DHOUSE PATTANA PUBLIC COMPANY LIMITED

(FORMERLY: DHOUSE PATTANA COMPANY LIMITED)

FINANCIAL STATEMENTS AND AUDITOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2020

AUDITOR'S REPORT

To the Shareholders of Dhouse Pattana Public Company Limited

(Formerly: Dhouse Pattana Company Limited)

Opinion

I have audited the accompanying financial statements of Dhouse Pattana Public Company Limited ("the Company"), which comprise the statement of financial position as at December 31, 2020, the statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Dhouse Pattana Public Company Limited as at December 31, 2020, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Emphasis of Matter

I draw attention to note 1 to the financial statements, the situation of Coronavirus disease 2019 Pandemic (COVID-19) has significantly affected to the Company's business activities in terms of property development and distribution. Due to the measures of the Government sector regarding to restrict and protect the communicable disease, including, the decrease in domestic purchasing power, there is significantly impacts to the Company's financial position, operating results, and cash flows at present, and is expected to do so in the future. The Company's management has continuously monitored ongoing that situation to assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities. As the situation has evolved, the management's judgements and significant accounting estimates will be reviewed.

I draw attention to note 2 to the financial statements, the Company has adopted Thai Financial Reporting Standard 16 "Leases" for the first time since January 1, 2020. The Company has recognized the cumulative effect of initially applying such Standards which the comparative information was not restated.

My opinion on the financial statements is not modified in according to the matters which I draw attention above.

Key Audit Matters

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

The key audit matter	***Audit procedures***
Cost of property development and land held for development Cost of property development and land held for development are significant high value transaction and comprise a various cost component such as cost of land, cost of land development, construction costs, related cost for property development and capitalized borrowing cost. As at December 31, 2020, the carrying amount of cost of property development and land held for development are of Baht 142.60 million and Baht 528.90 million, respectively, as disclosed in notes 7 and note 8, to the financial statements, respectively. I have identified this cost of property development and land held for development to be the key audit matters as its high value is significant to the financial statements and comprise a various cost component, which affects to the complicated records, allocations and computations.	Other than making the inquiries, the audit procedures for cost of property development and land held for development included sampling test as follows: - assessing the efficiency and test of internal control relates to the purchase system and property development system. - inspecting the evidences relating to purchase of land between the Company and the seller for example; agreement to purchase and sell includes evidences of land payment and document communicated with the government. - inspecting the evidences relating to the property development which is from the distributor and subcontractor such as purchase and sell agreement, related contracts, invoices and evidence payment. - allocation test of cost of property development per unit. - assessing and calculation test of borrowing costs basing on the capitalized borrowing costs. - physical observation project of construction to determine the relationship between physical and accounting records. - testing the valuation model for the calculation of net realizable value regarding to land held for development as per the appraisal report of an independent appraiser, including assess and test the appropriateness of the variables and estimation comprising the market price of other assets and the dissimilarity of detail of asset. - assessing the qualifications, knowledge, capabilities and expertise of the appraiser and the terms and conditions of appraisal to consider the matters that may be effected to the objectivity or limiting scope of work of the appraiser.

The key audit matter	*Audit procedures*
Recognition of revenue from sale Sale of property is significant high value transaction and affects to the operation of the Company. For the year ended December 31, 2020, sale of property is of Baht 92.12 million. I have identified the sale of property to be the key audit matters as its high value is significant to the financial statements.	Other than making the inquiries, the audit procedures for sale of property included sampling test as follows: - assessing the efficiency and test of internal control relates to the revenue system. - inspecting sale documents incurred during the year comprised purchase and sale agreement, receiving documents, ownership transfer document and other conditions specified in purchase and sale agreement. - testing the calculation of trade discount. - sale cut-off with sale documents nearby before and after end of reporting period. - inspecting revenue from sales recorded through the general journal. - reviewing the adjustments relating to sale after end of reporting period.

Other Information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Kraisit Silapamongkonkul)
Certified Public Accountant
Registration Number 9429

Siam Truth Audit Company Limited
Bangkok, February 25, 2021

DHOUSE PATTANA PUBLIC COMPANY LIMITED

(FORMERLY: DHOUSE PATTANA COMPANY LIMITED)

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020 ***Baht***

	Note	2020	2019
Assets			
Current assets			
Cash and cash equivalents	6	133,741,971	31,266,237
Other receivables		49,765	5,413
Cost of property development	5, 7	142,598,082	149,588,416
Inventories		2,283,803	1,072,422
Other current assets		907,208	483,554
Total current assets		**279,580,829**	**182,416,042**
Non-current assets			
Restricted bank deposits		207,467	236,178
Land held for development	8	528,899,875	528,899,875
Building and equipment	9	13,017,207	10,720,406
Right-of-use assets	4, 5, 10	2,471,254	-
Intangible assets		784,606	840,404
Deferred tax assets	25	1,572,451	882,821
Other non-current assets		2,449,025	5,665,835
Total non-current assets		**549,401,885**	**547,245,519**
Total assets		**828,982,714**	**729,661,561**

DHOUSE PATTANA PUBLIC COMPANY LIMITED

(FORMERLY: DHOUSE PATTANA COMPANY LIMITED)

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020 ***Baht***

	Note	2020	2019
Liabilities and shareholders' equity			
Current liabilities			
Bank overdraft and short-term loans from financial institutions	11	189,515,096	140,386,169
Trade and other payables	5, 12	2,500,610	2,313,833
Current portion of liabilities	13	8,719,584	671,696
Short-term loans from related persons	5	110,250,000	200,180,927
Income tax payable		-	3,673,638
Advance received	21	14,196,500	599,860
Other current liabilities		552,231	977,008
Total current liabilities		**325,734,021**	**348,803,131**
Non-current liabilities			
Long-term loans from financial institutions	14	12,248,983	22,691,290
Long-term leases liabilities	4, 5, 10	3,288,020	1,480,366
Provisions for employee benefit	15	1,768,729	1,448,181
Provisions	16	1,876,430	1,793,273
Other non-current liabilities		1,498,599	2,201,919
Total non-current liabilities		**20,680,761**	**29,615,029**
Total liabilities		**346,414,782**	**378,418,160**
Shareholders’ equity			
Share capital	17		
Issued and paid-up share capital			
Ordinary shares		420,000,000	311,400,000
Premium on share capital	18	7,792,527	-
Retained earnings	19		
Appropriated			
Legal reserve		746,600	-
Unappropriated		54,028,805	39,843,401
Total shareholders' equity		**482,567,932**	**351,243,401**
Total liabilities and shareholders' equity		**828,982,714**	**729,661,561**

DHOUSE PATTANA PUBLIC COMPANY LIMITED

(FORMERLY: DHOUSE PATTANA COMPANY LIMITED)

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2020 ***Baht***

	Note	2020	2019
Revenues from sales	5, 20	**92,117,422**	**142,125,598**
Cost of sales		(42,712,499)	(66,660,628)
Gross profit		**49,404,923**	**75,464,970**
Other income	20	581,728	387,347
Selling expenses	22, 23	(4,881,652)	(6,825,047)
Administrative expenses	5, 22, 23	(21,778,935)	(14,623,299)
Profit from operating activities		**23,326,064**	**54,403,971**
Finance costs	5, 25	(6,713,894)	(4,094,743)
Profit before income tax		**16,612,170**	**50,309,228**
Tax expense	26	(1,680,166)	(9,596,321)
Profit for the year		**14,932,004**	**40,712,907**
Other comprehensive income		-	-
Total comprehensive income		**14,932,004**	**40,712,907**
Earnings per share	28		
Basic earnings per share		0.02	0.07
Weighted average number of ordinary shares (shares)		665,527,869	622,800,000

DHOUSE PATTANA PUBLIC COMPANY LIMITED

(FORMERLY: DHOUSE PATTANA COMPANY LIMITED)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2020 ***Baht***

				Retained earnings		
	Note	Issued and paid-up share capital	Premium on share capital	Appropriated legal reserve	Unappropriated	Total
Balance as at January 1, 2019		**360,000,000**	**-**	**-**	**(49,469,506)**	**310,530,494**
Decrease in ordinary shares	17	(48,600,000)	-	-	48,600,000	-
Total comprehensive income		-	-	-	40,712,907	40,712,907
Balance as at December 31, 2019		**311,400,000**	**-**	**-**	**39,843,401**	**351,243,401**
Increase in ordinary shares	17, 18	108,600,000	7,792,527	-	-	116,392,527
Legal reserve	19	-	-	746,600	(746,600)	-
Total comprehensive income		-	-	-	14,932,004	14,932,004
Balance as at December 31, 2020		**420,000,000**	**7,792,527**	**746,600**	**54,028,805**	**482,567,932**

DHOUSE PATTANA PUBLIC COMPANY LIMITED

(FORMERLY: DHOUSE PATTANA COMPANY LIMITED)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020 ***Baht***

