-	298,390	-	320,119
Other comprehensive income for the year		-	(1,193,561)	-	(1,280,473)
<b>Total comprehensive income for the year</b>		<b>101,304,754</b>	<b>(23,868,728)</b>	<b>(538,230,088)</b>	<b>(153,068,102)</b>

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

**J.S.P. Property Public Company Limited and its subsidiaries****Statement of comprehensive income (continued)****For the year ended 31 December 2018**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		101,304,754	(23,047,689)	<u>(538,230,088)</u>	<u>(151,787,629)</u>
Non-controlling interests of the subsidiary		-	372,522		
		<u>101,304,754</u>	<u>(22,675,167)</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		101,304,754	(24,241,250)	<u>(538,230,088)</u>	<u>(153,068,102)</u>
Non-controlling interests of the subsidiary		-	372,522		
		<u>101,304,754</u>	<u>(23,868,728)</u>		
<b>Earnings per share</b>					
	24				
Basic earnings per share (Baht)					
Profit (loss) attributable to equity holders					
of the Company		<u>0.02</u>	<u>-0.01</u>	<u>-0.13</u>	<u>-0.04</u>

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

**J.S.P. Property Public Company Limited and its subsidiaries**

**Cash flow statement**

**For the year ended 31 December 2018**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Cash flows from operating activities</b>				
Profit (loss) before tax	213,274,195	47,972,873	(485,500,771)	(117,026,372)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	88,552,650	105,119,667	18,101,496	17,773,917
Allowance for doubtful debts	33,240,742	4,560,414	12,692,982	-
Allowance for reduce cost to net realisable value of project development cost and land and project cost awaiting for development	9,566,838	-	9,566,838	-
Allowance for impairment of investment properties	-	64,589,180	-	4,589,180
Allowance for doubtful debt of loan to subsidiary	-	-	500,000,000	-
Allowance for impairment of investment in subsidiary	-	-	-	300,000,000
Gain on sales of investment in joint venture	(10,065,019)	-	-	-
Share of loss (gain) from investment in joint ventures	(63,026,697)	51,839,321	-	-
Loss (gain) on sales/changes in value of current investments	(322)	138,125	(322)	138,125
Loss on write off of project development costs	-	1,578,337	-	1,578,337
Loss (gain) on sales of investment properties	1,641,604	(72,696,631)	-	(65,732,854)
Loss (gain) on sales of equipment	(414,214)	196,582	(152,533)	196,582
Provision for long-term employee benefits	6,220,767	5,429,450	6,041,195	5,234,395
Dividend income	-	-	-	(68,188,600)
Interest income	(50,921,675)	(61,476,597)	(200,804,084)	(225,298,032)
Interest expenses	248,055,520	203,916,799	218,660,879	266,355,034
Profit from operating activities before change in operating assets and liabilities	476,124,389	351,167,520	78,605,680	119,619,712
Decrease (increase) in operating assets				
Trade and other receivables	(6,373,267)	(29,317,413)	(43,603,449)	(14,197,565)
Project development costs	1,510,888,295	357,698,689	770,414,055	560,717,210
Other current assets	(18,469,311)	8,963,485	(8,665,435)	5,753,663
Other non-current assets	9,189,335	(7,858,830)	662,099	(611,340)
Increase (decrease) in operating liabilities				
Trade and other payables	(616,396,591)	27,205,713	(202,299,248)	(373,902,222)
Deposits and advance received from customers	(105,775,226)	(129,555,856)	(93,207,831)	(100,166,664)
Other current liabilities	(9,627,112)	44,701,736	(4,175,527)	35,905,117
Provision for long-term employee benefits	(5,260,000)	(2,202,390)	(5,260,000)	(2,202,390)
Other non-current liabilities	(1,429,245)	(2,325,745)	(560,939)	744,613
Cash from operating activities	1,232,871,267	618,476,909	491,909,405	231,660,134
Cash receipt from interest income	49,660,100	821,283	100,439,359	25,313,614
Cash paid for interest expenses	(285,179,291)	(345,408,223)	(229,291,742)	(272,572,469)
Cash receipt from income tax refundable	-	6,853,342	-	6,853,342
Cash paid for corporate income tax	(85,905,968)	(123,227,289)	(40,688,414)	(55,253,306)
<b>Net cash from (used in) operating activities</b>	<b>911,446,108</b>	<b>157,516,022</b>	<b>322,368,608</b>	<b>(63,998,685)</b>

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

**J.S.P. Property Public Company Limited and its subsidiaries**

**Cash flow statement (continued)**

**For the year ended 31 December 2018**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Cash flows from investing activities</b>				
Decrease in current investments	-	5,093,069	-	5,093,069
Decrease (increase) in restricted bank deposits	(26,931,154)	3,945,029	(1,448,904)	8,754,722
Decrease in loans to related parties	110,000,000	40,000,000	439,743,983	364,799,642
Increase in investment in subsidiaries	-	-	-	(39,998,400)
Dividend received from subsidiaries	-	-	-	68,188,600
Net cash receipt from sales of investment in joint venture	40,809,500	-	40,809,500	-
Increase in investment in joint ventures	-	(64,884,700)	-	(64,884,700)
Proceed from sales of investment properties	130,000,000	289,794,131	-	248,719,374
Increase in investment properties	-	(4,436,870)	-	-
Acquisition of equipments	(2,592,538)	(11,516,444)	(2,296,433)	(6,339,544)
Proceed from sales of equipments	937,182	1,175,524	675,500	1,175,524
Acquisition of intangible assets	(2,051,882)	(3,536,769)	(2,051,882)	(3,536,769)
<b>Net cash from investing activities</b>	<b>250,171,108</b>	<b>255,632,970</b>	<b>475,431,764</b>	<b>581,971,518</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short-term loans from financial institutions	(40,702,760)	34,151,050	(40,702,760)	134,151,050
Increase (decrease) in other short-term loans	(102,330,000)	210,000,000	(190,000,000)	210,000,000
Decrease in short-term bills of exchange	(180,000,000)	(1,350,806,866)	(180,000,000)	(1,350,806,866)
Decrease in short-term debentures	-	(1,100,000,000)	-	(1,100,000,000)
Increase in loans from related parties	615,768,000	508,650,000	702,279,636	813,365,466
Cash receipt from long-term debentures	696,700,000	875,274,000	696,700,000	875,274,000
Redeem of long-term debentures	(893,700,000)	-	(893,700,000)	-
Cash receipt from long-term loans	1,048,250,104	2,515,283,092	244,328,804	1,187,666,170
Repayment of long-term loans	(2,228,387,980)	(2,239,779,811)	(1,083,734,690)	(1,394,502,474)
Dividend payment	-	(42,000,000)	-	(42,000,000)
Dividend payment attributable to non-controlling interests of the subsidiary	-	(1,800,000)	-	-
<b>Net cash used in financing activities</b>	<b>(1,084,402,636)</b>	<b>(591,028,535)</b>	<b>(744,829,010)</b>	<b>(666,852,654)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>77,214,580</b>	<b>(177,879,543)</b>	<b>52,971,362</b>	<b>(148,879,821)</b>
Cash and cash equivalents at beginning of year	160,811,781	338,691,324	90,043,624	238,923,445
<b>Cash and cash equivalents at end of year</b>	<b>238,026,361</b>	<b>160,811,781</b>	<b>143,014,986</b>	<b>90,043,624</b>
	-	-	-	-
<b>Supplemental cash flow information:</b>				
Non-cash transactions				
Transfer project development costs to investment properties and property, plant and equipment	-	209,191,332	-	191,309,495

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

J.S.P. Property Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2018

(Unit: Baht)

