

CHAOPRAYAMAHANAKORN PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2018

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 2018, 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 2018;
- 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

Valuation of real estate projects under development and real estate projects held for development

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.

As at 31 December 2018, 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 4,601 million (representing 87 percent) and Baht 2,384 million (representing 65 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.

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 2018.

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.

I evaluated management's assessment methods of the real estate projects under development and real estate projects held for development valuation by:

- 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.

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.

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.

PricewaterhouseCoopers ABAS Ltd.



Nopanuch Apichatsatien

Certified Public Accountant (Thailand) No. 5266

Bangkok

26 February 2019

Chaoprayamahanakorn Public Company Limited
Statements of Financial Position
As at 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Assets					
Current assets					
Cash and cash equivalents	7	119,324,624	92,847,251	46,903,940	14,307,066
Trade and other receivables, net	8, 32 b)	47,183,891	35,961,066	41,726,536	5,494,191
Short-term loans to and interest receivable from subsidiaries	32 c)	-	-	849,206,763	719,258,272
Short-term loans to other party		2,451,943	-	-	-
Real estate projects under development, net	9, 10	3,448,353,155	4,434,984,039	1,510,075,515	1,845,585,262
Available-for-sale investments	11	101,527,733	46,140,968	101,527,733	46,140,968
Other current assets	12	14,692,898	3,322,642	241,810	248,567
Total current assets		3,733,534,244	4,613,255,966	2,549,682,297	2,631,034,326
Non-current assets					
Restricted deposits at financial institutions	10	13,772,355	5,206,176	1,542,692	1,532,662
Investments in subsidiaries	13	-	-	158,935,700	112,943,400
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	1,153,028,647	893,177,977	874,420,196	742,807,328
Leasehold right, net	10, 16	12,833,333	13,499,999	-	-
Property, plant and equipment, net	10, 17	217,936,495	143,303,765	35,424,139	7,189,623
Intangible assets, net	18	13,768,637	10,248,044	-	537,146
Deferred tax assets, net	19	79,585,105	95,666,428	29,599,835	28,332,808
Other non-current assets	20, 32 d)	31,731,174	167,975,213	19,022,625	44,707,731
Total non-current assets		1,536,115,607	1,342,537,463	1,129,954,377	949,059,888
Total assets		5,269,649,851	5,955,793,429	3,679,636,674	3,580,094,214

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 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term borrowings from financial institutions, and other party	22	232,966,245	581,477,077	108,224,472	302,508,246
Trade and other payables	21, 32 e)	216,459,862	271,408,244	113,300,663	110,319,680
Unbilled construction cost		13,866,836	34,691,802	8,003,214	8,165,209
Current portion of long-term borrowings and debentures	22	941,808,615	1,372,936,120	720,763,392	615,578,060
Income tax payables		27,608,617	11,079,128	-	9,851,115
Other current liabilities	23	26,779,739	64,290,136	9,431,570	5,574,165
Total current liabilities		1,459,489,914	2,335,882,507	959,723,311	1,051,996,475
Non-current liabilities					
Long-term borrowings and debentures	22	1,159,563,242	1,833,056,449	438,737,070	1,172,447,994
Employee benefit obligations	24	17,473,076	19,614,644	8,506,034	10,221,279
Other non-current liabilities		6,524,452	6,446,094	3,950,472	1,711,527
Total non-current liabilities		1,183,560,770	1,859,117,187	451,193,576	1,184,380,800
Total liabilities		2,643,050,684	4,194,999,694	1,410,916,887	2,236,377,275

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 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Liabilities and equity (Cont'd)					
Equity					
Share capital					
Authorised share capital					
1,000 million ordinary shares					
of par Baht 1 each					
	25	<u>1,000,000,000</u>	<u>1,000,000,000</u>	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued and paid-up share capital					
1,000 million ordinary shares					
of par Baht 1 each (2017: 750					
million ordinary shares of par					
Baht 1 each)					
	25	1,000,000,000	750,000,000	1,000,000,000	750,000,000
Share premium account on issue of					
ordinary shares					
	25	467,900,000	-	467,900,000	-
Retained earnings					
Appropriated - Legal reserve					
	26	100,000,000	28,600,214	100,000,000	28,600,214
Unappropriated					
		1,081,987,984	1,005,791,750	700,471,248	565,077,598
Other components of equity					
		<u>(23,288,817)</u>	<u>(23,598,229)</u>	<u>348,539</u>	<u>39,127</u>
Total equity		<u>2,626,599,167</u>	<u>1,760,793,735</u>	<u>2,268,719,787</u>	<u>1,343,716,939</u>
Total liabilities and equity		<u>5,269,649,851</u>	<u>5,955,793,429</u>	<u>3,679,636,674</u>	<u>3,580,094,214</u>

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

Chaoprayamahankorn Public Company Limited
Statements of Comprehensive Income
For the year ended 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Revenues					
Revenue from sales of real estate		1,931,018,741	1,525,233,775	500,259,523	789,991,386
Revenue from construction		14,962,377	-	-	-
Total revenues		<u>1,945,981,118</u>	<u>1,525,233,775</u>	<u>500,259,523</u>	<u>789,991,386</u>
Costs					
Cost of sales from sales of real estate	29	(1,107,977,281)	(891,564,176)	(322,419,586)	(507,462,383)
Cost of construction	29	(11,455,506)	-	-	-
Total costs		<u>(1,119,432,787)</u>	<u>(891,564,176)</u>	<u>(322,419,586)</u>	<u>(507,462,383)</u>
Gross profit		826,548,331	633,669,599	177,839,937	282,529,003
Dividend income	32 a)	-	-	269,993,700	-
Other income	27	54,208,006	150,372,652	55,837,840	170,254,606
Selling expenses	29	(207,617,588)	(224,587,266)	(66,190,000)	(99,052,714)
Administrative expenses	29	(196,572,722)	(212,378,613)	(62,344,703)	(118,477,667)
Other expenses	29	(27,588,621)	(3,918,365)	(2,388,945)	(2,072,031)
Profit before finance costs and income tax expense		448,977,406	343,158,007	372,747,829	233,181,197
Finance costs		<u>(143,519,191)</u>	<u>(198,390,893)</u>	<u>(81,310,564)</u>	<u>(131,837,430)</u>
Profit before income tax expense		305,458,215	144,767,114	291,437,265	101,343,767
Income tax expense	28	<u>(91,631,710)</u>	<u>(18,127,559)</u>	<u>(17,283,524)</u>	<u>(21,474,341)</u>
Net profit for the year		<u>213,826,505</u>	<u>126,639,555</u>	<u>274,153,741</u>	<u>79,869,426</u>
Other comprehensive income					
Items that will not be reclassified to profit or loss					
- Remeasurements on employee benefit obligations	24	4,710,861	2,100,145	3,298,586	(1,753,769)
- Income tax relating to items that will not be classified to profit or loss	28	(942,172)	(420,029)	(659,717)	350,754
Items that will be reclassified subsequently to profit or loss					
- Change in fair value of available-for-sale investments	11	386,765	48,909	386,765	48,909
- Income tax relating to items that will be reclassified subsequently to profit or loss	28	<u>(77,353)</u>	<u>(9,782)</u>	<u>(77,353)</u>	<u>(9,782)</u>
Other comprehensive income for the year, net of tax		<u>4,078,101</u>	<u>1,719,243</u>	<u>2,948,281</u>	<u>(1,363,888)</u>
Total comprehensive income for the year		<u>217,904,606</u>	<u>128,358,798</u>	<u>277,102,022</u>	<u>78,505,538</u>

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 2018

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Profit (loss) attributable to:					
Owners of the parent		213,826,505	126,639,555	274,153,741	79,869,426
Non-controlling interests		-	-	-	-
		<u>213,826,505.00</u>	<u>126,639,555.00</u>	<u>274,153,741.00</u>	<u>79,869,426.00</u>
Total comprehensive income					
attributable to:					
Owners of the parent		217,904,606	128,358,798	277,102,022	78,505,538
Non-controlling interests		-	-	-	-
		<u>217,904,606.00</u>	<u>128,358,798.00</u>	<u>277,102,022.00</u>	<u>78,505,538.00</u>
Basic earning per share (Baht)	30	<u>0.27</u>	<u>0.17</u>	<u>0.35</u>	<u>0.11</u>

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

Chaoprayamahanakorn Public Company Limited
 Statements of Changes in Equity
 For the year ended 31 December 2018

Consolidated financial statements (Baht)								
Attributable to owners of the parent					Other components of equity			
Notes	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		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	1,005,791,750	(23,637,356)	39,127	1,760,793,735	
Proceeds from paid-up ordinary shares	25 250,000,000	467,900,000	-	-	-	-	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	-	-	-	217,595,194	-	309,412	217,904,606	
Closing balance as at 31 December 2018	<u>1,000,000,000</u>	<u>467,900,000</u>	<u>100,000,000</u>	<u>1,081,987,984</u>	<u>(23,637,356)</u>	<u>348,539</u>	<u>2,626,599,167</u>	

Consolidated financial statements (Baht)								
Attributable to owners of the parent					Other components of equity			
Note	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		Total equity
			Appropriated - legal reserve	Unappropriated		Change in fair value of available-for-sale investments		
Opening balance as at 1 January 2017	750,000,000	-	24,606,743	881,465,550	(23,637,356)	-	1,632,434,937	
Legal reserve	26 -	-	3,993,471	(3,993,471)	-	-	-	
Total comprehensive income for the year	-	-	-	128,319,671	-	39,127	128,358,798	
Closing balance as at 31 December 2017	<u>750,000,000</u>	<u>-</u>	<u>28,600,214</u>	<u>1,005,791,750</u>	<u>(23,637,356)</u>	<u>39,127</u>	<u>1,760,793,735</u>	

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 2018

Separate financial statements (Baht)							
	Notes	Authorised, issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Other comprehensive income	Total equity
				- 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	467,900,000	-	-	-	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>