	2020	2019
Cash flows from operating activities		
Profit before income tax	**16,612,170**	**50,309,228**
Adjustments to reconcile profit before income tax to		
net cash generated (paid) from operating activities		
Depreciation and amortization	1,585,793	1,017,136
Finance costs	6,620,213	4,016,578
Profit from operating before changes in operating assets		
and liabilities	**24,818,176**	**55,342,942**
Changes in operating assets and liabilities		
Other receivables	(44,352)	8,919
Cost of property development	7,053,434	44,532,154
Inventories	(1,211,381)	954,639
Other current assets	(423,654)	1,107,692
Restricted bank deposits	28,711	(116,289)
Other non-current assets	3,216,810	(1,348,632)
Trade and other payables	35,909	(2,031,087)
Advance received	13,596,640	(10,490,140)
Other current liabilities	(424,777)	282,497
Provisions for employee benefit	320,548	302,219
Provisions	83,157	1,501,771
Other non-current liabilities	(703,320)	1,931,415
Cash generated from operations	**46,345,901**	**91,978,100**
Income tax paid	(6,043,435)	(6,998,588)
Net cash provided by operating activities	**40,302,466**	**84,979,512**

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

DHOUSE PATTANA PUBLIC COMPANY LIMITED

(FORMERLY: DHOUSE PATTANA COMPANY LIMITED)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020 ***Baht***

	2020	2019
Cash flows from investing activities		
Purchase of building and equipments	(3,424,586)	(5,114,802)
Purchase of intangible assets	(46,010)	(258,458)
Net cash used in investing activities	**(3,470,596)**	**(5,373,260)**
Cash flows from financing activities		
Increase in Bank overdraft and short-term loans		
from financial institutions	49,128,927	134,694,991
Proceeds from short-term loan from related persons	16,600,000	94,580,000
Repayment for short-term loan from related persons	(106,530,927)	(178,175,772)
Proceeds from long-term loans from financial institutions	20,118,505	-
Repayment for long-term loans from financial institutions	(23,386,104)	(94,270,433)
Repayment for leases liabilities	(984,283)	(594,697)
Increase in ordinary shares	116,392,527	-
Finance cost paid	(5,694,781)	(4,819,180)
Net cash provided by (used in) financing activities	**65,643,864**	**(48,585,091)**
Net increase in cash and cash equivalents	**102,475,734**	**31,021,161**
Cash and cash equivalents at the beginning of the year	31,266,237	245,076
Cash and cash equivalents at end of the year	**133,741,971**	**31,266,237**

1. GENERAL INFORMATION

Dhouse Pattana Public Company Limited ("the Company") is incorporated in Thailand and has its registered office at 99 Sarakham-Wapi Pathum Road, Talat, Mueang Maha Sarakham, Maha Sarakham.

The Company was listed on the Stock Exchange of Thailand "(Mai)" on October 26, 2020.

The principal activities of the Company involve property development.

The Company's major shareholders were as follow:

		%	
		Shareholding	
		December 31,	
Major shareholders	Nationality	2020	2019
Lerdrungporn Group	Thai	52.53	70.28
Kaewwisit Group	Thai	22.04	29.72

The financial statements have been approved for issue by the Company's Board of Directors on February 25, 2021.

Coronavirus disease 2019 Pandemic

The situation of Coronavirus disease 2019 Pandemic (COVID-19) has significantly affected to the Company's business activities in terms of property development and distribution. Due to the measures of the Government sector regarding to restrict and protect the communicable disease, including, the decrease in domestic purchasing power, there is significantly impacts to the Company's financial position, operating results, and cash flows at present, and is expected to do so in the future. The Company's management has continuously monitored ongoing that situation to assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities. As the situation has evolved, the management's judgements and significant accounting estimates will be reviewed.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), including the related interpretations and guidelines promulgated by the Federation of Accounting Professions (“TFAC”) and the financial reporting requirements of the Securities and Exchange Commission.

The financial statements are presented in Thai Baht, which is the Company’s functional currency. The preparation of these financial statements is in Thai and English language and issued for Thai reporting purposes.

The preparation of the financial statements in conformity with Thai Financial Reporting Standards (“TFRS”) requires management to make judgments estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

New financial reporting standards

a) New financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised financial reporting standards and interpretations, including the accounting guidance which are effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision and clarification of interpretations and accounting guidance and disclosures in the notes to the financial statements to users of TFRS, except a set of 5 financial reporting standards related to financial instruments and TFRS 16 Leases that have changed key principles of these standards are summarised below:

Thai Financial Reporting Standards related to financial instruments

The set of TFRSs related to financial instruments consists of five TAS, TFRS and TFRIC as follow:

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

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company’s business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The impact of the adoption of these standards on the Company's financial statements is as follows.

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

TFRS 16 Leases

TFRS 16 Leases establishes principles for the recognition, measurement, presentation and disclosure of leases, requiring lessees to recognize assets and liabilities for all leases which the lease term is over 12 months. There are substantially unchanged to lessor accounting from its predecessor, lessors continue to classify leases as operating or finance.

The Company has adopted the financial reporting standards related to financial instruments and leases which the cumulative effect of initially applying such standards is recognized as an adjustment to the retained earnings as at January 1, 2020, and the comparative information was not restated.

The cumulative effect of the changes in accounting policies is described in note 4 to the financial statements.

Accounting Guidance on "Temporary relief measures on accounting alternatives in response to the impact of COVID-19 pandemic situation"

The Federation of Accounting Professions announced Accounting Guidance on "Temporary relief measures on accounting alternatives in response to the impact of COVID-19 pandemic situation". Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

The Accounting Guidance was announced in the Royal Gazette on April 22, 2020 and it is effective for the Company's financial statements prepared for reporting periods ending between January 1, 2020 to December 31, 2020.

The Company has not elected to apply the temporary relief measures on accounting alternatives.

b) Financial reporting standard that will become effective in the future

The Federation of Accounting Professions issued of new and revised financial reporting standards and interpretations including accounting guidance, which are effective for fiscal years beginning on or after January 1, 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision and clarification of interpretations and accounting guidance and disclosures in the notes to the financial statements to users of TFRS.

At present, the management of the Company is evaluating the impact of this standard to the financial statements in the period when it is adopted.

3. SIGNIFICANT ACCOUNTING POLICIES

The measurement bases used in preparing the financial statements

3.1 The Company has changed the accounting policies due to the adoption of a set of financial reporting standards related to financial instruments and TFRS 16 Leases which are effective for fiscal years beginning on or after January 1, 2020. The effects of accounting policy differences are as follow:

Financial instruments

Accounting policy applicable from January 1, 2020

Financial assets and financial liabilities are recognized in the Company's statements of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities and subsequently measured at amortized cost or fair value fair value through other comprehensive income are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Classification and measurement of financial assets and financial liabilities

Financial assets classified as debt instruments

The Company classifies financial assets that are debt instruments as financial assets that are subsequently measured at amortized cost or fair value depends on the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets as follows:

- Financial assets measured at amortized cost

  The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognized at fair value on trade date and subsequently measured at amortized cost net of allowance for expected credit losses (if any).

  Amortized cost basing on the effective interest method

  The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. Interest income is recognized in profit or loss and is included in the "interest income" item.

- Financial assets measured at fair value through other comprehensive income

  The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets as well as and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognized at fair value and subsequently measured at fair value. The unrealized gains or losses from changes in their fair value realized, after which such gains or losses on disposal of the instruments will be recognized as gain or losses in profit or loss. The gains or losses on foreign exchange, expected credit losses, and interest income which calculated using the effective interest rate method are recognized in profit or loss.

- Financial assets measured at fair value through profit or loss

  Unless the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows or the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognized at fair value and are subsequently measured at fair value. Unrealized gains and losses from change in fair value, and gains and losses on disposal of instruments are recognized as gains (losses) on financial instruments.

Debt instruments that meet either the amortized cost criteria or the fair value through other comprehensive income criteria may be designated as at the fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called "accounting mismatch") that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

Financial assets classified as equity instruments

Except the interests in subsidiaries, associated companies and joint ventures

- Financial assets measured at fair value through profit or loss

  The Company has classified investment in equity instruments that held for trading but not held for strategic purposes as the financial asset measured at fair value through profit or loss, where an irrevocable election has been made. Such classification is determined on an instrument-by-instrument basis. Gains and losses arising from subsequently changes in fair value is recognized in profit or loss and gain or loss from disposal is recognized in profit or loss when disposal.

- Financial assets measured at fair value through other comprehensive income

  The Company has classified investment in equity instruments that not held for trading but held for strategic purposes or for securities with potential for high market volatility as the financial asset measured at fair value through other comprehensive income, where an irrevocable election has been made. Such classification is determined on an instrument-by-instrument basis. Gains and losses arising from subsequently changes in fair value is recognized in other comprehensive income and not subsequently transferred to profit or loss when disposal, instead, it is transferred to retained earnings.

  Dividends on these investments are recognized in profit or loss, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends income is recognized in profit or loss and is included in the "finance income" item.

Offsetting

Financial assets and financial liabilities are offset, and the net amount is presented in the statement of financial position when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which all or substantially all the risks and rewards of ownership are transferred. Any interest from transferred financial assets, which is created, controlled or retained by the Company, are still recognized as financial assets and recognized as borrowing which have collateral for proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

On derecognition of an investment in a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Write-off

The Company writes off debts (either partially or in full) when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the legal criteria for bad debts written-off, whichever occurs sooner. Bad debt written-off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. However, the Company continues to execute the case, in order to comply with the Company's recovery policy.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Allowance for expected credit losses on financial assets/ allowance for doubtful accounts

Accounting policy applicable from January 1, 2020

The Company applies the Simplified Approach/ the General Approach for recognition of expected credit losses of financial assets - debt instruments which are deposit at financial institutions, trade receivables and the contractual assets, investment in debt instruments, loans and certain of other assets.

