

CHAOPRAYAMAHANAKORN PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2019

Independent Auditor's Report

To the Shareholders and the Board of Directors of Chaoprayamahanakorn Public Company Limited

My opinion

In my opinion, the consolidated financial statements of Chaoprayamahanakorn Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2019, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2019;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. 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 judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matter	How my audit addressed the key audit matter
<p><i>Valuation of real estate projects under development and real estate projects held for development</i></p> <p>Refer to accounting policies Note 2.7 Accounting policy 'Real estate projects under development and real estate projects held for development', Note 9 'Real estate projects under development' and Note 15 'Real estate projects held for development' to the financial statements.</p> <p>As at 31 December 2019, real estate projects under development and real estate projects held for development were presented in the consolidated and separate statements of financial position. The total project valuation was Baht 4,545 million (representing 87 percent) and Baht 2,824 million (representing 73 percent) of the total assets of the Group and the Company. These amounts comprised ready-to-sell houses in Phrase A of the on-hold housing project, the cost of which was Baht 115 million presented in real estate projects under development, and houses under construction in Phrase B of this project, the cost of which was Baht 105 million presented in real estate projects held for development. The Company has recorded an allowance for devaluation of the housing project for ready-to-sell houses in Phrase A of Baht 51 million and houses under construction in Phrase B of Baht 37 million.</p> <p>Management calculated the estimated loss by comparing the net realisable value of the ready-to-sell houses in Phrase A with its book value and estimated full loss from construction Phrase B since the project has been suspended. Management has assessed that the amount of the allowance is appropriate, thus, it is not required the additional allowance for devaluation for this project for the year ended 31 December 2019.</p> <p>I focused on this area because of the high value and significance of real estate projects under development and real estate projects held for development to the consolidated and separate financial statements. Management made judgements in setting the appropriate allowance for devaluation taking into consideration the net realisable value of selling and developing such projects.</p>	<p>I evaluated management's assessment methods of the real estate projects under development and real estate projects held for development valuation by:</p> <ul style="list-style-type: none"> visiting sites of the ready-to-sell houses in Phrase A and houses under construction in Phrase B of the on-hold housing project to assess the condition of the projects, inquiring management about selling plan for houses Phrase A and construction plan for Phrase B, challenging management on the source of information used to determine the net realisable value of real estate projects of the ready-to-sell houses in Phrase A, evaluating the method and testing appropriateness of the source of information used for the management's assessment of the market value of the ready-to-sell houses in Phrase A by examining land appraisal price with the department of lands and the nearby market area and price quotations, comparing the net estimated cash inflows from selling houses in Phase A (net with expected selling expenses), and comparing the results to the book value and testing the appropriateness of full allowance for devaluation housing project Phrase B comparing the results to the book value. <p>Based on above procedures, I found that management's assessment methods of the real estate projects under development and real estate projects held for development valuation was based on reliable sources of information and appropriate market factors.</p>

Key audit matter	How my audit addressed the key audit matter
<p>Valuation of investment in a subsidiary</p> <p>Refer to Note 2.13 Accounting policy 'Impairment of assets' and Note 13 'Investments in subsidiaries'.</p> <p>During 2019, Thai Siam Nakorn Property Company Limited (TSN), a subsidiary of the Group, has net loss of Baht 74.98 million (2018: net loss of Baht 38.90 million). TSN had a deficit of Baht 112.89 million as of 31 December 2019 which was over than the issued and paid-up share capital of Baht 100 million. However, management expects to realise revenue and net profit in the forecasted future cash flows from on-hand signed contracts and expected revenue of the Group's future developed projects.</p> <p>Based on the management's forecasted future cash flows, which take into account of the expected revenue and net profit over the next five years discounted to net present value using the weighted average cost of capital (WACC), the net realisable value of TSN would be lower than the carrying value of the investment in TSN. As a result, management concluded that allowance for impairment of investment in TSN was Baht 12.77 million.</p> <p>I focused on this area due to the size of the carrying value of the investment in TSN, which were amounting to Baht 100 million (represents 2.60 % of the total assets of the Company) and because the assessment of future net realisable value of investment in and loan to TSN involves management's significant judgement and uses of assumptions to estimate future cashflows.</p>	<p>I assessed the procedures used by management to determine impairment of investment in TSN through the steps below.</p> <ul style="list-style-type: none"> obtaining, understanding and evaluating management's cashflow forecasts and the process by which the forecasts were developed, challenging management's key assumptions, such as the forecasted future revenue and expenditure, profit margin and discount rates, taking into account the sensitivity of the changes in investment in TSN balance in the respective assumptions, testing the mathematical accuracy and considering the appropriateness of cashflows including in the forecasted future cashflows model, and comparing the cashflow forecasts to the approved budgets and business plans and other evidence from the management to support the forecasted business plan. <p>Based on above procedures, I found the significant assumptions used by management in determining net realisable value of investment in TSN were reasonable according to the evidence provided.</p>

Other information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company'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 the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibility for overseeing the Group and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 TSAs 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 consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 and the Company'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 consolidated and separate 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 and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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 the audit committee 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 the audit committee 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 the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate 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.

PricewaterhouseCoopers ABAS Ltd.



Nopanuch Apichatsatien

Certified Public Accountant (Thailand) No. 5266

Bangkok

25 February 2020

Chaoprayamahanakorn Public Company Limited

Statements of Financial Position

As at 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	62,559,830	119,324,624	15,172,617	46,903,940
Trade and other receivables, net	8, 32 b)	118,833,945	47,183,891	16,822,546	41,726,536
Short-term loans to and interest receivable from subsidiaries	32 c)	-	-	631,715,107	849,206,763
Short-term loans to other party		300,000	2,451,943	-	-
Real estate projects under development, net	9, 10	3,380,913,131	3,448,353,155	1,949,358,308	1,510,075,515
Other current assets	12	43,993,746	14,692,898	35,784,525	241,810
Total current assets		3,606,600,652	3,632,006,511	2,648,853,103	2,448,154,564
Non-current assets					
Restricted deposits at financial institutions	10	32,066,136	13,772,355	22,853,224	1,542,692
Available-for-sale investments	11	-	101,527,733	-	101,527,733
Investments in subsidiaries	13	-	-	196,157,300	158,935,700
Long-term loans to other party	10	10,000,000	-	10,000,000	-
Investment properties, net	14	13,459,861	13,459,861	11,009,190	11,009,190
Real estate projects held for development, net	10, 15	1,164,306,207	1,153,028,647	874,420,196	874,420,196
Leasehold right, net	10, 16	12,166,666	12,833,333	-	-
Property, plant and equipment, net	10, 17	198,229,302	217,936,495	10,740,979	35,424,139
Intangible assets, net	18	12,117,713	13,768,637	-	-
Deferred tax assets, net	19	82,400,288	79,585,105	42,724,199	29,599,835
Other non-current assets	20, 32 d)	65,239,357	31,731,174	34,105,377	19,022,625
Total non-current assets		1,589,985,530	1,637,643,340	1,202,010,465	1,231,482,110
Total assets		5,196,586,182	5,269,649,851	3,850,863,568	3,679,636,674

Director _____ Director _____

The accompanying notes are an integral part of these consolidated and separate financial statements.

Chaoprayamahanakorn Public Company Limited

Statements of Financial Position (Cont'd)

As at 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term borrowings from financial institutions, and related persons and other party	22	696,351,413	232,966,245	306,877,327	108,224,472
Trade and other payables	21, 32 f)	306,100,577	216,459,862	182,494,988	113,300,663
Unbilled construction cost		51,541,993	13,866,836	82,076,304	8,003,214
Current portion of long-term borrowings and debentures	22	202,938,681	941,808,615	36,384,526	720,763,392
Income tax payables		8,686,895	27,608,617	-	-
Other current liabilities	23	31,174,245	26,779,739	10,000,813	9,431,570
Total current liabilities		1,296,793,804	1,459,489,914	617,833,958	959,723,311
Non-current liabilities					
Long-term borrowings and debentures	22	1,265,014,677	1,159,563,242	976,836,350	438,737,070
Employee benefit obligations	24	23,418,509	17,473,076	11,754,561	8,506,034
Other non-current liabilities		964,496	6,524,452	124,544	3,950,472
Total non-current liabilities		1,289,397,682	1,183,560,770	988,715,455	451,193,576
Total liabilities		2,586,191,486	2,643,050,684	1,606,549,413	1,410,916,887

The accompanying notes are an integral part of these consolidated and separate financial statements.

Chaoprayamahanakorn Public Company Limited

Statements of Financial Position (Cont'd)

As at 31 December 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)					
Equity					
Share capital					
Authorised share capital					
1,000 million ordinary shares					
of par Baht 1 each	25	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Issued and paid-up share capital					
1,000 million ordinary shares					
of par Baht 1 each	25	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Share premium account on issue of					
ordinary shares	25	467,900,000	467,900,000	467,900,000	467,900,000
Retained earnings					
Appropriated - Legal reserve	26	100,000,000	100,000,000	100,000,000	100,000,000
Unappropriated		1,066,132,052	1,081,987,984	676,414,155	700,471,248
Other components of equity		(23,637,356)	(23,288,817)	-	348,539
Total equity		2,610,394,696	2,626,599,167	2,244,314,155	2,268,719,787
Total liabilities and equity		5,196,586,182	5,269,649,851	3,850,863,568	3,679,636,674

Chaoprayamahanakorn Public Company Limited
Statements of Comprehensive Income
For the year ended 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Revenues					
Revenue from sales of real estate		1,279,323,774	1,931,018,741	168,614,248	500,259,523
Revenue from construction		103,854,344	14,962,377	-	-
Total revenues		1,383,178,118	1,945,981,118	168,614,248	500,259,523
Costs					
Cost of sales from sales of real estate	29	(737,957,807)	(1,107,977,281)	(106,820,021)	(322,419,586)
Cost of construction	29	(111,827,175)	(11,455,506)	-	-
Total costs		(849,784,982)	(1,119,432,787)	(106,820,021)	(322,419,586)
Gross profit		533,393,136	826,548,331	61,794,227	177,839,937
Dividend income	32 a)	-	-	80,998,110	269,993,700
Other income	27	46,113,483	54,208,006	53,777,128	55,837,840
Selling expenses	29	(256,706,994)	(207,617,588)	(94,015,553)	(66,190,000)
Administrative expenses	29	(187,278,043)	(196,572,722)	(74,900,966)	(62,344,703)
Other expenses	29	(31,594,522)	(27,588,621)	(191,285)	(2,388,945)
Profit before finance costs and income tax expense		103,927,060	448,977,406	27,461,661	372,747,829
Finance costs		(55,432,484)	(143,519,191)	(24,555,995)	(81,310,564)
Profit before income tax expense		48,494,576	305,458,215	2,905,666	291,437,265
Income tax income (expense)	28	(24,350,520)	(91,631,710)	13,037,229	(17,283,524)
Net profit for the year		24,144,056	213,826,505	15,942,895	274,153,741
Other comprehensive income					
Items that will not be reclassified to profit or loss					
- Remeasurements on employee benefit obligations	24	-	4,710,861	-	3,298,586
- Income tax relating to items that will not be classified to profit or loss		-	(942,172)	-	(659,717)
Items that will be reclassified subsequently to profit or loss					
- Change in fair value of available-for-sale investments		(435,674)	386,765	(435,674)	386,765
- Income tax relating to items that will be reclassified subsequently to profit or loss		87,135	(77,353)	87,135	(77,353)
Other comprehensive income (expense) for the year, net of tax		(348,539)	4,078,101	(348,539)	2,948,281
Total comprehensive income for the year		23,795,517	217,904,606	15,594,356	277,102,022

The accompanying notes are an integral part of these consolidated and separate financial statements.

