

AP (Thailand) Public Company Limited and its subsidiaries  
Report and consolidated financial statements  
31 December 2019

## **Independent Auditor's Report**

To the Shareholders of AP (Thailand) Public Company Limited

### **Opinion**

I have audited the accompanying consolidated financial statements of AP (Thailand) 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 AP (Thailand) 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 AP (Thailand) Public Company Limited and its subsidiaries and of AP (Thailand) Public Company Limited as at 31 December 2019, 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.

### **Emphasis of matter**

I draw attention to Note 3 to the financial statements regarding the change in accounting policy as the result of adoption of Thai Accounting Standard 15 Revenue from Contracts with Customers. My conclusion is not qualified in respect of this matter.

### **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 to the matter are described below.

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

Revenue from sales of real estate is the most significant amount in the statement of comprehensive income, representing 95 percent and 72 percent of total revenues in the consolidated and separate financial statements, respectively. It is also the main performance indicator to which the users of the financial statements pay attention. Moreover, the Group has numerous real estate projects and sales agreements with a variety of conditions, pertaining to matters such as sales promotions and offering special discounts to boost sales. I have therefore focused on the recognition of revenue from sales of real estate of the Group.

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

### **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.

Satida Ratananurak

Certified Public Accountant (Thailand) No. 4753

EY Office Limited

Bangkok: 25 February 2020

AP (Thailand) Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2019	31 December 2018	1 January 2018	31 December 2019	31 December 2018	1 January 2018
			(Restated)	(Restated)		(Restated)	(Restated)
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	7	570,227,433	951,259,523	1,054,168,567	136,742,218	217,440,679	540,591,206
Trade and other receivables	8	169,180,455	141,396,724	242,015,380	76,624,016	79,020,223	190,726,566
Inventories	9	49,714,687,481	41,149,117,404	35,424,614,750	6,248,524,995	9,858,648,841	16,245,119,862
Interest receivable - related parties	10	-	-	-	1,202,223,834	292,557,370	843,448,941
Short-term loans to related parties	10	-	-	-	33,788,400,000	26,724,400,000	15,229,100,000
Deposits for construction materials		127,856,631	83,204,330	49,260,699	5,829,995	11,450,970	23,415,523
Deposits for land		709,036,601	719,593,966	822,211,269	-	-	3,750,000
Assets recognised from the costs							
to obtain contracts with customers	11	36,651,410	6,586,940	213,507	-	-	213,507
Other current assets		142,749,920	234,979,648	148,341,103	46,264,870	87,911,121	71,529,418
<b>Total current assets</b>		<b>51,470,389,931</b>	<b>43,286,138,535</b>	<b>37,740,825,275</b>	<b>41,504,609,928</b>	<b>37,271,429,204</b>	<b>33,147,895,023</b>
<b>Non-current assets</b>							
Restricted bank deposits	7	549,059	549,059	993,151	549,059	549,059	549,059
Investments in subsidiaries	12	-	-	-	5,027,616,030	2,749,040,390	2,562,160,450
Investments in joint ventures	13	5,452,948,465	4,496,984,587	4,809,089,559	5,821,705,060	4,765,495,030	5,215,314,940
Land and cost of project held for development	14	679,073,736	679,073,736	654,422,429	146,756,408	146,756,408	144,456,631
Investment properties	15	72,628,506	74,825,696	70,648,590	45,672,530	49,041,425	52,410,320
Property, plant and equipment	16	468,093,681	407,740,378	265,111,554	258,016,094	153,231,761	63,938,656
Goodwill		100,063,166	100,063,166	100,063,166	-	-	-
Intangible assets	17	113,509,630	17,343,273	29,334,685	42,930,213	11,648,488	25,520,477
Deferred tax assets	26	356,493,400	258,191,617	194,835,103	79,925,067	96,105,609	90,376,855
Other non-current assets		80,464,439	74,001,389	84,576,603	38,909,429	38,550,306	30,485,762
<b>Total non-current assets</b>		<b>7,323,824,082</b>	<b>6,108,772,901</b>	<b>6,209,074,840</b>	<b>11,462,079,890</b>	<b>8,010,418,476</b>	<b>8,185,213,150</b>
<b>Total assets</b>		<b>58,794,214,013</b>	<b>49,394,911,436</b>	<b>43,949,900,115</b>	<b>52,966,689,818</b>	<b>45,281,847,680</b>	<b>41,333,108,173</b>

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

AP (Thailand) Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2019

(Unit: Baht)

		Consolidated financial statements			Separate financial statements		
	Note	31 December 2019	31 December 2018	1 January 2018	31 December 2019	31 December 2018	1 January 2018
			(Restated)	(Restated)		(Restated)	(Restated)
<b>Liabilities and shareholders' equity</b>							
<b>Current liabilities</b>							
Short-term loans from financial institutions	18	8,180,146,532	3,184,631,944	5,661,852,703	7,371,596,532	2,474,631,944	4,800,852,703
Trade and other payables	10, 19	1,753,493,231	1,617,152,839	1,232,109,229	561,448,113	771,058,127	787,220,889
Accrued interest expenses - related parties	10	-	-	-	10,174,464	8,328,944	11,981,540
Accrued interest expenses		159,231,204	159,797,416	133,844,086	158,971,420	159,555,630	133,655,602
Short-term loans from related parties	10	-	-	-	1,079,000,000	901,300,000	1,137,700,000
Current portion of debentures	21	4,500,000,000	3,850,000,000	3,300,000,000	4,500,000,000	3,850,000,000	3,300,000,000
Current portion of finance lease payable		391,189	372,854	355,379	-	-	-
Unearned revenue		326,361,091	248,773,333	304,361,178	13,321,575	23,758,455	152,198,433
Accrued expenses related to the projects		441,241,642	440,519,418	383,763,497	65,334,963	198,391,484	255,578,526
Accrued expenses		1,490,313,550	1,472,501,808	1,115,710,590	757,386,194	826,245,976	838,049,191
Income tax payable		205,469,987	273,344,345	359,408,834	76,358,102	130,160,585	206,433,937
<b>Total current liabilities</b>		<b>17,056,648,426</b>	<b>11,247,093,957</b>	<b>12,491,405,496</b>	<b>14,593,591,363</b>	<b>9,343,431,145</b>	<b>11,623,670,821</b>
<b>Non-current liabilities</b>							
Long-term loans - net of current portion	20	827,000,000	140,000,000	90,000,000	210,000,000	120,000,000	40,000,000
Debentures - net of current portion	21	14,100,000,000	13,100,000,000	9,350,000,000	14,100,000,000	13,100,000,000	9,350,000,000
Finance lease payable - net of current portion		237,054	628,243	1,001,128	-	-	-
Retention payable	10	291,871,621	237,814,000	240,764,370	57,100,318	83,559,000	115,278,444
Provision for long-term employee benefits	22	222,330,680	175,929,129	129,854,788	121,221,969	102,092,570	108,688,148
Deferred tax liabilities	26	-	2,888,006	-	-	-	-
<b>Total non-current liabilities</b>		<b>15,441,439,355</b>	<b>13,657,259,378</b>	<b>9,811,620,286</b>	<b>14,488,322,287</b>	<b>13,405,651,570</b>	<b>9,613,966,592</b>
<b>Total liabilities</b>		<b>32,498,087,781</b>	<b>24,904,353,335</b>	<b>22,303,025,782</b>	<b>29,081,913,650</b>	<b>22,749,082,715</b>	<b>21,237,637,413</b>

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



**AP (Thailand) Public Company Limited and its subsidiaries**

**Statements of financial position (continued)**

**As at 31 December 2019**

(Unit: Baht)

		Consolidated financial statements			Separate financial statements		
	Note	31 December 2019	31 December 2018	1 January 2018	31 December 2019	31 December 2018	1 January 2018
			(Restated)	(Restated)		(Restated)	(Restated)
<b>Shareholders' equity</b>							
<b>Share capital</b>							
Registered							
3,145,912,151 ordinary shares of Baht 1 each		3,145,912,151	3,145,912,151	3,145,912,151	3,145,912,151	3,145,912,151	3,145,912,151
Issued and fully paid up							
3,145,899,495 ordinary shares of Baht 1 each		3,145,899,495	3,145,899,495	3,145,899,495	3,145,899,495	3,145,899,495	3,145,899,495
Share premium		89,415,830	89,415,830	89,415,830	89,415,830	89,415,830	89,415,830
Retained earnings							
Appropriated - statutory reserve	23	314,591,215	314,591,215	314,591,215	314,591,215	314,591,215	314,591,215
Unappropriated		22,763,259,706	20,954,102,302	18,100,595,276	20,334,869,628	18,982,858,425	16,545,564,220
Other components of shareholders' equity		(49,988)	(10,881)	-	-	-	-
<b>Equity attributable to owners of the Company</b>		26,313,116,258	24,503,997,961	21,650,501,816	23,884,776,168	22,532,764,965	20,095,470,760
Non-controlling interests of the subsidiaries		(16,990,026)	(13,439,860)	(3,627,483)	-	-	-
<b>Total shareholders' equity</b>		26,296,126,232	24,490,558,101	21,646,874,333	23,884,776,168	22,532,764,965	20,095,470,760
<b>Total liabilities and shareholders' equity</b>		58,794,214,013	49,394,911,436	43,949,900,115	52,966,689,818	45,281,847,680	41,333,108,173

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

Directors

**AP (Thailand) Public Company Limited and its subsidiaries**

**Statements of comprehensive income**

**For the year ended 31 December 2019**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
			(Restated)		(Restated)
Profit or loss:					
Revenues					
Revenues from sales of real estate		22,678,813,691	26,200,085,937	8,139,099,061	14,409,985,584
Service income		565,440,742	589,651,379	-	-
Management income	10	557,941,834	480,932,408	557,941,834	480,932,408
Interest income		9,121,322	9,727,564	1,036,032,135	723,604,688
Dividend income	10, 12, 13	-	-	1,394,556,298	1,621,917,473
Gain from sales of investments	12	76,863,760	5,163,759	139,278,873	60,183,661
Other income		78,474,101	49,549,975	56,478,489	42,307,171
Total revenues		23,966,655,450	27,335,111,022	11,323,386,690	17,338,930,985
Expenses					
	25				
Costs of sales		15,399,470,036	18,070,339,187	5,428,588,441	9,881,421,509
Costs of services		227,180,214	268,603,159	-	-
Selling expenses		2,308,810,888	2,368,900,478	925,763,007	1,279,675,499
Administrative expenses		3,134,478,900	2,925,707,532	1,339,348,799	1,537,792,360
Other expenses		12,852,272	64,089,807	276,693	15,205,466
Total expenses		21,082,792,310	23,697,640,163	7,693,976,940	12,714,094,834
Profit before share of profit from investments in					
joint ventures, finance cost and income tax expenses		2,883,863,140	3,637,470,859	3,629,409,750	4,624,836,151
Share of profit from investments in joint ventures	13	1,008,578,149	1,217,575,677	-	-
Profit before finance cost and income tax expenses		3,892,441,289	4,855,046,536	3,629,409,750	4,624,836,151
Finance cost		(247,480,130)	(122,895,900)	(704,055,334)	(598,509,937)
Profit before income tax expenses		3,644,961,159	4,732,150,636	2,925,354,416	4,026,326,214
Income tax expenses	26	(580,997,999)	(779,158,694)	(314,987,291)	(492,627,896)
Profit for the year		3,063,963,160	3,952,991,942	2,610,367,125	3,533,698,318

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

**AP (Thailand) Public Company Limited and its subsidiaries**

**Statements of comprehensive income (continued)**

**For the year ended 31 December 2019**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
			(Restated)		(Restated)
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange difference on translation of financial statements in foreign currency					
		(39,107)	(10,881)	-	-
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax</i>					
		(39,107)	(10,881)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain (loss) from post-employment benefits	22	-	(10,063,056)	-	5,124,491
Less: Income tax effect	26	-	1,269,469	-	(1,024,898)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax</i>					
		-	(8,793,587)	-	4,099,593
<b>Other comprehensive income for the year</b>		(39,107)	(8,804,468)	-	4,099,593
<b>Total comprehensive income for the year</b>		<u>3,063,924,053</u>	<u>3,944,187,474</u>	<u>2,610,367,125</u>	<u>3,537,797,911</u>
<b>Profit attributable to:</b>					
Equity holders of the Company		3,067,513,326	3,962,804,319	<u>2,610,367,125</u>	<u>3,533,698,318</u>
Non-controlling interests of the subsidiaries		(3,550,166)	(9,812,377)		
Total		<u>3,063,963,160</u>	<u>3,952,991,942</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		3,067,474,219	3,953,999,851	<u>2,610,367,125</u>	<u>3,537,797,911</u>
Non-controlling interests of the subsidiaries		(3,550,166)	(9,812,377)		
Total		<u>3,063,924,053</u>	<u>3,944,187,474</u>		
<b>Earnings per share</b>	27				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.98</u>	<u>1.26</u>	<u>0.83</u>	<u>1.12</u>
Weighted average number of ordinary shares (Shares)		3,145,899,495	3,145,899,495	3,145,899,495	3,145,899,495