Consolidated financial statements											
Equity attributable to owners of the Company											
	Note	Equity attributable to owners of the Company				Other components of shareholders' equity		Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity	
		Issued and fully paid-up share capital	Share premium	Capital surplus on share-based payment	Retained earnings		Surplus from the change in the shareholding in a subsidiary				Deficit on business combination under common control
					Appropriated	Unappropriated					
<b>Balance as at 1 January 2017</b>		2,100,000,000	2,438,832,857	8,925,000	92,651,000	562,845,684	-	(32,129,587)	5,171,124,954	17,884,153	5,189,009,107
Loss for the year		-	-	-	-	(23,047,689)	-	-	(23,047,689)	372,522	(22,675,167)
Other comprehensive income for the year		-	-	-	-	(1,193,561)	-	-	(1,193,561)	-	(1,193,561)
Total comprehensive income for the year		-	-	-	-	(24,241,250)	-	-	(24,241,250)	372,522	(23,868,728)
Dividend payment	27	-	-	-	-	(42,000,000)	-	-	(42,000,000)	-	(42,000,000)
Dividend payment attributable to non-controlling interest of the subsidiary		-	-	-	-	-	-	-	-	(1,800,000)	(1,800,000)
<b>Balance as at 31 December 2017</b>		<u>2,100,000,000</u>	<u>2,438,832,857</u>	<u>8,925,000</u>	<u>92,651,000</u>	<u>496,604,434</u>	<u>-</u>	<u>(32,129,587)</u>	<u>5,104,883,704</u>	<u>16,456,675</u>	<u>5,121,340,379</u>
<b>Balance as at 1 January 2018</b>		2,100,000,000	2,438,832,857	8,925,000	92,651,000	496,604,434	-	(32,129,587)	5,104,883,704	16,456,675	5,121,340,379
Profit for the year		-	-	-	-	101,304,754	-	-	101,304,754	-	101,304,754
Total comprehensive income for the year		-	-	-	-	101,304,754	-	-	101,304,754	-	101,304,754
Decrease in non-controlling interests of the subsidiary	10	-	-	-	-	-	1,456,671	-	1,456,671	(16,456,675)	(15,000,004)
<b>Balance as at 31 December 2018</b>		<u>2,100,000,000</u>	<u>2,438,832,857</u>	<u>8,925,000</u>	<u>92,651,000</u>	<u>597,909,188</u>	<u>1,456,671</u>	<u>(32,129,587)</u>	<u>5,207,645,129</u>	<u>-</u>	<u>5,207,645,129</u>

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

**J.S.P. Property Public Company Limited and its subsidiaries**

**Statement of changes in shareholders' equity (continued)**

**For the year ended 31 December 2018**

(Unit: Baht)

	Note	Separate financial statements				Total shareholders' equity	
		Issued and fully paid-up share capital	Share premium	Capital surplus on share-based payment	Retained earnings		
					Appropriated		Unappropriated
<b>Balance as at 1 January 2017</b>		2,100,000,000	2,438,832,857	8,925,000	92,651,000	902,875,277	5,543,284,134
Loss for the year		-	-	-	-	(151,787,629)	(151,787,629)
Other comprehensive income for the year		-	-	-	-	(1,280,473)	(1,280,473)
Total comprehensive income for the year		-	-	-	-	(153,068,102)	(153,068,102)
Dividend payment	27	-	-	-	-	(42,000,000)	(42,000,000)
<b>Balance as at 31 December 2017</b>		<u>2,100,000,000</u>	<u>2,438,832,857</u>	<u>8,925,000</u>	<u>92,651,000</u>	<u>707,807,175</u>	<u>5,348,216,032</u>
<b>Balance as at 1 January 2018</b>		2,100,000,000	2,438,832,857	8,925,000	92,651,000	707,807,175	5,348,216,032
Loss for the year		-	-	-	-	(538,230,088)	(538,230,088)
Total comprehensive income for the year		-	-	-	-	(538,230,088)	(538,230,088)
<b>Balance as at 31 December 2018</b>		<u>2,100,000,000</u>	<u>2,438,832,857</u>	<u>8,925,000</u>	<u>92,651,000</u>	<u>169,577,087</u>	<u>4,809,985,944</u>

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



## J.S.P. Property Public Company Limited and its subsidiaries

### Notes to consolidated financial statements

For the year ended 31 December 2018

#### 1. Corporate information

J.S.P. Property Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the property development and its registered address is 41/1, Rama II Soi 54, Samae Dam, Bangkhunthien, Bangkok.

#### 2. Basis of preparation

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

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

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

#### 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statement of J.S.P. Property Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2018 (Percent)	2017 (Percent)
China Center (Sathorn-Kanlapaphruek) Company Limited	Property development	Thailand	100	90
J.S.P. Golden Land Company Limited	Property development	Thailand	100	100
Sampeng 2 Plaza Company Limited	Property development	Thailand	100	100
J.S.P. Property Management Company Limited	Property for rent	Thailand	100	100
Baan Ruenrom 2015 Company Limited	Property development	Thailand	100	100
Baan Putthachart 2015 Company Limited	Property development	Thailand	100	100
Baan Puttharaksa 2015 Company Limited	Property development	Thailand	100	100
J.S.P. Asplus Company Limited	Property development	Thailand	100	100

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
  - c) Subsidiaries are fully consolidated, being the date on which the Company obtain control, and continue to be consolidated until the date when such control ceases.
  - d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
  - e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
  - f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries and joint ventures under the cost method.

### **3. New financial reporting standards**

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

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

#### **(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019**

The Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company and its subsidiaries believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

### **TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company and its subsidiaries expects that the adoption of this accounting standard will have an impact on accounting classification in the statement of comprehensive income as follows;

- Regarding sales promotion given to customers upon transfer of ownership of property under the sale and purchase agreements of land and construction thereon/condominium unit, the Company and its subsidiaries considered transfer fee paid on behalf of customers, waiver of common area fee or cash discount to be payable to customers and thus are treated as a deduction of revenue. Previously, these expenses were presented as selling expenses. However, the change in the classification does not affect net profit of the Company and its subsidiaries.

**(c) Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020**

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

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

#### **4. Significant accounting policies**

##### **4.1 Revenue recognition**

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

Revenue from sales of real estate is recognised as revenue when the significant risks and rewards of ownership of the goods have been transferred to the buyer. This is when construction works are completed and ownership have been transferred to the buyer following the receipt of full payment from the buyer.

###### *Revenues from rental and services*

Revenue from rental and service is recognised on an accrual basis over the period of contract.

### *Management income*

Management income is recognised when services have been rendered taking into account the stage of completion.

#### **4.2 Project development cost and cost of real estate sales**

Project development costs for sale are stated at the lower of cost and net realisable value. The project development cost comprises cost of land, land filling, design, utilities, construction, borrowing costs and other related expenses.

In determining the costs of land and houses sold, the anticipated total development costs (taking into account actual costs incurred to date) are attributed to units sold on the basis of revenue and salable area. The Company and its subsidiaries estimate the total cost of project development by considering past experience in business operation and review the estimate on a timely basis or when the actual cost that incurred is materially different from the estimate.

Selling expenses directly associated with projects, such as specific business tax and transfer fees, are recognised when sales occur.

The Company and its subsidiaries recognise loss on diminution in project value (if any) in profit or loss.

#### **4.3 Cash and cash equivalents**

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

#### **4.4 Trade and other receivables**

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

#### **4.5 Investments**

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.

- c) Investments in joint ventures are accounted for in the consolidated financial statements using the equity method.
- d) Investments in subsidiaries and joint ventures are accounted for the separate financial statements using the cost method which is net allowance for loss on impairment of investment (if any).

The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

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

#### **4.6 Land and project cost awaiting for development**

Land and project cost awaiting for development is stated at the lower of cost and net realisable value. The land and project cost awaiting for development comprises cost of land, land filling, design, utilities, construction borrowing costs and other related expenses.

