

DHOUSE PATTANA PUBLIC COMPANY LIMITED
FINANCIAL STATEMENTS AND AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021



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AUDITOR'S REPORT

To the Shareholders of Dhouse Pattana Public Company Limited

Opinion

I have audited the accompanying consolidated and separate financial statements of Dhouse Pattana Public Company Limited and its subsidiaries ("the Group") and of Dhouse Pattana Public Company Limited ("the Company"), respectively, which comprise the consolidated and separate statement of financial position as at December 31, 2021, the consolidated and separate statement 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 consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Dhouse Pattana Public Company Limited and its subsidiaries and of Dhouse Pattana Public Company Limited as at December 31, 2021, and their consolidated and separate 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 Consolidated and Separate Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accounts issued by the Federation of Accounting Professions that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

I draw attention to note 1 to the financial statements, the situation of Coronavirus disease 2019 Pandemic (COVID-19), a dangerous communicable disease, tends to spread and severe expanding impacts continually, resulting to the Group's business activities in terms of property distributor. Due to the measures of the Government sector regarding to restrict and protect the communicable disease, including, the decrease in domestic purchasing property development power, there is significantly impacts to the Group's financial position, operating results, and cash flows at present, and is expected to do so in the future. The Group'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.

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 consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

<i>The key audit matter</i>	<i>Audit procedures</i>
<p><i>Cost of property development and land held for development</i></p> <p>Cost of property development and land held for development are significant high value transaction, cost of property development 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. In addition, land held for development was delayed for the property development resulting that it has to be stated at the lower of cost or net realizable value. As at December 31, 2021, the carrying amount of cost of property development and land held for development are of Baht 135.43 million and Baht 435.14 million, respectively, as disclosed in notes 6 and note 8, to the financial statements, respectively.</p> <p>I have identified 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.</p>	<p>Other than making the inquiries, the audit procedures for cost of property development and land held for development included sampling test as follows:</p> <ul style="list-style-type: none">- assessing the efficiency and test of internal control relates to the purchase system and property development system.- 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 land held for development 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.

Other Information

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

My opinion on the consolidated and separate 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 consolidated and separate financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 consolidated and separate 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 consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the Group and business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.

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

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

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



Kraisit Silapamongkonkul
Certified Public Accountant
Registration Number 9429

Siam Truth Audit Company Limited
Bangkok, February 24, 2022

DHOUSE PATTANA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

Baht

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents	5	37,567,087	134,741,971	34,736,582	133,741,971
Other receivables		75,141	49,765	75,141	49,765
Cost of property development	4, 6	135,433,398	142,598,082	135,433,398	142,598,082
Inventories		2,932,121	2,283,803	2,932,121	2,283,803
Other current assets		1,823,239	907,208	1,823,239	907,208
Total current assets		177,830,986	280,580,829	175,000,481	279,580,829
Non-current assets					
Restricted bank deposits		292,749	207,467	292,749	207,467
Investments in subsidiaries	7	-	-	3,000,000	-
Land held for development	8	435,141,963	528,899,875	435,141,963	528,899,875
Investments property	9	43,430,213	-	94,408,019	-
Property, plant and equipment	4, 10	67,307,961	13,017,207	16,330,155	13,017,207
Right-of-use assets	4, 11	2,116,125	2,471,254	2,116,125	2,471,254
Intangible assets		678,901	784,606	678,901	784,606
Deferred tax assets	27	3,372,398	1,572,451	3,372,398	1,572,451
Other non-current assets		2,834,625	2,449,025	2,834,625	2,449,025
Total non-current assets		555,174,935	549,401,885	558,174,935	549,401,885
Total assets		733,005,921	829,982,714	733,175,416	828,982,714

DHOUSE PATTANA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021
Baht

		Consolidated		Separate	
		financial statements		financial statements	
Note		2021	2020	2021	2020
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	12	149,599,103	189,515,096	149,599,103	189,515,096
Trade and other payables	4, 13	1,286,759	2,500,610	1,236,759	2,500,610
Short-term loans from related persons	4	93,250,000	110,250,000	93,250,000	110,250,000
Current portion of liabilities	15	13,774,625	7,783,418	13,774,625	7,783,418
Current portion of lease liabilities	4, 11	977,087	936,166	977,087	936,166
Advance received	14	6,042,588	14,196,500	6,042,588	14,196,500
Other current liabilities		728,982	552,231	728,489	552,231
Total current liabilities		265,659,144	325,734,021	265,608,651	325,734,021
Non-current liabilities					
Long-term loans from financial institutions	15	8,478,861	12,248,983	8,478,861	12,248,983
Long-term leases liabilities	4, 11	2,287,184	3,288,020	2,287,184	3,288,020
Provisions for employee benefit	16	2,678,061	1,768,729	2,678,061	1,768,729
Provisions	17	1,921,838	1,876,430	1,921,838	1,876,430
Other non-current liabilities		1,895,931	1,498,599	1,895,931	1,498,599
Total non-current liabilities		17,261,875	20,680,761	17,261,875	20,680,761
Total liabilities		282,921,019	346,414,782	282,870,526	346,414,782
Shareholders' equity					
Share capital	19				
Ordinary shares		420,000,000	420,000,000	420,000,000	420,000,000
Premium on share capital	20	7,792,527	7,792,527	7,792,527	7,792,527
Retained earnings	21, 22				
Appropriated					
Legal reserve		746,600	746,600	746,600	746,600
Unappropriated		21,545,775	54,028,805	21,765,763	54,028,805
Total equity holders of the parent		450,084,902	482,567,932	450,304,890	482,567,932
Former shareholders' equity		-	1,000,000	-	-
Total shareholders' equity		450,084,902	483,567,932	450,304,890	482,567,932
Total liabilities and shareholders' equity		733,005,921	829,982,714	733,175,416	828,982,714

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

DHOUSE PATTANA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2021

Baht

		Consolidated	Separate	
		financial statements	financial statements	
	Note	2021	2021	2020
Revenues from sales	4, 23	60,751,739	60,751,739	92,117,422
Cost of sales		(40,255,034)	(40,255,034)	(42,712,499)
Gross profit		20,496,705	20,496,705	49,404,923
Other income	23	1,248,042	1,242,407	581,728
Selling expenses	24, 25	(3,834,304)	(3,834,304)	(4,881,652)
Administrative expenses	4, 24, 25	(22,477,549)	(22,251,926)	(21,778,935)
Profit (loss) from operations		(4,567,106)	(4,347,118)	23,326,064
Finance costs	4, 26	(3,946,283)	(3,946,283)	(6,713,894)
Profit (loss) before income tax		(8,513,389)	(8,293,401)	16,612,170
Tax income (expense)	27	1,686,029	1,686,029	(1,680,166)
Profit (loss) for the year		(6,827,360)	(6,607,372)	14,932,004
Other comprehensive loss:				
Items that will never be reclassified to profit or loss				
Defined benefit plan actuarial loss	16	(569,588)	(569,588)	-
Income tax relating to items that will never be reclassified to profit or loss	27	113,918	113,918	-
Other comprehensive loss - net of tax		(455,670)	(455,670)	-
Total comprehensive income (loss)		(7,283,030)	(7,063,042)	14,932,004
Earnings (loss) per share				
Basic earnings (loss) per share	29	(0.0081)	(0.0079)	0.0224
Weighted average number of ordinary shares (shares)		840,000,000	840,000,000	665,527,869

