

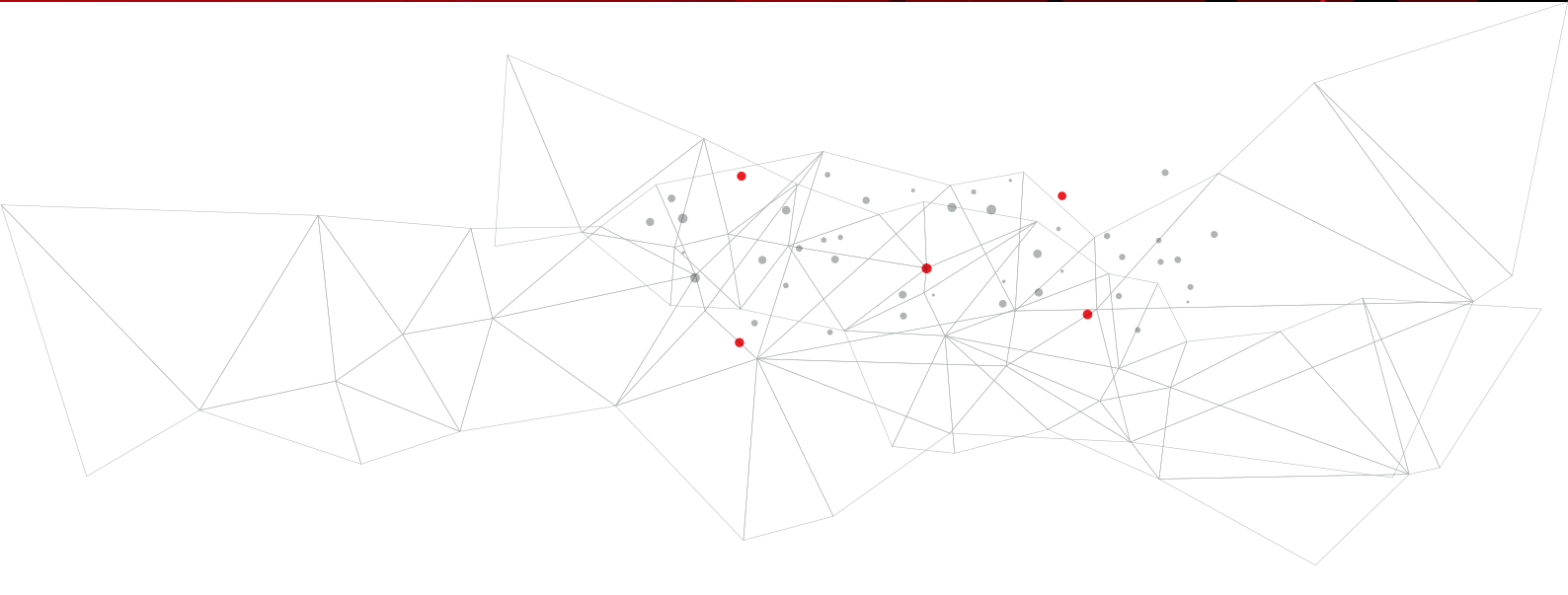
JAS ASSET PUBLIC COMPANY LIMITED

**ANNUAL**  
REPORT

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2019

Jas  
asset



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**Financial information**

Unit: Million Baht

	2017	2018	2019
<b>Performance and Financial Status</b>			
Total income	758.3	915.7	928.6
Gross profit	152.4	156.2	169.5
Net profit	6.4	(24.1)	7.9
Total assets	2,496.2	2,409.5	2,310.2
Total liabilities	1,527.2	1,464.6	1,027.1
Shareholders' equity	969.0	944.9	1,283.1
<b>Key Financial Ratio</b>			
Return on equity (ROE)	0.7%	-2.6%	1.3%
Return on assets (ROA)	0.3%	-1.0%	0.7%
Debt/Equity ratio (D/E)	1.58	1.55	0.80
Earnings per share (Baht per share) (EPS)	0.02	-0.04	0.03

**Message from the Board of Directors**

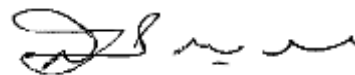
Dear Shareholders,

The year 2019 was considered another year of the Company's operational success among the economic recession. According to the Company's operating result, reported total revenue of 962.1 million Baht, a increase of 6 percent from the previous year. In addition, the Company had a net profit of 17.2 million Baht as a result of being able to recognize the revenue from the transfer of condominiums under the New Era condominium project to customers at the end of the year 2019, as well as could manage to decrease the operating costs quite well during the last year.

Since 2019, the Company has tried to expand the business by focusing on the main business development, especially the development of rental areas under the form of community trade centers. In which the new project development of the Company, "The Jas Village", is located in the industrial community closed to Amata Industrial Estate Chonburi. It is the form of project development that does not require a high investment and there are the main shops that fully open for service. The operation is expected to be able to open and can recognize the revenue from space rental available from the beginning of the second quarter of 2020 onwards.

As for the direction of the Company by 2020 which it is still determined to be the main force in developing synergy within Jaymart group. The Company shall be the key force in property development for the group, including the businesses related to real estate development and the sale of real estate. Whereby, the said operational plan shall begin and occur within this year.

On this occasion, the Company would like to thank the shareholders, customers, business partners, management, and employees, which has supported the Company to grow its business consistently. Besides, the Company would like to confirm that we shall conduct the business professionally and enhance the organization's capabilities, including to comply with the social responsibility policy, maintain a good role model for society to create a better quality of life.



(Mr. Sukhon Kanchanahatakij)  
Chairman of the Board



(Mr. Suphot Sirikulapas)  
Chief Executive Officer

**Information about the Board of Directors and Executives**

**Mr. Sukont Kanjanahattakit**

**Age:** 73 years old

**Position:** President/ Independent Committee

**Educational background:**

Bachelor's Degree in Accounting – Virginia Polytechnic and State University, USA

Master's Degree in Accounting – Virginia Polytechnic and State University, USA



**Training on Director's Roles:**

2007	Director Certification Program (DCP)	Thai Institute of Directors
2010	Audit Committee Program (ACP)	Thai Institute of Directors

**Experience:**

2015 - Present	President	JAS Asset Public Company Limited
2017 – Present	President	SRISAWAD FINANCE PUBLIC COMPANY LIMITED
2012 – Present	President	Srisawad Power 1979 Pcl
2014 – 2019	President	World Corporation Pcl
2009 – 2017	Vice President	CIMB Thai Bank Pcl
	Audit Committee and Independent Committee	
2012 – 2014	Independent Committee	scan-inter company
2013 – 2015	Vice President/ Independent Committee	Thaisri Insurance
	President of Audit Committee	

**Forbidden Qualifications**

1. No record of criminal offences of property corruption
2. No record of transactions which may cause conflicts of interest with the Company in the past years

**Mr. Adisak Sukumvitaya**

**Age:** 63 years old

**Position:** Director

**Educational background:**

Bachelor of Economics	Kasetsart University
Master of Economics	Kasetsart University

**Training on Director's Roles:**

2008	Director Accreditation Program (69/2008)	Thai Institute of Directors
2556	Senior Executive Management Program	Capital Market Academy (CMA) 15 <sup>th</sup>

**Experience:**

1990 – Present	Director/Chief Executive Officer	Jaymart Pcl
2016 – Present	Chairman of the Board	Jaymart Mobile Co., Ltd
2016 – Present	Chairman of the Board	Singer Thailand Pcl
2016 – Present	Chairman of the Board	SG Capital Co., Ltd
2012 – Present	President	JMT Network Services Pcl
1994 – 2012	Director	JMT Network Services Pcl
2012 – 2015	President	JAS Asset Pcl



2015 – Present	Director	JAS Asset Pcl
2013 – Present	Director	J&P (Thailand) Co., Ltd.
2013 – Present	Director	J Asset Management Co., Ltd.
2013 – Present	Director	Jaymart Insurance Broker Co., Ltd.
2013 – Present	Director	J Capital Co., Ltd
2017 – Present	Director	J Ventures Co.,Ltd

**Forbidden Qualifications**

1. No record of criminal offences of property corruption
2. No record of transactions which may cause conflicts of interest with the Company in the past years

**Miss Yuvadee Pong-acha**

Age: 64 years old

Position: Director and Chairman of the Executive Director  
Nomination and Remuneration Committee

**Educational background:**

Bachelor's degree	Political Sciences, Thammasat University
MBA	Bridgeport University, USA



**Training on Director's Roles:**

2008	Director Accreditation Program (69/2008)	Thai Institute of Directors
2018	Board Nomination and Compensation Program (6/2018)	Thai Institute of Directors

**Experience:**

1990 – Present	Director	Jaymart Pcl
2004 – Present	Executive Director and Vice President	Jaymart Pcl
2016 - Present	Director	Jaymart Mobile Co., Ltd
2007 – Present	Director	JMT Network Services Pcl
2017 – Present	Director	J Ventures Co., Ltd
2007 – 2011	Managing Director	JMT Network Services Pcl
2011 – Present	President	J Fintech Co., Ltd.
2012 – Present	Director and Chairman of the Executive Director	JAS Asset Pcl
2013 – Present	Director	J&P (Thailand) Co., Ltd.
2013 – Present	Director	J Asset Management Co., Ltd
2013 – Present	Director	Jaymart Insurance Broker Co., Ltd.
2013 – Present	Director	Jaymart Holding Co., Ltd.
1981 – 1990	Deputy Director of Money Market Department	TISCO Securities Pcl
2002 – Present	Director	T.A.S. Asset Co., Ltd.

**Forbidden Qualifications**

1. No record of criminal offences of property corruption
2. No record of transactions which may cause conflicts of interest with the Company in the past years

**Mr. Suphot Sirikulapas**

Age: 45 years old

Position: Director and Executive Director  
and Chief Executive Officer

Educational background:

Bachelor's degree in Financial Economics	Ramkhamhaeng University
Master's degree in Management	Sripatum University



Training on Director's Roles:

2005	Director Certification Program	Thai Institute of Directors
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Experience:

2015 – Present	Executive Director and Chief Executive Officer	JAS Asset Pcl
2014 – Present	Director	JAS Asset Pcl
2011 – 2015	Executive Director and Company's Secretary and Accounting and Finance Director	JMT Network Services Pcl
2013 – Present	Director	Jaymart Insurance Broker Co., Ltd.
2013 – Present	Director	J Asset Management Co., Ltd.
2006 – 2012	Financial Controller	Jaymart Pcl

Forbidden Qualifications

1. No record of criminal offences of property corruption
2. No record of transactions which may cause conflicts of interest with the Company in the past years

**Mr. Premon Pinskul**

Age : 63 years old

Nationality : Thai

Position : Independent Committee and President of Audit Committee

Educational background :

Master of Business Administration	University of Detroit, USA
Master of Art (Economics)	University of Detroit, USA
Bachelor of Accounting	Thammasat University



Training on Director's Roles :

2009	Director Certification Program (DCP)	Thai Institute of Directors
2010	Audit Committee Program (ACP)	Thai Institute of Directors
2010	Monitoring fraud Management (MFM) 2/2010	Thai Institute of Directors
2010	Monitoring of the Quality of Financial Reporting (MFR) 10/2010	Thai Institute of Directors
2010	Monitoring the Internal Audit Function (MIA) 7/2010	Thai Institute of Directors
2010	Monitoring the System of Internal Control & Risk Management (MIR) 8/2010	Thai Institute of Directors

Experience:

2013 – Present	Independent Committee/President of Audit Committee	JAS Asset Pcl
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2015 – Present Independent Committee/ President After You Pcl

Forbidden Qualifications

1. No record of criminal offences of property corruption
2. No record of transactions which may cause conflicts of interest with the Company in the past years

**Ms. Pannee Choedrum-phai**

Age: 64 years old

Position: Independent Committee and Audit Committee  
and Chairman of the Nomination and Remuneration committee

Educational background:

Bachelor's degree	Faculty of Commerce and Accountancy, Marketing Department Chulalongkorn University
MBA	Northrop University, USA



Training on Director's Roles:

2007	Director Certification Program (DCP) (84/2007)	Thai Institute of Directors
2006	Director Accreditation Program (DAP) (59/2006)	Thai Institute of Directors

Experience:

2013 – Present	Independent Committee and Audit Committee and Chairman of the Nomination and Remuneration Committee	JAS Asset Pcl
2017 – Present	Promotion Affairs Committee	MAEJO University
2010 – 2016	Assistant Managing Director	Islamic Bank of Thailand
2006 – 2010	Managing Director	Thai Samut Asset Company Limited

Forbidden Qualifications

1. No record of criminal offences of property corruption
2. No record of transactions which may cause conflicts of interest with the Company in the past years

**Mr. Anucha Viriyachai**

Age: 64 years old

Position : Independent Committee and Audit Committee

Educational background:

Bachelor of Economics	Thammasat University
MBA	Ohio University, USA



Training on Director's Roles:

2008	Director Accreditation Program (DAP)	Thai Institute of Directors
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Experience:

2013 – Present	Director and Audit Committee	JAS Asset Pcl
2004 – 2015	Director and Chief Executive Officer	Marketing Drive Worldwide (Thailand) Co., Ltd.
2000 – 2015	Managing Director	Prakit Holding Pcl
2000 – 2015	Director and Chief Executive Officer	Prakit Advertising Co., Ltd.

Forbidden Qualifications

1. No record of criminal offences of property corruption
2. No record of transactions which may cause conflicts of interest with the Company in the past years



**General Information about the Company**

**JAS Asset Public Company Limited**

Location of the Headquarters: 187,8<sup>th</sup> floor, Jaymart Building, Ramkhamhaeng Rd., Ratpatthana, Saphansoong District, Bangkok 10240

Tel: 0-2308-9000

Fax: 0-2308-8088

Company registration number: 0107557000136

Website: [www.jasasset.co.th](http://www.jasasset.co.th)

Business type: Retail rental space and Retail Management business

Registered capital: 1,081,905,778 Baht consisting 1,081,905,778 ordinary shares  
Par Value 1 Baht (31 December 2019)

Paid-up registered capital: 793,807,290 Baht consisting of 793,807,290 ordinary shares  
Par Value 1 Baht (31 December 2019)

**Auditor**

Company	:	<b>EY Office Limited</b> Ms.Nongluck Poomnoi Auditor's License No. 4172 Ms.Rungnapa Lertsuwankul Auditor's License No. 3516 Ms.Ratana Jala Auditor's License No. 3734 Ms.Pimjai Manitkajohnkit Auditor's License No. 4521 Ms.Wanvilai Petsang Auditor's License No. 5315 Ms.Rosaporn Decharkom Auditor's License No. 5659 Ms.Sumana Punpongsanon Auditor's License No. 5872
Headquarters	:	33 <sup>rd</sup> Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110
Telephone	:	0-2264-0777, 0-2264-9190
Fax	:	0-2264-0789-90

**Legal Advisor**

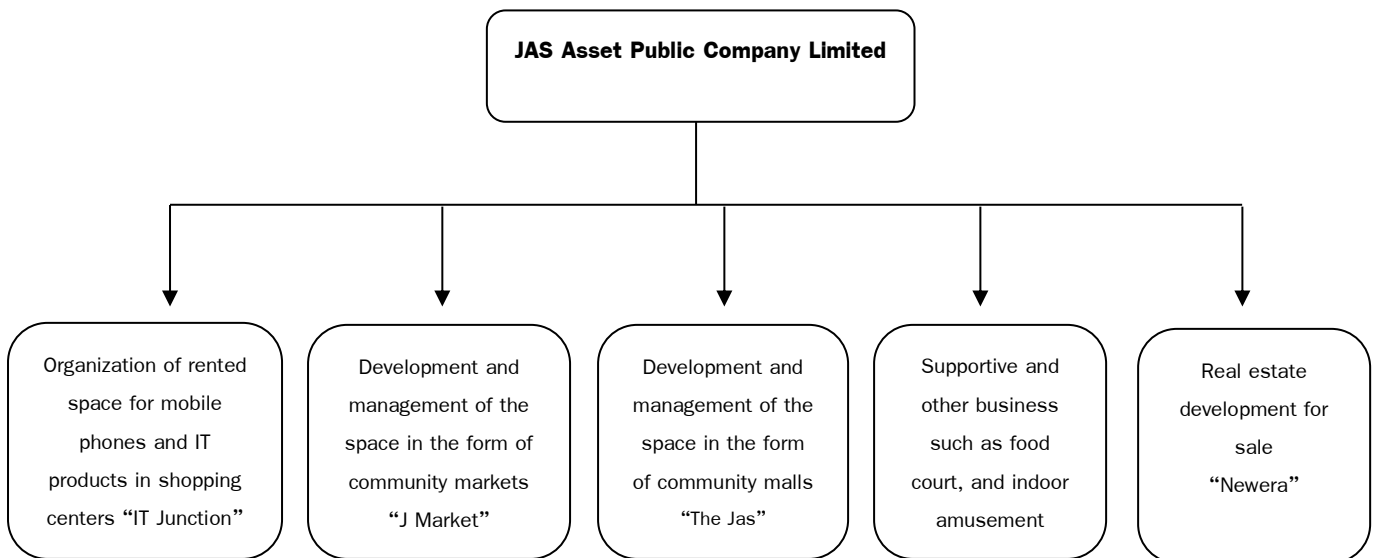
Company	:	CMT Consulting Company Limited
Head Office Address	:	75 Soi Pueung-Mee11 Bangchak Sub District Phrakhanong District Bangkok 10260
Telephone	:	08-1836-7236
Fax	:	-

**Business Characteristics**

**1. Business Characteristics**

JAS Asset Public Company Limited (“Company”) was established on 4 January 2012 with 1,000,000 Baht paid-up registered capital. The objective of the Company is to run the business of organizing the rented space in shopping centers with an emphasis on the mobile phone and IT product zones. The Company has started its business since 2000 as one of the divisions of Jaymart Public Company Limited (“Jaymart”). At that time, Jaymart had been expanding its business of rented space organization in shopping centers. The business had been kicked off Big C Supermarket, Nakhonpathom by organizing “IT Junction” zones for mobile phones and IT products which were allocated to retail sellers. The rented space organization business has been expanded contagiously until it became a major business of the Company. In 2012 and 2015, the Company expanded its business to the development and management of the rented space in the form of community markets and community malls, respectively.