#### **4.7 Investment properties**

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

Depreciation of investment properties is calculated by reference of their costs on straight-line basis over estimated useful lives of 5 - 25 years. Depreciation of the investment properties are included in determining income. No depreciation is provided on land.

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

#### **4.8 Property, plant and equipment and Depreciation**

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings	10	years
Furniture and office equipment	5	years
Vehicles	5	years

Depreciation is included in profit or loss.

No depreciation is provided on land and assets under construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### **4.9 Borrowing costs**

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

#### **4.10 Computer software**

Acquired computer software is initially recognised at cost. Following the initial recognition, computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Computer software with finite live is amortised on a systematic basis over the economic useful live of 5 years and tested for impairment whenever there is an indication that the asset may be impaired. The amortisation period and the amortisation method of such computer software are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

#### **4.11 Related party transactions**

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

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

#### **4.12 Long-term leases**

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

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

#### **4.13 Impairment of assets**

At the end of each reporting period, the Company and its subsidiaries performs impairment reviews in respect of the investment properties, property, plant and equipment and other assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining 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. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiary could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.



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

#### **4.14 Employee benefits**

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

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

##### ***Post-employment benefits***

###### *Defined contribution plans*

The Company, its subsidiary and their employees have participated in a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiary. The fund's assets are held in a separate trust fund and the contributions of the Company and its subsidiary are recognised as expenses when incurred.

###### *Defined benefit plan*

The Company and its subsidiary have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiary treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

#### **4.15 Share-based payment**

Transfer of the Company's equity instruments by its shareholders to parties (including employees) that have supplied goods or services to the Company are treated as share-based payment transactions, unless the transfer is clearly for a purpose other than payment for goods or services supplied to the Company.

The Company records the excess of the fair value at transfer date over the transfer price of equity instrument as an expense in profit or loss, and as the capital surplus on share-based payment in the statement of changes in shareholders' equity.

#### **4.16 Provisions**

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

#### **4.17 Income tax**

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

##### **Current tax**

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

##### **Deferred tax**

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

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

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

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **4.18 Fair value measurement**

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

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

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

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

#### **5. Significant accounting judgements and estimates**

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

### **Allowance for loss on diminution in project development costs**

The Company and its subsidiaries treat project development costs as impaired when there has been a significant decline in their fair value below their costs. The management uses judgement to estimate project impairment based on market approach and the appraisal report from an independent appraiser.

### **Impairment of investments**

The Company treats investments in subsidiaries in the separate financial statements as impaired when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is “significant” or “prolonged” requires judgement of the management.

### **Investment properties, Property, plant and equipment and Depreciation**

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

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

### **Classification of long-term loans**

In classifying the current portion of long-term loans from financial institutions, the management of the Company and its subsidiaries has used judgement to estimate collateral redemptions and loan settlement in accordance with the terms and conditions stipulated in the loan agreements.

### **Deferred tax assets**

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

## 6. Related party transactions

The Company and its subsidiaries have significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, the subsidiaries and those related parties.

(Unit: Million Baht)

	For the years ended 31 December				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2018	2017	2018	2017	
<b><u>Transaction with subsidiaries</u></b>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	150	164	6.63% - 7.50% per annum
Interest expense	-	-	13	39	1.00% - 7.00% per annum
Rental and service income	-	-	25	16	Per contract
Management income	-	-	21	26	At cost
Sales of land	-	-	1	21	At cost
Purchase of land	-	-	8	-	At cost
<b><u>Transaction with joint ventures</u></b>					
Interest income	50	58	50	58	7.00% per annum
Interest expense	2	14	2	14	10.00% per annum
Management income	4	3	4	3	At cost
<b><u>Transaction with related parties</u></b>					
Interest expense	50	17	49	17	6.00% - 12.00% per annum
Sales of land	-	139	-	139	Appraisal value by independent valuer
Compensation for land use	-	3	-	-	Land value appraised based on no. of users
Office rental and services	9	10	9	10	Price set by comparison with rental in nearby areas

The balances of the accounts between the Company and its subsidiaries and those related persons or parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<b><u>Trade receivables - related parties (Note 8)</u></b>				
Subsidiaries	-	-	145,540	99,438
Joint ventures	2,529	3,242	2,529	3,242
Total	<u>2,529</u>	<u>3,242</u>	<u>148,069</u>	<u>102,680</u>
<b><u>Other receivables - related parties (Note 8)</u></b>				
Subsidiaries	-	-	497	35
Joint ventures	-	10,001	-	10,001
Total	<u>-</u>	<u>10,001</u>	<u>497</u>	<u>10,036</u>
<b><u>Long-term loans to related parties and interest receivables</u></b>				
Subsidiaries	-	-	2,235,656	2,466,249
Joint ventures	749,684	858,479	749,684	858,479
Total	749,684	858,479	2,985,340	3,324,728
Less: Loss reserve from investment in joint ventures	(54,272)	(55,013)	-	-
Allowance for doubtful debts of loan to subsidiary	-	-	(500,000)	-
Net	<u>695,412</u>	<u>803,466</u>	<u>2,485,340</u>	<u>3,324,728</u>
<b><u>Trade payables - related parties (Note 17)</u></b>				
Subsidiary	-	-	21,602	21,923
Total	<u>-</u>	<u>-</u>	<u>21,602</u>	<u>21,923</u>
<b><u>Other payables - related parties (Note 17)</u></b>				
Subsidiaries	-	-	93,827	81,146
Joint ventures	-	466	-	466
Related company (related by common director)	1,492	1,346	1,492	1,347
Directors and related persons	5,313	2,262	4,625	2,262
Total	<u>6,805</u>	<u>4,074</u>	<u>99,944</u>	<u>85,221</u>
<b><u>Short-term loans from related parties</u></b>				
Subsidiaries	-	-	945,877	734,115
Joint ventures	-	100,000	-	100,000
Director and related person	1,124,418	408,650	999,168	408,650
Total	<u>1,124,418</u>	<u>508,650</u>	<u>1,945,045</u>	<u>1,242,765</u>

#### Loans to related parties

Loans to subsidiaries and joint ventures carry interest at rates of 6.63% - 7.00% per annum and are repayable at call. However, the Company does not intent to call for the loan repayment in the foreseeable future and the loans are therefore classified as long-term loans.

### Short-term loans from related parties

Loans from subsidiaries carry interest at rates of 1.50% - 7.00% per annum and are repayable at call.

Loans from related persons carry interest at rates of 6.00% - 12.00% per annum and are repayable in January - December 2019. The loans are secured by the project land and construction thereon of the Company and its subsidiaries.

The balance of loans between the Company and those related parties and the movement are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	1 January 2018	Increase	Decrease	31 December 2018
<b><u>Long-term loans to related parties and interest receivables</u></b>				
Joint ventures	858,479	49,908	(158,703)	749,684
Less: Loss reserve from investment in				
Joint ventures	(55,013)	-	741	(54,272)
	<u>803,466</u>	<u>49,908</u>	<u>(157,962)</u>	<u>695,412</u>
<b><u>Short-term loans from related parties</u></b>				
Joint venture	100,000	-	(100,000)	-
Related person	408,650	1,384,560	(668,792)	1,124,418
	<u>508,650</u>	<u>1,384,560</u>	<u>(768,792)</u>	<u>1,124,418</u>

(Unit: Thousand Baht)

	Separate financial statements			
	1 January 2018	Increase	Decrease	31 December 2018
<b><u>Long-term loans to related parties and interest receivables</u></b>				
Subsidiaries	2,466,249	883,318	(1,113,911)	2,235,656
Joint ventures	858,479	49,908	(158,703)	749,684
Less: Allowance for doubtful debts of				
loan to subsidiary	-	(500,000)	-	(500,000)
	<u>3,324,728</u>	<u>433,226</u>	<u>(1,272,614)</u>	<u>2,485,340</u>
<b><u>Short-term loans from related parties</u></b>				
Subsidiaries	734,115	273,002	(61,240)	945,877
Joint venture	100,000	-	(100,000)	-
Related person	408,650	1,234,560	(644,042)	999,168
	<u>1,242,765</u>	<u>1,507,562</u>	<u>(805,282)</u>	<u>1,945,045</u>

### Directors and management's benefits

During the years ended 31 December 2018 and 2017, the Company had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Short-term employee benefits	30	30	30	30
Post-employment benefits	1	1	1	1
Total	<u>31</u>	<u>31</u>	<u>31</u>	<u>31</u>

### Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 15 and 19 to the financial statements.