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

DHOUSE PATTANA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2021

Baht

Consolidated financial statements							
Equity holders of the parent							
Note	Issued and paid-up share capital	Premium on share capital	Retained earnings		Total equity holders of the parent	Former shareholders' equity	Total shareholders' equity
			Appropriated legal reserve	Unappropriated			
	420,000,000	7,792,527	746,600	54,028,805	482,567,932	1,000,000	483,567,932
21	-	-	-	(25,200,000)	(25,200,000)	-	(25,200,000)
	-	-	-	(7,283,030)	(7,283,030)	-	(7,283,030)
7	-	-	-	-	-	(1,000,000)	(1,000,000)
	420,000,000	7,792,527	746,600	21,545,775	450,084,902	-	450,084,902

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

DHOUSE PATTANA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2021

Baht

		Separate financial statements			
	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings	
				Appropriated legal reserve	Unappropriated shareholders' equity
Balance as at January 1, 2020		311,400,000	-	-	39,843,401
Increase in ordinary shares	19	108,600,000	7,792,527	-	-
Legal reserve	22	-	-	746,600	(746,600)
Total comprehensive income		-	-	-	14,932,004
Balance as at December 31, 2020		420,000,000	7,792,527	746,600	54,028,805
Dividend payment	21	-	-	-	(25,200,000)
Total comprehensive loss		-	-	-	(7,063,042)
Balance as at December 31, 2021		420,000,000	7,792,527	746,600	21,765,763
					450,304,890

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

DHOUSE PATTANA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

Baht

	Consolidated	Separate	
	financial statements	financial statements	
	2021	2021	2020
Cash flows from operating activities			
Profit (loss) before income tax	(8,513,389)	(8,293,401)	16,612,170
Adjustments to reconcile profit (loss) before income tax to net cash generated (paid) from operating activities			
Depreciation and amortization	1,977,642	1,977,642	1,585,793
Loss on written-off of assets	17,494	17,494	-
Interest income	(12,501)	(7,067)	-
Finance costs	3,946,283	3,946,283	6,620,213
Profit (loss) from operations before changes in operatings assets and liabilities	(2,584,471)	(2,359,049)	24,818,176
Changes in operatings assets and liabilities			
Other receivables	(25,377)	(25,377)	(44,352)
Cost of property development	6,766,904	6,766,904	7,053,434
Inventories	(648,319)	(648,319)	(1,211,381)
Other current assets	(916,031)	(916,031)	(423,654)
Restricted bank deposits	(85,282)	(85,282)	28,711
Other non-current assets	(385,600)	(385,600)	3,216,810
Trade and other payables	(1,004,721)	(1,054,721)	35,909
Advance received	(8,153,912)	(8,153,912)	13,596,640
Other current liabilities	176,751	176,258	(424,777)
Provisions for employee benefit	339,744	339,744	320,548
Provisions	45,408	45,408	83,157
Other non-current liabilities	397,332	397,332	(703,320)
Cash generated (paid) from operations	(6,077,574)	(5,902,645)	46,345,901
Interest income	12,501	7,067	-
Income tax paid	-	-	(6,043,435)
Net cash provided by (used in) operating activities	(6,065,073)	(5,895,578)	40,302,466

DHOUSE PATTANA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

Baht

	Consolidated	Separate	
	financial statements	financial statements	
	2021	2021	2020
Cash flows from investing activities			
Purchase of investments in subsidiaries	(1,000,000)	(3,000,000)	-
Purchase of investments property	(211,909)	(211,909)	-
Purchase of building and equipments	(4,847,250)	(4,847,250)	(3,424,586)
Purchase of intangible assets	-	-	(46,010)
Net cash used in investing activities	(6,059,159)	(8,059,159)	(3,470,596)
Cash flows from financing activities			
Increase (decrease) in bank overdrafts and			
short-term loans from financial institutions	(39,915,993)	(39,915,993)	49,128,927
Proceeds from short-term loan from related persons	-	-	16,600,000
Repayment for short-term loan from related persons	(17,000,000)	(17,000,000)	(106,530,927)
Proceeds from long-term loans from financial institutions	10,000,000	10,000,000	20,118,505
Repayment for long-term loans from financial institutions	(7,778,915)	(7,778,915)	(23,386,104)
Repayment for leases liabilities	(1,169,044)	(1,169,044)	(984,283)
Increase in ordinary shares	-	-	116,392,527
Finance cost paid	(3,986,700)	(3,986,700)	(5,694,781)
Dividend paid	(25,200,000)	(25,200,000)	-
Net cash provided by (used in) financing activities	(85,050,652)	(85,050,652)	65,643,864
Net increase (decrease) in cash and cash equivalents	(97,174,884)	(99,005,389)	102,475,734
Cash and cash equivalents at the beginning of the year	134,741,971	133,741,971	31,266,237
Cash and cash equivalents at end of the year	37,567,087	34,736,582	133,741,971

DHOUSE PATTANA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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 in the “Market for Alternative Investment (mai)” on October 26, 2020.

The Company and its subsidiaries (“the Group”) are engaged in 3 principal businesses as follows:

- Property development.
- Wholesale for general products.
- Oil station and retail business.

The Company’s major shareholders were as follow:

Major shareholders	Nationality	Shareholding	
		December 31,	
		2021	2020
Lerdrungporn Group	Thai	52.80	52.53
Kaewwisit Group	Thai	28.82	22.04

The financial statements have been approved for issue by the Company’s Board of Directors on February 24, 2022.

Coronavirus disease 2019 Pandemic

The situation of Coronavirus disease 2019 Pandemic (COVID-19), a dangerous communicable disease, tends to spread and severe expanding impacts continually, resulting to the Group’s business activities in terms of property distribution. Due to the measures of the Government sector regarding to restrict and protect the communicable disease, including, the decrease in domestic purchasing property development power, there is significantly impacts to the Group’s financial position, operating results, and cash flows at present, and is expected to do so in the future. The Group’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 in Thai language are presented in Thai Baht, which is the Group’s functional currency. The preparation of these official statutory financial statements is issued for Thai reporting purposes. The financial statements in English language have been translated from the financial statements in Thai language.

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 accounting period, and in the accounting period of the revision and future periods, if the revision affects both current and future accounting periods.

BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”)

			%
			Shareholding
			December 31,
Subsidiaries	Country of incorporation	Business type	2021
Direct subsidiary			
D Group Holdings Company Limited	Thailand	Wholesale for general products	100
Indirect subsidiary			
D Energy and Retail Company Limited	Thailand	Oil station and retail business	100

The preparations of the consolidated financial statements have been based on the same accounting policies for the same or similar accounting transactions or accounting events.

Acquisitions from entities under common control

Business combination under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognizes assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognized as surplus or discount from business combinations under common control in shareholder’s equity. The surplus or discount will be transferred to retained earnings upon divestment of the businesses acquired.

The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

On March 16, 2021, D Group Holdings Company Limited (the subsidiary) had purchased the investments in ordinary shares of D Energy and Retail Company Limited, from the existing shareholders which was the same group of the Company's major shareholders, therefore, those purchase of investment was identified as the business combination under common control that had the same ultimate controlling-party whether before or after the business combination. The statement of financial position as at December 31, 2020, which was included as a comparative information, had been prepared by combining the financial statements of each companies, as if the business combination had occurred since the date of registration of such companies in the year 2020.

Subsidiaries

Subsidiaries are an entity controlled by the Group. The Company is deemed to have control over the subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the subsidiaries, and it has the ability to direct the activities that significantly affect the amount of its returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The existing shareholders' equity from business combination under common control are presented at the net book value of the existing shareholders' equity of subsidiary before business transferred in the statement of financial position under "shareholders' equity".