Currently, the Company’s real estate business can be divided into 5 groups, which are 1) Organization of rented space for mobile phones and IT products in shopping centers for retail sellers under the name of “IT Junction”, 2) Development and management of the space in the form of community markets under the name of “J Market” and 3) Development and management of the space in the form of community malls under the name of “The Jas” and “The Jas Urban”. 4) Supportive and other business such as food court management brand “Urban Food Ville”, Indoor amusement park brand “Totem Kingdom” 5) Property Development for Sale: Condominium Project “Newera Condominium”



**2. Company’s business**

**1. Junction” Organization of rented space for mobile phones and IT products in shopping centers for retail sellers under the name of “IT Junction”**

The Company is the organizer of rented space for mobile phones and IT products in shopping centers or in other potential space such as Big C or Central Shopping Mall for subleasing to retail sellers. First, the Company rents part

of the space from the shopping centers or big department stores who own the space. Then, the rented space will be modified and decorated before subleasing to retail sellers. The Company will provide maintenance and management of such rented space throughout the lease term. The objective of the business is to arrange the rented space to be the center of mobile phones and IT products under the name "IT Junction".

On 31 December 2019, the Company has 39 branches of IT Junction rented space projects. The total rented space is 7,553 square meters which covers the areas in Bangkok metropolitan, the nearby cities and other big provinces in Thailand.

**2. Development and management of the space in the form of community markets under the name of "J Market"**

In 2012, the Company planned to expand its business to real estate development and management of the space around the community markets including local markets and food markets. The Company manages to rent the land and/or the building from the original owners. Then, the rented facilities are decorated and allotted before subleasing to retail sellers under the name "J Market". Amornpan Market is the first community market developed under this project. It is situated at the other side of Kasetsart University. The market is managed under the name "J Market @ Amornpan Kaset". In 2014, there were 2 additional projects in Keha Thani 4 Village, Prat Pattana Road and on Baan Saima Road. In 2015, J Market Lad Plakhao (J. Night Market) was established on Lad Plakhao Road.

In summary, as of 31 December 2019, the Company has managed 4 community markets under the name J Market, which include (1) J Market @ Amornpan Kaset, (2) J Market Rat Pattana, (3) J Market Saima, and (4) J. Night Market.

**3. Development and management of the space in the form of community malls under the name of "The Jas"**

In 2014, the Company started the development and management of the space in the form of community mall. The first project is "The Jas Wanghin" located on Ladprao-Wanghin Road, Ladprao District, Bangkok, which covers the area of 5 rai, 2 ngarn, 20 square wah (8,880 square meters). The total rented space is 5,750 square meters, which has been available since November 2014. After that, the Company has developed another 2 projects, which are The Jas Ramintra, located on Lad Plakhao Road, Baangkhen District, Bangkok, having the total area of 9 rai (14,400 square meters) with the rented space of 12,000 square meters available since September 2015.

In 2016, the Company developed the new community mall project, namely The JAS Urban Srinakarin, which located on Srinakarin Road. The project has total area 11 rai with rented space of 19,850 square meters and available since November 2016

The occupancy rate of 3 community mall owned by the Company as end 31 December 2019 was

	The Jas Wanghin	The Jas Ramintra	The Jas Urban
Occupancy Rate (%)	94%	93%	95%



#### 4. Property Development for Sale: Condominium Project

In 2018, the Company started to develop a condominium project “Newera Condominium” which has a location on Soi Sukontasawat 38, Sukontasawat Road, Ladproa, and Bangkok. Newera Condominium is a low rise type residential building with 8 storey total unit for sale is 177 units. The construction of the project is completed and ready to transfer to customer. Current the Company transfer 50% of total unit sold and about to transfer the available units within 2020.



### 3. Company's Vision and Goals

#### Vision

- To be the leader of rental spaces management in shopping malls as well as real estate developer for the better lives in the neighborhood.

#### Mission

- To become the largest rental space management operator in shopping malls.
- Develop property projects that serve community demands
- Commit to good corporate governance in Business Corporation. Take good care of the employee, business partner and the society.

#### Goals

The Company aims to become a leader in organizing the rented space in shopping centers in part of mobile phones and IT product zone under the name "IT Junction" by focusing on the rented space in potential shopping centers in Bangkok and other provinces around the country. In addition, the Company has expanded 2 more business lines, which are community markets under the name "J Market" and community malls under the name "The Jas".

Currently, the Company has the total rented space of over 42,200 square meters and aims to expand the businesses, including rental space management in shopping malls and property development (IT Junction, J.Market and The JAS). The expansion plan is as follows:

1. Expanding the business of organization of rented space in shopping centers in part of mobile phones and IT products to cover all of the existing branches of the shopping centers and all of their future expanded branches. The expansion will be made in consideration of the location and potential of each branch as well as the return of investment in each project before the investment decision is made.
2. Investing more on community markets and community malls in consideration of the location and potential of the land as well as the return of the investment. In 2020, the Company is on process of develop new community mall project "The Jas Village Amata" which expect to complete and open in 3<sup>rd</sup> quarter of 2020. This project has 10,000 square meters for leasable area. Moreover, the Company started a new project "JAS Village Khubon" with 11,000 square meter leasable area with target to open in 2021.

### 4. Key Development and milestones

Year	Milestone
2000	<ul style="list-style-type: none"> <li>▪ Jaymart started the business of organization of rented space in shopping centers in part of mobile phones and IT products by renting part of the space from Big C Super Center Nakhonpathom for renovating and subleasing the space to retail seller under the name "IT Junction". Jaymart has been expanding this business continuously. In 2009, Jaymart owned 26 branches of IT Junction nationwide, and on 31 December 2011 (before the establishment of the Company), Jaymart had 28 branches of IT Junction around the country.</li> </ul>

Year	Milestone
2012	<ul style="list-style-type: none"> <li>▪ In January 2012, Jaymart established JAS Asset Co., Ltd. with the registered capital of 1 million Baht consisting of 1 million ordinary shares of which par value was 10 Baht per share, with an aim to run the real estate development business. In the same year, Jaymart reorganized its business structure by transferring all of the business respecting real estate to JAS Asset, and in October 2012, JAS Asset increased its registered capital from 1 million Baht to 50 million Baht (Par value 10 Baht).</li> <li>▪ In September 2012, the Company started the first community market at Amornpan Market located at the other side of Kasetsart University under the name “J Market @ Amornpan Kaset”.</li> </ul>
2013	<ul style="list-style-type: none"> <li>▪ The Company established more 30 branches of IT Junction in 2013, making a total of 42 branches nationwide in 2013.</li> </ul>
2014	<ul style="list-style-type: none"> <li>▪ In April 2014, the Company registered as a Public Company Limited and changed its name to JAS Asset Public Company Limited.</li> <li>▪ The Board of Directors’ Meeting No. 2/2014 agreed on changing the par value from 10 Baht per share to 1 Baht per share and adding 320.39 million Baht to its existing registered capital of 50 million Baht, making a total of 370.39 million Baht of the registered capital.</li> <li>▪ In May 2014, the Company started the second community market in Keha Thani 4 Village, Rat Pattana Road, Sapansoong District under the name J Market Rat Pattana”.</li> <li>▪ In November 2014, the Company launched the “Jas Wanghin” Project, which is the first development and management of the community mall space project of the Company. Further, in the same month, the Company started the third community market on Baan Saima Road under the name “J Market Saima”.</li> </ul>
2015	<ul style="list-style-type: none"> <li>▪ In September 2015, the Company launched the second community mall which is “The Jas Ramintra”, and in the same month, the “J Night” Market was open on Lad Plakhao Road.</li> </ul>
2016	<ul style="list-style-type: none"> <li>▪ The company had gotten an resolution from AGM No.1/2016 to launch The Jas Urban Srinakarin</li> <li>▪ In November 2016, the company run project “The Jas Urban Srinakarin” , the third Community Mall, which was the biggest Community Mall that had been opened and got the good feedback from customer and shops.</li> </ul>
2017	<ul style="list-style-type: none"> <li>▪ The Company establish “Beans and Brown Co.,Ltd” to acquired Coffee Shop brand “Casa Lapin” and “Rabb Coffee”</li> <li>▪ The Extraordinary Shareholders Meeting No.1/2017 passed a resolution to approve the capital increase by General Mandate Scheme. This make the Company increase its paid-up capital by issuing rihg offer to the exist shareholders.</li> </ul>
2018	<ul style="list-style-type: none"> <li>▪ Business by acquiring Coffee Shop brand “Casa Lapin” and “Rabb Coffee” which will increase 13 shop in the end of year.</li> </ul>
2019	<ul style="list-style-type: none"> <li>▪ The Annual General Meeting of Shareholder 2019 on 17 April 2019 approved an increasing of register capital for 601,058,766 baht from 480,847,012 baht to be total register capital of 1,081,905,778 baht. By issue new share for 601,058,766 shares with par value of 1 baht. and approved to amend the Article of Association of the Company Article 4.</li> <li>▪ The Annual Geenal Meeting of Shareholder approved to allocate and offer warrat not exceeding 200,352,922 unit for right offering to the shareholders.</li> </ul>



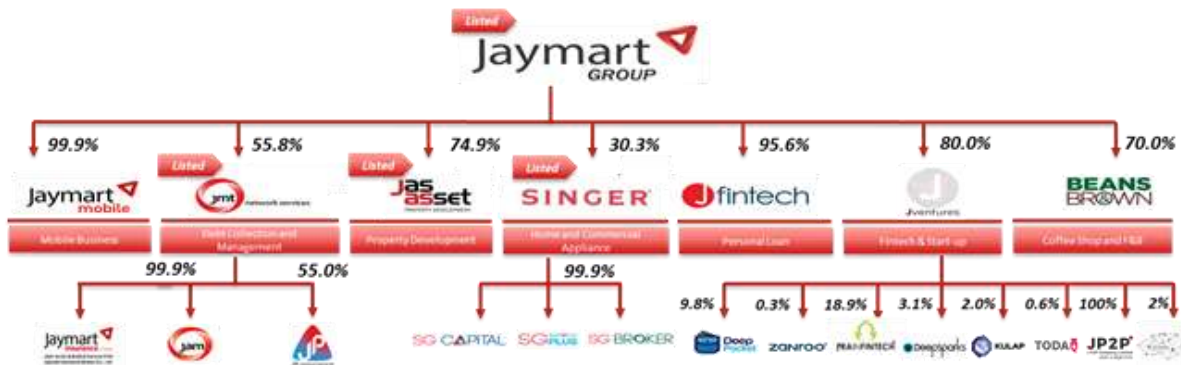
Year	Milestone
	<ul style="list-style-type: none"> <li>The Board of Directors Meeting No.7/2019 approved to divest existing shares of Beans and Brown Co., Ltd to Jaymart Public Company Limited.</li> </ul>

**5. Relationship between the Business Groups of the Majority Shareholders**

The Company is a subsidiary of Jaymart Group, which is comprised of Jaymart Public Company Limited, JMT Network Services Public Company Limited (“JMT”), and the Company. Jaymart holds the majority of the shares (74.9%) of the paid-up.

Regarding the business, the Company manages the organization of the rented space in shopping centers in part of mobile phones and IT products. The major income is obtained from space rental. However, Jaymart’s business focuses on mobile phones, accessories and IT products distributed through Jaymart shops. JMT provides the debt collection services, distressed debt management and auto loan. J Capital focuses on overseas investment to support Jaymart’s business. Therefore, the companies in Jaymart Group have no relationship with or competition against the Company. Nevertheless, the Company and Jaymart have an important related party transaction which is the Company’s space rented by Jaymart for expanding Jaymart’s branches. This transaction is deemed a normal business transaction, and the Company’s rent is similar to the market rate. Jaymart Group’s shareholding structure can be summarized as follows:

The Structure of the Jaymart Group as at 31 December 2019



## Risk Factors

The Company's business is comprised of the organization of rented space in shopping centers in part of mobile phones and IT product zone (IT Junction), development and management of rented space in the form of community mall (The Jas) and development and management of community markets (J Market). The risk factors and preventive measures are as follows:

### 1.1 Business operation risks

#### Organization of rented space in shopping centers in part of mobile phones and IT product zone (IT Junction)

##### 1.1.1 Risk of dependence on Big C Super Center Plc

As the 37 branches out of 39 branches of IT Junction are located in Big C owned by Big C Super Center Plc ("Big C"), there is a risk of dependence on the rental of space from Big C. In other words, if Big C terminates the lease agreement, refuses to renew the lease or take over the rented space management, the Company's business will be significantly affected. Further, if Big C decreases or changes the plan on its branch extension, the Company's plan on branch extension will also be delayed, which can be a major negative impact on the Company's business operation.

However, the Company and Big C have had a good relationship and have been business partners for over 10 years. The Company has never been terminated the contract by Big C. In addition, the Company has more experience in effective management of the rented space for mobile phones and IT products than Big C does, which can be seen from the success in the Company's management of Big C's rented space for years and Big C's notifications of the acceptance of the renewal of IT Junction for another 2 terms, 3 years for each. It can be concluded that Big C is currently a good business partner and does not have a plan to manage the rented space for mobile phones and IT products by itself.

##### 1.1.2 Risk of business competition

The Company is at risk of being competed by new rivals, especially those who run the rented space for mobile phones and IT products as it is the business which does not require a lot of money to invest and the business structure is not too complicated. The competitors can be the shopping centers themselves such as Big C or the owners of the space in other projects. The Company will have to face tough competition which may cause problems to its financial status and business performances.

However, the Company is still positive about the aforementioned risk. It should not affect the Company severely due to the Company's capital and areas in hands. More importantly, the Company is confident of success because of its experience in space management, healthy relationship with the space lessor and the sublessees and the relationship with the producers and operators of mobile phones who take part in organizing sales promotional activities. With over 10 years of experience as a rented space organizer in shopping centers, the Company is sure to have had good relationships with all of the related parties including the owner, the sublessees and the mobile phone operators.

##### 1.1.3 Risk of refusal of the request for lease agreement renewal

As the Company manages the rented space by renting part of the space in shopping centers for subleasing to retail seller, most of the lease agreements are short-term contracts for up to 3-year term. If the space owner



refuses to renew the contract with the Company, the Company's financial status and business performance may be affected.

To reduce such risk, the Company has negotiated with Big C, who is the biggest space owner, and received the notification from Big C to accept the request for renewal of the lease agreement for another 2 terms, 3 years for each, after the termination of the present agreement. This allows the Company to be able to manage the existing space for another 6 years at the latest. The success in space development and management and the strong partnership with the space owner for over 10 years also help save the Company from such risk. In addition, the Company has expanded its business lines to the development and management the community market (J Market) and community mall (The Jas), which is another way to reduce the risk.

#### 1.1.4 Risk of recruiting the sublessees for the allotted space

The majority of the IT Junction's customers are sublessees. If any project shows a low rate of space rental, the overall attractiveness of the projects will be lessened, which may endanger the performance of the project and the Company. For this reason, the Company is at risk of recruiting the sublessees for all of the allotted space in the project.

However, the Company is certain that such risk would not affect much as it can recruit sublessees from variety of channels including making announcements on the Company's websites or sending information to the old sublessees, especially the retail sellers most of whom are small juristic persons or individuals who have the retail shops selling mobile phones and/or accessories. Most of the existing sublessees have rented the space for over 2 years in a row, and over 70% of them sell Mobil phones or IT products which are still popular among consumers. Therefore, the number of retail sellers who need to rent the space has been continuously increasing.

## 1.2 Development and management of rented space in the form of community mall (The Jas) and community market (J Market)

### 1.2.1 Risk of the project development and return of The Jas and J Market which might not meet the target

As the investment in development and management of the rented space in the form of community mall (The Jas) requires a lot of money, it takes a long time to reach the payback period. If the return of the project does not meet the estimated target as a result of either tough competition or economic factors, it may cause the number of the sublessees or the space rental rate to reduce and affect the Company's performance and financial status. The Company has acknowledged such risk and set up the policy to study and evaluate the feasibility of the project which includes the potential of the location, the number of population, the target customers, consumer spending behavior, and nearby competitors. The results of the study were used to prepare the marketing and business plan for each project. In addition, each lease agreement that the Company made with the owner is effective for over 3 years, so the continuity of the space rental can be ensured.

As for the J Market which has already been launched, the Company is still at risk of being unable to recruit enough sublessees for all of the allotted space or a lot of sublessees may move out, which will affect the return of the project. Nevertheless, the Company has studied the feasibility of the J Market Lad Plakhao before the project as launched. At the end of July 2015, 100% of the allotted space has been reserved. J Market Rat Pattana and Market Saima are the projects on which the Company has spent less than 5 million Baht; therefore, there should not be any significant effect on the Company's performance if it is not successful.

### 1.2.2 Risk of fluctuation of construction material prices and project development costs

In doing the real estate development business, in addition to the land which is the major cost, construction prices are also considered one of the important costs of the project. The construction prices normally fluctuate following the oil prices and other economic factors. All of these are external factors which are beyond the control of the real estate developers.

To minimize such risk, the Company has issued the measures to control and minimize the risk incurred by the fluctuation of construction prices. In employing project contractors, the Company has clearly specified the type and specifications of the materials so that the contractors could estimate the construction prices of the entire project. For this reason, in case of the future fluctuation of the construction prices, the contractors shall be liable for management of such additional costs.

### 1.2.3 Risk of Property Development for Sale – Condominium

The development project of condominium has a risk to the overall economy. During the recession period it may cause a difficult for sale the condominium as target. To mitigate the risk, the Company has launched a numerous promotion for client to transfer the condominium which would have a positive impact during last year. The Company attempts to push the sale of condominium and close the project within 2020.

## 1.3 Risk of management

### 1.3.1 Risk incurred by the majority shareholder who holds over 50% of the total shares

As of 31 December 2019, Jaymart holds 74.9% of all of the paid-up capitals, which allows Jaymart to control the resolutions of the shareholders' meeting on committee nomination or other resolutions which must rely on the majority votes of the shareholders, except for the case that is abide by the law or articles of association which states that the resolutions shall be approved by three-fourth of the quorum. For this reason, the other shareholders may have to gather the votes to be able to balance the power and inspect the cases proposed by the majority shareholder.