Chaoprayamahanakorn Public Company Limited
Statements of Comprehensive Income
For the year ended 31 December 2019

		Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Note					
Profit attributable to:					
Owners of the parent		24,144,056	213,826,505	15,942,895	274,153,741
Non-controlling interests			-		-
		<u>24,144,056</u>	<u>213,826,505</u>	<u>15,942,895</u>	<u>274,153,741</u>
Total comprehensive income					
attributable to:					
Owners of the parent		23,795,517	217,904,606	15,594,356	277,102,022
Non-controlling interests			-		-
		<u>23,795,517</u>	<u>217,904,606</u>	<u>15,594,356</u>	<u>277,102,022</u>
Basic earning per share (Baht)	30	<u>0.02</u>	<u>0.27</u>	<u>0.02</u>	<u>0.35</u>

Chaoprayamahankorn Public Company Limited

Statements of Cash Flows

For the year ended 31 December 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax expense		48,494,576	305,458,215	2,905,666	291,437,265
Adjustments for:					
Depreciation and amortisation		26,302,510	17,006,990	1,233,665	441,398
(Gain) loss from disposal of equipment		144,737	918,445	-	(502,757)
Gain from disposal of intangible assets		-	(5,270,143)	-	(33,232)
Write-off withholding tax		-	19,612,633	-	9,298,225
Loss from sales of available-for-sale investment		94,443	-	94,443	-
Transfer from other comprehensive income			-		-
to gain on sales of available-for-sale investment		(435,674)	-	(435,674)	-
Doubtful account		3,271,066	1,929,046	107,751	-
Devaluation on real estate projects (Reversal)		-	(6,533,408)	-	(6,533,408)
Impairment of investment in subsidiary	13	-	-	12,770,000	-
Provisions (Reversal)		(2,549,985)	20,535,093	(1,671,309)	2,238,945
Employee benefit expense		6,489,333	3,266,943	3,481,978	1,856,941
Income from cancellation contract		(2,333,612)	(1,519,563)	(438,800)	(294,449)
Interest income	27	(1,443,251)	(2,321,337)	(52,538,026)	(53,595,329)
Gain from exchange rate		-	(180,496)	-	-
Dividend income	32 a)	-	-	(80,998,110)	(269,993,700)
Finance costs - Interest expense		35,622,517	118,633,404	13,148,381	63,038,538
- Financing service fee		19,809,968	24,885,787	11,407,615	18,272,026
		133,466,628	496,421,609	(90,932,420)	55,630,463
Changes in operating assets and liabilities					
- Trade and other receivables		(74,921,119)	(13,151,871)	24,796,239	(36,232,345)
- Real estate projects under development		173,975,082	821,625,656	(376,713,012)	279,282,620
- Real estate projects held for development		(11,277,560)	(87)	-	-
- Other current assets		2,795,353	(11,370,256)	(3,433,623)	6,757
- Other non-current assets		(19,111,286)	(704,813)	(9,974,361)	(220,212)
- Trade and other payables		86,756,362	(51,626,944)	65,571,503	4,347,953
- Unbilled construction cost		37,675,157	(20,824,966)	74,073,090	(161,995)
- Other current liabilities		4,808,484	(41,892,990)	668,569	3,857,405
- Employee benefit obligations		(543,900)	(697,650)	(233,450)	(273,600)
- Other non-current liabilities		(2,306,053)	-	(2,253,945)	-
Cash generated from (used in) operating activities		331,317,148	1,177,777,688	(318,431,410)	306,237,046
Finance cost paid		(131,435,931)	(205,358,283)	(66,588,765)	(131,409,917)
Income tax paid		(60,397,187)	(89,605,406)	(5,108,390)	(35,057,349)
Income tax refund		-	132,490,092	-	22,525,706
Net cash generated from (used in) operating activities		139,484,030	1,015,304,091	(390,128,565)	162,295,486

The accompanying notes are an integral part of these consolidated and separate financial statements.

Chaoprayamahankorn Public Company Limited

Statements of Cash Flows (Cont'd)

For the year ended 31 December 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Interest received		1,443,251	2,321,337	66,771,520	54,263,498
Dividend received	32 a)	-	-	80,998,110	269,993,700
Increase in restricted deposits at financial institutions		(18,293,781)	(8,566,179)	(21,310,532)	(10,030)
Cash receipt of short-term loans to subsidiaries	32 c)	-	-	645,858,162	578,383,340
Cash payment for short-term loans to subsidiaries	32 c)	-	-	(442,600,000)	(709,000,000)
Cash payment for short-term loans to other party		2,151,943	(2,451,943)	-	-
Cash payment for long-term loans to other party		(10,000,000)	-	(10,000,000)	-
Proceeds from sales of available-for-sale investment	11	360,633,290	-	360,633,290	-
Cash paid for investing of available-for-sale investment	11	(259,200,000)	(55,000,000)	(259,200,000)	(55,000,000)
Cash paid for increase capital in investment in subsidiary	13	-	-	(49,991,600)	(45,992,300)
Proceeds from disposals of equipment		-	(911,204)	-	1,047,835
Cash paid for purchase of property, plant and equipment		(35,469,576)	(91,589,412)	(8,668,372)	(29,146,841)
Proceeds from disposal of intangible assets		-	5,270,143	-	570,378
Cash paid for purchase of intangible assets		(1,015,679)	(3,948,831)	-	-
Net cash generated from (used in) investing activities		40,249,448	(154,876,089)	362,490,578	65,109,580
Cash flows from financing activities					
Increase (Decrease) in bank overdraft and short-term borrowings from financial institutions and other party		450,145,099	(355,675,995)	200,659,818	(200,349,876)
Increase in short-term loan from related parties	32 e)	17,000,877	-	-	-
Proceeds from long-term borrowings				-	
from financial institutions	22	619,596,800	951,098,900	223,500,000	237,899,999
Proceeds from debentures	22	440,900,000	-	440,900,000	-
Proceeds from shares issuance	25	-	750,000,000	-	750,000,000
Payment for share issuance expense	25	-	(32,100,000)	-	(32,100,000)
Repayment of long-term borrowings				-	
from financial institutions	22	(1,206,988,896)	(1,662,746,569)	(323,713,629)	(474,030,109)
Repayment of debentures	22	(479,100,000)	(400,000,000)	(479,100,000)	(400,000,000)
Payment for front-end fee of loan agreements and debentures		(36,891,710)	(12,928,478)	(26,296,976)	(6,292,750)
Repayment of finance lease liabilities		(1,117,893)	(1,663,031)	-	-
Dividends paid	31	(40,042,549)	(69,935,456)	(40,042,549)	(69,935,456)
Net cash used in financing activities		(236,498,272)	(833,950,629)	(4,093,336)	(194,808,192)
Net cash (decrease) increase in cash and cash equivalents		(56,764,794)	26,477,373	(31,731,323)	32,596,874
Cash and cash equivalents at 1 January		119,324,624	92,847,251	46,903,940	14,307,066
Cash and cash equivalents as at 31 December		62,559,830	119,324,624	15,172,617	46,903,940

The accompanying notes are an integral part of these consolidated and separate financial statements.

		Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
Notes		Baht	Baht	Baht	Baht
Non-cash transactions:					
Payable for acquisition of property, plant and equipment		138,880	540,930	-	8,774
Transfer real estate projects under development to real estate projects held for development	9	-	259,850,583	-	131,612,868
Dividend payable		21,157	-	21,157	-
Transfer from property, plant and equipment to other current assets	17	32,096,200	-	32,096,200	-
Transfer from intangible assets to property, plant and equipment	17,18	366,250	-	-	-

Chaoprayamahanakorn Public Company Limited
Statements of Changes in Equity
For the year ended 31 December 2019

Consolidated financial statements (Baht)							
Note	Attributable to owners of the parent				Other components of equity		Total equity
	Authorised, issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Share discount on business combination under common control	Other comprehensive income	
			Appropriated - legal reserve	Unappropriated		Change in fair value of available-for-sale investments	
Opening balance as at 1 January 2019	1,000,000,000	467,900,000	100,000,000	1,081,987,984	(23,637,356)	348,539	2,626,599,167
Dividend	-	-	-	(39,999,988)	-	-	(39,999,988)
Total comprehensive income for the year	-	-	-	24,144,056	-	(348,539)	23,795,517
Closing balance as at 31 December 2019	1,000,000,000	467,900,000	100,000,000	1,066,132,052	(23,637,356)	-	2,610,394,696

Consolidated financial statements (Baht)							
Notes	Attributable to owners of the parent				Other components of equity		Total equity
	Authorised, issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Share discount on business combination under common control	Other comprehensive income	
			Appropriated - legal reserve	Unappropriated		Change in fair value of available-for-sale investments	
Opening balance as at 1 January 2018	750,000,000	-	28,600,214	1,005,791,750	(23,637,356)	39,127	1,760,793,735
Proceeds from paid-up ordinary shares	250,000,000	467,900,000	-	-	-	-	717,900,000
Dividend	-	-	-	(69,999,174)	-	-	(69,999,174)
Legal reserve	-	-	71,399,786	(71,399,786)	-	-	-
Total comprehensive income for the year	-	-	-	217,595,194	-	309,412	217,904,606
Closing balance as at 31 December 2018	1,000,000,000	467,900,000	100,000,000	1,081,987,984	(23,637,356)	348,539	2,626,599,167

The accompanying notes are an integral part of these consolidated and separate financial statements.

Chaoprayamahanakorn Public Company Limited
Statements of Changes in Equity (Cont'd)
For the year ended 31 December 2019

Separate financial statements (Baht)						
Note	Authorised, issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Other comprehensive income	Total equity
			Appropriated - legal reserve	Unappropriated	Change in fair value of available-for-sale investments	
Opening balance as at 1 January 2019	1,000,000,000	467,900,000	100,000,000	700,471,248	348,539	2,268,719,787
Dividend	31	-	-	(39,999,988)	-	(39,999,988)
Total comprehensive income for the year	-	-	-	15,942,895	(348,539)	15,594,356
Closing balance as at 31 December 2019	<u>1,000,000,000</u>	<u>467,900,000</u>	<u>100,000,000</u>	<u>676,414,155</u>	<u>-</u>	<u>2,244,314,155</u>

Separate financial statements (Baht)						
Notes	Authorised, issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Other comprehensive income	Total equity
			Appropriated - legal reserve	Unappropriated	Change in fair value of available-for-sale investments	
Opening balance as at 1 January 2018	750,000,000	-	28,600,214	565,077,598	39,127	1,343,716,939
Proceeds from paid-up ordinary shares	25	250,000,000	-	-	-	717,900,000
Dividend	31	-	-	(69,999,174)	-	(69,999,174)
Legal reserve	26	-	71,399,786	(71,399,786)	-	-
Total comprehensive income for the year	-	-	-	276,792,610	309,412	277,102,022
Closing balance as at 31 December 2018	<u>1,000,000,000</u>	<u>467,900,000</u>	<u>100,000,000</u>	<u>700,471,248</u>	<u>348,539</u>	<u>2,268,719,787</u>

The accompanying notes are an integral part of these consolidated and separate financial statements.

1 General information

Chaoprayamahanakorn Public Company Limited (the Company) is a public limited company which listed on the Stock Exchange of Thailand. The Company is incorporated and domiciled in Thailand. The address of the Company's registered office is as follows:

909/1, 6th Floor, Unit 601-602, Somdet Phra Chao Tak Sin Road, Dao Khanong, Thonburi, Bangkok.

The principal business operations of the Company and its subsidiaries (together "the Group") are development of real estate for sale, providing construction services and providing rental and services.