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

**AP (Thailand) Public Company Limited and its subsidiaries**

**Cash flow statements**

**For the year ended 31 December 2019**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		(Restated)
<b>Cash flows from operating activities</b>				
Profit before tax	3,644,961,159	4,732,150,636	2,925,354,416	4,026,326,214
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	91,503,118	69,892,860	43,765,567	29,178,671
Amortisation	26,991,548	15,879,837	17,804,822	14,024,654
Doubtful debts (reversal)	(60,217)	84,655,893	-	-
Allowance for diminution in value of inventories(reversal)	(39,730,464)	50,996,123	-	-
Allowance for diminution in value of assets (reversal)	(10,355)	16,579,219	(10,355)	(20,781)
Gain on disposal of land and cost of project held for development	-	(5,284,448)	-	(5,284,448)
Loss on disposals/write-off of assets	12,770,070	2,431,338	287,048	204,824
Share of profit from investments in joint ventures	(1,008,578,149)	(1,217,575,677)	-	-
Gain from purchase of investment in subsidiaries	(6,850,968)	-	-	-
Gain from sales of investments	(76,863,760)	(5,163,889)	(139,278,873)	(60,183,611)
Loss on diminution in value of investments	-	-	-	15,000,000
Dividend income	-	-	(1,394,556,298)	(1,621,917,473)
Provision for long-term employee benefits	47,141,815	37,067,907	19,869,663	19,271,802
Write-off of income tax	139,950	2,565,502	-	-
Interest income	(9,121,322)	(9,727,564)	(1,036,032,135)	(723,604,688)
Interest expenses	206,717,537	85,761,728	685,907,562	576,210,156
Profit from operating activities before changes in operating assets and liabilities	2,889,009,962	3,860,229,465	1,123,111,417	2,269,205,320
Operating assets (increase) decrease				
Trade and other receivables	(10,893,035)	134,962,840	2,396,207	111,706,343
Inventories	(10,926,024,583)	(5,859,353,099)	3,610,123,846	6,395,401,248
Other current assets	(482,495,404)	(24,338,306)	47,267,226	(453,643)
Other non-current assets	(6,129,188)	(73,113,673)	(359,123)	(8,064,544)
Operating liabilities increase (decrease)				
Trade and other payables	131,484,098	710,554,163	(411,526,317)	(85,153,019)
Unearned revenue	77,587,758	(95,858,053)	(10,436,880)	(128,439,978)
Retention payable	52,364,619	(8,176,148)	(26,458,682)	(31,719,444)
Cash from (used in) operating activities	(8,275,095,773)	(1,355,092,811)	4,334,117,694	8,522,482,283
Cash paid for long-term employee benefits	(740,264)	(1,056,622)	(740,264)	(20,742,889)
Cash paid for interest expenses	(723,155,837)	(544,712,516)	(712,681,664)	(563,624,039)
Cash paid for income tax	(811,343,133)	(1,029,835,669)	(352,609,232)	(575,654,900)
<b>Net cash from (used in) operating activities</b>	<b>(9,810,335,007)</b>	<b>(2,930,697,618)</b>	<b>3,268,086,534</b>	<b>7,362,460,455</b>

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

**AP (Thailand) Public Company Limited and its subsidiaries**

**Cash flow statements (continued)**

**For the year ended 31 December 2019**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		(Restated)
<b>Cash flows from investing activities</b>				
Decrease in restricted bank deposits	-	444,092	-	-
Cash received from short-term loans to related parties	-	-	22,222,120,000	11,405,014,234
Cash paid for short-term loans to related parties	-	-	(29,286,120,000)	(22,900,314,234)
Cash received from sale of investments in subsidiaries	(110,229,548)	2,942,186	1,398,158,693	1,747,703,431
Cash paid for investments in subsidiaries	(718,425,071)	(789,820,632)	(3,354,365,490)	(966,299,850)
Cash paid for investments in joint ventures	(1,239,300,000)	(473,280,000)	(1,239,300,000)	(473,280,000)
Dividend received	945,115,405	988,150,534	1,394,556,298	1,621,917,473
Cash received from disposal of land and cost of project held for development	-	10,395,000	-	10,395,000
Cash received from disposals of assets	3,287,037	1,472,595	1,265,889	1,472,595
Cash paid for purchases of equipment	(200,621,384)	(213,324,685)	(162,593,101)	(116,217,890)
Cash paid for purchases of intangible assets	(85,426,961)	(2,148,083)	(33,217,033)	(694,294)
Cash received from interest	9,121,322	9,727,564	126,365,671	1,274,496,259
<b>Net cash used in investing activities</b>	<u>(1,396,479,200)</u>	<u>(465,441,429)</u>	<u>(8,933,129,073)</u>	<u>(8,395,807,276)</u>
<b>Cash flows from financing activities</b>				
Cash received from short-term loans from financial institutions	44,413,390,000	39,240,410,000	28,129,250,000	34,067,910,000
Cash paid for repayment of short-term loans from financial institutions	(37,625,840,000)	(41,314,310,000)	(23,204,250,000)	(36,400,810,000)
Cash received from short-term loans from related parties	1,177,000,000	1,585,000,000	1,669,000,000	2,344,500,000
Cash paid for short-term loans from related parties	-	-	(1,491,300,000)	(2,580,900,000)
Cash received from long-term loans	3,399,750,000	1,053,000,000	684,750,000	500,000,000
Cash paid for repayment of long-term loans	(929,750,000)	(470,000,000)	(594,750,000)	(420,000,000)
Cash received from issuance of debentures	5,500,000,000	7,600,000,000	5,500,000,000	7,600,000,000
Cash paid for repayment of debentures	(3,850,000,000)	(3,300,000,000)	(3,850,000,000)	(3,300,000,000)
Cash paid for finance lease payable	(372,854)	(355,410)	-	-
Dividend payment	(1,258,355,922)	(1,100,503,706)	(1,258,355,922)	(1,100,503,706)
<b>Net cash from financing activities</b>	<u>10,825,821,224</u>	<u>3,293,240,884</u>	<u>5,584,344,078</u>	<u>710,196,294</u>
<b>Decrease in translation adjustments</b>	<u>(39,107)</u>	<u>(10,881)</u>	<u>-</u>	<u>-</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(381,032,090)</u>	<u>(102,909,044)</u>	<u>(80,698,461)</u>	<u>(323,150,527)</u>
Cash and cash equivalents at beginning of year	951,259,523	1,054,168,567	217,440,679	540,591,206
<b>Cash and cash equivalents at end of year (Note 7)</b>	<u>570,227,433</u>	<u>951,259,523</u>	<u>136,742,218</u>	<u>217,440,679</u>

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

**AP (Thailand) Public Company Limited and its subsidiaries**

**Cash flow statements (continued)**

**For the year ended 31 December 2019**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Supplemental cash flow information</b>				
Non-cash transactions from investing activities				
Transfer inventories to investment properties	-	4,556,078	-	-
Transfer inventories to land and cost of project held for development	-	46,361,859	-	7,410,329
Transfer properties, plant and equipment to intangible assets	37,730,944	2,282,000	15,869,514	-

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

AP (Thailand) Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the year ended 31 December 2019

(Unit: Baht)

Consolidated financial statements								
Equity attributable to owners of the Company								
			Other components of equity		Other comprehensive income			
			Exchange difference on translation of financial statements		Total equity attributable to owners of the Company		Equity attributable to non-controlling interests of the subsidiaries	
			Retained earnings				Total shareholders' equity	
Note	Issued and paid-up share capital	Share premium	Appropriated - statutory reserve	Unappropriated	in foreign currency	of the Company	subsidiaries	equity
<b>Balance as at 1 January 2018 - as previously reported</b>	3,145,899,495	89,415,830	314,591,215	18,086,738,066	-	21,636,644,606	(3,627,483)	21,633,017,123
Cumulative effect of change in accounting policy	4	-	-	13,857,210	-	13,857,210	-	13,857,210
<b>Balance as at 1 January 2018 - as restated</b>	3,145,899,495	89,415,830	314,591,215	18,100,595,276	-	21,650,501,816	(3,627,483)	21,646,874,333
Profit for the year - restated	-	-	-	3,962,804,319	-	3,962,804,319	(9,812,377)	3,952,991,942
Other comprehensive income for the year	-	-	-	(8,793,587)	(10,881)	(8,804,468)	-	(8,804,468)
Dividend paid	28	-	-	(1,100,503,706)	-	(1,100,503,706)	-	(1,100,503,706)
<b>Balance as at 31 December 2018 - as restated</b>	<u>3,145,899,495</u>	<u>89,415,830</u>	<u>314,591,215</u>	<u>20,954,102,302</u>	<u>(10,881)</u>	<u>24,503,997,961</u>	<u>(13,439,860)</u>	<u>24,490,558,101</u>
<b>Balance as at 1 January 2019 - as previously reported</b>	3,145,899,495	89,415,830	314,591,215	20,842,850,498	(10,881)	24,392,746,157	(13,439,860)	24,379,306,297
Cumulative effect of change in accounting policy	4	-	-	111,251,804	-	111,251,804	-	111,251,804
<b>Balance as at 1 January 2019 - as restated</b>	3,145,899,495	89,415,830	314,591,215	20,954,102,302	(10,881)	24,503,997,961	(13,439,860)	24,490,558,101
Profit for the year	-	-	-	3,067,513,326	-	3,067,513,326	(3,550,166)	3,063,963,160
Other comprehensive income for the year	-	-	-	-	(39,107)	(39,107)	-	(39,107)
Dividend paid	28	-	-	(1,258,355,922)	-	(1,258,355,922)	-	(1,258,355,922)
<b>Balance as at 31 December 2019</b>	<u>3,145,899,495</u>	<u>89,415,830</u>	<u>314,591,215</u>	<u>22,763,259,706</u>	<u>(49,988)</u>	<u>26,313,116,258</u>	<u>(16,990,026)</u>	<u>26,296,126,232</u>

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

AP (Thailand) Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the year ended 31 December 2019

(Unit: Baht)

Separate financial statements					
Note	Issued and paid up share capital	Share premium	Retained earnings		Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2018 - as previously reported</b>	3,145,899,495	89,415,830	314,591,215	16,545,393,414	20,095,299,954
Cumulative effect of change in accounting policy	4	-	-	170,806	170,806
<b>Balance as at 1 January 2018 - as restated</b>	3,145,899,495	89,415,830	314,591,215	16,545,564,220	20,095,470,760
Profit for the year - restated	-	-	-	3,533,698,318	3,533,698,318
Other comprehensive income for the year	-	-	-	4,099,593	4,099,593
Dividend paid	28	-	-	(1,100,503,706)	(1,100,503,706)
<b>Balance as at 31 December 2018 - as restated</b>	<u>3,145,899,495</u>	<u>89,415,830</u>	<u>314,591,215</u>	<u>18,982,858,425</u>	<u>22,532,764,965</u>
<b>Balance as at 1 January 2019 - as previously reported</b>	3,145,899,495	89,415,830	314,591,215	18,982,858,425	22,532,764,965
Cumulative effect of change in accounting policy	4	-	-	-	-
<b>Balance as at 1 January 2019 - as restated</b>	3,145,899,495	89,415,830	314,591,215	18,982,858,425	22,532,764,965
Profit for the year	-	-	-	2,610,367,125	2,610,367,125
Other comprehensive income for the year	-	-	-	-	-
Dividend paid	28	-	-	(1,258,355,922)	(1,258,355,922)
<b>Balance as at 31 December 2019</b>	<u>3,145,899,495</u>	<u>89,415,830</u>	<u>314,591,215</u>	<u>20,334,869,628</u>	<u>23,884,776,168</u>

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



## **AP (Thailand) Public Company Limited and its subsidiaries**

### **Notes to consolidated financial statements**

**For the year ended 31 December 2019**

#### **1. General information**

AP (Thailand) Public Company Limited (“the Company”) is a public company, incorporated and domiciled in Thailand. The Company is principally engaged in real estate development. The registered office of the Company is at 170/57 18th floor, Ocean Tower I Building, Rajadapisek Road, Klongtoey, 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) These consolidated financial statements include the financial statements of AP (Thailand) Public Company Limited (hereinafter called as “the Company”) and the following subsidiary companies (hereinafter called as “the subsidiaries”), with the change in the group structure during the current year from the establishment of the subsidiaries, additionally invested in subsidiaries and sell the investments in subsidiaries as described in Note 12.

As at 31 December 2019 and 2018, the group structure was detailed below.

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2019	2018
<u>Held by the Company</u>				
The Value Property Development Co., Ltd. and subsidiaries	Real estate development	Thailand	100	100
Asian Property (Krungthep) Co., Ltd.	Real estate development	Thailand	100	100
Asian Property Co., Ltd. and subsidiary	Real estate development	Thailand	100	100
Thonglor Residence Co., Ltd. and subsidiary	Real estate development	Thailand	100	100
Smart Service & Management Co., Ltd.	Service	Thailand	100	100
Bangkok CitiSmart Co., Ltd.	Service	Thailand	100	100
Asian Property (2012) Co., Ltd.	Real estate development	Thailand	100	100
Thai Big Belly Co., Ltd.	Real estate development	Thailand	100	100
Asian Property (2014) Co., Ltd.	Real estate development	Thailand	100	100
Asian Property (2018) Co., Ltd.	Real estate development	Thailand	100	100
AP ME 10 Co., Ltd.	Real estate development	Thailand	-	100
AP ME 11 Co., Ltd.	Real estate development	Thailand	100	100
AP ME 12 Co., Ltd.	Real estate development	Thailand	-	100
AP ME 15 Co., Ltd.	Real estate development	Thailand	-	100
AP ME (Krungthep) Co., Ltd.	Real estate development	Thailand	-	100
AP ME 18 Co., Ltd.	Real estate development	Thailand	100	-
AP (Ekkamai) Co., Ltd.	Real estate development	Thailand	100	-
AP ME 19 Co., Ltd.	Real estate development	Thailand	100	-
AP ME 20 Co., Ltd.	Real estate development	Thailand	100	-

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			2019	2018
<b><u>Held by the subsidiaries of the Company</u></b>				
SQE Construction Co., Ltd. (100 percent held by The Value Property Development Co., Ltd.)	Construction	Thailand	100	100
Asian Property (2017) Co., Ltd. (100 percent held by The Value Property Development Co., Ltd.)	Real estate development	Thailand	100	100
Signature Advisory Partners Ltd. (100 percent held by Thonglor Residence Co., Ltd.)	Real estate development	Thailand	100	100
SEASIA Leadavation Center Co., Ltd. (98 percent held by Asian Property Co., Ltd.)	Service	Thailand	98	98
Clay More Innovation Lab Co., Ltd. (100 percent held by Signature Advisory Partners Ltd.)	Service	Thailand	100	100
RC 1 Co., Ltd. (100 percent held by Signature Advisory Partners Ltd.)	Real estate development	Thailand	100	100
RC 2 Co., Ltd. (100 percent held by Signature Advisory Partners Ltd.)	Real estate development	Thailand	100	100
Vaari Digital Co., Ltd. (100 percent held by Signature Advisory Partners Ltd.)	Service	Thailand	100	100
SEAC (SINGAPORE) PTE. LTD. (100 percent held by SEASIA Leadavation Center Co., Ltd.)	Service	Singapore	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 obtains 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 Group have been eliminated from the consolidated financial statements.
- f) Investments in the subsidiaries as recorded in the Company's books of account are eliminated against the equity of subsidiaries.
- g) The premium of investment exceeds the fair value of net assets of subsidiaries at the acquisition date is presented as goodwill or intangible asset under non-current assets in the consolidated statement of financial position.
- h) The assets and liabilities in the financial statements of an overseas subsidiary are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- i) 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 Group has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's 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.