Separate financial statements (Baht)							
	Note	Authorised, issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Other comprehensive income	Total equity
				- legal reserve	Unappropriated	Change in fair value of available-for-sale investments	
Opening balance as at 1 January 2017		750,000,000	-	24,606,743	490,604,658	-	1,265,211,401
Legal reserve	26	-	-	3,993,471	(3,993,471)	-	-
Total comprehensive income for the year		-	-	-	78,466,411	39,127	78,505,538
Closing balance as at 31 December 2017		<u>750,000,000</u>	<u>-</u>	<u>28,600,214</u>	<u>565,077,598</u>	<u>39,127</u>	<u>1,343,716,939</u>

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

Chaoprayamahanakorn Public Company Limited

Statements of Cash Flows

For the year ended 31 December 2018

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Notes	Baht	Baht	Baht	Baht
Cash flows from operating activities				
Profit before income tax expense	305,458,215	144,767,114	291,437,265	101,343,767
Adjustments for:				
Depreciation and amortisation	17,006,990	21,892,895	441,398	2,605,294
(Gain) Loss from disposal of equipment	918,445	(172,459)	(502,757)	(82,805)
Gain from disposal of intangible assets	(5,270,143)	-	(33,232)	-
Write-off withholding tax (Reversal)	19,612,633	6,024,669	9,298,225	(140,928)
Allowance for doubtful account	1,929,046	-	-	-
Allowance for devaluation				
on real estate projects (Reversal)	(6,533,408)	-	(6,533,408)	-
Allowance for impairment on assets				
- Clubhouse on housing project	17, 29	-	26,215,491	-
Provisions (Reversal)	20,535,093	(15,634,081)	2,238,945	1,425,097
Employee benefit	3,266,943	2,684,988	1,856,941	888,048
Income from cancellation contract	(1,519,563)	(15,702,682)	(294,449)	(8,792,405)
Interest income	27	(2,321,337)	(53,595,329)	(43,985,512)
Gain from exchange rate	(180,496)	(121,656)	-	-
Dividend income	32 a)	-	(269,993,700)	-
Finance costs - - Interest expense	118,633,404	169,279,355	63,038,538	111,585,626
- Financing service fee	24,885,787	29,111,538	18,272,026	20,251,804
	496,421,609	367,833,396	55,630,463	211,313,477
Changes in operating assets and liabilities				
- Trade and other receivables	(13,151,871)	(10,007,226)	(36,232,345)	1,750,644
- Real estate projects under development	821,625,656	9,478,628	279,282,620	523,837,511
- Real estate projects held for development	(87)	(50,280)	-	(63,108)
- Other current assets	(11,370,256)	77,807,059	6,757	44,210,222
- Other non-current assets	(704,813)	(5,294,816)	(220,212)	(5,421,405)
- Trade and other payables	(51,626,944)	(34,221,210)	4,347,953	(48,818,717)
- Unbilled construction cost	(20,824,966)	(2,918,781)	(161,995)	(190,177)
- Other current liabilities	(41,892,990)	(22,457,804)	3,857,405	(247,275)
- Employee benefit obligations	(697,650)	-	(273,600)	-
Cash generated from operating activities	1,177,777,688	380,168,966	306,237,046	726,371,172
Finance cost paid	(205,358,283)	(244,772,738)	(131,409,917)	(147,595,722)
Income tax paid	(89,605,406)	(41,150,936)	(35,057,349)	(12,354,252)
Income tax refund	132,490,092	706,000	22,525,706	-
Net cash generated from operating activities	1,015,304,091	94,951,292	162,295,486	566,421,198

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

Chaoprayamahanakorn Public Company Limited

Statements of Cash Flows (Cont'd)

For the year ended 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cash flows from investing activities					
Interest received		2,321,337	161,126	54,263,498	36,194,060
Dividend received	32 a)	-	-	269,993,700	-
Decrease (Increase) in restricted deposits at financial institutions		(8,566,179)	3,374,786	(10,030)	(10,662)
Cash receipt of short-term loans to subsidiaries	32 c)	-	-	578,383,340	(537,837,040)
Cash payment for short-term loans to subsidiaries	32 c)	-	-	(709,000,000)	227,769,426
Cash payment for short-term loans to other party		(2,451,943)	-	-	-
Cash paid for investing of available-for-sale investr	11	(55,000,000)	(46,053,098)	(55,000,000)	(46,053,098)
Cash paid for increase capital in investment in sub:	13	-	-	(45,992,300)	-
Proceeds from disposals of equipment		(911,204)	369,377	1,047,835	102,000
Cash paid for purchase of property, plant and equipment		(91,589,412)	(9,954,257)	(29,146,841)	(680,211)
Proceeds from disposal of intangible assets		5,270,143	-	570,378	-
Cash paid for purchase of intangible assets		(3,948,831)	(6,243,031)	-	-
Net cash generated from (used in) investing activities		(154,876,089)	(58,345,097)	65,109,580	(320,515,525)
Cash flows from financing activities					
Increase (Decrease) in bank overdraft and short-term borrowings from financial institutions and other party		(355,675,995)	(51,363,864)	(200,349,876)	16,143,818
Proceeds from long-term borrowings from financial institutions	22	951,098,900	1,122,363,506	237,899,999	317,055,456
Proceeds from debentures	22	-	479,100,000	-	479,100,000
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	(1,662,746,569)	(1,037,741,563)	(474,030,109)	(563,372,964)
Repayment of debentures	22	(400,000,000)	(492,500,000)	(400,000,000)	(492,500,000)
Payment for front-end fee of loan agreements	22	(12,928,478)	(6,402,113)	(6,292,750)	(3,268,750)
Payment for front-end fee of debentures	22	-	(15,379,110)	-	(15,379,110)
Repayment of finance lease liabilities		(1,663,031)	(2,036,942)	-	-
Dividends paid	31	(69,935,456)	-	(69,935,456)	-
Net cash used in financing activities		(833,950,629)	(3,960,086)	(194,808,192)	(262,221,550)
Net cash increase (decrease) in cash and cash equivalents		26,477,373	32,646,109	32,596,874	(16,315,877)
Cash and cash equivalents at 1 January		92,847,251	60,201,142	14,307,066	30,622,943
Cash and cash equivalents as at 31 December		119,324,624	92,847,251	46,903,940	14,307,066

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

Chaoprayamahanakorn Public Company Limited

Statements of Cash Flows (Cont'd)

For the year ended 31 December 2018

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Non-cash transactions:					
Payable for acquisition of property, plant and equipment		540,930	84,316	8,774	82,925
Transfer land to investment property	14	-	12,687,654	-	12,687,654
Transfer investment property to real estate projects under development	14	-	266,129	-	266,129
Transfer investment property to real estate projects held for development	14	-	1,412,335	-	1,412,335
Transfer real estate projects held for development to real estate projects under development		-	211,405,979	-	211,405,979
Transfer real estate projects under development to real estate projects held for development	9	259,850,583	150,454,920	131,612,868	-

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 company limited incorporated and resident in Thailand. The address of its registered office is 909/1, 6th Floor, Unit 601-602, Somdet Phra Chao Tak Sin Road, Dao Khanong, Thonburi, Bangkok.

For reporting purposes, the Company and its subsidiaries are referred to as “the Group”.

The principal business operations of the Group are development of real estate for sale, providing construction services, rental and services.

These consolidated and separate financial statements have been approved by the Board of Directors on 26 February 2019.

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 generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission 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 Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in Note 4.

An English version of the consolidated and separate statutory financial statements has 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 Revised accounting standards, revised financial reporting standards, and related interpretations

2.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Group.

TAS No. 7 (revised 2017)	Statement of cash Flows
TAS No. 12 (revised 2017)	Income taxes
TFRS No. 12 (revised 2017)	Disclosure of interests in other entities

TAS No. 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS No. 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset’s tax base. Specifically, the amendments confirm that:

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Group. (Cont'd)

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

TFRS No. 12 (revised 2017), the amendments clarify that the disclosure requirements of TFRS No. 12 apply to interests in entities that are classified as held for sale in the scope of TFRS No.5 (revised 2017), except for the summarised financial information.

The Group's management assessed and considered that the above revised standards do not have a significant impact on the Group.

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective.

2.2.2.1 The FAP has issued new standard, TFRS No.15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard.

TFRS No.15 provide the requirements for the recognition of revenue. This standard will supersede the following standards:

TAS No. 11 (revised 2017)	Construction contracts
TAS No. 18 (revised 2017)	Revenue
TSIC No. 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC No. 13 (revised 2017)	Customer Loyalty Programmes
TFRIC No. 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC No. 18 (revised 2017)	Transfers of Assets from Customers

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Key changes to current practice are:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements.
- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons, such as for incentives, rebates, performance fees, royalties, success of an outcome. The minimum amounts must be recognised if they are not at significant risk of reversal.
- The point at which revenue can be recognised may change some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa.

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.1 The FAP has issued new standard, TFRS No.15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard. (Cont'd)

- There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements.
- As with any new standard, there are also increased in disclosures.

Entities will have a choice to apply this standard retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, subject to the expedients or retrospectively with the cumulative effect recognised as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application with additional disclosures.

The Group's management is currently assessing the impact of initial adoption of this standard.

2.2.2.2 Revised financial reporting standards will become effect for annual periods beginning on or after 1 January 2019 and are relevant to the Group. The Group has not yet adopt these standards.

TFRS No. 2 (revised 2018)	Share-based Payment
TFRS No. 4 (revised 2018)	Insurance Contracts
TAS No. 28 (revised 2018)	Investments in associates and joint ventures
TAS No. 40 (revised 2018)	Investment Property
TFRIC No. 22	Foreign Currency Transactions and Advance Consideration

TFRS No. 2, the amendments clarify;

- The measurement basis for cash-settled share-based payments the entity shall not taken into account the vesting conditions, other than market conditions when estimating the fair value of the cash-settled share-based payment at the measurement date. However, the vesting conditions, other than market conditions shall be taken into account by adjusting the number of awards included in the measurement of the liability arising from the transaction.
- Where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority, the whole award will be treated as if it was equity-settled without the net settlement feature, and
- The accounting for modifications that change an award from cash-settled to equity-settled.