## **7. Cash and cash equivalents**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	Cash on hand	386	1,383	259
Bank deposits	237,640	159,429	142,756	89,258
Total	<u>238,026</u>	<u>160,812</u>	<u>143,015</u>	<u>90,044</u>

As at 31 December 2018, bank deposits in saving accounts carried interests between 0.10 and 1.10 percent per annum (2017: between 0.37 and 1.10 percent per annum).



## 8. Trade and other receivables

Trade and other receivables as at 31 December 2018 and 2017 presented as follows: -

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<u>Trade receivables - Related parties (Note 6)</u>				
Aged on the basis of due dates				
Not yet due	-	-	-	-
Past due				
Up to 2 months	556	1,337	8,656	10,598
2 - 4 months	-	371	7,362	3,008
4 - 6 months	-	795	7,941	8,880
6 - 12 months	813	739	23,512	22,190
Over 12 months	1,160	-	100,598	58,004
Total trade receivables - Related parties	2,529	3,242	148,069	102,680
<u>Trade receivables - Unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	1,418	4,682	-	-
Past due				
Up to 2 months	6,136	14,859	1,105	3,930
2 - 4 months	4,167	3,374	840	1,090
4 - 6 months	3,154	2,169	571	440
6 - 12 months	24,597	4,797	6,385	660
Over 12 months	4,680	1,999	836	838
Total	44,152	31,880	9,737	6,958
Less: Allowance for doubtful debts	(33,602)	(4,840)	(8,213)	-
Total trade receivables - Unrelated parties, net	10,550	27,040	1,524	6,958
Total trade receivables - net	13,079	30,282	149,593	109,638
<u>Other receivables</u>				
Amount due to related parties (Note 6)	-	10,001	497	10,036
Amount due to unrelated party	4,478	-	4,478	-
Others	1,081	689	574	71
Less: Allowance for doubtful debts	(4,478)	-	(4,478)	-
Total other receivables	1,081	10,690	1,071	10,107
Total trade and other receivables - net	14,160	40,972	150,664	119,745

## 9. Project development costs

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Land and construction under development				
Land	2,389,437	3,356,032	704,941	1,242,007
Construction under development	1,489,712	3,642,096	471,581	2,407,016
Interest cost	169,403	299,413	34,020	175,302
Total	4,048,552	7,297,541	1,210,542	3,824,325
Land and construction developed	2,097,451	558,728	2,064,342	435,290
Total	6,146,003	7,856,269	3,274,884	4,259,615
Less: Reduce cost to net realisable value	(3,887)	-	(3,887)	-
Net	6,142,116	7,856,269	3,270,997	4,259,615

Movements of the project development costs for the year ended 31 December 2018 and 2017 are summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Net book value at beginning of year	7,856,269	8,801,479	4,259,615	5,481,320
Increase in land and land improvement costs	162,078	415,533	151,296	133,703
Increase in construction costs	933,212	2,410,453	382,785	956,333
Borrowing cost	57,850	162,400	42,911	65,426
Cost of real estate sales	(2,592,317)	(3,176,333)	(1,289,414)	(1,643,811)
Sales of land	-	-	(1,220)	(20,803)
Transfer to land and project cost awaiting for development	(271,089)	(548,072)	(271,089)	(521,244)
Transfer to investment properties (Note 12)	-	(209,191)	-	(191,309)
Reduce cost to net realisable value	(3,887)	-	(3,887)	-
Net book value at end of year	6,142,116	7,856,269	3,270,997	4,259,615

Movements of the land and project cost awaiting for development for the year ended 31 December 2018 and 2017 are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Net book value at beginning of year	1,323,125	776,632	1,278,415	758,750
Transfer from project development costs	271,089	548,072	271,089	521,244
Write-off	-	(1,579)	-	(1,579)
Reduce cost to net realisable value	(5,679)	-	(5,679)	-
Net book value at end of year	<u>1,588,535</u>	<u>1,323,125</u>	<u>1,543,825</u>	<u>1,278,415</u>

During the years, the Company and its subsidiaries included borrowing costs in project development costs. These were determined by applying capitalisation rates which are the weighted average of the financial charges on total borrowings during the years as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Borrowing costs included in project development costs (Million Baht)	58	162	43	65
Capitalisation rate (Percent)	5.65 - 9.00	4.50 - 10.00	5.65 - 9.00	4.50 - 10.00

The Company and its subsidiaries mortgaged project land and construction thereon, and land and project cost awaiting for development with commercial banks, other company and other and related persons as collateral for credit facilities and guarantees, as summarised below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Net book value				
Project development costs	6,110	7,417	3,239	4,009
Land and project cost awaiting for development	1,569	1,280	1,524	1,235

Additional information of the Company and its subsidiaries' projects.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Total estimated sales value of projects	27,823	30,709	14,701	17,287
Total value of contracts signed according to the sale and purchase agreements of land and construction thereon/condominium units	18,902	17,835	9,840	9,354
Percentage of total estimated sales value of projects	68%	58%	67%	54%
Total value of contracts signed according to the sales and purchases agreements of land and construction thereon /condominium units not yet recognised as income	512	3,561	273	1,820

## 10. Investment in subsidiaries

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

Subsidiaries' name	Paid-up capital		Shareholding		Cost		Dividend received	
	2018	2017	2018	2017	2018	2017	2018	2017
			(percent)	(percent)				
China Center (Sathorn-Kanlapaphruek) Co., Ltd.	150,000	150,000	100	90	149,980	134,970	-	16,196
J.S.P. Golden Land Co., Ltd.	200,000	200,000	100	100	199,980	199,970	-	51,992
Sampeng 2 Plaza Co., Ltd.	110,000	110,000	100	100	109,980	109,970	-	-
J.S.P. Property Management Co., Ltd.	300,000	300,000	100	100	300,000	300,000	-	-
Baan Ruenrom 2015 Co., Ltd.	100,000	100,000	100	100	100,000	99,900	-	-
Baan Putthachart 2015 Co., Ltd.	100,000	100,000	100	100	100,000	99,900	-	-
Baan Puttharaksa 2015 Co., Ltd.	150,000	150,000	100	100	150,000	149,850	-	-
J.S.P. Asplus Co., Ltd.	50,000	50,000	100	100	50,000	49,998	-	-
Total					1,559,940	1,144,558	-	68,188
Less: Allowance for loss on impairment of investment					(300,000)*	(300,000)*		
Net					859,940	844,558		

\* Allowance for loss on impairment of investment in J.S.P. Property Management Co., Ltd.