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income or expenses arising from intra-group transactions, are eliminated.

New financial reporting standards

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

During the year, the Group has adopted the revised financial reporting standards and interpretations, 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 accounting practices and accounting guidances and disclosures in the notes to the financial statements to users of TFRSs.

The adoption of TFRSs does not have any significant impact on the financial statements.

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

The Federation of Accounting Professions promulgated the numbers of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the clarification of accounting practices and accounting guidance to users of TFRSs.

The management of the Group believes that the revision of TFRSs does not have any significant impact on the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The measurement bases used in preparing the financial statements

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 Group 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 Group accounts for a contract with a customer when it has entered into an agreement between counter parties that creates enforceable rights and obligations. The Group 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 Group 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 Group 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 Group has not yet delivered any premiums to the customer, the Group 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 Group makes payments such as registration fee for the transfer and lease of real estates and common area fee to the juristic person of real estate projects on behalf of customers. If the Group receives distinct goods or services from the customer, the Group 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 Group 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 Group 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 Group 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 using the effective interest method.

Interest income is calculated by applying the effective interest rate to the gross book value of financial assets.

When financial assets are determined to credit impair, interest income is calculated by applying the effective interest rate to the net book value (gross book value less allowance for expected credit losses) of the financial assets. If the financial assets are not credit impaired, interest income is calculated basing on the original gross book value.

Other income

Other income is recognized on an accrual basis.

Consideration payable to the customer

The Group 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.

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.

Financial instruments

Financial assets and financial liabilities are recognized in the Group's consolidated and separate statements of financial position when the Group 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 Group classifies financial assets that are debt instruments as financial assets that are subsequently measured at amortized cost or fair value depends on the Group'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

- Financial assets measured at fair value through profit or loss

The Group 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 Group 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. Dividend 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 Group 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 Group 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 Group, 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 investment revaluation reserve is reclassified to profit or loss.

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

Write-off

The Group 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 Group's recovery procedures, taking into account legal advice where appropriate. However, the Group continues to execute the case, in order to comply with the Group's recovery policy.

The gross carrying amount of a financial asset is written off when the Group 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

The Group applies the Simplified Approach for recognition of expected credit losses of financial assets - debt instruments which are deposit at financial institutions, other receivables, the contractual assets, and certain of other assets.

The Group 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 Group'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 Group 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 Group 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 Group 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 Group 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 Group 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 Group'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 Group derecognizes financial liabilities when, and only when, the Group'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 Group 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 Group 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.

Other receivables and contract assets

Other receivables are stated at their invoice value less allowance for expected credit losses.

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

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 Group 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 Group 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 Group's asset and has been managed by a licensed fund manager.

The provident fund receives a cash contribution from employee and the Group. 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 Group 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 Group 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 Group 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 Group 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 for the year comprises current tax and deferred tax.

Current tax 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

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

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 not recognized for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

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 Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group 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 Group 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 <ol style="list-style-type: none">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 of houses are allocated based on salable area |
| 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 estimations are also regularly reviewed.

Cost of property sold are also including cost of other products which the Group 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 Group 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.

Investments in subsidiaries

Investments in subsidiaries in the separate financial statements are accounted for using the cost method net of allowance for impairment (if any).

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.

Investment property

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses (if any).

Cost includes expenditure that is directly attributable to the acquisition of the investment properties. The cost of self-constructed investment properties includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment properties to a working condition for its intended use and capitalized borrowing costs.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property.

Depreciation is included in determining income and no depreciation is provided for land and construction in progress.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is 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 Group, 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 property, plant and equipment are recognized in profit or loss as incurred.

Reclassification to property, plant and equipment

When the use of an investment properties changes such that it is reclassified as property, plant and equipment, its carrying amount at the date of reclassification becomes its cost for subsequent accounting.

Property, plant and equipment

Owned assets

Land is stated at cost less allowance for impairment losses (if any).

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 property, plant and equipment have different consumption patterns or useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

An item of property, plant 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 Group substantially assume all the risk and rewards of ownership are classified as finance leases. Property, plant 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 property, plant 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 Group 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 property, plant and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount of building 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:

	<i>Years</i>
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 freehold land and assets under construction.

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

The residual value of an asset is the estimated amount that the Group 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, residual value and 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 Group 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:

	<i>Years</i>
Software license	10

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

The amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

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 Group's non-financial assets in respect of property, plant 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.

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 Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

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 is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is 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 had been recognized.

Leases

As a lessee

The Group 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 Group 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 Group 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 Group 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:

	<i>Years</i>
Lands	3 and 20
Buildings	3

If ownership of the leased asset transfers to the Group 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 Group is unable to obtain reasonable assurance that the ownership of the underlying asset is substantially transferred to the Group 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 Group applies the derecognition and impairment requirements, in accordance with the financial instrument principle, to the net investment in the lease. The Group 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 Group'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 Group 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 Group 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 lease assets are consumed.

Provisions

A provision is recognized in the statement of financial position when the Group 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 of residential condominium units, 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.

Basic earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the profit (loss) for the years attributable to ordinary shareholders of the Group 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) Allowance for impairment on investments

The Group treats investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment of the management.

d) Property, plant and equipment

The recognition of cost incurred in the carrying amount of an item of property, plant 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 property, plant 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.

e) 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.

f) Deferred tax assets

The Group 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.

g) Leases

The Group 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 Group transfers or is transferred the risks and rewards of 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.

Incremental borrowing rate

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

h) 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.

i) Impairment of non-financial assets

The carrying amounts of the Group's non-financial 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.

j) 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 Group recognizes revenue over time in the following circumstances:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group 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.

k) Advance received from sales of real estate

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

l) Real estate development costs estimation

In calculating cost of land and houses and residential condominium units sold, the Group has to estimate all real estate 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.

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

The Group 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.

n) 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.

o) Contributions to housing estate juristic persons

The Group 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 Group 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 Group 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 Group 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. TRANSACTIONS WITH RELATED PARTIES

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

They also include a person which directly or indirectly own a voting interest in the Company and subsidiaries 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 and subsidiaries' 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, 2021 and 2020 were as follows:

Baht

	Consolidated	Separate	
	financial statements	financial statements	
	2021	2021	2020
Revenue from sale			
Related persons	3,600,000	3,600,000	-
Purchase of supplies			
Sarakhm Petroleum Co., Ltd.	225,400	225,400	64,900
Purchase of assets			
Farmmart Corporation Co.,Ltd.	160,000	160,000	-
Directors	270,000	270,000	-
Related persons	238,900	238,900	-
Amortization right-of-use assets			
Directors	355,128	355,128	356,199
Other expenses			
Sarakhm Petroleum Co., Ltd.	648	648	910
Directors	234,943	234,943	-
Interest expense			
Directors	1,331,250	1,331,250	1,796,725
Related persons	1,104,589	1,104,589	1,378,767

Key management personnel compensation

Key management personnel compensation for the years ended December 31, 2021 and 2020 consisted of:

Baht

	Consolidated	Separate	
	financial statements	financial statements	
	2021	2021	2020
Short-term benefits	4,466,410	4,466,410	4,530,880
Post-employment benefits	355,108	355,108	216,551
Total	4,821,518	4,821,518	4,747,431

Directors' remuneration

Directors' remuneration represents benefits paid to the director of the Group 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 year ended December 31, 2021 and 2020, the Group paid directors' remuneration in the amount of Baht 0.54 million and Baht 0.64 million, respectively.