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

2 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below:

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS") and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention, except as disclosed otherwise in the accounting policies.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 4.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 New and amended financial reporting standards that are relevant and have significant impacts to the Group

2.2.1 The Group has applied the following standard and amendments for the first time for their annual reporting commencing 1 January 2019

a) Thai Financial Reporting Standard no.15 (TFRS 15), Revenue from contracts with customers

The standard provides principle and approach of revenue recognition under five-step process. The underlying principle is that the Group will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It replaces the principles of transferring the significant risks and rewards of ownership of the goods or services to the buyer in accordance with TAS 11, *Construction contracts*, TAS 18, *Revenue* and related interpretations.

The Group has adopted the new TFRS 15, Revenue from contracts with customers from 1 January 2019 (initial application date) by applying the modified retrospective approach and the comparative figures have not been restated. The Group applies practical expedient relates to completed contracts and contract modifications as allowed by TFRS 15.

The following tables show the amounts of affected line items in the current year from the adoption of TFRS 15 compared to the previous revenue recognition standards.

Consolidated financial statements			
	Amounts as reported Baht'000	Impacts from TFRS 15 Baht'000	Amounts under the previous revenue standards Baht'000
Statement of Financial Position as at 31 December 2019			
Trade and other receivables, net	118,834	2,837	121,671
Real estate projects under development, net	3,380,913	(2,340)	3,378,573
Statement of Comprehensive Income for the year ended 31 December 2019			
Revenue from sales of real estate	1,279,324	(448)	1,278,876
Revenue from construction	103,854	2,837	106,691
Cost from sales of real estate	(737,958)	448	(737,510)
Cost of construction	(111,827)	(2,340)	(114,167)
Separate financial statements			
	Amounts as reported Baht'000	Impacts from TFRS 15 Baht'000	Amounts under the previous revenue standards Baht'000
Statement of Comprehensive Income for the year ended 31 December 2019			
Revenue from sales of real estate	168,614	(12)	168,602
Cost from sales of real estate	(106,820)	12	(106,808)

The adoption of TFRS 15 mainly affects the Group's accounting treatment as follows;

a) **Accounting for identifying performance obligation in the contract.**

In previous periods, the Group recorded revenue and the cost of free goods when transferred right of real estate to customers without considering the transfer of free goods or services to customers and did not separate into two performance obligations under TFRS15.

Under TFRS 15, the Group records revenue from sales of real estate by identifying two performance obligations in the contract. First, the performance obligation is condominium units or houses transferred to customers. The second performance obligation is free goods provided for customers are mentioned in the to purchase and to sell contract, when transferring the rights for real estate by derecognising revenue and the cost of free goods.

b) **Over time revenue recognition**

In previous periods, the Group measured completion stage for revenue recognition using cost incurred relative to total estimated costs.

Under TFRS 15, the Group measures progress towards completion on each performance obligation separately. The nature of the products or services provided and the terms of the contract are used to determine the best method to account for the transfer of goods or services to the customer. Where the Group applies costs incurred relative to total estimated costs to determine progress of work, under TFRS 15, the Group has to adjust the progress percentage to exclude delivered but uninstalled materials. As a result, in terms of progress, revenue recognition is not proportionate to the cost incurred relative to total estimated costs.

b) **Thai Accounting Standard no.40 (revised 2018), Investment property**

The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer.

c) Thai Financial Reporting Standard no.1 (TFRS 1), First-time adoption of Thai Financial Reporting Standards

TFRS 1 addresses the treatment when the Group adopts, for the first time, Thai Financial Reporting Standards (TFRSs) as a basis for preparing its financial statements. TFRS 1 grants specific optional exemptions and mandatory exceptions from TFRSs' general requirements. It also requires certain disclosures explaining how the transition from previous GAAP to TFRSs affects the Group's financial position, financial performance and cash flows.

For Note 2.2.1 b) and 2.2.1 c), the Group's management is currently evaluating the impact.

2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020

Certain new and amended financial reporting standards have been issued that are not mandatory for current period end 31 December 2019 reporting period and have not been early adopted by the Group.

a) Financial instruments

The new financial standards relate to financial instruments are:

TAS 32	Financial instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These new standards address the classification, measurement, derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

Impairment

These new provisions on the accounting of impairment losses will lead to excepted credit losses having to be considered and recognised at the initial recognition and subsequent period. The Group's management is currently evaluating the impact.

b) TFRS 16, Leases

Where the Group is a lessee, TFRS 16, *Leases* will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

On 1 January 2020, the Group will apply TFRS16, *Lease* and adjust cumulative impact to opening retained earning (modified retrospective approach). The Group's management is currently evaluating the impact.

c) Other new/amended standards

The new and amended financial reporting standards are:

TAS 12	Income tax
TAS 19	Employee benefits
TAS 23	Borrowing cost
TFRIC 23	Uncertainty over income tax treatments

Amendment to TAS 12, Income tax - clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement) - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

Amendment to TAS 23, Borrowing costs - clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

TFRIC 23, Uncertainty over income tax treatments - explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- that the Group should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, ie that detection risk should be ignored.
- that the Group should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
- that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements or estimation.

2.3 Principles of consolidation

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method.

b) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

2.4 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date.

In the statements of financial position, bank overdrafts are shown within borrowings in current liabilities.

2.5 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditionally unless they contain significant financing components, when they are recognised at its present value. The Group presented trade receivables at cost less allowance for doubtful accounts.

2.6 Investments in debt and equity securities

Investments other than investments in subsidiaries, associates and joint ventures are initially recognised at fair value of consideration paid plus direct transaction cost.

Available-for-sale investments

Available-for-sale investments are subsequently measured at fair value. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income and are subsequently reclassified to profit or loss when the investment is disposed.

Disposal of investments

On a disposal of an investment, the difference between the net disposal proceeds and the carrying amount (including cumulative changes in fair value recognised in equity) is recognised to the profit or loss. When the Group disposes an investment partially, the carrying amount of the disposed part is determined by the weighted average method.

2.7 Real estate projects under development and real estate projects held for development

Real estate projects under development are those properties which are held with the intention of development and sale in the ordinary of business. Real estate projects held under development are land held for development in the future. Real estate projects held for development are stated at the lower of cost or estimated net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in selling the properties. Real estate projects held for development are stated at the cost less impairment losses.

The cost of real estate projects under development comprises specifically identified costs, including acquisition costs, development expenditure, construction costs and public utility costs and other related borrowing expenditure. Borrowing costs payable on loans funding a development property are capitalised, on a specific identification basis, as part of the cost of the development property until the completion of development. Real estate projects held for development comprises specifically identified costs including acquisition costs, development expenditure and other related expenditure.

The Group recognised real estate projects under development as cost of sales when the title ship has been transferred to the buyer.

2.8 Investment property

Property that is held by the Group for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs, which are incurred for the purpose of acquiring, constructing or producing a qualifying investment property, are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

Land is not depreciated.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

2.9 Property, plant and equipment

Property, plant and equipment mainly comprises property where the project's clubhouse is located, land and buildings, office building, factory, building improvement, furniture, fixtures, office equipment, tools, and vehicles. Clubhouse includes the clubhouse building, swimming pool, and a sports club. Land is stated at cost less an allowance for impairment. Plant and equipment are stated at cost less accumulated depreciation and allowance for impairment losses. Initial cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group.

All other repairs and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

	<u>Years</u>
Land improvement	20 years
Buildings and building improvement	5 - 30 years
Furniture, fixtures and equipment	3 - 5 years
Tools and machinery	5 - 10 years
Vehicles	5 years
Sales office	2 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 Leasehold right

Leasehold right is stated at cost less accumulated amortisation which is based on the cost of the leasehold right on a straight-line basis over the leasehold period of 30 years. Amortisation is charged to profit or loss.

2.11 Intangible assets

Computer software

Acquired computer software is measured at cost. These costs are amortised over their estimated useful lives of 5 - 10 years.

Cost associated with maintaining computer software are recognised as an expense as incurred.

2.12 Borrowing costs

Borrowing costs to finance the construction of assets are capitalised during the period of time that is required to complete and prepare the assets for its intended use as part of cost of the asset. The borrowing costs include interest on short-term and long-term borrowings. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is a weighted average interest rate applicable to the Group's outstanding borrowings during the year. Where funds are borrowed specifically for the acquisition, construction or production of assets, the amount of borrowing costs eligible for capitalisation on that asset is determined at the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investments of those borrowings. For funds borrowed generally and used for the acquisition, construction or production of assets, the amount of borrowing costs eligible for capitalisation on that asset is determined by applying capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the general borrowings during the year. The amount of borrowing costs being capitalised during the year shall not exceed the amount of borrowing costs incurred.

2.13 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

2.14 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.15 Leases

Leases - where the Group is the lessee

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

At the inception of finance lease, the lower of the fair value of the leased property and the present value of the minimum lease payments is capitalised. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations is presented net of finance charges. Finance cost is charged to profit or loss over the lease period.

Leases - where the Group is the lessor

Rental income under operating leases (net of any incentives given to leases) is recognized on a straight-line basis over the lease term.

2.16 Borrowings

Borrowings are recognised initially at the fair value, net of directly attributable transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it will be drawn down. The fee is deferred until the drawn down occurs and included in effective interest calculation. However, if it is probable that facility will not be drawn down, that portion of the fee paid is recognised as a prepayment and amortised over the period of related facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2.17 Employee benefits

The Group has post-employment benefits consisting of both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age of employee, years of service and compensation.

2.17.1 Retirement benefits

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

2.17.2 Provident fund

The Group pays contributions to a separate fund on a voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

2.17.3 Other employee benefits

The Group gives gold rewards to employees when they have worked for the Group for 10, 20 and 30 years.

These obligations are measured similar to defined benefit plans except remeasurement gains and losses that are charged to profit or loss.

2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.19 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares (net of tax) are shown as a deduction in equity.

2.20 Revenue recognition

Main revenue includes all revenues from ordinary business activities. All ancillary income in the course of the Group's ordinary activities is also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectability of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

Sales of real estate

The Group develops and sells residential properties. Revenue is recognised when control over the property has been transferred to the customer. The properties have generally no alternative use for the Group due to contractual restrictions. However, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer.

Percentage of completion

Revenue from construction contracts or construction-type service contracts or service contracts where a defined output is promised, is recognised using the percentage of completion method. The stage of completion is generally determined as the percentage of cost incurred up until the reporting date relative to total estimated cost, adjusted with uninstalled materials that the customer accepts and takes control but not yet installed. Where the stage of completion is not reliably measured, revenue is only recognised up to the amount of contract costs expensed, provided it is recoverable.

Services

The Group recognised service contracts with a continuous service provision as revenue on a straight line basis over the contract term, regardless of the payment pattern.

Sale of goods

Sales are recognised when control of the products has transferred, being when the products are delivered, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location.

Revenue from these sales is recognised based on the price specified in the contract, net of value-added tax, returns, rebates and discounts and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Interest income and dividend income

Interest income is recognised on a time proportion basis, taking account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group. Dividends are recognised when the right to receive payment is established.

Other income

Other income is recognised on an accrual basis.

2.21 Dividend distribution

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

2.22 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Chief Executive Officer that makes strategic decisions.

3 Financial risk management

3.1 Financial risk factors

The Group exposes to a variety of financial risks: market risk (currency risk, fair value risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The board of directors provides written principles for overall risk management which is carried out by a central treasury department (the Group treasury), including identification, evaluation and hedge of financial risks in close co-operation with operating units.

