

AP (Thailand) Public Company Limited and its subsidiaries  
Report and consolidated financial statements  
31 December 2020

## **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 2020, 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 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

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

### **Key Audit Matters**

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

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

Key audit matters and how audit procedures respond to the matter are described below.

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

Revenue from sales of real estate is the account with most significant amount in the statement of comprehensive income, representing 97 percent and 64 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.

Kamontip Lertwitworatep

Certified Public Accountant (Thailand) No. 4377

EY Office Limited

Bangkok: 23 February 2021

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

**Statements of financial position**

**As at 31 December 2020**

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>31 December 2020</u>	<u>31 December 2019</u>	<u>31 December 2020</u>	<u>31 December 2019</u>
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	2,739,736,133	570,227,433	725,116,231	136,742,218
Trade and other receivables	8	79,529,461	169,180,455	26,828,406	76,624,016
Inventories	9	46,139,579,533	49,714,687,481	3,327,560,769	6,248,524,995
Interest receivable - related parties	10	-	-	1,201,049,327	1,202,223,834
Short-term loans to related parties	10	-	-	30,919,900,000	33,788,400,000
Deposits for construction materials		125,598,533	127,856,631	3,377,234	5,829,995
Deposits for land		656,365,342	709,036,601	-	-
Assets recognised from the costs to obtain contracts with customers	11	15,151,065	36,651,410	-	-
Other current assets		141,052,282	142,749,920	30,000,677	46,264,870
<b>Total current assets</b>		<b>49,897,012,349</b>	<b>51,470,389,931</b>	<b>36,233,832,644</b>	<b>41,504,609,928</b>
<b>Non-current assets</b>					
Restricted bank deposits	7	549,059	549,059	549,059	549,059
Investments in subsidiaries	12	-	-	4,941,186,550	5,027,616,030
Investments in joint ventures	13	6,462,182,780	5,452,948,465	6,233,785,060	5,821,705,060
Land and cost of project held for development	14	597,575,617	679,073,736	65,258,289	146,756,408
Investment properties	15	74,595,745	72,628,506	41,542,024	45,672,530
Property, plant and equipment	16	409,308,150	468,093,681	233,009,667	258,016,094
Right-of-use assets	17	554,730,701	-	282,859,502	-
Goodwill		100,063,166	100,063,166	-	-
Intangible assets	18	132,177,687	113,509,630	44,717,840	42,930,213
Deferred tax assets	29	423,129,806	356,493,400	70,639,970	79,925,067
Other non-current assets		72,533,811	80,464,439	31,853,872	38,909,429
<b>Total non-current assets</b>		<b>8,826,846,522</b>	<b>7,323,824,082</b>	<b>11,945,401,833</b>	<b>11,462,079,890</b>
<b>Total assets</b>		<b>58,723,858,871</b>	<b>58,794,214,013</b>	<b>48,179,234,477</b>	<b>52,966,689,818</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 2020**

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>31 December 2020</u>	<u>31 December 2019</u>	<u>31 December 2020</u>	<u>31 December 2019</u>
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	19	3,112,801,789	8,180,146,532	2,394,751,789	7,371,596,532
Trade and other payables	10, 20	1,824,442,673	1,753,493,231	633,517,206	561,448,113
Accrued interest expenses - related parties	10	-	-	12,006,670	10,174,464
Accrued interest expenses		152,501,141	159,231,204	152,146,439	158,971,420
Short-term loans from related parties	10	-	-	1,422,000,000	1,079,000,000
Current portion of lease liabilities	17	119,138,930	391,189	64,637,471	-
Current portion of debentures	22	4,600,000,000	4,500,000,000	4,600,000,000	4,500,000,000
Unearned revenue		607,489,976	326,361,091	246,515,720	13,321,575
Accrued expenses related to the projects		687,400,664	441,241,642	117,744,626	65,334,963
Accrued expenses		1,939,949,608	1,490,313,550	431,108,868	757,386,194
Income tax payable		212,417,226	205,469,987	2,396,279	76,358,102
<b>Total current liabilities</b>		<u>13,256,142,007</u>	<u>17,056,648,426</u>	<u>10,076,825,068</u>	<u>14,593,591,363</u>
<b>Non-current liabilities</b>					
Lease liabilities - net of current portion	17	444,870,072	237,054	223,024,515	-
Long-term loans	21	1,971,200,000	827,000,000	-	210,000,000
Debentures - net of current portion	22	13,250,000,000	14,100,000,000	13,250,000,000	14,100,000,000
Retention payable	10	269,016,926	291,871,621	42,922,861	57,100,318
Provision for long-term employee benefits	23	269,330,342	222,330,680	143,380,052	121,221,969
<b>Total non-current liabilities</b>		<u>16,204,417,340</u>	<u>15,441,439,355</u>	<u>13,659,327,428</u>	<u>14,488,322,287</u>
<b>Total liabilities</b>		<u>29,460,559,347</u>	<u>32,498,087,781</u>	<u>23,736,152,496</u>	<u>29,081,913,650</u>

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 2020**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital					
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
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
Share premium		89,415,830	89,415,830	89,415,830	89,415,830
Retained earnings					
Appropriated - statutory reserve	24	314,591,215	314,591,215	314,591,215	314,591,215
Unappropriated		25,731,438,845	22,763,259,706	20,893,175,441	20,334,869,628
Other components of shareholders' equity		-	(49,988)	-	-
Equity attributable to owners of the Company		29,281,345,385	26,313,116,258	24,443,081,981	23,884,776,168
Non-controlling interests of the subsidiaries		(18,045,861)	(16,990,026)	-	-
Total shareholders' equity		29,263,299,524	26,296,126,232	24,443,081,981	23,884,776,168
Total liabilities and shareholders' equity		58,723,858,871	58,794,214,013	48,179,234,477	52,966,689,818

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 2020**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Profit or loss:</b>					
<b>Revenues</b>					
Revenues from sales of real estate		28,949,040,537	22,678,813,691	5,310,343,144	8,139,099,061
Service income		567,208,029	565,440,742	-	-
Management income	10	372,173,298	557,941,834	372,173,298	557,941,834
Interest income	26	6,536,605	9,121,322	986,650,707	1,036,032,135
Dividend income	10, 12, 13	-	-	1,550,479,976	1,394,556,298
Gain from sales of investments	12	-	76,863,760	-	139,278,873
Other income		63,542,799	78,474,101	88,062,221	56,478,489
<b>Total revenues</b>		<u>29,958,501,268</u>	<u>23,966,655,450</u>	<u>8,307,709,346</u>	<u>11,323,386,690</u>
<b>Expenses</b>					
	28				
Costs of sales		20,229,440,376	15,399,470,036	3,750,200,403	5,428,588,441
Costs of services		228,854,034	227,180,214	-	-
Selling expenses		2,460,915,973	2,308,810,888	669,152,718	925,763,007
Administrative expenses		3,698,751,501	3,134,478,900	1,224,896,851	1,339,348,799
Other expenses		5,622,698	12,852,272	46,901,858	276,693
<b>Total expenses</b>		<u>26,623,584,582</u>	<u>21,082,792,310</u>	<u>5,691,151,830</u>	<u>7,693,976,940</u>
<b>Operating profit</b>		3,334,916,686	2,883,863,140	2,616,557,516	3,629,409,750
Share of profit from investments in joint ventures	13	1,947,624,309	1,008,578,149	-	-
<b>Profit before finance cost and income tax expenses</b>		5,282,540,995	3,892,441,289	2,616,557,516	3,629,409,750
Finance cost	27	(367,206,265)	(247,480,130)	(674,195,061)	(704,055,334)
<b>Profit before income tax expenses</b>		4,915,334,730	3,644,961,159	1,942,362,455	2,925,354,416
Income tax expenses	29	(689,855,664)	(580,997,999)	(125,700,880)	(314,987,291)
<b>Profit for the year</b>		4,225,479,066	3,063,963,160	1,816,661,575	2,610,367,125

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 2020**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
<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		49,988	(39,107)	-	-
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax</i>		49,988	(39,107)	-	-
<b>Other comprehensive income for the year</b>		49,988	(39,107)	-	-
<b>Total comprehensive income for the year</b>		<u>4,225,529,054</u>	<u>3,063,924,053</u>	<u>1,816,661,575</u>	<u>2,610,367,125</u>
<b>Profit attributable to:</b>					
Equity holders of the Company		4,226,534,901	3,067,513,326	<u>1,816,661,575</u>	<u>2,610,367,125</u>
Non-controlling interests of the subsidiaries		<u>(1,055,835)</u>	<u>(3,550,166)</u>		
Total		<u>4,225,479,066</u>	<u>3,063,963,160</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		4,226,584,889	3,067,474,219	<u>1,816,661,575</u>	<u>2,610,367,125</u>
Non-controlling interests of the subsidiaries		<u>(1,055,835)</u>	<u>(3,550,166)</u>		
Total		<u>4,225,529,054</u>	<u>3,063,924,053</u>		
<b>Earnings per share</b>					
30					
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>1.34</u>	<u>0.98</u>	<u>0.58</u>	<u>0.83</u>
Weighted average number of ordinary shares (Shares)		<u>3,145,899,495</u>	<u>3,145,899,495</u>	<u>3,145,899,495</u>	<u>3,145,899,495</u>