The Group adopted TFRS 15 using the full retrospective method of adoption. The Group elects to apply the relaxed practice allowing non-disclosure of impact the transition on the current year.

The cumulative effect of the change is described in Note 4.

### **(b) Financial reporting standards that will become 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 Group expects the adoption of these accounting standards to result in the following adjustments.

- Recognition of credit losses - The Group is to recognise an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.

The management of the Group is currently evaluating the impact of these standards on 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 Group is currently evaluating the impact of this standard on the financial statements in the year when they are adopted.

#### 4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standard

As described in Note 3 to the financial statements, during the current year, the Group has adopted TFRS 15 using the full retrospective method of adoption. The cumulative effect of the change in accounting policy is presented as a separate item in the statement of changes in shareholders' equity.

The amounts of the adjustments affecting the statement of financial position and the statement of comprehensive income are summarised below:

(Unit: Thousand Baht)

	Increase (decrease)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2018	1 January 2018	31 December 2018	1 January 2018
<b>Statement of financial position</b>				
<b>Assets</b>				
Assets recognised from the costs to obtain contracts with customers	6,587	214	-	214
Investment in joint ventures	105,982	13,686	-	-
Deferred tax assets	(1,317)	(43)	-	(43)
<b>Total assets</b>	<b>111,252</b>	<b>13,857</b>	<b>-</b>	<b>171</b>
<b>Shareholders' equity</b>				
Retained earnings	111,252	13,857	-	171
<b>Total shareholders' equity</b>	<b>111,252</b>	<b>13,857</b>	<b>-</b>	<b>171</b>
<b>Total liabilities and shareholders' equity</b>	<b>111,252</b>	<b>13,857</b>	<b>-</b>	<b>171</b>

	(Unit: Thousand Baht)	
	For the year ended	
	31 December 2018	
	Increase (decrease)	
	Consolidated	Separate
	financial	financial
	statements	statements
<b>Statement of comprehensive income</b>		
<b>Profit or loss:</b>		
Revenues from sales of real estate	(429,697)	(257,832)
Selling expenses	(436,071)	(257,618)
Share of profit from investments in joint ventures	92,296	-
Income tax expense	1,275	(43)
<b>Profit for the year</b>	<b>97,395</b>	<b>(171)</b>
<b>Attributable to:</b>		
Profit attributable to equity holders of the Company	97,395	(171)
<b>Earnings per share (Baht):</b>		
Basic earnings per share	0.031	-

The nature of these adjustments are described below:

- Commission paid to obtain a contract - The Group has determined that commission paid to obtain a customer contract should be recorded as an asset and amortised to expenses on a systematic basis that is consistent with the pattern of revenue recognition. Under the previous accounting policy, the Group immediately recorded commission as selling expenses when the transaction occurred.
- Consideration paid to customers - The Group paid registration fee for the transfer of houses or condominium units or paid common area fee to the juristic person of house projects or condominium projects on behalf of customers when the customers register the transfer of houses or condominium units. The management of the Group has considered that these transactions are consideration paid to customers. Therefore, they should be recorded as net offsetting with revenue from property sales, not selling expenses as previously recorded.



## **5. Significant accounting policies**

### **5.1 Revenue recognition**

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

Revenues from sales of land and houses and sales of residential condominium are recognised at the point in time when control of the asset are transferred to the customer by transferring the ownership/delivery of the properties. Revenue from sales of real estate is measured at the amount of the consideration received after deducting discounts and consideration paid to customers. The payment condition depends on the payment terms which is stipulated in the contract with customers. Payment in advance from customers, which made before transferring of control of the asset, has been presented under the caption of “Unearned revenue” in the statement of financial position.

#### *Construction income*

Revenue from construction contract is recognised as income on the basis of percentage of completion which is estimated by the proportion that contract costs incurred up to date bear to the estimated total costs.

Provision for anticipated loss from construction contracts will be made in the accounts as soon as the possibility of such loss is ascertained.

Construction income represents revenue from service rendered by a subsidiary to the Group, which has been eliminated from the consolidated financial statements.

#### *Rendering of services*

Service revenue is recognised at a point in time upon completion of the service or recognised over time when services have been rendered taking into account the stage of completion as estimated by project managers.

The obligation to transfer goods or services to a customer for which the Group has received consideration or an amount of consideration is due from the customer is presented under the caption of “Unearned revenue” in the statement of financial position. Contract liabilities are recognised as revenue when the Group performs under the contract.

#### *Interest income*

Interest income is recognised on an accrual basis based on the effective interest rate.

#### *Dividends*

Dividends are recognised when the right to receive the dividends is established.

## **5.2 Cost of sales of real estate**

### *Cost of sales of land and houses/condominium units*

Cost of sales of land and houses/condominium units is determined based on the anticipated total development costs (after considering the actual costs incurred to date) attributed to units already sold on the basis of the salable value, and is recognised as cost of sales in accordance with the revenue recognition.

### *Cost of land*

Cost of land is recognised as cost of sales in accordance with the revenue recognition.

### *Cost of construction*

Cost of construction comprises the costs of materials, labour, subcontractors' charges, other services and overheads, which are recognised on the percentage of completion method.

Cost of construction represents cost on construction projects of a subsidiary providing to the Group, which has been eliminated from the consolidated financial statements.

## **5.3 Cash and cash equivalents**

Cash and cash equivalents consist of cash in 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 accounts receivable**

Trade accounts receivable 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 Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is calculated as detailed below.

### *Land*

Land is valued at cost on a weighted average method (calculated separately for each project) and is recognised as cost in accordance with the revenue recognition.

### *Deferred interest*

Interest expenses relating to project development are recorded as deferred interest, with capitalisation ceasing when the ownership is transferred to buyer. Such deferred interest is recorded as a part of inventories and is recognised as cost of sales in accordance with the average revenue recognition (calculated separately for each project).

### *Infrastructure*

The costs of construction for infrastructure like road, electricity system, water supply system and others are recorded as a part of inventories and are recognised as cost of sales in accordance with the revenue recognition.

### *Deferred project development costs*

Preparation costs and project development costs before sales are recorded as a part of inventories and are recognised as cost of sales in accordance with the revenue recognition.

The Group recognises loss on diminution in value of projects (if any) in profit or loss.

## **5.6 Cost to obtain a contract**

The Group recognises commission paid to obtain a customer contract as an asset and amortised to expenses on a systematic basis that is consistent with the pattern of revenue recognition. An impairment loss is recognised to the extent that the carrying amount of an asset recognised exceeds the remaining amount of consideration that the entity expects to receive less direct costs. Provided that the amortisation period of the asset that the Group otherwise would have used is one year or less, costs to obtain a contract are immediately recognised as expenses.

## **5.7 Investments**

- a) Investments in joint ventures are accounted for in the consolidated financial statements using the equity method.
- b) Investments in subsidiaries and joint ventures are accounted for in the separate financial statements using the cost method.

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

In the event the Group 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 as income or expenses in profit or loss.

## 5.8 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to 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 to their costs on the straight-line basis over estimated useful lives of 20 years. Depreciation of the investment properties is included in determining income.

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. Buildings 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.

Land improvement	-	5 and 10 years
Buildings, buildings improvement and constructions	-	10 and 20 years
Club houses, swimming pool and playground	-	20 years
Sample houses and sales office	-	5 years
Furniture, fixtures and office equipment	-	3 and 5 years
Motor vehicles	-	5 years
Mold	-	3 years
Other fixed assets	-	5 years

Depreciation is included in determining income. No depreciation is provided on land and assets under installation.

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 or development of the projects that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the costs 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.

To the extent that funds are borrowed specifically for the development of projects, interest costs are presented as the actual borrowing costs less any investment income from the temporary investment of those borrowings. To the extent that funds are borrowed and used for the general purposes, the interest costs are determined by applying a capitalisation rate to the expenditures on that project. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the entity that are outstanding during the year, other than borrowings made for specific purposes.

## 5.11 Intangible assets

Intangible assets are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	3 and 5 years

## 5.12 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash-generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

### **5.13 Related party transactions**

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

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

### **5.14 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 other long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are 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 lease. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

## 5.15 Impairment of assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill. 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 Group 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 Group estimates 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. Such reversal is recognised in profit or loss.

## 5.16 Employee benefits

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

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

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

#### ***Defined contribution plans***

The Group and employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

### *Defined benefit plans*

The Group has obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Group treats 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 benefits plans are recognised immediately in other comprehensive income.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognises restructuring-related costs.

## **5.17 Provisions**

Provisions are recognised when the Group has 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 Group recognises 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 Group reviews and reduces 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 Group records 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 Group applies 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 Group measures 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 Group determines 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 from these estimates. Significant judgements and estimates are as follows:

### **Goodwill**

The initial recognition and measurement of goodwill and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

### 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.

### Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

### Litigation

The Group has contingent liabilities as a result of litigation. The Group's managements have used judgement to assess the results of the litigation and believes that provision for such contingent liabilities recorded as at the end of reporting period is sufficient.

## 7. Cash and cash equivalents

Cash and cash equivalents as at 31 December 2019 and 2018 consisted of the following:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Cash	3,430	2,188	2,153	1,038
Deposits at banks	567,346	949,620	135,138	216,952
Total	570,776	951,808	137,291	217,990
Less: Restricted bank deposits	(549)	(549)	(549)	(549)
Cash and cash equivalents	570,227	951,259	136,742	217,441

As at 31 December 2019, bank deposits in savings accounts carried interests between 0.10 and 0.85 percent per annum (2018: between 0.10 and 1.05 percent per annum).

The above restricted bank deposits are bank deposits that the Group has placed with banks to secure letters of guarantee issued by the banks on behalf of the Group.

## 8. Trade and other receivables

As at 31 December 2019 and 2018, the outstanding balances of trade and other receivables were unrelated parties, as detailed below.

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	(Restated)			
Trade receivables:				
<u>Aged on the basis of due dates</u>				
Not yet due	88,989	113,736	70,449	71,449
Past due				
Up to 12 months	46,966	26,144	-	-
Over 12 months	2,605	1,974	-	-
Total trade receivables	138,560	141,854	70,449	71,449
Less: Allowance for doubtful accounts	(2,597)	(1,974)	-	-
Trade receivables - net	135,963	139,880	70,449	71,449
Other receivables:				
Other receivable - the Revenue department	23,278	4,763	-	-
Others	13,185	-	6,175	7,571
Total other receivable	36,463	4,763	6,175	7,571
Less: Allowance for doubtful accounts	(3,246)	(3,246)	-	-
Other receivables - net	33,217	1,517	6,175	7,571
Trade and other receivables - net	169,180	141,397	76,624	79,020

## 9. Inventories

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Land	30,537,395	25,955,880	3,158,361	5,270,827
Land improvement	1,917,478	1,361,053	194,002	318,148
Work in progress	10,846,894	8,929,396	1,891,935	2,730,483
Infrastructures	4,332,058	3,089,778	685,454	1,021,572
Deferred interest expenses	1,139,397	1,005,514	169,294	269,450
Deferred project development costs	942,316	842,794	142,319	241,009
Inventories held for sale	7,704	14,072	7,704	7,704
Construction materials	3,619	2,535	-	-
Other inventories	370	370	-	-
Total	49,727,231	41,201,392	6,249,069	9,859,193
Less: Reduce cost to net realisable value	(12,544)	(52,275)	(544)	(544)
Net	49,714,687	41,149,117	6,248,525	9,858,649

Details of the Group's projects on hand are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Number of projects on hand at beginning of year	85	74	40	53
Completed projects	(16)	(21)	(12)	(14)
New projects	24	29	1	1
Increase in number of projects form changing the status of joint ventures to subsidiary	2	3	-	-
Projects on hand at end of year	95	85	29	40

The Group has mortgaged their land and construction thereon, with total net book value as at 31 December 2019 and 2018 of Baht 31,088 million and Baht 24,342 million, respectively (Separate financial statements: Baht 4,692 million and Baht 7,514 million, respectively), with banks as collateral for overdrafts and loans from those banks, as described in Note 18 and 20.

During the years, the Group included borrowing costs in cost of inventories. These were determined by applying a capitalisation rate which is the weighted average of the financial charges on total borrowings as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Borrowing costs included in cost of inventories (Thousand Baht)	482,621	478,125	-	16,340
Capitalisation rate (Percent per annum)	3.30 - 4.13	2.75 - 4.28	-	2.75 - 3.16

## 10. Related party transactions

During the years, the Group had 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 and those related parties.