The significant balances of assets and liabilities with related parties as at December 31, 2021 and 2020 were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Investments in subsidiary				
D Group Holdings Co., Ltd.	-	-	3,000,000	-
Right-of-use assets				
Directors	2,116,125	2,471,254	2,116,125	2,471,254
Rental payables				
Directors	23,749	22,356	23,749	22,356
Accrued interest expenses				
Directors	113,065	117,312	113,065	117,312
Related persons	84,932	116,781	84,932	116,781
Lease liabilities				
Directors	2,303,939	2,573,604	2,303,939	2,573,604

Short-term loans from related persons

Short-term loans from related persons as at December 31, 2021 and 2020 consisted of:

	Consolidated and separate financial statements	
	2021	2020
Directors	53,250,000	55,250,000
Related persons	40,000,000	55,000,000
Total	93,250,000	110,250,000

Movements of short-term loans from related persons for year ended December 31, 2021 and 2020 were as follows:

	<i>Baht</i>	
	Consolidated and separate financial statements	
	2021	2020
Beginning balance	110,250,000	200,180,927
Increase	-	16,600,000
Decrease	(17,000,000)	(106,530,927)
Ending balance	93,250,000	110,250,000

The Group 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 and unsecured.

The Group 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 and unsecured.

Significant agreements

The Company

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.

Subsidiaries

D Group Holdings Company Limited purchased ordinary shares of D Energy and Retail Company Limited, contract value of Baht 1 million from the existing shareholders which are shareholders and directors (see note 7).

Co-guarantee for liabilities

As at December 31, 2021, related persons had co-guaranteed liabilities as follows:

The directors of the Company had mortgaged land including constructions as collateral for loans from financial institutions.

The directors of the Company and related persons had guaranteed bank overdrafts, loans from financial institution and leases liabilities. Moreover, bank deposit of the director of the Company and related persons was registered to secure for short-term loans from financial institutions, without compensation (see notes 12 and 15).

Nature of relationship

Name	Country/ Nationality	Relation	Type of relation
D Group Holdings Company Limited	Thailand	Direct subsidiary	Direct shareholding
D Energy and Retail Company Limited	Thailand	Indirect subsidiary	Indirect shareholding
Sarakham Petroleum Company Limited	Thailand	Related company	Common director
Farmmart Corporation Company Limited	Thailand	Related company	Common director
Related persons	Thai	Related persons	Close family member of management and/or shareholder

Bases of measurement for intercompany revenues and expenses

	Pricing policies
Purchase and sale of goods and assets	Referred to market price
Rental of land including constructions	Referred to market price
Other expenses	Referred to market price
Interest expenses	Referred to commercial bank's interest rate.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2021 and 2020 consisted of:

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Cash	36,209	1,003,825	3,420	3,825
Cash at banks	37,530,878	133,738,146	34,733,162	133,738,146
Total	37,567,087	134,741,971	34,736,582	133,741,971

Baht

6. COST OF PROPERTY DEVELOPMENT

Cost of property development as at December 31, 2021 and 2020 consisted of:

	Consolidated and separate financial statements	
	2021	2020
Property for sale		
Land and house	4,796,339	5,285,263
Property under development		
Land	61,887,560	73,288,998
Construction in progress	68,004,554	62,960,196
Capitalized interest cost	744,945	1,063,625
Total	135,433,398	142,598,082

Baht

Movements of cost of property development for the years ended December 31, 2021 and 2020 were summarized as follows:

	<i>Baht</i>		
	Consolidated	Separate	
	financial statements	financial statements	
	2021	2021	2020
Cost of sales	(39,534,235)	(39,534,235)	(42,293,353)
Construction cost	32,329,134	32,329,134	35,239,919
Capitalized interest cost included in			
Cost of property development	40,417	40,417	63,100
Interest rate (%)	2.00	2.00	2.00 - 4.85

As at December 31, 2021 and 2020, the Group mortgaged land with construction as collateral for credit facilities of loan (see notes 12 and 15) which its carrying value were summarized as follow:

	<i>Baht</i>	
	Consolidated and	
	separate financial statements	
	2021	2020
Property under development	48,605,674	53,793,201

Information of property projects as at December 31, 2021 and 2020 were summarized as follow:

	<i>Baht</i>	
	Consolidated and	
	separate financial statements	
	2021	2020
Total estimated sale value of property projects		
which were in the process of selling	485,217,500	512,408,200
Total sale value of units which their controls		
were transferred to the customers	153,038,822	92,117,422
Total sale value under the contracts which		
were in the process of transferring of control	20,203,600	54,666,500

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

7. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries in the separate financial statements as at December 31, 2021 consisted of:

		%	<i>Baht</i>
Subsidiaries	Paid-up share capital	Shareholding	Cost value
Direct Subsidiary			
D Group Holdings Company Limited	3,000,000	100	<u>3,000,000</u>
Indirect Subsidiary			
D Energy and Retail Company Limited	1,000,000	100	<u>1,000,000</u>

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

- To 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 holds 100% of the registered share capital. The subsidiary had called up of Baht 3 per share, totaling of Baht 3 million.

The Company had already registered the establishment of the mentioned subsidiary with the Department of Business Development, the Ministry of Commerce on January 28, 2021.

- To approve D Group Holdings Company Limited (the subsidiary) purchase 9,998 ordinary shares with the par value of Baht 100 of D Energy and Retail Company Limited, which operates in the oil station and retail business, contract value of Baht 1 million, representing to 100% shareholding of the registered share capital (see note 4).

On March 16, 2021, the subsidiary had purchased investment in ordinary shares of D Energy and Retail Company Limited.

The details of the net assets of the D Energy and Retail Company Limited at the acquisition date were summarized as follows:

	<i>Baht</i>
Cash and cash equivalents	<u>1,000,000</u>
Net assets	<u>1,000,000</u>
Shareholding (%)	<u>100</u>
Purchasing value of subsidiary	<u>1,000,000</u>

8. LAND HELD FOR DEVELOPMENT

Movements of land held for development for the years ended December 31, 2021 and 2020 were as follows:

	<i>Baht</i>	
		Consolidated
	Note	financial statements
At cost		
At January 1, 2021		528,899,875
Purchase/ transfer-in		438,198
Disposal		-
Transfer to investment property	9	(43,218,304)
Transfer to property, plant and equipment	10	(50,977,806)
At December 31, 2021		435,141,963

	<i>Baht</i>	
		Separate
	Note	financial statements
At cost		
At January 1, 2020		528,899,875
Purchase/ transfer-in		-
Disposal/ transfer-out		-
At December 31, 2020		528,899,875
Purchase/ transfer-in		438,198
Disposal		-
Transfer to investment property	9	(94,196,110)
At December 31, 2021		435,141,963

As at December 31, 2021 and 2020, the Company mortgaged land held for development as collateral for credit facilities of loan (see notes 12 and 15) which its carrying value were summarized as follow:

	<i>Baht</i>	
	Consolidated and	
	separate financial statements	
	2021	2020
Land held for development	155,710,747	527,024,582

A certain of land held for development with the carrying value of Baht 0.85 million were expropriated by Maha Sarakham Rural Road Office at the expropriated value of Baht 8 million.

On June 15, 2021, the Company entered into an agreement to purchase and sell such expropriated land held for development with by the Department of Rural Roads at the contract value of Baht 8 million, Which the Company will receive the compensation of Baht 6 million and the remaining compensation will be receive when the Company transfers the ownership of the land and completely removes constructions from the expropriated land.