The Company recognizes allowance for expected credit losses at an amount equal to the lifetime expected credit losses in cases where there has been a significant increase in credit risk since initial recognition, but the assets are not credit impaired, or where the assets are credit impaired

At every reporting date, the amount of allowance for expected credit losses is reassessed to reflect changes in credit risk of financial assets since initial recognition of related financial instruments.

Simplified Approach

The measurement of expected credit losses on financial assets by applying the Simplified Approach is a calculation to estimate using a provision matrix depended on the Company's historical credit loss experience adjusted with the factors that are specific to the receivables, general economic conditions, an assessment of both the current as well as the forecast direction of conditions at the reporting date, and time value of money, as appropriate. In addition, the Company shall principally determine the past due status of the customers and also their capability to maintain the value of collateral relative to the terms of contract.

At every reporting date, the Company determines whether the credit risk of other debt instruments and deposit at financial institutions has increased significantly since initial recognition, by mainly taking into account internal and external credit rating of the counterparties as well as overdue status.

The Company assesses whether the credit risk has increased significantly from the date of initial recognition on an individual or collective basis. In order to perform collective evaluation of impairment, the Company classifies financial assets on the basis of shared credit risk characteristics, such as the type of instrument, internal credit rating, overdue status, and other relevant factors.

Financial assets are assessed to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the counterparties have occurred, there are indications that the borrower is experiencing significant financial difficulties, or there is a breach of contract, as well as delinquency.

The Company recognizes an allowance for expected credit losses by adjusting to the carrying amount of related accounts. For the increase (decrease) in an allowance for expected credit losses is recognized as expenses during the period in the statements of income, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Financial liabilities

Financial liabilities are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method or at fair value through profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or a shorter period, to the amortized cost of a financial liability.

Financial liabilities designated at fair value through profit or loss

Financial liabilities may be designated at fair value through profit or loss upon initial recognition if;

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis.

Financial liabilities that are designated at fair value through profit or loss are measured at fair value, with any gains or losses arising on changes in fair value recognized in profit or loss.

Financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are transferred to retained earnings upon derecognition of the financial liability.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective date is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between; (1) the carrying amount of the liability before the modification; and (2) the present value of cash flows after modification should be recognized in profit or loss as the modification gain or loss within other gains and losses.

Trade and other accounts receivable and contract assets

Accounting policy applicable before January 1, 2020

Trade and other receivables are stated at their invoice value less allowance for doubtful accounts.

A receivable is recognized when the Company has an unconditional right to receive consideration. If revenue has been recognized before the Company has an unconditional right to receive consideration, the amount is recognized as a contract asset that means accrued income.

The Company records allowance for doubtful accounts that is provided for the estimated losses that may be incurred in collection of receivables.

In determined an allowance for doubtful accounts, the management needs to make judgment for estimated losses for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of analysis of debt aging, collection experience, and taking into account change in the current economic conditions. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable losses and adjustments to the allowances may therefore be required in the future.

Bad debts are written off when incurred.

Contract assets are measured at the amount of consideration that the Company is entitled to, less impairment losses.

Leases

Accounting policy applicable from January 1, 2020

As a lessee

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

The Company recognizes right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses (if any) and adjusted for any remeasurement of lease liabilities.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, such provision is recognized and measured to the extent that the costs relate to a right-of-use asset.

In case that the lessee is unable to allocate the consideration in the contract to each lease component and non-lease component on the basis of its relative stand-alone prices, as a practical expedient, a lessee may elect not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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

	Years
Lands	3 and 20
Buildings	3

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

If the Company is unable to obtain reasonable assurance that the ownership of the underlying asset is substantially transferred to the Company at the end of the lease term, the right-of-use assets will be depreciated on the straight-line method from the commencement date to the end of the useful lives or the end of the lease term, which is earlier.

The Company applies the derecognition and impairment requirements, in according to the financial instruments principle, to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Company is reasonably certain to exercise option.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. Interest expense is recognized in profit or loss.

The lease liability is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company recognized payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, as expenses on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leases assets are consumed.

Accounting policy applicable before January 1, 2020

Finance lease

Leases of assets which transfer substantially all the risks and rewards of ownership to the lessee are classified as finance leases. Finance leases are capitalized at the lower of the fair value of the leased assets and the present value of the minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liabilities. The finance charge is allocated to the periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Operating leases

Leases of assets which all the risks and rewards of ownership have substantially not transferred to the lessee are classified as operating leases.

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized in profit or loss as an integral part of the total lease payments made.

Contingent rentals, as a revision of rental is confirmed, are included in the calculation of the minimum payment for the remaining term of the lease

3.2 Other than those disclosed elsewhere in the significant accounting policies and other notes to the financial statements, the financial statements are prepared on the historical cost basis.

Revenue

Revenue is recognized when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Company expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

The Company accounts for a contract with a customer when it has entered into an agreement between counter parties that creates enforceable rights and obligations. The Company has to identify its performance obligations and allocate a transaction price to each obligation on an appropriate basis.

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, net of value added tax (“VAT”). Depending on the terms of the contract and the laws that apply to the contract, control of the asset may be transferred over time or at a point in time.

Revenues from contracts with multiple elements are allocated by fair value of standalone selling price in each performance obligation. In case of contracts have both obligations to perform at point of time and overtime, difference from revenue recognition and performance obligations at the beginning of contracts is recognized as contract assets or contract liabilities and recognized over the contracts periods.

Revenue from sale of real estate

Revenue from sale of land and house is recognized when control is transferred to the customer, generally upon the Company transfers the legal of ownership (Freehold) to the customers at the point in time.

Revenue from sale is measured at the amount of the consideration received or expected to be received after deducting discounts and consideration payable to a customer.

Sale of real estate contract, which includes provision for items without charge or the sale price includes the price of various premiums such as furniture and fixtures because the free of charge items are component parts of real estates, which are the main performance obligations under the contracts. In the event that the Company has not yet delivered any premiums to the customer, the Company has to adjust revenue from sale of real estate for premiums and record such value as deferred revenue from sale of real estate. The costs of provision for items without charge are recognized as part of cost of sale of real estate.

The Company makes payments such as registration fee for the transfer of real estates and common area fee to the juristic person of real estate projects on behalf of customers. If the Company receives distinct goods or services from the customer, the Company recognizes such payments as an expense when the distinct goods or services are consumed. But if not, such payments are recognized as a reduction of revenue.

No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due.

For sale with warranties to assure that the goods complies with agree-upon specifications, the Company recognized the warranty according to TAS 37 “Provisions, Contingent Liabilities and Contingent Assets”.

Advances

Advances received from customers is classified as current liabilities and recognized as revenue when the Company transferred control over the goods to the customers. For the advances that contain a significant financing component, they include the interest expense accreted on the contract liability under the effective interest method. the Company uses practical expedient which is not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Rental income and its related services

Rental income and its related services are recognized on a straight-line basis over the term of the lease. Contingent rentals are recognized as income in the accounting period in which they are occurred. The related service income is recognized over the term of the lease.

Interest income

Interest income is recognized as income on an accrual basis, based on the effective rate method.

Other income

Other income is recognized on an accrual basis.

Consideration payable to the customer

The Company recognizes the consideration payable to the customer as a reduction of the revenue from contract with customers.

Expenses

Finance cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets.

All other borrowing costs are expensed in the period they are incurred basing on the effective interest method. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds, unwinding of the discount on provisions and contingent consideration, and dividends on preference shares classified as liabilities.

The interest component of finance lease payments is recognized using the effective interest method.

Interest expenses are recognized as an expenses over the term of loan. Interest expenses are calculated from the outstanding of loan principal on an accrual basis using the effective interest method.

Expenses are recognized on an accrual basis.

Deferred financial fees

Financial expenses related to borrowings that are typically incurred on or before signing facility agreements and before actual draw down of the loans are recorded as deferred financial fees and presented as a deduction against the related loan account and amortized using the effective interest method over the term of loan.

Employee benefits

Short-term benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-employment benefits

The Company and its employees have jointly established the provident funds which is a monthly contributed and defined contribution plan. The fund's asset of the provident fund is separated from the Company's asset and has been managed by a licensed fund manager.

The provident fund receives a cash contribution from employee and the Company. The contribution expenditure of the provident fund and obligation in respect of defined contribution plan is recognized as expense in profit or loss for the period that transaction incurred.

Post-employment benefits

The employee benefit obligations in relation to the severance payment under the labor law are recognized as a charge to results of operations over the employee's service period. It is calculated by the estimation of the amount of future benefit to be earned by the employee in return for the service provided to the

Company through the service period up to the retirement age and the amount is discounted to determine the present value. The reference discount rate is the yield rate of government bonds as at the reporting date. The calculation is based on the actuarial technique using the Projected Unit Credit Method.

When the employee benefits are improved, the portion of the increased benefit relating to past service rendered by employee is recognized in profit or loss on a straight-line basis over the average period until the benefits become vested.

When the actuarial assumptions are changed, the Company recognizes actuarial gains (losses) immediately in other comprehensive income.