(Unit: Thousand Baht)

	For the years ended 31 December				
	Consolidated		Separate		
	financial statements		financial statements		Pricing policy
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
<u>Transactions with subsidiaries</u>					
<i>(eliminated from the consolidated financial statements)</i>					
Guarantee income	-	-	41,407	21,101	At the rate of 1.00% of the average of outstanding guarantee balance
Rental income	-	-	3,908	4,416	At the contractual price
Interest income	-	-	1,031,804	719,067	Interest at rate of 3.30% per annum (2018: 3.10 - 3.30% per annum)
Dividend income	-	-	449,441	633,767	At the declared rate
Cost of sales	-	-	163,035	331,759	At the contractual price
Selling and administrative expenses	-	-	87,950	72,437	Comparable price with third parties
Interest expenses	-	-	34,351	47,526	Interest at rate of 3.30% per annum (2018: 3.10 - 3.30% per annum)
<u>Transactions with joint ventures</u>					
Management income	557,942	480,932	557,942	480,932	At the contractual price
Service income	1,735	12,037	-	-	Comparable price with third parties
Dividend income	-	-	945,115	988,150	At the declared rate
Other income	-	3,358	-	-	At the contractual price
<u>Transactions with related parties</u>					
Selling and administrative expenses	14,938	12,453	14,938	12,453	Comparable price with third parties

As at 31 December 2019 and 2018, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<b>Interest receivable - related parties</b>				
<u>Subsidiaries</u>				
Asian Property (Krungthep) Co., Ltd.	-	-	118,798	30,906
Asian Property Co., Ltd.	-	-	479,738	136,513
The Value Property Development Co., Ltd.	-	-	492,581	78,721
Thonglor Residence Co., Ltd.	-	-	3,180	787
Asian Property (2012) Co., Ltd.	-	-	-	16,293
Asian Property (2014) Co., Ltd.	-	-	25,285	12,232
Asian Property (2018) Co., Ltd.	-	-	76,296	16,363
AP ME 10 Co., Ltd.	-	-	-	565
AP ME 11 Co., Ltd.	-	-	6,346	-
AP ME 12 Co., Ltd.	-	-	-	177
Total interest receivable - related parties	-	-	1,202,224	292,557

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<b>Trade accounts payable - related parties (Note 19)</b>				
<u>Subsidiaries</u>				
Signature Advisory Partners Ltd.	-	-	-	44,175
SQE Construction Co., Ltd.	-	-	1,916	18,585
Total trade accounts payable - related parties	-	-	1,916	62,760
<b>Others payable - related parties (Note 19)</b>				
<u>Subsidiaries</u>				
Asian Property Co., Ltd.	-	-	1	8,154
The Value Property Development Co., Ltd.	-	-	-	5
Smart Service & Management Co., Ltd.	-	-	2,378	1,780
Bangkok CitiSmart Co., Ltd.	-	-	2,970	-
SEASIA Leadavation Center Co., Ltd.	-	-	-	2,606
SQE Construction Co., Ltd.	-	-	-	2,304
Total others payable - related parties	-	-	5,349	14,849
<b>Interest payable - related parties</b>				
<u>Subsidiaries</u>				
AP ME (Krungthep) Co., Ltd.	-	-	-	7,854
AP (Ekkamai) Co., Ltd.	-	-	3,713	-
Thai Big Belly Co., Ltd.	-	-	2,802	475
Asian Property (2012) Co., Ltd.	-	-	3,659	-
Total interest payable - related parties	-	-	10,174	8,329
<b>Retention payable - related party</b>				
<u>Subsidiary</u>				
SQE Construction Co., Ltd.	-	-	201	458
Total retention payable - related party	-	-	201	458

The balances of loans between the Company and those related parties as at 31 December 2019 and 2018, and the movements of are as follows:

### Short-term loans to related parties

Company's name	(Unit: Thousand Baht)			
	Balance as at	During the year		Balance as at
	31 December	Additional	Receiving	31 December
	2018	granting		2019
Asian Property (Krungthep) Co., Ltd.	2,896,000	2,466,500	(2,766,000)	2,596,500
Asian Property Co., Ltd.	12,052,700	8,939,800	(9,319,500)	11,673,000
The Value Property Development Co., Ltd.	8,611,000	11,484,000	(3,483,000)	16,612,000
Thonglor Residence Co., Ltd.	44,100	85,300	(35,000)	94,400
Asian Property (2012) Co., Ltd.	695,600	14,000	(709,600)	-
Asian Property (2014) Co., Ltd.	492,000	289,000	(537,000)	244,000
Asian Property (2018) Co., Ltd.	1,548,000	728,500	(132,000)	2,144,500
AP ME 10 Co., Ltd.	211,000	730,000	(941,000)	-
AP ME 11 Co., Ltd.	-	424,000	-	424,000
AP ME 12 Co., Ltd.	174,000	1,901,020	(2,075,020)	-
AP ME 15 Co., Ltd.	-	1,597,000	(1,597,000)	-
AP ME 16 Co., Ltd.	-	110,000	(110,000)	-
AP ME 17 Co., Ltd.	-	484,000	(484,000)	-
AP ME 18 Co., Ltd.	-	33,000	(33,000)	-
Total short-term loans to related parties	26,724,400	29,286,120	(22,222,120)	33,788,400

### Short-term loans from related parties

Company's name	(Unit: Thousand Baht)			
	Balance as at	During the year		Balance as at
	31 December	Additional	Repayment	31 December
	2018	granting		2019
Asian Property (2012) Co., Ltd.	-	384,000	(12,000)	372,000
Asian Property (2015) Co., Ltd.	-	527,000	(527,000)	-
AP ME (Krungthep) Co., Ltd.	820,300	97,000	(917,300)	-
AP (Ekkamai) Co., Ltd.	-	651,000	(10,000)	641,000
Thai Big Belly Co., Ltd.	81,000	10,000	(25,000)	66,000
Total short-term loans from related parties	901,300	1,669,000	(1,491,300)	1,079,000

The above loans to and loans from related parties are in the form of promissory notes, which are uncollaterised and due at call.

### Directors' and management's remuneration

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

	(Unit: Thousand Baht)	
	Consolidated and separate	
	financial statements	
	<u>2019</u>	<u>2018</u>
Short-term employee benefits	156,744	168,167
Post-employment benefits	7,054	8,472
Total	<u>163,798</u>	<u>176,639</u>

### Guarantee obligations with related parties

The Company had outstanding guarantee obligations with its related parties, as described in Note 31.4 a) to the financial statements.

## **11. Assets recognised from the costs to obtain a contract with a customer**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		(Restated)
Net book value at beginning of year	6,587	-	-	-
Addition	38,599	20,041	-	791
Amortisation	(8,535)	(13,454)	-	(791)
Net book value at end of year	<u>36,651</u>	<u>6,587</u>	<u>-</u>	<u>-</u>



## 12. Investments in subsidiaries

12.1 Details of investments in subsidiaries as presented in the separate financial statements are as follows;

(Unit: Million Baht)													
Company's name	Nature of business	Paid-up share capital		Percentage of shareholding		Investment value under cost method		Allowance for impairment of investments		Investments in subsidiaries - net		Dividend received for the years	
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
				Percent	Percent								
Asian Property (Krungthep) Co., Ltd.	Real estate development	300	300	100	100	294	294	-	-	294	294	-	-
Asian Property Co., Ltd.	Real estate development	2,000	896	100	100	1,511	407	-	-	1,511	407	-	-
The Value Property Development Co., Ltd.	Real estate development	2,000	500	100	100	2,000	500	-	-	2,000	500	-	-
Smart Service & Management Co., Ltd.	Service	5	5	100	100	5	5	-	-	5	5	40	-
Bangkok CitiSmart Co., Ltd.	Service	4	4	100	100	4	4	-	-	4	4	30	-
Thonglor Residence Co., Ltd.	Real estate development	50	39	100	100	50	39	(25)	(25)	25	14	-	-
Asian Property (2011) Co., Ltd.	Real estate development	-	-	-	-	-	-	-	-	-	-	-	15
Asian Property (2012) Co., Ltd.	Real estate development	300	300	100	100	300	300	-	-	300	300	-	-
Asian Property (2013) Co., Ltd.	Real estate development	-	-	-	-	-	-	-	-	-	-	-	502
Thai Big Belly Co., Ltd.	Real estate development	50	50	100	100	50	50	-	-	50	50	25	-
Asian Property (2014) Co., Ltd.	Real estate development	400	400	100	100	400	400	-	-	400	400	220	-
Asian Property (2018) Co., Ltd.	Real estate development	1	1	100	100	1	1	-	-	1	1	-	-
AP ME (Krungthep) Co., Ltd.	Real estate development	-	768	-	100	-	770	-	-	-	770	119	-
AP ME (Sukhumvit) Co., Ltd.	Real estate development	-	-	-	-	-	-	-	-	-	-	-	31
AP ME (Asoke) Co., Ltd.	Real estate development	-	-	-	-	-	-	-	-	-	-	-	86
AP ME 10 Co., Ltd.	Real estate development	-	1	-	100	-	1	-	-	-	1	-	-
AP ME 11 Co., Ltd.	Real estate development	1	1	100	100	1	1	-	-	1	1	-	-
AP ME 12 Co., Ltd.	Real estate development	-	1	-	100	-	1	-	-	-	1	-	-
AP ME 15 Co., Ltd.	Real estate development	-	1	-	100	-	1	-	-	-	1	-	-
AP ME 18 Co., Ltd.	Real estate development	1	-	100	-	1	-	-	-	1	-	-	-
Asian Property (2015) Co., Ltd.	Real estate development	-	-	-	-	-	-	-	-	-	-	15	-
AP (Ekamai) Co., Ltd.	Real estate development	359	-	100	-	433	-	-	-	433	-	-	-
AP ME 19 Co., Ltd.	Real estate development	1	-	100	-	1	-	-	-	1	-	-	-
AP ME 20 Co., Ltd.	Real estate development	1	-	100	-	1	-	-	-	1	-	-	-
Total investments in subsidiaries						5,052	2,774	(25)	(25)	5,027	2,749	449	634

## 12.2 Significant changes in investments in subsidiaries

### **Establishment of new subsidiaries**

Regarding the resolution of the Company's Board of Directors during 2018 and 2019, the Company has established additional subsidiaries in 2019 as follows:

- (a) Establishment of AP ME 16 Co., Ltd. with the registered capital of Baht 1 million, comprising 0.1 million ordinary shares of Baht 10 each, in which the Company holds 99.99% interest. This company registered its establishment with the Ministry of Commerce on 22 February 2019.
- (b) Establishment of AP ME 17 Co., Ltd. with the registered capital of Baht 1 million, comprising 0.1 million ordinary shares of Baht 10 each, in which the Company holds 99.99% interest. This company registered its establishment with the Ministry of Commerce on 22 February 2019.
- (c) Establishment of AP ME 18 Co., Ltd. with the registered capital of Baht 1 million, comprising 0.1 million ordinary shares of Baht 10 each, in which the Company holds 99.99% interest. This company registered its establishment with the Ministry of Commerce on 22 February 2019.
- (d) Establishment of AP ME 19 Co., Ltd. with the registered capital of Baht 1 million, comprising 0.1 million ordinary shares of Baht 10 each, in which the Company holds 99.99% interest. This company registered its establishment with the Ministry of Commerce on 30 September 2019.
- (e) Establishment of AP ME 20 Co., Ltd. with the registered capital of Baht 1 million, comprising 0.1 million ordinary shares of Baht 10 each, in which the Company holds 99.99% interest. This company registered its establishment with the Ministry of Commerce on 30 September 2019.

### **Additionally invested in subsidiaries**

#### Asian Property (2015) Co., Ltd.

On 12 March 2019, the meeting of the Company's Board of Directors passed a resolution to purchase ordinary shares of Asian Property (2015) Co., Ltd. from Premium Residence Co., Ltd., the Company's joint venture; of 66 million ordinary shares or equivalent to 99.99 percent of the share capital at the price of Baht 7.33 each, or a total of Baht 484 million. The Company had purchased and signed the share transfer documents of the aforementioned ordinary shares on 27 March 2019. As a result, the status of this company changed to the subsidiary of the Company and the financial statements of Asian Property (2015) Co., Ltd. had been included in the consolidated financial statements since 27 March 2019, which is the date on which the Company assumed control.

Management of the Company determined that the acquisition of the investment in this company was an asset acquisition. The carrying values of the assets and liabilities of Asian Property (2015) Co., Ltd. at the acquisition date were as summarised below.

	(Unit: Thousand Baht)
Cash and cash equivalents	10,188
Short-term loan to related party	527,000
Other current assets	242
Equipment	11
Investment properties	1,399
Deferred tax assets	4,577
Other non-current assets	9
Trade and other payables	(19,573)
Accrued expenses related to the project	(22,885)
Accrued expenses	(32)
Income tax payables	(14,809)
Other current liabilities	(171)
Other non-current liabilities	(1,240)
Net assets	<u>484,716</u>
Cash paid for investments in subsidiary	484,000
Less: Cash and cash equivalents of the subsidiary	<u>(10,188)</u>
Net cash paid for investments in subsidiary	<u>473,812</u>

AP (Ekkamai) Co., Ltd.

On 29 October 2019, the meeting of the Company's Board of Directors passed a resolution to purchase ordinary shares of AP (Ekkamai) Co., Ltd. from MJRI (Thailand) Co., Ltd. of 20.58 million ordinary shares at the price of Baht 12.16 each, or a total of Baht 250.2 million. The Company had purchased and signed the share transfer documents of the aforementioned ordinary shares on 29 October 2019. As a result, the Company's shareholding in this company increased from 51.00% to 99.99% and the status of this company changed to the subsidiary of the Company and the financial statements of AP (Ekkamai) Co., Ltd. had been included in the consolidated financial statements since 29 October 2019, which is the date on which the Company assumed control.

Management of the Company determined that the acquisition of the investment in this company was an asset acquisition. The carrying values of the assets and liabilities of AP (Ekkamai) Co., Ltd. at the acquisition date were as summarised below.

	(Unit: Thousand Baht)
Cash and cash equivalents	5,586
Short-term loan to related party	650,000
Interest receivable - related party	176
Equipment	89
Investment properties	1,316
Deferred tax assets	4,769
Trade and other payables	(82,688)
Accrued expenses related to the project	(23,845)
Accrued expenses	(1,318)
Income tax payables	(29,690)
Other current liabilities	(53)
Other non-current liabilities	(1,209)
Net assets	<u>523,133</u>
Cash paid for investments in subsidiary	250,200
Less: Cash and cash equivalents of the subsidiary	<u>(5,586)</u>
Net cash paid for investments in subsidiary	<u>244,614</u>

### **Dissolution of subsidiary companies**

On 29 August 2019, the Extraordinary General Meeting of the shareholders of Asian Property (2015) Co., Ltd. and AP ME (Krungthep) Co., Ltd. resolved to approve the dissolution of these entities. These 2 subsidiary companies registered their dissolution with the Ministry of Commerce on 29 August 2019.

On 29 August 2019, these 2 subsidiary companies entered into entire business transfer agreement to transfer their business to Asian Property Co., Ltd., whereby the assets and liabilities were transferred to Asian Property Co., Ltd. at the book values of net assets and liabilities which was calculated based on these 2 subsidiaries' financial statements as at 29 August 2019. Therefore, Asia Property Co., Ltd. received of Baht 55.78 million from these 2 subsidiaries.