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 2020**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities</b>				
Profit before tax	4,915,334,730	3,644,961,159	1,942,362,455	2,925,354,416
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	230,611,435	91,503,118	121,615,296	43,765,567
Amortisation	38,433,572	26,991,548	17,969,659	17,804,822
Allowance for expected credit losses/ doubtful accounts (reversal)	2,209,742	(60,217)	-	-
Reversal of allowance for diminution in value of inventories	(12,544,251)	(39,730,464)	(544,251)	-
Reversal of allowance for impairment of assets	-	(10,355)	-	(10,355)
Loss on disposals/write-off of assets	4,964,283	12,770,070	731,221	287,048
Share of profit from investments in joint ventures	(1,947,624,309)	(1,008,578,149)	-	-
Gain from purchase of investments in subsidiaries	(3,131,293)	(6,850,968)	-	-
Loss (gain) from sales of investments and the return on investments	-	(76,863,760)	21,666,720	(139,278,873)
Loss on diminution in value of investments	-	-	25,000,000	-
Dividend income	-	-	(1,550,479,976)	(1,394,556,298)
Provision for long-term employee benefits	47,581,182	47,141,815	22,158,083	19,869,663
Write-off of income tax	2,668,476	139,950	-	-
Interest income	(6,536,605)	(9,121,322)	(986,650,707)	(1,036,032,135)
Interest expenses	320,289,813	206,717,537	656,192,470	685,907,562
Profit from operating activities before changes in operating assets and liabilities	3,592,256,775	2,889,009,962	270,020,970	1,123,111,417
Operating assets (increase) decrease				
Trade and other receivables	94,744,816	(10,893,035)	49,795,610	2,396,207
Inventories	4,085,199,758	(10,926,024,583)	3,003,006,596	3,610,123,846
Other current assets	78,598,190	(482,495,404)	18,716,954	47,267,226
Other non-current assets	8,019,228	(6,129,188)	7,055,557	(359,123)
Operating liabilities increase (decrease)				
Trade and other payables and accrued expenses	704,710,186	131,484,098	(201,798,570)	(411,526,317)
Unearned revenue	281,128,885	77,587,758	233,194,145	(10,436,880)
Retention payable	(22,859,992)	52,364,619	(14,177,457)	(26,458,682)
Cash from (used in) operating activities	8,821,797,846	(8,275,095,773)	3,365,813,805	4,334,117,694
Cash paid for long-term employee benefits	(581,520)	(740,264)	-	(740,264)
Cash paid for interest expenses	(718,688,084)	(723,155,837)	(633,029,988)	(712,681,664)
Cash paid for income tax	(757,421,009)	(811,343,133)	(190,377,606)	(352,609,232)
<b>Net cash from (used in) operating activities</b>	<b>7,345,107,233</b>	<b>(9,810,335,007)</b>	<b>2,542,406,211</b>	<b>3,268,086,534</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 2020**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Cash flows from investing activities</b>				
Cash received from short-term loans to related parties	-	-	14,913,000,000	22,222,120,000
Cash paid for short-term loans to related parties	-	-	(12,044,500,000)	(29,286,120,000)
Increase (decrease) in cash from sales of investments				
in subsidiaries	-	(110,229,548)	711,622,760	1,398,158,693
Cash paid for investments in subsidiaries	(668,507,260)	(718,425,071)	(671,860,000)	(3,354,365,490)
Cash paid for investments in joint ventures	(412,080,000)	(1,239,300,000)	(412,080,000)	(1,239,300,000)
Dividend received	1,350,469,994	945,115,405	1,550,479,976	1,394,556,298
Cash received from disposals of assets	11,172,581	3,287,037	1,001,531	1,265,889
Cash paid for purchases of equipment	(42,253,902)	(200,621,384)	(26,566,853)	(162,593,101)
Cash paid for purchases of intangible assets	(70,074,205)	(85,426,961)	(19,757,286)	(33,217,033)
Cash received from interest	<u>6,536,605</u>	<u>9,121,322</u>	<u>987,825,214</u>	<u>126,365,671</u>
<b>Net cash from (used in) investing activities</b>	<u>175,263,813</u>	<u>(1,396,479,200)</u>	<u>4,989,165,342</u>	<u>(8,933,129,073)</u>
<b>Cash flows from financing activities</b>				
Cash received from short-term loans				
from financial institutions	23,375,680,000	44,413,390,000	12,183,750,000	28,129,250,000
Cash paid for repayment of short-term loans				
from financial institutions	(28,471,180,000)	(37,625,840,000)	(17,188,750,000)	(23,204,250,000)
Cash received from short-term loans from related parties	727,000,000	1,177,000,000	1,472,000,000	1,669,000,000
Cash paid for short-term loans from related parties	-	-	(1,129,000,000)	(1,491,300,000)
Cash paid for lease liabilities	(118,256,572)	(372,854)	(62,841,778)	-
Cash received from long-term loans	2,412,700,000	3,399,750,000	-	684,750,000
Cash paid for repayment of long-term loans	(1,268,500,000)	(929,750,000)	(210,000,000)	(594,750,000)
Cash received from issuance of debentures	3,750,000,000	5,500,000,000	3,750,000,000	5,500,000,000
Cash paid for repayment of debentures	(4,500,000,000)	(3,850,000,000)	(4,500,000,000)	(3,850,000,000)
Dividend payment	<u>(1,258,355,762)</u>	<u>(1,258,355,922)</u>	<u>(1,258,355,762)</u>	<u>(1,258,355,922)</u>
<b>Net cash from (used in) financing activities</b>	<u>(5,350,912,334)</u>	<u>10,825,821,224</u>	<u>(6,943,197,540)</u>	<u>5,584,344,078</u>
<b>Increase (decrease) in translation adjustments</b>	<u>49,988</u>	<u>(39,107)</u>	<u>-</u>	<u>-</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>2,169,508,700</u>	<u>(381,032,090)</u>	<u>588,374,013</u>	<u>(80,698,461)</u>
Cash and cash equivalents at beginning of year	<u>570,227,433</u>	<u>951,259,523</u>	<u>136,742,218</u>	<u>217,440,679</u>
<b>Cash and cash equivalents at end of year (Note 7)</b>	<u>2,739,736,133</u>	<u>570,227,433</u>	<u>725,116,231</u>	<u>136,742,218</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 2020**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Supplemental cash flow information</b>				
Non-cash transactions from investing activities				
Transfer inventories to investment properties	3,774,025	-	-	-
Transfer land and cost of project held for development to inventories	81,498,119	-	81,498,119	-
Transfer property, plant and equipment to intangible assets	-	37,730,944	-	15,869,514
Transfer property, plant and equipment to right-of-use assets	760,183	-	-	-
Increase in right-of-use assets during the year	28,924,171	-	28,924,171	-

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 2020

(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 2019</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)
Total comprehensive income for the year	-	-	-	3,067,513,326	(39,107)	3,067,474,219	(3,550,166)	3,063,924,053
Dividend paid	31	-	-	(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>
<b>Balance as at 1 January 2020</b>	3,145,899,495	89,415,830	314,591,215	22,763,259,706	(49,988)	26,313,116,258	(16,990,026)	26,296,126,232
Profit for the year	-	-	-	4,226,534,901	-	4,226,534,901	(1,055,835)	4,225,479,066
Other comprehensive income for the year	-	-	-	-	49,988	49,988	-	49,988
Total comprehensive income for the year	-	-	-	4,226,534,901	49,988	4,226,584,889	(1,055,835)	4,225,529,054
Dividend paid	31	-	-	(1,258,355,762)	-	(1,258,355,762)	-	(1,258,355,762)
<b>Balance as at 31 December 2020</b>	<u>3,145,899,495</u>	<u>89,415,830</u>	<u>314,591,215</u>	<u>25,731,438,845</u>	<u>-</u>	<u>29,281,345,385</u>	<u>(18,045,861)</u>	<u>29,263,299,524</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 2020

(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 2019</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	-	-	-	-	-
Total comprehensive income for the year	-	-	-	2,610,367,125	2,610,367,125
Dividend paid	-	-	-	(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>
<b>Balance as at 1 January 2020</b>	3,145,899,495	89,415,830	314,591,215	20,334,869,628	23,884,776,168
Profit for the year	-	-	-	1,816,661,575	1,816,661,575
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	1,816,661,575	1,816,661,575
Dividend paid	-	-	-	(1,258,355,762)	(1,258,355,762)
<b>Balance as at 31 December 2020</b>	<u>3,145,899,495</u>	<u>89,415,830</u>	<u>314,591,215</u>	<u>20,893,175,441</u>	<u>24,443,081,981</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 2020**

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

##### **1.1 Corporate 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.

##### **1.2 The COVID-19 Pandemic**

The COVID-19 Pandemic is resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

#### **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, 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 resulting from the additional investments in subsidiaries and the dissolution of the subsidiaries during the current year as described in Note 12.

As at 31 December 2020 and 2019, the group structure was detailed below.

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2020	2019
<u>Held by the Company</u>				
Asian Property (Krungthep) Co., Ltd.	Real estate development	Thailand	100	100
Asian Property Co., Ltd. and subsidiary	Real estate development	Thailand	100	100
The Value Property Development Co., Ltd. and subsidiaries	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
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 1 Co., Ltd.	Real estate development	Thailand	100	-
AP ME 11 Co., Ltd.	Real estate development	Thailand	100	100
AP ME 18 Co., Ltd.	Real estate development	Thailand	100	100
AP ME 19 Co., Ltd.	Real estate development	Thailand	100	100
AP ME 20 Co., Ltd.	Real estate development	Thailand	100	100
AP (Ekkamai) Co., Ltd.	Real estate development	Thailand	-	100
Asian Property (2012) Co., Ltd.	Real estate development	Thailand	-	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2020	2019
<u>Held by the subsidiaries of the Company</u>				
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. (99 percent held by Asian Property Co., Ltd., 2019: 98 percent)	Service	Thailand	99	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
RC 3 Co., Ltd. (100 percent held by Signature Advisory Partners Ltd.)	Real estate development	Thailand	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

- 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 2019) and new 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. 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.