TFRS No. 4 has been amended to provide insurance companies an optional exemption from compliance with TFRS No. 9 and TFRS No. 7. The exemption is temporarily effective and not mandatory. Entities who choose to use the exemption must follow the 'financial instruments and disclosure for insurance companies' accounting guidelines to be issued by the Federation of Accounting Professions (upon announcement) until TFRS No. 17 becomes effective.

TAS No. 28, the amendment clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition.

TAS No. 40, the amendments clarify that transfers to, or from, investment property can only be made if there has been a change in purpose of use that is supported by evidence. A change in purpose of 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.

TFRIC No. 22 provides guidance for determining the exchange rate to be used on the initial recognition of a related asset, expense or income where an entity pays or receives an advance consideration in a foreign currency. The interpretation requires an entity to use the exchange rate at the date on which an entity recognises the non-monetary assets, such as prepayments and advances, or non-monetary liability, such as deferred income arising from the advance consideration. If there are multiple advance payments or receipts of payments,

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.2 Revised financial reporting standards will become effect for annual periods beginning on or after 1 January 2019 and are relevant to the Group. The Group has not yet adopt these standards. (Cont'd)

the exchange rate is to be used on the date when each non-monetary asset or liability is recognised.

The Group's management is currently assessing the impact of these standards.

2.2.2.3 The Group of financial instruments reporting standards consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019.

TAS No. 32	Financial instruments: Presentation
TFRS No. 7	Financial Instruments: Disclosures
TFRS No. 9	Financial Instruments
TFRIC No. 16	Hedges of a Net Investment in a Foreign Operation
TFRIC No. 19	Extinguishing Financial Liabilities with Equity Instruments

The above new standards and interpretations will supersede the following standards:

TAS No. 101	Bad and Doubtful Debts
TAS No. 103	Disclosures in the Financial Statements of Bank and Similar Financial Institutions
TAS No. 104	Accounting for Troubled Debt Restructuring
TAS No. 105	Accounting for Investment in Debts and Equity securities
TAS No. 106	Accounting for Investment Companies
TAS No. 107	Financial Instruments: Disclosure and Presentation

TAS No. 32 Financial Instruments: Presentation, provides the requirements for the presentation financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset.

TFRS No. 7 Financial Instruments: Disclosures, provides the requirements for the disclosure that are intended to enable the financial statement users to evaluate the significance of financial instruments for an entity's financial position and performance, and to understand the nature and extent of risks arising from those financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

TFRS No. 9 Financial Instruments, establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follow:

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.3 The Group of financial instruments reporting standards consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019. (Cont'd)

- Classification and measurement:
 - The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss and fair value through other comprehensive income. Classification of debt assets will be driven by the entity's business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
 - Equity instrument financial assets shall be measured at fair value through profit or loss. An entity can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.
 - Financial liabilities are classified and measured at amortised cost. An entity can choose to measure a liability at fair value through profit or loss when the conditions are met.
 - Derivatives are classified and measured at fair value through profit or loss.

- The impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts are no longer require a credit event to be occurred before credit losses are recognised. The entity considers the expected credit losses under three-stage approach. Each stage dictates how the entity measures impairment losses and applies the effective interest rate method. Except for trade receivables and contractual assets which apply in TFRS 15 and are no significant financial components and lease receivables, they are permitted to measure by simplified approach for credit impaired consideration.

- The objective of hedge accounting is to present, in the financial statements, the effect of an entity's risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (or other comprehensive income, in the case of investments in equity instruments for which an entity has elected to present changes in fair value in other comprehensive income). This approach aims to convey the context of hedging instruments for which hedge accounting is applied and to understand their purpose and effect to the finance statement.

TFRIC No. 16 Hedges of a Net Investment in a Foreign Operation, clarifies the accounting treatment in respect of net investment hedging by providing guidance on identifying the foreign currency risks that qualify as a hedged risk. It also clarifies that hedging instruments that are hedges of a net investment in a foreign operation may be held by other entities within the group not only by the parent. The amendment includes the guidance on how an entity should determine the amount to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.

TFRIC No. 19 Extinguishing financial liabilities with equity instruments, provides the requirements for accounting treatment when the entity issues equity instruments to a creditor to extinguish all or part of a financial liability. The equity instruments issued shall be measured at fair value. The entity shall remove a financial liability (or part of a financial liability) from its statement of financial position when it is extinguished in accordance with TFRS No. 9. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished and the fair value of equity instruments issued shall be recognised in profit or loss.

The Group's management is currently assessing the impact of initial adoption of these standards.

2 Accounting policies (Cont'd)

2.3 Group Accounting - Investments in subsidiaries and consolidation

Subsidiaries

Subsidiaries are all entities (including structured 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 fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations except business combination under common control. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurements are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the separate financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

2.4 Cash and cash equivalents

In the consolidated and separate statements of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated and separate statements of financial position, bank overdrafts are shown within borrowings in current liabilities.

2.5 Trade accounts receivable

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss within administrative expenses.

2 Accounting policies (Cont'd)

2.6 Investments

Investments other than investments in subsidiaries are classified into the following 2 categories: (1) trading investments; and (2) available-for-sale investments. The classification is dependent on the purpose for which the investment was acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

1. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.
2. Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale.

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Trading investments and available for sale investments are subsequently measured at fair value. The unrealised gains and losses of trading investments are recognised in profit or loss. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to statements of comprehensive income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

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.

Land that is held by a lessee under an operating lease is classified and accounted for as an investment property only when definition of an investment property is met. The operating lease is accounted for as if it were a finance lease.

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.

After initial recognition, investment property is stated at cost less accumulated depreciation and less impairment losses.

2 Accounting policies (Cont'd)

2.8 Investment property (Cont'd)

Land is not depreciated. Depreciation of other investment property is charged to profit or loss on a straight-line basis over the estimated useful lives of each property.

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 comprise mainly of a 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 historical cost less accumulated depreciation and an allowance for impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to cost of each asset to its residual value over the write off the estimated useful lives, as follows:

Land improvement	20 years
Land and buildings	20 years
Buildings and building improvement	5 - 30 years
Furniture fixture and equipment	3 - 5 years
Tools and machinery	5 - 10 years
Vehicles	5 years

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

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount (Note 2.13).

Gains or losses on disposals of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised within other income or other expense 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 are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 5 years.

2 Accounting policies (Cont'd)

2.12 Capitalisation of 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, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.14 Current and deferred income taxes

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. 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 is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income 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 income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 Accounting policies (Cont'd)

2.15 Long-term leases

Where the Group is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. 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.

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the net present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

The Group entered into sale and lease back agreement for machinery resulting in a finance lease. Excess of sale proceeds over the carrying amount is not immediately recognised as income. Thus surplus is deferred and presented net under property, plant and equipment and amortised over the lease term.

Where the Group is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.16 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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 end of reporting date.

2 Accounting policies (Cont'd)

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

The Group provides for post-employment benefits, payable to employees under the labour laws applicable in Thailand and other countries in which the Group has its operations. The liability in respect of employee benefits is the present value of the defined benefit obligation which is calculated by an independent actuary in accordance with the actuarial technique. The present value of the defined benefit obligation is determined by discounting estimated future cash flows using yields on government bonds which have terms to maturity approximating the terms of the related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, mortality, length of service and other factors. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in profit or loss.

2.17.2 Provident fund

The Group operates a provident fund that is a defined contribution plan. The assets are held in a separate fund which is managed by an external fund manager in accordance with the Provident Fund Act B.E. 2530. The provident fund is funded by payments from employees and by the Group. Contributions to the provident fund are charged to the statements of comprehensive income in the year to which they relate.

2.17.3 Other employee benefits

Other employee benefits of the Group consist of long service reward, are recognised in the statements of financial position at the present value of the defined benefit obligation. The actuarial gains and losses and the past service costs are recognised immediately in the 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.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

The Group measures provisions at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.19 Revenue recognition

Real estate development business

Revenues from sales of land and single detached house and condominium units are recognised upon the transfer of the titleship to buyer.

Installment under the contract is shown as “Deposits and advances received from customers”.

2 Accounting policies (Cont'd)

2.19 Revenue recognition (Cont'd)

Other income

Other income comprise the fair value for the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities net of output tax, rebates and discounts. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from services is recognised as revenue in the year in which the service is rendered.

Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

Income from cancellation of contracts is recognised when the Group has contractual or legal right to withhold the deposits and advances received from customer.

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

Dividend income is recognised when the right to receive payment is established.

2.20 Dividends

Dividends are recorded in the consolidated and company's financial statements in the period in which they are approved by the shareholders of the Company. Interim dividends are recorded in the consolidated and separate financial statements in the period in which they are approved by the board of directors' of the Company.

2.21 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's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate 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.

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. The Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment excess liquidity.

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 Financial risk management (Cont'd)

3.1 Financial risk factors (Cont'd)

3.1.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Company to incur a financial loss.

The Group has no significant concentrations of credit risk. Cash is placed with reputable financial institutions. Concentrations of credit risk with respect to trade accounts receivable are limited due to the Group's large number of customers in a variety of businesses. 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

Prudent liquidity risk management implies maintaining 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. Due to the dynamic nature of the underlying business, the Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

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.

3.2 Fair value estimation

The following table presents the Group's financial assets that are measured at fair value as at 31 December 2018 and 2017. The disclosure of the investment property's fair value presented in Note 14 and borrowing's fair value presented in Note 22.

	Consolidated and separate financial statements	
	Level 2	
	2018 Baht'000	2017 Baht'000
Assets		
Available-for-sale investment (Note 11)	101,528	46,141
Total assets	<u>101,528</u>	<u>46,141</u>

Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Group is the current bid price by reference to the Net Asset Value ("NAV") announced by the Asset Management Company.

Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There were no transfers between levels during the year.

4 Critical accounting estimates, assumptions and judgements

Estimates, assumptions 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) 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.

5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order 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 amount 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.

	For the year ended 31 December									
	Real estate development		Construction		Lease of space in an office building		Elimination		Consolidated	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Revenues from external customers	1,931,019	1,525,234	14,962	-	-	-	-	-	1,945,981	1,525,234
Inter-segment revenues	-	-	211,228	448,075	48,120	29,391	(259,348)	(477,466)	-	-
Interest income	54,531	45,536	286	16	4	2	(52,500)	(45,042)	2,321	512
Other income	12,177	135,726	41,454	15,111	1,040	-	(2,784)	(976)	51,887	149,861
Total revenue	<u>1,997,727</u>	<u>1,706,496</u>	<u>267,930</u>	<u>463,202</u>	<u>49,164</u>	<u>29,393</u>	<u>(314,632)</u>	<u>(523,484)</u>	<u>2,000,189</u>	<u>1,675,607</u>
Reportable segment profit (loss)	259,534	154,454	(28,055)	78,601	20,700	13,506	53,279	(101,794)	305,458	144,767
Dividend income	269,994	-	-	-	-	-	(269,994)	-	-	-
Reportable segment profit (loss) before income tax	<u>529,528</u>	<u>154,454</u>	<u>(28,055)</u>	<u>78,601</u>	<u>20,700</u>	<u>13,506</u>	<u>(216,715)</u>	<u>(101,794)</u>	305,458	144,767
Income tax expense (Note 28)									(91,632)	(18,127)
Net profit for the year									<u>213,826</u>	<u>126,640</u>

6 Segment information (Cont'd)

	Real estate development		Construction		Lease of space in an office building		Elimination		Consolidated financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Segment assets	6,117,447	6,551,046	404,031	595,023	166,601	183,505	(1,424,848)	(1,373,781)	5,269,650	5,955,793
Unallocated assets	-	-	-	-	-	-	-	-	-	-
Consolidated total assets	6,117,447	6,551,046	404,031	595,023	166,601	183,505	(1,424,848)	(1,373,781)	5,269,650	5,955,793
Segment liabilities	3,280,146	4,549,059	389,048	588,962	47,746	85,501	(1,073,889)	(1,028,522)	2,643,051	4,195,000
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-
Consolidated total liabilities	3,280,146	4,549,059	389,048	588,962	47,746	85,501	(1,073,889)	(1,028,522)	2,643,051	4,195,000

7 Cash and cash equivalents

Cash and cash equivalents as at 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Cash on hand	331	385	67	141
Cash at banks - current accounts	8,727	7,284	2,234	1,445
Cash at banks - savings accounts	77,217	43,042	31,832	12,721
Cashier cheques	33,050	42,136	12,771	-
Total	119,325	92,847	46,904	14,307

As at 31 December 2018, cash at banks with local financial institutions carry interest at the rates of 0.25% - 0.50% per annum (2017: 0.25% - 0.50% per annum).

8 Trade and other receivables, net

Trade and other receivables, net as at 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Accounts receivable	17,508	3,070	1,509	1,711
<u>Less</u> Allowance for doubtful accounts	<u>(3,870)</u>	<u>(1,941)</u>	<u>(1,401)</u>	<u>(1,401)</u>
Accounts receivable, net	13,638	1,129	108	310
Other receivables - subsidiaries and related parties (Note 32 b))	-	2	33,664	47
- other persons and parties	8,985	11,035	452	451
Advance payment for construction	1,092	267	-	-
Prepaid expenses	17,071	16,112	5,810	2,389
Others	6,398	7,416	1,693	2,297
	<u>47,184</u>	<u>35,961</u>	<u>41,727</u>	<u>5,494</u>

Outstanding trade accounts receivable can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Not yet due	5,372	525	-	310
Up to 3 months	8,985	487	108	-
3 - 6 months	1,361	117	-	-
6 - 12 months	258	-	-	-
Over 12 months	1,532	1,941	1,401	1,401
	<u>17,508</u>	<u>3,070</u>	<u>1,509</u>	<u>1,711</u>
<u>Less</u> Allowance for doubtful accounts	<u>(3,870)</u>	<u>(1,941)</u>	<u>(1,401)</u>	<u>(1,401)</u>
	<u>13,638</u>	<u>1,129</u>	<u>108</u>	<u>310</u>

9 Real estate projects under development, net

	Consolidated financial statements		Separate Financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Land and land development costs	1,379,533	1,591,049	846,675	844,452
Construction cost and others	346,178	624,520	188,530	153,396
Capitalised finance costs	247,869	163,406	165,978	100,429
Condominium units ready for sale	1,554,272	2,060,510	283,444	619,655
Houses ready for sale	199,575	178,553	208,743	185,867
Construction materials	32,458	25,615	-	-
Total	3,759,885	4,643,653	1,693,370	1,903,799
<u>Less</u> Transferred real estate projects under development to real estate project held for Development (Note 15)	(259,851)	(150,455)	(131,613)	-
<u>Less</u> Allowance for devaluation on real estate projects under development				
- houses ready for sale	(51,420)	(57,953)	(51,420)	(57,953)
- condominium units ready for sale	(261)	(261)	(261)	(261)
Net	3,448,353	4,434,984	1,510,076	1,845,585
Borrowing costs capitalised during the year	114,845	93,947	77,516	32,647
Rates of interest capitalised (% per annum)	5.74 - 9.34	6.03 - 8.50	6.25 - 8.69	6.03 - 8.15

10 Assets used as collateral

Assets used as collateral of the Group as at 31 December 2018 and 2017 were as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
(a) Real estate projects under development	2,837	3,956	1,229	1,630
(b) Restricted deposits at financial institutions	14	5	2	2
(c) Real estate projects held for development	806	832	681	681
(d) Leasehold right	13	13	-	-
(e) Property, plant and equipment (Building and building improvement)	102	107	-	-
	3,772	4,913	1,912	2,313

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 and letter of guarantee of the Company and its subsidiaries.
- c) 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.
- d) A subsidiary has pledged its leasehold right with a financial institution as collateral against credit facilities received from such financial institution.
- e) 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	
	2018 Baht'000	2017 Baht'000
Opening net book balance	46,141	-
Additions	55,000	46,092
Change in fair value of available-for-sale investments	387	49
Closing net book balance	<u>101,528</u>	<u>46,141</u>

The fair value of the available-for-sale investments as at 31 December 2018 and 2017 is as follows:

	Consolidated and Separate financial statements	
	2018 Baht'000	2017 Baht'000
Available-for-sale investments	101,092	46,092
Add Change in fair value of available-for-sale Investments	436	49
Fair value	<u>101,528</u>	<u>46,141</u>

The fair value of available-for-sale investments is based on the Net Asset Value ("NAV") announced by the Asset Management Company. The fair value is within level 1 and 2 of the fair value hierarchy.

As at 31 December 2018, the Company has pledged available-for-sale investments amount Baht 47 million (2017: Baht 46 million) with the Company's debenture underwriter to secure a default on the Company's debenture repayment.

12 Other current assets

Other current assets as at 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Deposit paid - land	11,500	-	-	-
Others	3,193	3,323	242	249
	<u>14,693</u>	<u>3,323</u>	<u>242</u>	<u>249</u>

13 Investments in subsidiaries

Investments in subsidiaries as at 31 December 2018 and 2017, and dividend income from those investments for the years then ended, were as follows:

Principal activities	% Ownership interest	Separate financial statements							
				Paid up capital		Cost		Dividend income	
		2018	2017	2018	2017	2018	2017	2018	2017
		(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	269,994	-
Thai Siam Nakorn Property Company Limited	Construction service	99.98	99.98	50,000	4,000	49,992	3,999	-	-
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	-	-
				160,000	114,000	158,936	112,943	269,994	-

All subsidiaries operate their business in Thailand

13 Investments in subsidiaries (Cont'd)

Movements of investment in subsidiaries can be analysed as follows:

For the year ended 31 December	Separate financial statements	
	2018	2017
	Baht'000	Baht'000
Opening net book amount	112,943	112,943
Acquisitions	45,993	-
Closing net book amount	<u>158,936</u>	<u>112,943</u>

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

The shareholders at the first Extraordinary General Meeting for the year 2018 on 7 September 2018, passed a resolution to approve increase the authorised share capital of Thai Siam Nakorn Property Co., Ltd. ("Thai Siam Nakorn Property"), the Company's subsidiary, from 40,000 ordinary shares to 500,000 ordinary shares with a par value of Baht 100 per share. On 24 September 2018, Thai Siam Nakorn Property received subscription of 460,000 additional shares at Baht 100 per share, represent a total of Baht 46 million which were priced at the par value. Thai Siam Nakorn Property registered the increased share capital with the Ministry of Commerce on 24 September 2018.

14 Investment properties, net

The movements of investment properties, net for the years ended 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements	Separate financial statements
	Land	Land
	Baht'000	Baht'000
As at 31 December 2016		
Cost	2,451	-
Closing net book value	<u>2,451</u>	<u>-</u>
For the year ended 31 December 2017		
Opening net book value	2,451	-
Transferred land from property, plant and equipment (Note 17)	12,688	12,688
Transferred land to real estate project under development and real estate project held for development	(1,679)	(1,679)
Closing net book value	<u>13,460</u>	<u>11,009</u>
As at 31 December 2017		
Cost	13,460	11,009
Closing net book value	<u>13,460</u>	<u>11,009</u>
For the year ended 31 December 2018		
Opening net book value	13,460	11,009
Closing net book value	<u>13,460</u>	<u>11,009</u>
As at 31 December 2018		
Cost	13,460	11,009
Closing net book value	<u>13,460</u>	<u>11,009</u>

14 Investment properties, net (Cont'd)

As at 31 December 2018, investment properties under the cost method in consolidated and separate financial information were carried at Baht 13.46 million and Baht 11.01 million respectively and the fair value measurement was Baht 51.59 million (31 December 2017: Baht 51.59 million) and Baht 46.64 million (31 December 2017: Baht 46.64 million) respectively.