The Company received the return on its investment as a result of the dissolution of Asian Property (2015) Co., Ltd. and AP ME (Krungthep) Co., Ltd., at the rate of Baht 11.0 per share and Baht 10.35 per share, respectively, or totaling Baht 1,253.88 million. The Company recognised gain on dissolution of these 2 subsidiaries totaling Baht 17.51 million in the separate financial statement.

On 7 October 2019, these 2 subsidiaries had registered the completion of the liquidation process with the Ministry of Commerce.

### **Increase in share capital of the subsidiaries**

#### **The Value Property Development Co., Ltd.**

On 17 May 2019, the Extraordinary General Meeting of shareholders of The Value Property Development Co., Ltd. approved to increase its registered share capital by Baht 1,500 million (150 million ordinary shares of Baht 10 each) from Baht 500 million (50 million ordinary shares of Baht 10 each) to Baht 2,000 million (200 million ordinary shares of Baht 10 each). This company registered the increase of its share capital with the Ministry of Commerce on 21 May 2019.

#### **Asian Property Co., Ltd.**

On 17 May 2019, the Extraordinary General Meeting of shareholders of Asian Property Co., Ltd. approved to increase its registered share capital by Baht 1,104 million (110.4 million ordinary shares of Baht 10 each) from Baht 896 million (89.6 million ordinary shares of Baht 10 each) to Baht 2,000 million (200 million ordinary shares of Baht 10 each). This company registered the increase of its share capital with the Ministry of Commerce on 22 May 2019.

#### **Thonglor Residence Co., Ltd.**

On 19 December 2019, the Extraordinary General Meeting of shareholders of Thonglor Residence Co., Ltd. approved to increase its registered share capital by Baht 11 million (1.1 million ordinary shares of Baht 10 each) from Baht 39 million (3.9 million ordinary shares of Baht 10 each) to Baht 50 million (5 million ordinary shares of Baht 10 each). This company registered the increase of its share capital with the Ministry of Commerce on 23 December 2019.

#### **Signature Advisory Partners Ltd.**

On 19 December 2019, the Extraordinary General Meeting of shareholders of Signature Advisory Partners Ltd. approved to increase its registered share capital by Baht 11 million (1.1 million ordinary shares of Baht 10 each) from Baht 30 million (3.0 million ordinary shares of Baht 10 each) to Baht 41 million (4.1 million ordinary shares of Baht 10 each). This company registered the increase of its share capital with the Ministry of Commerce on 24 December 2019.

#### Clay More Innovation Lab Co., Ltd.

On 19 December 2019, the Extraordinary General Meeting of shareholders of Clay More Innovation Lab Co., Ltd. approved to increase its registered share capital by Baht 11 million (1.1 million ordinary shares of Baht 10 each) from Baht 5 million (0.5 million ordinary shares of Baht 10 each) to Baht 16 million (1.6 million ordinary shares of Baht 10 each). This company registered the increase of its share capital with the Ministry of Commerce on 23 December 2019.

#### SEASIA Leadavation Center Co., Ltd.

On 19 December 2019, the Extraordinary General Meeting of shareholders of SEASIA Leadavation Center Co., Ltd. approved to increase its registered share capital by Baht 200 million (20 million ordinary shares of Baht 10 each) from Baht 300 million (30 million ordinary shares of Baht 10 each) to Baht 500 million (50 million ordinary shares of Baht 10 each). This company registered the increase of its share capital with the Ministry of Commerce on 24 December 2019.

### **Sales of investments in subsidiaries**

#### AP ME 12 Co., Ltd.

On 25 June 2019, the Company sold investment in AP ME 12 Co., Ltd. to Premium Residence Co., Ltd., which is a joint venture company between AP (Thailand) Public Company Limited and MJRI (Thailand) Co., Ltd. totaling Baht 42.6 million. The Company recognised gain from sales of investment of approximately Baht 27.3 million in the consolidated financial statements (Baht 41.6 million in the separate financial statements). Therefore, the status of this company was changed to subsidiary of Premium Residence Co., Ltd., the Company's joint venture, as mentioned in Note 13.

#### AP ME 10 Co., Ltd.

On 25 September 2019, the Company sold investment in AP ME 10 Co., Ltd. to Premium Residence Co., Ltd., which is a joint venture company between AP (Thailand) Public Company Limited and MJRI (Thailand) Co., Ltd. totaling Baht 40.3 million. The Company recognised gain from sales of investment of approximately Baht 23.1 million in the consolidated financial statements (Baht 39.3 million in the separate financial statements). Therefore, the status of this company was changed to subsidiary of Premium Residence Co., Ltd., the Company's joint venture, as mentioned in Note 13.

#### AP ME 15 Co., Ltd.

On 25 September 2019, the Company sold investment in AP ME 15 Co., Ltd. to Premium Residence Co., Ltd., which is a joint venture company between AP (Thailand) Public Company Limited and MJRI (Thailand) Co., Ltd. totaling Baht 32.6 million. The Company recognised gain from sales of investment of approximately Baht 20.3 million in the consolidated financial statements (Baht 31.6 million in the separate financial statements). Therefore, the status of this company was changed to subsidiary of Premium Residence Co., Ltd., the Company's joint venture, as mentioned in Note 13.

#### AP ME 16 Co., Ltd.

On 26 November 2019, the Company sold investment in AP ME 16 Co., Ltd. to Premium Residence Co., Ltd., which is a joint venture company between AP (Thailand) Public Company Limited and MJRI (Thailand) Co., Ltd. totaling Baht 5.4 million. The Company recognised gain from sales of investment of approximately Baht 3.0 million in the consolidated financial statements (Baht 4.4 million in the separate financial statements). Therefore, the status of this company was changed to subsidiary of Premium Residence Co., Ltd., the Company's joint venture, as mentioned in Note 13.

#### AP ME 17 Co., Ltd.

On 26 November 2019, the Company sold investment in AP ME 17 Co., Ltd. to Premium Residence Co., Ltd., which is a joint venture company between AP (Thailand) Public Company Limited and MJRI (Thailand) Co., Ltd. totaling Baht 5.8 million. The Company recognised gain from sales of investment of approximately Baht 3.2 million in the consolidated financial statements (Baht 4.8 million in the separate financial statements). Therefore, the status of this company was changed to subsidiary of Premium Residence Co., Ltd., the Company's joint venture, as mentioned in Note 13.

### 13. Investments in joint ventures

#### 13.1 Details of investments in joint ventures:

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

		(Unit: Million Baht)							
Joint ventures	Nature of business	Shareholding percentage		Separate financial statements		Consolidated financial statements		Separate financial statements	
				Cost		Carrying amounts based on equity method		Dividend received during the year	
		2019	2018	2019	2018	2019	2018	2019	2018
		(%)	(%)			(Restated)			
AP ME (Sukhumvit) Co., Ltd.	Real estate development	-	-	-	-	-	-	-	21
AP ME (Krungthep) Co., Ltd.	Real estate development	-	-	-	-	-	-	-	7
AP ME (Asoke) Co., Ltd.	Real estate development	-	-	-	-	-	-	-	24
AP (Ekkamai) Co., Ltd.	Real estate development	-	51	-	183	-	270	375	-
Premium Residence Co., Ltd. and its subsidiaries	Real estate development	51	51	5,822	4,582	5,453	4,227	570	936
Total				5,822	4,765	5,453	4,497	945	988



### 13.2 Share of comprehensive income from investments in joint ventures

During the years, the Company recognised its share of comprehensive income from investments in the joint venture in the consolidated financial statements as follows:

(Unit: Million Baht)		
Joint ventures	Consolidated financial statements	
	For the years ended 31 December	
	2019	2018 (Restated)
AP ME (Sukhumvit) Co., Ltd.	-	13
AP ME (Krungthep) Co., Ltd.	-	16
AP ME (Asoke) Co., Ltd.	-	29
AP (Ekkamai) Co., Ltd.	372	139
Premium Residence Co., Ltd. and its subsidiaries	637	1,020
Total	1,009	1,217

### 13.3 Summarised financial information about material joint ventures

Summarised information about financial position

(Unit: Million Baht)	
	31 December 2019
	Premium Residence Co., Ltd. and its subsidiaries
Cash and cash equivalents	902
Other current assets	28,356
Non-current assets	890
	30,148
Short-term loans	1,668
Current liabilities	5,111
Long-term loans	12,053
Other non-current liabilities	135
	18,967
Net assets	11,181
Shareholding percentage (%)	51
<b>Share of net assets</b>	5,702
Elimination	(249)
<b>Carrying amounts of joint ventures based on equity method</b>	5,453

(Unit: Million Baht)

31 December 2018

	Premium Residence Co., Ltd. and its subsidiaries (Restated)	AP (Ekkamai) Co., Ltd. (Restated)
Cash and cash equivalents	1,331	125
Other current assets	19,863	773
Non-current assets	687	3
	<u>21,881</u>	<u>901</u>
Short-term loans	40	-
Current liabilities	4,085	368
Long-term loans	9,019	-
Other non-current liabilities	85	4
	<u>13,229</u>	<u>372</u>
Net assets	8,652	529
Shareholding percentage (%)	51	51
<b>Share of net assets</b>	4,412	270
Elimination	(185)	-
<b>Carrying amounts of joint ventures based on equity method</b>	<u>4,227</u>	<u>270</u>

These joint ventures have mortgaged their land, with a total net book value as at 31 December 2019 of approximately Baht 26,870 million (the Company's proportion: Baht 13,704 million), as collateral for credit facilities granted by the commercial banks (2018: Baht 17,387 million (the Company's proportion: Baht 8,867 million)).

Summarised information about comprehensive income

(Unit: Million Baht)

For the year ended 31 December 2019

	AP (Ekkamai) Co., Ltd. (Restated)	Premium Residence Co., Ltd. and its subsidiaries (Restated)
Revenues	1,877	6,773
Interest income	3	8
Interest expenses	-	(23)
Income tax expenses	(182)	(345)
Profit	729	1,218
Total comprehensive income	729	1,218

(Unit: Million Baht)

For the year ended 31 December 2018					Premium Residence Co., Ltd. and its subsidiaries
	AP ME (Sukhumvit) Co., Ltd.	AP ME (Krungthep) Co., Ltd.	AP ME (Asoke) Co., Ltd.	AP (Ekkamai) Co., Ltd.	
	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)
Revenues	23	220	209	847	8,940
Interest income	3	1	-	-	12
Interest expenses	-	-	-	(4)	(28)
Income tax expenses	(7)	(8)	(14)	(68)	(505)
Profit	26	32	56	272	1,984
Total comprehensive income	26	32	56	272	1,984

### 13.4 Changes in investments in joint ventures

#### Premium Residence Co., Ltd.

On 25 December 2017, the Extraordinary General Meeting of shareholders of Premium Residence Co., Ltd. approved to increase its registered share capital by Baht 2,000 million. During the current year, the additional call up of registered share capital was made as follows:

- On 12 July 2019, the forth call up of this additional registered share capital had been paid at 17.3 percent of additional registered share capital or equivalent to Baht 346 million.
- On 25 September 2019, the fifth call up of this additional registered share capital had been paid at 14.4 percent of additional registered share capital or equivalent to Baht 288.3 million.

As a result, the additional Baht 2,000 million share capital was paid up fully.

On 25 June 2019, the Extraordinary General Meeting of shareholders of Premium Residence Co., Ltd. approved to increase its registered share capital by Baht 1,000 million (100 million ordinary shares of Baht 10 each) from Baht 9,619.4 million (961.9 million ordinary shares of Baht 10 each) to Baht 10,619.4 million (1,061.9 million ordinary shares of Baht 10 each). This company registered the increase of its share capital with the Ministry of Commerce on 26 June 2019. During the current year, the additional call up of registered share capital was made as follows:

- On 26 June 2019, the first call up of registered share capital had been paid at 35.1 percent of additional registered share capital or equivalent to Baht 351 million.
- On 15 October 2019, the second call up of registered share capital had been paid at 23 percent of additional registered share capital or equivalent to Baht 230 million.

- On 26 November 2019, the third call up of registered share capital had been paid at 31 percent of additional registered share capital or equivalent to Baht 310 million.

On 25 September 2019, the Extraordinary General Meeting of shareholders of Premium Residence Co., Ltd. additionally approved to increase its registered share capital by Baht 2,000 million (200 million ordinary shares of Baht 10 each) from Baht 10,619.4 million (1,061.9 million ordinary shares of Baht 10 each) to Baht 12,619.4 million (1,261.9 million ordinary shares of Baht 10 each). This company registered the increase of its share capital with the Ministry of Commerce on 26 September 2019 and the first call up was made at 45.2 percent of this additional registered share capital or equivalent to Baht 904.7 million.

#### 14. Land and cost of project held for development

Land and cost of project held for development as at 31 December 2019 and 2018 consisted of the following:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	745,393	745,393	165,719	165,719
Land improvement	18,980	18,980	-	-
Construction	2,691	2,691	-	-
Infrastructure	13,036	13,036	-	-
Deferred interest expenses	239,153	239,153	-	-
Deferred expenses	18,434	18,434	-	-
Total	1,037,687	1,037,687	165,719	165,719
Less: Allowance for impairment loss	(358,614)	(358,614)	(18,963)	(18,963)
Land and cost of project held for development - net	<u>679,073</u>	<u>679,073</u>	<u>146,756</u>	<u>146,756</u>

#### 15. Investment properties

The net book value of investment properties, representing condominium units for rent, as at 31 December 2019 and 2018 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cost	99,727	97,258	67,378	67,378
Less: Accumulated depreciation	(27,099)	(22,432)	(21,706)	(18,337)
Net book value	<u>72,628</u>	<u>74,826</u>	<u>45,672</u>	<u>49,041</u>

A reconciliation of the net book value of investment properties for the years 2019 and 2018 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Net book value at beginning of year	74,826	70,648	49,041	52,410
Transfer from inventories	-	4,556	-	-
Increase from changing the status of joint ventures to subsidiaries	2,715	4,287	-	-
Depreciation charged during the year	<u>(4,913)</u>	<u>(4,665)</u>	<u>(3,369)</u>	<u>(3,369)</u>
Net book value at end of year	<u>72,628</u>	<u>74,826</u>	<u>45,672</u>	<u>49,041</u>

The fair value of the investment properties as at 31 December 2019 is approximately Baht 372 million (Separate financial statements: Baht 235 million) (2018: Baht 346 million (Separate financial statements: Baht 230 million)). The fair value has been determined based on comparable market price by referring to the purchase-sale information and the comparable transactions of the assets bought-sold during the same period, taking into account the location, size and shape of land, type and condition of the assets.