## China Center (Sathorn-Kanlapaphruek) Company Limited

During the year, the Company acquired shares of China Center (Sathorn-Kanlapaphruek) Company Limited, consisting of 1,500 ordinary shares with a par value of Baht 10,000 each, at the price of Baht 15 million, from the stakeholder with non-controlling interest of subsidiary. As a result, the Company's shareholding in the subsidiary increased from 90% to 100%. The difference between the lower of purchase price and the net book value of the additional stake in the subsidiary was Baht 1.46 million, which was presented as surplus from the change in the shareholding in a subsidiary under the shareholders' equity in the consolidated statements of financial position.

## 11. Investment in joint ventures

### 11.1 Details of investment in joint ventures

Investment in joint ventures represent investment in entities which are jointly controlled by the Company and other companies. Details of these investments are as follows:

Joint ventures	Nature of business	Shareholding		Consolidated financial statements		Separate financial statements	
		percentage		Carrying amounts based on equity method		Carrying amounts based on cost method	
		2018 (Percent)	2017 (Percent)	2018	2017	2018	2017
JSP Ocean Co., Ltd.	Property Development	55	55	(54,272)	(34,612)	13,750	13,750
J.S.P. Chongtian Co., Ltd.	Property Development	55	55	62,845	(20,401)	13,750	13,748
Zenith Management Co., Ltd.	Property Development	-	50	-	31,303	-	40,812
<b>Total</b>				<b>8,573</b>	<b>(23,710)</b>	<b>27,500</b>	<b>68,310</b>

As 31 December 2018, the Company presented loss on investment in joint ventures amounting to Baht 54 million based on equity method, offset with loans to joint ventures in consolidated financial statements (2017: Baht 55 million).

## Zenith Management Company Limited

On 31 January 2018, the Company's Board of Directors meeting No.1/2018 passed a resolution to sell all 50% shareholding on investment in Zenith Management Company Limited to another joint venture party totalling Baht 40,812,500, consisting of 50,000 ordinary shares at Baht 10 each and 6,450,000 ordinary shares at Baht 6.25 each, and received the advance payment of Baht 10,000,000. The difference between selling price and the net book value of equity was gain of Baht 10 million, which was present as gain on sales of investment in joint venture in the consolidated statement of comprehensive income.

## 11.2 Share of comprehensive income and dividend received

During the years, the Company recognised its share of profit (loss) from investment in the joint ventures in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Joint ventures	Consolidated financial statements	
	Share of profit (loss) from investment in joint ventures during the year	
	2018	2017
JSP Ocean Co., Ltd.	(19,660)	(22,170)
J.S.P. Chongtian Co., Ltd.	83,242	(20,427)
Zenith Management Co., Ltd.	(555)	(9,242)
<b>Total</b>	<b>63,027</b>	<b>(51,839)</b>

There is no dividend received from joint ventures in the separate financial statement.

## 11.3 Summarised financial information about material joint ventures

### Summarised information about financial position

(Unit: Thousand Baht)

	JSP Ocean Co., Ltd.		J.S.P. Chongtian Co., Ltd.		Zenith Management Co., Ltd.	
	2018	2017	2018	2017	2018	2017
Current assets	894,739	1,056,086	850,074	750,096	-	5,902
Non-current assets	34,729	25,135	13,485	15,670	-	88,239
	<u>929,468</u>	<u>1,081,221</u>	<u>863,559</u>	<u>765,766</u>	<u>-</u>	<u>94,141</u>
Short-term loans	310,100	-	100	-	-	-
Other current liabilities	9,444	13,526	36,638	5,780	-	31,535
Long-term loans	708,601	1,130,626	712,557	797,079	-	-
	<u>1,028,145</u>	<u>1,144,152</u>	<u>749,295</u>	<u>802,859</u>	<u>-</u>	<u>31,535</u>
<b>Net assets</b>	<b>(98,677)</b>	<b>(62,931)</b>	<b>114,264</b>	<b>(37,093)</b>	<b>-</b>	<b>62,606</b>
Shareholding percentage (%)	55%	55%	55%	55%	-	50%
Share of net assets	<u>(54,272)</u>	<u>(34,612)</u>	<u>62,845</u>	<u>(20,401)</u>	<u>-</u>	<u>31,303</u>

### Summarised information about profit (loss)

(Unit: Thousand Baht)

	For the year ended 31 December					
	JSP Ocean Co., Ltd.		J.S.P. Chongtian Co., Ltd.		Zenith Management Co., Ltd.	
	2018	2017	2018	2017	2018*	2017
Revenues from sales	10,673	-	332,591	-	-	-
Other income	10,108	14,881	5,963	1,959	-	47
Cost of sales	(6,284)	-	(81,612)	-	-	-
Administrative expenses	(4,046)	(2,581)	(23,806)	(1,660)	(1,388)	(17,284)
Profit (loss) before financial cost and income tax income (expense)	10,451	12,300	233,136	299	(1,388)	(17,237)
Financial cost	(54,506)	(62,774)	(43,936)	(46,726)	-	(4,472)
Income tax income (expense)	8,308	10,166	(37,851)	9,284	278	4,338
Profit (loss) for the year	<u>(35,747)</u>	<u>(40,308)</u>	<u>151,349</u>	<u>(37,143)</u>	<u>(1,110)</u>	<u>(17,371)</u>

\*Financial performance before the Company sold the investment.

## 12. Investment properties

Investment properties are land and construction thereon of the Company and its subsidiaries. The Company and its subsidiaries hold such investment properties for sales and in order to derive benefit from rental and service provision.

The net book value of investment properties as at 31 December 2018 and 2017 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Land held for sales	Land and construction thereon for rent	Total	Land held for sales	Land and construction thereon for rent	Total
As at 31 December 2018						
Cost	4,589	1,493,906	1,498,495	4,589	617,702	622,291
Less: Accumulated depreciation	-	(219,374)	(219,374)	-	(13,363)	(13,363)
Less: Allowance for diminution in value	(4,589)	(246,600)	(251,189)	(4,589)	-	(4,589)
Net book value	-	1,027,932	1,027,932	-	604,339	604,339
As at 31 December 2017						
Cost	4,589	1,682,883	1,687,472	4,589	617,702	622,291
Less: Accumulated depreciation	-	(171,796)	(171,796)	-	(7,776)	(7,776)
Less: Allowance for diminution in value	(4,589)	(278,600)	(283,189)	(4,589)	-	(4,589)
Net book value	-	1,232,487	1,232,487	-	609,926	609,926

Movements of the net book value of investment properties for the years 2018 and 2017 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Net book value at beginning of year	1,232,487	1,390,027	609,926	611,786
Increase during the year	-	4,436	-	-
Disposal during the year	(131,642)	(217,097)	-	(182,987)
Transfer from project development costs (Note 9)	-	209,191	-	191,309
Depreciation charged	(72,913)	(89,481)	(5,587)	(5,593)
Allowance for diminution in value	-	(64,589)	-	(4,589)
Net book value at end of year	1,027,932	1,232,487	604,339	609,926

The fair value of the investment properties as at 31 December 2018 and 2017 stated below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Land and construction for rent	1,408,505	1,475,882	1,055,411	690,067
Land held for sale	-	-	-	-

The fair value of the land and construction for rent has been determined by using appropriate approach for such assets between the income approach and market value approach. Key assumptions of income appropriate used in the valuation are yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates. The fair value has been significantly determined based on market prices using Level 2 input.

The Company and its subsidiaries mortgaged project land and construction thereon with financial institutions, other company and related parties as collateral for credit facilities and debenture, as summarised below.