## **Financial reporting standards related to financial instruments**

The 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

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. They also include stipulations regarding the presentation and disclosure of financial instruments.

These standards do not have any significant impact on the Group's financial statements.

### **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.

The Group recognised the cumulative effect of the adoption of this financial reporting standard as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated.

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

## **Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic**

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impacts of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

During the period from the first quarter to the third quarter of 2020, the Group elected to apply the temporary relief measures on accounting alternatives relating to determining whether sufficient taxable profits will be available in future periods against which deferred tax assets can be utilised.

In the fourth quarter of 2020, the Group has assessed the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of deferred tax assets. As a result, in preparing the financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of all temporary relief measures on accounting alternatives with no significant impact on the Group's financial statements.

### **(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2021**

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group has evaluated that these standards do not have any significant impact on the Group's 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 standards**

As described in Note 3 to the financial statements, during the current year, the Group has adopted the set of financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards was recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts of changes in accounting policies on the statements of financial position at the beginning of 2020 due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		
	31 December	The impacts	1 January
	2019	of TFRS 16	2020
<b>Statement of financial position</b>			
<b>Assets</b>			
<b>Non-current assets</b>			
Right-of-use assets	-	653,473	653,473
Property, plant and equipment	468,094	(760)	467,334
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Current portion of lease liabilities	391	114,427	114,818
<b>Non-current liabilities</b>			
Lease liabilities - net of current portion	237	538,286	538,523

(Unit: Thousand Baht)

	Separate financial statements		
	31 December	The impacts	1 January
	2019	of TFRS 16	2020
<b>Statement of financial position</b>			
<b>Assets</b>			
<b>Non-current assets</b>			
Right-of-use assets	-	321,579	321,579
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Current portion of lease liabilities	-	59,099	59,099
<b>Non-current liabilities</b>			
Lease liabilities - net of current portion	-	262,480	262,480

#### 4.1 Financial instruments

As at 1 January 2020, the Group measured financial assets at amortised cost and did not designate any financial liabilities at fair value through profit or loss.

#### 4.2 Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases that previously classified as operating leases measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 January 2020. For leases that previously classified as finance leases, the Group recognised the carrying amount of the lease assets and lease liabilities before transition as right-of-use assets and lease liabilities, respectively, at the date of initial application.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Operating lease commitments as at		
31 December 2019	189,558	125,125
Add: Option to extend lease term	572,691	240,623
Less: Short-term leases and leases of low-value assets	(28,150)	(4,937)
Contracts reassessed as service agreements	(5,919)	-
Deferred interest expenses	(75,467)	(36,588)
Others	-	(2,644)
Increase in lease liabilities due to TFRS 16 adoption	652,713	321,579
Liabilities under finance lease agreements as at		
31 December 2019	628	-
Lease liabilities as at 1 January 2020	653,341	321,579
Weighted average incremental borrowing rate (percent per annum)	4.01	3.99
Comprise:		
Current lease liabilities	114,818	59,099
Non-current lease liabilities	538,523	262,480
	653,341	321,579

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Buildings and building improvement	605,015	279,728
Motor vehicles	48,458	41,851
Total right-of-use assets	<u>653,473</u>	<u>321,579</u>

## 5. Significant accounting policies

### 5.1 Revenue and expense 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 is 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 stipulated in the contract with customers. Payment in advance from customers, which is 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 calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

### *Dividends*

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

### *Finance cost*

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

## **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 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.

### **5.5 Cost to obtain a contract**

The Group recognises commission paid to obtain a customer contract as an asset and amortises 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.

## **5.6 Investments in subsidiaries and joint ventures**

Investments in joint ventures are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries and joint ventures are accounted for in the separate financial statements using the cost method.

## **5.7 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.

## **5.8 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	10 years
Buildings, building 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.

## **5.9 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.

## **5.10 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

### 5.11 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.

### 5.12 Leases

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

#### **The Group as a lessee**

##### Accounting policies adopted since 1 January 2020

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

### ***Right-of-use assets***

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets is calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Buildings and building improvement	2 - 5 years
Motor vehicles	5 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

### ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounts the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

### ***Short-term leases and leases of low-value assets***

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

### **Accounting policies adopted before 1 January 2020**

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

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

## **5.13 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 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

## **5.15 Impairment of non-financial assets**

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, investment properties 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 (except for goodwill), 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 benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognised 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 Financial instruments

### Accounting policies adopted since 1 January 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

#### **Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

#### ***Financial assets at amortised cost***

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

#### **Classification and measurement of financial liabilities**

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

## **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

## **Impairment of financial assets**

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### Accounting policies adopted before 1 January 2020

#### **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 experience and analysis of debt aging.

## **5.20 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 techniques 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 categories 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:

### **Leases**

#### ***Determining the lease term with extension and termination options - The Group as a lessee***

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

#### ***Estimating the incremental borrowing rate - The Group as a lessee***

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

### **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 management has 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 2020 and 2019 consisted of the following:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Cash	3,584	3,430	2,225	2,153
Bank deposits	2,736,701	567,346	723,440	135,138
Total	2,740,285	570,776	725,665	137,291
Less: Restricted bank deposits	(549)	(549)	(549)	(549)
Cash and cash equivalents	2,739,736	570,227	725,116	136,742

As at 31 December 2020, bank deposits in savings accounts carried interests between 0.05 and 0.35 percent per annum (2019: between 0.10 and 0.85 percent per annum).

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

## 8. Trade and other receivables

As at 31 December 2020 and 2019, the outstanding balances of trade and other receivables were unrelated parties, as detailed below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
	2020	2019
Trade receivables:		
<u>Aged on the basis of due dates</u>		
Not yet due	32,888	88,989
Past due		
Up to 3 months	14,085	39,732
3 - 6 months	371	3,701
6 - 12 months	1,225	3,533
Over 12 months	4,807	2,605
Total trade receivables	53,376	138,560
Less: Allowance for expected credit losses		
(2019: Allowance for doubtful accounts)	(4,807)	(2,597)
Trade receivables - net	48,569	135,963
Other receivables:		
Other receivable - the Revenue Department	20,996	23,278
Others	13,210	13,185
Total other receivable	34,206	36,463
Less: Allowance for expected credit losses		
(2019: Allowance for doubtful accounts)	(3,246)	(3,246)
Other receivables - net	30,960	33,217
Trade and other receivables - net	79,529	169,180

## 9. Inventories

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Land	27,869,287	30,537,395	1,734,559	3,158,361
Land improvement	1,748,088	1,917,478	95,949	194,002
Work in progress	10,048,287	10,846,894	994,800	1,891,935
Infrastructures	4,337,866	4,332,058	325,868	685,454
Deferred interest expenses	1,188,070	1,139,397	93,516	169,294
Deferred project development costs	946,627	942,316	82,869	142,319
Inventories held for sale	-	7,704	-	7,704
Construction materials	1,355	3,619	-	-
Other inventories	-	370	-	-
Total	46,139,580	49,727,231	3,327,561	6,249,069
Less: Reduce cost to net realisable value	-	(12,544)	-	(544)
Net	46,139,580	49,714,687	3,327,561	6,248,525

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

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Number of projects on hand at beginning of year	95	85	29	40
Completed projects	(32)	(16)	(18)	(12)
New projects	40	24	1	1
Increase in number of projects from changing the status of joint ventures to subsidiaries	1	2	-	-
Projects on hand at end of year	104	95	12	29

The Group has mortgaged their land and construction thereon, with total net book value as at 31 December 2020 and 2019 of Baht 31,233 million and Baht 31,088 million, respectively (the Company only: Baht 1,878 million and Baht 4,692 million, respectively), with banks as collateral for overdrafts and loans from those banks, as described in Note 19 and 21.

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	
	2020	2019	2020	2019
Borrowing costs included in cost of inventories				
(Thousand Baht)	419,910	482,621	-	-
Capitalisation rate (Percent per annum)	2.79 - 3.88	3.30 - 4.13	-	-

## 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
	2020	2019	2020	2019	
<u>Transactions with subsidiaries</u>					
<i>(eliminated from the consolidated financial statements)</i>					
Interest income	-	-	982,862	1,031,804	Interest at rate of 2.96 - 3.04% per annum (2019: 3.30% per annum)
Guarantee income	-	-	71,727	41,407	At the rate of 1.00% of the average of outstanding guarantee balance
Rental income	-	-	3,643	3,908	At the contractual price
Dividend income	-	-	200,010	449,441	At the declared rate
Cost of sales	-	-	21,219	163,035	At the contractual price
Selling and administrative expenses	-	-	93,314	87,950	Comparable price with third parties
Interest expenses	-	-	30,335	34,351	Interest at rate of 2.96 - 3.04 % per annum (2019: 3.30% per annum)
<u>Transactions with joint ventures</u>					
Management income	372,173	557,942	372,173	557,942	At the contractual price
Service income	6,816	1,735	-	-	Comparable price with third parties
Dividend income	-	-	1,350,470	945,115	At the declared rate
<u>Transactions with related companies</u>					
Selling and administrative expenses	14,938	14,938	14,938	14,938	Comparable price with third parties