Past service costs relating the amendment of plan are recognized as an expense in other comprehensive income when the plan amendment is effective.

Termination benefits

Termination benefits are recognized as liability and as expense in profit or loss when the Company are committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy or the Company have made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the end of the reporting period, then they are discounted to their present value.

Income tax

Income tax expense for the year comprises current and deferred tax.

Current and deferred taxes are recognized in profit or loss.

Deferred tax in the extent that they relate to items recognized directly in shareholders' equity are recognized other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of reporting period date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of reporting period date.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change their judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized, including unutilized taxable losses. Deferred tax assets are reviewed at the end of reporting period date and reduced its carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized against to the temporary differences and unutilized taxable losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash, cash at banks type current accounts and saving accounts, cash at bank with an original maturity not exceeding 3 months, including negotiable certificate of deposit and highly liquid short-term investments in bill of exchange or promissory notes issued by financial institutions due at call or with original maturities of three months or less, excluded deposits at bank on obligation or subject to withdrawal restrictions and insignificant risk of change in value.

Cost of property development

Cost of property development are stated at the lower of cost or net realisable value, which is the value after recognized the cost of property sold.

Cost comprises cost of land, construction costs, including the capitalized borrowing cost for property development.

The details of cost calculation

Land	-	Purchase price of land, cost for the acquisition and development of land using the average method and allocating based on salable area for each project.
Construction	-	Construction cost comprises 1) The design fees, construction cost of utilities and public facilities. Direct costs relating to property development are allocated based on salable area. 2) Construction costs are allocated based on actual cost incurred relevant to each house.
Capitalized borrowing cost	-	Interest expense and fee incurred from loans in bringing the property development, arising before the project will be fully developed, are allocated based on actual incurred relevant to land and construction.

Net realizable value is the estimated selling price in the normal course of business less estimated costs to make the sale.

Selling expenses such as specific business tax and transfer fee are recognized as expenses in the period that sales incur.

Loss on devaluation of cost of property development is recognized in profit or loss.

In determining the cost of property sold, the anticipated total development costs (taking into account actual costs incurred to date) are attributed on the basis of the salable area.

Cost of property development are estimated from the total cost incurred until the project fully completed, considering by their experiences in property business. The estimation are also regularly reviewed.

Cost of property development are also including cost of other products which the Company transfers to the customer relating to the contract such as furniture and fixture is considered as a component of house.

Inventories

Inventories are stated at the lower of cost or net realizable value.

Cost of inventories is calculated by using the first in – first out method.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

The Company records the allowance for devaluation of inventories for all deteriorated, damaged, obsolete and slow-moving inventories.

Capitalization of interest cost

Interest cost especially from loan incurred in bringing land and project development, is capitalized as part of the cost of those assets until the projects is completed or break down or when the construction is condition necessary for it to be capable of operating for their intended use. The capitalization of interest shall be resumed when the project is re-activated.

Land held for development

Land held for development which is to be developed in the future is stated at cost less allowance for impairment (if any).

Cost comprises of cost of land and related expenses.

Loss on impairment of assets is included in profit or loss.

Building and equipment

Owned assets

Building and equipment are stated at cost less accumulated depreciation and allowance for impairment losses (if any).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of building and equipment have different consumption patterns or useful lives, they are accounted for as separate items (major components) of building and equipment.

Gains and losses on disposal of an item of building and equipment are determined as the difference between the net disposal proceeds less cost to sale and the carrying amount of building and equipment, and are recognized net within other income or other expenses in profit or loss.

An item of building and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognized

Leased assets

Leases in terms of which the Company substantially assume all the risk and rewards of ownership are classified as finance leases. building and equipment acquired by way of finance leases is capitalized at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and allowance for impairment losses (if any).

Lease payments are apportioned between the finance cost and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance cost are recognized in the statement of profit or loss.

Reclassification to investment properties

When the use of a property changes from owner-occupied to investment properties, its carrying amount is recognized and reclassified as investment properties.

Subsequent costs

The cost of replacing a part of an item of building and equipment and cost of renovations are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company within more than one accounting period, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of building and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount of plant and equipment, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Assets from cost of replacement and cost of renovations are depreciated over the remaining useful life of the related asset.

Depreciation is calculated basing on a straight-line basis over the estimated useful lives of each component of an item of assets. The estimated useful lives are as follows:

	Years
Buildings	5, 10 and 20
Machinery and equipment	5
Office equipment	5
Vehicles	5 and 10

Depreciation is recognized as an expense in profit or loss.

No depreciation is provided on assets under construction.

Depreciation for the finance lease assets is charged as expense for each accounting period. The depreciation method for leased assets is consistent with that for depreciable assets that are owned by the Company.

The residual value of an asset is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

The depreciation method, the residual value and the useful life of an asset should be reviewed at least at each financial year-end and, if expectations differ from previous estimates, any change is accounted for prospectively as a change in estimate.

Intangible assets

Intangible assets, that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and allowance for impairment losses (if any).

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortization

Amortization is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

The estimated useful lives are as follows:

	Years
Software license	10

No amortization is provided on intangible assets under development and installation.

The amortization method, the residual value and the useful life of an asset should be reviewed at least at each financial year-end and, if expectations differ from previous estimates, any change is accounted for prospectively as a change in estimate.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite useful lives of the intangible assets is reviewed annually.

Gains and losses on disposal are determined by comparing the proceeds from disposal with the carrying amount, and are recognized in profit or loss.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets in respect of building and equipment, intangible assets, right-of-use assets and other assets, are reviewed at each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognized directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognized directly in equity is recognized in profit or loss even though the financial asset has not been derecognized. The amount of the cumulative loss that is recognized in profit or loss is the difference between the current fair value and acquisition cost, less any impairment loss on that financial asset previously recognized in profit or loss.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

Reversals of impairment

An impairment loss in respect of financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized in profit or loss.

Impairment losses recognized in prior periods in respect of other non-financial assets are assessed at each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss in reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of accumulated depreciation or accumulated amortization, if no impairment loss been recognized.

Provisions

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expected future cash flows are discounted by using a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognized as a finance cost.

Estimated cost of property development

The cost of utilities and public facilities under construction, that the revenue from sales have been already recognized, are estimated by calculating the quantity and value of materials used in each project, including labour cost and other related expenses necessary used to complete the project. The changes of materials price, labour cost and other related expenses are also determined. The estimated cost are regularly reviewed and at each time that actual cost incurred are materially different from the cost estimates.

Dividends

Dividend and interim dividend payment are recorded in the period in which they are approved by Shareholders' meeting and Board of Directors' meeting.

Other borrowings

Other borrowings are initially recognized at the fair value of the proceeds received. Debt issued and other borrowings are subsequently measured at amortized cost, using the effective interest method. Any difference between proceeds and the redemption value is recognized as an interest in profit or loss over the period of the borrowings.

Premium on share

According to the Section 51 of the Public Limited Companies Act B.E. 2535 requires companies to set aside share subscriptions received in excess of the par value of the shares issued to a reserve account ("Premium on share capital"). Premium on share capital is not available for dividend distribution.

Basic earnings per share

Basic earnings per share is calculated by dividing profits for the years by the weighted average number of ordinary shares issued during the years.

Judgements of management

The preparation of financial statements in conformity with financial reporting standards requires management to make subjective judgments to determine the accounting policies, estimates regarding matters that are inherently uncertain and various assumptions.

Significant judgements and accounting estimates are as follow:

a) Recognition and derecognition of assets and liabilities

In considering whether to recognize or to derecognize assets or liabilities, the management is required to make judgment on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current circumstances and arrangements.

b) Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risks, liquidity, correlation and long-term volatility of financial instruments. Any changes in assumption related to the inputs may affect to the fair value stated in the financial statements and disclosure of fair value hierarchy.

c) Building and equipment

The recognition of cost incurred in the carrying amount of an item of building and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management

In determining depreciation of buildings and equipment, the management is required to make estimates of the useful lives and residual values of buildings and equipment and to review estimated useful lives and residual values when circumstance changes.

The management is required to review building and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

d) Intangible assets

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

e) Deferred tax assets

The Company recognizes deferred tax assets for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences can be utilised, including unutilized taxable loss. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimate future taxable profits.

f) Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The management is required to use judgement in evaluating the condition and term of a contract to consider whether the company has transferred or has been transferred all risks and rewards in leased assets.

Determining the lease term of contracts with renewal and termination options

In determining the lease term, the management is required to use judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease considering all relevant facts and circumstances that create an economic incentive for it to exercise either the renewal or termination.

g) Post-employment benefits

The obligation under the defined benefit plan is determined based on actuarial techniques which depends on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate. Subsequent actual payment may differ from these estimates.

h) Impairment

The carrying amounts of the Company's assets are reviewed at each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

i) Revenue from contracts with customers

Identification of performance obligations

In identifying performance obligations, the management is required to use judgement regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately.

