

J.S.P. Property Public Company Limited and its subsidiaries
Report and consolidated financial statements
31 December 2019

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 2019, 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 2019, 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 and allowance for loss on diminution in land and project cost awaiting for development

As discussed in Note 14 and Note 13 to the financial statements, as at 31 December 2019 impairment loss on investment properties of Baht 251 million in the consolidated statement of financial position and allowance for loss on diminution in land and project cost awaiting for development of Baht 22 million are significant to the financial statements. In determining the impairment and allowance, the Group's management had to exercise judgement with respect to the net recoverable amount of assets, 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 on assets recorded in financial statement.

I assessed the appropriateness of the following aspects of the determination of impairment loss on investment properties and allowance for loss on diminution in land and project cost awaiting for development 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. I also evaluated the impact of changes in the assumptions on net recoverable amounts.

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: 28 February 2020

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

Statement of financial position

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Assets					
Current assets					
Cash and cash equivalents	8	296,086,696	238,026,361	179,725,258	143,014,986
Current investments	8	11,851,886	27,742	28,333	27,742
Trade and other receivables	9	11,052,235	14,160,248	153,318,611	150,663,972
Project development costs	10	6,056,046,458	6,142,115,815	3,761,777,939	3,270,996,724
Other current assets		29,170,628	34,171,603	16,856,228	15,010,215
Total current assets		6,404,207,903	6,428,501,769	4,111,706,369	3,579,713,639
Non-current assets					
Restricted bank deposits	20, 30.3	28,824,042	68,607,841	12,327,916	36,148,460
Long-term loans to related parties and interest receivable	7	710,297,698	695,412,024	2,383,734,337	2,485,340,395
Investment in subsidiaries	11	-	-	1,189,939,300	859,939,300
Investment in joint ventures	12	44,657,981	62,844,638	27,500,000	27,500,000
Land and project cost awaiting for development	13	465,971,653	1,588,534,618	421,261,653	1,543,824,618
Investment properties	14	955,231,952	1,027,932,140	591,826,858	604,339,354
Property, plant and equipment	15	22,933,860	35,606,183	19,049,686	29,407,770
Intangible assets		7,857,122	11,855,740	7,499,301	11,096,608
Deferred tax assets	25	45,777,994	48,829,941	10,591,214	8,964,342
Other non-current assets		21,415,927	47,126,304	10,188,844	8,309,303
Total non-current assets		2,302,968,229	3,586,749,429	4,673,919,109	5,614,870,150
Total assets		8,707,176,132	10,015,251,198	8,785,625,478	9,194,583,789

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 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institution	16	-	93,448,290	-	93,448,290
Other short-term loans	17	-	107,670,000	-	20,000,000
Trade and other payables	18	621,764,300	1,005,936,953	367,443,355	632,219,341
Short-term loans from related parties	7	818,928,571	1,124,418,000	1,697,467,560	1,945,045,102
Deposits and advance received from customers		3,639,736	31,369,877	939,952	19,628,674
Income tax payable		10,057,592	36,999,673	-	-
Current portion of long-term debentures	19	693,328,520	-	693,328,520	-
Current portion of long-term loans	20	953,042,402	1,444,200,158	822,342,514	864,637,485
Current portion of liabilities under financial lease		1,723,119	49,414	1,723,119	49,414
Other current liabilities		16,968,422	47,416,654	11,592,297	39,090,681
Total current liabilities		3,119,452,662	3,891,509,019	3,594,837,317	3,614,118,987
Non-current liabilities					
Long-term debentures, net of current portion	19	230,036,825	685,173,078	230,036,825	685,173,078
Long-term loans, net of current portion	20	303,582,436	189,496,672	186,063,935	68,028,757
Liabilities under finance lease, net of current portion		3,828,765	-	3,828,765	-
Deposit for rental and service		19,030,815	23,742,292	142,242	287,766
Provision for long-term employee benefits	21	15,877,932	17,685,008	15,511,881	16,989,257
Total non-current liabilities		572,356,773	916,097,050	435,583,648	770,478,858
Total liabilities		3,691,809,435	4,807,606,069	4,030,420,965	4,384,597,845

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 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Shareholders' equity					
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	22	92,651,000	92,651,000	92,651,000	92,651,000
Unappropriated		405,630,756	597,909,188	114,795,656	169,577,087
Other components of shareholders' equity					
Surplus from the change in the shareholding					
in a subsidiary	11	1,456,671	1,456,671	-	-
Deficit on business combination under					
common control		<u>(32,129,587)</u>	<u>(32,129,587)</u>	-	-
Total shareholders' equity		<u>5,015,366,697</u>	<u>5,207,645,129</u>	<u>4,755,204,513</u>	<u>4,809,985,944</u>
Total liabilities and shareholders' equity		<u>8,707,176,132</u>	<u>10,015,251,198</u>	<u>8,785,625,478</u>	<u>9,194,583,789</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 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit or loss:					
Revenues					
Revenues from sales of real estate		2,060,869,734	3,675,650,967	886,466,467	1,766,364,297
Management income		1,754,800	3,807,088	118,725,064	25,290,989
Rental income		51,318,776	76,796,395	7,931,206	35,074,154
Other income					
Interest income		49,570,273	50,921,675	156,770,000	200,804,084
Gain on sales of investment in joint venture	12	-	10,065,019	-	-
Others		56,204,884	15,501,862	46,488,977	9,344,919
Total revenues		2,219,718,467	3,832,743,006	1,216,381,714	2,036,878,443
Expenses					
Cost of real estate sales		1,466,435,454	2,592,316,834	608,254,712	1,289,414,112
Cost of management		1,754,800	3,807,088	118,725,064	25,290,989
Cost of rental		89,081,204	104,924,579	5,145,499	7,929,500
Selling expenses		152,726,002	299,393,409	76,032,687	147,552,529
Administrative expenses		369,699,357	433,998,078	206,217,651	333,531,205
Loss on allowance for doubtful debt of loan to a subsidiary		-	-	-	500,000,000
Total expenses		2,079,696,817	3,434,439,988	1,014,375,613	2,303,718,335
Profit (loss) before share of gain (loss) from investment in joint ventures, finance cost and income tax expenses					
Share of gain (loss) from investment in joint ventures	12	(51,289,123)	63,026,697	-	-
Profit (loss) before finance cost and income tax expenses		88,732,527	461,329,715	202,006,101	(266,839,892)
Finance cost		(181,513,718)	(248,055,520)	(216,084,876)	(218,660,879)
Profit (loss) before income tax expenses		(92,781,191)	213,274,195	(14,078,775)	(485,500,771)
Income tax expenses	25	(64,346,530)	(111,969,441)	(5,102,371)	(52,729,317)
Profit (loss) for the year		(157,127,721)	101,304,754	(19,181,146)	(538,230,088)
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain	21	8,561,611	-	7,999,644	-
Income tax effect	25	(1,712,322)	-	(1,599,929)	-
Other comprehensive income for the period		6,849,289	-	6,399,715	-
Total comprehensive income for the year		(150,278,432)	101,304,754	(12,781,431)	(538,230,088)