As at 31 December 2020 and 2019, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Interest receivable - related parties</b>				
<u>Subsidiaries</u>				
Asian Property (Krungthep) Co., Ltd.	-	-	189,901	118,798
Asian Property Co., Ltd.	-	-	257,335	479,738
The Value Property Development Co., Ltd.	-	-	603,469	492,581
Thonglor Residence Co., Ltd.	-	-	5,953	3,180
Asian Property (2014) Co., Ltd.	-	-	-	25,285
Asian Property (2018) Co., Ltd.	-	-	125,160	76,296
AP ME 11 Co., Ltd.	-	-	19,231	6,346
Total interest receivable - related parties	-	-	1,201,049	1,202,224
<b>Trade accounts payable - related parties (Note 20)</b>				
<u>Subsidiaries</u>				
Signature Advisory Partners Ltd.	-	-	-	44,175
SQE Construction Co., Ltd.	-	-	1,048	1,916
Total trade accounts payable - related parties	-	-	1,048	46,091
<b>Other payables - related parties (Note 20)</b>				
<u>Subsidiaries</u>				
Asian Property (Krungthep) Co., Ltd.	-	-	1,278	-
Asian Property Co., Ltd.	-	-	1	1
The Value Property Development Co., Ltd.	-	-	163,228	-
Smart Service & Management Co., Ltd.	-	-	1,102	2,378
Bangkok CitiSmart Co., Ltd.	-	-	4,372	2,970
SEASIA Leadavation Center Co., Ltd.	-	-	4,754	-
Total other payables - related parties	-	-	174,735	5,349
<b>Interest payable - related parties</b>				
<u>Subsidiaries</u>				
AP (Ekkamai) Co., Ltd.	-	-	-	3,713
Thai Big Belly Co., Ltd.	-	-	4,533	2,802
Asian Property (2014) Co., Ltd.	-	-	5,180	-
AP ME 1 Co., Ltd.	-	-	2,294	-
Asian Property (2012) Co., Ltd.	-	-	-	3,659
Total interest payable - related parties	-	-	12,007	10,174
<b>Retention payable - related party</b>				
<u>Subsidiary</u>				
SQE Construction Co., Ltd.	-	-	97	201
Total retention payable - related party	-	-	97	201

The balances of loans between the Company and those related parties as at 31 December 2020 and 2019, and their movements 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
	2019	granting		2020
Asian Property (Krungthep) Co., Ltd.	2,596,500	2,709,000	(638,000)	4,667,500
Asian Property Co., Ltd.	11,673,000	4,896,000	(9,051,000)	7,518,000
The Value Property Development Co., Ltd.	16,612,000	4,304,000	(4,427,000)	16,489,000
Thonglor Residence Co., Ltd.	94,400	29,500	(56,000)	67,900
Asian Property (2014) Co., Ltd.	244,000	20,000	(264,000)	-
Asian Property (2018) Co., Ltd.	2,144,500	36,000	(427,000)	1,753,500
AP ME 11 Co., Ltd.	424,000	50,000	(50,000)	424,000
Total short-term loans to related parties	<u>33,788,400</u>	<u>12,044,500</u>	<u>(14,913,000)</u>	<u>30,919,900</u>

#### 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
	2019	borrowing		2020
Asian Property (2012) Co., Ltd.	372,000	30,000	(402,000)	-
Asian Property (2014) Co., Ltd.	-	632,000	-	632,000
AP ME 1 Co., Ltd.	-	729,000	(2,000)	727,000
AP (Ekkamai) Co., Ltd.	641,000	-	(641,000)	-
Thai Big Belly Co., Ltd.	66,000	81,000	(84,000)	63,000
Total short-term loans from related parties	<u>1,079,000</u>	<u>1,472,000</u>	<u>(1,129,000)</u>	<u>1,422,000</u>

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

### Directors' and management's remuneration

During the years ended 31 December 2020 and 2019, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)	
	Consolidated and Separate	
	financial statements	
	<u>2020</u>	<u>2019</u>
Short-term employee benefits	168,919	156,744
Post-employment benefits	7,054	7,054
Total	<u>175,973</u>	<u>163,798</u>

### Guarantee obligations with related parties

The Company had outstanding guarantee obligations with its related parties, as described in Note 34.4 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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Net book value at beginning of year	36,651	6,587	-	-
Additions	3,771	38,599	-	-
Amortisation for the year	(25,271)	(8,535)	-	-
Net book value at end of year	<u>15,151</u>	<u>36,651</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	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
				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	2,000	100	100	1,511	1,511	-	-	1,511	1,511	-	-
The Value Property Development Co., Ltd.	Real estate development	2,000	2,000	100	100	2,000	2,000	-	-	2,000	2,000	-	-
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	50	100	100	50	50	(50)	(25)	-	25	-	-
Asian Property (2012) Co., Ltd.	Real estate development	-	300	-	100	-	300	-	-	-	300	60	-
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	-	-	-	-	-	-	-	-	-	-	-	119
AP ME 11 Co., Ltd.	Real estate development	1	1	100	100	1	1	-	-	1	1	-	-
AP ME 18 Co., Ltd.	Real estate development	1	1	100	100	1	1	-	-	1	1	-	-
Asian Property (2015) Co., Ltd.	Real estate development	-	-	-	-	-	-	-	-	-	-	-	15
AP (Ekamai) Co., Ltd.	Real estate development	-	359	-	100	-	433	-	-	-	433	140	-
AP ME 19 Co., Ltd.	Real estate development	1	1	100	100	1	1	-	-	1	1	-	-
AP ME 20 Co., Ltd.	Real estate development	1	1	100	100	1	1	-	-	1	1	-	-
AP ME 1 Co., Ltd.	Real estate development	654	-	100	-	672	-	-	-	672	-	-	-
Total investments in subsidiaries						4,991	5,052	(50)	(25)	4,941	5,027	200	449

## 12.2 Additional investments 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 66 million ordinary shares of Asian Property (2015) Co., Ltd. from Premium Residence Co., Ltd., the Company's joint venture; 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 purchased and signed the share transfer documents of the aforementioned ordinary shares on 27 March 2019. As a result, the status of this company was changed to the subsidiary of the Company and the financial statements of Asian Property (2015) Co., Ltd. have been included in the consolidated financial statements since 27 March 2019, which was 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 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 payable	(14,809)
Other current liabilities	(171)
Other non-current liabilities	(1,240)
Net assets	<u>484,716</u>
Cash paid for investment in subsidiary	484,000
Less: Cash and cash equivalents of the subsidiary	<u>(10,188)</u>
Net cash paid for investment 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 20.58 million ordinary shares of AP (Ekkamai) Co., Ltd. from MJRI (Thailand) Co., Ltd. at the price of Baht 12.16 each, or a total of Baht 250.2 million. The Company 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 was changed to the subsidiary of the Company and the financial statements of AP (Ekkamai) Co., Ltd. have been included in the consolidated financial statements since 29 October 2019, which was 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 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 payable	(29,690)
Other current liabilities	(53)
Other non-current liabilities	(1,209)
Net assets	<u>523,133</u>
Cash paid for investment in subsidiary	250,200
Less: Cash and cash equivalents of the subsidiary	<u>(5,586)</u>
Net cash paid for investment in subsidiary	<u>244,614</u>

AP ME 1 Co.,Ltd.

On 10 November 2020, the meeting of the Company's Board of Directors passed a resolution to purchase 90 million ordinary shares of AP ME 1 Co., Ltd. from Premium Residence Co., Ltd., the Company's joint venture; or equivalent to 99.99 percent of the share capital at the price of Baht 7.46 each, or a total of Baht 672 million. The Company purchased and signed the share transfer documents of the aforementioned ordinary shares on 23 November 2020. As a result, the status of this company was changed to the subsidiary of the Company and the financial statements of AP ME 1 Co., Ltd. have been included in the consolidated financial statements since 23 November 2020, which was 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 ME 1 Co., Ltd. at the acquisition date were summarised below.

	(Unit: Thousand Baht)
Cash and cash equivalents	3,353
Short-term loan to related party	727,000
Other current assets	471
Equipment	9
Investment properties	4,015
Deferred tax assets	3,203
Other non-current assets	87
Trade and other payables	(45,695)
Accrued expenses related to the project	(16,016)
Accrued expenses	(43)
Income tax payable	(1,108)
Other current liabilities	(280)
Other non-current liabilities	(5)
Net assets	<u>674,991</u>
Cash paid for investment in subsidiary	671,860
Less: Cash and cash equivalents of the subsidiary	<u>(3,353)</u>
Net cash paid for investment in subsidiary	<u>668,507</u>

### RC 3 Co., Ltd.

On 1 October 2020, the meeting of the Board of Directors of Signature Advisory Partners Ltd. passed the resolution to approve the establishment of RC 3 Co., Ltd. with the registered capital of Baht 0.5 million, comprising 0.05 million ordinary shares of Baht 10 each, in which Signature Advisory Partners Ltd. holds 99.99% interest. This subsidiary registered its establishment with the Ministry of Commerce on 2 October 2020.

## **12.3 Dissolution of subsidiaries**

12.3.1 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 subsidiaries registered their dissolution with the Ministry of Commerce on 29 August 2019.

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

In August 2019, the Company received the return on its investments 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 1,271.39 million. The Company recognised gain on dissolution of these 2 subsidiaries totaling Baht 17.51 million in the separate financial statements.

These 2 subsidiaries registered the completion of their liquidation process with the Ministry of Commerce on 7 October 2019.

12.3.2 On 31 August 2020, the Extraordinary General Meeting of the shareholders of AP (Ekkamai) Co., Ltd. resolved to approve the dissolution of the entity. This subsidiary registered its dissolution with the Ministry of Commerce on 31 August 2020.

On 31 August 2020, this subsidiary entered into entire business transfer agreement to transfer its business including its assets and liabilities to Asian Property Co., Ltd. at the net book value of net assets and liabilities calculated based on this subsidiary's financial statements of Baht 81.33 million.