9. INVESTMENT PROPERTY

Movements of investment property for the years ended December 31, 2021 consisted of:

		Consolidated financial statements			Separate financial statements			<i>Baht</i>
		Assets			Assets			
	Note	Land	under construction	Total	Land	under construction	Total	
Cost								
At January 1, 2021		-	-	-	-	-	-	
Increase		-	211,909	211,909	-	211,909	211,909	
Transfer from land held								
for development	8	43,218,304	-	43,218,304	94,196,110	-	94,196,110	
At December 31, 2021		43,218,304	211,909	43,430,213	94,196,110	211,909	94,408,019	

Fair value of investment property as at December 31, 2021 were as follow:

	<i>Baht</i>	
	Consolidated	Separate
	financial statements	financial statements
Land	57,047,400	124,387,400

Fair value of investment property as at December 31, 2021 was determined by basing on the asset valuation as followed:

Land with the carrying amount of Baht 43.22 million in the consolidated financial statements and of Baht 94.20 million in the separate financial statements were appraised by an independent appraiser based on market comparison approach.

10. PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment for the years ended December 31, 2021 and 2020 were as follows:

Consolidated financial statements							Baki
	Land	Buildings	Machinery and equipment	Office equipment	Vehicles	Assets under construction	Total
At cost							
At January 1, 2021	-	10,341,905	177,664	2,085,273	16,002,564	1,360,638	29,968,044
Purchase/ transfer-in	50,977,806	2,268,685	374,229	327,098	1,301,900	2,697,897	57,947,615
Disposal/ transfer-out	-	-	(13,522)	(3,972)	-	(2,122,559)	(2,140,053)
At December 31, 2021	50,977,806	12,610,590	538,371	2,408,399	17,304,464	1,935,976	85,775,606
Accumulated depreciation							
At January 1, 2021	-	3,507,990	85,051	1,177,762	12,180,034	-	16,950,837
Depreciation	-	608,455	74,550	311,341	522,462	-	1,516,808
Disposal/ transfer-out	-	-	-	-	-	-	-
At December 31, 2021	-	4,116,445	159,601	1,489,103	12,702,496	-	18,467,645
Net book value							
Owned assets							
At December 31, 2021	50,977,806	8,494,145	378,770	919,296	1,562,046	1,935,976	64,268,039
Assets under finance leases							
At December 31, 2021	-	-	-	-	3,039,922	-	3,039,922
Total							
At December 31, 2021	50,977,806	8,494,145	378,770	919,296	4,601,968	1,935,976	67,307,961

Separate financial statements

	Buildings	Machinery and equipment	Office equipment	Vehicles	Assets under construction	Total
At cost						
At January 1, 2020	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
Disposal/ 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
Purchase/ transfer-in	2,268,685	374,229	327,098	1,301,900	2,697,897	6,969,809
Disposal/ transfer-out	-	(13,522)	(3,972)	-	(2,122,559)	(2,140,053)
At December 31, 2021	12,610,590	538,371	2,408,399	17,304,464	1,935,976	34,797,800
Accumulated depreciation						
At January 1, 2020	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
Depreciation	608,455	74,550	311,341	522,462	-	1,516,808
Disposal/ transfer-out	-	-	-	-	-	-
At December 31, 2021	4,116,445	159,601	1,489,103	12,702,496	-	18,467,645
Net book value						
Owned assets						
At December 31, 2020	6,833,915	92,613	907,511	488,417	1,360,638	9,683,094
At December 31, 2021	8,494,145	378,770	919,296	1,562,046	1,935,976	13,290,233
Assets under finance leases						
At December 31, 2020	-	-	-	3,334,113	-	3,334,113
At December 31, 2021	-	-	-	3,039,922	-	3,039,922
Total						
At December 31, 2020	6,833,915	92,613	907,511	3,822,530	1,360,638	13,017,207
At December 31, 2021	8,494,145	378,770	919,296	4,601,968	1,935,976	16,330,155

	<i>Million Baht</i>	
	Consolidated and separate financial statements	
	2021	2020
As at December 31		
The gross carrying amount of fully depreciated that is still in use	13.96	13.61

Movements of the right-of-use assets recognized as vehicles for the year ended December 31, 2021 and 2020 were summarized as follows:

	<i>Baht</i>
	Consolidated financial statements
Net book value	
At January 1, 2021	3,334,113
Less Amortization	(294,191)
At December 31, 2021	3,039,922

	<i>Baht</i>
	Separate financial statements
Net book value	
At January 1, 2020	3,628,304
Less Amortization	(294,191)
At December 31, 2020	3,334,113
Less Amortization	(294,191)
At December 31, 2021	3,039,922

The Group entered into the lease agreement for vehicles with other parties. The Group recognized the right-of-use assets as part of property, plant and equipment.

11. LEASES

Right-of-use assets

Movements of the right-of-use assets for the year ended December 31, 2021 and 2020 were summarized as follows:

	<i>Baht</i>		
	Consolidated		
	financial statements		
	Land	Building	Total
Net book value			
At January 1, 2021	2,131,105	340,149	2,471,254
Less Amortization	(177,380)	(177,749)	(355,129)
At December 31, 2021	1,953,725	162,400	2,116,125

	<i>Baht</i>		
	Separate		
	financial statements		
	Land	Building	Total
Net book value			
At January 1, 2020	2,309,020	518,433	2,827,453
Less Amortization	(177,915)	(178,284)	(356,199)
At December 31, 2020	2,131,105	340,149	2,471,254
Less Amortization	(177,380)	(177,749)	(355,129)
At December 31, 2021	1,953,725	162,400	2,116,125

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

As at December 31, 2021 and 2020, leases liabilities consisted of:

	<i>Baht</i>	
	Consolidated and separate financial statements	
	2021	2020
Amount of leases liabilities	4,904,774	6,073,818
Less Deferred interest	(1,640,503)	(1,849,632)
Leases liabilities	3,264,271	4,224,186
Less Current portion	(977,087)	(936,166)
Long-term leases liabilities	2,287,184	3,288,020

Movements of leases liabilities for the years ended December 31, 2021 and 2020 were as follows:

	<i>Baht</i>		
	Consolidated financial statement	Separate financial statement	
	2021	2021	2020
Beginning balance	4,224,186	4,224,186	4,979,515
Amortized interest	209,129	209,129	228,954
Lease payment	(1,169,044)	(1,169,044)	(984,283)
Ending balance	3,264,271	3,264,271	4,224,186

As at December 31, 2021 and 2020, leases liabilities presented by term of repayment period were summarized as follow:

<i>Baht</i>			
	Consolidated and separate financial statements		
		Deferred	Minimum
Due of payment	Present value	interest expenses	lease payment
2021			
Within 1 year	977,087	156,123	1,133,210
More than 1 year but not over 5 years	421,752	496,596	918,348
Over 5 years	1,865,432	987,784	2,853,216
Total	3,264,271	1,640,503	4,904,774
2020			
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

Lessor

<i>Baht</i>			
	Consolidated	Separate	
	financial statements	financial statements	
	2021	2021	2020

For the year ended December 31,

Recognized in profit or loss

Interest expense from leases liabilities	209,129	209,129	228,954
Expensed relating to leases of low-value-assets	14,980	14,980	25,680

As at December 31, 2021 and 2020, the Group had the minimum lease payment under short-term lease relating to low-value-assets and non-cancellable agreement other than those lease liabilities as follow:

<i>Baht</i>		
	Consolidated and	
	separate financial statement	
Due of payment	2021	2020
Within 1 year	14,980	25,680
More than 1 year but not over 5 years	36,380	10,700
Total	51,360	36,380

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

Bank overdraft and short-term loans from financial institutions as at December 31, 2021 and 2020 consisted of:

	<i>Baht</i>	
	Consolidated and separate financial statements	
	2021	2020
Bank overdrafts	29,599,103	29,515,096
Promissory note	120,000,000	160,000,000
Total	149,599,103	189,515,096

The Group has the credit facilities from financial institutions which were detailed as follows:

	<i>Million Baht</i>		%
	Consolidated and separate financial statements		
	Credit limit		
Type of credit facilities	2021	2020	Referred interest rate
Bank overdrafts	30	30	Savings accounts
Promissory note	120	160	Savings accounts
Letter of guarantee	15	15	-

Collateral

The Group had mortgaged land including construction of cost of property development and land held for development (see notes 6 and 8).