3.1.1 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's income and operating cash flows are substantially independent of changes in market interest rates. All interest rate derivative transactions are subject to approval by the Finance Director before execution. The Group has no significant interest-bearing assets. However, the Group has entered into long-term borrowing agreements with financial institutions bearing floating interest rates. The Group has not entered into interest rate swap contract covering the interest rate risk because the management believe that effect of interest rate fluctuation will not materially affect the Group.

3.1.2 Credit risk

The Group has no significant concentrations of credit risk. Cash is placed with reputable financial institutions. The Group has policies in place to ensure that contracts are made with customers who have an appropriate credit history, limiting customers' credit limit as well as obtaining appropriate guarantees from customers. Due to these factors, management believes that no additional credit risk beyond the recorded allowance for doubtful accounts for uncollectible debts.

3.1.3 Liquidity risk

The Group manages sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions.

3.1.4 Foreign exchange risk

The Group has no business transactions in foreign currencies thus there is no such risk arising from exchange rate fluctuation.

4 Critical estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Impairment of real estate projects under development and real estate projects held for development

The Group considers the impairment of real estate projects under development and real estate projects held for development when the management judges that there has been a significant decline in the fair value below their cost. The management determines the devaluation of such properties based on net realisable value. The determination of what is "significant" and such devaluation requires the management to exercise judgment.

(b) Impairment of investment in subsidiary

An investment in a subsidiary is reported using the cost method in the separate financial statements. A provision for impairment was recognised when the cost of an investments in a subsidiary exceeded the recoverable amount, which was determined by the value in use. As to whether the impairment provision should be provided or reversed, the management made an assessment by considering from past performance, external factors that may affect the business operations, and produced and reviewed financial forecast and expected future cash inflow. The Group uses comparable market participant rate as discount rate in determining the current estimate of value in use.

(c) Allowance for doubtful accounts

The Group maintains allowance for doubtful accounts to reflect impairment of trade receivables relating to estimated losses resulting from the inability of customers to make required payments. The allowance for doubtful accounts is significantly impacted by the Group's assessment of future cash flows, such assessment being based on consideration of historical collection experience, known and identified instances of default and consideration of market trends.

(d) Project development costs estimation

In calculating cost of land and houses and condominium sold, the Group has to estimate all project development costs, comprising land and land improvement costs, design and construction costs, public utility costs, and other related borrowing expenditure. The management estimates these costs based on their business experience and revisits the estimations on a periodical basis or when the actual costs incurred significantly vary from the estimated costs.

(e) Retirement benefit obligations

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in Note 24.

5 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

6 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Chief Executive Officer that makes strategic decisions.

The segment revenue information for the year ended 31 December 2018 has been prepared in accordance with TAS 11 and TAS 18 (old revenue recognition standards). Therefore, the segment revenue information presented in the current and prior years are not comparable. The comparable revenue information is disclosed in note 2.2.1 a.

	For the year ended 31 December									
	Real estate development for sales		Construction		Lease of space in an office building		Elimination		Consolidated	
	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000
Revenues from external customers	1,279,324	1,931,019	103,854	14,962	-	-	-	-	1,383,178	1,945,981
Inter-segment revenues	-	-	222,632	211,228	43,605	48,120	(266,237)	(259,348)	-	-
Total	1,279,324	1,931,019	326,486	226,190	43,605	48,120	(266,237)	(259,348)	1,383,178	1,945,981
Dividend income	80,998	269,994	-	-	-	-	(80,998)	(269,994)	-	-
Interest income	52,582	54,531	186	286	3	4	(51,328)	(52,500)	1,443	2,321
Other income	3,506	12,177	38,483	41,454	3,133	1,040	(452)	(2,784)	44,670	51,887
Total revenues	1,416,410	2,267,721	365,155	267,930	46,741	49,164	(399,015)	(584,626)	1,429,291	2,000,189
Timing of revenue recognition:										
At a point in time	1,279,324	1,931,019	-	-	-	-	-	-	1,279,324	1,931,019
Over time	-	-	326,486	226,190	43,605	48,120	(266,237)	(259,348)	103,854	14,962
Total	1,279,324	1,931,019	326,486	226,190	43,605	48,120	(266,237)	(259,348)	1,383,178	1,945,981
Reportable segment profit (loss) before income tax	119,775	529,528	(74,982)	(28,055)	16,377	20,700	(12,675)	(216,715)	48,495	305,458
Income tax expense (Note 28)									(24,351)	(91,632)
Net profit for the year									24,144	213,826

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	Real estate development for sales		Construction		Lease of space in an office building		Elimination		Consolidated financial statements	
	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000
Segment assets	5,706,151	6,123,866	456,464	404,031	194,053	166,601	(1,160,082)	(1,424,848)	5,196,586	5,269,650
Unallocated assets	-	-	-	-	-	-	-	-	-	-
Consolidated total assets	5,706,151	6,123,866	456,464	404,031	194,053	166,601	(1,160,082)	(1,424,848)	5,196,586	5,269,650
Segment liabilities	2,874,683	3,280,146	465,786	389,048	62,061	47,746	(816,339)	(1,073,889)	2,586,191	2,643,051
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-
Consolidated total liabilities	2,874,683	3,280,146	465,786	389,048	62,061	47,746	(816,339)	(1,073,889)	2,586,191	2,643,051

7 Cash and cash equivalents

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000
Cash on hand	840	331	71	67
Cash at banks - current accounts	8,030	8,727	962	2,234
Cash at banks - savings accounts	52,263	77,217	14,140	31,832
Cheques received from customers	1,427	33,050	-	12,771
Total	62,560	119,325	15,173	46,904

As at 31 December 2019, cash at banks with local financial institutions carry interest at the rates of 0.25% - 0.50% per annum (2018: 0.25% - 0.50% per annum).

8 Trade and other receivables, net

	Consolidated financial statements		Separate financial statements	
	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000
Accounts receivable - other persons and parties	45,140	17,508	1,509	1,509
- related parties (Note 32 b))	1,505	-	-	-
<u>Less</u> Allowance for doubtful accounts	(7,141)	(3,870)	(1,509)	(1,401)
Accounts receivable, net	39,504	13,638	-	108
Other receivables - other persons and parties	52,978	8,985	451	452
- subsidiaries and related parties (Note 32 b))	67	-	9,869	33,664
Advance payment for construction	4,083	1,092	-	-
Prepaid expenses	17,181	17,071	5,148	5,810
Others	5,021	6,398	1,355	1,693
	118,834	47,184	16,823	41,727

Outstanding trade accounts receivable as at 31 December can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000
Not yet due	-	5,372	-	-
Up to 3 months	37,646	8,985	-	108
3 - 6 months	356	1,361	-	-
6 - 12 months	1,667	258	-	-
Over 12 months	6,976	1,532	1,509	1,401
	46,645	17,508	1,509	1,509
<u>Less</u> Allowance for doubtful accounts	(7,141)	(3,870)	(1,509)	(1,401)
	39,504	13,638	-	108

9 Real estate projects under development, net

	Consolidated financial statements		Separate Financial statements	
	2019	2018	2019	2018
	Baht'000	Baht'000	Baht'000	Baht'000
Land and land development costs	1,142,610	1,379,533	724,198	846,675
Construction cost and others	814,484	319,022	659,925	188,530
Capitalised finance costs	356,390	247,869	233,200	165,978
Condominium units ready for sale	871,452	1,554,272	211,081	283,444
Houses ready for sale	161,860	199,575	172,635	208,743
Raw materials	36,673	18,649	-	-
Work in process	15,474	16,338	-	-
Finished goods	33,651	24,627	-	-
Total	3,432,594	3,759,885	2,001,039	1,693,370
<u>Less</u> Transferred real estate projects under development to real estate project held for development (Note 15)	-	(259,851)	-	(131,613)
<u>Less</u> Allowance for devaluation on real estate projects under development - houses ready for sale - condominium units ready for sale	(51,420) (261)	(51,420) (261)	(51,420) (261)	(51,420) (261)
Net	3,380,913	3,448,353	1,949,358	1,510,076
Borrowing costs capitalised during the year	122,220	114,845	75,886	77,516
Rates of interest capitalised (% per annum)	5.74 - 8.86	5.74 - 9.34	6.33 - 7.70	6.25 - 8.69

10 Assets used as collateral

Assets used as collateral of the Group as at 31 December 2019 and 2018 were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
(a) Real estate projects under development	2,673	2,837	1,795	1,229
(b) Restricted deposits at financial institutions	32	14	23	2
(c) Long-term loans to other party	10	-	10	-
(d) Real estate projects held for development	807	806	682	681
(e) Leasehold right	12	13	-	-
(f) Property, plant and equipment (Building and building improvement)	100	102	-	-
	3,634	3,772	2,510	1,912

Description

- a) The Company and its subsidiaries have mortgaged real estate projects under development as security for bank overdraft, short-term and long-term borrowings from financial institutions
- b) The Company and its subsidiaries have pledged saving deposit and fixed deposits with financial institutions to secure bank overdrafts, long-term borrowings, bank guarantees and letter of guarantee of the Company and its subsidiaries.
- c) The Company issued bill of exchange to a securities company as mortgaged for the Company's issuance of debentures.
- d) The Company has mortgaged real estate projects held for development to secure long-term borrowings of the Company and a subsidiary received from financial institution.
- e) A subsidiary has pledged its leasehold right with a financial institution as collateral against credit facilities received from such financial institution.
- f) The Company and its subsidiaries have mortgaged building and building improvement as security for bank overdraft and long-term borrowings from a financial institution.

11 Available-for-sale investments

The movements in available-for sale investments during the years are as follows:

	Consolidated and Separate financial statements	
	2019 Baht'000	2018 Baht'000
Opening net book balance	101,528	46,141
Additions (Disposals), net	(101,433)	55,000
Change in fair value of available-for-sale investments	(95)	387
Closing net book balance	-	101,528

12 Other current assets

Other current assets as at 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000
Deposit paid - land	26,493	11,500	-	-
Deposit paid - material	5,333	64	26,450	-
Sales office - net	8,841	-	8,841	-
Others	3,327	3,129	494	242
	43,994	14,693	35,785	242

13 Investments in subsidiaries

Investments in subsidiaries as at 31 December 2019 and 2018, and dividend income from those investments for the years then ended, were as follows:

		Separate financial statements											
Principal activities		% Ownership interest		Paid up capital		Cost		Provision for impairment		Net book amount		Dividend income	
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
				(Baht'000)	(Baht'000)	(Baht'000)	(Baht'000)	(Baht'000)	(Baht'000)	(Baht'000)	(Baht'000)	(Baht'000)	(Baht'000)
Paya Panich Property Company Limited	Real estate development	99.99	99.99	30,000	30,000	29,999	29,999	-	-	29,999	29,999	80,998	269,994
Thai Siam Nakorn Property Company Limited	Construction service	99.98	99.98	100,000	50,000	99,983	49,992	(12,770)	-	87,213	49,992	-	-
Siam Mahanakorn Property Company Limited	Real estate development and the lease of space in an office building	99.93	99.93	80,000	80,000	78,945	78,945	-	-	78,945	78,945	-	-
				210,000	160,000	208,927	158,936	(12,770)	-	196,157	158,936	80,998	269,994

All subsidiaries operate their business in Thailand.

As at 31 December 2019, the Company recognised impairment loss on investment in Thai Siam Nakorn Property Co., Ltd. (TSN) amounting to Baht 12.77 million because the construction business operation did not operate as plan and had a capital deficiency of Baht 12.89 million (2018: Nil) and incurred a net loss of Baht 74.98 million (2018: Baht 38.90 million) and as of that date, TSN's total current liabilities exceeded its total current assets by Baht 153.86 million (2018: Baht 123.69 million). In management's assessment of the impairment testing, the recoverable amount of the investment in TSN is based on the value in use.