In September 2020, the Company received the return on its investment as a result of the dissolution of AP (Ekkamai) Co., Ltd. totaling Baht 403 million. The Company recognised loss on dissolution of this subsidiary totaling Baht 29.67 million in the separate financial statements.

This subsidiary registered the completion of its liquidation process with the Ministry of Commerce on 29 September 2020.

12.3.3 On 30 November 2020, the Extraordinary General Meeting of the shareholders of Asian Property (2012) Co., Ltd. resolved to approve the dissolution of the entity. This subsidiary registered its dissolution with the Ministry of Commerce on 30 November 2020.

On 30 November 2020, this subsidiary entered into entire business transfer agreement to transfer its business including its assets and liabilities to Asian Property Co., Ltd. at the net book value of net assets and liabilities calculated based on this subsidiary's financial statements of Baht 35.5 million.

In December 2020, the Company received the return on its investment as a result of the dissolution of Asian Property (2012) Co., Ltd. totaling Baht 308 million. The Company recognised gain on dissolution of this subsidiary totaling Baht 8.0 million in the separate financial statements.

At present this subsidiary is in liquidation process with the Ministry of Commerce.

#### **12.4 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 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).

##### 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 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).

##### 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 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).

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).

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).

### 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		Consolidated financial statements		Separate financial statements		Separate financial statements	
				Carrying amounts based on equity method		Cost		Dividend received for the year	
		2020 (%)	2019 (%)	2020	2019	2020	2019	2020	2019
AP (Ekkamai) Co., Ltd.	Real estate development	-	-	-	-	-	-	-	375
Premium Residence Co., Ltd. and its subsidiaries	Real estate development	51	51	6,462	5,453	6,234	5,822	1,350	570
Total				6,462	5,453	6,234	5,822	1,350	945

### 13.2 Share of profit from investments in joint ventures

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

Joint ventures	(Unit: Million Baht)	
	Consolidated financial statements	
	For the years ended 31 December	
	2020	2019
AP (Ekkamai) Co., Ltd.	-	372
Premium Residence Co., Ltd. and its subsidiaries	1,948	637
<b>Total</b>	<b>1,948</b>	<b>1,009</b>

### 13.3 Summarised financial information about material joint ventures

#### Summarised information about financial position

	(Unit: Million Baht)	
	Premium Residence Co., Ltd. and its subsidiaries	
	31 December 2020	31 December 2019
Cash and cash equivalents	2,077	902
Other current assets	24,626	28,356
Non-current assets	569	890
	<b>27,272</b>	<b>30,148</b>
Short-term loans	1,563	1,668
Other current liabilities	3,535	5,111
Long-term loans	9,062	12,053
Other non-current liabilities	157	135
	<b>14,317</b>	<b>18,967</b>
Net assets	12,955	11,181
Shareholding percentage (%)	51	51
<b>Share of net assets</b>	<b>6,607</b>	<b>5,702</b>
Elimination	(145)	(249)
<b>Carrying amounts of joint ventures based on equity method</b>	<b>6,462</b>	<b>5,453</b>

These joint ventures have mortgaged their land and construction thereon, with total net book value as at 31 December 2020 of approximately Baht 19,715 million (the Company's proportion: Baht 10,055 million), as collateral for credit facilities granted by the commercial banks (2019: Baht 26,870 million (the Company's proportion: Baht 13,704 million)).

### Summarised information about comprehensive income

	(Unit: Million Baht)		
	For the years ended 31 December		
	2020	2019	
	Premium Residence Co., Ltd. and its subsidiaries	Premium Residence Co., Ltd. and its subsidiaries	AP (Ekkamai) Co., Ltd.
Revenues	16,239	6,773	1,877
Interest income	6	8	3
Interest expenses	(32)	(23)	-
Income tax expenses	(1,040)	(345)	(182)
Profit	3,614	1,218	729
Total comprehensive income	3,614	1,218	729

#### 13.4 Changes in investments i joint ventures

##### Premium Residence Co., Ltd.

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, from Baht 9,619.4 million to Baht 10,619.4 million.

During the years 2019 and 2020, the additional call up of registered share capital was made as follows:

- On 25 June 2019, the first call up of registered share capital was 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 was paid at 23.0 percent of additional registered share capital or equivalent to Baht 230 million.
- On 26 November 2019, the third call up of registered share capital was paid at 31 percent of additional registered share capital or equivalent to Baht 310 million.
- On 18 February 2020, the fourth call up of registered share capital was paid at 10.9 percent of additional registered share capital or equivalent to Baht 109 million.

On 25 September 2019, the Extraordinary General Meeting of shareholders of Premium Residence Co., Ltd. approved to increase its registered share capital by Baht 2,000 million, from Baht 10,619.4 million to Baht 12,619.4 million.

During the years 2019 and 2020, the additional call up of registered share capital was made as follows:

- On 25 September 2019, the first call up of registered share capital was paid at 45.2 percent of additional registered share capital or equivalent to Baht 904.7 million.
- On 18 February 2020, the second call up of registered share capital was paid at 9.55 percent of additional registered share capital or equivalent to Baht 191 million.
- On 18 March 2020, the third call up of registered share capital was paid at 10 percent of additional registered share capital or equivalent to Baht 200 million.
- On 9 April 2020, the fourth call up of registered share capital was paid at 15.4 percent of additional registered share capital or equivalent to Baht 308 million.

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

Land and cost of project held for development as at 31 December 2020 and 2019 consisted of the following:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	663,895	745,393	84,221	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	956,189	1,037,687	84,221	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>597,575</u>	<u>679,073</u>	<u>65,258</u>	<u>146,756</u>

## 15. Investment properties

The net book value of investment properties, representing condominium units for rent, as at 31 December 2020 and 2019 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cost	107,263	99,727	66,416	67,378
Less: Accumulated depreciation	(32,667)	(27,099)	(24,874)	(21,706)
Net book value	<u>74,596</u>	<u>72,628</u>	<u>41,542</u>	<u>45,672</u>

A reconciliation of the net book value of investment properties for the years 2020 and 2019 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Net book value at beginning of year	72,628	74,826	45,672	49,041
Transfer from inventories	3,774	-	-	-
Increase from changing the status of joint ventures to subsidiaries - net	4,015	2,715	-	-
Disposals - net book value at disposal date	(806)	-	(806)	-
Depreciation for the year	(5,015)	(4,913)	(3,324)	(3,369)
Net book value at end of year	<u>74,596</u>	<u>72,628</u>	<u>41,542</u>	<u>45,672</u>

The fair value of the investment properties as at 31 December 2020 was approximately Baht 429 million (Separate financial statements: Baht 247 million) (2019: Baht 372 million (Separate financial statements: Baht 235 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 land 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 2019	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 assets	-	-	-	-	-	-	-	-	(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
Adjustments of right-of-use assets due to TFRS 16 adoption	-	-	-	-	-	(1,528)	-	-	-	(1,528)
Additions	-	-	-	-	28,607	-	3,037	10,609	-	42,253
Increase from changing the status of joint ventures to subsidiaries	-	-	-	-	189	-	-	71	-	260
Disposals/write-off	-	-	-	-	(13,919)	-	(9,375)	(4,392)	-	(27,686)
Transfer in (out)	-	-	-	-	28,160	-	1,341	-	(29,501)	-
31 December 2020	26,216	9,785	42,473	588	640,974	2,185	59,902	96,993	-	879,116
<b>Accumulated depreciation</b>										
1 January 2019	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
Adjustments of right-of-use assets due to TFRS 16 adoption	-	-	-	-	-	(767)	-	-	-	(767)
Depreciation for the year	331	285	-	-	71,496	-	10,269	15,548	-	97,929
Increase from changing the status of joint ventures to subsidiaries	-	-	-	-	180	-	-	71	-	251
Depreciation on disposals/write-off	-	-	-	-	(12,705)	-	(9,375)	(3,248)	-	(25,328)
31 December 2020	7,985	6,205	36,780	588	294,382	2,185	49,664	61,524	-	459,313

(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>										
1 January 2019	4,802	11	5,693	-	-	-	-	-	-	10,506
Decrease during the year	-	(11)	-	-	-	-	-	-	-	(11)
31 December 2019	4,802	-	5,693	-	-	-	-	-	-	10,495
31 December 2020	4,802	-	5,693	-	-	-	-	-	-	10,495
<b>Net book value</b>										
31 December 2019	13,760	3,865	-	-	362,526	761	16,129	41,552	29,501	468,094
31 December 2020	13,429	3,580	-	-	346,592	-	10,238	35,469	-	409,308
<b>Depreciation for the year</b>										
2019 (included in the administrative expenses)										86,590
2020 (included in the administrative expenses)										97,929

(Unit: Thousand Baht)

	Separate financial statements					Total
	Land and land improvement	Buildings and constructions	Furniture, fixtures and equipment	Other fixed assets	Assets under installation	
<b>Cost</b>						
1 January 2019	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 assets	-	-	-	-	(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
Additions	-	-	20,892	5,675	-	26,567
Disposals/write-off	-	-	(10,743)	(2,875)	-	(13,618)
Transfer in (out)	-	-	28,159	-	(28,159)	-
31 December 2020	22,907	4,085	388,770	55,099	-	470,861
<b>Accumulated depreciation</b>						
1 January 2019	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
Depreciation for the year	-	-	40,241	10,406	-	50,647
Depreciation on disposals/write-off	-	-	(10,233)	(2,458)	-	(12,691)
31 December 2020	5,511	4,085	190,752	32,702	-	233,050

(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>						
1 January 2019	4,802	11	-	-	-	4,813
Decrease during the year	-	(11)	-	-	-	(11)
31 December 2019	4,802	-	-	-	-	4,802
31 December 2020	4,802	-	-	-	-	4,802
<b>Net book value</b>						
31 December 2019	12,594	-	189,718	27,545	28,159	258,016
31 December 2020	12,594	-	198,018	22,397	-	233,009
<b>Depreciation for the year</b>						
2019 (included in the administrative expenses)						40,397
2020 (included in the administrative expenses)						50,647

As at 31 December 2020 and 2019, 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 395 million and Baht 360 million, respectively (Separate financial statements: Baht 279 million and Baht 254 million, respectively).