A valuation of the group's investment property was performed by independent appraisal which was Landmark Consultants Limited. The fair value of investment property was determined by using valuation techniques. 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. 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 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Land	784,785	635,610	635,610	635,610
Construction costs and others	137,002	137,002	140,263	140,263
Capitalised finance costs	8,723	7,443	4,266	4,266
<u>Add</u> Transferred from real estate projects under development (Note 9)	259,851	150,455	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	1,153,029	893,178	874,420	742,807

16 Leasehold right, net

The movements of leasehold right, net for the years ended 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements Baht'000
As at 31 December 2016	
Cost	20,000
<u>Less</u> Accumulated amortisation	<u>(5,833)</u>
Closing net book value	<u>14,167</u>
For the year ended 31 December 2017	
Opening net book value	14,167
Amortisation charge	<u>(667)</u>
Closing net book value	<u>13,500</u>
As at 31 December 2017	
Cost	20,000
<u>Less</u> Accumulated amortisation	<u>(6,500)</u>
Closing 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 31 December 2018	
Cost	20,000
<u>Less</u> Accumulated amortisation	<u>(7,167)</u>
Closing net book value	<u>12,833</u>

The Group has pledged its leasehold right with net book value as at 31 December 2018 amounted to Baht 12.83 million (2017: Baht 13.50 million) with a financial institution as collateral against credit facilities received (Note 10).

Chaoprayamahanakorn Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

17 Property, plant and equipment, net

The movements of property, plant and equipment, net for the years ended 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements							Total Baht'000
	Land and land improvement Baht'000	Land and building 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	
As at 31 December 2016								
Cost	22,034	62,664	136,882	31,693	104,913	13,297	-	371,483
<u>Less</u> Accumulated depreciation	(990)	(4,182)	(57,651)	(26,607)	(78,888)	(9,970)	-	(178,288)
Net book value	<u>21,044</u>	<u>58,482</u>	<u>79,231</u>	<u>5,086</u>	<u>26,025</u>	<u>3,327</u>	<u>-</u>	<u>193,195</u>
For the year ended 31 December 2017								
Opening net book value	21,044	58,482	79,231	5,086	26,025	3,327	-	193,195
Additions	-	-	-	1,712	6,255	150	1,793	9,910
Disposals and write-off								
- cost	-	-	-	(1,510)	(2,742)	-	(20)	(4,272)
- accumulated depreciation	-	-	-	1,455	2,742	-	-	4,197
Transfer in (out)	-	-	-	-	1,573	-	(1,573)	-
Transferred land to investment property (Note 14)	(12,688)	-	-	-	-	-	-	(12,688)
Depreciation charge	(94)	(1,228)	(4,744)	(2,234)	(11,350)	(1,173)	-	(20,823)
Impairment charge								
- Clubhouse of housing project	(1,425)	-	(24,790)	-	-	-	-	(26,215)
Closing net book value	<u>6,837</u>	<u>57,254</u>	<u>49,697</u>	<u>4,509</u>	<u>22,503</u>	<u>2,304</u>	<u>200</u>	<u>143,304</u>
As at 31 December 2017								
Cost	9,346	62,664	136,882	31,895	109,999	13,447	200	364,433
<u>Less</u> Accumulated depreciation	(1,084)	(5,410)	(62,395)	(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	<u>6,837</u>	<u>57,254</u>	<u>49,697</u>	<u>4,509</u>	<u>22,503</u>	<u>2,304</u>	<u>200</u>	<u>143,304</u>

Chaoprayamahanakorn Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

17 Property, plant and equipment, net (Cont'd)

	Consolidated financial statements							Total Baht'000
	Land and land improvement Baht'000	Land and building 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	
For the year ended 31 December 2018								
Opening net book value	6,837	57,254	49,697	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)	(1,228)	(3,102)	(2,070)	(9,851)	(1,189)	-	(17,534)
Closing net book value	<u>6,743</u>	<u>56,026</u>	<u>46,595</u>	<u>4,585</u>	<u>53,328</u>	<u>2,668</u>	<u>47,991</u>	<u>217,936</u>
As at 31 December 2018								
Cost	9,346	62,664	136,882	33,551	150,225	15,000	47,991	455,659
<u>Less</u> Accumulated depreciation	(1,178)	(6,638)	(65,497)	(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	<u>6,743</u>	<u>56,026</u>	<u>46,595</u>	<u>4,585</u>	<u>53,328</u>	<u>2,668</u>	<u>47,991</u>	<u>217,936</u>

Chaoprayamahanakorn Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

17 Property, plant and equipment, net (Cont'd)

	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 31 December 2016							
Cost	19,913	48,589	12,427	3,474	5,188	-	89,591
<u>Less</u> Accumulated depreciation	-	(22,151)	(11,167)	(3,429)	(4,932)	-	(41,679)
Closing net book value	<u>19,913</u>	<u>26,438</u>	<u>1,260</u>	<u>45</u>	<u>256</u>	<u>-</u>	<u>47,912</u>
For the year ended 31 December 2017							
Opening net book value	19,913	26,438	1,260	45	256	-	47,912
Additions	-	-	582	15	-	-	597
Disposals and write-off - cost	-	-	(662)	(1,981)	-	-	(2,643)
- accumulated depreciation	-	-	643	1,981	-	-	2,624
Transferred land to investment property (Note 14)	(12,688)	-	-	-	-	-	(12,688)
Depreciation charge	-	(1,648)	(543)	(12)	(194)	-	(2,397)
Impairment charge - Clubhouse of housing project	(1,425)	(24,790)	-	-	-	-	(26,215)
Closing net book value	<u>5,800</u>	<u>-</u>	<u>1,280</u>	<u>48</u>	<u>62</u>	<u>-</u>	<u>7,190</u>
As at 31 December 2017							
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)
Closing net book value	<u>5,800</u>	<u>-</u>	<u>1,280</u>	<u>48</u>	<u>62</u>	<u>-</u>	<u>7,190</u>

17 Property, plant and equipment, net (Cont'd)

	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	Construction In progress Baht'000	Asset under construction and installation Baht'000	
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	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	<u>5,800</u>	<u>-</u>	<u>518</u>	<u>41</u>	<u>640</u>	<u>28,425</u>	<u>28,425</u>	<u>35,424</u>
As at 31 December 2018								
Cost	7,225	48,589	5,450	1,516	5,973	28,425	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)
Closing net book value	<u>5,800</u>	<u>-</u>	<u>518</u>	<u>41</u>	<u>640</u>	<u>28,425</u>	<u>28,425</u>	<u>35,424</u>

The impairment charge of Baht 26.22 million in 2017 for clubhouse in housing project was made during the year as a result of its net book value was greater than the recoverable amount. The recoverable amount of the cash-generating unit level, being clubhouse includes property which clubhouse is located, clubhouse building, swimming pool and a sports club, is determined based on value-in-use calculation by using income approach. The income approach maximise the use of discounted cash flow analysis for calculate the market value of the existing use. Value-in-use amount was performed by independent appraisal which is Landmark Consultants Limited.

17 Property, plant and equipment, net (Cont'd)

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		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Cost - capitalised finance leases	8,363	8,641	-	-
<u>Less</u> Accumulated depreciation	(3,754)	(2,889)	-	-
Net book value	4,609	5,752	-	-

As at 31 December 2018, leased asset under sale and lease back agreement for machinery resulting in a finance lease amounting of Baht 4.61 million.

18 Intangible assets, net

	Consolidated financial statements		
	Computer software Baht'000	Computer software under development Baht'000	Total Baht'000
As at 31 December 2016			
Cost	3,229	3,704	6,933
<u>Less</u> Accumulated amortisation	(1,961)	-	(1,961)
Closing net book value	1,268	3,704	4,972
For the year ended 31 December 2017			
Opening net book value	1,268	3,704	4,972
Additions	604	5,075	5,679
Amortisation charge	(403)	-	(403)
Closing net book value	1,469	8,779	10,248
At 31 December 2017			
Cost	3,833	8,779	12,612
<u>Less</u> Accumulated amortisation	(2,364)	-	(2,364)
Closing 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
As at 31 December 2018			
Cost	2,823	11,472	14,295
<u>Less</u> Accumulated amortisation	(526)	-	(526)
Closing net book value	2,297	11,472	13,769

18 Intangible assets, net (Cont'd)

	<u>Separate financial statements</u> Computer software Baht'000
At 31 December 2016	
Cost	1,529
<u>Less</u> Accumulated amortisation	<u>(784)</u>
Closing net book value	<u>745</u>
For the year ended 31 December 2017	
Opening net book value	745
Amortisation charge	<u>(208)</u>
Closing net book value	<u>537</u>
As at 31 December 2017	
Cost	1,529
<u>Less</u> Accumulated amortisation	<u>(992)</u>
Closing net book value	<u>537</u>
For the year ended 31 December 2018	
Opening net book value	537
Write-off - cost	(1,529)
Write-off - accumulated amortisation	992
Amortisation charge	<u>-</u>
Closing net book value	<u>-</u>

19 Deferred income taxes

The analysis of deferred tax assets and deferred tax liability as at 31 December 2018 and 2017 is as follows:

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Deferred tax assets:				
Deferred tax asset to be recovered within 12 months	-	-	-	-
Deferred tax asset to be recovered after 12 months	84,435	106,683	31,522	29,162
	<u>84,435</u>	<u>106,683</u>	<u>31,522</u>	<u>29,162</u>
Deferred tax liability:				
Deferred tax liability to be settled within 12 months	-	-	-	-
Deferred tax liability to be settled after 12 months	(4,850)	(11,017)	(1,922)	(829)
	<u>(4,850)</u>	<u>(11,017)</u>	<u>(1,922)</u>	<u>(829)</u>
Deferred tax asset, net	<u>79,585</u>	<u>95,666</u>	<u>29,600</u>	<u>28,333</u>