The Company realizes the importance of the balance of power, so the scope of power and responsibilities of each committee has been clearly and transparently prescribed. The issues which may relate to the directors, the majority shareholder, the management, and other parties who may have the conflict of interests will be listed to indicate that those related people shall not have the rights to vote on the approval of such issues. The Audit Committee who is independent from the board of directors has been set up for transparency and to ensure the shareholders that the operations can be verified and the power can be balanced as the representatives of the minority shareholders. In addition, the committee will help screen the topics to be proposed to the shareholders' meeting.

### 3.3 Risk from financing for the implementation of the plan

Company business especially the business of developing and managing areas in the form of community shopping centers ("Under the name The Jas") is a business that uses a lot of investment and is an investment in advance. In practice, even though the company will closely monitor and manage business risks but the investment may still deviate from the plan. Business operations focus on creating stable growth in the long run and being a company with good corporate governance makes the company have a plan to invest in business expansion carefully.

By considering various sources of funding especially the capital structure that can maintain the financial ratio important to the appropriate level comparable to companies in the same industry which from tracking continuous changes in factors related to financing. The company is therefore believed to be able to obtain sufficient funds for future business expansion with appropriate financial costs.

### 3.4 Strategic Risk

Risk from business strategy direction from innovation or technology that is progressing rapidly. Came to change the business model (Disruptive Technology) affecting the needs of customers and current business operations the company therefore gives importance to the strategic direction of the Group's business. To support changes in the economic, social, energy, technology, consumer behavior trends that change according to the Mega Trends of the world that is expected to happen if the company's strategy cannot respond to changes in a timely manner, it may affect the business operations and the operating results of the company in the future.

The company has established a new S-Curve strategy to seek new opportunities and develop business models. Cope with the changes that will occur and have a vision review directions and strategies of future business operations through the brainstorming sessions of senior executives of the group every year along with leading such strategic directions formed a 5-year business plan with the integration of the risk management plan together with the business plan. In addition, the company has also held a management meeting in the group of companies every month. To monitor the performance of the Group and discuss, exchange ideas to adjust business plans and short-term strategies in order to ensure that the results will meet the goals.

## Shareholding Structure

### Company's ordinary Shares

As on 31 December 2019, the registered capital of the Company is equivalent to 1,081,905,778 Baht and Paid-up capital is 793,807,290 Baht. The list of shareholders and the proportion of shareholding in accordance with the paid-up registered capital as shown in the Shareholder Registration can be summarized as follows:

No.	Shareholder	Number of Share	Percentage
1	Jaymart Public Company Limited	595,149,180	75.97
2	Ms. Yuvadee Pong-Acha	8,519,958	1.07
3	Mr. Adisak Sukumvitaya	7,715,411	0.97
4	Mr. Suwat Thong rompho	7,431,416	0.94
5	Mr. Chatchai Wongsakulchai	5,834,406	0.73
6	Mr. Peeranart Chockwattana	5,790,110	0.73
7	Mr. Thanapat Kitsamerjai	5,200,012	0.73
8	Mr. Panuwat Thong rompho	4,766,665	0.60
9	Mr. Jaroon Wiriyapornprom	4,081,400	0.51
10	Mr. Phusith Jittilaorwong	4,010,000	0.51
11	Other Shareholders	145,308,732	18.31
<b>Total paid-up capital</b>		<b>793,807,290</b>	<b>100.00</b>

**Note:** Information as on the date of the registration closure on 31 December 2018. The total number of shareholders is 2,012

### Dividend Policy

The company has settle the dividend policy, which stated that dividend payment to the company and subsidiary of the company , should not less than 50% of net profit after tax and has to make the legal reserve by consideration of consolidation financial statement as priority . Although, the board of director can has an authority to un- follow the dividend policy or change this policy in sometime upon the condition that any change will occur the maximum benefit to the shareholder of the company and subsidiary of the company etc using as the capital reserve for loan payment, using as capital for business expansion or market environment change that may impact to cash flow of the company and subsidiary of the company

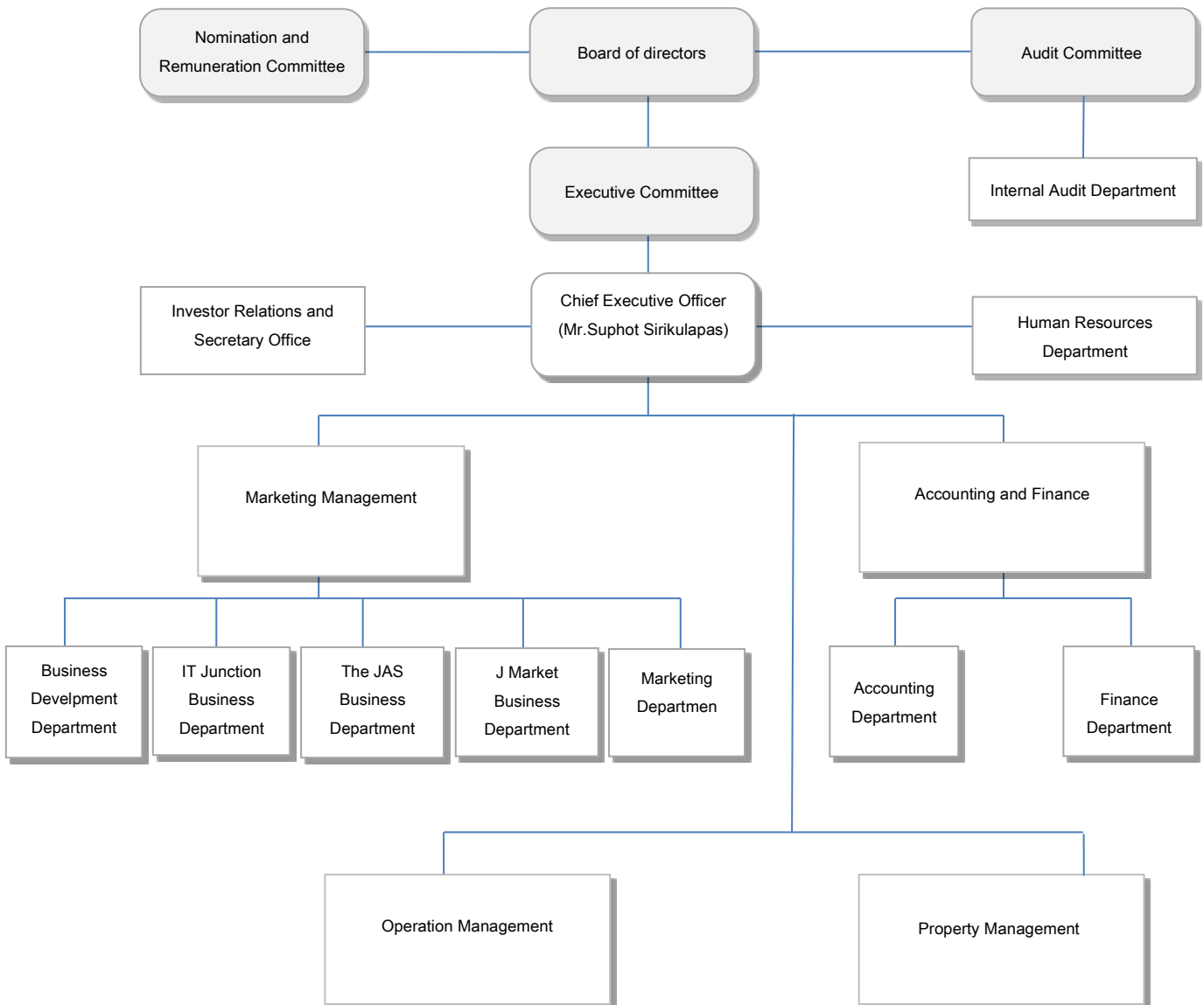
	2017	2018	2019
Net Profit (MB.)	6.4	(17.4)	17.2
No.of Shares	480,847,012	480,847,012	793,807,290
Dividend per share (Baht/Share)	No Dividend payment	No Dividend payment	No Dividend payment
Dividend ratio (%)	-	-	-

**Organization Structure**

As on 31 December 2019, the administrative structure of JAS Asset Public Company Limited consists of the board of directors and 4 sub-committees as follows:

1. The Board of Directors
2. Nomination and Remuneration Committee
3. Audit Committee
4. Executive Committee

**Figure 1 Organization structure of JAS Asset Public Company Limited**



## Board of Directors

As on 31 December 2019, the Board of Directors is composed of the following 7 directors:

1. Mr. Sukon	Kanjanahattakit	Chairman of the Board/Independent Director
2. Mr. Adisak	Sukumvitaya	Director
3. Ms. Yuvadee	Pong-acha	Director
4. Mr. Suphot	Sirikulapas	Director/Chief Executive Officer
5. Mr. Premon	Pinskul	Chairman of Audit Committee/Independent Director
6. Mr. Anucha	Viriyachai	Audit Director/Independent Director
7. Ms. Pannee	Choedrum-phai	Audit Director/Independent Director

Ms. Kanokarn Samapudhi is the Company Secretary.

### Power, Roles and Responsibilities of the Board of Directors

The Board of Directors' Meeting No. 2/2014 held on 20 February 2014 has specified the power, roles and responsibilities of the board of directors as follows:

1. The Board of Directors is authorized to manage and operate the Company's business in compliance with the law, the objectives and the articles of association of the Company as well as the resolutions of the Shareholders' meetings on the basis of honesty, transparency and awareness of the Company's benefits.
2. The Board of Directors is authorized to appoint some of the directors and/or executives of the Company to be the management team to perform one or more duties as assigned by the Board of Directors as well as appointing the President of the Board of Directors and other subcommittees such as the Nomination and Remuneration Committee. Also, the Board of Directors may nominate and authorize other person to act on their behalf and under their supervision. The Board of Directors is empowered to cancel, revoke, correct, or change the aforementioned power as appropriate.
3. The Board of Directors is authorized to set the goals, guidelines, policies, plans, and budgets of the Company together with supervising the operations of the Administrative Department or any other person who is authorized to act in accordance with such policies or plans set by the Board of Directors.
4. The Board of Directors is authorized to review, examine and approve the policies, directions, strategies, and business plans for the Company's investments in the megaprojects proposed by the Administrative Department.
5. The Board of Directors is authorized to follow up the outcomes of the operations to ensure that the plans have been implemented and the budgets have been managed appropriately.
6. The Board of Directors is authorized to consider approving the investment on business expansion and joint investment in collaboration with other entrepreneurs or investment in other businesses.
7. The Board of Directors is authorized to develop strategic planning to control and supervise the operations of the subsidiaries and/or affiliated companies.
8. The Board of Directors is authorized to make the Risk Management policy for the organization and ensure that there are measures for the implementation and control of the Risk Management plans to minimize the possible effects on the Company's business.
9. The Board of Directors is authorized to consider and approve other business concerning the Company or the benefits of the Company unless such transaction shall be done upon the approval of the Shareholders' meeting. However, in the case that the transactions involve the director, the person

authorized by the director or the person who may have the conflict of interest (in accordance with the notification of Securities and Exchange Commission and/or the Stock Exchange of Thailand) with the Company and/or its subsidiaries and/or its related businesses, such director shall forfeit their rights to approve such transaction.

- a) The transactions which must be approved by the Shareholders' meeting
- b) The transactions which involve the directors who are stakeholders and indicated by the law or SET's regulations to be approved by the Shareholders' meeting such as the related party transactions, the acquisition or distribution of the Company's important assets in accordance with the SET.

The following transactions must be approved by the majority of the quorum of the Board of Directors' meeting and at least three-fourth of the votes of the Shareholders' meeting:

- Sale or transfer of the entire business or important part of the business of the Company
- Purchase or acceptance of the transfer of other companies or private companies' business to the Company
- Making, amendment or cancellation of the agreements respecting the lease of all or part of the Company's important business, authorization of other person to manage the Company's business or merger with other party with an aim to share profits or losses
- Amendment or the memorandum of association or the articles of association
- Addition of capital, reduction of capital and issuance of corporate bonds
- Merger or dissolution of the Company

Any other transactions which are prescribed in the law on securities and/or regulations of the Stock Exchange of Thailand to be approved by the Board of Directors' meeting and the Shareholders' meeting with the aforementioned proportion of votes

However, in the case that the transactions involve the director, the person authorized by the director or the person who may have the conflict of interest with the Company and/or its subsidiaries and/or its related businesses, such director shall forfeit their rights to approve such transaction.

## Audit Committee

As on 31 December 2019, the Audit Committee is comprised of the following 3 directors:

- |               |               |                                  |
|---------------|---------------|----------------------------------|
| 1. Mr. Premon | Pinskul       | President of the Audit Committee |
| 2. Mr. Anucha | Viriyachai    | Audit Director                   |
| 3. Ms. Pannee | Choedrum-phai | Audit Director                   |
- Ms. Kanokarn Samapudhi is the Secretary to the Audit Committee.

### **Power, Roles and Responsibilities of the Audit Committee**

The Board of Directors' Meeting No. 2/2014 held on 20 February 2014 has specified the power, roles and responsibilities of the Audit Committee as follows:

1. The Audit Committee is authorized to verify the financial statements of the Company to ensure accuracy and transparency. The verification shall be conducted in collaboration with the external auditor and the executives who are responsible for making the quarterly and annually financial reports by considering the financial statements and related financial reports on the basis of accounting principles and practices. The accounting standards, existence of the business, significant changes in accounting policies and the rationales of the management for making the accounting policies shall be taken into consideration when

auditing. Then, the reports shall be proposed to the Board of Directors and disseminated to the shareholders and the investors.

2. The Audit Committee is authorized to set up the guidelines and verification to ensure the Company has appropriate and effective Internal Control and Internal Audit. The verification shall be conducted along with the external auditor and the internal auditor. The Audit Committee also verifies the annual Audit Plan of the Company and evaluates the result of the audit together with the external and internal auditors to identify the problems or limitations incurred by the audit of financial statements. In addition, the Audit Committee plans the control of electronic information processing and information confidentiality to prevent corruption or misuse of the computers by the employees or the outsiders. The Audit Committee also considers the independency of the Internal Control Division, approves the appointment, transfer or dismissal of the chief of the Internal Control Division or other divisions which are responsible for the Internal Control.
3. The Audit Committee is authorized to verify the operations of the Company to ensure the compliance with the law on securities and the Stock Exchange of Thailand, the regulations of the Stock Exchange of Thailand, or any other regulations concerning the Company's business. In addition, the Audit Committee has the roles and responsibilities in accordance with the provisions and regulations of Securities and Exchange Commission and the Stock Exchange of Thailand.
4. The Audit Committee is authorized to nominate and propose the appointment of an independent person to perform as the Company's auditor as well as considering the remuneration of the auditor by considering the reliability, the sufficiency of resources, the audit workload responsible by such auditing firm, and the experience of the person assigned to audit the Company's financial reports. Moreover, the Audit Committee shall attend the meeting with the auditor without the presence of the management at least once a year.
5. The Audit Committee is authorized to consider the related party transactions and/or the acquisition or distribution of the assets of the Company or of its subsidiaries, consider the disclosure of the Company's information in the case that the related party transactions or the transactions which may cause the conflict of interest are involved, to ensure accuracy. Also, the Audit Committee shall consider approving such transactions to propose them to the Board of Directors' meeting and/or the Shareholders' meeting to ensure that the related and regulations are observed and such transactions are valid and beneficial for the Company.
6. The Audit Committee is authorized to make the reports on the activities performed by the Audit Committee by showing them in the Company's annual reports. Such reports must contain complete information as specified by the law and signed by the President of the Audit Committee. The reports must at least contain the following information:
  - Opinions about the process of making and disclosing the financial information of the Company to ensure accuracy, transparency and reliability
  - Opinions about appropriateness of the Company's internal control system
  - Reasons to believe that the Company's auditor is eligible for being appointed for another term
  - Opinions about the compliance of the law on securities and the Stock Exchange of Thailand, provisions of the Stock Exchange of Thailand or other related law concerning the Company's business
  - Opinions on the transactions which may cause the conflict of interest
  - The number of the Audit Committee's meeting and attendance of each member of the Audit Committee
  - Opinions or overall comments which the Audit Committee receives as a result of the performance in accordance with the Charter.



- Other reports which are considered important for the investors under the scope of the roles and responsibilities assigned by the Board of Directors and/or in compliance with the law
7. The Audit Committee reports to the Board of Directors in accordance with the roles and responsibilities assigned by the Board of Directors. The transactions which must be reported by the Audit Committee include:
- The transactions which cause or may cause the conflict of interest
  - doubts or assumptions about corruptions, suspicious actions, or significant loopholes in the internal control system
  - doubts about the violation of law or regulations of Securities and Exchange Commission and/or the Stock Exchange of Thailand
  - other reports which are considered important for the Board of Directors

The Audit Committee shall report the issues which may significantly affect the financial status and performance of the Company. After discussing with the Board of Directors and the decision is made that the corrective actions are needed, if it is found that such corrective actions have not been taken without appropriate reason, any of the members of the Audit Committee may report such issue to Securities and Exchange Commission and/or the Stock Exchange of Thailand as the case may be.

8. The Audit Committee is authorized to request for independent opinions from other professional consultant when necessary at the Company's expense.
9. The Audit Committee is authorized to call for the information from any of the departments of the Company for use in consideration of any issue.
10. The Audit Committee is authorized to take an action on other transaction as assigned by the Board of Directors and/or upon approval of the Audit Committee such as the review of the Financial Management and Risk Management policies, the verification of the compliance with business ethics of the executives and, together with the executives, the review of important reports of the Company which shall be presented to the public as specified by the law such as the executive reports and analysis.

However, the aforementioned power assigned to the Audit Committee excludes the power authorizing the Audit Committee or the person authorized by the Audit Committee to vote against the transactions in which such Audit Committee member or the authorized person or other person who may have the conflict of interest with the Company and/or its subsidiaries and/or its related Company in accordance with the notification of Securities and Exchange Commission and/or the Stock Exchange of Thailand.

## Nomination and Remuneration Committee

As on 31 December 2019, the Nomination and Remuneration Committee is comprised of the following 3 directors:

- |                 |               |  |
|-----------------|---------------|--|
| 1. Ms. Pannee   | Choedrum-phai | President of the Nomination and Remuneration Committee |
| 2. Ms. Yuvadee  | Pong-acha     | Nomination and Remuneration Director                   |
| 3. Mrs. Nonglak | Laksanapokin  | Nomination and Remuneration Director                   |

Ms. Kulchaya Nilpetch is the Secretary to the Nomination and Remuneration Committee.