Determination of timing of revenue recognition

In determining the timing of revenue recognition, the management is required to use judgement regarding whether performance obligations are satisfied over time or at a point in time, taking into consideration terms and conditions of the arrangement. The Company recognizes revenue over time in the following circumstances:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;

- the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Where the above criteria are not met, revenue is recognized at a point in time. Where revenue is recognized at a point in time, the management is required to determine when the performance obligation under the contract is satisfied.

j) Advance received from sales of real estate

Sales of real estate contract made with customers stipulates that the Company is entitled to receive partial payments from customers when the contract has commenced such as booking payment, contract payment and down payment. The Company determines that there are no significant financing components arising from the payments received from customers because they are not the Company's funding but the customers' guarantee for contractual performance.

k) Project development costs estimation

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

l) Allowance for diminution in value of real estate development costs

The Company treats real estate development costs as impaired when a significant decline in the fair value is noted. The management determines the devaluation based on net realisable value. However, the determination of what is "significant" and the amount of devaluation requires the management to exercise judgment.

m) Provision for maintenance of housing and public utilities

In recording provision for maintenance of housing and public utilities, the management estimates the expenses expected to be incurred based on past experience of providing maintenance, and/or currently available information relating to maintenance expenses.

n) Contributions to housing estate juristic persons

The Company estimates its contributions to housing estate juristic persons using the rate specified by the laws and regulations and the budgeted costs of public utilities as a basis for the calculation.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applied a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measured fair value using valuation techniques that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determined whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

4. CHANGES IN ACCOUNTING POLICIES

The Company has adopted the financial reporting standards related to TFRS 16 Lease since January 1, 2020. The Company has recognized the cumulative effect of initially applying these standards as an adjustment, to the right-of-use assets and lease liabilities as at January 1, 2020, and the comparative information was not restated.

The impacts on the statement of financial position from change in accounting policies are as follows:

			Baht
	December 31, 2019	The impacts of financial reporting standards related to	January 1, 2020
Statement of financial position	(as previously reported)	Leases	(restated)
Assets			
Right-of-use assets	-	2,827,453	2,827,453
Liabilities			
Current portion of lease liabilities	671,696	231,494	903,190
Long-term of leases liabilities	1,480,366	2,595,959	4,076,325

Leases

Upon initial application of TFRS 16 the Company recognized lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at January 1, 2020 and the Company recognized the right-of-use assets at the amount equal to the lease liabilities. For leases previously classified as finance leases, the Company recognized the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	Baht
Operating lease commitments as at December 31, 2019	6,718,178
Effect of changes in accounting policy	
Less: Short-term leases	(1,917,751)
Less: Deferred interest expenses	(1,972,974)
Increase in lease liabilities	2,827,453
Liabilities under finance lease agreements as at December 31, 2019	2,152,062
Lease liabilities as at January 1, 2020	4,979,515
Weighted-average incremental borrowing rate (% per annum)	5.65

	Baht
Lease liabilities comprise of:	
Current portion of leases liabilities	231,494
Long-term of leases liabilities	2,595,959
Total	2,827,453

As at January 1, 2020, the adjustments of right-of-use assets were summarized below:

	Baht
Land	2,309,020
Buildings	518,433
Total	2,827,453

5. TRANSACTIONS WITH RELATED PARTIES

A related party is a person or entity that has control, or are controlled by the Company, whether directly or indirectly, or which are under common control with the Company.

They also include a person which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, or officers with authority in the planning and direction of the Company's operations, including, close family members of mentioned person and entity that has control or significant influence whether directly or indirectly.

Significant transactions with related parties for the years ended December 31, 2020 and 2019 were as follows:

		Baht
	2020	2019
Sarakham Petroleum Co., Ltd.		
Purchase of supplies	64,900	54,400
Other expenses	910	9,185
Directors		
Rental of land including warehouse	-	95,833
Amortization of right-of-use assets	356,199	-
Interest expense	1,796,725	-
Related persons		
Revenue from sale	-	34,235,000
Interest expense	1,378,767	597,192

Key management personnel compensation

Key management personnel compensation for the years ended December 31, 2020 and 2019 consisted of:

		Baht
	2020	2019
Short-term benefits	4,530,880	3,406,734
Post-employment benefits	216,551	156,914
Total	4,747,431	3,563,648

Directors' remuneration

Directors' remuneration represents benefits paid to the director of the Company in accordance with Section 90 of the Public Company Limited Act, exclusive of salaries and related benefit payable to directors who hold executive positions.

For the years ended December 31, 2020 and 2019, the Company paid directors' remuneration in the amount of Baht 0.64 million and Baht 0.11 million, respectively.

The significant balances of assets and liabilities with related parties as at December 31, 2020 and 2019 were as follows:

		Baht
	2020	2019
Right-of-use assets		
Directors	2,471,254	-
Other payables		
Director	-	7,790
Rental payables		
Directors	22,356	35,833
Accrued interest expenses		
Directors	117,312	-
Related persons	116,781	93,767
Leases liabilities		
Directors	2,573,604	-

Short-term loans from related persons

Short-term loans from related persons as at December 31, 2020 and 2019 consisted of:

		Baht
	2020	2019
Directors	55,250,000	145,180,927
Related persons	55,000,000	55,000,000
Total	**110,250,000**	**200,180,927**

Movements of short-term loans from related persons for the years ended December 31, 2020 and 2019 were as follows:

	Baht	
	2020	2019
Beginning balance	200,180,927	283,776,699
Increase	16,600,000	94,580,000
Decrease	(106,530,927)	(178,175,772)
Ending balance	110,250,000	200,180,927

The Company entered into a loan agreement with directors by issuing promissory notes due at call, interest charged at the rate of 2.50 percent per annum (year 2019 loan agreement: no interest charged) and unsecured.

The Company entered into a loan agreement with related persons by issuing promissory notes due at call, interest charged at the rate of 2.50 percent per annum (year 2019 loan agreement: interest rate 1.5 - 4 percent per annum) and unsecured.

Significant agreements

The Company entered into the rental agreement for constructions with related persons, a rental period of 3 years starting from December 1, 2019 to November 30, 2022. The rental agreement may be renewed for 10 times of 3 years each. referring to the market price from an independent appraiser, at a yearly rental of Baht 200,000.

On August 13, 2020, the Company had terminated the former rental agreement for land and entered into a new agreement to revise the rental area and rental rate detailed as follow:

The former agreement

The Company entered into the rental agreement for land with related persons, the rental agreement has a period of 10 years starting from December 1, 2019 to November 30, 2029 and may be renewed for 4 time of 10 years each. referring to the market price from an independent appraiser, at a yearly rental of Baht 230,000 and rental shall be increase every 3 years at the rate of 10% of previous rental.

The new agreement

The land rental agreement for the office building

The Company entered into the rental agreement for land with related persons, the rental agreement has a period of 9 years, 244 days starting from April 1, 2020 to November 30, 2029 and may be renewed for 4 time of 10 years each. referring to the market price from an independent appraiser, at a yearly rental of Baht 149,000 and rental shall be increase every 3 years at the rate of 10% of previous rental.

The land rental agreement for the warehouse

The Company entered into the rental agreement for land with related persons, a rental period of 2 years, 244 days starting from April 1, 2020 to November 30, 2022. The rental agreement may be renewed for 10 times of 3 years each. referring to the market price from an independent appraiser, at a yearly rental of Baht 81,000 and rental shall be increase every 3 years at the rate of 10% of previous rental.

Co-guarantee for liabilities

As at December 31, 2020, related persons had co-guaranteed liabilities as follows:

The directors of the Company had mortgaged land including construction to secure loans from financial institution, and the directors of the Company had guaranteed bank overdrafts, loans from financial institution and leases liabilities. Moreover, bank deposit of the director was registered to secure for short-term loans from financial institutions, without compensation (see notes 11 and 14).

Nature of relationship

Name	Country/ Nationality	Relation	Type of relation
Sarakham Petroleum Co., Ltd.	Thailand	Related company	Common directors
Related persons	Thai	-	Members of close family of management and/or shareholder

Bases of measurement for intercompany revenues and expenses

	Pricing policies
Purchase and sale of goods	Market price
Rental of land including constructions	Market price
Other expenses	Market price
Interest expenses	The commercial bank's interest rate.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2020 and 2019 consisted of:

		Baht
	2020	2019
Cash	3,825	6,982
Cash at banks	133,738,146	31,259,255
Total	**133,741,971**	**31,266,237**

7. COST OF PROPERTY DEVELOPMENT

Cost of property development as at December 31, 2020 and 2019 consisted of:

	Baht	
	2020	2019
Property for sale		
House with land	5,285,263	-
Property under development		
Land	73,288,998	84,189,385
Construction in progress	62,960,196	62,801,308
Capitalized interest cost	1,063,625	2,597,723
Total	**142,598,082**	**149,588,416**

Movements of cost of property development for the years ended December 31, 2020 and 2019 were summarized below:

	Baht	
	2020	2019
Cost of sales	(42,293,353)	(64,374,712)
Construction cost	35,239,919	19,842,559
Capitalized interest cost included in		
Cost of property development	63,100	464,642
Interest rate (%)	2.00 - 4.85	4.60 - 6.25

As at December 31, 2020 and 2019, the Company mortgaged land with construction as collateral for credit facilities of loan (see notes 11 and 14) which its carrying value were summarized as follow:

	Baht	
	2020	2019
Property under development	53,793,201	118,412,345

Information of property projects as at December 31, 2020 and 2019 were summarized as follow:

	Baht	
	2020	2019
Total estimated sale value of property projects which were in the process of selling	512,408,200	644,217,200
Total sale value of units which their controls were transferred to the customers	92,117,422	142,125,598
Total sale value under the contracts which were in the process of transfering of control	54,666,500	10,565,900

The Company had the obligations under contracts with customers that are unsatisfied which the Company expects to satisfy these performance obligations within the 1 year.