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 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit (loss) attributable to:					
Equity holders of the Company		<u>(157,127,721)</u>	<u>101,304,754</u>	<u>(19,181,146)</u>	<u>(538,230,088)</u>
Total comprehensive income attributable to:					
Equity holders of the Company		<u>(157,127,721)</u>	<u>101,304,754</u>	<u>(12,781,431)</u>	<u>(538,230,088)</u>
Earnings per share	26				
Basic earnings per share (Baht)					
Profit (loss) attributable to equity holders of the Company		<u>(0.037)</u>	<u>0.024</u>	<u>(0.005)</u>	<u>(0.128)</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 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit (loss) before tax	(92,781,191)	213,274,195	(14,078,775)	(485,500,771)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	80,566,255	88,552,650	17,747,587	18,101,496
Loss on sales of investment properties	7,997,928	1,641,604	7,927,680	-
Loss (gain) on sales of property, plant and equipment	20,582	(414,214)	5,256	(152,533)
Allowance for doubtful debts (reverse)	14,968,487	33,240,742	(3,143,395)	12,692,982
Allowance for reduce cost to net realisable value of project development cost and land and project cost awaiting for development	20,320,582	9,566,838	20,320,582	9,566,838
Allowance for doubtful debt of loan to subsidiary	-	-	-	500,000,000
Gain on sales of investment in joint venture	-	(10,065,019)	-	-
Share of loss (gain) from investment in joint ventures	51,289,123	(63,026,697)	-	-
Gain on changes in value of current investments	(591)	(322)	(591)	(322)
Amortisation of deferred debentures issuing cost	9,736,288	12,628,205	9,736,288	12,628,205
Provision for long-term employee benefits	7,806,636	6,220,767	7,574,369	6,041,195
Interest income	(49,570,273)	(50,921,675)	(156,770,000)	(200,804,084)
Interest expenses	171,778,783	235,427,315	206,349,941	206,032,674
Profit from operating activities before change in operating assets and liabilities	222,132,609	476,124,389	95,668,942	78,605,680
Decrease (increase) in operating assets				
Trade and other receivables	(11,889,050)	(6,373,267)	491,244	(43,603,449)
Project development costs	1,245,012,440	1,510,888,295	611,352,796	770,414,055
Other current assets	(10,766,599)	(18,469,311)	(248,886)	(8,665,435)
Other non-current assets	2,975,514	9,189,335	(1,879,541)	662,099
Increase (decrease) in operating liabilities				
Trade and other payables	(382,798,053)	(616,396,591)	(264,153,791)	(202,299,248)
Deposits and advance received from customers	(27,730,141)	(105,775,226)	(18,688,722)	(93,207,831)
Other current liabilities	(30,448,232)	(9,627,112)	(27,498,384)	(4,175,527)
Employee benefits paid	(1,052,100)	(5,260,000)	(1,052,100)	(5,260,000)
Other non-current liabilities	(4,711,477)	(1,368,396)	(145,524)	(500,090)
Cash from operating activities	1,000,724,911	1,232,932,116	393,846,034	491,970,254
Cash receipt from interest income	1,610,707	49,660,100	244,235,727	100,439,359
Cash paid for interest expenses	(233,412,041)	(285,179,291)	(210,421,724)	(229,291,742)
Cash paid for corporate income tax	(67,214,123)	(85,905,968)	(13,870,319)	(40,688,414)
Net cash from operating activities	701,709,454	911,506,957	413,789,718	322,429,457

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 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from investing activities				
Decrease (increase) in restricted bank deposits	39,783,799	(26,931,154)	23,820,544	(1,448,904)
Decrease in loans to related parties and interest receivable	-	110,000,000	514,137,843	439,743,983
Increase in investment in subsidiaries	-	-	(830,000,000)	-
Net cash receipt from sales of investment in joint venture	-	40,809,500	-	40,809,500
Proceed from sales of investment properties	3,020,000	130,000,000	3,000,000	-
Acquisition of equipment	(3,382,783)	(2,592,538)	(3,377,784)	(2,296,433)
Proceed from sales of property, plant and equipment	11,637,006	937,182	11,637,006	675,500
Acquisition of intangible assets	(37,400)	(2,051,882)	(21,400)	(2,051,882)
Net cash from (used in) investing activities	51,020,622	250,171,108	(280,803,791)	475,431,764
Cash flows from financing activities				
Decrease in short-term loans from				
financial institutions	(93,448,290)	(40,702,760)	(93,448,290)	(40,702,760)
Decrease in other short-term loans	(107,670,000)	(102,330,000)	(20,000,000)	(190,000,000)
Decrease in short-term bills of exchange	-	(180,000,000)	-	(180,000,000)
Increase (decrease) in loans from related parties	(305,489,429)	615,768,000	(247,577,542)	702,279,636
Cash receipt from long-term debentures	232,400,000	696,700,000	232,400,000	696,700,000
Redeem of long-term debentures	-	(893,700,000)	-	(893,700,000)
Cash receipt from long-term loans	494,201,581	1,048,250,104	414,774,224	244,328,804
Repayment of long-term loans	(871,273,573)	(2,228,387,980)	(339,034,017)	(1,083,734,690)
Repayment of liabilities under finance lease agreement	(1,390,030)	(60,849)	(1,390,030)	(60,849)
Dividend payment	(42,000,000)	-	(42,000,000)	-
Net cash used in financing activities	(694,669,741)	(1,084,463,485)	(96,275,655)	(744,889,859)
Net increase in cash and cash equivalents	58,060,335	77,214,580	36,710,272	52,971,362
Cash and cash equivalents at beginning of year	238,026,361	160,811,781	143,014,986	90,043,624
Cash and cash equivalents at end of year	296,086,696	238,026,361	179,725,258	143,014,986
	-	-	-	-
Supplemental cash flow information:				
Non-cash transactions				
Increase in liabilities under finance lease from acquisition of equipment	6,892,500	-	6,892,500	-
Transfer land and project cost awaiting for development to investment property	3,557,959	-	3,557,959	-