The Company' directors and related persons had guaranteed for loans (see note 4).

The Company' directors and related persons entered into the business security agreement and registered their bank deposit to secure for short-term loans from financial institutions (see note 4).

13. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, 2021 and 2020 consisted of:

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Trade payables	103,580	1,253,847	103,580	1,253,847
Other payables				
Accrued expenses	1,183,179	1,246,763	1,133,179	1,246,763
Total	1,286,759	2,500,610	1,236,759	2,500,610

14. ADVANCE RECEIVED

Movement of advance received for the years ended December 31, 2021 and 2020 were summarized as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2021	2020	
Beginning balance	14,196,500	14,196,500	599,860	
Increase	6,168,588	6,168,588	15,261,500	
Decrease	(87,000)	(87,000)	(10,000)	
Recognized as revenue	(14,235,500)	(14,235,500)	(1,654,860)	
Ending balance	6,042,588	6,042,588	14,196,500	

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

15. LOAN FROM FINANCIAL INSTITUTIONS

Loan from financial institutions as at December 31, 2021 and 2020 consisted of:

Consolidated and separate financial statements										Baht	%
Financial institutions	Credit limit		Principal		Referred interest rate	Interest installment	Term of payment	Due of payment			
	2021	2020	2021	2020							
Commercial bank	8,000,000	8,000,000	6,857,172	7,973,198	2	At the end of each month	Jun 2020 - Jun 2022	Installment 1 st - 6 th ; Installment 7 th - 23 rd ; and interest repayment of Baht 0.10 million	grace period monthly principal and interest repayment of Baht 0.10 million		
								Installment 24 th ; repayment for the outstanding remained			
Commercial bank	10,000,000	10,000,000	3,871,094	10,050,769	2	At the end of each month	Jul 2020 - Jul 2022	Installment 1 st - 6 th ; Installment 7 th - 23 rd ; and interest repayment of Baht 0.57 million	grace period monthly principal and interest repayment of Baht 0.57 million		
								Installment 24 th ; repayment for the outstanding remained			
Commercial bank	2,000,000	2,000,000	1,504,019	2,008,434	2	At the end of each month	Sep 2020 - Sep 2022	Installment 1 st - 6 th ; Installment 7 th - 12 th ; Installment 13 th - 24 th ; of Baht 0.17 million.	grace period monthly interest repayment monthly principal and interest repayment of Baht 0.17 million.		

Consolidated and separate financial statements						Baht	%	
Financial institutions	Credit limit		Principal		Referred interest rate	Interest installment	Term of payment	Due of payment
	2021	2020	2021	2020				
Commercial bank	10,000,000	-	10,021,201	-	2, 6	At the end of each month	Nov 2021 - Nov 2025	Installment 1 st - 6 th ; grace period Installment 7 th - 47 th ; monthly principal and interest repayment of Baht 0.24 million Installment 48 th ; repayment for the outstanding remained
Total			22,253,486	20,032,401				
Less Current portion of liabilities			(13,774,625)	(7,783,418)				
Long-term loan			8,478,861	12,248,983				

Movements of loan from financial institution for the years ended December 31, 2021 and 2020 were summarized as follows:

	<i>Baht</i>		
	Consolidated	Separate	
	financial statements	financial statements	
	2021	2021	2020
Beginning balance	20,032,401	20,032,401	22,691,290
Add Increase in loan	10,000,000	10,000,000	20,118,505
Borrowing cost	-	-	608,710
Less Repayment	(7,778,915)	(7,778,915)	(23,386,104)
Ending balance	22,253,486	22,253,486	20,032,401

Collateral

The Group had mortgaged land including construction of cost of property development and land held for development (see notes 6 and 8).

The Company' directors had mortgaged land including constructions (see note 4).

The Company' directors had guaranteed for loans (see note 4).

As at December 31, 2021 and 2020, loan from financial institution presented by term of repayment period were summarized as follow:

	<i>Baht</i>	
	Consolidated and	
	separate financial statements	
	2021	2020
Due date of payment		
within 1 year	13,774,625	7,783,418
more than 1 year but not over 5 years	8,478,861	12,248,983
Total	22,253,486	20,032,401

The terms and conditions of agreement regarding loan from financial institution are summarized as follow:

- Decrease in share capital.
- Engage in finance transaction which are not a normal course of business.

16. PROVISIONS FOR EMPLOYEE BENEFITS

Provisions for employee benefit as at December 31, 2021 and 2020 consisted of:

	<i>Baht</i>	
	Consolidated and separate financial statements	
	2021	2020
Post employment benefits		
Present value of obligations	2,678,061	1,768,729
Less Current portion	-	-
Provisions for long-term employee benefit	2,678,061	1,768,729

Movements of the present value of provisions for employee benefit for the years ended December 31, 2021 and 2020 were summarized as follows:

	<i>Baht</i>		
	Consolidated	Separate	
	financial statements	financial statements	
	2021	2021	2020
Post-employment benefit plan			
Present value of provision for employee benefit			
At January 1	1,768,729	1,768,729	1,448,181
Included in profit or loss:			
Current service cost	282,614	282,614	273,771
Interest cost	57,130	57,130	46,777
Included in other comprehensive income (loss):			
Actuarial loss	569,588	569,588	-
At December 31	2,678,061	2,678,061	1,768,729

Principal actuarial assumptions as at December 31, 2021 and 2020 were as follow:

	Consolidated and separate financial statements		%
	2021	2020	
Discount rate	2.89	3.23	
Salary increase rate	6.00	5.00	
Turnover rate	1.50 - 25.00	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, 2021 and 2020 are summarized below:

	Consolidated and separate financial statements				Baht
	2021		2020		
	Increase	Decrease	Increase	Decrease	
Discount rate (1% Movement)	(391,804)	473,153	(197,901)	237,637	
Salary increase rate (1% Movement)	470,547	(397,472)	269,113	(226,366)	
Turnover rate (10% Movement)	(135,701)	146,578	(172,381)	207,961	
(Year 2020: 20% Movement)					

The Group presented in the statement of comprehensive income for the year ended December 31, 2021 and 2020 as follow:

	<i>Baht</i>		
	Consolidated	Separate	
	financial statements	financial statements	
	2021	2021	2020
Cost of sale	83,896	83,896	79,073
Selling expenses	17,859	17,859	16,840
Administrative expenses	237,989	237,989	224,635
Total	339,744	339,744	320,548

17. PROVISIONS

Movements of provision for the years ended December 31, 2021 and 2020 were summarized as follows

	<i>Baht</i>		
	Consolidated financial statements		
	Provision for	Contribution to housing	
	maintenance	estate juristic persons	Total
As at January 1, 2021	777,789	1,098,641	1,876,430
Increase	216,360	103,826	320,186
Actual payment	(4,910)	-	(4,910)
Reversal of provision	(269,868)	-	(269,868)
As at December 31, 2021	719,371	1,202,467	1,921,838

	<i>Baht</i>		
	Separate financial statements		
	Provision for	Contribution to housing	
	maintenance	estate juristic persons	Total
As at January 1, 2020	815,251	978,022	1,793,273
Increase	284,640	120,619	405,259
Actual payment	(6,009)	-	(6,009)
Reversal of provision	(316,093)	-	(316,093)
As at December 31, 2020	777,789	1,098,641	1,876,430
Increase	216,360	103,826	320,186
Actual payment	(4,910)	-	(4,910)
Reversal of provision	(269,868)	-	(269,868)
As at December 31, 2021	719,371	1,202,467	1,921,838

18. DEBENTURE

The Ordinary General Shareholders' Meeting held on April 26, 2021 passed the resolutions to approve to issue and offer the debenture with the total amount not exceeding of Baht 500 million or equivalence in other currencies. The issuance of debentures is intended for use in the business operation.