8. LAND HELD FOR DEVELOPMENT

Movements of land held for development for the years ended December 31, 2020 and 2019 consisted of:

	Baht
At cost	
At January 1, 2019	528,899,875
Purchase/ transfer in	-
Disposal/ transfer out	-
At December 31, 2019	528,899,875
Purchase/ transfer in	-
Disposal/ transfer out	-
At December 31, 2020	**528,899,875**

As at December 31, 2020 and 2019, the Company mortgaged land held for development as collateral for credit facilities of loan (see notes 11 and 14) which its carrying value were summarized as follow:

	Baht	
	2020	2019
Land held for development	527,024,582	527,024,582

As at December 31, 2020 and 2019, a certain of land held for development with the carrying value of Baht 0.89 million were expropriated by Maha Sarakham Rural Road Office at the expropriated value of Baht 8 million. At the present, the Company is in the process of refunding a compensation and transfer the ownership of such expropriated land with Maha Sarakham Rural Road Office.

9. BUILDING AND EQUIPMENT

Movement of building and equipment for the years ended December 31, 2020 and 2019 consisted of:

Baht

	Buildings	Machinery and equipment	Office equipment	Vehicles	Assets under construction	Total
At cost						
At January 1, 2019	4,100,000	104,240	1,377,351	11,634,905	1,464,312	18,680,808
Purchase/ transfer in	5,110,215	14,270	284,818	3,917,659	3,645,903	12,972,865
Disposals/ transfer out	-	-	-	-	(5,110,215)	(5,110,215)
At December 31, 2019	9,210,215	118,510	1,662,169	15,552,564	-	26,543,458
Purchase/ transfer in	1,131,690	59,154	423,104	450,000	2,492,328	4,556,276
Disposals/ transfer out	-	-	-	-	(1,131,690)	(1,131,690)
At December 31, 2020	10,341,905	177,664	2,085,273	16,002,564	1,360,638	29,968,044
Accumulated depreciation						
At January 1, 2019	2,718,582	40,999	724,918	11,407,856	-	14,892,355
Depreciation	305,340	20,738	207,200	397,419	-	930,697
Disposal/ transfer out	-	-	-	-	-	-
At December 31, 2019	3,023,922	61,737	932,118	11,805,275	-	15,823,052
Depreciation	484,068	23,314	245,644	374,759	-	1,127,785
Disposal/ transfer out	-	-	-	-	-	-
At December 31, 2020	3,507,990	85,051	1,177,762	12,180,034	-	16,950,837
Net book value						
Owned assets						
At December 31, 2019	6,186,293	56,773	730,051	118,985	-	7,092,102
At December 31, 2020	6,833,915	92,613	907,511	488,417	1,360,638	9,683,094
Assets under finance leases						
At December 31, 2019	-	-	-	3,628,304	-	3,628,304
At December 31, 2020	-	-	-	3,334,113	-	3,334,113

	2020	2019
	Million Baht	
At December 31,		
The gross carrying amount of fully deperciated		
that is still in use	13.61	13.31

Movements of the right-of-use assets recognized as vehicles for the year ended December 31, 2020 were summarized as follows:

	Baht
Net book value as at January 1, 2020	3,628,304
Less Amortization	(294,191)
Net book value as at December 31, 2020	3,334,113

The Company entered into the lease agreement for vehicles with other parties. The Company recognized the right-of-use assets as part of building and equipment.

10. LEASES

Right-of-use assets

Movements of the right-of-use assets for the year ended December 31, 2020 were summarized as follows:

	Note	Land	Building	Total
				Baht
Net book value as at January 1, 2020		-	-	-
Effect of changes in accounting policies	4	2,309,020	518,433	2,827,453
Less Amortization		(177,915)	(178,284)	(356,199)
Net book value as at December 31, 2020		**2,131,105**	**340,149**	**2,471,254**

The Company leases of warehouses for 3 years, with extension options at the end of lease term. The rental is payable yearly as specified in the contract.

The Company leases of land for the office building for 9 years, 244 days, with extension options at the end of lease term. The rental is payable yearly as specified in the contract.

The Company leases of land for the warehouse for 2 years, 244 days, with extension options at the end of lease term. The rental is payable yearly as specified in the contract.

Leases liabilities

Leases liabilities as at December 31, 2020 consisted of:

	Baht
Leases liabilities	6,073,818
Less Deferred interest	(1,849,632)
Net	4,224,186
Less Current portion	(936,166)
Long-term leases liabilities	**3,288,020**

Movements of leases liabilities for the year ended December 31, 2020 were as follows:

	Note	***Baht***
Beginning balance		2,152,062
Effect of changes in accounting policies	4	2,827,453
Amortized interest		228,954
Lease payment		(984,283)
Ending balance		4,224,186

As at December 31, 2020, lease liabilities presented by term of repayment period were summarized as follow:

			Baht
Due of payment	Present value	Deferred interest expenses	Minimum lease payment
Within 1 year	936,166	197,045	1,133,211
More than 1 year but not over 5 years	1,362,545	544,846	1,907,391
Over 5 years	1,925,475	1,107,741	3,033,216
Total	4,224,186	1,849,632	6,073,818

As a lessee

	Baht
For the year ended December 31, 2020	
Recognized in profit or loss	
Interest expense from lease liabilities	288,954

11. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Bank overdrafts and short-term loans from financial institutions as at December 31, 2020 and 2019 were as follows:

	Baht	
	2020	2019
Bank overdrafts	29,515,096	50,386,169
Promissory note	160,000,000	90,000,000
Total	**189,515,096**	**140,386,169**

The Company had the credit facilities from financial institutions which were detailed as follows:

	Million Baht		
	Credit limit		*% per annum*
Type of credit facilities	2020	2019	Referred interest rate
Bank overdrafts	108	58	Savings accounts
Promissory note	160	90	Savings accounts
Letter of guarantee	15	15	-

Collateral

The Company had mortgaged land including construction of cost of property development and land held for development (see notes 7 and 8).

The directors of the Company had guaranteed for loans (see note 5).

The directors of the Company entered into the business security agreement and registered their bank deposit to secure for short-term loans from financial institutions (see note 5).

12. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, 2020 and 2019 consisted of:

	Baht	
	2020	2019
Trade payables	1,253,847	1,290,127
Other payables		
Accrued expenses	1,246,763	1,023,706
Grand total	**2,500,610**	**2,313,833**

13. CURRENT PORTION OF LIABILITIES

Current portion of liabilities as at December 31, 2020 and 2019 consisted of:

		Baht	
	Note	2020	2019
Loans from financial institution	14	7,783,418	-
Leases liabilities	10	936,166	671,696
Total		**8,719,584**	**671,696**

14. LOAN FROM FINANCIAL INSTITUTIONS

Loan from financial institutions as at December 31, 2020 and 2019 consisted of:

				Baht	%				
Financial	Credit limit		Principal		Referred	Interest			
institutions	2020	2019	2020	2019	interest rate	installment	Term of payment	Due of payment	
Commercial bank	-	75,000,000	-	23,300,000	MLR	At the end of each month	Within 3 years		Principal repayment 70% of the contract price
									when mortgage are released.
Commercial bank	8,000,000	-	7,973,198	-	2	At the end of each month	Within 2 years	Installment 1^{st} - 6^{th}:	grace period
								Installment 7^{th} - 23^{rd}:	monthly principal
									and interest repayment of Baht 0.10 million
								Installment 24^{th} :	repayment for the outstanding remained
Commercial bank	10,000,000	-	10,050,769	-	2	At the end of each month	Within 2 years	Installment 1^{st} - 6^{th}:	grace period
								Installment 7^{th} - 23^{rd}:	monthly principal
									and interest repayment of Baht 0.57 million
								Installment 24^{th} :	repayment for the outstanding remained
Commercial bank	2,000,000	-	2,008,434	-	2	At the end of each month	Within 2 years	Installment 1^{st} - 6^{th}:	grace period
								Installment 7^{th} - 12^{th}:	monthly interest repayment
								Installment 13^{th} - 24^{th}:	monthly principal and interest repayment
									of Baht 0.17 million.
Total			20,032,401	23,300,000					
Less Deferred financial cost			-	(608,710)					
Net			20,032,401	22,691,290					
Less Current portion of liabilities			(7,783,418)	-					
Long-term loan			**12,248,983**	**22,691,290**					

Movements of loan from financial institution for the years ended December 31, 2020 and 2019 were summarized as follows:

	Baht	
	2020	2019
Beginning balance	22,691,290	116,961,723
Add Increase in loan	20,118,505	-
Borrowing cost	608,710	-
Less Repayment	(23,386,104)	(94,270,433)
Ending balance	20,032,401	22,691,290

Collateral

The Company had mortgaged land including construction of cost of property development and land held for development (see notes 7 and 8).

The directors of the Company had mortgaged land including constructions (see note 5).

The directors of the Company had guaranteed for loans (see note 5).