Movements of investment in subsidiaries can be analysed as follows:

For the year ended 31 December

	Separate financial statements	
	2019 Baht'000	2018 Baht'000
Opening net book amount	158,936	112,943
Acquisitions	49,991	45,993
Allowance for impairment	(12,770)	-
Closing net book amount	196,157	158,936

Increase of investment in Thai Siam Nakorn Property Co., Ltd. (TSN)

The shareholders at the first Extraordinary General Meeting for the year 2019 on 16 May 2019, passed a resolution to approve increase the authorised share capital of TSN, the Company's subsidiary, from 500,000 ordinary shares to 1,000,000 ordinary shares with a par value of Baht 100 per share. On 22 May 2019, TSN received subscription of 500,000 additional shares at Baht 100 per share, represent a total of Baht 50 million which were priced at the par value. TSN registered the increased share capital with the Ministry of Commerce on 24 May 2019. From the increase of investment, the Company has an additional investment amounting to Baht 49.99 million with the same proportion of shares.

14 Investment properties, net

The Group's investment properties comprise land. As at 31 December 2019, investment properties under the cost method in the consolidated and separate financial statements were carried at Baht 13.46 million (31 December 2018: Baht 13.46 million) and Baht 11.01 million (31 December 2018: Baht 11.01 million) respectively.

During October 2019, the Group engaged Landmark Consultants Limited as the independent appraisal (same appraisal as in 2018) to prepare a new valuation report. The approach of appraisal in 2018 was different with the approach in 2019 as follows;

In 2018, the appraisal assessed land fair value for the portfolio/ wholesales land value. The valuation techniques maximised the use of observable market data where it was available by comparing with land market value per square wa and adjusting input that was significant to the entire measurement such as other management costs, marketing expenses, fees and taxes, and margin and risk deduction as a discount. While in 2019, the appraisal assessed land fair value on each special land deed by comparing with land market value per square wa.

The fair value measurement was Baht 23.08 million (31 December 2018: Baht 51.59 million) and Baht 18.13 million (31 December 2018: Baht 46.64 million) respectively. The Group classified the fair value measurement of investment property in Level 3.

15 Real estate projects held for development, net

Real estate projects held for development, net as at 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000
Land	1,032,985	784,785	758,086	635,610
Construction costs and others	137,990	137,002	140,736	140,263
Capitalised finance costs	30,663	8,723	12,930	4,266
<u>Add</u> Transferred from real estate projects under development (Note 9)	-	259,851	-	131,613
<u>Less</u> Allowance for devaluation on real estate projects held for development - construction costs	(37,332)	(37,332)	(37,332)	(37,332)
Net	1,164,306	1,153,029	874,420	874,420

16 Leasehold right, net

The movements of leasehold right, net for the years ended 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements Baht'000
As at 1 January 2018	
Cost	20,000
<u>Less</u> Accumulated amortisation	<u>(6,500)</u>
Net book value	<u>13,500</u>
For the year ended 31 December 2018	
Opening net book value	13,500
Amortisation charge	<u>(667)</u>
Closing net book value	<u>12,833</u>
As at 1 January 2019	
Cost	20,000
<u>Less</u> Accumulated amortisation	<u>(7,167)</u>
Net book value	<u>12,833</u>
For the year ended 31 December 2019	
Opening net book value	12,833
Amortisation charge	<u>(666)</u>
Closing net book value	<u>12,167</u>
As at 31 December 2019	
Cost	20,000
<u>Less</u> Accumulated amortisation	<u>(7,833)</u>
Net book value	<u>12,167</u>

The Group has pledged its leasehold right with net book value as at 31 December 2019 amounted to Baht 12.17 million (2018: Baht 12.83 million) with a financial institution as collateral against credit facilities received (Note 10).

17 Property, plant and equipment, net

The movements of property, plant and equipment, net for the years ended 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements						
	Land and land improvement Baht'000	Building and building improvement Baht'000	Furniture, fixtures and office equipment Baht'000	Tools and machinery Baht'000	Vehicles Baht'000	Asset under construction and installation Baht'000	Total Baht'000
As at 1 January 2018							
Cost	47,459	161,433	31,895	109,999	13,447	200	364,433
<u>Less</u> Accumulated depreciation	(1,084)	(67,805)	(27,386)	(87,496)	(11,143)	-	(194,914)
<u>Less</u> Allowance for impairment - Clubhouse of housing project	(1,425)	(24,790)	-	-	-	-	(26,215)
Net book value	44,950	68,838	4,509	22,503	2,304	200	143,304
For the year ended 31 December 2018							
Opening net book value	44,950	68,838	4,509	22,503	2,304	200	143,304
Additions	-	-	2,197	39,791	1,553	48,678	92,219
Disposals and write-off							
- cost	-	-	(541)	(452)	-	-	(993)
- accumulated depreciation	-	-	490	450	-	-	940
Transfer in (out)	-	-	-	887	-	(887)	-
Depreciation charge	(94)	(4,330)	(2,070)	(9,851)	(1,189)	-	(17,534)
Closing net book value	44,856	64,508	4,585	53,328	2,668	47,991	217,936

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	Consolidated financial statements							
	Land and land improvement Baht'000	Building and building improvement Baht'000	Furniture, fixtures and office equipment Baht'000	Tools and machinery Baht'000	Vehicles Baht'000	Sales office Baht'000	Asset under construction and installation Baht'000	Total Baht'000
As at 1 January 2019								
Cost	47,459	161,433	33,551	150,225	15,000	-	47,991	455,659
<u>Less</u> Accumulated depreciation	(1,178)	(72,135)	(28,966)	(96,897)	(12,332)	-	-	(211,508)
<u>Less</u> Allowance for impairment - Clubhouse of housing project	(1,425)	(24,790)	-	-	-	-	-	(26,215)
Net book value	44,856	64,508	4,585	53,328	2,668	-	47,991	217,936
For the year ended 31 December 2019								
Opening net book value	44,856	64,508	4,585	53,328	2,668	-	47,991	217,936
Additions	-	-	1,515	5,670	68	-	28,250	35,503
Disposals and write-off								
- cost	-	-	(29)	(5,364)	(160)	-	-	(5,553)
- accumulated depreciation	-	-	29	5,219	160	-	-	5,408
Transfer in (out)	-	-	4,239	20,598	-	15,928	(40,765)	-
Transfer from intangible assets to property, plant and equipment								
- cost	-	-	476	-	-	-	-	476
- accumulated depreciation	-	-	(110)	-	-	-	-	(110)
Transfer out to other current assets	-	-	-	-	-	-	(32,096)	(32,096)
Depreciation charge	(94)	(4,054)	(3,269)	(12,536)	(1,051)	(2,331)	-	(23,335)
Closing net book value	44,762	60,454	7,436	66,915	1,685	13,597	3,380	198,229
As at 31 December 2019								
Cost	47,459	161,433	39,642	171,129	14,908	15,928	3,380	453,879
<u>Less</u> Accumulated depreciation	(1,272)	(76,189)	(32,206)	(104,214)	(13,223)	(2,331)	-	(229,435)
<u>Less</u> Allowance for impairment - Clubhouse of housing project	(1,425)	(24,790)	-	-	-	-	-	(26,215)
Net book value	44,762	60,454	7,436	66,915	1,685	13,597	3,380	198,229

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	Separate financial statements						Total Baht'000
	Land and land improvement Baht'000	Building and building improvement Baht'000	Furniture, fixtures and equipment Baht'000	Tools Baht'000	Vehicles Baht'000	Asset under construction and installation Baht'000	
As at 1 January 2018							
Cost	7,225	48,589	12,347	1,508	5,188	-	74,857
<u>Less</u> Accumulated depreciation	-	(23,799)	(11,067)	(1,460)	(5,126)	-	(41,452)
<u>Less</u> Allowance for impairment - Clubhouse of housing project	(1,425)	(24,790)	-	-	-	-	(26,215)
Net book value	5,800	-	1,280	48	62	-	7,190
For the year ended 31 December 2018							
Opening net book value	5,800	-	1,280	48	62	-	7,190
Additions	-	-	2	8	785	28,425	29,220
Disposals and write-off - cost	-	-	(6,899)	-	-	-	(6,899)
- accumulated depreciation	-	-	6,355	-	-	-	6,355
Depreciation charge	-	-	(220)	(15)	(207)	-	(442)
Closing net book value	5,800	-	518	41	640	28,425	35,424
As at 1 January 2018							
Cost	7,225	48,589	5,450	1,516	5,973	28,425	97,178
<u>Less</u> Accumulated depreciation	-	(23,799)	(4,932)	(1,475)	(5,333)	-	(35,539)
<u>Less</u> Allowance for impairment - Clubhouse of housing project	(1,425)	(24,790)	-	-	-	-	(26,215)
Net book value	5,800	-	518	41	640	28,425	35,424

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	Separate financial statements						Total Baht'000
	Land and land improvement Baht'000	Building and building improvement Baht'000	Furniture, fixtures and equipment Baht'000	Tools Baht'000	Vehicles Baht'000	Asset under construction and installation Baht'000	
For the year ended 31 December 2019							
Opening net book value	5,800	-	518	41	640	28,425	35,424
Additions	-	-	139	14	-	8,494	8,647
Transfer in (out)	-	-	4,238	-	-	(4,238)	-
Transfer out to other current assets	-	-	-	-	-	(32,096)	(32,096)
Depreciation charge	-	-	(1,061)	(16)	(157)	-	(1,234)
Closing net book value	5,800	-	3,834	39	483	585	10,741
As at 31 December 2019							
Cost	7,225	48,589	9,827	1,530	5,973	585	73,729
<u>Less</u> Accumulated depreciation	-	(23,799)	(5,993)	(1,491)	(5,490)	-	(36,773)
<u>Less</u> Allowance for impairment - Clubhouse of housing project	(1,425)	(24,790)	-	-	-	-	(26,215)
Net book value	5,800	-	3,834	39	483	585	10,741

During the year, the Company transferred sales offices which useful life less than one year to other current assets amounting to Baht 32.10 million.

Leased assets included above, where the Group is a lessee under a finance lease, comprise office equipment, motor vehicles, and tools and machinery:

	Consolidated financial statements	
	2019	2018
	Baht'000	Baht'000
Cost - capitalised finance leases	8,027	8,363
<u>Less</u> Accumulated depreciation	(3,704)	(3,754)
Net book value	4,323	4,609

As at 31 December 2019, leased asset under sale and lease back agreement for machinery resulting in a finance lease amounting of Baht 3.58 million.