### Power, Roles and Responsibilities of the Nomination and Remuneration Committee

The Board of Directors' Meeting No. 2/2014 held on 20 February 2014 has specified the power, roles and responsibilities of Nomination and Remuneration Committee as follows:

1. The Nomination and Remuneration Committee is authorized to specify the regulations and policies on the nomination of directors, executive directors and subcommittees as appropriate.

2. The Nomination and Remuneration Committee is authorized to policies and criteria of nomination and remuneration in the form of both money and non-money for the directors, executive directors and Chief Executive Director in concordance with the performance of the Company and the other companies which are in the same business. The proposal shall be presented to the Board of Directors and/or the Shareholders' meeting for further approval.
3. The Nomination and Remuneration Committee is authorized to nominate and indicate the remuneration of the Company's executives at the director positions and above as well as indicating the criteria and policy on nomination of such executives.
4. The Nomination and Remuneration Committee is authorized to consider the annual adjustment of the salary of the employees and executives, bonuses and other rewards.
5. The Nomination and Remuneration Committee shall perform other tasks as assigned by the Board of Directors.
6. The Nomination and Remuneration Committee shall propose the issues in 1-4 to the Board of Directors' meeting and/or the Shareholders' meeting for further approval.

However, the aforementioned power assigned to the Nomination and Remuneration Committee excludes the power authorizing the Nomination and Remuneration Committee or the person authorized by the Nomination and Remuneration Committee to vote against the transactions in which such the Nomination and Remuneration Committee member or the authorized person or other person who may have the conflict of interest with the Company and/or its subsidiaries and/or its related Company in accordance with the notification of Securities and Exchange Commission and/or the Stock Exchange of Thailand. The Nomination and Remuneration Committee shall propose such transaction to the Board of Directors and/or the Shareholders' meeting for further consideration.

### Executive Committee

As on 31 December 2019, the Executive Committee is comprised of the following 3 directors:

- |                  |                |                                      |
|------------------|----------------|--------------------------------------|
| 1. Ms. Yuvadee   | Pong-acha      | President of the Executive Committee |
| 2. Mr. Suphot    | Sirikulapas    | Executive Director                   |
| 3. Mr. Supreecha | Angteeranuwong | Executive Director                   |

### Power, Roles and Responsibilities of the Executive Committee

The Board of Directors' Meeting No. 2/2014 held on 20 February 2014 has specified the power, roles and responsibilities of Executive Committee as follows:

1. The Executive Committee is authorized to supervise the operations of the Company's business to ensure that it follows the objectives, articles of association, business policies, revisions, regulations, orders, and resolutions of the Board of Directors and/or the Shareholders' meeting.
2. The Executive Committee is authorized to make and propose the business policies, directions, goals, plans, and strategies of the Company. Also, the Executive Committee shall indicate the Company's financial plan, annual budgets, human resources management plan, investment, business expansion, public relations, and IT investment to propose to the Board of Directors for further consideration and implementation.
3. The Executive Committee is authorized to approve and authorize the approval of disbursement for purchase of the assets, services and other transactions for the Company's benefits. Such approval shall be

done for general commercial transactions with the limit of up to 350 million Baht or equivalent. The Executive Committee shall cancel, revoke, amend, or change the authorized person or authorization when appropriate.

4. The Executive Committee is authorized to approve the application for loans, investment in any instruments certified or guaranteed by Ministry of Finance or commercial banks, application for credits from financial institutions, or application for bank guarantees for the benefits of the Company's business within the normal business conditions including acting as a guarantor or make a payment for normal business transaction of which limit is not over 350 million Baht per transaction or equivalent.
5. The Executive Committee shall accept the policies from the Board of Directors to make the directions for indicating the Company's mission for the executive department and administrative department.
6. The Executive Committee shall control, examine and follow up the result of the operations of the executive department and administrative department, suggest the solutions to problems to the executives and administrative department to implement in accordance with the strategies, plans and policies specified by the Board of Directors.
7. The Executive Committee shall issue the orders, regulations, notifications, and memorandum for implementation within the Company to ensure the compliance with the policies, the Company's benefits and the organizational disciplines.
8. The Executive Committee shall screen and propose the balance sheets and revenue account for the Board of Directors' consideration and approval before proposing to the shareholders for further approval.
9. The Executive Committee shall make reports on the Company's performance, financial statements, investment statements, significant problems, and risk management to propose to the Board of Directors for acknowledgement and/or approval.
10. The Executive Committee shall provide suggestions and consultations to the Board of Directors for decision on the Company's business.
11. The Executive Committee shall act on behalf of the Board of Directors under the assigned power including the making of Authorization Chart of the executives and administrative department to ensure effective management and verification system.
12. The Executive Committee shall perform other tasks as assigned by the Board of Directors.

However, the aforementioned authorization or approval of the transactions excludes the authorization or approval of the transactions which empower the Executive Committee or the person authorized by the Executive Committee to approve the transactions in which such Executive Committee member or the authorized person or other person who may have the conflict of interest with the Company and/or its subsidiaries and/or its related Company in accordance with the notification of Securities and Exchange Commission and/or the Stock Exchange of Thailand. The Nomination and Remuneration Committee shall propose such transaction to the Board of Directors and/or the Shareholders' meeting for further consideration of approving such transactions under the provisions, notifications or related law, except for the approval of the transactions following the normal business or commercial conditions in accordance with the notifications of Securities and Exchange Commission and/or the Stock Exchange of Thailand.

The consideration of approval of the transactions following the aforementioned limits must be made in accordance with the related notifications of Securities and Exchange Commission and/or the Stock Exchange of Thailand which are still in effect while such consideration or approval of the transactions is made.

## Remuneration for the Board of Directors and the Executive Directors

The Company has specified the remuneration for the Board of Directors and the Executive Directors clearly and transparently in concordant with the roles and responsibilities respecting the Company's operations. The appropriateness of such remuneration shall be considered on the basis of the Company's benefits.

### A) Remuneration for the directors

The Annual General Meeting of Shareholders 2019 on 17 April 2019 approved the remuneration for the directors and Audit Directors in the form of meeting allowance which shall be paid the directors who are present in the meeting only.

Position	Meeting Allowance (Baht/meeting)	Meeting Allowance (Baht/meeting)
	2018	2019
President of the Board of Directors	30,000	30,000
Board of Directors	20,000	20,000
President of the Audit Committee	30,000	30,000
Audit Committee	20,000	20,000

However, the Company does not provide the meeting allowance for the meeting of the Executive Committee, Audit Committee and Nomination and Remuneration Committee.

In 2018 and 2019, the meeting allowance has been paid as follows:

Name		Position	2018	2019
1. Mr. Sukon	Kanjanahattakit	President of the Board of Directors /Independent Director	150,000	210,000
2. Mr. Adisak	Sukumvitaya	Director	120,000	140,000
3. Ms. Yuvadee	Pong-acha	Director	120,000	140,000
4. Mr. Suphot	Sirikulapas	Director	120,000	140,000
5. Mrs. Nonglak*	Laksanapokin	Director	20,000	-
6. Mr. Premon	Pinskul	President of the Audit Committee/ Independent Director	180,000	210,000
8. Ms. Pannee	Choedrum-phai	Audit Director/ Independent Director	100,000	140,000
9. Mr. Anucha	Viriyachai	Audit Director/ Independent Director	120,000	60,000
Total			930,000	1,040,000

\*Mrs. Nonglak Laksanapokin according to the resolution of the Board of Directors' Meeting No. 1/2018, there was a list of directors who had to retire by rotation and Mrs. Nonglak Laksanapokin not wishing to extend the term of the Board of Directors therefore requested that the agenda be completed and resigned from the Board of Directors.

### B) Total remuneration for the Executive managements

Total remuneration for the Executive managements for the period ended on 31 December 2018 and 2019.

The Company has paid the remuneration in the form of monthly salary, bonus and other remuneration to the 7 executive management of the Company. The details of such payment are as follows:

Type of Remuneration (Million Baht)	2018	2019
Monthly salary	12.0	13.23
Bonus	-	0.68
Other remunerations*	1.73	2.24
Total	13.73	16.15

\*Other remuneration includes commission fee, position fee, vehicle allowance, provident fund, and social security fund.

## Report on the compliance with Corporate Governance

To ensure the compliance with Corporate Governance, the Code of Best Practice has been specified as the regulations which the directors must observe. The policies on Corporate Governance have been indicated for transparency of operations at all levels including operational employees, executive management as well as directors as the Corporate Governance is the basic principle to improve the effectiveness and efficiency of the Company's business operations and the shareholders' benefits in the long run. The Company complies with the following 15 principles of Corporate Governance in accordance with the SET's guidelines.

### Corporate Governance Policies

The Company realizes and respects the effective management and administrative system with an emphasis on transparency and accountability which will create the confidence among all of the related parties and foster the business growth under the ethical and legal business operations. Therefore, the Company has specified the policies on Corporate Governance to upgrade the existing operations to up to higher standards. The policies shall be implemented by the employees of every level with an aim to create the culture of Corporate Governance. The Company has applied the principles of Good Corporate Governance 2006 specified by the Stock Exchange of Thailand ("SET") which covers the principles of 5 categories as follows:

#### Category 1 The Rights of the Shareholder

The Company realizes the importance of the rights of the shareholders which may not restricted by the law, does not infringe or lessen the rights of the shareholders and encourage the shareholders to exercise their basic rights including buying, selling or transferring the shares, taking part in the Company's profit share, receiving appropriate information about the Company, attending the Shareholders' meeting to vote for nominating or discharging directors, nominating the auditor, and vote for the issues affecting the Company such as the dividend payment, making or amendment of the memorandum of association or articles of association, the reduction or addition of capital, and the approval of special transactions.

In addition to the aforementioned basic rights, the Company has also specified the guidelines for other operations to promote and facilitate the shareholders in exercising their rights as follows:

1. The shareholders shall be provided with the information about the date, time, venue, agenda, and related information respecting the issues to be decided upon at least 7 days prior to the meeting date as specified by the law. Furthermore, the shareholders shall be notified of the rules of the meeting and the votes. Such information is also available on the Company's website prior to sending the documents to allow the shareholders to study the information before receiving it in the paper format.
2. The Company shall not do anything which may restrict the shareholders' opportunity to study the Company's information.
3. The Company shall facilitate the shareholder in exercising their rights to attend the meeting and cast their votes and not do anything which may restrict the opportunity of the shareholders to attend the Shareholders' meeting. For example, the meeting should not be organized in complicated or costly manner.
4. The Company shall manage time appropriately and encourage the shareholders to express their opinions and raise the questions concerning the Company. In addition, the shareholders can submit their questions to the Company before the meeting date.
5. The Company shall encourage all of the directors to attend the Shareholders' meeting to answer the shareholders' questions.

6. The Company shall make the minutes of the meeting which provide accurate and complete information. Such minutes of the meeting shall be kept appropriately for the shareholders to examine whenever needed.

### **Category 2 The Equitable Treatment of Shareholders**

The Company provides the shareholders with the equitable treatment as follows:

1. The Board of Directors shall allow the minority shareholders to propose the addition of the agendas prior to the date of the Shareholders' meeting.
2. The Board of Directors shall specify clear criteria in advance for the consideration of whether the agendas proposed by the minority shareholders are appropriate for addition.
3. The President of the meeting shall not add the agendas which are not notified in advance unless necessary, especially the agenda which require the shareholders to examine thoroughly before making a decision.
4. The Company shall specify the methods for the minority shareholders to nominate the persons who will be elected to be directors. The minority shareholders may nominate such persons to the Nomination Committee prior to the date of the Shareholders' meeting along with the information about the qualifications and consent of the nominated persons.
5. The Shareholders may exercise their rights to authorize other person to attend the meeting and cast the vote on their behalf. Further, the Board of Directors shall propose at least one Independent Director as an optional proxy for the shareholders.
6. The Company shall provide the shareholders an opportunity to exercise their rights to nominate individual director.
7. The Company shall use the ballots for vote in case of significant agendas such as the related party transactions, transactions concerning the acquisition or distribution of the assets for transparency and accountability.
8. The Company shall inform the directors and the executive managements to understand their roles and responsibilities for submitting reports of the assets possessed by them, their spouse and their minor child as well as the changes of the possession thereof to Securities and Exchange Commission in accordance with Section 59 of Securities and Exchange Act B.E. 2535 within 3 working days.
9. The Company shall specify the guidelines for keeping and preventing the insider trading of information in writing. Such guidelines shall be notified to all employees of the Company in order for them to comply strictly. The persons who are involved in the confidential information are not permitted to trade the Company's assets within the period of one month before the dissemination of the quarterly and annual financial reports and within 48 hours after the significant IT information is disclosed.

### **Category 3 The Roles of the Stakeholders**

The Company realizes the importance of taking care of all groups of the stakeholders. These include the internal stakeholders as the shareholder, the executive management and the employees and the external stakeholders as the customers, creditors, partners, competitors, public section, society, and community. The Company realizes that the support and the feedback from all groups of the stakeholders shall be beneficial for the Company's operations and business development. For this reason, the Company will comply with the related law and regulations to ensure the rights of the stakeholders and will avoid actions which may infringe the rights of the stakeholders. Following are the guidelines for ensuring the rights of the stakeholders:

- Shareholders : Treat the shareholders equally, maintain the benefits of the shareholders and avoid actions which may infringe the rights of the shareholders as well as ensuring satisfactions of the

	shareholders with consideration of sustainable growth of the Company to enhance the value and provide appropriate returns to the shareholders while observing the principles of Corporate Governance
Employees:	Treat the employees equally and fairly in terms of the opportunities, remunerations, welfares, and competency development. All of the employees are considered valuable resources and are the important factors to foster the Company's success. Therefore, the Company determines to develop itself to be the organization of learning, preserving the culture and work environment with an emphasis on team working and the employees' professional development. Also, the importance is put on the employees' quality of life, work safety and work environment. The comments and suggestions of all levels of the employees are always welcome.
Customers:	Emphasize on the customer satisfaction and trust, care and take responsibility for the customers. The highest goal is to ensure that the customers receive the best quality and safe products/services at reasonable prices. The standards of products/services must be improved continuously while maintaining a good and long-term relationship with the customers. The customer information must not be used for the benefits of the Company or other related parties.
Partners and creditors:	Emphasize the equality, fairness and honesty in doing business. The mutual benefits between the Company, the partners and creditors are considered by strictly complying with the law and rules. The code of conduct is observed by not claiming for illegal benefits from the partners. All of the conditions will be followed and the creditors will be treated fairly. Any debts will be paid off in due time. Collaterals will be taken care of and the terms and conditions stated in the agreements will be respected in accordance with the principles of the Corporate Governance. If it is likely that the provisions stated in the agreements cannot be followed for any reason, the partners and the creditors will be notified in advance in order to find appropriate solutions to such problems together.
Competitors:	The competitors will be treated in accordance with the international principles and laws on commercial competition. The rules of fair competitions will be observed. In other words, we observe the fair competition rules by not preventing other companies to take part in the competition, not destroy the reputation of the competitors by slandering them or attacking them with false statements or unfair actions.
Community, society and environment:	The Company conducts the business with responsibilities for community, society and environment in terms of safety, life quality and environment preservation. We promote the efficient consumption of energy, realize the life quality of the community and society and consider the effects of business on environment when operating or making decisions.

#### **Category 4 Information Disclosure and Transparency**

After listed in the Stock Exchange of Thailand, the Board of Directors is aware of the importance of disclosing the Company's information in accurate, complete, timely, and transparent manner. This includes the dissemination of the financial reports, general information in accordance with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand and other information which may affect the prices of the



Company's stock and the decision of the investors and the stakeholders. The Company discloses the information to the shareholders, the investors and the public through various channels including the Company's website which is regularly updated and the SET's information channels.

The Company has not yet established a specific division to take care of investor relations. However, Mr. Panya Chutisiriwong, Chief Investor Relation officer, has been assigned to communicate with the institutional investors, the shareholders, the analysts, and the related public sector.

The Board of Directors is responsible for the financial statements and financial information of the Company which are stated in the annual report. Such financial statements are made on the basis of the certified accounting standards in Thailand whereby the most appropriate accounting policy is chosen to be used and followed strictly and regularly. Appropriate information is disclosed in the financial statements. The Audit Committee verifies the disclosure of information, the report quality, the internal control, and appropriateness of the information disclosure before reporting to the Board of Directors.

#### **Category 5 The responsibilities of the Board of Directors**

##### 1) The structure of the Board of Directors

The Board of Directors is responsible for specifying the policies and the overall operations of the organization as well as examining and assessing the Company's operations to ensure that the indicated plans have been implemented. The Board of Directors is comprised of 8 directors whose term is 3 years. Four directors are holding the executive positions in the Company while another four directors are not. Four directors are independent directors in accordance with the regulations of the Securities and Exchange Commission, which states that a company limited shall have the number of independent directors equivalent to at least two-third of the total number of the Company's directors. The Board of Directors consists of the authorities from various industries including accounting and financial businesses which are related to and support the Company's business.

According to the Company's articles of association, it was indicated that, in the annual general meeting, the directors must resign from the positions of one-third ratio in the case that the number of directors cannot be equally separated into three groups. Some of the directors shall resign to make the total number of the director's equivalent to one-third ration as much as possible. The directors who shall resign in the first and the second years after the Company has been listed has been selected by drawing. For the following years, the directors who have been in the office for the longest period shall resign. However, the directors who resign at the end of the term shall be re-nominated.

The roles and responsibilities of the Board of Directors and the executive management have been separated clearly. The Board of Directors are responsible for specifying the policies and supervising the operations of the executive management at the policy level while the executive management manage the operations of the Company to ensure that the policies are implemented. The President of the Company does not take the role of the President of the Board of Directors. Their roles and responsibilities are separated clearly to balance their management power, so neither has the absolute power over the Company. The President of the Executive Committee is responsible for managing the daily tasks of the Company under the policies assigned by the Board of Directors. The scope of the power, roles and responsibilities of the Executive Committee and the President has been indicated clearly.

The Board of Directors has appointed 3 subcommittees to help supervise the Company's business and operations, which are the Executive Committee, the Audit Committee and the Nomination and Remuneration Committee.