As at December 31, 2020 and 2019, loan from financial institution presented by term of repayment period were summarized as follow:

	Baht	
	2020	2019
Due date of payment		
within 1 year	7,783,418	-
more than 1 year but not over 5 years	12,248,983	22,691,290
Total	20,032,401	22,691,290

15. PROVISIONS FOR EMPLOYEE BENEFITS

Provisions for employee benefits as at December 31, 2020 and 2019 consisted of:

		Baht
	2020	2019
Post employment benefits		
Present value of obligations	1,768,729	1,448,181
Provisions for employee benefit	1,768,729	1,448,181
Less Current portion	-	-
Provisions for long-term employee benefit	**1,768,729**	**1,448,181**

Movements of the present value of provisions for employee benefit for the years ended December 31, 2020 and 2019 were summarized as follows:

		Baht
	2020	2019
Post-employment benefit plan		
Present value of provisions for employee benefit as at January 1,	1,448,181	1,145,962
Included in profit or loss:		
Current service cost	273,771	265,205
Interest cost	46,777	37,014
Present value of provisions for employee benefit as at December 31,	1,768,729	1,448,181

Principal actuarial assumptions as at December 31, 2020 and 2019 were as follow:

	Percent
Discount rate (%)	3.23
Salary increase rate (%)	5.00
Turnover rate (%)	1.91 - 22.92

Discount rate were the market yields on government’s bond for legal severance payments plan and pension.

Salary increase rate depended on the management’s policies.

Turnover rate depended on the length of service.

Mortality rate were the reference rate from TMO2017: Thai Mortality Ordinary Table 2017.

Sensitivity analysis

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term provisions for employee benefit as at December 31, 2020 and 2019 are summarized below:

				Baht
	2020		2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% Movement)	(197,901)	237,637	(168,802)	203,128
Salary increase rate (1% Movement)	269,113	(226,366)	212,957	(179,856)
Turnover rate (20% Movement)	(172,381)	207,961	(134,353)	160,829

The Company presented in the statement of comprehensive income for the years ended December 31, 2020 and 2019 as follow:

		Baht
	2020	2019
Cost of sale	79,073	74,468
Selling expenses	16,840	15,868
Administrative expenses	224,635	211,883
Total	320,548	302,219

16. PROVISIONS

Provisions as at December 31, 2020 and 2019 consisted of:

			Baht
	Provision for maintenance	Compensation for housing estate juristic persons	Total
As at January 1, 2019	64,974	226,528	291,502
Increase	931,483	870,836	1,802,319
Actual paid	(12,146)	-	(12,146)
Reversal of provision	(169,060)	(119,342)	(288,402)
As at December 31, 2019	**815,251**	**978,022**	**1,793,273**
Increase	284,640	120,619	405,259
Actual paid	(6,009)	-	(6,009)
Reversal of provision	(316,093)	-	(316,093)
As at December 31, 2020	**777,789**	**1,098,641**	**1,876,430**

17. SHARE CAPITAL

Movement of share capital for the years ended December 31, 2020 and 2019 were summarized as follows:

					Baht
	Par value	2020		2019	
	per share	Number	Amount	Number	Amount
Share capital					
Ordinary shares					
At January 1	86.50, 100	3,600,000	311,400,000	3,600,000	360,000,000
Change in par value		619,200,000	-	-	-
Increase of new shares		217,200,000	108,600,000	-	-
Reduction of shares		-	-	-	(48,600,000)
At December 31	0.50, 86.50	840,000,000	420,000,000	3,600,000	311,400,000
Issued and paid-up shares					
Ordinary shares					
At January 1	86.50, 100	3,600,000	311,400,000	3,600,000	360,000,000
Change in par value		619,200,000	-	-	-
Increase of new shares		217,200,000	108,600,000	-	-
Reduction of shares		-	-	-	(48,600,000)
At December 31	0.50, 86.50	840,000,000	420,000,000	3,600,000	311,400,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Registered share capital

The Ordinary General Meeting of Shareholders held on March 12, 2020 passed the resolutions to approve as follows:

17.1 Convert the company limited to a public company.

17.2 Change the par value of share capital from Baht 86.50 each to Baht 0.50 each.

17.3 Increase the authorized share capital from Baht 311.40 million to Baht 420 million by issuing new ordinary shares of 217.20 million shares with the par value of Baht 0.50 each.

The Company has registered to convert to a public company, change its par value and increase of its registered share capital with the Ministry of Commerce on March 18, 2020.

17.4 Allot new ordinary shares of 217.20 million shares, with the par value of Baht 0.50 each for the Initial Public Offering as follows:

17.4.1 Allot new ordinary shares to persons having relationship as directors, executives, major shareholder, controlled and related parties and sponsors who have done benefits to the company not exceeding 25 percent of the Initial Public Offering. However, the proportion of shares allotted to sponsors must not exceed 15 percent of the Initial Public Offering.

17.4.2 Allot the remaining shares for the Initial Public Offering.

17.5 Assign the authorisation to the Board of Directors or Chief Executive Officer or the person assigned by the Board of Directors or Chief Executive Officer to determine the related details and conditions regarding the mentioned share offering such as offering period, offering price, share repayment and appointment of underwriters, etc.

17.6 During October 16 - 20, 2020, the Company offered the share capital in the amount of 217.20 million shares to the public for subscription shares at the offering price of Baht 0.60 per share.

The Company received the proceeds from the public for subscription shares, total in the amount of Baht 130.32 million (the Company recorded expenses for selling increase share capital in the amount of Baht 13.93 million deducted from share premium account).

The Company had already registered the change in its paid-up share capital with the Ministry of Commerce on October 21, 2020 due to the Company had received share subscription for the increased ordinary shares from Baht 311.40 million to Baht 420 million.

The Extraordinary General Meeting of Shareholders held on July 17, 2019 passed the resolution to approve the decrease of authorized share capital to compensate for deficit by reduction of par value from Baht 100 per share to Baht 86.50 per share, equivalent to Baht 48.60 million.

The Company has registered the decrease of its authorized shares capital with the Ministry of Commerce on August 23, 2019.

18. PREMIUM ON SHARE CAPITAL

According to the Public Companies Act B.E. 2535, Section 51 the Company is required to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("premium on share capital"). Premium on share capital is not available for dividend distribution.

19. LEGAL RESERVE

According to the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered share capital. The statutory reserve is not available for dividend distribution.

20. REVENUE FROM CONTRACT WITH CUSTOMERS

Disaggregation of revenue

	Baht	
	2020	2019
Type of goods or services		
Revenue from sale of property	92,117,422	142,125,598
Rental income	114,395	169,048
Other income	467,333	218,299
Total	581,728	387,347
Grand total	92,699,150	142,512,945
Timing of revenue recognition		
At a point in time	92,584,755	142,343,897
Over time	114,395	169,048
Total	92,699,150	142,512,945

21. ADVANCE RECEIVED

Movement of advance received for the years ended December 31, 2020 and 2019 were summarized as follows:

	Baht	
	2020	2019
Beginning balance	599,860	11,090,000
Increase	15,261,500	6,898,860
Decrease	(10,000)	(124,000)
Recognized as revenue	(1,654,860)	(17,265,000)
Ending balance	**14,196,500**	**599,860**

Advance received arising from purchasing residential unit from the Company which the customer made a wholly or partially payment. The Company will transfer advance received to recognize as revenue from sale when they completely transfer control over the house to the customer.

22. EMPLOYEE BENEFIT EXPENSES

		Baht
	2020	2019
Wages and salaries	9,258,162	7,891,482
Defined benefit plans	320,548	302,219
Defined contribution plans	397,005	265,760
Others	1,059,599	495,500
Total	11,035,314	8,954,961

23. EXPENSES BY NATURE

Expenses by nature for the year ended December 31, 2020 and 2019 consisted of:

		Baht
	2020	2019
Employee expenses	11,035,314	8,954,961
Depreciation and amortization	1,585,793	1,017,136
Consultant and services expenses	6,508,017	4,083,029
Registration and transfer fee	3,260,841	5,236,903

24. PROVIDENT FUND

The defined contribution plans comprise provident funds established by the Company for its employees under the Provident Fund Act B.E. 2530. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 5% of their basic salaries and by the Company at rates ranging from 3% to 5% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by SCB Asset Management Company Limited licensed Fund Manager and will be paid to the employees upon termination in accordance with the rules of the Fund. In the year 2020, the Company contributed in the amount of Baht 0.12 million.

25. FINANCE COSTS

Finance costs for the years ended December 31, 2020 and 2019 consisted of:

	Baht	
	2020	2019
Interest expenses	6,168,283	4,481,220
Bank charge	608,711	78,165
Total	6,776,994	4,559,385
Less Capitalized finance cost	(63,100)	(464,642)
Net	**6,713,894**	**4,094,743**

26. INCOME TAX

Corporate income tax of the Company for the years ended December 31, 2020 and 2019 was calculated at a rate specified by the Revenue Department on net earnings after adjusting certain conditions according to the Revenue Code. The Company recorded the corporate income tax as expense for the years and recorded the accrued portion as liabilities in the statements of financial position.