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 2019

(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					
Balance as at 1 January 2018		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	11	-	-	-	-	-	1,456,671	-	1,456,671	(16,456,675)	(15,000,004)
Balance as at 31 December 2018		<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>
Balance as at 1 January 2019		2,100,000,000	2,438,832,857	8,925,000	92,651,000	597,909,188	1,456,671	(32,129,587)	5,207,645,129	-	5,207,645,129
Loss for the year		-	-	-	-	(157,127,721)	-	-	(157,127,721)	-	(157,127,721)
Other comprehensive income for the year		-	-	-	-	6,849,289	-	-	6,849,289	-	6,849,289
Total comprehensive income for the year		-	-	-	-	(150,278,432)	-	-	(150,278,432)	-	(150,278,432)
Dividend payment	29	-	-	-	-	(42,000,000)	-	-	(42,000,000)	-	(42,000,000)
Balance as at 31 December 2019		<u>2,100,000,000</u>	<u>2,438,832,857</u>	<u>8,925,000</u>	<u>92,651,000</u>	<u>405,630,756</u>	<u>1,456,671</u>	<u>(32,129,587)</u>	<u>5,015,366,697</u>	<u>-</u>	<u>5,015,366,697</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 2019

(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
Balance as at 1 January 2018		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)
Balance as at 31 December 2018		<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>
Balance as at 1 January 2019		2,100,000,000	2,438,832,857	8,925,000	92,651,000	169,577,087	4,809,985,944
Loss for the year		-	-	-	-	(19,181,146)	(19,181,146)
Other comprehensive income for the year		-	-	-	-	6,399,715	6,399,715
Total comprehensive income for the year		-	-	-	-	(12,781,431)	(12,781,431)
Dividend payment	29	-	-	-	-	(42,000,000)	(42,000,000)
Balance as at 31 December 2019		<u>2,100,000,000</u>	<u>2,438,832,857</u>	<u>8,925,000</u>	<u>92,651,000</u>	<u>114,795,656</u>	<u>4,755,204,513</u>

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 2019

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	
			2019 (Percent)	2018 (Percent)
China Center (Sathorn-Kanlapaphruek) Company Limited	Property development	Thailand	100	100
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 (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods 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 adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are 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 recognised 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.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements, except the classification in the statement of comprehensive income as follows;

- Regarding the sales promotion offered to customers upon transfer of ownership of property under agreement to sell and to purchase land and construction thereon/condominium unit, the Company and subsidiary consider the transfer fees paid on behalf of customers, the waiver of common area fees to be amounts payable to customers and they are thus treated as a deduction of revenue. Free products offered to customers are treated as cost of sales. Previously, these expenses were presented as selling expenses. However, the change in the classification does not affect the net profit of the Company and its subsidiaries.

(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. 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 except the following new standards which involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments 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.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company and its subsidiaries believes that adoption of this standard will not have any significant impact on the financial statements.

4. Adoption of new financial reporting standard

As described in Note 3 to the financial statements, during the current year, the Company and its subsidiaries have adopted TFRS 15 by reclassification items in the income statements for the year ended 31 December 2019 which are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		
	Previous accounting policy	Increase (decrease)	TFRS 15
Revenue from sales of real estate	2,093,680	(32,810)	2,060,870
Management income	1,755	-	1,755
Rental income	51,319	-	51,319
Other income	105,774	-	105,774
Total revenues	2,252,528	(32,810)	2,219,718

(Unit: Thousand Baht)

Consolidated financial statements

	Previous accounting policy	Increase (decrease)	TFRS 15
Cost of real estate sales	1,462,880	3,555	1,466,435
Cost of management	1,755	-	1,755
Cost of rental	89,081	-	89,081
Selling expenses	189,091	(36,365)	152,726
Administrative expenses	369,699	-	369,699
Total expenses	2,112,506	(32,810)	2,079,696
Profit before share of loss from investment in joint ventures, finance cost and income tax expenses	140,022	-	140,022
Share of loss from investment in joint ventures	(51,289)	-	(51,289)
Finance cost	(181,514)	-	(181,514)
Income tax expenses	(64,347)	-	(64,347)
Loss for the year	(157,128)	-	(157,128)

(Unit: Thousand Baht)

Separate financial statements

	Previous accounting policy	Increase (decrease)	TFRS 15
Revenue from sales of real estate	900,298	(13,831)	886,467
Management income	118,725	-	118,725
Rental income	7,931	-	7,931
Other income	203,259	-	203,259
Total revenues	1,230,213	(13,831)	1,216,382
Cost of real estate sales	607,277	978	608,255
Cost of management	118,725	-	118,725
Cost of rental	5,145	-	5,145
Selling expenses	90,842	(14,809)	76,033
Administrative expenses	206,218	-	206,218
Total expenses	1,028,207	(13,831)	1,014,376
Profit before finance cost and income tax expenses	202,006	-	202,006
Finance cost	(216,085)	-	(216,085)
Income tax expenses	(5,102)	-	(5,102)
Loss for the year	(19,181)	-	(19,181)

5. Significant accounting policies

5.1 Revenue recognition

Revenue from sales of real estate

Revenue from sale of land and houses and condominium units are recognised at the point in time when control of the asset is transferred to the customer, generally on registration of ownership transfer. Revenue from sales of real estate is measured at the amount of the consideration received after deducting discounts and consideration paid to customers. Term of payment was stipulated by specific installment in the agreement. The Company and its subsidiaries received down payment before registration ownership transfer and presented as “Deposit and advance received from customers” in the statement of financial position.

Management income

Management income is recognised at a point in time upon completion of the service.

Rental income

Rental and service income is recognised on an accrual basis over the lease period.

5.2 Cost of real estate sales

In determining the costs of land and houses and condominium units sold, the anticipated total development costs (taking into account actual costs incurred to date) are attributed to units sold on the basis of salable area.

Provision for items without charge such as furniture and fixtures, the Company and its subsidiaries offer free of charge items to customers when the customers register the transfer of houses or condominium units. The management of the Company and its subsidiaries have considered that the free of charge items are component parts of houses or condominium units, which are the main performance obligations under the contracts. Therefore, the Company and its subsidiaries are to record these costs as costs of property sales, not selling expenses as previously recorded.

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

5.3 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.

5.4 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.

5.5 Project development cost

Project development costs 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 which are including accrued costs.

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

5.6 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.

5.7 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.

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

5.8 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.