19 Deferred income taxes (Cont'd)

The gross movement and the deferred income tax account for the years ended 31 December 2018 and 2017 is as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
At 1 January	95,666	75,540	28,333	27,261
Charged (credited) to profit or loss (Note 28)	(15,062)	20,556	2,004	731
Charged (credited) to other comprehensive income	(1,019)	(430)	(737)	341
At 31 December	79,585	95,666	29,600	28,333
Consolidated financial statements				
			Debit/(Credit) to other comprehensive income	
1 January		Debit/ (Credit) to profit or loss (Note 28)		31 December
2018			(Note 28)	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
Consolidated financial statements				
			Debit/(Credit) to other comprehensive income	
1 January		Debit/ (Credit) to profit or loss (Note 28)		31 December
2017			(Note 28)	2017
Baht'000		Baht'000	Baht'000	Baht'000
Deferred tax assets:				
Assessable income under the Revenue Code	29,692	(10,451))	-	19,241
Allowance for doubtful accounts	388	-	-	388
Allowance for devaluation real estate projects under development	19,109	5,243	-	24,352
Profit from related parties	34,983	20,358	-	55,341
Employee benefits obligation	3,806	536	(420)	3,922
Provisions	6,064	(2,926))	-	3,138
Others	305	6	(10)	301
Total	94,347	12,766	(430)	106,683
Deferred tax liability				
Assessable cost under the Revenue Code	(18,807)	7,790	-	(11,017)
Deferred tax assets, net	75,540	20,556	(430)	95,666

19 Deferred income taxes (Cont'd)

	Separate financial statements			31 December 2018 Baht'000
	1 January 2018 Baht'000	Debit/ (Credit) to profit or loss (Note 28) Baht'000	Debit/(Credit) to other comprehensive income (Note 28) Baht'000	
Deferred tax assets:				
Assessable income under the Revenue Code	1,548	1,676	-	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	331	-	967
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

	Separate financial statements			31 December 2017 Baht'000
	1 January 2017 Baht'000	Debit/ (Credit) to profit or loss (Note 28) Baht'000	Debit/(Credit) to other comprehensive income (Note 28) Baht'000	
Deferred tax assets:				
Assessable income under the Revenue Code	13,181	(11,633)	-	1,548
Allowance for doubtful accounts	280	-	-	280
Allowance for devaluation real estate projects under development	19,109	5,243	-	24,352
Employee benefit obligations	1,516	178	351	2,045
Provisions	827	(191)	-	636
Others	305	6	(10)	301
Total	35,218	(6,397)	341	29,162
Deferred tax liability				
Assessable cost under the Revenue Code	(7,957)	7,128	-	(829)
Deferred tax assets, net	27,261	731	341	28,333

20 Other non-current assets

Other non-current assets as at 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Guarantee				
- other parties or third parties	5,260	4,399	2,293	1,878
- subsidiary (Note 32 d))	-	-	4,909	4,909
Withholding tax refund	16,731	153,680	5,919	31,824
Reserve for land expropriation	5,810	5,810	5,810	5,810
Others	3,930	4,086	92	287
	31,731	167,975	19,023	44,708

During the year 2018, the Company received refundable withholding tax of the year 2007 to 2016 amounting to Baht 23.20 million for non-refundable withholding tax of those years amounting to Baht 9.3 million and one of the subsidiaries received refundable withholding tax of the year 2010 to 2017 amounting to Baht 109.96 million. For non-refundable withholding tax of those years amounting to Baht 10.31 million. Non-refundable amount was presented as income tax expense in statement of comprehensive income.

21 Trade and other payables

Trade and other payables as at 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Trade accounts payable				
- other persons or third parties	110,153	122,544	13,430	6,207
- subsidiary, related person and parties (Note 32 e))	1,191	692	46,688	69,128
	111,344	123,236	60,118	75,335
Other payables				
- other persons or third parties	31,037	28,529	10,708	13,033
- subsidiary, related person and parties (Note 32 e))	1,895	1,887	9,937	2,387
Deposit and advance receivables				
- other persons or third parties	41,061	96,150	16,225	7,843
- subsidiary, related person and parties (Note 32 f))	-	143	-	-
Accrued interest expense	4,130	4,959	3,155	4,366
Others	26,993	16,504	13,158	7,356
	216,460	271,408	113,301	110,320

22 Borrowings

Borrowings as at 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Current				
Bank overdrafts	29,742	103,502	-	16,770
Short-term borrowings from financial Institutions, other company				
- Short term borrowings from financial institutions and other company	29,408	238,854	29,408	171,922
- Promissory notes from financial Institutions	173,816	239,121	78,816	113,816
Bank overdrafts and short-term borrowing from financial institutions and other company	232,966	581,477	108,224	302,508
Current portion of long-term borrowings	466,255	976,301	245,209	218,943
Current portion of debentures	475,554	396,635	475,554	396,635
Current portion of long-term borrowings and debentures	941,809	1,372,936	720,763	615,578
Non-current				
Long-term borrowings from financial institutions	1,159,563	1,365,191	438,737	704,583
Debentures	-	467,865	-	467,865
Long-term borrowings from financial institutions and debentures	1,159,563	1,833,056	438,737	1,172,448
Total borrowings	2,334,338	3,787,469	1,267,724	2,090,534

As at 31 December 2018, 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 6.25% - 7.70% per annum (2017: 6.25% - 10.00% per annum) which due within 1 year.

22.1 The movements of the long-term borrowings for the years ended 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Current portion of long-term borrowings from financial institutions				
Opening balance	976,301	1,298,321	218,943	776,935
Transfer from current portion of long-term borrowings	1,152,701	715,721	500,296	5,381
Repayments of borrowings	(1,662,747)	(1,037,741)	(474,030)	(563,373)
Ending balance	466,255	976,301	245,209	218,943
Long-term borrowings from financial institutions				
Opening balance	1,365,191	953,961	704,583	390,969
Additional borrowings	951,099	1,122,364	237,900	317,055
Transfer to current portion of long-term borrowings	(1,152,701)	(715,721)	(500,296)	(5,381)
Financing service fees	(12,929)	(6,403)	(6,293)	(3,269)
Amortisation of deferred financing service fee	8,903	10,990	2,843	5,209
Ending balance	1,159,563	1,365,191	438,737	704,583

Chaoprayamahankorn Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

22 Borrowings (Cont'd)

22.1 The movements of the long-term borrowings for the years ended 31 December 2018 and 2017 comprise the following: (Cont'd)

The long-term borrowings as at 31 December 2018 and 2017 comprise the following:

Type of loan	Amount Baht'000	Maturity	Interest rate (%)		Interest payment	Collateral		Extend due date
			30 December 2018	31 December 2017		30 December 2018	31 December 2017	
Company								
Long-term borrowing	18,730	3 February 2019	7.25	7.25	Monthly	A	A	None
Long-term borrowing	75,989	30 March 2019	MLR+1.00	MLR+1.00	Monthly	A	A	None
Long-term borrowing	89,733	19 April 2019	MLR+1.00	MLR+1.00	Monthly	A	A	None
Long-term borrowing	13,703	24 May 2019	MLR	MLR	Monthly	A	A	None
Long-term borrowing	95,658	29 July 2020	MLR+0.75	MLR+0.75	Monthly	A	A	None
Long-term borrowing	60,995	3 August 2020	MLR+1.00	-	Monthly	A	-	None
Long-term borrowing	128,959	5 September 2022	BIBOR+ 4.50	-	Monthly	A	-	None
Long-term borrowing	137,809	7 September 2022	MLR+1.00	MLR+1.00	Monthly	A	A	None
Long-term borrowing	62,645	12 October 2022	7.25	7.25	Monthly	A	-	None
Less Effective interest rates	(275)							
Total Company	<u>683,946</u>							
Subsidiaries								
Long-term borrowing	129,570	22 June 2014	MLR+1.25	MLR+1.25	Monthly	A	A	Extended to 22 March 2020
Long-term borrowing	113,820	5 August 2016	MLR	MLR	Monthly	A	A	Extended to 30 June 2019
Long-term borrowing	182,345	23 January 2018	MLR+1.00	MLR+1.00	Monthly	A	A	Extended to 23 January 2020
Long-term borrowing	122,796	9 September 2018	MLR+1.00	MLR+1.00	Quarterly	A	A	Extended to 9 March 2021
Long-term borrowing	47,764	10 February 2019	MLR+1.00	-	Monthly	A	-	None
Long-term borrowing	1,819	29 July 2019	MLR+0.75	MLR+0.75	Monthly	B	B	None
Long-term borrowing	52,539	27 August 2019	MLR+0.75	MLR+0.75	Quarterly	A	A	Extended to 27 February 2021
Long-term borrowing	52,614	12 December 2019	MLR+0.75	MLR+0.75	Quarterly	A	A	None
Long-term borrowing	54,596	15 March 2020	MLR	MLR	Monthly	A	A	None
Long-term borrowing	25,790	3 August 2020	MLR+1.00	-	Monthly	A	-	None
Long-term borrowing	64,918	26 March 2021	MLR+1.00	-	Monthly	A	-	None
Long-term borrowing	10,283	9 November 2021	MLR	MLR	Monthly	A	A	None
Long-term borrowing	72,900	17 September 2022	MLR+0.75	-	Monthly	A	-	None
Long-term borrowing	9,223	4 January 2024	MLR+0.75	-	Monthly	B	-	None
Add Effective interest rates	895							
Total subsidiaries	<u>941,872</u>							
Total	<u>1,625,818</u>							

Remark

A: Pledged its lands of related projects, including real estate development cost.
B: Pledged its building and building improvement.