## 16. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements										
	Land and improvement	Buildings and constructions	Club houses, swimming pool and play ground	Sample houses and sales office	Furniture, fixtures and equipment	Motor vehicles	Mold	Other fixed assets	Assets under installation	Total
<b>Cost</b>										
1 January 2018	26,216	9,785	42,473	588	419,093	3,713	63,802	65,593	1,718	632,981
Additions	-	-	-	-	35,517	-	17,778	16,341	143,689	213,325
Increase from changing the status of joint ventures to subsidiaries	-	-	-	-	302	-	-	209	-	511
Disposals/write-off	-	-	-	-	(53,034)	-	(7,749)	(12,813)	-	(73,596)
Transfer in (out)	-	-	-	-	44,038	-	-	9,925	(56,245)	(2,282)
31 December 2018	26,216	9,785	42,473	588	445,916	3,713	73,831	79,255	89,162	770,939
Additions	-	-	-	-	149,761	-	6,187	19,410	25,264	200,622
Increase from changing the status of joint ventures to subsidiaries	-	-	-	-	369	-	-	45	-	414
Disposals/write-off	-	-	-	-	(33,649)	-	(15,119)	(8,005)	(11,654)	(68,427)
Transfer to intangible asset	-	-	-	-	-	-	-	-	(37,731)	(37,731)
Transfer in (out)	-	-	-	-	35,540	-	-	-	(35,540)	-
31 December 2019	26,216	9,785	42,473	588	597,937	3,713	64,899	90,705	29,501	865,817
<b>Accumulated depreciation</b>										
1 January 2018	6,992	5,319	36,780	588	210,886	2,091	47,212	47,475	-	357,343
Depreciation for the year	331	306	-	-	45,401	527	10,620	8,043	-	65,228
Increase from changing the status of joint ventures to subsidiaries	-	-	-	-	220	-	-	136	-	356
Depreciation on disposals/write-off	-	-	-	-	(50,775)	-	(7,155)	(12,304)	-	(70,234)
31 December 2018	7,323	5,625	36,780	588	205,732	2,618	50,677	43,350	-	352,693
Depreciation for the year	331	295	-	-	61,266	334	11,661	12,703	-	86,590
Increase from changing the status of joint ventures to subsidiaries	-	-	-	-	280	-	-	34	-	314
Depreciation on disposals/write-off	-	-	-	-	(31,867)	-	(13,568)	(6,934)	-	(52,369)
31 December 2019	7,654	5,920	36,780	588	235,411	2,952	48,770	49,153	-	387,228

(Unit: Thousand Baht)

## Consolidated financial statements (continued)

	Land and improvement	Buildings and constructions	Club houses, swimming pool and play ground	Sample houses and sales office	Furniture, fixtures and equipment	Motor vehicles	Mold	Other fixed assets	Assets under installation	Total
<b>Allowance for impairment loss</b>										
31 December 2017	4,802	32	5,693	-	-	-	-	-	-	10,527
Reversal during the year	-	(21)	-	-	-	-	-	-	-	(21)
31 December 2018	4,802	11	5,693	-	-	-	-	-	-	10,506
Reversal during the year	-	(11)	-	-	-	-	-	-	-	(11)
31 December 2019	4,802	-	5,693	-	-	-	-	-	-	10,495
<b>Net book value</b>										
31 December 2018	14,091	4,149	-	-	240,184	1,095	23,154	35,905	89,162	407,740
31 December 2019	13,760	3,865	-	-	362,526	761	16,129	41,552	29,501	468,094
<b>Depreciation for the year</b>										
2018 (included in the administrative expenses)										65,228
2019 (included in the administrative expenses)										86,590

(Unit: Thousand Baht)

	Separate financial statements					
	Land and land improvement	Buildings and constructions	Furniture, fixtures and equipment	Other fixed assets	Assets under installation	Total
<b>Cost</b>						
1 January 2018	22,907	4,085	220,578	35,491	605	283,666
Additions	-	-	21,897	9,219	85,102	116,218
Disposals/write-off	-	-	(44,425)	(10,059)	-	(54,484)
Transfer in (out)	-	-	34,330	9,925	(44,255)	-
31 December 2018	22,907	4,085	232,380	44,576	41,452	345,400
Additions	-	-	126,976	13,234	22,384	162,594
Disposals/write-off	-	-	(28,701)	(5,511)	-	(34,212)
Transfer to intangible asset	-	-	-	-	(15,870)	(15,870)
Transfer in (out)	-	-	19,807	-	(19,807)	-
31 December 2019	22,907	4,085	350,462	52,299	28,159	457,912
<b>Accumulated depreciation</b>						
1 January 2018	5,511	4,053	178,816	26,513	-	214,893
Depreciation for the year	-	21	21,297	4,491	-	25,809
Depreciation on disposals/write-off	-	-	(43,577)	(9,770)	-	(53,347)
31 December 2018	5,511	4,074	156,536	21,234	-	187,355
Depreciation for the year	-	11	31,800	8,586	-	40,397
Depreciation on disposals/write-off	-	-	(27,592)	(5,066)	-	(32,658)
31 December 2019	5,511	4,085	160,744	24,754	-	195,094



(Unit: Thousand Baht)

	Separate financial statements (continued)					
	Land and land improvement	Buildings and constructions	Furniture, fixtures and equipment	Other fixed assets	Assets under installation	Total
<b>Allowance for impairment loss</b>						
31 December 2017	4,802	32	-	-	-	4,834
Reversal during the year	-	(21)	-	-	-	(21)
31 December 2018	4,802	11	-	-	-	4,813
Reversal during the year	-	(11)	-	-	-	(11)
31 December 2019	4,802	-	-	-	-	4,802
<b>Net book value</b>						
31 December 2018	12,594	-	75,844	23,342	41,452	153,232
31 December 2019	12,594	-	189,718	27,545	28,159	258,016
<b>Depreciation for the year</b>						
2018 (included in the administrative expenses)						25,809
2019 (included in the administrative expenses)						40,397

As at 31 December 2019 and 2018, certain plant and equipment items of the Group have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment loss) of those assets amounted to approximately Baht 360 million and Baht 235 million, respectively (Separate financial statements: Baht 254 million and Baht 129 million, respectively).

## 17. Intangible assets

The net book value of intangible asset, representing computer software, as at 31 December 2019 and 2018 is presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Cost</b>		
1 January 2018	166,901	152,367
Additions	2,148	694
Transferred from asset under installation	2,282	-
Disposals	(4,562)	(4,416)
31 December 2018	166,769	148,645
Additions	85,427	33,217
Transferred from asset under installation	37,731	15,870
31 December 2019	289,927	197,732
<b>Accumulated amortisation</b>		
1 January 2018	137,566	126,846
Amortisation for the year	15,880	14,025
Disposals	(4,020)	(3,874)
31 December 2018	149,426	136,997
Amortisation for the year	26,992	17,805
31 December 2019	176,418	154,802
<b>Net book value</b>		
31 December 2018	17,343	11,648
31 December 2019	113,509	42,930
<b>Amortisation for the year</b>		
2018 (included in the administrative expenses)	15,880	14,025
2019 (included in the administrative expenses)	26,992	17,805

## 18. Short-term loans from financial institutions

Short-term loans from financial institutions as at 31 December 2019 and 2018 comprised the following:

	Interest rate		Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2019	2018	2019	2018	2019	2018
	(percent per annum)	(percent per annum)				
Bill of exchanges	1.50 - 2.70	1.88 - 2.78	8,213,550	3,190,000	7,405,000	2,480,000
Less: Prepaid interest expenses			(33,403)	(5,368)	(33,403)	(5,368)
Short-term loans from financial institutions			<u>8,180,147</u>	<u>3,184,632</u>	<u>7,371,597</u>	<u>2,474,632</u>

Certain in bank overdrafts and short-term loans from financial institutions of the Group are secured by the mortgage of land of certain projects of the Group and are guaranteed by the Company.

## 19. Trade and other payables

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2019	2018	2019	2018
Trade accounts payable - related parties	-	-	1,916	62,760
Trade accounts payable - unrelated parties	1,531,452	1,416,645	522,958	620,671
Other payables - the Revenue Department	48,547	44,428	12,694	17,043
Other payables - related parties	-	-	5,349	14,849
Other payables - unrelated parties	173,494	156,080	18,531	55,735
Total trade and other payables	<u>1,753,493</u>	<u>1,617,153</u>	<u>561,448</u>	<u>771,058</u>

## 20. Long-term loans

Long-term loans from bank as at 31 December 2019 and 2018 can be summarised as follows:

(Unit: Thousand Baht)								
			Significant terms and conditions of loan agreement			Outstanding long-term loan amount		
No.	Lender	Credit facilities	Repayment term	Collateral	Interest rate	Current portion	Non-current portion	Total
						(Percent per annum)		
<b><u>2019</u></b>								
<b><u>The Company</u></b>								
1.	Bank	533,000	At 70 percent of selling price upon release of the mortgage and due within 2023	The mortgage of land and construction thereon	MLR-2.00	-	210,000	210,000
Total loans of the Company						-	210,000	210,000
<b><u>Subsidiaries</u></b>								
<b><u>Asian Property Co., Ltd.</u></b>								
1.	Bank	4,156,000	At 60 percent of selling price upon release of the mortgage and due within 2023	The mortgage of land and construction thereon	MLR-2.15	-	220,000	220,000
<b><u>The Value Property Development Co., Ltd.</u></b>								
2.	Bank	2,121,000	At 50 percent of selling price upon release of the mortgage and due within 2023	The mortgage of land and construction thereon	MLR-2.125 to MLR-2.15	-	397,000	397,000
Total loans of the subsidiaries						-	617,000	617,000
Total loans of the Group						-	827,000	827,000

(Unit: Thousand Baht)

No.	Lender	Credit facilities	Significant terms and conditions of loan agreement			Outstanding long-term loan amount		
			Repayment term	Collateral	Interest rate (Percent per annum)	Current portion	Non-current portion	Total
<u>2018</u>								
<u>The Company</u>								
1.	Bank	1,576,750	At 70 percent of selling price upon release of the mortgage and due within 2020	The mortgage of land and construction thereon	MLR-2.00	-	120,000	120,000
Total loans of the Company						-	120,000	120,000
<u>Subsidiary</u>								
<u>Asian Property Co., Ltd.</u>								
1.	Bank	2,742,000	At 70 percent of selling price upon release of the mortgage and due within 2022	The mortgage of land and construction thereon	MLR-2.15 to MLR-2.00	-	20,000	20,000
Total loans of the subsidiary						-	20,000	20,000
Total loans of the Group						-	140,000	140,000

These loan agreements contain several covenants and restrictions which, among other things, require the Company and its subsidiaries to maintain debt service coverage ratio at the rate prescribed in the agreements.

As at 31 December 2019, the long-term credit facilities of the Group which have not yet been drawn down amounted to Baht 6,296 million (Separate financial statements: Baht 323 million) (2018: Baht 4,617 million (Separate financial statements: Baht 1,314 million)).

## 21. Debentures

Debentures as at 31 December 2019 and 2018, which are unsubordinated, unsecured debentures with registered name, were summarised below.

Name of debenture	Fixed interest rate	Period	Maturity date	Consolidated and separate financial statements			
				Unit		Amount	
				2019	2018	2019	2018
				(Thousand units)	(Thousand units)	(Million Baht)	(Million Baht)
AP191A	4.50% p.a.	5 years	24 January 2019	-	350	-	350
AP197A	4.36% p.a.	5 years and 1 month	27 July 2019	-	1,000	-	1,000
AP201A	3.58% p.a.	5 years	22 January 2020	1,500	1,500	1,500	1,500
AP197B	3.04% p.a.	4 years	10 July 2019	-	1,000	-	1,000
AP191B	2.15% p.a.	2 years and 6 months	29 January 2019	-	1,000	-	1,000
AP191C	2.55% p.a.	2 years	19 January 2019	-	500	-	500
AP207A	3.06% p.a.	3 years and 6 months	19 July 2020	1,500	1,500	1,500	1,500
AP203A	2.50% p.a.	2 years and 10 months	30 March 2020	500	500	500	500
AP212A	2.50% p.a.	3 years and 6 months	15 February 2021	1,000	1,000	1,000	1,000
AP214A	2.35% p.a.	3 years and 6 months	19 April 2021	1,000	1,000	1,000	1,000
AP217A	2.32% p.a.	3 years and 6 months	22 July 2021	1,500	1,500	1,500	1,500
AP221A	2.40% p.a.	4 years	22 January 2022	1,500	1,500	1,500	1,500
AP222A	2.81% p.a.	3 years and 6 months	7 February 2022	500	500	500	500
AP228A	2.94% p.a.	4 years	7 August 2022	1,500	1,500	1,500	1,500
AP228B	2.94% p.a.	4 years	24 August 2022	500	500	500	500
AP218A	2.60% p.a.	2 years, 11 months and 24 days	17 August 2021	100	100	100	100
AP20DA	2.78% p.a.	2 years	25 December 2020	1,000	1,000	1,000	1,000
AP21DA	3.13% p.a.	3 years	25 December 2021	1,000	1,000	1,000	1,000
AP235A	3.17% p.a.	4 years	17 May 2023	3,000	-	3,000	-
AP227A	2.63% p.a.	3 years	11 July 2022	500	-	500	-
AP238A	2.42% p.a.	4 years	19 August 2023	1,230	-	1,230	-
AP248A	2.62% p.a.	5 years	19 August 2024	770	-	770	-
Total						18,600	16,950
Less: Current portion						(4,500)	(3,850)
Debentures - net of current portion						14,100	13,100

21.1 On 9 January 2018, the Company issued and offered debentures according to the resolution of Annual General Meeting of the Company's shareholders held on 30 April 2015 by issuing and offering 1.5 million units of named, unsubordinated, unsecured debentures, without debenture holder's representative, at the offering price of Baht 1,000 each, amounting to Baht 1,500 million, to private placement which is institutional and/or major investors. The debentures have 3-year and 6-month term from the date of issuance and bear the fixed interest rate of 2.32% per annum. The interest payment is made every six months and the debentures are due for redemption on 22 July 2021.