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Net book value (Million Baht)	944	759	576	294



### 13. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements						
	Land	Building	Furniture and office equipments	Vehicles	Assets under construction	Total
<b>Cost</b>						
1 January 2017	9,072	3,928	49,439	7,437	-	69,876
Additions	-	-	10,948	39	529	11,516
Transfer in (out)	-	-	339	-	(529)	(190)
Disposal/write-off	-	-	(194)	(2,663)	-	(2,857)
31 December 2017	9,072	3,928	60,532	4,813	-	78,345
Additions	-	165	2,428	-	-	2,593
Transfer in (out)	-	-	(1,866)	(65)	-	(1,931)
Disposal/write-off	-	-	(70)	(2,011)	-	(2,081)
31 December 2018	9,072	4,093	61,024	2,737	-	76,926
<b>Accumulated depreciation</b>						
1 January 2017	-	547	18,188	4,802	-	23,537
Depreciation for the year	-	393	10,419	601	-	11,413
Depreciation on disposal/ write-off	-	-	(42)	(1,445)	-	(1,487)
31 December 2017	-	940	28,565	3,958	-	33,463
Depreciation for the year	-	401	10,698	148	-	11,247
Depreciation on disposal/ write-off	-	-	(1,815)	(1,575)	-	(3,390)
31 December 2018	-	1,341	37,448	2,531	-	41,320
<b>Net book value</b>						
31 December 2017	9,072	2,988	31,967	855	-	44,882
31 December 2018	9,072	2,752	23,576	206	-	35,606
<b>Depreciation for the year</b>						
2017 (all included in administrative expenses)						11,413
2018 (all included in administrative expenses)						11,247

(Unit: Thousand Baht)

	Separate financial statements					Total
	Land	Building	Furniture and office equipments	Vehicles	Assets under construction	
<b>Cost</b>						
1 January 2017	9,072	3,928	35,984	4,211	-	53,195
Additions	-	-	5,811	-	529	6,340
Transfer in (out)	-	-	339	-	(529)	(190)
Write-off	-	-	(194)	(2,663)	-	(2,857)
31 December 2017	9,072	3,928	41,940	1,548	-	56,488
Additions	-	165	2,132	-	-	2,297
Disposal/write-off	-	-	(70)	(1,364)	-	(1,434)
31 December 2018	9,072	4,093	44,002	184	-	57,351
<b>Accumulated depreciation</b>						
1 January 2017	-	547	10,799	1,892	-	13,238
Depreciation for the year	-	393	7,730	431	-	8,554
Depreciation on disposal/ write-off	-	-	(42)	(1,445)	-	(1,487)
31 December 2017	-	940	18,487	878	-	20,305
Depreciation for the year	-	401	8,053	95	-	8,549
Depreciation on disposal/ write-off	-	-	(47)	(864)	-	(911)
31 December 2018	-	1,341	26,493	109	-	27,943
<b>Net book value</b>						
31 December 2017	9,072	2,988	23,453	670	-	36,183
31 December 2018	9,072	2,752	17,509	75	-	29,408
<b>Depreciation for the year</b>						
2017 (all included in administrative expenses)						8,554
2018 (all included in administrative expenses)						8,549

#### 14. Short-term loans from financial institution

	Interest rates	(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
	(Percent per annum)	2018	2017	2018	2017
Short-term loans	MLR to MLR - 0.25	93,448	134,151	93,448	134,151

The loans are secured by the mortgage of project land and construction thereon and guaranteed by the Company and its subsidiaries.

The loan agreements contain several covenants which, among other things, require and the Company's net debt to equity ratio to maintain at the rate prescribed in the agreement.

#### 15. Other short-term loans

Loans from other persons are to be used for the Company and its subsidiaries' operation. The loans carry interest at a rate of 8% per annum and are repayable within November - December 2019. The loans guaranteed by the Company, the director of the Company and the mortgage of the project land and construction thereon of its subsidiary.

#### 16. Short-term bills of exchange

Short-term bills of exchange of Baht 180 million, bearing interest at a rate of 6.50% per annum. The bills of exchange have a tenor of 182 - 183 days from the issue date, mature in June 2018, and are offered to domestic funds, institutional investors and/or high net worth individuals, without collateral.

#### 17. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
Trade payables				
Related parties (Note 6)	-	-	21,602	21,923
Unrelated parties	587,043	1,204,111	258,513	425,507
Total trade payables	587,043	1,204,111	280,115	447,430
Other payables				
Related parties (Note 6)	6,805	4,074	99,944	85,221
Unrelated parties				
Accrued expenses	66,040	114,036	42,428	80,442
Retention	150,286	158,723	96,567	114,453
Accrued interest expenses	7,923	6,396	6,088	5,021
Public utilities payable	59,847	64,561	31,824	36,381
Accrued repair expense	56,598	-	17,851	-
Advances from customers				
waiting for refund	46,973	34,608	37,720	24,103
Others	24,422	9,835	19,682	3,924
Total other payables	418,894	392,233	352,104	349,545
Total trade and other payables	1,005,937	1,596,344	632,219	796,975

## 18. Long-term debentures

As at 31 December 2018, the Company had 2 long-term debentures facilities. These consist of Baht 500 million of secured debenture that carry interest at a rate of 6.50% per annum, payable every 3 months, and mature in May 2020 and a second facility of Baht 197 million of unsecured debenture that carry interest at a rate of 7.25% per annum, payable every 3 months and mature in June 2020.

Movements in the long-term debentures account during the year ended 31 December 2018 are summarised below.

	(Unit: Thousand Baht)
	Consolidated / Separate financial statements
Balance as at 1 January 2018	881,797
Add: Issuance	696,700
Amortisation of deferred debenture issuing cost	12,628
Less: Deferred debenture issuing costs	(12,252)
Redeem	(893,700)
Balance as at 31 December 2018	<u>685,173</u>

The secured debenture is secured by the mortgage of the investment properties.

The debenture agreement contains covenants as specific in the agreements that among other things require the Company to maintain certain debt to equity ratio.

## 19. Long-term loans

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Long-term loans from banks	1,633,697	2,813,835	932,666	1,772,072
Less: Current portion	(1,444,200)	(1,306,997)	(864,637)	(744,931)
Long-term loans from banks, net	<u>189,497</u>	<u>1,506,838</u>	<u>68,029</u>	<u>1,027,141</u>

During the year, there were changes in the shareholding structure of the Company and its subsidiaries, resulting in a structure that does not comply with the conditions in loan agreement of a subsidiary. The subsidiary has not yet received letters from the bank granting waivers from compliance with the covenants and the outstanding balances of long-term loans for which conditions have been breached, amounting to Baht 209 million, are therefore classified as current portion of long-term loans in the consolidated financial statement.

Movements in the long-term loans account during the year ended 31 December 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2018	2,813,835	1,772,072
Add: Addition	1,048,250	244,329
Less: Repayment	(2,228,388)	(1,083,735)
Balance as at 31 December 2018	<u>1,633,697</u>	<u>932,666</u>

Long-term loans of the Company and its subsidiaries have principal repayment conditions with the rates stipulated in the loan agreements when the collaterals mortgaged with banks are redeemed, and full settlement of these loans are to be made within 2019 - 2031. Long-term loans carry interest at floating rate based on Minimum Loan Rate plus certain spread.

The loans of the Company and its subsidiaries are secured by bank deposit, the mortgage of the project land, including most present and future construction thereon, and guaranteed by the Company and its subsidiaries.

The loan agreements contain several covenants which, among other things, require the shareholding structure and the Company's and its subsidiaries debt to equity ratio to maintain at the rate prescribed in the agreements.

The long-term credit facilities of the Company and its subsidiaries which have not yet been drawn down are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
Long-term credit facilities which have not yet been drawn down	2,357	3,342	714	985

## 20. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<b>Provision for long-term employee benefits at beginning of year</b>	16,724	12,005	16,208	11,575
Included in profit or loss:				
Current service cost	5,784	5,158	5,619	4,974
Interest cost	437	271	422	260
Included in other comprehensive income:				
Actuarial loss	-	1,492	-	1,601
Benefits paid during the year	(5,260)	(2,202)	(5,260)	(2,202)
<b>Provision for long-term employee benefits at end of year</b>	<u>17,685</u>	<u>16,724</u>	<u>16,989</u>	<u>16,208</u>

Long-term employee benefit expenses included in administrative expenses in the income statement.