(1) The Executive Committee is comprised of 4 members who are executive management. The Executive Committee supports the Administrative Department in managing daily tasks under the policies assigned by the Board of Directors.

(2) The Audit Committee consists of 3 members all of whom are independent directors. The Audit Committee monitors the efficiency of the audit, manage risks and internally control financial and accounting tasks as well as the financial reports as specified by SET.

(3) The Nomination and Remuneration Committee consists of 3 members. One of them is the President who is the independent director and the other 2 are executive managements. The Nomination and Remuneration Committee is responsible for considering the policies and criteria for nomination and remuneration both in the form of money and non-money in concordance with the Company's performance and the common rate applied by other companies in the same business.

However, the Board of Directors has appointed the Secretary of the Company whose roles and responsibilities are in compliance with the Securities and Exchange Act B.E. 2535.

## 2) The roles and responsibilities of the Board of Directors

The Board of Directors is responsible for considering and approving the importance issues respecting the Company's operations including vision, mission, strategies, goals, work plans, and budgets as well as supervising the operations of the Administrative Department to ensure that the indicated policies and work plans are implemented effectively and efficiently.

### ■ Corporate Governance Policy

The Company has specified the policy on Corporate Governance in writing which was approved by the Board of Directors' Meeting No. 2/2014 (on 20 February 2014). The Company arranges the verification of policy and follows it strictly. The policy is communicated to all of the employees for clear understanding and implementation.

### ■ Code of Conduct

The Board of Directors encourages the executive management and employees to understand the Code of Conduct standards implemented by the Company, so the written Code of Conduct has been made and approved by the Board of Directors' Meeting on 20 February 2014. It has also been announced and notified to all of the employees for acknowledgement and practice.

### ■ Conflict of Interest

The Board of Directors has specified the policy on the conflict of interest based on the principle that any decision made in relation to the business activities shall provide the highest benefits to the Company. Any action which may cause the conflict of interest must be avoided. The directors, management and employees should review and disclose the transactions which cause the conflict of interest to the Company so that the Company acknowledges the relationship or connection of related parties in such transactions. In consideration of making transactions, the persons related to such transaction are not permitted to take part in the consideration and forfeit their rights to vote for approval of such transactions. The transactions shall also be made in consideration of appropriateness of the prices and conditions as if the transactions are made with the outsiders.

The Nomination and Remuneration Committee shall propose the related party transactions and the transaction causing the conflict of interest to the Board of Directors. Such transactions shall be considered carefully on the

basis of the principles of the SET. Also, the transactions shall be presented in the annual report and the annual transaction report (Form 56-1).

The directors and the management of the Company including their spouses and minor children, when changing the possession of the Company's stock, must notify the Company of such change. Also, the change in stock possession shall be notified to the Securities and Exchange Commission in accordance with Section 59 of the Securities and Exchange Act B.E. 2553 within 3 days from the date of purchasing, selling, transferring, or receiving the transfer of such stock. The directors, management or the divisions knowing the internal information of the Company are not permitted to disclose such information to the outsiders or unrelated person or trade the Company's stock within the period of 1 month before the financial statements are disseminated to the public and at least 48 hours after such information is disseminated to prevent the misapplication of such information.

■ Internal Control System

The Board of Directors realizes the importance of the internal monitor and control both at executive and operational levels to ensure effectiveness. The internal control is an important mechanism in helping the Administrative Department reduce the business risks and enhance the business efficiency. Such system aims to allocate the resources appropriately, achieve the indicated goals, and prevent the Company's asset from leaking, losing or being misapplied, ensure reliability of the financial reports, help the employees to follow the related law and regulation strictly and accurately as well as protecting the investment of the shareholders. The Company has, therefore, indicated the responsibilities and power of the operators and the management of each task clearly in writing. The use of Company's assets is controlled to ensure the highest benefits of the Company. The duties of the operators, the supervisors and the evaluators re separated to balance and cross-examine each other properly.

The Board of Directors has assigned the Audit Committee to verify the appropriateness and efficiency of the internal control system set up by the Administrative Department as well as making and reviewing the internal control system in terms of operations, financial reports, and compliance with the rules, regulations, policies, and risk management. In addition, the importance is put on the early warning and irregular transactions. For this reason, the Company has hired PNL Internal Audit Co., Ltd. to be the Internal Auditor to examine the internal control system of the Company to ensure that it is appropriate. Such Internal Auditor is independent and be able to monitor and balance the power. The Internal Auditor reports the result of the audit directly to the Audit Committee. The Company follows up the results regularly by evaluating the appropriateness of the internal control system at least once a year to make sure that the indicated system can be applied effectively.

■ Risk Management

The Board of Directors realizes the importance of risk management and, consequently, has specified the policy on risk management for the overall organization, assessed the risks and managed the risks of the organization in order to control the risks to be at an acceptable level. If any risk which may obstruct the achievement of the indicated plans is found, the Company must provide the measures to manage it together with promoting and encouraging all of the employees to create the culture of risk awareness. They should understand the cause of the risk and find the solution to it which include the adjustment of work stages and the effective use of resources as well as using tools to prevent to reduce the possible risks with an aim to prevent or reduce the possible losses. The aforementioned systematic operations shall result in the benefits and new opportunities for the Company and increase the value of the Company.

### 3) The Board of Directors' Meeting

The Board of Directors' Meeting date shall be indicated in advance each year. The Board of Directors shall receive the invitation to the meeting along with the agendas at least 7 days in advance except for some emergency cases. The meeting shall be recorded, approved and kept as reference. The meeting minutes can be examined in the meeting. The President of the Board of Directors and the President of the Executive Committee shall work together on indicating the agendas and considering the topics to be included in the agendas. All of the directors are provided with opportunities to propose the topics to be considered added to the agendas. Prior to each meeting, the Company shall send the agendas to the directors for study and consideration in appropriate time.

The meeting shall be conducted in the way that facilitates the proposal and discussion of the topics to be considered in the meeting. The President of the Company chairs the meeting and allows the directors to express their opinions freely. Sometimes, the top management may attend the meeting to provide useful information and accept the policy for effective implementation. The majority votes are regarded as the way to vote on the considered issues. One director has one vote. The directors who are the stakeholders shall not attend and not exercise their rights to vote on the questioned issues. If there are equal votes, the President of meeting shall vote to finalize the result. Each director has the right to examine the meeting documents and other related documents. If the Independent Directors or the Audit Directors have any questions, other directors and the management shall answer such questions as fast as possible.

If the directors disagree with the resolution of the meeting, they shall ask the Company Secretary to record the objection in the meeting minutes or submit the letter indicating the objection to the President of the Company. In each meeting, the Company Secretary shall attend the meeting to make the meeting minutes and submit it to the President of the Company for signing for approval. The meeting minute shall be presented as the first agenda of the following meeting for consideration and approval. Also, the Company Secretary shall keep the information and the documents related to the meetings for convenient reference. Normally, all of the Board of Directors member shall attend every meeting unless emergency which shall be notified prior to the meeting. In addition, the Board of Directors members who are not the Company's executive management are allowed to have their own meetings when necessary to discuss problems or questioned issues without the presence of the executive management. The result of the meeting shall be notified to the Managing Director.

The Board of Directors' Meeting shall be held at least 4 times a year and shall be called immediately in case of important agendas. The meeting shall be recorded in writing and kept systematically for examination if needed. The Audit Committee's Meeting shall be held at least 4 times a year and the meeting minute shall be made and kept systematically in writing for examination.

### 4) Remuneration

The policy on remuneration of the directors and executive management has been made in writing in which the clear criteria and process are stated and updated to convince and maintain the quality employees and promote the growth of the Company. The appropriateness of the roles, the scope of the responsibilities and the performance of the Company and other companies in the same or similar business shall be considered as the basis of remuneration indication. The remuneration is paid in the form of the meeting allowance, monthly salary and bonus. The remuneration of the directors shall be proposed to the Shareholders' Meeting for approval. The remuneration to be paid to the directors and management shall be presented in the annual report.

## 5) Development of the Directors and the Management

The Board of the Directors promotes and facilitates the training to the directors who are related to the Corporate Governance system of the Company such as the Audit Committee to regularly improve the operations. In case of the change of the directors and the appointment of the new directors, the useful documents and information about the roles and responsibilities of the new directors shall be provided as well as the orientation to the Company's business nature and practices.

## 11. The Directors' Meeting

It is stated in the Company's articles of association that the invitation to the meeting along with the supporting documents shall be sent to the directors for consideration at least 7 days prior to the date of the meeting. To comply with the minimum period specified by the law in 2018-2019, each meeting has been recorded in writing and the meeting minutes approved by the directors have been kept and ready for examination by the directors and the related persons. The details of the attendance of each director are as follows:

### The Board of Directors

The Board of Directors' Meetings have been recorded in writing and kept systematically for examination. In 2018 and 2019, there have been 6 meetings and 7 meetings of the Board of Directors, respectively. The details of the attendance of each director are as follows:

	Name	Position	2018	2019
1	Mr. Sukont Kanjanahattakit <sup>1</sup>	Chairman of the Board of Directors	5/6	7/7
2	Mr. Adisak Sukumvitaya	Director	6/6	7/7
3	Ms. Yuvadee Pong-acha	Director	6/6	7/7
4	Mrs.Nongluck* Laksanaphokin	Director	1/6	-
5	Mr. Suphot Sirikulapas	Director	6/6	7/7
6	Mr. Premon Pinskiul	Director / Independent Auditor / AC	6/6	7/7
7	Mr. Anucha** Viriyachai	Director / Independent Auditor / AC	6/6	7/7
8	Ms. Pannee Choedrum-phai	Director / Independent Auditor / AC	5/6	7/7

\*Mrs. Nonglak Laksanapokin according to the resolution of the Board of Directors' Meeting No. 1/2018, there was a list of directors who had to retire by rotation and Mrs. Nonglak Laksanapokin not wishing to extend the term of the Board of Directors therefore requested that the agenda be completed and resigned from the Board of Directors.

\*\*Mr. Anucha Viriyachai, Inaugurated on 8 August 2018

### The Audit Committee

The Audit Committee's Meetings are held at least 4 times a year. Each meeting shall be recorded in writing and kept systematically for examination. In 2018 and 2019, there have been 5 and 4 meetings of the Audit Committee. The details of the attendance of each director are as follows:

	Name	Position	2018	2019
1	Mr. Premon Pinskiul	Chairman of the Audit Committee	5/5	4/4
2	Mr. Anucha Viriyachai	Audit Director	5/5	3/4
3	Ms. Pannee Choedrum-phai	Audit Director	4/5	4/4

### The Executive Committee

The Executive Committee's Meetings are held at least 4 times a year. Each meeting shall be recorded in writing and kept systematically for examination. In 2018 and 2019, there have been the meetings of the Executive Committee. The details of the attendance of each director are as follows:

	Name	Position	2018	2019
1	Ms. Yuvadee Pong-acha	Chairman of the Executive Committee	12/12	12/12
2	Mr. Suphot Sirikulapas	Executive Director	12/12	12/12
3	Mr. Supreecha* Angteeranuwong	Executive Director	12/12	5/12

\* Mr. Supreecha Angteeranuwong resigned June 1, 2019.

### The Nomination and Remuneration Committee

The Nomination and Remuneration Committee's, each meetings shall be recorded in writing and kept systematically for examination. In 2017 and 2018, there have been the meetings of the Nomination and Remuneration Committee. The details of the attendance of each director are as follows:

	Name	Position	2018	2019
1	Ms. Pannee Choedrum-phai	President of Nomination and Remuneration Committee	2/2	2/2
2	Ms. Yuvadee Pong-acha	Nomination and Remuneration Director	2/2	2/2
3	Mrs.Nongluck* Laksanaphokin	Nomination and Remuneration Director	1/2	-
4	Mr. Anucha Viriyachai	Nomination and Remuneration Director	-	1/2

### 12. The Audit Committee

The Audit Committee has been appointed to help monitor the operations of the Company. It is comprised of 3 independent directors. One of them is an expert in accounting and finance having the power and responsibilities as stated in the Power, Roles and Responsibilities of the Audit Committee. In addition, the subcommittees have also been appointed to help monitoring each aspect of the Company's operations.

### 13. Internal Control and Audit System

The Company has clearly indicated the roles, responsibilities and power of the operators and the management in writing. The use of the Company's assets has been controlled to ensure the highest benefits of the company. The duties of the operators, the supervisors and the evaluators have been separated for power balance and cross-examination.

The Company has established a specific division which is responsible for internal control of which duties are to examine, plan, follow up, and coordinate the tasks to ensure that the major operations of the Company have been conducted effectively in accordance with the plans. The Internal Control Division is independent, so the examination and power balance can be done efficiently. The examination result shall be reported directly to the Audit Committee.

In 2018, the Company outsourced the internal auditor from P&L Internal Audit Co., Ltd. who has worked under the supervision and plan of the Audit Committee. The internal auditor is responsible for examining the internal control and reporting the result along with the suggestions to the Audit Committee directly for consideration. The internal control of the Company and the subsidiaries shall be examined on quarterly basis.

### 14. The Directors' Report

The Board of Directors is responsible for the overall financial statements of the Company and the subsidiaries as well as the financial information presented in the annual report by establishing the effective internal control system

for ensuring that the financial information is recorded accurately, completely and appropriately for maintaining the assets. The weaknesses shall be identified to prevent corruption and significant irregular transactions. The Board of Directors' Meeting No. 2/2014 on 20 February 2014 appointed the Audit Committee whose responsibility is to ensure the quality of the financial reports and the internal control system.

#### **15. Relationship with the Investors**

After being listed in the Stock Exchange of Thailand, the Company has appointed a person responsible for investor relations to take care of the disclosure of information in accurate, complete, transparent, and accessible manner. The information includes the financial information and general information as well as the information which may affect the prices of the Company's stock. The Company's information shall be disseminated to the investors and the public through various channels.

However, the Company is in the process of making the manual of the Corporate Governance for the aforementioned practices which shall be proposed to the directors for verification before presenting to the Board of Directors for approval. Then, the manual shall be implemented by the directors, the management and the employees of all levels of the Company and the subsidiaries.

#### **Policy on and Method of Managing the Use of the Company's Internal Information of the Management**

The Company has issued the policy on the use of the Company's internal information, especially the information about the Company's financial status before it is disclosed to the public. The number of the persons who know the information shall be limited and the management shall be made acknowledge of their roles and responsibilities to report the stock in their possession as well as in their spouses and minor children's possession. They shall realize the penalties prescribed in the Securities and Exchange Act B.E. 2535 and the amendments thereof ("Securities and Exchange Act"). Further, the management shall report the change of stock possession to the Securities and Exchange Commission in accordance with Section 59 of the Securities and Exchange Act. Also, the management who is notified of the Company's internal information shall not perform any action which may violate Section 241 of the Securities and Exchange Act.

## Related Party Transactions

From January – December 2018 and 2019, there have been the related party transactions in accordance with the reasonable rules and consideration process. Also, the prices or conditions of such transactions have been fair and beneficial to the Company and the shareholders as if they were the transactions made with the other parties to prevent the occurrence of the conflict of interest. The transactions have been conducted in accordance with the provisions of the Stock Exchange of Thailand. The details are as follows:

### Bean & Brown Co., Ltd.

Item	Value(million Baht)		Rate / Necessary
	2019	2018	
Rental Fee Income	2.31	1.45	Market Rate/Rent space in BTS Saladaeng and The JAS Ramintra
Other Income	2.09	0.02	Collecting party expenses within the group of companies
Interest	2.56	1.39	Short-term loans by issuing promissory notes (interest rates charged 5.75-7.20 percent)
Loans to subsidiaries	-	46.50	
Other expenses	0.05	0.03	Charge for coffee and snacks
Sell property	-	0.49	Net price accounting / selling computer Restaurant equipment coffee maker
Trade and other receivables	0.04	0.05	Rental receivable - area service fee
Rental deposit payable - Area service	0.80	0.75	The price charged to general customers / is the payment of deposit for the leased area.

### Jaymart Public Company Limited

Item	Value(million Baht)		Rate / Necessary
	2019	2018	
Rental Fee Income	-	0.18	Revenues from the construction of parking lots / calculation of operating costs 10% of construction costs
Other Revenues	-	0.01	collecting other income
Rentale, Service and Utilities	0.16	0.17	The rate that is comparable to the market rate / is the rental of the headquarters area, Jay Mart building.
Utility – Headquarters and other expenses	0.06	0.14	Price charged from actual usage / as electricity, water and miscellaneous expenses
Managemnet Fee	6.59	6.48	The company has a contract for JMART to manage general personnel and information systems.
Collection Fee	0.19	0.21	
Asset Acquisition	-	0.02	Purchase price, net book value / purchase of office equipment
Account Recievale and ohter	0.26	0.09	Necessary to do and Reasonable Price



Item	Value(million Baht)		Rate / Necessary
	2019	2018	
Deposit Headquarters	0.04	0.04	Necessary to do and the interest rate is market rate
Account Payable	0.004	0.09	
Interest Paid out	0.003	1.00	

**J Ventures Co., Ltd.**

Item	Value (million Baht)		Rate and Necessary
	2019	2018	
Other Revenues	0.004	-	Necessary to do and Reasonable Price

**Jaymart Mobile Co., Ltd**

Item	Value(million Baht)		Rate / Necessary
	2019	2018	
Rental Fee Income	13.50	17.63	Market Rate/ Rent space in IT Junction 11 Branch and The Jas Urban Srinakarin
Other Revenues	-	0.24	Necessary to do and Reasonable Price
Asset Acquisition	0.08	0.004	Necessary to do and Reasonable Price
Promotion Expenses	0.37	4.70	Necessary to do and Reasonable Price
Other Expenses	0.30	0.31	
Account Receivables	0.22	0.11	Normal business and reasonable price
Account Payables	0.59	0.002	
Deposit Rental Space	4.69	4.11	

**JMT Network Services Public Company Limited**

Item	Value(million Baht)		Rate / Necessary
	2019	2018	
Rental Income	1.12	0.31	Market Price – Rental Space at Ramintra
Account Receivable and Other	0.03	0.13	Account Receivable for Rental Space
Deferred Incomes	-	0.06	Service charge for construction services waiting for service
Deposit of rental	0.26	0.26	Deposit for Rental Space in The Jas Ramintra

**J Fintech Co., Ltd**

Item	Value (million Baht)		Rate and Necessary
	2019	2018	
Rental Income	0.004	0.21	Market Rate – Rental Space at The Jas Ramintra and The JAS Urban Srinakarin
Asset Acquisition	0.06	-	Market Price
Deposit for Rental Space	-	0.03	

**J Asset Management**

Item	Value (million Baht)		Rate and Necessary
	2019	2018	
Rental Revenue	2.03	1.30	Market Rate – Rental Space at The Jas Ramintra
Property Development Cost	-	17.28	Price is considered by management with the rate of market price.
Trade and other receivables	0.29	0.04	Outstanding receivables from service fees
Deposit of rental	0.51	0.51	Rental deposit and space rental contract payable

**Singer Thailand Public Company Limited**

Item	Value (million Baht)		Rate / Necessary
	2019	2018	
Rental Income	0.03	0.04	Market Rate – Rental Space at The Jas Ramintra
Other Income	-	0.002	Providing prepaid kiosks
Promotion Expense	-	0.02	Normal Business and Market Rate
Asset Acquisition	0.08	-	Market Price
Trade and other receivables	0.44	0.005	Outstanding receivables from service fees

## Financial Statements

### Statement of the Board of Directors' Responsibilities

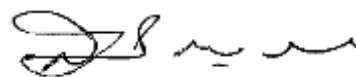
Under the Public Limited Companies Act B.E. 2535, the Accounting Act B.E. 2543, the Securities and Exchange Act B.E. 2535, and the Notifications of the Securities and Exchange Commission regarding the principles, conditions and methods for disclosure of financial statements and performance of companies issuing securities, it is a duty and responsibility of the Board of Directors of the Company to prepare appropriate and actual financial statements of the Company in order to show its financial position and performance for the past year.