- 21.2 On 9 January 2018, the Company issued and offered debentures according to the resolution of Annual General Meeting of the Company's shareholders held on 30 April 2015 by issuing and offering 1.5 million units of named, unsubordinated, unsecured debentures, without debenture holder's representative, at the offering price of Baht 1,000 each, amounting to Baht 1,500 million, to private placement which is institutional and/or major investors. The debentures have 4-year term from the date of issuance and bear the fixed interest rate of 2.40% per annum. The interest payment is made every six months and the debentures are due for redemption on 22 January 2022.
- 21.3 On 14 August 2018, the Company issued and offered debentures according to the resolution of Annual General Meeting of the Company's shareholders held on 30 April 2015 by issuing and offering 0.5 million units of named, unsubordinated, unsecured debentures, without debenture holder's representative, at the offering price of Baht 1,000 each, amounting to Baht 500 million, to private placement which is institutional. The debentures have 3-year and 6-month term from the date of issuance and bear the fixed interest rate of 2.81% per annum. The interest payment is made every six months and the debentures are due for redemption on 7 February 2022.
- 21.4 On 14 August 2018, the Company issued and offered debentures according to the resolution of Annual General Meeting of the Company's shareholders held on 30 April 2015 by issuing and offering 1.5 million units of named, unsubordinated, unsecured debentures, without debenture holder's representative, at the offering price of Baht 1,000 each, amounting to Baht 1,500 million, to private placement which is institutional. The debentures have 4-year term from the date of issuance and bear the fixed interest rate of 2.94% per annum. The interest payment is made every six months and the debentures are due for redemption on 7 August 2022.
- 21.5 On 14 August 2018, the Company issued and offered debentures according to the resolution of Annual General Meeting of the Company's shareholders held on 30 April 2015 by issuing and offering 0.5 million units of named, unsubordinated, unsecured debentures, without debenture holder's representative, at the offering price of Baht 1,000 each, amounting to Baht 500 million, to private placement which the number of investors of not over 10. The debentures have 4-year term from the date of issuance and bear the fixed interest rate of 2.94% per annum. The interest payment is made every six months and the debentures are due for redemption on 24 August 2022.
- 21.6 On 14 August 2018, the Company issued and offered debentures according to the resolution of Annual General Meeting of the Company's shareholders held on 30 April 2015 by issuing and offering 0.1 million units of named, unsubordinated, unsecured debentures, without debenture holder's representative, at the offering price of Baht 1,000 each, amounting to Baht 100 million, to private placement which the number of investors of not over 10. The debentures have 2-year, 11-month and 24-day term from the date of issuance and bear the fixed interest rate of 2.60% per annum. The interest payment is made every six months and the debentures are due for redemption on 17 August 2021.

- 21.7 On 25 December 2018, the Company issued and offered debentures according to the resolution of Annual General Meeting of the Company's shareholders held on 30 April 2015 by issuing and offering 1.0 million units of named, unsubordinated, unsecured debentures, without debenture holder's representative, at the offering price of Baht 1,000 each, amounting to Baht 1,000 million, to private placement which is institutional. The debentures have 2-year term from the date of issuance and bear the fixed interest rate of 2.78% per annum. The interest payment is made every six months and the debentures are due for redemption 25 December 2020.
- 21.8 On 25 December 2018, the Company issued and offered debentures according to the resolution of Annual General Meeting of the Company's shareholders held on 30 April 2015 by issuing and offering 1.0 million units of named, unsubordinated, unsecured debentures, without debenture holder's representative, at the offering price of Baht 1,000 each, amounting to Baht 1,000 million, to private placement which is institutional. The debentures have 3-year term from the date of issuance and bear the fixed interest rate of 3.13% per annum. The interest payment is made every six months and the debentures are due for redemption 25 December 2021.
- 21.9 On 17 May 2019, the Company issued and offered debentures according to the resolution of Annual General Meeting of the Company's shareholders held on 30 April 2015 by issuing and offering 3.0 million units of named, unsubordinated, unsecured debentures, without debenture holder's representative, at the offering price of Baht 1,000 each, amounting to Baht 3,000 million, to private placement which is institutional. The debentures have 4-year term from the date of issuance and bear the fixed interest rate of 3.17% per annum. The interest payment is made every six months and the debentures are due for redemption on 17 May 2023.
- 21.10 On 11 July 2019, the Company issued and offered debentures according to the resolution of Annual General Meeting of the Company's shareholders held on 30 April 2015 by issuing and offering 0.5 million units of named, unsubordinated, unsecured debentures, without debenture holder's representative, at the offering price of Baht 1,000 each, amounting to Baht 500 million, to private placement which is not more than 10 investors. The debentures have 3-year term from the date of issuance and bear the fixed interest rate of 2.63% per annum. The interest payment is made every six months and the debentures are due for redemption on 11 July 2022.
- 21.11 On 19 August 2019, the Company issued and offered debentures according to the resolution of Annual General Meeting of the Company's shareholders held on 30 April 2015 by issuing and offering 1.23 million units of named, unsubordinated, unsecured debentures, without debenture holder's representative, at the offering price of Baht 1,000 each, amounting to Baht 1,230 million, to private placement which is institutional. The debentures have 4-year term from the date of issuance and bear the fixed interest rate of 2.42% per annum. The interest payment is made every six months and the debentures are due for redemption on 19 August 2023.



21.12 On 19 August 2019, the Company issued and offered debentures according to the resolution of Annual General Meeting of the Company's shareholders held on 30 April 2015 by issuing and offering 0.77 million units of named, unsubordinated, unsecured debentures, without debenture holder's representative, at the offering price of Baht 1,000 each, amounting to Baht 770 million, to private placement which is institutional. The debentures have 5-year term from the date of issuance and bear the fixed interest rate of 2.62% per annum. The interest payment is made every six months and the debentures are due for redemption on 19 August 2024.

These issued debentures contain certain covenants and restrictions that the Company has to comply with, such as the maintenance of net financial debt to equity ratio not exceeding 2:1.

As at 31 December 2019, fair values of debentures are Baht 18,855 million (2018: Baht 16,920 million).

## 22. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employee after they retire from the Company and its subsidiaries, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<b>Defined benefit obligation at beginning of year</b>	175,929	129,854	102,093	108,688
Expenses recognised in profit or loss:				
Current service cost	34,615	31,475	16,567	15,883
Interest cost	6,319	5,593	3,302	3,389
Past service costs	6,208	-	-	-
Transferred to the subsidiary	-	-	-	(19,686)
Expenses recognised in other comprehensive income:				
Actuarial gain from post-employment benefits				
Demographic assumptions changes	-	24,190	-	22,223
Financial assumptions changes	-	(29,505)	-	(29,586)
Experience adjustments	-	15,378	-	2,239
Benefits paid during the year	(740)	(1,056)	(740)	(1,057)
<b>Defined benefit obligation at end of year</b>	<b>222,331</b>	<b>175,929</b>	<b>121,222</b>	<b>102,093</b>

Long-term employee benefit expenses included under the selling and administrative expenses in the profit or loss consist of the following:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Current service cost	34,615	31,475	16,567	15,883
Interest cost	6,319	5,593	3,302	3,389
Past service costs	6,208	-	-	-
<b>Total expense recognised in profit or loss</b>	<b>47,142</b>	<b>37,068</b>	<b>19,869</b>	<b>19,272</b>

The Group expects to pay Baht 1.4 million of long-term employee benefits during the next year (Separate financial statements: Baht 1.3 million) (2018: Baht 22.6 million of long-term employee benefits during the next year (Separate financial statements: Baht 22.5 million)).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit is 17.00 - 25.49 years (Separate financial statements: 23.99 years) (2018: 17.00 - 26.33 years, separate financial statements: 24.83 years).

Key actuarial assumptions used for the valuation are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	3.08 - 3.35	3.08 - 3.35	3.34	3.34
Future salary increase rate				
(depending on employee's age)	0 - 7	0 - 7	0 - 7	0 - 7
Staff turnover rate	0 - 28.57	0 - 28.57	0 - 28.57	0 - 28.57

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)				
31 December 2019				
	Consolidated financial statements		Separate financial statements	
	Increase 1.0%	Decrease 1.0%	Increase 1.0%	Decrease 1.0%
Discount rate	(17)	36	(15)	18
	Increase 1.0%	Decrease 1.0%	Increase 1.0%	Decrease 1.0%
	33	(15)	20	(17)
Salary increase rate				
	Increase 10.0%	Decrease 10.0%	Increase 10.0%	Decrease 10.0%
	(16)	26	(11)	13
Staff turnover rate				

(Unit: Million Baht)				
31 December 2018				
	Consolidated financial statements		Separate financial statements	
	Increase 1.0%	Decrease 1.0%	Increase 1.0%	Decrease 1.0%
Discount rate	(15)	26	(5)	12
	Increase 1.0%	Decrease 1.0%	Increase 1.0%	Decrease 1.0%
	25	(17)	13	(6)
Salary increase rate				
	Increase 10.0%	Decrease 10.0%	Increase 10.0%	Decrease 10.0%
	(9)	24	(3)	9
Staff turnover rate				

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 a subsidiary company has additional liabilities for long-term employee benefits of Baht 6.2 million. This subsidiary reflected the effect of the change by recognising past services costs as expenses in the profit or loss in comprehensive income statement of the current year.

The employees of the Company, other subsidiaries in the group and joint venture who have worked for an uninterrupted period of 20 years or more are entitled to receive not less than 400 days' compensation at the latest wage rate. Therefore, the amendment of this law does not have an impact on a provision for long-term employee benefits recorded in the Company and other subsidiaries' financial statements.

## 23. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income 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. The statutory reserve has fully been set aside.

## 24. Revenue from contracts with customers

### 24.1 Revenue recognised in relation to contract balances

During the year 2019, the Group has recognised the items that was included in advance received from customers at the beginning of the year of Baht 166.8 million as the revenue in the statement of comprehensive income (Separate financial statements: Baht 20.2 million) (2018: Baht 111.8 million, Separate financial statements: Baht 24.2 million).

### 24.2 Revenue to be recognised for the remaining performance obligations

As at 31 December 2019, expected revenue to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) of contracts with customers are as follows:

	(Unit: Million Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Nature of business:</b>				
Real estate development	8,966.2	6,839.4	1,460.7	2,531.6
Service	74.2	40.2	-	-

The Group expects to satisfy the performance obligations within 1- 5 years.

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 Group and also economic and political conditions.

## 25. Expenses by nature

Significant expenses by nature are as follows:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		(Restated)
Construction and infrastructure costs	9,128,686	10,438,859	3,156,472	5,615,088
Land cost	5,569,129	5,627,867	2,112,467	3,628,604
Salary and wages and other employee benefits	1,787,515	1,603,619	697,029	780,373
Advertising and promotion expenses	1,253,387	1,082,223	527,255	639,412
Rental expenses from operating lease agreements	175,146	150,922	92,502	88,288
Allowance for diminution in value of inventory	-	50,997	-	-
Allowance for diminution in value of assets	-	16,579	-	-
Depreciation	91,503	69,893	43,766	29,179
Amortisation	26,992	15,880	17,805	14,025

## 26. Income tax

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

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		(Restated)
<b>Current income tax</b>				
Current income tax charge	669,084	810,717	289,270	486,010
Adjustment in respect of current income tax of previous year	11,417	15,306	9,536	17,309
<b>Deferred tax:</b>				
Relating origination and reversal of temporary differences	(99,503)	(46,864)	16,181	(10,691)
<b>Income tax expense reported in profit or loss</b>	<u>580,998</u>	<u>779,159</u>	<u>314,987</u>	<u>492,628</u>

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	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax relating to actuarial gain (loss)				
from prost-employment benefits	-	(1,269)	-	1,025

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		(Restated)
Accounting profit before tax	<u>3,644,961</u>	<u>4,732,151</u>	<u>2,925,354</u>	<u>4,026,326</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by				
income tax rate	728,992	946,430	585,071	805,265
Adjustment in respect of income tax of				
previous year	11,417	15,306	9,536	17,309
Effect of non-taxable expenses (revenues) for				
tax purpose	13,954	17,968	633	(2,416)
Tax effect on tax-deductible more than 1 time	(6,393)	(9,072)	(2,191)	(5,109)
Tax effect of non-taxable dividend income	-	-	(278,911)	(324,383)
Share of profit from investments in joint				
ventures	(201,715)	(243,515)	-	-
Others	<u>34,743</u>	<u>52,042</u>	<u>849</u>	<u>1,962</u>
Income tax expenses reported in the				
statement of comprehensive income	<u>580,998</u>	<u>779,159</u>	<u>314,987</u>	<u>492,628</u>

The components of deferred tax assets are as follows:

		(Unit: Thousand Baht)	
		Consolidated financial statements	
		As at 31 December	As at 31 December
		2019	2018
			(Restated)
<b>Deferred tax assets</b>			
Allowance for doubtful accounts		5	27
The difference between book and tax accounting net revenue		580	1,236
Allowance for asset impairment		39,649	46,249
Profit in outstanding inventories		25,913	13,061
Accumulated depreciation - plant and equipment		1,548	1,192
Provision for long-term employee benefits		40,721	32,484
Deferred sales and marketing expenses		132,340	122,601
Unused tax loss		115,737	41,342
<b>Total</b>		<b>356,493</b>	<b>258,192</b>
<b>Deferred tax liabilities</b>			
Investment in subsidiaries and joint ventures		-	2,888
<b>Total</b>		<b>-</b>	<b>2,888</b>

		(Unit: Thousand Baht)	
		Separate financial statements	
		As at	As at
		31 December 2019	31 December 2018
<b>Deferred tax assets</b>			
Provision for long-term employee benefits		24,244	20,419
Deferred sales and marketing expenses		55,681	75,687
<b>Total</b>		<b>79,925</b>	<b>96,106</b>

As at 31 December 2019 the subsidiaries have deductible temporary differences totaling Baht 3.8 million (2018: deductible temporary differences totaling Baht 2 million), on which deferred tax assets have not been recognised as the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences.