As at 31 December 2018 and 2017, the weighted average duration of the liabilities for long-term employee benefit is 20 years (Separate financial statements: 20 years).

Principal actuarial assumptions at the valuation date are as follows:

	(Unit: % per annum)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Discount rate	3.0	3.0	3.0	3.0
Future salary increase rate	6.0	6.0	6.0	6.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2018 and 2017 are summarised below:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(1.51)	1.82	(1.47)	1.77
Salary increase rate	1.75	(1.49)	1.70	(1.44)

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation at a rate of not less than that of the last 400 days. The management of the Company and its subsidiaries believe that this change will not have any significant impact to the financial statements and will reflect the effect of the change by recognising past services costs as expenses in the income statement of the period in which the law is effective.

## 21. Statutory reserve

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

## 22. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Purchase of land and payment of construction during the year	1,233,696	2,989,952	576,992	1,155,508
Changes in land and construction in progress	1,358,621	186,381	712,422	488,303
Salaries and other benefits	164,885	181,911	175,180	201,260
Depreciation and amortisation	88,553	105,120	18,101	17,774
Professional fees and other services	27,143	30,920	19,080	20,516
Advertising and promotion expenses	147,806	296,828	70,028	168,979
Specific business tax and transfer fee	149,572	173,494	75,950	96,950
Rental and service	21,058	19,332	19,901	18,568
Loss on allowance for doubtful debt of loan to subsidiary	-	-	500,000	-
Loss on impairment of investment in subsidiary	-	-	-	300,000
Allowance for doubtful debts	33,241	4,561	12,693	-
Loss on impairment of investment properties	-	64,589	-	4,589
Loss on reduce cost to net realisable value of project development cost and land and project cost awaiting for development	9,567	-	9,567	-
Loss on write-off of advance for purchase of land	-	20,000	-	-
Others	200,298	145,052	113,804	92,755
<b>Total</b>	<b>3,434,440</b>	<b>4,218,140</b>	<b>2,303,718</b>	<b>2,565,202</b>

### 23. Income tax

Income tax expenses for the years ended 31 December 2018 and 2017 are summarised as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<b>Current income tax:</b>				
Current income tax charge	87,984	60,924	32,591	26,317
Adjustment in respect of income of previous year	25,198	10,552	25,198	8,310
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(1,213)	(828)	(5,060)	134
<b>Income tax expenses reported in the statement of comprehensive income</b>	<b>111,969</b>	<b>70,648</b>	<b>52,729</b>	<b>34,761</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2018 and 2017 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Deferred tax relating to actuarial loss	-	298	-	320
	-	298	-	320



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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Accounting profit (loss) before tax	213,274	47,973	(485,501)	(117,026)
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	42,655	9,595	(97,100)	(23,405)
Effects of:				
Additional income	20,869	124	20,368	124
Exempt income	-	-	-	(13,638)
Additional deductible expenses	(5,607)	(3,539)	(321)	(76)
Non-deductible expenses	5,921	5,162	4,584	3,446
Temporary difference which is unrecognised deferred tax asset	22,933	48,754	100,000	60,000
Adjust entry of prior year corporate income tax	25,198	10,552	25,198	8,310
Total	69,314	61,053	149,829	58,166
Income tax expenses reported in statement of comprehensive income	111,969	70,648	52,729	34,761

The components of deferred tax assets presented in the statement of financial position as at 31 December 2018 and 2017 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<b>Deferred tax assets</b>				
Unearned revenues	899	1,340	470	662
Prepaid expense of finance cost	(2,926)	-	(2,926)	-
Allowance for doubtful debts	2,539	-	2,539	-
Allowance for impairment of assets	1,913	-	1,913	-
Accrued expense for after sale repairment	9,951	-	3,570	-
Provision for long-term employee benefits	3,537	3,345	3,398	3,242
Loss carry forward	2,532	13,728	-	-
Effect on elimination of intercompany transactions	30,385	29,204	-	-
Total	48,830	47,617	8,964	3,904

## 24. Earnings per share

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

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Profit (loss) for the year (Thousand Baht)				
Equity holders of the Company	101,305	(23,048)	(538,230)	(151,788)
Weighted average number of ordinary shares (Thousand shares)	4,200,000	4,200,000	4,200,000	4,200,000
Earnings (loss) per share (Baht)				
Profit (loss) attributable to equity holders of the Company	0.02	(0.01)	(0.13)	(0.04)

## 25. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Company's Board of Directors.

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

- Real estate business segment which consists of houses, townhouses, commercial buildings and residence condominium projects for sale, including the provision of property management services to other related companies. These services are considered to be related to the property development business.
- Rental and service business segment which consists of community mall and parking lot.

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

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following table present revenue and profit information regarding the Company's and its subsidiaries' operating segments for the year ended 31 December 2018 and 2017, respectively.

(Unit: Million Baht)

	For the year ended 31 December 2018				
	Real estate business	Rental and service business	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	3,679	77	3,756	-	3,756
Inter-segment revenue	22	28	50	(50)	-
Interest revenue	214	-	214	(163)	51
Other income	26	-	26	-	26
<b>Total revenues</b>	<b>3,941</b>	<b>105</b>	<b>4,046</b>	<b>(213)</b>	<b>3,833</b>
Cost of sales and services	2,664	158	2,822	(121)	2,701
Selling expenses	296	4	300	-	300
Administrative expenses	385	49	434	-	434
<b>Total expenses</b>	<b>3,345</b>	<b>211</b>	<b>3,556</b>	<b>(121)</b>	<b>3,435</b>
<b>Profit (loss) before share of profit from investment in joint ventures, finance cost and income tax expenses</b>	<b>596</b>	<b>(106)</b>	<b>490</b>	<b>(92)</b>	<b>398</b>
Share of profit from investment in joint ventures	63	-	63	-	63
<b>Profit (loss) before finance cost and income tax expenses</b>	<b>659</b>	<b>(106)</b>	<b>553</b>	<b>(92)</b>	<b>461</b>
Finance cost	(278)	(52)	(330)	82	(248)
Income tax expenses	(108)	-	(108)	(4)	(112)
<b>Profit (loss) for the year</b>	<b>273</b>	<b>(158)</b>	<b>115</b>	<b>(14)</b>	<b>101</b>

(Unit: Million Baht)

For the year ended 31 December 2017

	Real estate business	Rental and service business	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	4,257	111	4,368	-	4,368
Inter-segment revenue	26	18	44	(44)	-
Interest revenue	265	-	265	(203)	62
Other income	74	18	92	-	92
<b>Total revenues</b>	<b>4,622</b>	<b>147</b>	<b>4,769</b>	<b>(247)</b>	<b>4,522</b>
Cost of sales and services	3,276	103	3,379	(80)	3,299
Selling expenses	447	25	472	-	472
Administrative expenses	371	12	383	-	383
Loss on impairment of investment properties	-	92	92	(28)	64
<b>Total expenses</b>	<b>4,094</b>	<b>232</b>	<b>4,326</b>	<b>(108)</b>	<b>4,218</b>
<b>Profit (loss) before share of loss from investment in joint ventures, finance cost and income tax expenses</b>	<b>528</b>	<b>(85)</b>	<b>443</b>	<b>(139)</b>	<b>304</b>
Share of loss from investment in joint ventures	(52)	-	(52)	-	(52)
<b>Profit (loss) before finance cost and income tax expenses</b>	<b>476</b>	<b>(85)</b>	<b>391</b>	<b>(139)</b>	<b>252</b>
Finance cost	(321)	(56)	(377)	173	(204)
Income tax expenses	(72)	-	(72)	1	(71)
<b>Profit (loss) for the year</b>	<b>83</b>	<b>(141)</b>	<b>(58)</b>	<b>35</b>	<b>(23)</b>

#### Geographic information

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

#### Major customers

For the year 2018 and 2017, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

## 26. Provident fund

The Company, its subsidiary and employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, its subsidiary and employees contribute to the fund monthly at the rate of 3 percent of basic salary. The fund, which is managed by TISCO Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules.