5.9 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 and no depreciation is provided on land.

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.

5.10 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.

5.11 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.

5.12 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.

5.13 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.

5.14 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries performs impairment reviews in respect of the land and project cost awaiting for development, 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.

5.15 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.

5.16 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.

5.17 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.

5.18 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.

5.19 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.

6. 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 land and project costs awaiting for development, including project development costs

The Company and its subsidiaries regularly determine the net recoverable amount of land and project costs awaiting for development, including project development costs. The management uses judgement to estimate the net recoverable amount of its projects, based on current state of real estate market and the appraisal reports 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 recoverable amount 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 and fair value of the assets.

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.

7. 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	financial statements	financial statements	
	2019	2018	2019	2018	
<u>Transaction with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	108	150	6.63% - 7.00% per annum
Interest expense	-	-	19	13	1.50% - 7.00% per annum
Rental income	-	-	8	25	Per contract
Management income	-	-	117	21	At cost
Sales of land	-	-	-	1	At cost
Purchase of land	-	-	-	8	At cost
<u>Transaction with joint ventures</u>					
Interest income	48	50	48	50	7% per annum
Interest expense	-	2	-	2	10% per annum
Management income	2	4	2	4	At cost
<u>Transaction with related parties</u>					
Interest expense	71	50	66	49	6.00% - 12.00% per annum
Office rental and services	-	9	-	9	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	
	2019	2018	2019	2018
<u>Trade receivables - related parties (Note 9)</u>				
Subsidiaries	-	-	145,831	145,540
Joint ventures	2,425	2,529	2,425	2,529
Total	<u>2,425</u>	<u>2,529</u>	<u>148,256</u>	<u>148,069</u>
<u>Other receivables - related parties (Note 9)</u>				
Subsidiaries	-	-	96	497
Joint ventures	3,850	-	3,850	-
Total	<u>3,850</u>	<u>-</u>	<u>3,946</u>	<u>497</u>
<u>Long-term loans to related parties and interest receivables</u>				
Subsidiaries	-	-	1,586,062	2,235,656
Joint ventures	797,672	749,684	797,672	749,684
Total	797,672	749,684	2,383,734	2,985,340
Less: Loss reserve from investment in joint ventures	(87,375)	(54,272)	-	-
Allowance for doubtful debts of loan to subsidiary	-	-	-	(500,000)
Net	<u>710,297</u>	<u>695,412</u>	<u>2,383,734</u>	<u>2,485,340</u>
<u>Trade payables - related parties (Note 18)</u>				
Subsidiary	-	-	-	21,602
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,602</u>
<u>Other payables - related parties (Note 18)</u>				
Subsidiaries	-	-	92,153	93,827
Related company (related by common director)	-	1,492	-	1,492
Director, shareholders and related persons	4,910	5,313	4,910	4,625
Total	<u>4,910</u>	<u>6,805</u>	<u>97,063</u>	<u>99,944</u>
<u>Short-term loans from related parties</u>				
Subsidiaries	-	-	878,539	945,877
Director, shareholders and related persons	818,929	1,124,418	818,929	999,168
Total	<u>818,929</u>	<u>1,124,418</u>	<u>1,697,468</u>	<u>1,945,045</u>

Loans to related parties

Loans to subsidiaries and joint ventures carry interest at a rate of 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 shareholders and related persons carry interest at rates of 6.00% - 8.00% per annum and are repayable in December 2020. The loans are secured by the project land and construction thereon of the Company and its subsidiaries.

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	1 January 2019	Increase	Decrease	31 December 2019
<u>Long-term loans to related parties and interest receivables</u>				
Joint ventures	749,684	47,988	-	797,672
Less: Loss reserve from investment in				
Joint ventures	(54,272)	(33,103)	-	(87,375)
	<u>695,412</u>	<u>14,885</u>	<u>-</u>	<u>710,297</u>
<u>Short-term loans from related parties</u>				
Director, shareholders and related persons	1,124,418	243,400	(548,889)	818,929
	<u>1,124,418</u>	<u>243,400</u>	<u>(548,889)</u>	<u>818,929</u>

(Unit: Thousand Baht)

	Separate financial statements			
	1 January 2019	Increase	Decrease	31 December 2019
<u>Long-term loans to related parties and interest receivables</u>				
Subsidiaries	2,235,656	383,743	(1,033,337)	1,586,062
Joint ventures	749,684	47,988	-	797,672
Less: Allowance for doubtful debts of				
loan to subsidiary	(500,000)	-	500,000	-
	<u>2,485,340</u>	<u>431,731</u>	<u>(533,337)</u>	<u>2,383,734</u>
<u>Short-term loans from related parties</u>				
Subsidiaries	945,877	161,176	(228,514)	878,539
Director, shareholders and related persons	999,168	193,400	(373,639)	818,929
	<u>1,945,045</u>	<u>354,576</u>	<u>(602,153)</u>	<u>1,697,468</u>

Directors and management's benefits

During the years ended 31 December 2019 and 2018, the Company had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)	
	Consolidated/ Separate financial statements	
	2019	2018
Short-term employee benefits	41	30
Post-employment benefits	5	1
Total	46	31

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 20 and 30 to the financial statements.

8. Cash and cash equivalents/ Current investments

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Cash on hand	155	386	76	259
Bank deposits	295,932	237,640	179,649	142,756
Total	296,087	238,026	179,725	143,015

As at 31 December 2019, bank deposits in saving accounts carried interests between 0.20 and 1.35 percent per annum (2018: between 0.10 and 1.10 percent per annum).

Current investments of Baht 12 million are fixed deposits with original maturity of more than 3 months but not over 1 year, and carried an interest rate of 1.00 percent per annum.