18 Intangible assets, net

	Consolidated financial statements		
	Computer software	Computer software under development	Total
	Baht'000	Baht'000	Baht'000
As at 1 January 2018			
Cost	3,833	8,779	12,612
<u>Less</u> Accumulated amortisation	(2,364)	-	(2,364)
Net book value	1,469	8,779	10,248
For the year ended 31 December 2018			
Opening net book value	1,469	8,779	10,248
Additions	1,354	2,693	4,047
Amortisation charge	(526)	-	(526)
Closing net book value	2,297	11,472	13,769
At 1 January 2019			
Cost	5,187	11,472	16,659
<u>Less</u> Accumulated amortisation	(2,890)	-	(2,890)
Net book value	2,297	11,472	13,769
For the year ended 31 December 2019			
Opening net book value	2,297	11,472	13,769
Additions	1,015	-	1,015
Transfer in (out)	11,472	(11,472)	-
Transfer from intangible assets to property, plant and equipment			
- cost	(476)	-	(476)
- accumulated depreciation	110	-	110
Amortisation charge	(2,300)	-	(2,300)
Closing net book value	12,118	-	12,118
As at 31 December 2019			
Cost	17,198	-	17,198
<u>Less</u> Accumulated amortisation	(5,080)	-	(5,080)
Net book value	12,118	-	12,118

	Separate financial statements Computer software Baht'000
At 1 January 2018	
Cost	1,529
<u>Less</u> Accumulated amortisation	<u>(992)</u>
Net book value	<u>537</u>
For the year ended 31 December 2018	
Opening net book value	537
Write-off - cost, net	<u>(537)</u>
Closing net book value	<u>-</u>

19 Deferred income taxes

The analysis of deferred tax assets and deferred tax liability is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000
Deferred tax assets:				
Deferred tax asset to be recovered within 12 months	-	-	-	-
Deferred tax asset to be recovered after 12 months	86,416	84,435	45,528	31,522
	<u>86,416</u>	<u>84,435</u>	<u>45,528</u>	<u>31,522</u>
Deferred tax liability:				
Deferred tax liability to be settled within 12 months	-	-	-	-
Deferred tax liability to be settled after 12 months	(4,016)	(4,850)	(2,804)	(1,922)
	<u>(4,016)</u>	<u>(4,850)</u>	<u>(2,804)</u>	<u>(1,922)</u>
Deferred tax asset, net	<u>82,400</u>	<u>79,585</u>	<u>42,724</u>	<u>29,600</u>

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The gross movement and the deferred income tax account for the years ended 31 December 2019 and 2018 is as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht'000	Baht'000	Baht'000	Baht'000
At 1 January	79,585	95,666	29,600	28,333
Charged (credited) to profit or loss (Note 28)	2,728	(15,062)	13,037	2,004
Charged (credited) to other comprehensive income	87	(1,019)	87	(737)
At 31 December	82,400	79,585	42,724	29,600

	Consolidated financial statements			
		Debit/	Debit/(Credit)	
		(Credit) to	to other	
	1 January	profit or loss	comprehensive	31 December
	2019	(Note 28)	income	2019
	Baht'000	Baht'000	(Note 28)	Baht'000
Deferred tax assets:				
Assessable income under the Revenue Code	8,192	(624)	-	7,568
Allowance for doubtful accounts	774	702	-	1,476
Allowance for devaluation real estate projects under development	23,045	-	-	23,045
Profit from related parties	43,985	(11,110)	-	32,875
Employee benefit obligation	3,494	1,190	-	4,684
Provisions	2,641	(364)	-	2,277
Tax loss	2,016	12,001	-	14,017
Others	288	99	87	474
Total	84,435	1,894	87	86,416
Deferred tax liability				
Assessable cost under the Revenue Code	(4,850)	834	-	(4,016)
Deferred tax assets, net	79,585	2,728	87	82,400

	Consolidated financial statements			
		Debit/	Debit/(Credit)	
		(Credit) to	to other	
	1 January	profit or loss	comprehensive	31 December
	2018	(Note 28)	income	2018
	Baht'000	Baht'000	Baht'000	Baht'000
Deferred tax assets:				
Assessable income under the Revenue Code	19,241	(11,049)	-	8,192
Allowance for doubtful accounts	388	386	-	774
Allowance for devaluation real estate projects under development	24,352	(1,307)	-	23,045
Profit from related parties	55,341	(11,356)	-	43,985
Employee benefit obligation	3,922	514	(942)	3,494
Provisions	3,138	(497)	-	2,641
Tax loss	-	2,016	-	2,016
Others	301	64	(77)	288
Total	106,683	(21,229)	(1,019)	84,435
Deferred tax liability				
Assessable cost under the Revenue Code	(11,017)	6,167	-	(4,850)
Deferred tax assets, net	95,666	(15,062)	(1,019)	79,585

Separate financial statements				
	1 January 2019 Baht'000	Debit/ (Credit) to profit or loss (Note 28) Baht'000	Debit/(Credit) to other comprehensive income (Note 28) Baht'000	31 December 2019 Baht'000
Deferred tax assets:				
Assessable income under the Revenue Code	3,225	1,480	-	4,705
Allowance for doubtful accounts	280	22	-	302
Allowance for devaluation real estate projects under development	23,045	-	-	23,045
Employee benefit obligations	1,702	650	-	2,352
Provisions	966	(333)	-	633
Tax loss	2,016	12,001	-	14,017
Others	288	99	87	474
Total	31,522	13,919	87	45,528
Deferred tax liability				
Assessable cost under the Revenue Code	(1,922)	(882)	-	(2,804)
Deferred tax assets, net	29,600	13,037	87	42,724
Separate financial statements				
	1 January 2018 Baht'000	Debit/ (Credit) to profit or loss (Note 28) Baht'000	Debit/(Credit) to other comprehensive income Baht'000	31 December 2018 Baht'000
Deferred tax assets:				
Assessable income under the Revenue Code	1,548	1,677	-	3,225
Allowance for doubtful accounts	280	-	-	280
Allowance for devaluation real estate projects under development	24,352	(1,307)	-	23,045
Employee benefit obligations	2,045	317	(660)	1,702
Provisions	636	330	-	966
Tax loss	-	2,016	-	2,016
Others	301	64	(77)	288
Total	29,162	3,097	(737)	31,522
Deferred tax liability				
Assessable cost under the Revenue Code	(829)	(1,093)	-	(1,922)
Deferred tax assets, net	28,333	2,004	(737)	29,600

20 Other non-current assets

Other non-current assets as at 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000
Guarantee				
- other parties or third parties	4,806	5,260	2,367	2,293
- subsidiary (Note 32 d))	-	-	4,909	4,909
Withholding tax refund	31,128	16,731	11,027	5,919
Reserve for land expropriation	5,810	5,810	5,810	5,810
Deposit paid - land	10,000	-	-	-
Deposit paid - shares	9,900	-	9,900	-
Others	3,595	3,930	92	92
	65,239	31,731	34,105	19,023

21 Trade and other payables

Trade and other payables as at 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000
Trade accounts payable				
- other persons or third parties	199,093	110,153	71,269	13,430
- subsidiary, related person and parties (Note 32 f))	1,407	1,191	46,873	46,688
	200,500	111,344	118,142	60,118
Other payables				
- other persons or third parties	48,986	31,037	26,703	10,708
- subsidiary, related person and parties (Note 32 f))	1,673	1,895	3,702	9,937
Deposit and advance receivables				
- other persons or third parties	37,484	41,061	23,627	16,225
Accrued interest expense	9,497	4,130	7,408	3,155
Others	7,961	26,993	2,913	13,158
	306,101	216,460	182,495	113,301

22 Borrowings

Borrowings as at 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000
<u>Current</u>				
Bank overdrafts	162,495	29,742	34,596	-
Short-term borrowings from financial Institutions, other companies				
- Short term borrowings from financial institutions	-	29,408	-	29,408
- Short term borrowings from financial other companies	297,902	-	177,281	-
- Short term borrowings from related persons	17,000	-	-	-
- Promissory notes from financial Institutions	218,954	173,816	95,000	78,816
Bank overdrafts and short-term borrowing from financial institutions and other company	696,351	232,966	306,877	108,224
Current portion of long-term borrowings	202,939	466,255	36,385	245,209
Current portion of debentures	-	475,554	-	475,554
Current portion of long-term borrowings and debentures	202,939	941,809	36,385	720,763
<u>Non-current</u>				
Long-term borrowings from financial institutions	834,364	1,159,563	546,185	438,737
Debentures	430,651	-	430,651	-
Long-term borrowings from financial institutions and debentures	1,265,015	1,159,563	976,836	438,737
Total borrowings	2,164,305	2,334,338	1,320,098	1,267,724

As at 31 December 2019, the Group's short-term borrowings represent short-term borrowings from financial institutions and other company and promissory notes issued to local financial institutions with interest at the rates of 6.00% - 8.20% per annum (2018: 6.25% - 7.70% per annum) which due within 1 year.

22.1 The movements of the long-term borrowings for the years ended 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000
<u>Current portion of long-term borrowings from financial institutions</u>				
Opening balance	466,255	976,301	245,209	218,943
Transferred from current portion of long-term borrowings	943,673	1,152,701	114,890	500,296
Repayments of borrowings	(1,206,989)	(1,662,747)	(323,714)	(474,030)
Ending balance	202,939	466,255	36,385	245,209
<u>Long-term borrowings from financial institutions</u>				
Opening balance	1,159,563	1,365,191	438,737	704,583
Additional borrowings	619,597	951,099	223,500	237,900
Transferred to current portion of long-term borrowings	(943,673)	(1,152,701)	(114,890)	(500,296)
Financing service fees	(13,832)	(12,929)	(7,038)	(6,293)
Amortisation of deferred financing service fee	12,709	8,903	5,876	2,843
Ending balance	834,364	1,159,563	546,185	438,737

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The long-term borrowings as at 31 December 2019 and 2018 comprise the following:

Type of loan	Amount Baht'000	Maturity	Interest rate (%)		Interest payment	Collateral		Extend due date
			31 December 2019	31 December 2018		31 December 2019	31 December 2018	
Company								
Long-term borrowing	75,644	30 March 2019	MLR+1.00	MLR+1.00	Monthly	A	A	Extended to 30 March 2022
Long-term borrowing	89,379	19 April 2019	MLR+1.00	MLR+1.00	Monthly	A	A	
Long-term borrowing	13,750	24 May 2019	MLR	MLR	Monthly	A	A	
Long-term borrowing	35,897	29 July 2020	MLR+0.75	MLR+0.75	Monthly	A	A	None
Long-term borrowing	130,031	5 September 2022	BIBOR+ 4.50	BIBOR+ 4.50	Monthly	A	A	None
Long-term borrowing	18,866	12 October 2022	7.25	7.25	Monthly	A	A	None
Long-term borrowing	217,865	16 June 2024	MLR+1.00	-	Monthly	A	-	None
<u>Add</u> Effective interest rates	1,138							
Total Company	582,570							
Subsidiaries								
Long-term borrowing	75,089	23 January 2018	MLR+1.00	MLR+1.00	Monthly	A	A	Extended to 23 January 2020
Long-term borrowing	123,067	9 September 2018	MLR+1.00	MLR+1.00	Quarterly	A	A	
Long-term borrowing	54,765	15 March 2020	MLR	MLR	Monthly	A	A	None
Long-term borrowing	31,840	27 February 2021	MLR+1.25	MLR+1.25	Monthly	A	A	None
Long-term borrowing	25,762	5 July 2022	MLR-0.50	-	Monthly	A	-	None
Long-term borrowing	73,088	17 September 2022	MLR-0.75	MLR-0.75	Monthly	A	A	None
Long-term borrowing	7,663	3 January 2023	4.00	4.00	Monthly	A	A	None
Long-term borrowing	7,380	19 July 2023	MLR+0.75	MLR+0.75	Monthly	A	A	None
Long-term borrowing	56,713	10 December 2023	MLR+0.875	-	Monthly	A	-	None
<u>Less</u> Effective interest rates	(634)							
Total subsidiaries	454,733							
Total	1,037,303							

Remark

A: Pledged its lands of related projects, including real estate development cost.