The Company's management has prepared the financial statements in accordance with the Generally Accepted Accounting Principles, having chosen appropriate accounting policies and upheld them with consistency. Careful consideration and best estimation have also been used for such preparation and for the disclosure of material and adequate information in the notes accompanying the financial statements.

The Company's financial statements have been examined by an auditor from EY Office Limited. Such auditor has been provided with information and documents to enable them to audit and express opinion in compliance with the auditing standards. The auditor's opinion is presented in the auditor's report which is a part of this annual report.

Being well aware of its duties and responsibilities to ensure the effective oversight of the financial statements, the Board of Directors has appointed the Audit consisting of qualified persons to oversee that the Company's financial statements be prepared correctly and completely and that appropriate accounting policies be adopted and consistently followed. Also, the Audit has to review the internal control system to significantly prevent or reduce risk of any fraud or abnormalities, as well as to ensure its adequacy and effectiveness to safeguard the Company's assets. The Audit Committee's opinion is presented in the Statement of the Chairman of the Audit which is a part of this annual report.

From the practice and supervision as mentioned above, the Board of Directors is of the opinion that the financial statements of JAS Asset Public Company Limited, as of December 31, 2019, present the Company's financial position and operating results in a correct and reliable manner in compliance with the Generally Accepted Accounting Principles and all relevant governing laws and regulations.



(Mr. Sukon Kanjanahatakit)

President of the Board of Directors



(Mr. Suphot Sirikulapas)

Chief Executive Officer

## Statement of the Audit Committee

The Company's Audit consists of 3 independent directors possessing full qualifications in compliance with the Notification of the Securities and Exchange Commission (SEC). Mr. Premon Pinskiul is The Chairman and Mr. Anucha Viriyachai and Ms. Pannee Choedrum-phai are the other members of the Audit Committee. The term of office of the Audit Committee is 3 years.

The Audit Committee has performed work in accordance with the scope of responsibilities as assigned by the Board of Directors and as prescribed in the Audit Committee's Charter which is in compliance with those specified by The Stock Exchange of Thailand (SET): The Audit Committee's Qualification and Scope of Duties and Responsibilities B.E. 2551. The Audit Committee regularly reports the Committee's Minutes of Meeting to the Board of Directors In 2019, a total of 4 Audit Committee's meetings were held with all members present in every meeting. The meetings were conducted to consider and proceed with the following matters:-

### 1. Review of financial reporting

The Audit Committee has reviewed the quarterly and annual financial statements for the year 2019 in collaboration with the auditor and the management. This is to give assurance that the Company's financial statements are in compliance with the Generally Accepted Accounting Principles according to the Accounting Act B.E. 2543 and the relevant notifications of the Securities and Exchange Commission and the Stock Exchange of Thailand, and that the disclosure of information is made in an adequate, complete, timely and reliable manner which is beneficial to and supports decisions made by shareholders and general investors as well as aligns with applicable laws and notifications. The Audit Committee has also supported and monitored the compliance with the International Financial Reporting Standards (IFRS) in accordance with the guidelines specified by the Federation of Accounting Professions and the Office of Securities and Exchange Commission. In addition, in 2019 the Audit Committee held one meeting with the auditor without the participation of the management to ensure that the auditor independently performed his/her duties.

### 2. Review of the adequacy and appropriateness of internal control system

The Audit Committee has reviewed the adequacy and appropriateness of the internal control system by considering the reports of the Independent Internal Auditor and the external auditor. The auditor has mutually agreed that no significant operational faults were identified in 2019. In addition, the Audit Committee has considered the result of the evaluation of the internal control system of the Company and its subsidiary as well as the questions used in the evaluation form prepared according to the guidelines specified by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), the Securities and Exchange Commission and the Stock Exchange of Thailand. According to the evaluation result for 2019, the internal audit function is independent and the internal control system of the Company is adequate, appropriate and effective.

### 3. Supervision of internal audit operations

The Audit Committee has considered and selected P&L Internal Audit Co., Ltd. to be an independent internal auditor for another year as well as approved the internal audit scope and plan for the year 2020 whereas the internal auditor shall report the result directly to the Audit Committee.

4. Review of the Company's compliance with the laws regarding securities and stock exchange, requirements of the Stock Exchange of Thailand or laws relevant to the Company's business The Audit Committee has reviewed if the Company has in place the processes to ensure that the operations are in compliance with the laws regarding securities and stock exchange, requirements of the Stock Exchange of Thailand and the Securities and Exchange Commission as well as laws relevant to the Company's business.

#### 5. Connected transactions or transactions which may involve a conflict of interest

In 2019, the Company had connected transaction or transaction which may involve a conflict of interest prescribed by the Stock Exchange of Thailand regulations regarding the connected transactions and/or the acquisition or disposition of the Company's asset.

The Audit Committee has reviewed the Company's disclosure of information in the case of any connected transactions or transactions which may involve a conflict of interest to ensure that the information is correctly and completely disclosed in the notes to the annual and quarterly financial statements and that the transactions incurred are reasonable, beneficial to the Company and are in compliance with the business conditions and requirements of the Securities and Exchange Commission.

#### 6. Consideration, selection and nomination of an independent person for appointment as the auditor of the Company

The Audit Committee has reviewed the operations of the auditor from EY Office Limited and opined that the auditor performed professional duties in an independent, impartial and timely manner, thoroughly understood the Company's business and has duly been granted approval from the Securities and Exchange Commission. It is therefore deemed appropriate that Mrs.Nongluck Poomnoi Auditor's License No. 4172, Ms.Rungnapa Lertsuwankul Auditor's License No. 3516, Ms.Ratana Jala Auditor's License No. 3734, Ms.Pimjai Manitkajohnkit Auditor's License No. 4521, Ms.Rosaporn Decharkom Auditor's License No. 5659, Ms.Sumana Punpongsonon Auditor's License No. 5872, Ms. Wanwilai Petsang Registration No.5315 of EY Office Limited should be nominated as the auditor of the Company for the year 2020 and that the matter should be proposed to the Company's Board of Directors for consideration and further submission to the Meeting of Shareholders for approval.

#### 7. Review of risk management

The Audit Committee has reviewed risk management operations with the management and the independent internal auditor and opined that the management has in place appropriate and adequate risk management.

#### 8. Annual review and amendment of the Audit Committee Charter

The Audit Committee shall review the Audit Committee Charter to ensure that the past year's operations were undertaken completely as assigned and the duties and responsibilities were in alignment with the good practices by the Stock Exchange of Thailand.

#### 9. The Audit Committee reported its work performance to the Board of Directors for acknowledgement at least once a quarter.

Based on the Audit Committee's performance of duties as mentioned above, the Audit Committee was of the opinion that the Company adopted an adequate and appropriate internal control system, that the Company put in place the appropriate procedures to ensure that the Company's operations are in compliance with relevant laws, and that the preparation and disclosure of information in the financial reports of the Company were correct, complete, reliable, and in a timely manner as well as disclosed connected transactions or transactions which may involve a conflict of interest in a correct and complete manner.



(Mr. Preemon Pinsakul)  
Chairman of the Audit Committee

## Management and Discussion and Analysis

According to the resolution of the Board of Directors Meeting of JAS Asset Public Company Limited ("the Company") No. 1/2020, held on 25 February 2020, had approved the audited financial statements and the operating results of the Company for the year ended 31 December 2019. The conclusion was detailed as follows:

The Company's operating results for the year 2019, had a net profit of 17.2 million Baht according to the consolidated financial statements. The Company could return to having net profit due to be able to transfer the condominium units under the Newera Condominium project as targeted in 2019 as well as having the enhancing cost control measures. The details of the Company's performance were as follows:

	2018		2019		YoY	
	Mio.	%	Mio.	%	Mio.	%
Rental and Service Income	534.1	58.3%	465.9	50.2%	-68.2	-12.8%
Sales Revenue	345.5	37.7%	424.6	45.7%	79.1	22.9%
Other Income	36.1	3.9%	38.1	4.1%	2.00	5.5%
<b>Total Revenues</b>	<b>915.7</b>	<b>100.0%</b>	<b>928.6</b>	<b>100.0%</b>	<b>12.9</b>	<b>1.4%</b>
Cost of Rental and Services	485.2	53.0%	429.2	46.2%	-56.0	-11.5%
Cost of Sales	238.2	26.0%	291.8	31.4%	53.6	22.5%
Gross profit	156.2	17.1%	169.5	18.3%	13.3	8.5%
Profit (loss) Fair value adjustment of investment property	-3.6	-0.4%	6.1	0.7%	9.7	269.4%
Reversal of Impairment of Assets	-3.6	-0.4%	0.2	0.0%	3.8	105.6%
Profit from Dispose Investment in Subsidiary	0	0.0%	27.3	2.9%	27.3	n.a.
Profit before Expenses	185.1	20.2%	241.1	26.0%	56.0	30.3%
Selling Expenses	96.5	10.5%	107.6	11.6%	11.1	11.5%
Administrative Expenses	65	7.1%	88.4	9.5%	23.4	36.0%
EBIT	23.6	2.6%	45.1	4.9%	21.5	91.1%
Financial Expenses	63	6.9%	54.3	5.8%	-8.7	-13.8%
Net Profit	-24.1	-2.6%	7.9	0.1%	34.6	198.9%

### Overview of the Retail Industry and the Company's operations

Overview of the retail industry in 2019, the growth rate was not very high at approximately 2.6 percent resulting from consumer buying power was slow due to economic conditions. In which the Company is in the group of the retail industry that focuses on the rental space for retailers selling mobile phones and accessories along with Community Mall development. However, the growth rate in the said rental space business did not grow much compared to the market growth. Therefore, the Company has focused on cost reduction as well as diversifying the business groups of the Company to increase revenue from real estate sales, which was the main source of income for 2019. In this regard, the analysis of the operating results of the Company could be explained as follows:

### Rental and Service Income and Other Income

Rental and service income in 2019 was 465.9 million Baht, which decreased from the previous year of 68.2 million Baht. The reduction of the rental income was due to the closing of the IT Junction branches that could not achieve its target performance. In the past year, the Company closed a total of 10 branches. However, the Company has adjusted its operating strategies by increasing sales from the development in the business for sale, especially condominium projects, which the Company had completed construction since the Q3/2019 of last year. In Q4/2019, the Company delivered the condominium unit under the New Era Project of 90 rooms from 177 rooms, allowing the Company could recognize revenue and achieve the target profit.

### Cost of Rental and Services, Cost of Sales, and Gross Profit

The cost of rental and services and the cost of sales in 2019 equaled 721.0 million Baht and a slightly decrease 0.34% from 2018 due to the decrease in rental space from the closed down IT Junction Branches. Resulting in gross profit was equal to 169.5 million Baht, increasing by 8.5% percent, representing a gross margin at 18.2% from total revenues.

### Selling Expenses and Administrative Expenses

The Company had selling and administrative expenses in 2019 totaling 196 million Baht, an increase of 34.6 million Baht from 2018 or an increase of 21.4 percent. The increase in selling and administrative expenses as a result of selling expense in relation to Condominium Project such as transfer fee and specific business tax and remuneration for employee expenses.

### Profit from Operation

The Company's profit before interest and tax in 2019 was equal to 45.1 million Baht, an increase of 91.1 by 2018 due to the increase in revenue from transferring condominiums as targeted.

### Financial Costs

The Company's total financial cost in 2019 was 54.3 million Baht, which decreased from 2018 by 8.7 million Baht or 13.8 percent due to the Company repaid loans to the financial institutions and issuance of the debenture.

## Consolidated Financial Statements

	31 Dec 2018		31 Dec 2019		YoY	
	Mio.	%	Mio.	%	Mio.	%
Assets						
Cash and Cash Equivalents	21.4	0.9%	2.6	0.1%	-18.8	-87.9%
Trade and Other Receivables	56.0	2.3%	61.8	2.7%	5.8	10.4%
Real Estate Development Costs	156.7	6.5%	165.6	7.2%	8.9	5.7%
Investment Property	518.8	21.5%	525.0	22.7%	6.2	1.2%
Land and Equipment	130.8	5.4%	65.9	2.9%	-64.9	-49.6%

	31 Dec 2018		31 Dec 2019		YoY	
	Mio.	%	Mio.	%	Mio.	%
Leasehold Rights and Buildings	1,284.4	53.3%	1,288.5	55.8%	4.1	0.3%
Deposit	132.5	5.5%	111.3	4.8%	-21.2	-16.0%
<b>Total Assets</b>	<b>2,409.5</b>	<b>100.0%</b>	<b>2,310.3</b>	<b>100.0%</b>	<b>-99.2</b>	<b>-4.1%</b>
Liabilities and Stockholders' Equity						
Bank Overdrafts and Short-Term Loans	60.0	2.5%	96.5	4.2%	36.5	60.8%
Trade and Other Payables	102.7	4.3%	119.5	5.2%	16.8	16.4%
Long-term Debt due within a year	122.4	5.1%	126.2	5.5%	3.8	3.1%
Long-Term Loans, Net	562.7	23.4%	402.0	17.4%	-160.7	-28.6%
Debenture	467.0	19.4%	99.0	4.3%	-368.0	-78.8%
Tenancy Deposit	125.7	5.2%	103.5	4.5%	-22.2	-17.7%
<b>Total Liabilities</b>	<b>1,464.6</b>	<b>60.8%</b>	<b>1,027.1</b>	<b>44.5%</b>	<b>-437.5</b>	<b>-29.9%</b>
<b>Total Shareholders' Equity</b>	<b>944.9</b>	<b>39.2%</b>	<b>1283.2</b>	<b>55.5%</b>	<b>338.3</b>	<b>35.8%</b>

### Assets

At the end of 31 December 2019, the Company had total assets of 2,310.3 million Baht, which decreased from the end of 2018 equal to 99.2 million Baht or 4.12 percent. It was due to the decrease in cash and deposit and the asset transfer from dispose the subsidiaries to Jaymart.

### Liabilities and Stockholders' Equity

At the end of 31 December 2019, the Company had total liabilities of 1,027.1 million Baht, which decreased from the end of 2018 equal to 437.5 million Baht or 29.9 percent. Since the Company repaid the loan for financial institution, causing the Company having the debt to equity ratio equal to 0.80 times.

### Looking Forward

In 2019, the Company was able to generate revenue from business expansion quite well, which could be achieved according to the target. The Company still emphasizes on business operations in the retail group by focusing on the development of rental space in the form of the mobile shop under the IT Junction brand, including the rental area for large stores of the community mall project as well as the development of projects for sale in potential locations in the future. Besides, the Company aims to be the real estate development to create the retail ecosystem under the Jaymart Group. In which in 2020 some factors shall affect the operation in the future as follows:

Rooms are expecting to be sold and transferred to customers by the year 2020, which is an additional revenue waiting for recognition.

The Company is currently developing a new shopping center project "The Jas Village", is located near the Amata Industrial Estate, Chonburi. It is expected to be completed and commenced commercial operations with tenants by the end of the 1st quarter of 2020.



Regarding accounting standards that have changed and became effective since 2020, the IAS 16 Property, Plant and Equipment considered an issue affecting the Company's financial statements due to the Company has long-term lease agreements for shopping center development. However, under the management's analysis, the said standard shall cause the financial ratio in terms of capital structure, the Debt to Equity Ratio, to change in an increased direction. Since the Company has to estimate the rental throughout the contract period to turn to be a liability and record asset from right of use of assets in the financial statements. However, the aforementioned increase still be lower the covenant ratio of the Company.

### Audit Remuneration

In the accounting period of 2018 and 2019, the Company paid the audit remuneration as follows:

Items	2018	2019
<b>Audit Fee</b>		
- The Company	1,440,000	1,585,000
- Subsidiary	550,000	612,000
<b>Total</b>	1,990,000	2,197,000
<b>Other Expense</b>	Actual	Actual

No other remuneration was paid apart from the audit remuneration.

**Corporate Social Responsibility Activities**

The company realizes that making the business sustainable growth must base upon the intension to care all business units and running the business in 2019, the company brings up the energy cleaning policy, environment carefulness as a part of company's social activity.

**Activity "Fill up the world with 4R by Jaymart Group"**

JAS Asset Public Company Limited and affiliated companies have created a project "Fill the world with 4R by JMART group" .To raise awareness, change behavior and engging environmental awareness, and reduce waste and separation before discarding. The project has been launched for the project on 14 July 2019 with the management team and staff of JAS Asset Public Company Limited and affiliated companies participating in this event.



**Activity: Embrace of love**

JAS Asset Public Company Limited has organized activities Embrace of love. In the event there was a meal and give necessary things to the elderly at the elderly social welfare development center Pathum Thani Province (Klong 5 nursing home). In which the management of JAS Asset Public Company Limited and employees joined the activity on 19 February 2019.