The contributions for the year 2018 and 2017 were recognised as expense as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Provident fund	3.4	3.7	3.3	3.6

## 27. Dividend

Dividend	Approved by	Dividend paid (Million Baht)	Dividend paid per share (Baht)
Annual dividend for the year 2016	Annual General Meeting of Shareholder on 22 April 2017	42	0.01
Total dividend for the year 2017		42	0.01

## 28. Commitments and contingent liabilities

### 28.1 Capital commitments

As at 31 December 2018 and 2017, the Company and its subsidiaries had capital commitment as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Project construction contracts	306	849	110	575
Sale and purchase land agreement	-	125	-	125

## 28.2 Lease area management service commitment

As at 31 December 2017, the subsidiary had lease area management service commitment. The terms of the agreements are 3 years.

The subsidiary is to pay service fee as contract rate and future minimum service payments required under this contract were as follows.

(Unit: Million Baht)

	Consolidated financial statements	
	2018	2017
Payable within:		
Less than 1 year	-	7
In over 1 and up to 3 years	-	7

## 28.3 Operating lease commitments

The Company has entered into lease agreements in respect of the lease of office building space and vehicle. The terms of the agreements are generally 3 - 5 years.

Future minimum lease payments required under these operating leases contracts are as follows:

(Unit: Million Baht)

	Consolidated / Separate financial statements	
	2018	2017
Payable within:		
Less than 1 year	15	14
In over 1 and up to 4 years	11	15

## 28.4 Bank guarantees

There were outstanding bank guarantees issued by banks on behalf of the Company and its subsidiaries in the normal course of business as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Bank guarantees for construction and maintenance of infrastructure	359	419	71	101

The bank guarantees are secured by the bank deposits and the mortgage of project land and construction and debentures of related persons.

## 28.5 Servitude

As at 31 December 2018 and 2017, the Company and its subsidiaries have servitude over land as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Land servitude approximately (rai)	87	87	46	46

The cost of land servitude is included in the project development costs and investment properties.

## 29. Financial instruments

### 29.1 Financial risk management

The financial instruments of the Company and its subsidiaries, as defined under Thai Accounting Standard No.107 “Financial Instruments: Disclosure and Presentations”, principally comprise cash and cash equivalents, trade and other receivables, restricted bank deposits, long-term loans to related parties, trade and other payables, and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

#### ***Credit risk***

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

#### ***Interest rate risk***

The Company and its subsidiaries are exposed to interest rate risk relates primarily to its cash at banks, current investments, loan receivables, short-term and long-term borrowings. Most of the financial assets and liabilities of the Company and its subsidiaries bear floating interest rates or fixed interest rates which are close to the market rate.

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

(Unit: Million Baht)

Consolidated financial statements												
	Fixed interest rates				Floating interest rate		Non-interest bearing		Total		Effective interest rate	
	With 1 year		Over 1 and up to 5 years		2018	2017	2018	2017	2018	2017	2018	2017
	2018	2017	2018	2017								
	(Percent per annum)											
<b>Financial assets</b>												
Cash and cash equivalents	-	-	-	-	154	80	84	81	238	161	0.10 - 1.10	0.10 - 1.10
Trade and other receivables	-	-	-	-	-	-	14	41	14	41	-	-
Restricted bank deposits	-	-	12	-	57	45	-	-	69	45	0.38 - 3.50	0.10 - 1.50
Long-term loans to related parties	-	-	695	796	-	-	-	-	695	796	7.00	7.00
	-	-	707	796	211	125	98	122	1,016	1,043		
<b>Financial liabilities</b>												
Short-term loans from financial institutions	-	-	-	-	93	134	-	-	93	134	6.90 - 9.00	6.90 - 9.00
Other short-term loans	108	210	-	-	-	-	-	-	108	210	4.00 - 9.00	4.00 - 9.00
Short-term bills of exchange	-	176	-	-	-	-	-	-	-	176	-	6.50
Trade and other payables	-	-	-	-	-	-	1,006	1,596	1,006	1,596	-	-
Short-term loans from related parties	1,124	509	-	-	-	-	-	-	1,124	509	6.00 - 12.00	6.00 - 10.00
Long-term debentures	-	-	685	882	-	-	-	-	685	882	6.50 - 7.25	6.00
Long-term loans	-	-	-	-	1,634	2,814	-	-	1,634	2,814	5.65 - 7.15	4.50 - 7.15
	1,232	895	685	882	1,727	2,948	1,006	1,596	4,650	6,321		



(Unit: Million Baht)

## Separate financial statements

	Fixed interest rates				Floating interest rate		Non-interest bearing		Total		Effective interest rate	
	With 1 year		Over 1 and up to 5 years		2018	2017	2018	2017	2018	2017	2018	2017
	2018	2017	2018	2017								
												(Percent per annum)
<b>Financial assets</b>												
Cash and cash equivalents	-	-	-	-	63	10	80	80	143	90	0.10 - 1.10	0.37 - 1.10
Trade and other receivables	-	-	-	-	-	-	151	120	151	120	-	-
Restricted bank deposits	-	-	12	-	24	35	-	-	36	35	0.38 - 3.50	0.10 - 1.50
Long-term loans to related parties	-	-	2,558	2,998	-	-	-	-	2,558	2,998	6.63 - 7.00	6.63 - 7.00
	-	-	2,570	2,998	87	45	231	200	2,888	3,243		
<b>Financial liabilities</b>												
Short-term loans from financial institution	-	-	-	-	93	134	-	-	93	134	6.90 - 9.00	6.90 - 9.00
Other short-term loans	20	210	-	-	-	-	-	-	20	210	4.00 - 9.00	4.00 - 9.00
Short-term bills of exchange	-	176	-	-	-	-	-	-	-	176	-	6.50
Trade and other payable	-	-	-	-	-	-	632	797	632	797	-	-
Short-term loans from related parties	1,945	1,243	-	-	-	-	-	-	1,945	1,243	1.50 - 12.00	6.00 - 10.00
Long-term debentures	-	-	685	882	-	-	-	-	685	882	6.50 - 7.25	6.00
Long-term loans	-	-	-	-	933	1,772	-	-	933	1,772	5.65 - 7.15	4.50 - 7.15
	1,965	1,629	685	882	1,026	1,906	632	797	4,308	5,214		

## 29.2 Fair values of financial instruments

Since the majority of the financial instruments of the Company and its subsidiaries are short-term in nature, or carrying interest at rates close to market rate, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

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

## 30. Capital management

The primary objective of the capital management of the Company and its subsidiaries is to ensure that they have appropriate capital structure in order to support their business and maximise shareholder value.

As at 31 December 2018 and 2017, the Group's debt-to-equity ratios are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Debt-to-equity ratio	0.92:1	1.28:1	0.91:1	1.01:1

## 31. Events after the reporting period

On 26 February 2019, the Company's Board of Directors' meeting No. 2/2019 passed a resolution to propose that the Annual General Meeting of the Shareholders to be held in April 2019 adopt a resolution to pay of a dividend of Baht 0.01 per share, or a total of Baht 42 million, to the shareholders in respect of the 2018 earnings.

## 32. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of directors on 26 February 2019.