22.2 The movements of the debentures for the years ended 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000
Current portion of debentures				
Opening balance	475,554	396,635	475,554	396,635
Transfer from current portion of debentures	-	475,554	-	475,554
Repayments of debentures	(479,100)	(400,000)	(479,100)	(400,000)
Amortisation of deferred financing service fee	3,546	3,365	3,546	3,365
Ending balance	-	475,554	-	475,554
Debentures				
Opening balance	-	467,865	-	467,865
Additional debentures	440,900	-	440,900	-
Transfer to current portion of debentures	-	(475,554)	-	(475,554)
Financing service fee	(15,059)	-	(15,059)	-
Amortisation of deferred financing service fee	4,810	7,689	4,810	7,689
Ending balance	430,651	-	430,651	-

On 10 May 2019, the Company had issued a tranche of Thai Baht debenture no.1/2019 which is named-registered, unsubordinated, unsecured. The debenture is valued at Baht 440.90 million and bears a fixed interest rate at 6.75% per annum in which interest is payable every three-month. Term of debentures is two year from the issuance date and dues on 10 May 2021. The Company intended to use the proceeds from these issuances for general purpose and/or for loan repayment and/or for working capital.

22.3 As at 31 December 2019 and 2018, undrawn long-term credit facilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000
Unused bank overdraft credit facilities	86,885	124,550	2,904	27,500
Unused long-term borrowing credit facilities				
Floating interest rate				
- Not later than 1 year	191,023	379,045	20,100	301,184
- Later than 1 year	3,145,000	2,375,273	1,967,529	1,817,533
Total unused credit lines	3,422,908	2,878,868	1,990,533	2,146,217

The fair value of current borrowings approximates their carrying amount, as the impact of discounting is not significant.

The fair values of borrowings have been defined in fair value level 2 which are determined by using observable market borrowing rate where it is available, and by discounting all future cash flows by the relevant market borrowing rate at the statement of financial position date. The fair values of borrowings presented in the statement of financial position are closed to book values because the effect of discounting rate is not significant.

23 Other current liabilities

Other current liabilities as at 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000
Withholding tax payable	5,490	8,965	4,185	6,505
Provision for repair expenses	5,319	3,403	793	893
Provision for lawsuits	2,254	828	2,254	-
Value added tax payable	5,176	4,711	-	-
Current portion liabilities under finance lease	603	1,677	-	-
Others	12,332	7,196	2,769	2,034
	31,174	26,780	10,001	9,432

The Company has a provision for one lawsuit involving an issue for Baht 2.25 million. This lawsuit underwent its final judgment in the Supreme Court and the total claim was recognised which included the claim amount, interest expense and surcharge. The Company agreed to pay the total claim to the plaintiff by 2020.

The future aggregate minimum lease payments under non-cancellable finance leases are as follows:

	Consolidated financial statements	
	2019 Baht'000	2018 Baht'000
Not later than one year	637	1,772
Later than 1 year but not later than 5 years	473	484
	1,110	2,256
<u>Less</u> Future finance charges on finance leases	(74)	(102)
Present value of finance lease liabilities	1,036	2,154
Representing finance lease liabilities:		
- Current portion	603	1,677
- Non-current portion	433	477
Total finance lease liabilities	1,036	2,154

The present value of finance lease liabilities is as follows:

	Consolidated financial statements	
	2019	2018
	Baht'000	Baht'000
Not later than 1 year	603	1,677
Later than 1 year but not later than 5 years	433	477
Total finance lease liabilities	1,036	2,154

24 Employee benefit obligations

The movement of employee benefit obligations for the years ended 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht'000	Baht'000	Baht'000	Baht'000
Opening balances as at 1 January	17,473	19,615	8,506	10,221
Increase during the year				
- current service cost	2,407	2,684	1,020	1,510
- past service cost	3,598	-	2,207	-
- interest cost	484	582	255	347
- remeasurements on employee benefits obligations	-	(4,711)	-	(3,299)
Payment of employee benefits during the year	(543)	(697)	(233)	(273)
Closing balances as at 31 December	23,419	17,473	11,755	8,506

On 5 April 2019, an amendment bill to the Labour Protection Law was published in the Government Gazette. The amended law will become effective 30 days after its publication. The main amendment is that the compensation for employees who have retired and have more than or equal to 20 years of service has changed from 300 day's pay to 400 day's pay. The effects of the amendment were recognised as past service cost during the year.

The principal actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	%	%	%	%
Discount rate	1.76 - 4.05	1.76 - 4.05	1.76 - 4.05	1.76 - 4.05
Salary increase rate	3.00 - 6.00	3.00 - 6.00	3.00 - 6.00	3.00 - 6.00
Employee turnover rate	0.00 - 60.00	0.00 - 60.00	0.00 - 60.00	0.00 - 60.00

Sensitivity analysis for each principal actuarial assumptions used were as follows:

	Consolidated financial statements		
	Impact on defined benefit obligations		
	Change in assumptions	Increase in obligations	Decrease in obligations
	%	Baht'000	Baht'000
Discount rate	+1.00	-	(1,811)
	-1.00	1,963	-
Salary increase rate	+1.00	2,312	-
	-1.00	-	(2,149)
Employee turnover rate	+20.00	-	(1,393)
	-20.00	1,957	-

	Separate financial statements		
	Impact on defined benefit obligations		
	Change in assumption %	Increase in obligations Baht'000	Decrease in obligations Baht'000
Discount rate	+1.00	-	(765)
	-1.00	835	-
Salary increase rate	+1.00	919	-
	-1.00	-	(851)
Employee turnover rate	+20.00	-	(454)
	-20.00	637	-

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The weighted average duration of the defined benefit obligation is 9 years (2018: 7 years).

Expected maturity analysis of undiscounted retirement:

	Consolidated financial statements				
	Less than a year Baht'000	Between 2-5 years Baht'000	Between 6-10 years Baht'000	Over 10 years Baht'000	Total Baht'000
At 31 December 2019					
Retirement benefits	839	18,646	19,789	-	39,274
Total	839	18,646	19,789	-	39,274
	Separate financial statements				
	Less than a year Baht'000	Between 2-5 years Baht'000	Between 6-10 years Baht'000	Over 10 years Baht'000	Total Baht'000
At 31 December 2019					
Retirement benefits	-	8,500	12,443	-	20,943
Total	-	8,500	12,443	-	20,943

25 Share capital and share premium on ordinary shares

The movement of share capital for the year ended 31 December is as follows:

	Authorised share capital		Issued and paid-up share capital		Share premium on ordinary shares (net)
	Million Shares	Million Baht	Million Shares	Million Baht	Million Baht
At 1 January 2018	1,000	1,000	750	750	-
Paid-up of shares	-	-	250	250	500
Expense related to issuance of shares	-	-	-	-	(32)
At 31 December 2018	1,000	1,000	1,000	1,000	468
At 31 December 2019	1,000	1,000	1,000	1,000	468

26 Legal reserve

	Consolidated financial statements		Separate financial statements	
	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000
As at 1 January	100,000	28,600	100,000	28,600
Appropriation during the year	-	71,400	-	71,400
As at 31 December	100,000	100,000	100,000	100,000

Under the Public Companies Act B.E.2535, the Company is required to set aside as a statutory reserve at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. The legal reserve is not distributable as a dividend.

27 Other income

Other income for the years ended 31 December 2019 and 2018 comprises the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000
Income from cancellation of contract	2,334	2,253	439	526
Income from machine rental	24,098	27,026	-	-
Income from construction material	9,573	5,598	-	-
Penalty received from contractor	-	7,607	-	-
Received from insurance claims	4,331	4,558	-	-
Interest income	1,443	2,321	52,538	53,595
Others	4,334	4,845	800	1,717
	46,113	54,208	53,777	55,838

28 Income tax (income) expense

Income tax expense for the year ended 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000
Current income tax:				
Current income tax on taxable profit for the year	27,079	46,968	-	-
Adjustment in respect of prior year	-	29,602	-	19,288
Total current income tax	27,079	76,570	-	19,288
Deferred income tax:				
Origination of temporary differences	(2,728)	15,062	(13,037)	(2,004)
Total deferred tax	(2,728)	15,062	(13,037)	(2,004)
Total income tax (income) expense	24,351	91,632	(13,037)	17,284

	For the year ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Baht'000	Baht'000	Baht'000	Baht'000
Reconciliation of income tax				
Profit before tax accounting base	48,495	305,458	2,906	291,437
Tax calculated at a tax rate of 20% (2018: 20%)	9,699	61,092	581	58,287
Tax effect of:				
Income subject to tax	67	540	-	137
Income not subject to tax	-	-	(16,200)	(53,999)
Expenses deductible for tax	-	(6,554)	-	(6,554)
Expenses not deductible for tax	2,320	1,810	2,582	125
Tax losses for which no deferred income tax asset was recognised	12,265	5,142	-	-
Adjustment in respect of prior year	-	29,602	-	19,288
Income tax (income) expenses	24,351	91,632	(13,037)	17,284

The tax (charge)/credit relating to component of other comprehensive income is as follows:

	Consolidated			Separate		
	financial statements			financial statements		
	2019			2019		
	Before tax	Tax	After tax	Before tax	Tax	After tax
	Baht'000	(charge) /credit Baht'000	Baht'000	Baht'000	(charge) /credit Baht'000	Baht'000
Change in fair value of available-for-sale investments	(436)	87	(349)	(436)	87	(349)
Other comprehensive income	(436)	87	(349)	(436)	87	(349)

29 Expenses by nature

The following significant expenditure items, classified by nature for years ended 31 December 2019 and 2018, have been charged in the profit before finance costs and income tax.

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Baht'000	Baht'000	Baht'000	Baht'000
Changes in real estate projects under development	737,958	1,107,977	106,820	322,420
Cost of construction	111,827	11,455	-	-
Loss from investment impairment in subsidiary	-	-	12,770	-
Employee benefits	6,489	3,266	3,482	1,857
Staff expense	171,390	169,748	46,754	62,036
Depreciation and amortisation charges	21,052	19,474	1,234	441
Marketing expense	117,408	58,074	59,813	23,793
Specific business tax and transfer fee	62,989	81,808	8,414	21,240
Project management expenses	20,260	23,864	6,480	4,741
Professional and consultancy fee	10,916	7,233	7,647	5,289
Loss as a result of litigation	609	3,461	191	2,389
Utility expense	13,026	11,966	6,389	5,329
Others	51,441	52,886	15,934	3,808
Total cost of sale, selling expense, and administrative expenses	1,325,365	1,551,212	275,928	453,343

30 Basic earnings per share

Basic earnings per share for the years ended 31 December 2019 and 2018 are calculated by dividing the net profit for the year attributable to shareholders of the parent by the weighted average number of paid-up ordinary shares in issue during the year.

	For the year ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Net profit for the year attributable to shareholders of the parent (Baht'000)	24,144	213,827	15,943	274,154
Weighted average number of paid-up ordinary shares in issue (Thousand shares)	1,000,000	781,507	1,000,000	781,507
Basic earnings per share (Baht per share)	0.02	0.27	0.02	0.35

There are no potential dilutive ordinary shares in issue for the years ended 31 December 2019 and 2018.

31 Dividend

On 25 April 2019, the Annual General meeting 2019 has the resolution to approve the proposed dividend payment for the year 2018 of Baht 0.11 per share amounting to a total of Baht 110 million. The Company paid interim dividend for the year 2018 of Baht 0.07 per share amounting to a total of Baht 70 million on 12 December 2018 and dividend for the year 2018 on 22 May 2019 of Baht 0.04 per share amounting to a total of Baht 40 million.