## 27. Earnings per share

Basic earnings per share is calculated by dividing profit 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.

## 28. Dividends

Dividends paid for the years ended 31 December 2019 and 2018 are as follows:

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
<b><u>2019</u></b>			
Final dividends for 2018	Annual General Meeting of the shareholders on 25 April 2019	1,258	0.40
<b><u>2018</u></b>			
Final dividends for 2017	Annual General Meeting of the shareholders on 26 April 2018	1,101	0.35

## 29. Provident fund

The Group and employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group and their employees contribute to the fund monthly at the rate of 3 to 8 percent of basic salary. The funds, which are managed by Kasikorn Asset Management Company Limited, SCB Asset Management Company Limited and TMB Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the years 2019 and 2018 amounting to Baht 37 million and Baht 34 million, respectively were recognised as expenses in the consolidated financial statements (Separate financial statements: Baht 18 million and Baht 19 million, respectively).

## 30. 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 the segment and assess its performance.



For management purposes, the Group is organised into business units based on business operations and have 3 reportable segments as follows:

- Low - rise segment is the development of real estate which comprises of single detached house and townhouse.
- High - rise segment is the development of real estate which comprises of condominium.
- Other segment which comprises of after sales services, property brokerage, education and training businesses, and construction services provided to group of companies and other services.

No operating segment have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the 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 and total assets in the financial statements.

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

The following tables present revenue, profit and total assets information regarding the Group's operating segments for the years ended 31 December 2019 and 2018, respectively.

(Unit: Million Baht)

	For the years ended 31 December											
	Low - rise segment		High - rise segment		Other segments		Total segments		Elimination of inter-segment revenues		Consolidated financial statements	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	(Restated)		(Restated)		(Restated)		(Restated)		(Restated)		(Restated)	
<b>Revenues</b>												
Revenues from external customers												
Sales of real estate	18,145	17,482	4,534	8,718	-	-	22,679	26,200	-	-	22,679	26,630
Management income and service income	-	-	-	-	1,123	1,071	1,123	1,071	-	-	1,123	1,071
Inter-segment revenues	-	-	-	-	606	545	606	545	(606)	(545)	-	-
<b>Total revenues</b>	<u>18,145</u>	<u>17,482</u>	<u>4,534</u>	<u>8,718</u>	<u>1,729</u>	<u>1,616</u>	<u>24,408</u>	<u>27,816</u>	<u>(606)</u>	<u>(545)</u>	<u>23,802</u>	<u>27,271</u>
<b>Operating results</b>												
<b>Segment profit</b>	4,406	4,197	1,631	1,676	903	859	6,940	6,732	(1,073)	(169)	5,867	6,563
Finance cost											(247)	(123)
Other income											164	64
Share of profit from investments in joint venture											1,008	1,218
Other expenses											(3,147)	(2,990)
<b>Profit before income tax</b>											3,645	4,732
Income tax											(581)	(779)
<b>Profit for the year</b>											<u>3,064</u>	<u>3,953</u>

(Unit: Million Baht)

	As at 31 December											
	Low - rise segment		High - rise segment		Other segments		Total segments		Unallocated assets		Consolidated financial statements	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	(Restated)		(Restated)		(Restated)		(Restated)		(Restated)		(Restated)	
Segment total assets	43,628	33,770	6,992	8,258	206	263	50,826	42,291	7,968	7,104	58,794	49,395
Investment in joint ventures accounted for by the equity method	-	-	-	-	-	-	-	-	5,453	4,497	5,453	4,497
Additions(decrease) to non-current assets other than financial investment and deferred tax assets	1	5	(3)	4	(52)	48	(54)	57	1,171	(220)	1,117	(163)
Segment total liabilities	-	-	-	-	-	-	-	-	32,498	24,904	32,498	24,904

## Geographic information

The Group is operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

## Major customers

For the years 2019 and 2018, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

### 31. Commitments and contingent liabilities

#### 31.1 Capital commitments

As at 31 December 2019, the Group had entered into agreements with third parties to purchase land with the amount payable in the future of approximately Baht 3,246 million (Separate financial statements: nil) (2018: Baht 3,267 million (Separate financial statements: nil)).

#### 31.2 Operating lease commitments

The Group entered into several lease and service agreements in respect of the lease of office buildings, vehicles and advertising space. The terms of the agreements are generally between 3 months and 5 years. Future minimum lease payments under these non-cancellable operating lease agreements were as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Payable within:				
Less than 1 year	109	161	61	72
1 to 5 years	81	82	64	62

#### 31.3 Commitments under contracts for project developments

The Company, its subsidiaries and joint ventures had commitments in respect of contracts for project developments as follows:

Company's name	(Unit: Million Baht)	
	2019	2018
<u>The Company</u>		
AP (Thailand) Plc.	658	1,444
<u>Subsidiaries</u>		
Asian Property (Krungthep) Co., Ltd.	383	662
Asian Property Co., Ltd.	3,389	2,350
The Value Property Development Co., Ltd.	3,224	887
Asian Property (2012) Co., Ltd.	11	18
AP ME (Krungthep) Co., Ltd.	-	4
AP (Ekkamai) Co., Ltd.	4	-
Asian Property (2014) Co., Ltd.	10	15
Thai Big Belly Co., Ltd.	1	2
Asian Property (2017) Co., Ltd.	-	107
Asian Property (2018) Co., Ltd.	76	31

	(Unit: Million Baht)	
Company's name	2019	2018
<u>Joint ventures</u>		
AP (Ekkamai) Co., Ltd.	-	27
Premium Residence Co., Ltd. and its subsidiaries	8,390	5,662
Total	16,146	11,209

### 31.4 Guarantees

- a) As at 31 December 2019 and 2018, contingent liabilities in respect of guarantees provided by the Group's loans and credit facilities from banks were as follows:

	(Unit: Million Baht)	
Guarantees	2019	2018
<u>Subsidiaries</u>		
Asian Property (Krungthep) Co., Ltd.	1,540	1,975
Asian Property Co., Ltd.	8,960	6,971
The Value Property Development Co., Ltd.	5,915	2,093
Asian Property (2012) Co., Ltd.	330	330
Asian Property (2014) Co., Ltd.	210	230
Thai Big Belly Co., Ltd.	25	25
Asian Property (2017) Co., Ltd.	780	412
Asian Property (2018) Co., Ltd.	345	-
Total	18,105	12,036

- b) The Group had contingent liabilities in respect of letters of guarantee issued by banks to government agencies and individuals for maintenance of utilities, purchase of materials and electricity use, as follows:

	(Unit: Million Baht)	
Company's name	2019	2018
<u>The Company</u>		
AP (Thailand) Plc.	1,144	1,235
<u>Subsidiaries</u>		
Asian Property (Krungthep) Co., Ltd.	449	495
Asian Property Co., Ltd. and its subsidiary	1,692	1,269
The Value Property Development Co., Ltd.	1,120	354
Asian Property (2012) Co., Ltd.	1	1
Asian Property (2014) Co., Ltd.	5	5
Asian Property (2017) Co., Ltd.	124	-
Asian Property (2018) Co., Ltd.	7	-
Total	4,542	3,359

### 31.5 Litigation

- a) In 2016, the Company and a subsidiary were sued as a co-defendant in a civil lawsuit, with the amount in dispute is Baht 89 million. The case is currently be considered by the Court of First Instance. However, the management of the Company and this subsidiary believe that there will be no material impact to the Company and this subsidiary. Therefore, no provision has been set aside.
- b) As at 31 December 2019, the Group has been sued for a breach of agreements with an amount in dispute totaling Baht 331 million. The management of the Group believes that the liabilities arising as a result of the legal cases will not exceed the related liabilities which have already been recorded in the financial statements.

### 32. Fair value hierarchy

As at 31 December 2019, the Group had the assets and liabilities that were disclosed at fair value using different levels of inputs as follows:

	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
	Level 2	Level 2
<b>Assets for which fair value are disclosed</b>		
Investment property	372	235
<b>Liabilities for which fair value are disclosed</b>		
Debentures	18,855	18,855

### 33. Financial instruments

#### 33.1 Financial risk management

The Group's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, loans, investments, trade and other payables, debentures, short-term and long-term borrowings. The financial risks associated with these financial instruments and how they are managed is described below.

### **Credit risk**

The Group is exposed to credit risk primarily with respect to trade accounts receivable and loans. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Group does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables and loans stated in the statements of financial position.

### **Interest rate risk**

The Group's exposure to interest rate risk relates primarily to its cash at banks, bank overdrafts, debentures, and short-term and long-term borrowings. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities classified by type of interest rates 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					
	31 December 2019					
	Fixed interest rate		Floating	Non-interest	Total	Interest rate
	Within		interest	bearing		(% p.a.)
	1 year	1-5 years	rate			
<b>Financial assets</b>						
Cash and cash equivalents	-	-	520	50	570	0.10 to 1.50
Trade and other receivables	-	-	-	169	169	-
Restricted bank deposits	-	-	1	-	1	0.50
	-	-	521	219	740	
<b>Financial liabilities</b>						
Short-term loans from financial institutions	8,180	-	-	-	8,180	1.50 to 2.70
Trade and other payables	-	-	-	1,753	1,753	-
Long-term loans	-	-	827	-	827	MLR-2.00 to MLR-2.15
Debentures	-	18,600	-	-	18,600	2.32 to 3.58
Retention payable	-	-	-	292	292	-
	8,180	18,600	827	2,045	29,652	

(Unit: Million Baht)

## Consolidated financial statements

31 December 2018

	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	912	39	951	0.10 to 1.05
Trade and other receivables	-	-	-	142	142	-
Restricted bank deposits	-	-	1	-	1	0.50
	-	-	913	181	1,094	
<b>Financial liabilities</b>						
Short-term loans from financial institutions	3,185	-	-	-	3,185	1.88 to 2.78
Trade and other payables	-	-	-	1,617	1,617	-
Long-term loans	-	-	140	-	140	MLR-2.0 to MLR-2.15
Debentures	-	16,950	-	-	16,950	2.15 to 4.50
Retention payable	-	-	-	238	238	-
	3,185	16,950	140	1,855	22,130	

(Unit: Million Baht)

## Separate financial statements

31 December 2019

	Fixed interest rate		Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	113	24	137	0.10 to 0.85
Trade and other receivables	-	-	-	77	77	-
Short-term loans to related parties	-	-	33,788	-	33,788	3.30
Restricted bank deposits	-	-	1	-	1	0.50
	-	-	33,902	101	34,003	
<b>Financial liabilities</b>						
Short-term loans from financial institutions	7,372	-	-	-	7,372	1.50 to 2.59
Trade and other payables	-	-	-	561	561	-
Short-term loans from related parties	-	-	1,079	-	1,079	3.30
Long-term loans	-	-	210	-	210	MLR-2.0
Debentures	-	18,600	-	-	18,600	2.32 to 3.58
Retention payable	-	-	-	57	57	-
	7,372	18,600	1,289	618	27,879	



(Unit: Million Baht)

	Separate financial statements					
	31 December 2018					
	Fixed interest rate		Floating	Non-		
	Within		interest	interest		
	1 year	1-5 years	rate	bearing	Total	Interest rate
						(% p.a.)
<b>Financial assets</b>						
Cash and cash equivalents	-	-	198	19	217	0.10 to 1.05
Trade and other receivables	-	-	-	79	79	-
Short-term loans to related parties	-	-	26,724	-	26,724	3.10
Restricted bank deposits	-	-	1	-	1	0.50
	-	-	26,923	98	27,021	
<b>Financial liabilities</b>						
Short-term loans from financial institutions	2,475	-	-	-	2,475	1.88 to 2.25
Trade and other payables	-	-	-	771	771	-
Short-term loans from related parties	-	-	901	-	901	3.10
Long-term loans	-	-	120	-	120	MLR-2.00
Debentures	-	16,950	-	-	16,950	2.15 to 4.50
Retention payable	-	-	-	84	84	-
	2,475	16,950	1,021	855	21,301	

### 33.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature and loans bear interest close to the market rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position, except for the fair value of debentures which had been disclosed in Note 32.

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 instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

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

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, accounts receivable and short-term loans, accounts payable and short-term borrowings, their carrying amounts in the statement of financial position approximate their fair value.
- b) For long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.
- c) The fair value of debentures is determined based on yield rates quoted by the Thai Bond Market Association.

During the current year, there were no transfers within the fair value hierarchy.

### **34. Capital management**

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value.

The Company manages its capital position with reference to its debt-to-equity ratio in order to comply with a condition in debenture agreement, which requires the Company to maintain the net financial debt to equity ratio not exceeding 2:1.

The Company's debt used to calculate the above financial ratio is the net financial liabilities that are the net value of interest bearing liabilities minus with cash and/or cash equivalent in the audited/reviewed consolidated financial statements of the Company.

The Company's equity used to calculate the above financial ratio is the shareholders' equity in the audited/reviewed consolidated financial statements of the Company.

No changes were made in the objectives, policies or processes during the years ended 31 December 2019 and 2018.

### **35. Events after the reporting period**

- 35.1 On 29 January 2020, the meeting of the Company's Board of Directors passed the resolutions to approved issuing and offering of 2.5 million units of named, unsubordinated, unsecured debentures, without debenture holder's representative, at the offering price of Baht 1,000 each, amounting to Baht 2,500 million, to private placement which is institutional, according to the resolution of Annual General Meeting of the Company's shareholders held on 30 April 2015. The debentures have 4-year term from the date of issuance and bear the fixed interest rate of 2.35% per annum. The interest payment is made every six months.

35.2 On 25 February 2020, the meeting of the Company's Board of Directors passed the resolutions to approve the payment of dividend for 2019 to the Company's shareholders at Baht 0.4 per share. The payment of dividends will later be proposed for approval in the Annual General Meeting of the Company's shareholders.

**36. Approval of financial statements**

These financial statements were authorised for issue by the Board of Directors of the Company on 25 February 2020.