19. SHARE CAPITAL

Movement of share capital for the years ended December 31, 2021 and 2020 were summarized as follows:

		<i>Baht</i>			
	Par value	2021		2020	
	per share	Number	Amount	Number	Amount
Share capital					
Ordinary shares					
At January 1	86.50	-	-	3,600,000	311,400,000
	0.50	840,000,000	420,000,000	-	-
Change in par value	0.50	-	-	619,200,000	-
Increase of new shares	0.50	-	-	217,200,000	108,600,000
At December 31	0.50	840,000,000	420,000,000	840,000,000	420,000,000
Issued and paid-up shares					
Ordinary shares					
At January 1	86.50	-	-	3,600,000	311,400,000
	0.50	840,000,000	420,000,000	-	-
Change in par value	0.50	-	-	619,200,000	-
Increase of new shares	0.50	-	-	217,200,000	108,600,000
At December 31	0.50	840,000,000	420,000,000	840,000,000	420,000,000

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:

- 19.1 Convert the company limited to a public company.
- 19.2 Change the par value of share capital from Baht 86.50 each to Baht 0.50 each.
- 19.3 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.

- 19.4 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:
- 19.4.1 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.
- 19.4.2 Allot the remaining shares for the Initial Public Offering.
- 19.5 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.
- 19.6 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 to the Company had received share subscription for the increased ordinary shares from Baht 311.40 million to Baht 420 million on October 21, 2020.

20. 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.

21. DIVIDEND

						Baht
Dividend	Approval	Approval date	Dividend payment date	Dividend per share	Interim dividend per share	Actual dividend paid
Year 2021	The Ordinary General Meeting of Shareholders	26 Apr 21	5 May 21	0.03	-	<u>25,200,000</u>

22. LEGAL RESERVE

According to the Public Limited Companies Act B.E. 2535, Section 116, 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.

23. REVENUE FROM CONTRACT WITH CUSTOMERS

Disaggregation of revenue

	<i>Baht</i>		
	Consolidated	Separate	
	financial statements	financial statements	
	2021	2021	2020
Type of goods or services			
Revenue from sale of property	60,751,739	60,751,739	92,117,422
Rental income	79,885	79,885	114,395
interest income	12,501	7,067	-
Other income	1,155,656	1,155,455	467,333
Total	1,248,042	1,242,407	581,728
Grand total	61,999,781	61,994,146	92,699,150
Timing of revenue recognition			
At a point in time	61,907,395	61,907,194	92,584,755
Over time	92,386	86,952	114,395
Total	61,999,781	61,994,146	92,699,150

24. EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses for the year ended December 31, 2021 and 2020 were summarized as follow:

	<i>Baht</i>		
	Consolidated	Separate	
	financial statements	financial statements	
	2021	2021	2020
Salaries and wages	11,843,859	11,843,859	9,258,162
Defined benefit plans	339,744	339,744	320,548
Provident fund	326,730	326,730	115,555
Others	1,034,874	1,034,874	1,341,049
Total	13,545,207	13,545,207	11,035,314

Provident fund

The provident funds established by the Group for its employees under the Provident Fund Act B.E. 2530 comprises contributions made monthly by the employees and by the Group. The provident fund will be paid to the employees upon termination in accordance with the rules of the Fund. At the present, the provident funds are managed by SCB Asset Management.

Baht

	Consolidated	Separate	
	financial statements	financial statements	
	2021	2021	2020
For the year ended December 31			
Contributions paid to the provident fund	326,730	326,730	115,555

25. EXPENSES BY NATURE

Expenses by nature for the year ended December 31, 2021 and 2020 were summarized as follow:

Baht

	Consolidated	Separate	
	financial statements	financial statements	
	2021	2021	2020
Employee expenses	13,545,207	13,545,207	11,035,314
Depreciation and amortization	1,977,642	1,977,642	1,585,793
Consultant and services expenses	5,667,085	5,667,085	6,508,017
Registration and transfer fee	2,190,113	2,190,113	3,260,841

26. FINANCE COSTS

Finance costs for the years ended December 31, 2021 and 2020 were summarized as follow:

Baht

	Consolidated	Separate	
	financial statements	financial statements	
	2021	2021	2020
Interest expenses	3,986,700	3,986,700	6,168,283
Bank charge	-	-	608,711
Total	3,986,700	3,986,700	6,776,994
Less capitalized finance cost	(40,417)	(40,417)	(63,100)
Net	3,946,283	3,946,283	6,713,894

27. INCOME TAX

Income tax of the Group for the years ended December 31, 2021 and 2020 was calculated at a rate specified by the Revenue Department on net earnings after adjusting certain conditions according to the Revenue Code. The Group recorded the corporate income tax as expense for the years and recorded the accrued portion as liabilities in the statements of financial position.

Tax income (expense) for the year ended December 31, 2021 and 2020 were as follow:

	<i>Baht</i>		
	Consolidated	Separate	
	financial statements	financial statements	
	2021	2021	2020
Income tax recognized in profit or loss			
Current tax expense			
Current year	-	-	(2,369,796)
Deferred tax			
Movements in temporary differences	1,686,029	1,686,029	689,630
Tax income (expense)	1,686,029	1,686,029	(1,680,166)

	<i>Baht</i>		
	Consolidated and separate financial statements		
	2021		
	Before tax	Tax income	Net of tax
Income tax recognized in other comprehensive income			
Defined benefit plan actuarial losses	(569,588)	113,918	(455,670)

Reconciliation of effective tax rate	Consolidated financial statements		Separate financial statements		Baht
	2021		2020		
	%	Tax rate	%	Tax rate	
Profit (loss) before income tax		(8,513,389)		(8,293,401)	16,612,170
Income tax using the Thai corporation tax rate	20	1,702,678	20	1,658,680	(3,322,434)
Income subject to tax		-		-	(2,820,300)
Income not subject to tax		2,892,300		2,892,300	-
Expenses not deductible for tax purposes		(2,234,541)		(2,234,541)	(41,959)
Addition expenses for tax purposes		4,416		4,416	3,814,897
Current period taxable losses		(2,361,531)		(2,320,855)	-
The effects from the elimination in the preparation of consolidated financial statements		(3,322)		-	-
Current tax expense	-	-	-	-	(2,369,796)
Movement in temporary differences		1,686,029		1,686,029	689,630
Tax income (expenses)	20	1,686,029	20	1,686,029	(1,680,166)

DEFERRED TAX

Deferred tax as at December 31, 2021 and 2020 consisted of:

	<i>Baht</i>	
	Consolidated and separate financial statements	
	2021	2020
Deferred tax assets	3,372,398	1,665,744
Deferred tax liabilities	-	(93,293)
Deferred tax assets - net	3,372,398	1,572,451

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

	<i>Baht</i>			
	Consolidated financial statements			
	As at January 1, 2021	Profit (loss)	Other comprehensive income	As at December 31, 2021
Deferred tax assets				
Right-of-use assets	20,470	17,093	-	37,563
Provisions	505,538	(27,169)	-	478,369
Advance received	785,991	(785,991)	-	-
Provisions for employee benefit	353,745	67,948	113,918	535,611
Loss carry forward	-	2,320,855	-	2,320,855
Total	1,665,744	1,592,736	113,918	3,372,398
Deferred tax liabilities				
Advance payment	(93,293)	93,293	-	-

	<i>Baht</i>					
	Separate financial statements					
	As at January 1, 2020	Profit (loss)	As at December 31, 2020	Profit (loss)	Other comprehensive income	As at December 31, 2021
Deferred tax assets						
Right-of-use assets	-	20,470	20,470	17,093	-	37,563
Provisions	593,185	(87,647)	505,538	(27,169)	-	478,369
Advance received	-	785,991	785,991	(785,991)	-	-
Provisions for employee benefit	289,636	64,109	353,745	67,948	113,918	535,611
Loss carry forward	-	-	-	2,320,855	-	2,320,855
Total	882,821	782,923	1,665,744	1,592,736	113,918	3,372,398
Deferred tax liabilities						
Advance payment	-	(93,293)	(93,293)	93,293	-	-

28. 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 information

The Group operate in a single geographical segment principally in Thailand. There are no material revenues derived from or assets located in foreign countries. Therefore, revenue and assets presented in the financial statements are geographical segment reporting.

Major customers

For the year ended December 31, 2021 and 2020:

No single customer represents a major customer because the Group have large number of customers, who are end users covering business and individuals.

29. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share

Basic earnings (loss) per share for the years ended December 31, 2021 and 2020 is calculated by dividing profit (loss) 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 19).

For the years ended December 31, 2021 and 2020 were as follows:

	<i>Baht</i>		
	Consolidated	Separate	
	financial statements	financial statements	
	2021	2021	2020
Profit (loss) for the year	(6,827,360)	(6,607,732)	14,932,004
Weighted average number of ordinary shares (Shares)			
Ordinary shares at the beginning of year	840,000,000	840,000,000	3,600,000
The effect of change in par value	-	-	619,200,000
Increase in ordinary shares	-	-	42,727,869
Weighted average number of ordinary shares	840,000,000	840,000,000	665,527,869
Basic earnings (loss) per shares	(0.0081)	(0.0079)	0.0224

30. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2021 and 2020, the Group has commitments and contingent liabilities as follows:

Commitments

- a) As at December 31, 2021 and 2020, the Group has letters of guarantee issued by the banks regarding to the obligation under the agreement as follow:

	<i>Million Baht</i>	
	Consolidated and separate financial statements	
	2021	2020
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, 2021 and 2020, the Group has commitments regarding to the agreements as follow:

	<i>Million Baht</i>	
	Consolidated and separate financial statements	
	2021	2020
Monthly		
The security agreement	0.08	0.10
Remaining amount		
Contractor agreement	6.65	1.50
Service agreement	1.03	1.71

31. 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 Group 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 Group are exposed to risks from changes in interest rates and currency exchange rates and risks from non-performance of contractual obligations by counterparties. The Group uses derivatives, as and when it considers appropriate, to manage such risks. In addition, the Group has a policy to enter into contracts with creditworthy counterparties. Therefore, the Group 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 Group.

The exposure to interest rate risk of the Group relates primarily to their deposits at financial institutions, bank overdrafts, loan from financial institution, loan from related person and lease liabilities. 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 Group do not use derivatives to manage their interest rate risk.

	<i>Baht</i>			
	Consolidated financial statement		Separate financial statement	
	Interest rate		Interest rate	
	Variable	Fixed	Variable	Fixed
As at December 31, 2021				
Financial assets				
Cash at bank	37,530,878	-	34,733,162	-
Restricted bank deposits	292,749	-	292,749	-
Financial liabilities				
Bank overdraft and short-term loans				
from financial institutions	149,599,103	-	149,599,103	-
Short-term loans from related persons	-	93,250,000	-	93,250,000
Loan from financial institutions	-	22,253,486	-	22,253,486
Lease liabilities	-	3,264,271	-	3,264,271

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

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 Group.

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

The Group determines the impairment of other receivables basing on an expected credit loss model which the Group 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 Group 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, 2021 and 2020, counting from the statements of financial position date were as follows:

Consolidated financial statement					
As at December 31, 2021					
At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
Financial assets					
Cash at bank	37,530,878	-	-	-	37,530,878
Other receivables	-	75,141	-	-	75,141
Restricted bank deposits	-	-	-	292,749	292,749
Financial liabilities					
Bank overdraft and short-term					
loan from financial institutions	-	149,599,103	-	-	149,599,103
Trade and other payables	-	1,286,759	-	-	1,286,759
Short-term loans from related persons	93,250,000	-	-	-	93,250,000
Loan from financial institutions	-	13,774,625	8,478,861	-	22,253,486
Lease liabilities	-	977,087	421,752	1,865,432	3,264,271

Separate financial statement					
As at December 31, 2021					
At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
Financial assets					
Cash at bank	34,733,162	-	-	-	34,733,162
Other receivables	-	75,141	-	-	75,141
Restricted bank deposits	-	-	-	292,749	292,749
Financial liabilities					
Bank overdraft and short-term					
loan from financial institutions	-	149,599,103	-	-	149,599,103
Trade and other payables	-	1,236,759	-	-	1,236,759
Short-term loans from related persons	93,250,000	-	-	-	93,250,000
Loan from financial institutions	-	13,774,625	8,478,861	-	22,253,486
Lease liabilities	-	977,087	421,752	1,865,432	3,264,271

	Consolidated and separate financial statement					
	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
Other receivables	-	49,765	-	-	-	49,765
Restricted bank deposits	-	-	-	-	207,467	207,467
Financial liabilities						
Bank overdraft and short-term						
loan from financial institutions	-	189,515,096	-	-	-	189,515,096
Trade and other payables	-	2,500,610	-	-	-	2,500,610
Short-term loans from related persons	110,250,000	-	-	-	-	110,250,000
Loan from financial institutions	-	7,783,418	12,248,983	-	-	20,032,401
Lease liabilities	-	936,166	1,362,545	1,925,475	-	4,224,186

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.

The fair value information disclosure does not include fair value information for financial assets and financial liabilities measured at amortized cost if the carrying amount is a reasonable approximation of fair value.

	Consolidated financial statement				
	Carrying	Fair value			
As at December 31, 2021	amount	Level 1	Level 2	Level 3	Total
Financial assets					
Assets disclosed at fair value					
Investment property	43,218,304	-	43,218,304	-	43,218,304

Baht

	Separate financial statement				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
As at December 31, 2021					
Financial assets					
Assets disclosed at fair value					
Investment property	94,196,110	-	94,196,110	-	94,196,110

32. RECLASSIFICATION

The Group has reclassified certain accounts in the statement of financial position as at December 31, 2020, to conform to the presentation of statements of current year as follow:

Baht

	Separate financial statements		
	Before	Reclassification	After
Current liabilities			
Current portion of liabilities	8,719,584	(936,166)	7,783,418
Current portion of lease liabilities	-	936,166	936,166