JAS Asset Public Company Limited and its subsidiary  
Report and consolidated financial statements  
31 December 2019

## Independent Auditor's Report

To the Shareholders of JAS Asset Public Company Limited

### Opinion

I have audited the accompanying financial statements of JAS Asset Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2019, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and have also audited the consolidated statements of comprehensive income, changes in shareholders' equity and cash flows of JAS Asset Public Company Limited and its subsidiary (the Group) for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of JAS Asset Public Company Limited as at 31 December 2019, its financial performance and cash flows for the year then ended, and the financial performance and cash flows of JAS Asset Public Company Limited and its subsidiary, in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

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

### Emphasis of matter

I draw attention to Note 25 to the financial statements regarding the revenue from sale of residential condominium units to related party and parent company's shareholder. During the year, the Company recognised revenue from residential condominium units sold to both related party and parent company's shareholder, and the Company received full payments from the sale and transferred control over the real estate to those parties completely.



However, the Company has not registered the ownership transfer to buyers due to certain business reasons. The Company recognised revenue from sale of real estate to related party and parent company's shareholder of Baht 70 million and recognised gain on sale of Baht 20 million in the statement of comprehensive income for the current year. My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

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

Key audit matters and how audit procedures respond for each matter are describe below.

### **Rental income**

The Group has disclosed its accounting policy relating to recognition of rental income in Note 4.1 to the financial statements. The Group recognised rental income for the year 2019 amounting to Baht 466 million which represents 48% of total revenues. I identified recognition of revenue from rental income to be an area of significant risk in the audit because revenue from rental income is the most significant account in the statement of comprehensive income of the Group and it is a key performance indicator to which the management and users of the financial statements pay particular attention. In addition, the Group entered into agreements with a large number of customers and there are a variety of conditions in these agreements most are minor lessees. There are therefore risks related to the existing and timing of revenue recognition.



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I have examined the revenue recognition of the Group by

- Assessing and testing the Group's IT system and its internal controls related to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select rental agreements to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Group's policy.
- On a sampling basis, examining supporting documents for revenue transactions occurring during the year and near the end of the accounting period.
- Reviewing credit notes that the Group issued after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

### **Recognition of revenue from sales of residential condominium units**

As disclosed in Note 25.1 to the financial statements, the Group recognised revenue from residential condominium units sold for the year 2019 amounting to Baht 252 million which represents 26% of total revenues. I identified recognition of revenue from residential condominium units sold to be an area of significant risk in the audit because revenue from residential condominium units sold is a significant account in the statement of comprehensive income of the Group and it is a key performance indicator to which the management and users of the financial statements pay particular attention. In addition, the Group recognised revenue from residential condominium units sold for the first time during the year. There are therefore risks with respect to the occurrence of revenue, and the relevance of revenue to the business.

I have examined the revenue recognition of the Group by

- Applying a sampling method to select condominium sale agreements and condominium units delivery document to assess whether revenue recognition was consistent with the conditions of the relevant documents, and whether it was in compliance with the Group's policy on revenue recognition.



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- On a sampling basis, examining supporting documents for revenue transactions occurring during the year and near the end of the accounting period.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

### **Valuation of investment property**

As discussed in Note 12 to the financial statements, the Company had investment property presented in the statement of financial position as at 31 December 2019, at their fair value of Baht 525 million, representing 23% of total assets. The Company determined the fair value of investment property based on the value appraised by an independent appraiser using the income approach. As the Company's management is required to exercise significant judgement with respect to the estimation of future operating results and the determination of a discount rate and key assumptions, there is a significant risk with respect to the measurement of such investment property.

I assessed the key internal controls of the Company related to the calculation of fair value of investment property by making enquiry of responsible executives and gaining an understanding of operation of control designed by the Company. I considered the extent and objectives of the assessment of fair value by the independent appraiser and assessed the techniques and models used by the independent appraiser to measure the fair value, as specified in the appraisal report prepared by the appraiser, by comparing them to my knowledge and past experience regarding the valuation of the same or similar assets. I also considered the consistency of the application of such techniques and models, and assessed the competence and independence of the independent appraiser by checking publicly available data. In addition, I reviewed the data and key assumptions used in the measurement of fair value by comparing the estimated operating results with the Company's actual operating results to evaluate the judgement of the Company's management in terms of estimating operating results, checking them to the rental and service agreements, and testing the calculation of fair value which was based on the above models and assumptions. Moreover, I reviewed the disclosure of information related to the measurement of the fair value of investments property in the notes to the financial statements.





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## Other Information

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

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

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

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

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

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

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

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



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## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

I am responsible for the audit resulting in this independent auditor's report.

Rosaporn Decharkom  
Certified Public Accountant (Thailand) No.5659

EY Office Limited  
Bangkok: 25 February 2020

**JAS Asset Public Company Limited and its subsidiary**  
**Statements of financial position**  
**As at 31 December 2019**

(Unit: Baht)

	Note	Consolidated	Separate	
		financial statements	financial statements	
		2018	2019	2018
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	7	21,386,704	2,650,807	18,583,126
Trade and other receivables	6, 8	55,978,775	61,858,041	54,157,066
Short-term loan to related party	6	-	-	46,500,000
Inventories	9	1,672,341	52,680	52,118
Property development costs	10	156,700,412	165,620,266	156,700,412
Prepaid income tax		14,045,121	23,539,246	13,981,185
Cost to obtain contracts with customers	3	-	262,045	-
Other current assets		10,962,366	7,761,793	7,157,164
<b>Total current assets</b>		<b>260,745,719</b>	<b>261,744,878</b>	<b>297,131,071</b>
<b>Non-current assets</b>				
Investment in subsidiary	11	-	-	14,019,652
Investment property	12	518,800,000	524,973,460	518,800,000
Property and equipment	13	130,830,373	65,936,097	102,596,339
Goodwill		21,855,308	-	-
Intangible assets	14	7,932,066	3,329,262	3,786,406
Leasehold rights and buildings	15	1,284,359,631	1,288,533,172	1,284,359,631
Advance for construction work		25,350,000	23,083,294	25,350,000
Deposits	6	132,479,365	111,283,883	126,611,855
Deferred tax assets	27	24,641,103	29,150,247	18,817,199
Other non-current assets		2,482,576	2,230,525	2,482,305
<b>Total non-current assets</b>		<b>2,148,730,422</b>	<b>2,048,519,940</b>	<b>2,096,823,387</b>
<b>Total assets</b>		<b>2,409,476,141</b>	<b>2,310,264,818</b>	<b>2,393,954,458</b>

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

JAS Asset Public Company Limited and its subsidiary

Statements of financial position (continued)

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated	Separate	
		financial statements	financial statements	
		2018	2019	2018
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Bank overdrafts and short-term loans from financial institutions	16	60,000,000	96,471,756	60,000,000
Trade and other payables	6, 17	102,659,018	119,486,247	96,586,870
Retention guarantees		1,138,629	8,974,165	855,564
Advance received from customers		12,428,850	4,872,200	12,428,850
Current portion of liabilities under finance lease agreements	18	297,473	335,147	297,473
Current portion of long-term loans	19	122,436,432	126,184,685	122,436,432
Short-term loans	16	-	39,502,312	-
Current portion of debentures	20	466,971,423	98,903,190	466,971,423
Other current liabilities		9,210,450	10,512,993	8,687,287
<b>Total current liabilities</b>		<b>775,142,275</b>	<b>505,242,695</b>	<b>768,263,899</b>
<b>Non-current liabilities</b>				
Liabilities under finance lease agreements				
- net of current portion	18	533,578	200,774	533,578
Long-term loans - net of current portion	19	562,704,912	401,973,663	562,704,912
Provision for long-term employee benefits	21	378,846	572,141	378,846
Deposits received from lessees	6	125,666,212	103,476,259	126,417,873
Other non-current liabilities		133,763	15,665,596	85,263
<b>Total non-current liabilities</b>		<b>689,417,311</b>	<b>521,888,433</b>	<b>690,120,472</b>
<b>Total liabilities</b>		<b>1,464,559,586</b>	<b>1,027,131,128</b>	<b>1,458,384,371</b>

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

**JAS Asset Public Company Limited and its subsidiary**  
**Statements of financial position (continued)**  
**As at 31 December 2019**

(Unit: Baht)

	Note	Consolidated	Separate	
		financial statements	financial statements	
		2018	2019	2018
<b>Shareholders' equity</b>				
Share capital	22			
Registered				
1,081,905,778 ordinary shares of Baht 1 each (2018: 480,847,012 ordinary shares of Baht 1 each)		480,847,012	1,081,905,778	480,847,012
Issued and fully paid up				
793,807,290 ordinary shares of Baht 1 each (2018: 480,847,012 ordinary shares of Baht 1 each)		480,847,012	793,807,290	480,847,012
Premium on share capital		312,103,098	329,493,439	312,103,098
Retained earnings				
Appropriated - statutory reserve	24	37,676,876	38,537,525	37,676,876
Unappropriated		104,943,101	121,295,436	104,943,101
Equity attributable to owners of the Company		935,570,087	1,283,133,690	935,570,087
Non-controlling interests of the subsidiary	11	9,346,468	-	-
<b>Total shareholders' equity</b>		<b>944,916,555</b>	<b>1,283,133,690</b>	<b>935,570,087</b>
<b>Total liabilities and shareholders' equity</b>		<b>2,409,476,141</b>	<b>2,310,264,818</b>	<b>2,393,954,458</b>

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

Directors

JAS Asset Public Company Limited and its subsidiary  
Statement of comprehensive income  
For the year ended 31 December 2019

(Unit: Baht)

	Note	Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
		2019	2018	2019	2018
<b>Profit or loss:</b>					
<b>Revenues from sales and services</b>					
Rental income		465,909,356	534,129,241	467,718,334	535,456,818
Revenue from contracts with customers	25.1	424,592,562	345,488,421	355,079,963	301,733,879
<b>Total revenues from sales and services</b>		<b>890,501,918</b>	<b>879,617,662</b>	<b>822,798,297</b>	<b>837,190,697</b>
<b>Cost of sales and services</b>					
Cost of rental		429,122,656	485,238,222	429,122,656	485,238,222
Cost of sales	25.3	291,873,647	238,212,466	262,261,153	218,181,397
<b>Total cost of sales and services</b>		<b>720,996,303</b>	<b>723,450,688</b>	<b>691,383,809</b>	<b>703,419,619</b>
<b>Gross profit</b>		<b>169,505,615</b>	<b>156,166,974</b>	<b>131,414,488</b>	<b>133,771,078</b>
Gain (loss) on fair value adjustment of investment property	12	6,074,163	(3,589,693)	6,074,163	(3,589,693)
Reversal (allowance for) impairment of assets	13	181,223	(3,560,000)	181,223	(3,560,000)
Gain on sale of investment in subsidiary	11	27,302,088	-	26,701,265	-
Other income		38,079,996	36,052,094	41,860,942	36,096,306
<b>Profit before expenses</b>		<b>241,143,085</b>	<b>185,069,375</b>	<b>206,232,081</b>	<b>162,717,691</b>
Selling and distribution expenses		107,592,766	96,513,378	66,199,174	67,531,686
Administrative expenses		88,441,084	64,965,024	64,969,797	50,157,193
<b>Total expenses</b>		<b>196,033,850</b>	<b>161,478,402</b>	<b>131,168,971</b>	<b>117,688,879</b>
<b>Operating profit</b>		<b>45,109,235</b>	<b>23,590,973</b>	<b>75,063,110</b>	<b>45,028,812</b>
Finance cost		(54,308,063)	(62,955,003)	(53,262,236)	(62,955,003)
<b>Operating gain (loss) - net of finance cost</b>		<b>(9,198,828)</b>	<b>(39,364,030)</b>	<b>21,800,874</b>	<b>(17,926,191)</b>
Share of loss from investment in subsidiary	11	-	-	(14,920,937)	(9,998,382)
<b>Gain (loss) before income tax expenses</b>		<b>(9,198,828)</b>	<b>(39,364,030)</b>	<b>6,879,937</b>	<b>(27,924,573)</b>
Income tax benefits	27	17,065,344	15,255,628	10,333,047	10,481,759
<b>Profit (loss) for the year</b>		<b>7,866,516</b>	<b>(24,108,402)</b>	<b>17,212,984</b>	<b>(17,442,814)</b>
<b>Other comprehensive income:</b>					
Other comprehensive income for the year		-	-	-	-
<b>Total comprehensive income for the year</b>		<b>7,866,516</b>	<b>(24,108,402)</b>	<b>17,212,984</b>	<b>(17,442,814)</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		17,212,984	(17,442,814)	17,212,984	(17,442,814)
Non-controlling interests of the subsidiary	11	(9,346,468)	(6,665,588)		
		<b>7,866,516</b>	<b>(24,108,402)</b>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		17,212,984	(17,442,814)	17,212,984	(17,442,814)
Non-controlling interests of the subsidiary		(9,346,468)	(6,665,588)		
		<b>7,866,516</b>	<b>(24,108,402)</b>		
<b>Earnings per share:</b>					
Basic earnings (loss) per share	28				
Profit (loss) attributable to equity holders of the Company		0.03	(0.04)	0.03	(0.04)

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

JAS Asset Public Company Limited and its subsidiary  
Statement of changes in shareholders' equity  
For the year ended 31 December 2019

(Unit: Baht)

Consolidated financial statements

Equity attributable to owners of the Company

	Equity attributable to owners of the Company				Total equity attributable to owners of the Company	Equity	
	Issued and fully paid-up share capital	Premium on share capital	Retained earnings			attributable to non-controlling interests of the subsidiary	Total shareholders' equity
			Statutory reserve	Unappropriated			
<b>Balance as at 1 January 2018</b>	480,847,012	312,103,098	37,676,876	122,385,915	953,012,901	16,012,056	969,024,957
Loss for the year	-	-	-	(17,442,814)	(17,442,814)	(6,665,588)	(24,108,402)
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(17,442,814)	(17,442,814)	(6,665,588)	(24,108,402)
<b>Balance as at 31 December 2018</b>	<u>480,847,012</u>	<u>312,103,098</u>	<u>37,676,876</u>	<u>104,943,101</u>	<u>935,570,087</u>	<u>9,346,468</u>	<u>944,916,555</u>
<b>Balance as at 1 January 2019</b>	480,847,012	312,103,098	37,676,876	104,943,101	935,570,087	9,346,468	944,916,555
Profit (loss) for the year	-	-	-	17,212,984	17,212,984	(9,346,468)	7,866,516
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	17,212,984	17,212,984	(9,346,468)	7,866,516
Issued ordinary shares (Note 22)	312,960,278	17,390,341	-	-	330,350,619	-	330,350,619
Appropriated retained earnings to statutory reserve (Note 24)	-	-	860,649	(860,649)	-	-	-
<b>Balance as at 31 December 2019</b>	<u>793,807,290</u>	<u>329,493,439</u>	<u>38,537,525</u>	<u>121,295,436</u>	<u>1,283,133,690</u>	<u>-</u>	<u>1,283,133,690</u>

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



JAS Asset Public Company Limited and its subsidiary  
Statement of changes in shareholders' equity  
For the year ended 31 December 2019

(Unit: Baht)

Separate financial statements

	Issued and fully paid-up share capital	Premium on share capital	Retained earnings		Total shareholders' equity
			Statutory reserve	Unappropriated	
<b>Balance as at 1 January 2018</b>	480,847,012	312,103,098	37,676,876	122,385,915	953,012,901
Loss for the year	-	-	-	(17,442,814)	(17,442,814)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(17,442,814)	(17,442,814)
<b>Balance as at 31 December 2018</b>	<u>480,847,012</u>	<u>312,103,098</u>	<u>37,676,876</u>	<u>104,943,101</u>	<u>935,570,087</u>
<b>Balance as at 1 January 2019</b>	480,847,012	312,103,098	37,676,876	104,943,101	935,570,087
Profit for the year	-	-	-	17,212,984	17,212,984
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	17,212,984	17,212,984
Issued ordinary shares (Note 22)	312,960,278	17,390,341	-	-	330,350,619
Appropriated retained earnings to statutory reserve (Note 24)	-	-	860,649	(860,649)	-
<b>Balance as at 31 December 2019</b>	<u>793,807,290</u>	<u>329,493,439</u>	<u>38,537,525</u>	<u>121,295,436</u>	<u>1,283,133,690</u>

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

Statement of cash flows

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<b>Cash flows from operating activities</b>				
Gain (loss) before tax	(9,198,828)	(39,364,030)	6,879,937	(27,924,573)
Adjustments to reconcile gain (loss) before tax to net cash provided (paid from) by operating activities:				
Decrease in property development costs				
as a result of transfer to cost of sales	181,192,370	135,210,088	181,192,370	135,210,088
Depreciation and amortisation	113,456,236	114,506,164	104,859,047	108,399,945
Allowance for doubtful accounts (reversal)	(160,356)	42,429	(160,356)	42,429
Bad debts	561,222	249,253	561,222	249,253
Loss on disposal/write-off equipment and intangible asset	5,849,451	811,929	5,134,666	568,671
Allowance for impairment of assets (reversal)	(181,223)	3,560,000	(181,223)	3,560,000
Decrease (increase) in fair value of investment property	(6,074,163)	3,589,693	(6,074,163)	3,589,693
Share of loss from investment in subsidiary	-	-	14,920,937	9,998,382
Provision for long-term employee benefits	193,295	100,591	193,295	100,591
Gain on sale of investment in subsidiary	(27,302,088)	-	(26,701,265)	-
Interest income	(251,029)	(1,434,840)	(2,811,539)	(1,428,874)
Interest expenses	54,308,063	62,955,003	53,262,236	62,955,003
<b>Profit from operating activities before changes in operating assets and liabilities</b>	<b>312,392,950</b>	<b>280,226,280</b>	<b>331,075,164</b>	<b>295,320,608</b>
Operating assets (increase) decrease				
Trade and other receivables	(8,533,909)	(17,311,844)	(8,101,841)	(16,137,078)
Inventories	(1,579,793)	(1,065,150)	(562)	270,357
Property development costs	(162,437,225)	(58,030,629)	(162,437,225)	(58,030,629)
Cost to obtain contracts with customers	(262,045)	-	(262,045)	-
Other current assets	(90,107)	(335,112)	(604,629)	738,702
Deposits	15,372,229	4,312,094	15,327,972	8,480,341
Other non-current assets	251,762	888,922	251,780	889,193
Operating liabilities increase (decrease)				
Trade and other payables	(2,084,898)	(1,916,288)	(2,273,917)	(5,283,032)
Advance received from customers	(7,556,650)	8,535,050	(7,556,650)	8,535,050
Retention guarantees	7,835,536	(3,679,761)	8,118,601	(3,962,826)
Other current liabilities	2,009,802	(2,076,912)	1,825,706	(2,480,948)
Deposit received from lessees	(22,994,414)	(13,005,719)	(22,941,614)	(12,763,318)
Other non-current liabilities	15,590,133	(791,710)	15,580,333	(840,210)
Cash flows from operating activities	147,913,371	195,749,221	168,001,073	214,736,210
Cash paid for income tax	(9,567,391)	(1,919,092)	(9,558,061)	(1,860,291)
<b>Net cash flows from operating activities</b>	<b>138,345,980</b>	<b>193,830,129</b>	<b>158,443,012</b>	<b>212,875,919</b>