Tax expense for the years ended December 31, 2020 and 2019 as follows:

	Baht	
	2020	2019
Income tax recognised in profit or loss		
Current tax expense		
Current year	2,369,796	10,088,020
Deferred tax expense		
Movement in temporary differences	(689,630)	(491,699)
Total	**1,680,166**	**9,596,321**

Reconciliation of effective tax rate	2020		2019	
	%	***Baht***	*%*	***Baht***
	Tax rate		Tax rate	
Profit before income tax expense		16,612,170		50,309,228
Income tax using the Thai corporation tax rate	20	3,322,434	20	10,061,846
Income subject to tax		2,820,300		-
Expenses not deductible for tax purposes		41,959		547,704
Addition expenses for tax purposes		(3,814,897)		(521,530)
Current tax	14	2,369,796	20	10,088,020
Income tax addition - deferred		(689,630)		(491,699)
Tax expense	10	1,680,166	19	9,596,321

DEFERRED TAX

Deferred tax as at December 31, 2020 and 2019 consisted of:

		Baht
	2020	2019
Deferred tax assets	1,665,744	882,821
Deferred tax liabilities	(93,293)	-
Deferred tax assets - net	**1,572,451**	**882,821**

Movement of deferred tax assets and liability occurred during the year were summarized as follows:

					Baht
	As at January 1, 2019	Profit	As at December 31, 2019	Profit (loss)	As at December 31, 2020
Deferred tax assets					
Right-of-use assets	-	-	-	20,470	20,470
Provisions	161,930	431,255	593,185	(87,647)	505,538
Advance received	-	-	-	785,991	785,991
Provisions for employee benefit	229,192	60,444	289,636	64,109	353,745
Total	391,122	491,699	882,821	782,923	1,665,744
Deferred tax liability					
Advance payment	-	-	-	(93,293)	(93,293)
Total	-	-	-	(93,293)	(93,293)

27. OPERATING SEGMENT

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance measured basing on segment operating profit or loss on a basis consistent with that used to measure operating profit or loss in the financial statements.

The chief operating decision maker has been identified as the Board of Directors of the Company.

Geographical segments

The Company operates only in Thailand, there are no revenues derived from or assets located in foreign countries. As a result, all the revenues and assets as reflected in these financial statements pertain exclusive to this geographical reportable segment.

Major customers

For the years ended December 31, 2020 and 2019, the Company has revenue from major as follow:

		Person		*Baht*
	Major customers		Revenue	
	2020	2019	2020	2019
Property development	-	2	-	35,130,000

28. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share for the years ended December 31, 2020 and 2019 is calculated by dividing profit for the years attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares issued and paid-up during the years. The adjusting of the number of ordinary shares to reflect the impact of the changing the par value (see note 17). The prior year's basic earnings per share have been recalculated as if the changing the par value had been distributed at the beginning of the earliest period reported.

For the years ended December 31, 2020 and 2019 were as follows:

		Baht
	2020	2019
Profit for the year	14,932,004	40,712,907
Weighted average number of ordinary shares (Shares)		
Ordinary shares at the beginning of year	3,600,000	3,600,000
The effect of change in par value	619,200,000	619,200,000
Increase in ordinary shares	42,727,869	-
Weighted average number of ordinary shares	665,527,869	622,800,000
Basic earnings per shares	0.02	0.07

29. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2020 and 2019, the Company had commitments and contingent liabilities as follows:

Commitments

a) As at December 31, 2020 and 2019, the Company has letters of guarantee issued by the banks regarding to the obligation under the agreement as follow:

		Million Baht
	2020	2019
Letters of guarantee for land allotment with provision of public utilities or public services	7.05	7.05
Letters of guarantee for providing and maintenance the public utilities	1.44	1.44
Total	8.49	8.49

b) As at December 31, 2020 and 2019, the Company has commitments regarding to the agreements as follow:

		Million Baht
	2020	2019
Monthly		
The security agreement	0.10	0.08
Remaining amount		
Contractor agreement	1.50	4.53
Service agreement	1.71	2.98

30. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments of the Company principally comprise cash and cash equivalents, deposits at banks, other receivables, trade and other payables, bank overdrafts, loan from financial institutions, loan from related person and lease liabilities.

Risk management policy

The Company are exposed to risks from changes in interest rates and currency exchange rates and risks from non-performance of contractual obligations by counterparties. The Company uses derivatives, as and when it considers appropriate, to manage such risks. In addition, the Company has a policy to enter into contracts with creditworthy counterparties. Therefore, the Company does not expect any material financial losses to arise from that the counterparties will fail to discharge their obligations as stipulated in the financial instruments contracts.

a) Interest rate risk

Interest rate risk is the risk that future fluctuations in market interest rates will affect the operating result and cash flows of the Company.

The exposure to interest rate risk of the Company relates primarily to their deposits at financial institutions, bank overdrafts, loan from financial institution and loan from related person. However, as most of the financial assets and liabilities carry floating interest rate which fluctuates in line with the market interest rates or carry fixed interest rate which approximates to the current market interest rate, the Company do not use derivatives to manage their interest rate risk.

	Baht	
	Variable interest rate	Fixed interest rate
As at December 31, 2020		
Financial assets		
Cash at bank	133,738,146	-
Restricted bank deposits	207,467	-
Financial liabilities		
Bank overdraft and short-term loans from financial institutions	189,515,096	-
Short-term loans from related persons	-	110,250,000
Long-term loan from financial institutions	-	20,032,401
Lease liabilities	-	4,224,186

	Baht	
	Variable interest rate	Fixed interest rate
As at December 31, 2019		
Financial assets		
Cash at bank	31,259,255	-
Restricted bank deposits	236,178	-
Financial liabilities		
Bank overdraft and short-term loans from financial institutions	140,386,169	-
Short-term loans from related persons	-	55,000,000
Long-term loans from financial institutions	22,691,290	-
Lease liabilities	-	2,152,062

b) Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations, resulting in a financial loss to the Company.

The Company is exposed to credit risk primarily with respect to other receivables. However, the Company controls such risk by establishing credit limits for clients and counter parties and analysing their financial position as an ongoing basis. The Company is not expected to have much concentration risk of credit exposure.

The Company determines the impairment of trade receivables basing on an expected credit loss model which the Company have established and maintain an appropriate credit loss model. The risk management department periodically reviews the parameters and the data used in the credit loss model.

c) Liquidity risk

Liquidity risk is the risk that the Company will be unable to liquidate financial assets and/or procure sufficient funds to discharge obligations in a timely manner, resulting in a financial loss.

The maturity dates of financial instruments held as of December 31, 2020 and 2019, counting from the statements of financial position date were as follows:

Baht

	Carrying amount	As at December 31, 2020 At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
Financial assets							
Cash at bank	133,738,146	133,738,146	-	-	-	-	133,738,146
Other receivables	49,765	-	49,765	-	-	-	49,765
Restricted bank deposits	207,467	-	-	-	-	207,467	207,467
Financial liabilities							
Bank overdraft and short-term							
loan from financial institutions	189,515,096	-	189,515,096	-	-	-	189,515,096
Trade and other payables	2,500,610	-	2,500,610	-	-	-	2,500,610
Short-term loans from related persons	110,250,000	110,250,000	-	-	-	-	110,250,000
Long-term loan from financial institutions	20,032,401	-	7,783,418	12,248,983	-	-	20,032,401
Lease liabilities	4,224,186	-	936,166	1,362,545	1,925,475	-	4,224,186

Baht

	(% per annum) Interest rate	As at December 31, 2019 At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
Financial assets							
Cash at bank	-	31,259,255	-	-	-	-	31,259,255
Other receivables	-	-	5,413	-	-	-	5,413
Restricted bank deposits	0.18	-	-	-	-	236,178	236,178
Financial liabilities							
Bank overdraft and short-term							
loan from financial institutions	1.25	-	140,386,169	-	-	-	140,386,169
Trade and other payables	-	-	2,313,833	-	-	-	2,313,833
Short-term loans from related persons	1.50 - 4.00	200,180,927	-	-	-	-	200,180,927
Long-term loan from financial institutions	4.60 - 4.85	-	-	22,691,290	-	-	22,691,290
Lease liabilities	3.92	-	671,696	1,480,366	-	-	2,152,062

d) Fair value

The fair value disclosures of financial instruments, considerable judgment is necessarily required in estimation of fair value. Accordingly, the estimated fair value presented herein is not necessarily indicative of the amount that could be amid in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value.

31. RECLASSIFICATION

The Company has reclassified certain accounts in the financial statement as at December 31, 2019, to conform to the presentation of statements of current year as follow:

			Baht
	Before	Reclassification	After
Statement of financial position			
Non-current liabilities			
Provisions	-	1,793,273	1,793,273
Other non-current liabilities	3,995,192	(1,793,273)	2,201,919
Statements of comprehensive income			
Revenues from sales	141,822,883	302,715	142,125,598
Cost of sales	(66,357,913)	(302,715)	(66,660,628)

32. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors' Meeting held on January 15, 2021 passed the resolutions to approve as follows:

32.1 Approve the incorporation of subsidiary "D Group Holdings Company Limited" with the authorized share capital of Baht 10 million, divided into 1 million ordinary shares with the par value of Baht 10 each, which the company's shareholding is 99.99 percent.

The establishment of these company was registered with the Ministry of Commerce on January 28, 2021.

32.2 To approve D Group Holdings Company Limited to purchase 9,998 ordinary shares of D Energy and Retail Company Limited at the selling price of Baht 100, totaling of Baht 999,800 from the existing shareholders (the par value of Baht 100). which the company's shareholding is 99.98 percent. D Energy and Retail Company Limited operates in the oil and retail business.