9. Trade and other receivables

Trade and other receivables as at 31 December 2019 and 2018 presented as follows

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<u>Trade receivables - Related parties (Note 7)</u>				
Aged on the basis of due dates				
Not yet due	-	-	-	-
Past due				
Up to 2 months	-	556	63,892	8,656
2 - 4 months	302	-	3,831	7,362
4 - 6 months	151	-	3,665	7,941
6 - 12 months	-	813	10,363	23,512
Over 12 months	1,972	1,160	66,505	100,598
Total trade receivables - Related parties	2,425	2,529	148,256	148,069
<u>Trade receivables - Unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	865	1,418	-	-
Past due				
Up to 2 months	2,187	6,136	-	1,105
2 - 4 months	3,442	4,167	-	840
4 - 6 months	3,190	3,154	-	571
6 - 12 months	8,681	24,597	32	6,385
Over 12 months	36,223	4,680	9,144	836
Total	54,588	44,152	9,176	9,737
Less: Allowance for doubtful debts	(50,984)	(33,602)	(9,148)	(8,213)
Total trade receivables - Unrelated parties, net	3,604	10,550	28	1,524
Total trade receivables - net	6,029	13,079	148,284	149,593
<u>Other receivables</u>				
Amount due to related parties (Note 7)	3,850	-	3,946	497
Amount due to unrelated party	1,667	4,478	-	4,478
Others	1,573	1,081	1,489	574
Less: Allowance for doubtful debts	(2,067)	(4,478)	(400)	(4,478)
Total other receivables	5,023	1,081	5,035	1,071
Total trade and other receivables - net	11,052	14,160	153,319	150,664

10. Project development costs

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Land and land improvement	136,487	136,117	136,487	-
Land and construction under development	3,206,631	3,912,435	875,535	1,210,542
Land and construction developed	2,720,815	2,097,451	2,757,643	2,064,342
Total	6,063,933	6,146,003	3,769,665	3,274,884
Less: Reduce cost to net realisable value	(7,887)	(3,887)	(7,887)	(3,887)
Net	6,056,046	6,142,116	3,761,778	3,270,997

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	
	2019	2018	2019	2018
Borrowing costs included in project development costs (Million Baht)	59	58	4	43
Capitalisation rate (Percent)	5.50 - 7.15	5.65 - 9.00	5.50 - 7.15	5.65 - 9.00

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

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Net book value	5,149	6,110	3,758	3,239

Movements of the allowance for loss on diminution in value of projects for the year ended 31 December 2019 and 2018 are summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Net book value at beginning of year	3,887	-	3,887	-
Add: Additional set up	4,000	3,887	4,000	3,887
Net book value at end of year	7,887	3,887	7,887	3,887

11. Investment in subsidiaries

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

(Unit: Thousand Baht)

Subsidiaries' name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2019	2018	2019	2018	2019	2018	2019	2018
			(percent)	(percent)				
China Center (Sathorn-Kanlapaphruek) Co., Ltd.	150,000	150,000	100	100	149,980	149,980	-	-
J.S.P. Golden Land Co., Ltd.	200,000	200,000	100	100	199,980	199,980	-	-
Sampeng 2 Plaza Co., Ltd.	110,000	110,000	100	100	109,980	109,980	-	-
J.S.P. Property Management Co., Ltd.	1,130,000	300,000	100	100	1,130,000	300,000	-	-
Baan Ruenrom 2015 Co., Ltd.	100,000	100,000	100	100	100,000	100,000	-	-
Baan Putthachart 2015 Co., Ltd.	100,000	100,000	100	100	100,000	100,000	-	-
Baan Puttharaksa 2015 Co., Ltd.	150,000	150,000	100	100	150,000	150,000	-	-
J.S.P. Asplus Co., Ltd.	50,000	50,000	100	100	50,000	50,000	-	-
Total					1,989,940	1,159,940	-	-
Less: Allowance for loss on impairment of investment					(800,000)*	(300,000)*		
Net					1,189,940	859,940		

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

China Center (Sathorn-Kanlapaphruek) Company Limited

During the year 2018, 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.

J.S.P. Property Management Company Limited

On 22 March 2019, the Company Board of Directors Meeting No.3/2019 passed a resolution to approve an increase in J.S.P. Property Management Company Limited registered capital from Baht 300 million (3,000,000 ordinary shares with a par value of Baht 100 each) to Baht 1,130 million (11,300,000 ordinary shares with a par value of Baht 100 each), through the issuance of 8,300,000 ordinary shares with a par value of Baht 100 each. The Company invested Baht 400 million (4,000,000 ordinary shares with a par value of Baht 100 each) in June 2019 and Baht 430 million (4,300,000 ordinary shares with a par value of Baht 100 each) in July 2019. J.S.P. Property Management Company Limited increased its registered capital with the Ministry of Commerce on 11 June 2019 and 12 July 2019, respectively.

The Company reclassified allowance for doubtful debt of loan to J.S.P. Property Management Company Limited amounting to Baht 500 million to allowance for loss on impairment of investment in such company.

12. Investment in joint ventures

12.1 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 percentage		Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
		2019	2018	Carrying amounts based on equity method		Carrying amounts based on cost method	
		(Percent)	(Percent)	2019	2018	2019	2018
JSP Ocean Co., Ltd.	Property Development	55	55	(87,375)	(54,272)	13,750	13,750
J.S.P. Chongtian Co., Ltd.	Property Development	55	55	44,658	62,845	13,750	13,750
Total				(42,717)	8,573	27,500	27,500

As 31 December 2019, the Company presented loss on investment in joint ventures amounting to Baht 87 million based on equity method, offset with loans to joint ventures in consolidated financial statements (2018: Baht 54 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.

12.2 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:

Joint ventures	(Unit: Thousand Baht)	
	Consolidated financial statements	
	Share of profit (loss) from investment in joint ventures during the year	
	2019	2018
JSP Ocean Co., Ltd.	(33,103)	(19,660)
J.S.P. Chongtian Co., Ltd.	(18,186)	83,242
Zenith Management Co., Ltd.	-	(555)
Total	(51,289)	63,027

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

12.3 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.	
	2019	2018	2019	2018	2019	2018
Current assets	874,031	894,739	825,927	850,074	-	-
Non-current assets	18,137	34,729	4,969	13,485	-	-
	892,168	929,468	830,896	863,559	-	-
Short-term loans	302,814	310,100	-	100	-	-
Other current liabilities	426,435	9,444	234,278	36,638	-	-
Long-term loans	321,782	708,601	515,421	712,557	-	-
	1,051,031	1,028,145	749,699	749,295	-	-
Net assets	(158,863)	(98,677)	81,197	114,264	-	-
Shareholding percentage (%)	55%	55%	55%	55%	-	-
Share of net assets	(87,375)	(54,272)	44,658	62,845	-	-

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.	
	2019	2018	2019	2018	2019*	2018
Revenues from sales	-	10,673	-	332,591	-	-
Other income	2,646	10,108	14,768	5,963	-	-
Cost of sales	-	(6,284)	-	(81,612)	-	-
Administrative expenses	(482)	(4,046)	(174)	(23,806)	-	(1,388)
Profit (loss) before financial cost and income tax income (expense)	2,164	10,451	14,594	233,136	-	(1,388)
Financial cost	(45,834)	(54,506)	(39,167)	(43,936)	-	-
Income tax income (expense)	(16,517)	8,308	(8,494)	(37,851)	-	278
Profit (loss) for the year	(60,187)	(35,747)	(33,067)	151,349	-	(1,110)

*Financial performance before the Company sold the investment.