22 Borrowings (Cont'd)

22.2 The movements of the debentures for the years ended 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
<u>Current portion of debentures</u>				
Opening balance	396,635	488,055	396,635	488,055
Transfer from current portion of debentures	475,554	396,635	475,554	396,635
Repayments of debentures	(400,000)	(492,500)	(400,000)	(492,500)
Amortisation of deferred financing service fee	3,365	4,445	3,365	4,445
Ending balance	<u>475,554</u>	<u>396,635</u>	<u>475,554</u>	<u>396,635</u>
<u>Debentures</u>				
Opening balance	467,865	391,285	467,865	391,285
Additional debentures	-	479,100	-	479,100
Transfer to current portion of debentures	(475,554)	(396,635)	(475,554)	(396,635)
Financing service fee	-	(15,379)	-	(15,379)
Amortisation of deferred financing service fee	7,689	9,494	7,689	9,494
Ending balance	<u>-</u>	<u>467,865</u>	<u>-</u>	<u>467,865</u>

On 16 June 2017, the Company had issued a tranche of Thai Baht debenture no.1/2017 which is named-registered, unsubordinated, unsecured and no representative holder. The debenture is valued at Baht 479.10 million and bear a fixed interest rate at 6.5% per annum in which interest is payable every three-month. Term of debentures is two year from the issuance date and dues on 16 June 2019.

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 2018 and 2017, undrawn long-term credit facilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Unused bank overdraft credit facilities	124,550	43,998	27,500	3,230
Unused long-term borrowing credit facilities				
Floating interest rate				
- Not later than 1 year	379,045	511,529	301,184	464,268
- Later than 1 year	2,375,273	1,214,609	1,817,533	915,200
Total unused credit lines	<u>2,878,868</u>	<u>1,770,136</u>	<u>2,146,217</u>	<u>1,382,698</u>

The fair value of current borrowings equal 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.

23 Other current liabilities

Other current liabilities as at 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Withholding tax payable	8,965	4,917	6,505	2,386
Provision for repair expenses	3,403	5,595	893	1,473
Provision for lawsuits	828	41,713	-	-
Value added tax payable	4,711	5,133	-	-
Current portion liabilities under finance lease	1,677	1,663	-	-
Others	7,196	5,269	2,034	1,715
	<u>26,780</u>	<u>64,290</u>	<u>9,432</u>	<u>5,574</u>

One of the subsidiaries provision for one lawsuit involving the breach of a service agreement amounting to Baht 0.83 million. This lawsuit had its final judgment in Supreme Court and the total claim had been recognised which included a fine and a surcharge. The subsidiary expects to pay the total claim in 2019.

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

	Consolidated financial statements	
	2018 Baht'000	2017 Baht'000
Not later than one year	1,772	2,006
Later than 1 year but not later than 5 years	484	2,256
	2,256	4,262
<u>Less</u> Future finance charges on finance leases	<u>(102)</u>	<u>(445)</u>
Present value of finance lease liabilities	<u>2,154</u>	<u>3,817</u>
Representing finance lease liabilities:		
- Current portion	1,677	1,663
- Non-current portion	477	2,154
Total finance lease liabilities	<u>2,154</u>	<u>3,817</u>

The present value of finance lease liabilities is as follows:

	Consolidated financial statements	
	2018 Baht'000	2017 Baht'000
Not later than 1 year	1,677	1,663
Later than 1 year but not later than 5 years	477	2,154
Total finance lease liabilities	<u>2,154</u>	<u>3,817</u>

24 Employee benefit obligations

The movement of employee benefit obligations for the years ended 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Opening balances as at 1 January	19,615	19,030	10,221	7,580
Increase during the year				
- current service cost	2,684	2,706	1,510	848
- interest cost	582	607	347	212
- remeasurements on employee benefits obligations	(4,711)	(2,100)	(3,299)	1,754
Payment of employee benefits during the year	(697)	(628)	(273)	(173)
Closing balances as at 31 December	17,473	19,615	8,506	10,221

The principal actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2018 %	2017 %	2018 %	2017 %
Discount rate	1.76 - 4.05	1.49 - 3.02	1.76 - 4.05	1.99 - 2.37
Salary increase rate	3.00 - 6.00	3.40 - 7.29	3.00 - 6.00	3.40 - 7.29
Employee turnover rate	0 - 60	0 - 100	0 - 60	0 - 63

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 Baht'000	Decrease in obligations Baht'000
Discount rate	+1.0	-	(1,025)
	-1.0	1,125	-
Salary increase rate	+1.0	1,104	-
	-1.0	-	(1,026)
Employee turnover rate	+20.0	-	(381)
	-20.0	540	-
	Separate financial statements		
	Impact on defined benefit obligations		
	Change in assumption %	Increase in obligations Baht'000	Decrease in obligations Baht'000
Discount rate	+1.0	-	(584)
	-1.0	643	-
Salary increase rate	+1.0	631	-
	-1.0	-	(585)
Employee turnover rate	+20.0	-	(182)
	-20.0	267	-

24 Employee benefit obligations (Cont'd)

Sensitivity analysis for each principal actuarial assumptions used were as follows: (Cont'd)

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 7 years (2017: 1 to 13 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 2018					
Retirement benefits	179	9,058	19,615	10,602	39,454
Total	179	9,058	19,615	10,602	39,454
	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 2018					
Retirement benefits	-	455	16,394	4,094	20,943
Total	-	455	16,394	4,094	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 2017	1,000	1,000	750	750	-
At 31 December 2017	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

During 8 to 13 November 2018, the Company made Initial Public Offering of 250 million ordinary shares, with a par value of Baht 1 each, at a price of Baht 3 per share, or for Baht 750 million. Subsequently on 14 November 2018, the Company has received full payment and then registered the paid-up shares from 750 million shares to 1,000 million shares with the Ministry of Commerce on 15 November 2018. Market for Alternative Investment approved the 250 million shares as a listed securities, with trading permitted from 19 November 2018.

The Company incurred expenses relating to the share offering amounting to approximately Baht 32.10 million, and these expenses were recorded as a deduction against share premium.

26 Legal reserve

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
As at 1 January	28,600	24,607	28,600	24,607
Appropriation during the year	71,400	3,993	71,400	3,993
As at 31 December	100,000	28,600	100,000	28,600

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 2018 and 2017 comprises the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Gain from sale of land	-	113,987	-	113,987
Income from cancellation of contract	2,253	17,618	526	9,574
Income from machine rental	27,026	9,199	-	-
Income from construction material	5,598	693	-	-
Penalty received from contractor	7,607	-	-	-
Received from insurance claims	4,558	-	-	-
Interest income	2,321	512	53,595	43,986
Others	4,845	8,364	1,717	2,708
	54,208	150,373	55,838	170,255

28 Income tax expense

Income tax expense for the year ended 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Current income tax:				
Current income tax on taxable profit for the year	46,968	38,684	-	22,205
Adjustment in respect of prior year	29,602	-	19,288	-
Total current income tax	76,570	38,64	19,288	22,205
Deferred income tax:				
Origination of temporary differences	15,062	(20,556)	(2,004)	(731)
Total deferred tax	15,062	(20,556)	(2,004)	(731)
Total income tax expense	91,632	18,128	17,284	21,474

28 Income tax expense (Cont'd)

	For the year ended 31 December			
	Consolidated		Separate	
	2018	2017	2018	2017
	Baht'000	Baht'000	Baht'000	Baht'000
Reconciliation of income tax				
Profit before tax accounting base	305,458	144,767	291,437	101,344
Tax calculated at a tax rate of 20% (2017: 20%)	61,092	28,953	58,287	20,269
Tax effect of:				
Income subject to tax	540	1,061	137	805
Income not subject to tax	-	(440)	(53,999)	-
Expenses deductible for tax	(6,554)	(74)	(6,544)	(75)
Expenses not deductible for tax	1,810	2,400	125	475
Tax losses for which no deferred income tax asset was recognised	5,142	-	-	-
Utilisation of previously unrecognised tax loss carry forward	-	(13,772)	-	-
Adjustment in respect of prior year	29,602	-	19,288	-
Income tax expenses	91,632	18,128	17,284	21,474

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

	Consolidated			Separate		
	financial statements			financial statements		
	2018			2018		
	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
Remeasurements on employee benefit obligations	4,711	(942)	3,769	3,299	(660)	2,639
Change in fair value of available-for-sale investments	386	(77)	309	386	(77)	309
Other comprehensive income	5,097	(1,019)	4,078	3,685	(737)	2,948

29 Expenses by nature

The following significant expenditure items, classified by nature for years ended 31 December 2018 and 2017, have been charged in the profit before finance costs and income tax.

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Changes in real estate projects under development	1,107,977	891,564	322,420	507,462
Cost of construction	11,455	-	-	-
Allowance for impairment - Clubhouse of housing project	-	26,215	-	26,215
Employee benefits	3,266	3,313	1,857	1,060
Staff expense	169,748	132,322	62,036	61,031
Depreciation and amortisation charges	19,474	15,109	441	2,605
Marketing expense	58,074	83,405	23,793	40,960
Specific business tax and transfer fee	81,808	66,919	21,240	34,972
Project management expenses	23,864	21,786	4,741	7,413
Professional and consultancy fee	7,233	9,879	5,289	7,911
Loss as a result of litigation	3,461	3,918	2,389	2,072
Others	64,852	78,018	9,137	35,364
Total cost of sale, selling expense, and administrative expenses	1,551,212	1,332,448	453,343	727,065

30 Basic earnings per share

Basic earnings per share for the years ended 31 December 2018 and 2017 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 financial statements		Separate financial statements	
	2018	2017	2018	2017
Net profit for the year attributable to shareholders of the parent (Baht'000)	213,827	126,640	274,154	79,869
Weighted average number of paid-up ordinary shares in issue (Thousand shares)	781,507	750,000	781,507	750,000
Basic earnings per share (Baht per share)	0.27	0.17	0.35	0.11

There are no potential dilutive ordinary shares in issue for the years ended 31 December 2018 and 2017.