## 17. Leases

### The Group as a lessee

The Group has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 2 and 5 years.

#### a) Right-of-use assets

Movements of right-of-use assets for the year ended 31 December 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		
	Buildings and improvement	Motor vehicles	Total
1 January 2020 (Note 4)	605,015	48,458	653,473
Additions	25,729	3,196	28,925
Depreciation for the year	(110,921)	(16,746)	(127,667)
31 December 2020	519,823	34,908	554,731

(Unit: Thousand Baht)

	Separate financial statements		
	Buildings and improvement	Motor vehicles	Total
1 January 2020 (Note 4)	279,728	41,851	321,579
Additions	25,729	3,196	28,925
Depreciation for the year	(52,886)	(14,758)	(67,644)
31 December 2020	252,571	30,289	282,860

#### b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Lease payments	617,723	654	313,513	-
Less: Deferred interest expenses	(53,714)	(26)	(25,851)	-
Total	564,009	628	287,662	-
Less: Portion due within one year	(119,139)	(391)	(64,637)	-
Lease liabilities - net of current portion	444,870	237	223,025	-

A maturity analysis of lease payments is disclosed in Note 36 under the liquidity risk.

**c) Expenses relating to leases that are recognised in profit or loss**

	(Unit: Thousand Baht)	
	For the year ended 31 December 2020	
	Consolidated	Separate
	financial statements	financial statements
Depreciation expenses of right-of-use assets	127,667	67,644
Interest expenses on lease liabilities	19,772	9,929
Expenses relating to short-term leases	203,865	36,545

**d) Others**

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 322 million (Separate financial statements: Baht 99 million), including the cash outflow related to short-term leases and leases of low-value assets. Moreover, the Group had non-cash additions to right-of-use assets and lease liabilities of Baht 29 million (the Company only: Baht 29 million).

## 18. Intangible assets

The net book value of intangible assets, representing computer software, as at 31 December 2020 and 2019 is presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Cost</b>		
1 January 2019	166,769	148,645
Additions	85,427	33,217
Transferred from assets under installation	37,731	15,870
31 December 2019	289,927	197,732
Additions	70,074	19,757
Disposals	(13,444)	-
31 December 2020	346,557	217,489
<b>Accumulated amortisation</b>		
1 January 2019	149,426	136,997
Amortisation for the year	26,992	17,805
31 December 2019	176,418	154,802
Amortisation for the year	38,434	17,970
Disposals	(472)	-
31 December 2020	214,380	172,772
<b>Net book value</b>		
31 December 2019	113,509	42,930
31 December 2020	134,177	44,717
<b>Amortisation for the year</b>		
2019 (included in the administrative expenses)	26,992	17,805
2020 (included in the administrative expenses)	38,434	17,970

## 19. Short-term loans from financial institutions

Short-term loans from financial institutions as at 31 December 2020 and 2019 comprised the following:

	Interest rate		Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019	2020	2019
	(percent per annum)	(percent per annum)				
Bill of exchanges	0.80 - 1.81	1.50 - 2.70	3,118,050	8,213,550	2,400,000	7,405,000
Less: Prepaid interest expenses			(5,248)	(33,403)	(5,248)	(33,403)
Short-term loans from financial institutions			<u>3,112,802</u>	<u>8,180,147</u>	<u>2,394,752</u>	<u>7,371,597</u>

Certain 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.

## 20. Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade accounts payable - related parties	-	-	1,048	46,091
Trade accounts payable - unrelated parties	1,582,275	1,531,452	433,018	478,783
Other payables - the Revenue Department	41,138	48,547	11,075	12,694
Other payables - related parties	-	-	174,735	5,349
Other payables - unrelated parties	201,030	173,494	13,641	18,531
Total trade and other payables	<u>1,824,443</u>	<u>1,753,493</u>	<u>633,517</u>	<u>561,448</u>

## 21. Long-term loans

Long-term loans from banks as at 31 December 2020 and 2019 were summarised as follows:

(Unit: Thousand Baht)								
			Significant terms and conditions of loan agreement			Outstanding long-term loans		
No.	Lender	Credit facilities	Repayment term	Collateral	Interest rate	Current portion	Non-current portion	Total
						(Percent per annum)		
<u>2020</u>								
<u>Subsidiaries</u>								
<u>Asian Property Co., Ltd.</u>								
1.	Bank	3,437,700	At 70 percent of selling price upon release of the mortgage and due within 2027	The mortgage of land and construction thereon	MLR-2.0 to MLR-2.15	-	1,086,700	1,086,700
<u>The Value Property Development Co., Ltd.</u>								
2.	Bank	4,359,500	At 50 percent of selling price upon release of the mortgage and due within 2024	The mortgage of land and construction thereon	MLR-2.13 to MLR-2.15	-	884,500	884,500
Total loans of the subsidiaries						-	1,971,200	1,971,200
Total loans of the Group						-	1,971,200	1,971,200
Total loans of the Group								

(Unit: Thousand Baht)

No.	Lender	Credit facilities	Significant terms and conditions of loan agreement			Outstanding long-term loans		
			Repayment term	Collateral	Interest rate (Percent per annum)	Current portion	Non-current portion	Total
<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

Movements in long-term loans for the year ended 31 December 2020 were as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Balance as at 31 December 2019</b>	827,000	210,000
Add: Additional borrowing during the year	2,412,700	-
Less: Repayment during the year	(1,268,500)	(210,000)
<b>Balance as at 31 December 2020</b>	<u>1,971,200</u>	<u>-</u>

During the year 2020, the two subsidiaries entered into the loan agreements with local commercial banks for loan facilities of approximately Baht 3,434.7 million, on which the interest is charged at the rate between MLR minus 2.00 percent per annum and MLR minus 3.40 percent per annum. Payments of the principal are to be made at a percentage of the value of property transferred to customers and the full payment is to be made within 2027.

Long-term loans of the Company are secured by the mortgage of land of the Company's projects and construction thereon. Long-term loans of the subsidiaries are secured by the mortgage of land of the subsidiaries' projects and are guaranteed by the Company.

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 2020, the long-term credit facilities of the Group which have not yet been drawn down amounted to Baht 6,425 million (Separate financial statements: Baht 323 million) (2019: Baht 6,296 million (Separate financial statements: Baht 323 million)).

## 22. Debentures

Debentures as at 31 December 2020 and 2019, 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	
				2020	2019	2020	2019
				(Thousand units)	(Thousand units)	(Million Baht)	(Million Baht)
AP201A	3.58% p.a.	5 years	22 January 2020	-	1,500	-	1,500
AP207A	3.06% p.a.	3 years and 6 months	19 July 2020	-	1,500	-	1,500
AP203A	2.50% p.a.	2 years and 10 months	30 March 2020	-	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
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	3,000	3,000
AP227A	2.63% p.a.	3 years	11 July 2022	500	500	500	500
AP238A	2.42% p.a.	4 years	19 August 2023	1,230	1,230	1,230	1,230
AP248A	2.62% p.a.	5 years	19 August 2024	770	770	770	770
AP241A	2.35% p.a.	4 years	23 January 2024	2,500	-	2,500	-
AP258A	3.50% p.a.	5 years	28 August 2025	850	-	850	-
AP238B	2.80% p.a.	3 years	28 August 2023	400	-	400	-
Total						17,850	18,600
Less: Current portion						(4,600)	(4,500)
Debentures - net of current portion						13,250	14,100

22.1 On 17 May 2019, the Company issued and offered debentures according to the resolution of the 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.

- 22.2 On 11 July 2019, the Company issued and offered debentures according to the resolution of the 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.
- 22.3 On 19 August 2019, the Company issued and offered debentures according to the resolution of the 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.
- 22.4 On 19 August 2019, the Company issued and offered debentures according to the resolution of the 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.
- 22.5 On 23 January 2020, the Company issued and offered debentures according to the resolution of the Annual General Meeting of the Company's shareholders held on 30 April 2015 by issuing and offering 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, by way of private placement to institutional investors. 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 and the debentures are due for redemption on 23 January 2024.
- 22.6 On 28 August 2020, the Company issued and offered debentures according to the resolution of the Annual General Meeting of the Company's shareholders held on 9 July 2020 by issuing and offering 0.85 million units of named, unsubordinated, unsecured debentures, with debenture holder's representative, at the offering price of Baht 1,000 each, amounting to Baht 850 million, by way of private placement to institutional investors plus high net worth investors. The debentures have 5-year term from the date of issuance and bear the fixed interest rate of 3.50% per annum. The interest payment is made every six months and the debentures are due for redemption on 28 August 2025.

22.7 On 28 August 2020, the Company issued and offered debentures according to the resolution of the Annual General Meeting of the Company's shareholders held on 9 July 2020 by issuing and offering 0.4 million units of named, unsubordinated, unsecured debentures, without debenture holder's representative, at the offering price of Baht 1,000 each, amounting to Baht 400 million, by way of private placement to institutional investors. The debentures have 3-year term from the date of issuance and bear the fixed interest rate of 2.80% per annum. The interest payment is made every six months and the debentures are due for redemption on 28 August 2023.