13. Land and project cost awaiting for development

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Land	133,791	214,193	89,081	169,483
Land and construction under development	354,181	1,380,021	354,181	1,380,021
Total	487,972	1,594,214	443,262	1,549,504
Less: Reduce cost to net realisable value	(22,000)	(5,679)	(22,000)	(5,679)
Net	465,972	1,588,535	421,262	1,543,825

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

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Net book value	401	1,569	356	1,524

Movements of the allowance for loss on diminution in value of projects for the year ended 31 December 2019 and 2018 are summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Net book value at beginning of year	5,679	-	5,679	-
Add: Additional set up	22,000	5,679	22,000	5,679
Less: Reversal due to sales	(5,679)	-	(5,679)	-
Net book value at end of year	22,000	5,679	22,000	5,679

14. 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 2019 and 2018 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 2019						
Cost	4,589	1,467,866	1,472,455	4,589	591,827	596,416
Less: Accumulated depreciation	-	(266,034)	(266,034)	-	-	-
Less: Allowance for diminution in value	(4,589)	(246,600)	(251,189)	(4,589)	-	(4,589)
Net book value	-	955,232	955,232	-	591,827	591,827
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

Movements of the net book value of investment properties for the years 2019 and 2018 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Net book value at beginning of year	1,027,932	1,232,487	604,339	609,926
Disposal during the year	(11,018)	(131,642)	(10,928)	-
Transfer from project development costs	3,558	-	3,558	-
Depreciation charged	(65,240)	(72,913)	(5,142)	(5,587)
Net book value at end of year	955,232	1,027,932	591,827	604,339

The fair value of the investment properties as at 31 December 2019 and 2018 stated below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Land and construction for rent	1,362,081	1,408,505	994,586	1,055,411

The fair value of the land and construction for rent has been determined by using market value approach which is appropriate for such assets. 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	
	2019	2018	2019	2018
Net book value (Million Baht)	857	944	548	576

15. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements				
	Land	Building	Furniture and office equipments	Vehicles	Total
Cost					
1 January 2018	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
Additions	-	-	1,085	9,190	10,275
Disposal	(9,072)	(4,093)	(440)	-	(13,605)
31 December 2019	-	-	61,669	11,927	73,596
Accumulated depreciation					
1 January 2018	-	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
Depreciation for the year	-	272	9,431	1,586	11,289
Depreciation on disposal	-	(1,613)	(334)	-	(1,947)
31 December 2019	-	-	46,545	4,117	50,662
Net book value					
31 December 2018	9,072	2,752	23,576	206	35,606
31 December 2019	-	-	15,124	7,810	22,934
Depreciation for the year					
2018 (all included in administrative expenses)					11,247
2019 (all included in administrative expenses)					11,289

(Unit: Thousand Baht)

	Separate financial statements				
	Land	Building	Furniture and office equipments	Vehicles	Total
Cost					
1 January 2018	9,072	3,928	41,940	1,548	56,488
Additions	-	165	2,132	-	2,297
Write-off	-	-	(70)	(1,364)	(1,434)
31 December 2018	9,072	4,093	44,002	184	57,351
Additions	-	-	1,080	9,190	10,270
Disposal	(9,072)	(4,093)	(370)	-	(13,535)
31 December 2019	-	-	44,712	9,374	54,086
Accumulated depreciation					
1 January 2018	-	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
Depreciation for the year	-	272	7,182	1,533	8,987
Depreciation on disposal	-	(1,613)	(281)	-	(1,894)
31 December 2019	-	-	33,394	1,642	35,036
Net book value					
31 December 2018	9,072	2,752	17,509	75	29,408
31 December 2019	-	-	11,318	7,732	19,050
Depreciation for the year					
2018 (all included in administrative expenses)					8,549
2019 (all included in administrative expenses)					8,987

16. Short-term loans from financial institution

(Unit: Thousand Baht)

	Interest rates (Percent per annum)	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		Short-term loans	MLR to MLR - 0.25	-	93,448

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.

17. Other short-term loans

As at 31 December 2018, 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. The loans guaranteed by the Company, the director of the Company and the mortgage of the project land and construction thereon of its subsidiary.

The Company fully made the loan repayment in 2019.

18. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
Trade payables				
Related parties (Note 7)	-	-	-	21,602
Unrelated parties	343,952	587,043	133,810	258,513
Total trade payables	343,952	587,043	133,810	280,115
Other payables				
Related parties (Note 7)	4,910	6,805	97,063	99,944
Unrelated parties				
Accrued expenses	68,931	66,040	39,943	42,428
Retention	99,478	150,286	60,022	96,567
Accrued interest expenses	6,951	7,923	6,837	6,088
Public utilities payable	33,150	59,847	16,662	31,824
Accrued repair expense	47,705	56,598	8,759	17,851
Advances from customers				
waiting for refund	7,245	46,973	210	37,720
Others	9,442	24,422	4,137	19,682
Total other payables	277,812	418,894	233,633	352,104
Total trade and other payables	621,764	1,005,937	367,443	632,219

19. Long-term debentures

As at 31 December 2019, the Company had secured debenture of Baht 500 million and unsecured debentures of Baht 429 million. The debentures carry interest at rates of 6.50% - 7.25% per annum, payable every 3 months, and mature in May 2020 - March 2021.

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	2019	2018
Long-term debentures	923,366	685,173
Less: current portion	(693,329)	-
Long-term debentures, net	<u>230,037</u>	<u>685,173</u>

Movements in the long-term debentures account during the year ended 31 December 2019 are summarised below.

	(Unit: Thousand Baht)
	Consolidated / Separate financial statements
Balance as at 1 January 2019	685,173
Add: Issuance	232,400
Amortisation of deferred debenture issuing cost	9,736
Less: Deferred debenture issuing costs	(3,943)
Balance as at 31 December 2019	<u>923,366</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.