32 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Company, including holding companies, subsidiaries and follow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The relationships between the Company and related companies beside subsidiaries are as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Wongweanyai Transportation Limited Partnership	Thailand	Jointly controlling shareholder
Phathong Kehakarn Co.,Ltd	Thailand	Jointly controlling shareholder
Twelve Multiply Asset Co., Ltd.	Thailand	Jointly controlling shareholder
Chaopraya Engineering & Construction Co., Ltd.	Thailand	Jointly controlling shareholder and directors of subsidiary
The Pattayakorn Agriculture Co.,Ltd.	Thailand	Jointly controlling shareholder and directors of subsidiary
Tranex Service Co., Ltd.	Thailand	Jointly controlling shareholder and directors of the Group
Bangkok Thai Property & Construction Co., Ltd.	Thailand	Jointly controlling shareholder and directors of the Group
Bangkok Consumer Products Service Co., Ltd.	Thailand	Jointly controlling shareholder and directors of the Group
TMA1 Co., Ltd.	Thailand	Jointly controlling shareholder and directors of the Group
TMA2 Co., Ltd.	Thailand	Jointly controlling shareholder and directors of the Group
TMA3 Co., Ltd.	Thailand	Jointly controlling shareholder and directors of the Group
Smart Media Creation Co., Ltd.	Thailand	Shareholder acts as director of subsidiary
Nakorn Pirom Property Co., Ltd.	Thailand	Shareholder acts as director of subsidiary
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group
Related persons	Thailand	Major shareholders and/or director of the Group

78.23% of shares of Chaoprayamahanakorn Public Company Limited are directly and indirectly held by Padhayanun family.

- a) The following significant transactions for the year ended 31 December 2019 and 2018 are carried out with related parties:

	Subsidiaries	Separate financial statements	
		2019 Baht'000	2018 Baht'000
Interest income	Paya Panich Property Company Limited Siam Mahanakorn Property Company Limited Thai Siam Nakorn Property Company Limited	41,390 1,017 8,921	34,493 14,222 2,887
		51,328	51,602
Dividend income	Paya Panich Property Company Limited	80,998	269,994
		80,998	269,994
Sales of assets	Siam Mahanakorn Property Company Limited	-	1,618
		-	1,618
Construction service	Thai Siam Nakorn Property Company Limited	141,835	31,520
		141,835	31,520
Rental and service expense	Thai Siam Nakorn Property Company Limited Siam Mahanakorn Property Company Limited	816 21,825	62 24,660
		22,641	24,722

	Consolidated financial statements		Separate financial statements	
	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000
Key management personnel				
Key management personnel compensation	27,178	27,298	5,908	19,320
Management benefits	4,865	2,617	2,835	1,835
Rental expense	51	97	51	87
Revenue from goods sold	60	-	-	-
Interest expenses	1	9	-	4
Common fee and other expenses	923	1,232	923	1,210
Other related parties				
Construction and material costs	1,818	947	-	-
Rental and service expenses	5,594	3,565	380	136

Interest income is charged to subsidiaries at the rates of 7.50% - 10.50% per annum (2018: 7.10% - 10.50% per annum).

Dividend income received was according to the dividend declared in the Board of Directors' meeting.

Construction and material costs and rental and service expense are charged at contract price.

Management benefit expenses represent benefits which management has received from the Company. The definition of "management" is in accordance with the laws on securities and stock exchange.

Directors' remuneration was approved at the shareholders' annual general meeting.

Management benefit obligations represent retirement benefits for management which is calculated by an independent actuary.

The Group paid the interest expense of borrowings from directors at the rate of 0.50% per annum.

b) Trade and other receivables - subsidiaries and related party

Outstanding balances as at 31 December 2019 and 2018 arising from services provided comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht'000	Baht'000	Baht'000	Baht'000
Trade and other receivables				
Subsidiaries				
Thai Siam Nakorn Property Company Limited	-	-	8,293	1,278
Paya Panich Property Company Limited	-	-	1,055	30,240
Siam Mahanakorn Property Company Limited	-	-	521	2,146
Related party	1,572	-	-	-
	1,572	-	9,869	33,664

c) Short-term borrowings to and interest receivable from subsidiaries

Short-term borrowings to and interest receivable from subsidiaries as at 31 December 2019 and 2018 comprise the following:

	Separate financial statements 31 December 2019 (Baht'000)			
Short-term borrowings to and interest receivable from subsidiaries	Average interest rate (%)	Short-term borrowings	Interest receivable	Total
Paya Panich Property Company Limited	7.50 - 10.50	559,400	2,381	561,781
Thai Siam Nakorn Property Company Limited	8.00 - 10.00	69,858	76	69,934
		629,258	2,457	631,715
	Separate financial statements 31 December 2018 (Baht'000)			
Short-term borrowings to and interest receivable from subsidiaries	Average interest rate (%)	Short-term borrowings	Interest receivable	Total
Paya Panich Property Company Limited	8.00 - 10.50	680,011	15,892	695,903
Thai Siam Nakorn Property Company Limited	7.50 - 8.65	134,368	741	135,109
Siam Mahanakorn Property Company Limited	7.10 - 10.50	18,137	58	18,195
		832,516	16,691	849,207

The movements of short-term borrowings to and interest receivable from subsidiaries for the year ended 31 December 2019 comprise the following:

	Separate financial statements Baht'000
Opening net book value	849,207
Increase in short-term loan	442,600
Increase in interest receivable	51,328
Receipts of borrowing repayment	(645,858)
Receipts of interests	(65,562)
Closing net book value	631,715

Short-term borrowings to subsidiaries are loaned in Thai Baht with no guarantee and are due when called back.

In February 2020, the Company has made a memo to not call back short-term loans to Thai Siam Nakorn Property Company Limited within the next five years.

d) Other current and non-current assets

	Consolidated financial statements		Separate financial statements	
	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000
Other current assets - Deposit materials				
Subsidiary				
Thai Siam Nakorn Property Company Limited	-	-	21,116	-
	-	-	21,116	-
Other non-current assets - Guarantee				
Subsidiary				
Siam Mahanakorn Property Company Limited	-	-	4,909	4,909
	-	-	4,909	4,909

e) Short-term borrowings from related persons

Short-term borrowings from related persons amounting to 17 million (2018: nil) are in Thai Baht with no guarantee and are due within one year or when called back.

f) Trade and other payables - subsidiaries and related persons and related parties

Outstanding balances as at 31 December 2019 and 2018 arising from purchases of materials and services comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000
Trade accounts payable				
Subsidiary				
Thai Siam Nakorn Property Company Limited	-	-	46,873	46,688
Related parties	1,407	1,191	-	-
	1,407	1,191	46,873	46,688
Other payables				
Subsidiaries				
Thai Siam Nakorn Property Company Limited	-	-	21	5,208
Paya Panich Property Company Limited	-	-	-	370
Siam Mahanakorn Property Company Limited	-	-	2,034	2,682
Related persons and related parties	1,673	1,895	1,647	1,677
	1,673	1,895	3,702	9,937

g) Unbilled construction cost and deposit and advance received from customers

	Consolidated financial statements		Separate financial statements	
	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000
Unbilled construction cost				
Subsidiary				
Thai Siam Nakorn Property Company Limited	-	-	37,549	653
	-	-	37,549	653

h) Commitments with related persons and related parties

The Group has commitments with related persons and related parties as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000
Capital commitments				
Contracted but not provide for:				
- Design and construction agreement				
Subsidiary	-	-	510,610	145,179
	-	-	510,610	145,179
Non-cancellable operating lease and service commitments				
Subsidiary				
- Within one year	-	-	19,844	-
- After one year but within five years	-	-	-	-
	-	-	19,844	-
Related persons and related parties				
- Within one year	1,287	694	-	51
- After one year but within five years	643	-	-	-
	1,930	694	-	51

i) Guarantee from related persons and related parties

As at 31 December 2019, the Company has guarantees of bank overdrafts and credit facilities from related persons amounting to Baht 2,444 million (2019: Baht 3,101 million). As at 31 December 2019, the subsidiaries have outstanding borrowings with financial institutions and third parties for these facilities of Baht 678 million (2018: Baht 771 million).

As at 31 December 2019, the subsidiaries have guarantees of bank overdrafts and credit facilities from related persons amounting to Baht 2,948 million (2018: Baht 3,627 million). As at 31 December 2019, the subsidiaries have outstanding borrowings with financial institutions and third parties for these facilities of Baht 760 million (2018: Baht 1,115 million).

33 Commitments with non-related persons and non-related parties

The Group has commitments with non-related persons and related parties as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000
Capital commitments				
Contracted but not provide for:				
- Land	528,840	90,832	-	-
- Design and construction agreement	436,338	101,053	274,403	35,006
- Machine	-	2,354	-	-
	965,178	194,239	274,403	35,006
Other commitments				
- Advertising	1,733	1,573	482	62
- Bank guarantees	91,872	66,178	59,726	35,852
- Others	1,245	3,128	1,161	2,632
	94,850	70,879	61,369	38,546

As at 31 December 2019, a subsidiary has land servitude over approximately 1 Rai of Baht 1.37 million. (2018: 1 Rai of Baht 1.37 million).

34 Guarantee and contingent liabilities

Guarantee

As at 31 December 2019, the Company has guarantees of bank overdrafts and credit facilities of the subsidiaries amounting to Baht 3,150 million (2018: Baht 2,667 million). As at 31 December 2019, the subsidiaries have outstanding borrowings with financial institutions and third parties for these facilities of Baht 594 million (2018: Baht 869 million).

As at 31 December 2019, the subsidiaries have contingent liabilities in respect of its guarantees of bank overdrafts and credit facilities of the Company amounting to Baht 1,113 million (2018: Baht 1,084 million). As at 31 December 2019, the subsidiaries have outstanding borrowings with financial institutions for these facilities of Baht 460 million (2018: Baht 314 million).

Litigations

As at 31 December 2019, significant litigation are as follows:

- 1) In February 2019, the subsidiary of the Company was sued by the condominium's juristic person due to issues related to the following: a) placing of fire extinguishers b) number of parking areas and c) condominium partitions. However, the subsidiary had corrected some issues already during 2019. Currently, the lawsuit is in the judgement stage at the Civil Court (First Court) with a total claim including interest expense of Baht 6.36 million (2018: None).
- 2) In May 2019, the Company and a subsidiary together with directors of the subsidiary were sued by customers from the same condominium project as a defendant for allegedly breaching an agreement related to the area of a condominium room and the plan of the project mentioned above. Later in October 2019, the same group of people as above was sued by 13 more customers over the same issue. Currently, this lawsuit is in the judgement stage at Thonburi Civil Court (First Court) with a total claim amount including interest expense of Baht 151.16 million (2018: None).
- 3) In the year 2019, the Company was sued by two customers and the condominium's juristic person for allegedly breaching an agreement under three lawsuits, and the total damage claims including interest expense is Baht 1.47 million (2018: Baht 4.06 million). Currently, these lawsuits are being investigated by the Civil Court and Supreme Court.
- 4) In the year 2019, the subsidiaries of the Company were sued through three lawsuits by the Government agency 'Office of The Consumer Protection Board', SME Bank and the subsidiaries' subcontractors as a defendant for allegedly breaching an agreement. Currently, these lawsuits are being investigated by the Civil Court and Supreme Court.

So, there are nine lawsuits in total (2018: six lawsuits) with a total claim amount including interest expense of Baht 161.05 million (2018: Baht 4.86 million). However, the Group hasn't set a provision for liabilities in the consolidated financial statements, because its management and legal department believe that there will be no significant loss to the Group.

35 Event after reporting date

On 25 February 2020, the 2020 Annual board of directors meeting no. 1/2020 passed a resolution approving the following matters:

- 35.1) Approved the dividend payment for year 2019 at the rate of Baht 0.025 per share. Total dividend payment will be Baht 25 million.
- 35.2) Revise the objectivity of the Company, Paya Panich Property Company (PPP) and Siam Mahanakorn Property Company Limited (SMP) to cover the additional business operation and the investment in passive income business in the future, also to revise the PPP and SMP's testimonial since there will be movement of senior management to support the future business operation.