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

As at 31 December 2020, fair values of debentures are Baht 17,908 million (2019: Baht 18,855 million).

### 23. Provision for long-term employee benefits

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Defined benefit obligations at beginning of year</b>	222,331	175,929	121,222	102,093
Expenses recognised in profit or loss:				
Current service cost	39,784	34,615	18,180	16,567
Interest cost	7,797	6,319	3,978	3,302
Past service costs	-	6,208	-	-
Benefits paid during the year	(582)	(740)	-	(740)
<b>Defined benefits obligations at end of year</b>	<u>269,330</u>	<u>222,331</u>	<u>143,380</u>	<u>121,222</u>

Long-term employee benefit expenses included under the selling and administrative expenses in the profit or loss were as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Current service cost	39,784	34,615	18,180	16,567
Interest cost	7,797	6,319	3,978	3,302
Past service costs	-	6,208	-	-
<b>Total expenses recognised in profit or loss</b>	<u>47,581</u>	<u>47,142</u>	<u>22,158</u>	<u>19,869</u>

The Group expects to pay Baht 1.1 million of long-term employee benefits during the next year (the Company only: Baht 1.1 million) (2019: Baht 1.4 million (the Company only: Baht 1.3 million)).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefits is 17.00 - 24.66 years (the Company only: 23.15 years) (2019: 17.00 - 25.49 years, the Company only: 23.99 years).

Key actuarial assumptions used for the valuation are as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(% 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 results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at 31 December 2020 and 2019 are summarised below.

	(Unit: Million Baht)			
	31 December 2020			
	Consolidated financial statements		Separate financial statements	
	Increase 1.0%	Decrease 1.0%	Increase 1.0%	Decrease 1.0%
Discount rate	(35)	23	(9)	15
	Increase 1.0%	Decrease 1.0%	Increase 1.0%	Decrease 1.0%
Salary increase rate	28	(41)	18	(12)
	Increase 10.0%	Decrease 10.0%	Increase 10.0%	Decrease 10.0%
Staff turnover rate	(27)	24	(5)	10

  

	(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%
Salary increase rate	33	(15)	20	(17)
	Increase 10.0%	Decrease 10.0%	Increase 10.0%	Decrease 10.0%
Staff turnover rate	(16)	26	(11)	13

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 service costs as expenses in the profit or loss in the statement of comprehensive income for the year 2019.

The employees of the Company, other subsidiaries in the group and joint ventures 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's, other subsidiaries' and joint ventures' financial statements.

## **24. 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.

## **25. Revenue from contracts with customers**

### **25.1 Revenue recognised in relation to contract balances**

During the year 2020, the Group recognised the items that were included in advance received from customers at the beginning of the year of Baht 148 million as the revenue in the statement of comprehensive income (Separate financial statements: Baht 10.7 million) (2019: Baht 166.8 million, Separate financial statements: Baht 20.2 million).

### **25.2 Revenue to be recognised for the remaining performance obligations**

As at 31 December 2020, 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:

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	2020	2019	2020	2019
<b>Nature of business:</b>				
Real estate development	10,120.5	8,966.2	1,481.9	1,460.7
Service	58.0	74.2	-	-

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

However, the revenues 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 construction projects of the Group and also economic and political conditions.

## 26. Finance income

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Interest income on bank deposits	6,537	9,121	3,788	4,228
Interest income on loans	-	-	982,863	1,031,804
<b>Total</b>	<b>6,537</b>	<b>9,121</b>	<b>986,651</b>	<b>1,036,032</b>

## 27. Finance cost

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Interest expenses on borrowings	300,497	206,678	646,263	685,907
Interest expenses on lease liabilities	19,793	40	9,929	-
Others	46,916	40,762	18,003	18,148
<b>Total</b>	<b>367,206</b>	<b>247,480</b>	<b>674,195</b>	<b>704,055</b>

## 28. Expenses by nature

Significant expenses by nature are as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Construction and infrastructure costs	11,629,107	9,128,686	2,034,616	3,156,472
Land cost	7,335,741	5,569,129	1,505,300	2,112,467
Salary and wages and other employee benefits	2,114,206	1,787,515	549,497	697,029
Advertising and promotion expenses	1,070,101	1,253,387	336,030	527,255
Rental expenses from lease agreements	49,595	175,146	14,895	92,502
Depreciation	230,611	91,503	121,615	43,766
Amortisation	38,434	26,992	17,970	17,805
Loss on diminution in value of investment	-	-	25,000	-

## 29. Income tax

Income tax expenses for the years ended 31 December 2020 and 2019 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Current income tax</b>				
Current income tax charge	702,481	669,084	104,568	289,270
Adjustment in respect of income tax of previous year	50,808	11,417	11,848	9,536
<b>Deferred tax:</b>				
Relating origination and reversal of temporary differences	(63,433)	(99,503)	9,285	16,181
<b>Income tax expenses reported in profit or loss</b>	<u>689,856</u>	<u>580,998</u>	<u>125,701</u>	<u>314,987</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Accounting profit before tax	4,915,335	3,644,961	1,942,362	2,925,354
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	983,067	728,992	388,472	585,071
Adjustment in respect of income tax of previous year	50,808	11,417	11,848	9,536
Effect of non-taxable expenses and revenues for tax purpose	5,443	13,954	36,027	633
Tax effect on tax-deductible more than 1 time	(5,539)	(6,393)	(2,547)	(2,191)
Tax effect of non-taxable dividend income	-	-	(310,096)	(278,911)
Share of profit from investments in joint ventures	(389,525)	(201,715)	-	-
Others	45,602	34,743	1,997	849
<b>Income tax expenses reported in the statement of comprehensive income</b>	<u>689,856</u>	<u>580,998</u>	<u>125,701</u>	<u>314,987</u>

The components of deferred tax assets are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	As at	As at
	31 December 2020	31 December 2019
<b>Deferred tax assets</b>		
Allowance for expected credit losses		
(2019: Allowance for doubtful accounts)	2	5
The difference between book and tax accounting net revenue	-	580
Allowance for asset impairment	45,916	39,649
Profit in outstanding inventories	15,093	25,913
Accumulated depreciation - plant and equipment	1,975	1,548
Provision for long-term employee benefits	48,927	40,721
Deferred sales and marketing expenses	203,686	132,340
Leases	1,785	-
Unused tax loss	105,746	115,737
<b>Total</b>	<b>423,130</b>	<b>356,493</b>

	(Unit: Thousand Baht)	
	Separate financial statements	
	As at	As at
	31 December 2020	31 December 2019
<b>Deferred tax assets</b>		
Provision for long-term employee benefits	28,676	24,244
Deferred sales and marketing expenses	41,003	55,681
Leases	961	-
<b>Total</b>	<b>70,640</b>	<b>79,925</b>

As at 31 December 2020 the subsidiaries had deductible temporary differences totaling Baht 3.4 million (2019: Baht 3.8 million), on which deferred tax assets have not been recognised as the subsidiaries believe that future taxable profits may not be sufficient to allow utilisation of the temporary differences.

### 30. 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.

### 31. Dividends

Dividends paid for the years ended 31 December 2020 and 2019 are as follows:

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
<u>Year 2020</u>			
Interim dividends for 2020	Board of Directors' Meeting on 28 April 2020	<u>1,258</u>	<u>0.40</u>
<u>Year 2019</u>			
Final dividends for 2018	Annual General Meeting of the shareholders on 25 April 2019	<u>1,258</u>	<u>0.40</u>

### 32. 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 its 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 2020 and 2019 amounting to Baht 39 million and Baht 37 million, respectively, were recognised as expenses in the consolidated financial statements (Separate financial statements: Baht 20 million and Baht 18 million, respectively).

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

No operating segments 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 2020 and 2019, 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	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenues												
Revenues from external customers												
Sales of real estate	24,035	18,145	4,914	4,534	-	-	28,949	22,679	-	-	28,949	22,679
Management income and service income	-	-	-	-	939	1,123	939	1,123	-	-	939	1,123
Inter-segment revenues	-	-	-	-	292	606	292	606	(292)	(606)	-	-
Total revenues	24,035	18,145	4,914	4,534	1,231	1,729	30,180	24,408	(292)	(606)	29,888	23,802
Operating results												
Segment profit	5,217	4,406	1,053	1,631	739	903	7,009	6,940	(40)	(1,073)	6,969	5,867
Finance cost											(367)	(247)
Other income											70	164
Share of profit from investments in joint ventures											1,947	1,008
Other expenses											(3,704)	(3,147)
Profit before income tax											4,915	3,645
Income tax											(690)	(581)
Profit for the year											4,225	3,064

(Unit: Million Baht)

	As at 31 December											
	Low-rise segment		High-rise segment		Other segments		Total segments		Unallocated assets		Consolidated financial statements	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Segment total assets	41,877	43,628	5,127	6,992	165	206	47,169	50,826	11,555	7,968	58,724	58,794
Investments in joint ventures accounted for												
using the equity method	-	-	-	-	-	-	-	-	6,462	5,453	6,462	5,453
Increase (decrease) in non-current assets												
other than financial instruments and deferred												
tax assets	(1)	1	2	(3)	(29)	(52)	(28)	(54)	1,464	1,171	1,436	1,117
Segment total liabilities	-	-	-	-	-	-	-	-	29,461	32,498	29,461	32,498

### *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 segments.

### *Major customers*

For the years 2020 and 2019, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

### 34. Commitments and contingent liabilities

#### 34.1 Capital commitments

As at 31 December 2020, the Group had entered into agreements with third parties to purchase land with the amount payable in the future of approximately Baht 2,966 million (Separate financial statements: Nil) (2019: Baht 3,246 million (Separate financial statements: Nil)).