20. Long-term loans

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Long-term loans from banks	1,256,625	1,633,697	1,008,406	932,666
Less: Current portion	(953,043)	(1,444,200)	(822,342)	(864,637)
Long-term loans from banks, net	<u>303,582</u>	<u>189,497</u>	<u>186,064</u>	<u>68,029</u>

Movements in the long-term loans account during the year ended 31 December 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2019	1,633,697	932,666
Add: Addition	494,202	414,774
Less: Repayment	(871,274)	(339,034)
Balance as at 31 December 2019	<u>1,256,625</u>	<u>1,008,406</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 2020 - 2023. 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 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
	2019	2018	2019	2018
Long-term credit facilities which have not yet been drawn down	2,321	2,357	757	714

21. 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	
	2019	2018	2019	2018
Provision for long-term employee benefits at beginning of year	17,685	16,724	16,989	16,208
Included in profit or loss:				
Current service cost	6,177	5,784	5,986	5,619
Interest cost	607	437	586	422
Past service costs	1,023	-	1,002	-
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumption changes	(843)	-	(802)	-
Financial assumption changes	1,190	-	1,152	-
Experience adjustments	(8,909)	-	(8,349)	-
Benefits paid during the year	(1,052)	(5,260)	(1,052)	(5,260)
Provision for long-term employee benefits at end of year	15,878	17,685	15,512	16,989

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law was effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company and its subsidiary have additional long-term employee benefit liabilities of Baht 1 million (The Company only: Baht 1 million) as a result. The Group reflects the effect of the change by recognising past service costs as expenses in the income statement of the current period.

The weighted average duration of the liabilities for long-term employee benefits of the Company and its subsidiary are as follow.

	Consolidated/Separate	
	financial statements	
	2019	2018
Average duration (years)	17	20

Principal actuarial assumptions at the valuation date are as follows:

(Unit: % per annum)

	Consolidated/Separate financial statements	
	2019	2018
Discount rate	2.2	3.0
Future salary increase rate	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 2019 and 2018 are summarised below:

(Unit: Million Baht)

	2019			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(1.71)	2.05	(1.66)	1.98
Salary increase rate	1.95	(1.67)	1.88	(1.62)

(Unit: Million Baht)

	2018			
	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)

22. 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.

23. Revenue from Contracts with Customers

23.1 Revenue

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Revenue from sales of land and houses	1,576,613	2,436,955	436,420	634,683
Revenue from sales of condominium units	348,582	1,238,696	314,372	1,131,681
Revenue from sales of land held for development	135,675	-	135,675	-
Management income	1,755	3,808	118,725	25,291
Total revenue from contracts with customers*	2,062,625	3,679,459	1,005,192	1,791,655
Rental income	51,319	76,795	7,931	35,074
Interest income	49,570	50,922	156,770	200,804
Gain on sales of investment in joint venture	-	10,065	-	-
Other income	56,205	15,502	46,489	9,345
Total revenue	2,219,719	3,832,743	1,216,382	2,036,878

*Revenue from contracts with customers recognize at a point in time

23.2 Revenue to be recognised for the remaining performance obligation

As at 31 December 2019 and 2018, the Company and its subsidiaries expected revenue to be recognised in the future in respect of performance obligations under contracts with customer that are unsatisfied as follows.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Total contracts signed according to the sales and purchases agreements of land and house and condominium units*	183	512	83	273

*To be recognised as revenue from contracts with customers within 2020. However, the revenue recognised in the future are subject to several internal and external factors including ability to make installment payments by customers and getting approved credit facilities from banks, the progression of projects construction of the Company and its subsidiaries and also economic and political conditions.

24. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Purchase of land and payment of construction during the year	313,246	1,233,696	18,447	576,992
Changes in land and construction in progress	1,150,287	1,358,621	588,830	712,422
Salaries and other benefits	185,510	164,885	198,568	175,180
Depreciation and amortisation	80,661	88,553	17,745	18,101
Professional fees and other services	21,924	27,143	12,459	19,080
Advertising and promotion expenses	72,968	147,806	40,978	70,028
Specific business tax and transfer fee	81,279	149,572	34,735	75,950
Rental and service	21,535	21,058	12,524	19,901
Loss on allowance for doubtful debt of loan to subsidiary	-	-	-	500,000
Allowance for doubtful debts (reverse)	14,968	33,241	(3,143)	12,693
Loss on reduce cost to net realisable value of project development cost and land and project cost awaiting for development	26,000	9,567	26,000	9,567
Others	111,319	200,298	67,232	113,804
Total	2,079,697	3,434,440	1,014,375	2,303,718

25. Income tax

Income tax expenses for the years ended 31 December 2019 and 2018 are summarised as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Current income tax:				
Current income tax charge	28,895	87,984	8,331	32,591
Adjustment in respect of income of previous year	-	25,198	-	25,198
Write-off prepaid income tax	34,112	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	1,340	(1,213)	(3,229)	(5,060)
Income tax expenses reported in the profit or loss	64,347	111,969	5,102	52,729

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2019 and 2018 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Deferred tax relating to actuarial loss	1,712	-	1,600	-
	<u>1,712</u>	<u>-</u>	<u>1,600</u>	<u>-</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Accounting profit (loss) before tax	(92,781)	213,274	(14,079)	(485,501)
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	(18,556)	42,655	(2,816)	(97,100)
Effects of:				
Additional income	18,158	20,869	7,356	20,368
Additional deductible expenses	(4,639)	(5,607)	(309)	(321)
Non-deductible expenses	2,220	5,921	871	4,584
Temporary difference which is unrecognised deferred tax asset	33,052	22,933	-	100,000
Adjust entry of prior year corporate income tax	-			
Write-off prepaid income tax	34,112	25,198	-	25,198
Total	<u>82,903</u>	<u>69,314</u>	<u>7,918</u>	<u>149,829</u>
Income tax expenses reported in profit or loss	<u>64,347</u>	<u>111,969</u>	<u>5,102</u>	<u>52,729</u>

The components of deferred tax assets presented in the statement of financial position as at 31 December 2019 and 2018 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Unearned revenues	648	899	357	470
Prepaid expense of finance cost	(2,507)	(2,926)	(2,507)	(2,926)
Allowance for doubtful debts	2,243	2,539	1,910	2,539
Allowance for impairment of assets	5,977	1,913	5,977	1,913
Accrued expense for repairment	6,173	9,951	1,752	3,570
Provision for long-term employee benefits	3,175	3,537	3,102	3,398
Loss carry forward	5,317	2,532	-	-
Effect on elimination of intercompany transactions	24,752	30,385	-	-
Total	45,778	48,830	10,591	8,964

26. 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	
	2019	2018	2019	2018
Profit (loss) for the year (Thousand Baht)				
Equity holders of the Company	(157,128)	101,305	(19,181)	(538,230)
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	(0.037)	0.024	(0.005)	(0.128)

27. 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 2019 and 2018, respectively.