31 Dividend per share

On 14 November 2018, the Board of Directors' Meeting of the Company No. 9/2018 has the resolutions to approve the proposed interim dividend at Baht 0.07 per share, totaling Baht 70 million. The company paid to shareholders on 12 December 2018.

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 Kehakorn 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
Bangkok All Mart Service 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

75% of shares of Chaoprayamahanakorn Public Company Limited are directly and indirectly held by Padhayanun family.

32 Related party transactions (Cont'd)

- a) The following significant transactions for the year ended 31 December 2018 and 2017 are carried out with related parties:

	Subsidiaries	Separate financial statements	
		2018 Baht'000	2017 Baht'000
Interest income	Paya Panich Property Company Limited	34,493	27,417
	Siam Mahanakorn Property Company Limited	14,222	3,361
	Thai Siam Nakorn Property Company Limited	2,887	12,763
		<u>51,602</u>	<u>43,541</u>
Dividend income	Paya Panich Property Company Limited	269,994	-
		<u>269,994</u>	<u>-</u>
Construction and material cost	Thai Siam Nakorn Property Company Limited	838	45,867
		<u>838</u>	<u>45,867</u>
Rental and service expense	Thai Siam Nakorn Property Company Limited	62	-
	Siam Mahanakorn Property Company Limited	24,660	16,383
		<u>24,722</u>	<u>16,383</u>
Other income	Thai Siam Nakorn Property Company Limited	-	100
	Paya Panich Property Company Limited	-	1,185
		<u>-</u>	<u>1,285</u>

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Key management personnel				
Key management personnel compensation	27,298	26,674	19,320	19,373
Management benefits	2,617	1,499	1,835	2,682
Rental expense	97	505	87	87
Construction and material costs	-	533	-	-
Interest expenses	9	60	4	23
Common fee and other expenses	1,232	1,321	1,210	1,321
Other related parties				
Construction and material costs	947	403	-	-
Rental and service expenses	3,565	565	136	309

Interest income is charged to subsidiaries at the rates of 7.10 % - 10.50 % per annum (2017: 7.10% - 10.375% 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.

32 Related party transactions (Cont'd)

- a) The following significant transactions for the year ended 31 December 2018 and 2017 are carried out with related parties: (Cont'd)

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 0.373% per annum.

- b) Trade and other receivables - subsidiaries and related party

Outstanding balances as at 31 December 2018 and 2017 arising from services provided comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Trade and other receivables				
Subsidiaries				
Thai Siam Nakorn Property Company Limited	-	-	1,278	46
Paya Panich Property Company Limited	-	-	30,240	1
Siam Mahanakorn Property Company Limited	-	-	2,146	-
Related party	-	2	-	-
	-	2	33,664	47

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

Short-term borrowings to and interest receivable from subsidiaries as at 31 December 2018 and 2017 comprise the following:

	Separate financial statements 31 December 2018 (Baht'000)			
	Average interest rate (%)	Short-term borrowings	Interest receivable	Total
Short-term borrowings to and interest receivable from subsidiaries				
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
	Separate financial statements 31 December 2017 (Baht'000)			
	Average interest rate (%)	Short-term borrowings	Interest receivable	Total
Paya Panich Property Company Limited	8.10	444,256	15,526	459,782
Thai Siam Nakorn Property Company Limited	7.50 - 8.10	220,897	1,540	222,437
Siam Mahanakorn Property Company Limited	7.10 - 10.375	36,746	293	37,039
		701,899	17,359	719,258

32 Related party transactions (Cont'd)

c) Short-term borrowings to and interest receivable from subsidiaries (Cont'd)

The movements of short-term borrowings to and interest receivable from subsidiaries for the year ended 31 December 2018 comprise the following:

	Separate financial statements Baht'000
Opening net book value	719,258
Increase in short-term loan	709,000
Increase in interest receivable	51,603
Receipts of borrowing repayment	(578,383)
Receipts of interests	(52,271)
Closing net book value	<u>849,207</u>

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

d) Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Other non-current assets - Guarantee Subsidiary				
Siam Mahanakorn Property Company Limited	-	-	4,909	4,909
	<u>-</u>	<u>-</u>	<u>4,909</u>	<u>4,909</u>

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

Outstanding balances as at 31 December 2018 and 2017 arising from purchases of materials and services comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Trade accounts payable Subsidiary				
Thai Siam Nakorn Property Company Limited	-	-	46,688	69,128
Related parties	<u>1,191</u>	<u>692</u>	<u>-</u>	<u>-</u>
	<u>1,191</u>	<u>692</u>	<u>46,688</u>	<u>69,128</u>
Other payables Subsidiaries				
Thai Siam Nakorn Property Company Limited	-	-	5,208	560
Paya Panich Property Company Limited	-	-	370	-
Siam Mahanakorn Property Company Limited	-	-	2,682	180
Related persons and related parties	<u>1,895</u>	<u>1,887</u>	<u>1,677</u>	<u>1,647</u>
	<u>1,895</u>	<u>1,887</u>	<u>9,937</u>	<u>2,387</u>

32 Related party transactions (Cont'd)

- f) Unbilled construction cost and deposit and advance received from customers

	Consolidated financial statements		Separate financial statements	
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Unbilled construction cost				
Subsidiary				
Thai Siam Nakorn Property Company Limited	-	-	653	815
	-	-	653	815
Deposit and advance received from customers				
Related persons	-	143	-	-
	-	143	-	-

- g) 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	
	31 December 2018 Baht'000	31 December 2017 Baht'000	31 December 2018 Baht'000	31 December 2017 Baht'000
Capital commitments				
Contracted but not provide for:				
- Design and construction agreement				
Subsidiary	-	-	145,179	296,469
	-	-	145,179	296,469
Non-cancellable operating lease and service commitments				
Subsidiary				
- Within one year	-	-	-	13,219
- After one year but within five years	-	-	-	7,234
	-	-	-	20,453
Related persons and related parties				
- Within one year	694	1,374	51	87
- After one year but within five years	-	694	-	51
	694	2,068	51	138
Other commitments				
- Advertising				
Related parties	-	39	-	39
	-	39	-	39

32 Related party transactions (Cont'd)

h) Guarantee from related persons and related parties

As at 31 December 2018, the Company has guarantees of bank overdrafts and credit facilities from related persons amounting to Baht 3,101 million (2017: Baht 3,211 million). As at 31 December 2018, the subsidiaries have outstanding borrowings with financial institutions and third parties for these facilities of Baht 771 million (2017: Baht 1,029 million).

As at 31 December 2018, the subsidiaries have guarantees of bank overdrafts and credit facilities from related persons amounting to Baht 3,627 million (2017: Baht 3,049 million). As at 31 December 2018, the subsidiaries have outstanding borrowings with financial institutions and third parties for these facilities of Baht 1,115 million (2017: Baht 1,520 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		Separate	
	2018	2017	2018	2017
	Baht'000	Baht'000	Baht'000	Baht'000
Capital commitments				
Contracted but not provide for:				
- Land	90,832	-	-	-
- Design and construction agreement	101,053	142,819	35,006	37,171
- Machine	2,354	12,102	-	-
	<u>194,239</u>	<u>154,921</u>	<u>35,006</u>	<u>37,171</u>
Other commitments				
- Advertising	1,573	2,706	62	352
- Bank guarantees	66,178	49,916	35,852	35,852
- Others	3,128	750	2,632	642
	<u>70,879</u>	<u>53,372</u>	<u>38,546</u>	<u>36,846</u>

As at 31 December 2018, a subsidiary has land servitude over approximately 0.7 Rai of Baht 1.37 million. (2017: 1 Rai of Baht 1.37 million).

34 Guarantee and contingent liabilities

Guarantee

As at 31 December 2018, the Company has guarantees of bank overdrafts and credit facilities of the subsidiaries amounting to Baht 2,667 million (2017: Baht 3,243 million). As at 31 December 2018, the subsidiaries have outstanding borrowings with financial institutions and third parties for these facilities of Baht 869 million (2017: Baht 1,668 million).

As at 31 December 2018, the subsidiaries have contingent liabilities in respect of its guarantees of bank overdrafts and credit facilities of the Company amounting to Baht 1,084 million (2017: Baht 1,878 million). As at 31 December 2018, the subsidiaries have outstanding borrowings with financial institutions for these facilities of Baht 314 million (2017: Baht 606 million).

34 Guarantee and contingent liabilities (Cont'd)

Litigations

As at 31 December 2018, the Company and its subsidiaries have contingent liabilities from being sued by its contractors and subsidiary's contractors as defendant and as a joint defendant in 3 lawsuits (2017: 3 lawsuits) alleging breach of service agreements and transgression, under which the claim total of Baht 34 million (2017: Baht 36 million). Currently, lawsuits are being investigated by the supreme courts. However, the Company and its subsidiary have set aside some provision for liabilities that may arise as a result of these cases, based on the opinion of their management and legal department.

As at 31 December 2018, the subsidiaries and related company have contingent liabilities from being sued by subsidiary's contractors, customers, other companies and persons as a defendant and joint defendant in 3 lawsuits (2017: 4 lawsuits) alleging breach of service agreement, transgression and default on loan payment, claiming a total of Baht 5 million (2017: Baht 16 million). Currently, lawsuits are being investigated appeal courts and supreme courts. However, the subsidiaries and related company have set aside some provision for liabilities that may arise as a result of these cases, based on the opinion of their management and legal department.

35 Event after reporting date

On 26 February 2019, the 2019 Annual board of directors meeting no. 1/2019 passed a resolution approving the following matters:

35.1) Approved the issue and offer debenture for using in operation of value limited to Baht 2,000 million with a tenor of not more than 5 years. The interest rate will depend on the market rate where the principal will be repaid on call or until maturity.

35.2) Approved the dividend payment for year 2018 at the rate of Baht 0.11 per share. Total dividend payment is Baht 110 million. The appropriation of the annual net profit for legal reserve was Baht 71.40 million until the reserve is not less than 10 percent of the registered capital.