#### 34.2 Lease commitments

Future minimum lease payments for low value assets and non-cancellable lease agreements with a term of not more than 12 months as at 31 December 2020 were as follows:

	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
Within 1 year	21	1
Over 1 year and up to 5 years	2	-
Total	23	1

#### 34.3 Commitments under contracts for project developments

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

	(Unit: Million Baht)	
Company's name	2020	2019
<u>The Company</u>		
AP (Thailand) Plc.	386	658
<u>Subsidiaries</u>		
Asian Property (Krungthep) Co., Ltd.	938	383
Asian Property Co., Ltd.	2,158	3,389
The Value Property Development Co., Ltd.	2,334	3,224
Asian Property (2012) Co., Ltd.	-	11
SEASIA Leadavation Center Co., Ltd.	10	-
AP ME 1 Co., Ltd.	1	-
AP (Ekkamai) Co., Ltd.	-	4
Asian Property (2014) Co., Ltd.	12	10
Thai Big Belly Co., Ltd.	1	1
Asian Property (2017) Co., Ltd.	54	-
Asian Property (2018) Co., Ltd.	60	76

	(Unit: Million Baht)	
Company's name	2020	2019
<u>Joint ventures</u>		
Premium Residence Co., Ltd. and its subsidiaries	6,636	8,390
Total	12,590	16,146

#### 34.4 Guarantees

- a) As at 31 December 2020 and 2019, contingent liabilities in respect of guarantees provided by the Company to secure the Group's loans and credit facilities from banks were as follows:

	(Unit: Million Baht)	
Guarantees	2020	2019
<u>Subsidiaries</u>		
Asian Property (Krungthep) Co., Ltd.	2,519	1,540
Asian Property Co., Ltd.	7,603	8,960
The Value Property Development Co., Ltd.	8,925	5,915
Asian Property (2012) Co., Ltd.	-	330
Asian Property (2014) Co., Ltd.	10	210
Thai Big Belly Co., Ltd.	25	25
Asian Property (2017) Co., Ltd.	780	780
Asian Property (2018) Co., Ltd.	405	345
Total	20,267	18,105

- 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	2020	2019
<u>The Company</u>		
AP (Thailand) Plc.	391	1,144
<u>Subsidiaries</u>		
Asian Property (Krungthep) Co., Ltd.	665	449
Asian Property Co., Ltd. and its subsidiary	1,028	1,692
The Value Property Development Co., Ltd.	2,106	1,120
Asian Property (2012) Co., Ltd.	-	1
Asian Property (2014) Co., Ltd.	-	5
Asian Property (2017) Co., Ltd.	67	124
Asian Property (2018) Co., Ltd.	5	7
Total	4,262	4,542

### 34.5 Litigation

As at 31 December 2020, the Group was sued for other court cases with an amount in dispute totaling Baht 192 million (2019: Baht 331 million). The management believes that the liabilities arising as a result of these legal cases will not exceed the related liabilities which have already been recorded in the financial statements.

### 35. Fair value hierarchy

As at 31 December 2020 and 2019, the Group had the assets and liabilities for which fair value was disclosed using different levels of inputs as follows:

	(Unit: Million Baht)	
	As at 31 December 2020	
	Consolidated financial statements	Separate financial statements
	Level 2	Level 2
<b>Assets for which fair value was disclosed</b>		
Investment properties	429	247
<b>Liabilities for which fair value was disclosed</b>		
Debentures	17,908	17,908

  

	(Unit: Million Baht)	
	As at 31 December 2019	
	Consolidated financial statements	Separate financial statements
	Level 2	Level 2
<b>Assets for which fair value was disclosed</b>		
Investment properties	372	235
<b>Liabilities for which fair value was disclosed</b>		
Debentures	18,855	18,855

## **36. Financial instruments**

### **36.1 Financial risk management objectives and policies**

The Group's financial instruments principally comprise cash and cash equivalents, trade receivables, loans, investments, trade payables, debentures, and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

#### **Credit risk**

The Group is exposed to credit risk primarily with respect to trade accounts receivable, loans, deposits with banks and financial institutions and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

#### ***Trade receivables and contract assets***

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables and contract assets are regularly monitored. In addition, the Group does not have high concentrations of credit risk since it has a large number of customers.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

#### ***Financial instruments and cash deposits***

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

## 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.

As at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements						
31 December 2020						
	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Interest rate
	Within 1 year	1-5 years				(% p.a.)
<b>Financial assets</b>						
Cash and cash equivalents	-	-	2,691	49	2,740	0.05 to 0.35
Trade and other receivables	-	-	-	80	80	-
Restricted bank deposits	-	-	1	-	1	0.15
	-	-	2,692	129	2,821	
<b>Financial liabilities</b>						
Short-term loans from financial institutions	3,113	-	-	-	3,113	0.80 to 1.81
Trade and other payables	-	-	-	1,824	1,824	-
Lease liabilities	-	564	-	-	564	3.25 to 4.03
Long-term loans	-	-	1,971	-	1,971	MLR-2.00 to MLR-2.15
Debentures	-	17,850	-	-	17,850	2.32 to 3.50
Retention payable	-	-	-	269	269	-
	3,113	18,414	1,971	2,093	25,591	

(Unit: Million Baht)

## Consolidated 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	-	-	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)

## Separate financial statements

31 December 2020

	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	-	-	703	22	725	0.05 to 0.35
Trade and other receivables	-	-	-	27	27	-
Short-term loans to related parties	-	-	30,920	-	30,920	2.96 to 3.04
Restricted bank deposits	-	-	1	-	1	0.15
	-	-	31,624	49	31,673	
<b>Financial liabilities</b>						
Short-term loans from financial institutions	2,395	-	-	-	2,395	0.80 - 1.81
Trade and other payables	-	-	-	633	633	-
Short-term loans from related parties	-	-	1,422	-	1,422	2.96 to 3.04
Lease liabilities	-	288	-	-	288	3.25 to 4.03
Debentures	-	17,850	-	-	17,850	2.32 to 3.50
Retention payable	-	-	-	43	43	-
	2,395	18,138	1,422	676	22,631	

(Unit: Million Baht)

	Separate financial statements					
	31 December 2019					
	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Interest rate
	Within 1 year	1-5 years				(% p.a.)
<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	

### Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of floating rate loans from affected as at 31 December 2020, with all other variables held constant.

Currency	Effect on profit before tax	
	Increase (decrease)	Increase (decrease)
	(%)	(Million Baht)
Baht	0.5	(9.9)
	(0.5)	9.9

### Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts, bank loans and lease contracts. Approximately 38.14% of the Group's debts will mature in less than one year at 31 December 2020 (2019: 49.22%) (the Company only: 36.36%, 2019: 45.56%) based on the carrying value of borrowings reflected in the financial statements. The Group has assessed the concentration of risk with respect to refinancing its debts and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2020 based on contractual undiscounted cash flows:

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>			
Bank overdrafts and short-term loans from financial institutions	3,118,050	-	3,118,050
Trade and other payables	1,824,443	-	1,824,443
Lease liabilities	139,087	478,636	617,723
Long-term loans	-	1,971,200	1,971,200
Other financial liabilities	4,600,000	13,250,000	17,850,000
<b>Total non-derivatives</b>	<b>9,681,580</b>	<b>15,699,836</b>	<b>25,381,416</b>

	(Unit: Thousand Baht)		
	Separate financial statements		
	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>			
Bank overdrafts and short-term loans from financial institutions	2,400,000	-	2,400,000
Trade and other payables	633,517	-	633,517
Lease liabilities	74,490	239,023	313,513
Long-term loans	-	-	-
Other financial liabilities	4,600,000	13,250,000	17,850,000
<b>Total non-derivatives</b>	<b>7,708,007</b>	<b>13,489,023</b>	<b>21,197,030</b>

## **36.2 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 was disclosed in Note 35.

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 approximate 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.

## **37. 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 equivalents 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 2020 and 2019.

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

38.1 On 28 January 2021, the meeting of the Company's Board of Directors approved the resolutions of the Executive Committee Meeting held on 14 January 2021 for issuing and offering debentures according to the resolution of the Annual General Meeting of the Company's shareholders held on 9 July 2020 as follows:

- Issuing and offering 1.5 million units of named, unsubordinated, unsecured debentures, with debenture holder's representative, at the offering price of Baht 1,000 each, amounting to Baht 1,500 million, by way of private placement to institutional investors plus high net worth investors. The debentures have 5-year term from the date of issuance and bear the fixed interest rate of 3.51% per annum. The interest payment is made every six months.
- Issuing and offering 1.5 million units of named, unsubordinated, unsecured debentures, with debenture holder's representative, at the offering price of Baht 1,000 each, amounting to Baht 1,500 million, by way of private placement to institutional investors plus high net worth investors. The debentures have 3-year and 6-month term from the date of issuance and bear the fixed interest rate of 2.77% per annum. The interest payment is made every six months.

38.2 On 23 February 2021, the meeting of the Company's Board of Directors passed the resolution to approve the payment of dividends for 2020 to the Company's shareholders at Baht 0.40 per share and 30th anniversary special dividend at Baht 0.05 per share. The payment of dividends will later be proposed for approval in the Annual General Meeting of the Company's shareholders.

### **39. Approval of financial statements**

These financial statements were authorised for issue by the Board of Directors of the Company on 23 February 2021.