(Unit: Million Baht)

For the year ended 31 December 2019

	Real estate business	Rental and service business	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	2,061	51	2,112	-	2,112
Inter-segment revenue	119	8	127	(125)	2
Interest revenue	177	-	177	(127)	50
Other income	46	10	56	-	56
Total revenues	2,403	69	2,472	(252)	2,220
Cost of sales and services	1,618	93	1,711	(153)	1,558
Selling expenses	149	4	153	-	153
Administrative expenses	331	38	369	-	369
Total expenses	2,098	135	2,233	(153)	2,080
Profit (loss) before share of loss from investment in joint ventures, finance cost and income tax expenses	305	(66)	239	(99)	140
Share of loss from investment in joint ventures	(51)	-	(51)	-	(51)
Profit (loss) before finance cost and income tax expenses	254	(66)	188	(99)	89
Finance cost	(286)	(23)	(309)	127	(182)
Income tax expenses	(48)	(11)	(59)	(5)	(64)
Profit (loss) for the year	(80)	(100)	(180)	23	(157)

(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
Total revenues	3,941	105	4,046	(213)	3,833
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
Total expenses	3,345	211	3,556	(121)	3,435
Profit (loss) before share of loss from investment in joint ventures, finance cost and income tax expenses	596	(106)	490	(92)	398
Share of loss from investment in joint ventures	63	-	63	-	63
Profit (loss) before finance cost and income tax expenses	659	(106)	553	(92)	461
Finance cost	(278)	(52)	(330)	82	(248)
Income tax expenses	(108)	-	(108)	(4)	(112)
Profit (loss) for the year	273	(158)	115	(14)	101

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 2019 and 2018, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

28. 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 2019 and 2018 were recognised as expense as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Provident fund	2.2	3.4	2.2	3.3

29. Dividend

Dividend	Approved by	Dividend paid	
		Dividend paid (Million Baht)	per share (Baht)
Annual dividend for the year 2018	Annual General Meeting of Shareholder on 29 April 2019	42	0.01
Total dividend for the year 2019		42	0.01

30. Commitments and contingent liabilities

30.1 Capital commitments

As at 31 December 2019 and 2018, the Company and its subsidiaries had capital commitment as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Project construction contracts	355	306	273	110

30.2 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 - 4 years.

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

	(Unit: Million Baht)	
	Consolidated / Separate financial statements	
	2019	2018
Payable within:		
Less than 1 year	17	15
In over 1 and up to 4 years	29	11

30.3 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		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Bank guarantees for construction and maintenance of infrastructure	310	359	50	71

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

30.4 Servitude

As at 31 December 2019 and 2018, the Company and its subsidiaries have servitude over land as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Land servitude approximately (rai)	87	87	46	46

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

31. Financial instruments

31.1 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, current investments, 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		2019	2018	2019	2018	2019	2018	2019	2018
	2019	2018	2019	2018								
											(Percent per annum)	
Financial assets												
Cash and cash equivalents	-	-	-	-	194	154	102	84	296	238	0.13 - 1.35	0.10 - 1.10
Current investments	-	-	-	-	12	-	-	-	12	-	1.00	-
Trade and other receivables	-	-	-	-	-	-	11	14	11	14	-	-
Restricted bank deposits	-	-	12	12	17	57	-	-	29	69	0.38 - 3.00	0.38 - 3.50
Long-term loans to related parties	-	-	710	695	-	-	-	-	710	695	7.00	7.00
	-	-	722	707	223	211	113	98	1,058	1,016		
Financial liabilities												
Short-term loans from financial institutions	-	-	-	-	-	93	-	-	-	93	-	6.90 - 9.00
Other short-term loans	-	108	-	-	-	-	-	-	-	108	-	4.00 - 9.00
Trade and other payables	-	-	-	-	-	-	622	1,006	622	1,006	-	-
Short-term loans from related parties	820	1,124	-	-	-	-	-	-	820	1,124	7.00 - 8.00	6.00 - 12.00
Long-term debentures	-	-	923	685	-	-	-	-	923	685	6.50 - 7.25	6.50 - 7.25
Long-term loans	-	-	-	-	1,257	1,634	-	-	1,257	1,634	5.50 - 7.15	5.65 - 7.15
	820	1,232	923	685	1,257	1,727	622	1,006	3,622	4,650		

(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		2019	2018	2019	2018	2019	2018	2019	2018
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
											(Percent per annum)	
Financial assets												
Cash and cash equivalents	-	-	-	-	79	63	100	80	179	143	0.13 - 1.35	0.10 - 1.10
Trade and other receivables	-	-	-	-	-	-	153	151	153	151	-	-
Restricted bank deposits	-	-	12	12	-	24	-	-	12	36	3.00	0.38 - 3.50
Long-term loans to related parties	-	-	2,044	2,558	-	-	-	-	2,044	2,558	6.63 - 7.00	6.63 - 7.00
	-	-	2,056	2,570	79	87	253	231	2,388	2,888		
Financial liabilities												
Short-term loans from financial institution	-	-	-	-	-	93	-	-	-	93	-	6.90 - 9.00
Other short-term loans	-	20	-	-	-	-	-	-	-	20	-	4.00 - 9.00
Trade and other payable	-	-	-	-	-	-	367	632	367	632	-	-
Short-term loans from related parties	1,697	1,945	-	-	-	-	-	-	1,697	1,945	1.50 - 8.00	1.50 - 12.00
Long-term debentures	-	-	923	685	-	-	-	-	923	685	6.50 - 7.25	6.50 - 7.25
Long-term loans	-	-	-	-	1,008	933	-	-	1,008	933	5.50 - 7.15	5.65 - 7.15
	1,697	1,965	923	685	1,008	1,026	367	632	3,995	4,308		

31.2 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.

32. 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 2019 and 2018, the Company and its subsidiaries' debt-to-equity ratios are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Debt-to-equity ratio	0.74:1	0.92:1	0.85:1	0.91:1

33. Events after the reporting period

On 14 February 2020, the Extraordinary General Meeting of Shareholder No.1/2020 of J.S.P. Asplus Company Limited passed a resolution to approve an increase its registered capital from Baht 50 million (500,000 ordinary shares with a par value of Baht 100 each) to Baht 350 million (3,500,000 ordinary shares with a par value of Baht 100 each), through the issuance of 300,000 ordinary shares with a par value of Baht 100 each.

J.S.P. Asplus Company Limited increased its registered capital with the Ministry of Commerce on 26 February 2020.

34. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of directors on 28 February 2020.