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

Statement of cash flows (continued)

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<b>Cash flows from investing activities</b>				
Cash paid for acquisition of food and beverage business	-	(6,903,846)	-	-
Cash received from sales of investment in subsidiary	25,799,980	-	25,799,980	-
Decrease (increase) in short-term loan to related party	-	-	46,500,000	(46,500,000)
Interest income	251,029	1,434,840	2,811,539	1,428,874
Acquisition of property and equipment	(12,659,959)	(27,597,600)	(2,633,900)	(8,736,698)
Acquisition of intangible assets	(1,825,290)	(3,207,611)	(907,789)	(841,811)
Acquisition of investment property	(99,297)	(2,114,156)	(99,297)	(2,114,156)
Increase in leasehold rights and buildings	(63,462,122)	(41,680,833)	(63,462,122)	(41,680,833)
Proceeds from sales of equipment and intangible assets	1,649,767	2,422,479	1,629,767	2,422,479
Decrease in cash and cash equivalents of subsidiary at disposal date	(1,884,973)	-	-	-
<b>Net cash flows from (used in) investing activities</b>	<b>(52,230,865)</b>	<b>(77,646,727)</b>	<b>9,638,178</b>	<b>(96,022,145)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	36,471,756	(16,318,273)	36,471,756	(16,318,273)
Increase (decrease) in short-term loans	40,000,000	(40,000,000)	40,000,000	(40,000,000)
Increase in short-term loan from related party	82,400,000	60,000,000	2,000,000	60,000,000
Repayment of short-term loan from related party	(2,000,000)	(60,000,000)	(2,000,000)	(60,000,000)
Cash received from long-term loans	118,542,000	38,139,000	118,542,000	38,139,000
Repayment of long-term loans	(275,524,996)	(113,140,042)	(275,524,996)	(113,140,042)
Cash received from issuance of debentures	100,000,000	100,000,000	100,000,000	100,000,000
Cash paid for transaction costs of issuing debentures	(1,688,797)	(1,436,123)	(1,688,797)	(1,436,123)
Repayment of debentures	(469,000,000)	-	(469,000,000)	-
Repayment of liabilities under finance lease agreements	(486,806)	(538,752)	(295,130)	(538,752)
Interest paid	(63,914,788)	(67,541,517)	(62,868,961)	(67,541,517)
Cash received from the capital increase	331,737,894	-	331,737,894	-
Cash paid for direct costs related to the share offering	(1,387,275)	-	(1,387,275)	-
<b>Net cash flows used in financing activities</b>	<b>(104,851,012)</b>	<b>(100,835,707)</b>	<b>(184,013,509)</b>	<b>(100,835,707)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(18,735,897)</b>	<b>15,347,695</b>	<b>(15,932,319)</b>	<b>16,018,067</b>
Cash and cash equivalents at beginning of year	21,386,704	6,039,009	18,583,126	2,565,059
<b>Cash and cash equivalents at end of year</b>	<b>2,650,807</b>	<b>21,386,704</b>	<b>2,650,807</b>	<b>18,583,126</b>
<b>Supplemental cash flows information:</b>				
Non-cash items				
Accounts payable for construction	15,780,846	7,699,818	15,780,846	7,699,818
Accounts payable for leasehold rights	20,000,000	-	20,000,000	-
Amortised leasehold rights recorded as cost of project	1,500,000	-	1,500,000	-
Interest expenses recorded as cost of project	8,821,866	7,647,940	8,821,866	7,647,940
Transfer leasehold rights and buildings to equipment	-	1,155,939	-	1,155,939
Purchase of asset under finance lease agreement	572,897	-	-	-

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

**JAS Asset Public Company Limited and its subsidiary**  
**Notes to consolidated financial statements**  
**For the year ended 31 December 2019**

**1. General information**

JAS Asset Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Jay Mart Public Company Limited, which was incorporated in Thailand, is the parent company. The Company is principally engaged in providing rental and related services.

The Company’s registered address was 187 JMART Building, 8th Floor, Ramkhamhaeng Road, Rat Phatthana Sub-District, Saphan Sung District, Bangkok.

**2. Basis of preparation**

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

**2.2 Basis of consolidation**

a) The consolidated financial statements include the financial statements of JAS Asset Public Company Limited (“the Company”) and the following subsidiary company (“the subsidiary”).

Company’s name	Nature of business	Country of incorporation	Percentage of shareholding	
			2019	2018
			%	%
Beans and Brown Co., Ltd.	Distribution of food and beverage	Thailand	-	60

As discussed in Note 11.1, on 27 November 2019, the Company entered into an agreement to sell all shares in Beans and Brown Co., Ltd. (subsidiary company) to Jay Mart Public Company Limited (parent company), for Baht 25.8 million. The Company received payment for the sale of shares and transferred shares to parent company on 27 November 2019. As a result of this transaction, Beans and Brown Co., Ltd. is no longer a subsidiary of the Company. Therefore, the Company did not prepare the consolidated financial statements as at 31 December 2019.

The Company has recorded the net assets acquired at their fair value as of the acquisition date and recorded the remaining excess of the purchase price over the fair value of the net assets acquired as goodwill.

- b) The Company is deemed to have control over an investee or subsidiary if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
  - c) A subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
  - d) The financial statements of the subsidiary are prepared using the same significant accounting policies as the Company.
  - e) Material transactions between the Group has been eliminated from the consolidated financial statements.
  - f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiary under the equity method.

### 3. New financial reporting standards

#### (a) Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

#### **IFRS 15 Revenue from Contracts with Customers**

IFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
IFRIC 13 (revised 2017)	Customer Loyalty Programmes
IFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
IFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The Group adopted IFRS 15 during the year. This standard does not have any significant impact to the financial statements of the prior periods, presented herein as comparative information. The amounts of adjustments affecting the statement of financial position as at 31 December 2019 and the statement of comprehensive income for the year ended 31 December 2019 are summarised below.

(Unit: Thousand Baht)

## Separate financial statements

	Previous accounting policy	Increase (decrease)	TFRS 15
<b>Statement of financial position</b>			
<b>Assets</b>			
Cost to obtain contracts with customers	-	262	262
<b>Shareholders' equity</b>			
Retained earnings	121,033	262	121,295

(Unit: Thousand Baht)

## For the year ended 31 December 2019

## Consolidated financial statements

	Previous accounting policy	Increase (decrease)	TFRS 15
<b>Statement of comprehensive income</b>			
<b>Profit or loss:</b>			
Revenue from contracts with customers	426,227	(1,634)	424,593
Cost of sales	290,283	1,591	291,874
Selling and distribution expenses	111,080	(3,487)	107,593
<b>Profit for the year</b>	<b>7,605</b>	<b>262</b>	<b>7,867</b>
<b>Attributable to:</b>			
Profit attributable to equity holders of the Company	16,951	262	17,213
Loss attributable to non-controlling interests of the subsidiary	(9,346)	-	(9,346)
<b>Earnings per share (Baht):</b>			
Basic earnings per share	0.0258	0.0004	0.0262

(Unit: Thousand Baht)

## For the year ended 31 December 2019

## Separate financial statements

	Previous accounting policy	Increase (decrease)	TFRS 15
<b>Statement of comprehensive income</b>			
<b>Profit or loss:</b>			
Revenue from contracts with customers	356,714	(1,634)	355,080
Cost of sales	260,670	1,591	262,261
Selling and distribution expenses	69,686	(3,487)	66,199
<b>Profit for the year</b>	<b>16,951</b>	<b>262</b>	<b>17,213</b>

(Unit: Thousand Baht)

For the year ended 31 December 2019

	Separate financial statements		
	Previous accounting policy	Increase (decrease)	TFRS 15
<b>Attributable to:</b>			
Profit attributable to equity holders of the Company	16,951	262	17,213
<b>Earnings per share (Baht):</b>			
Basic earnings per share	0.0258	0.0004	0.0262

The nature of these adjustments are described below:

- Commission paid to obtain a contract - The Group has determined that commission paid to obtain a customer contract should be recorded as an asset and amortised to expenses on a systematic basis that is consistent with the pattern of revenue recognition. Under the previous accounting policy, the Group immediately recorded commission as selling expenses when the transaction occurred.
- Promotion expenses specified in the contracts with customers are given to customers when delivery residential condominium units, including free of charge items or consideration paid to customers.
  - a) Provision for items without charge such as furniture and fixtures - The Group offers free of charge items to customers when delivery residential condominium units. The management of the Group has considered that the free of charge items are component parts of residential condominium units, which are the main performance obligations under the contracts. Therefore, the Group is to record these costs as costs of residential condominium unit sold, not selling expenses as previously recorded.
  - b) Consideration paid to customers - The Group paid registration fee for the transfer of condominium units or paid common area fee to the juristic person of residential condominium units on behalf of customers when delivery residential condominium units. The management of the Group has considered that these transactions are consideration paid to customers. Therefore, they should be recorded as net offsetting with revenue from sale of residential condominium units, not selling expenses as previously recorded.



**(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020**

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

**Financial reporting standards related to financial instruments**

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7                                      Financial Instruments: Disclosures

TFRS 9                                      Financial Instruments

Accounting standard:

TAS 32                                      Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16                                    Hedges of a Net Investment in a Foreign Operation

TFRIC 19                                    Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company expects the adoption of these accounting standards to result in the following adjustments.

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

The management of the Company is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

### **TFRS 16 Leases**

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The Company plans to adopt TFRS 16 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The management of the Company expects the effect of the adoption of this accounting standard to the statement of financial position as at 1 January 2020 to be to increase the Company's assets by approximately Baht 565 million and the Company's liabilities by approximately Baht 615 million.

## **4. Significant accounting policies**

### **4.1 Revenue recognition**

#### *Rental income*

Rental income is recognised as revenue in profit and loss on a straight-line basis over the lease term.

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

Revenue from sales of land and houses and residential condominium units is recognised at the point in time when control of the real estate is transferred to the customer, generally upon delivery of the goods. Revenue from sales of real estate is measured at the amount of the consideration received after deducting discounts and considerations payable to the customer. The terms of payment are in accordance with the payment schedule specified in the customer contract. Considerations received before transferring control of the real estate to the customer are presented under the caption of “Advances received from customers” in the statement of financial position.

#### *Sales of food and beverage*

Sales of food and beverage is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount the invoiced value of the consideration received or receivable, excluding value added tax, of goods supplied after deducting discounts and price promotions to customers.

#### *Service income*

Service income is recognised in the amount to which the Company has a right to invoice.

#### *Franchise income*

Franchise income is recognised on an accrual basis in accordance with the substance of the relevant franchise agreements.

#### *Interest income*

Interest income is recognised on an accrual basis based on the effective interest rate.

## **4.2 Cost of real estate sold**

#### *Costs of residential condominium units sold*

In determining the costs of residential condominium units sold, the anticipated total development costs (taking into account actual costs incurred to date) are attributed to residential condominium units on the basis of the saleable area.

Cost of residential condominium units sold includes cost of other goods, such as furniture and fixtures, that are considered part of the house or residential condominium unit and transferred to a customer in accordance with the contract.

Selling expenses directly associated with projects, such as specific business tax and transfer fees, are recognised as expenses when the sale occurs.

#### *Costs of land and houses sold*

Costs of land and houses sold consist of costs of land and houses purchasing and other related expenses.

Selling expenses directly associated with projects, such as specific business tax and transfer fees, are recognised as expenses when sale occurs.

#### **4.3 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

#### **4.4 Trade accounts receivable**

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

#### **4.5 Inventories**

Inventories are valued at the lower of cost under weighted average method and net realisable value.

#### **4.6 Property development costs**

Property development costs are stated at the lower of cost and net realisable value. Cost consists of the cost of land, design fees, utilities, construction costs, capitalised borrowing costs and other related expenses, as well as estimated project development costs.

The Company recognises losses on diminution in value of projects (if any) in profit or loss.

#### **4.7 Cost to obtain a contract**

The Company recognises a commission paid to obtain a customer contract as an asset and recognises it as expenses in a manner consistent with the pattern of revenue recognition. An impairment loss is recognised to the extent that the carrying amount of an asset recognised exceeds the remaining amount of the consideration that the entity expects to receive less direct costs.

#### **4.8 Investments**

Investment in subsidiary is accounted for in the separate financial statements using the cost method.

#### **4.9 Investment property**

Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value. Any gains or losses arising from changes in the value of investment property are recognised in profit or loss when incurred.

On disposal of investment property, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

#### **4.10 Property, plant and equipment/Depreciation**

Property is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings and building improvement	5 - 30 years
Furniture, fixtures and equipment	3 - 9 years
Motor vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on land, building under construction and assets under installation.

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

#### **4.11 Leasehold rights and amortisation**

Leasehold rights are stated at cost less accumulated amortisation depreciation and allowance for loss on impairment of assets (if any). Amortisation expenses are calculated by cost of assets on straight-line method through estimated useful lives for 12 - 30 years.

The amortisation is included in determining income.

#### 4.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production or property development of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### 4.13 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. A portion of deferred financial fees is presented as a deduction against the related loan account and amortised using the effective interest rate method over the term of the loans.

The amortisation of deferred financial fees is included in determining income.

#### 4.14 Intangible assets

Intangible assets are recognised at cost. Following the initial recognition, the Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Trademark	6 years
Computer software	3 - 5 years

#### **4.15 Goodwill**

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Group estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

#### **4.16 Related party transactions**

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

#### **4.17 Long-term leases**

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

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

#### **4.18 Impairment of assets**

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, intangible assets and leasehold rights whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and its subsidiary estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

#### **4.19 Employee benefits**

##### ***Short-term employee benefits***

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.



## **Post-employment benefits**

### *Defined contribution plans*

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

### *Defined benefit plans*

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

## **4.20 Provisions**

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

## **4.21 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company reviews and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **4.22 Fair value measurement**

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

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

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

## **5. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

### **Leases**

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

### **Allowance for doubtful accounts**

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

### **Investment property**

The Company presents investment property at the fair value estimated by an independent appraiser, and recognises changes in the fair value in profit or loss. The independent appraiser valued the investment property using the income approach, because there is no market price that could be used to apply a comparative approach. The key assumptions used in estimating the fair value are described in Note 12.

### **Property plant and equipment/Depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the equipment and to review estimate useful lives and residual values when there are any changes.

In addition, 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 judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

## Goodwill and intangible assets

The initial recognition and measurement of goodwill and 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.

## Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

## Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

## Project development costs estimation

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

## 6. Related party transactions

During the year, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2019	2018	2019	2018	
<b>Transactions with parent company</b>					
Sales of food and beverage	38	8	-	-	Market price
Service income	-	183	-	183	Market price
Purchase of assets	10	24	-	24	Market price
Rental expenses	155	168	155	168	Mutually agreed rate

(Unit: Thousand Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2019	2018	2019	2018	
Other expenses	6,843	6,838	6,841	6,838	Mutually agreed rate
Interest expenses	1,037	1,002	3	1,002	4.50% - 4.83% per annum (2018: 4.83% per annum)

**Transactions with subsidiary**

(Eliminated from the consolidated financial statements)

Rental income	-	-	1,809	1,328	Market price
Service income	-	-	306	121	Mutually agreed rate
Interest income	-	-	2,563	1,391	5.75% - 8.25% per annum (2018: 5.75% - 7.20% per annum)
Other income	-	-	1,922	20	Mutually agreed rate
Sales of assets	-	-	-	489	Mutually agreed rate
Other expenses	-	-	53	31	Mutually agreed rate

**Transactions with related parties**

Rental income	15,693	18,986	15,693	18,986	Market price
Revenue from residential condominium units sold	71,566	-	71,566	-	Market price
Sales of food and beverage	117	395	-	-	Market price
Service income	1,472	1,065	1,472	1,065	Mutually agreed rate
Other income	304	456	175	254	Mutually agreed rate
Purchase of assets	251	20,123	217	17,283	Mutually agreed rate
Other expenses	5,805	15,919	965	5,028	Mutually agreed rate

As at 31 December 2019 and 2018, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)		
	Consolidated	Separate	
	financial statements	financial statements	
	2018	2019	2018
<b><u>Trade and other receivables - related parties (Note 8)</u></b>			
Parent company	94	257	94
Subsidiary company	-	-	52
Related companies (Common directors or shareholders)	310	606	283
Total	404	863	429
<b><u>Short-term loan to related party</u></b>			
Subsidiary company	-	-	46,500
Total	-	-	46,500

	(Unit: Thousand Baht)		
	Consolidated	Separate	
	financial statements	financial statements	
	2018	2019	2018
<b><u>Deposits - related parties</u></b>			
Parent company	36	36	36
Related companies (Common directors or shareholders)	792	-	-
<b>Total</b>	<b>828</b>	<b>36</b>	<b>36</b>
<b><u>Trade and other payables - related parties (Note 17)</u></b>			
Parent company	92	4	92
Related companies (Common directors or shareholders)	852	1,031	2
<b>Total</b>	<b>944</b>	<b>1,035</b>	<b>94</b>
<b><u>Deposits received from lessees - related parties</u></b>			
Subsidiary company	-	-	752
Related companies (Common directors or shareholders)	4,879	6,266	4,879
<b>Total</b>	<b>4,879</b>	<b>6,266</b>	<b>5,631</b>

#### Short-term loan to related party

As at 31 December 2019 and 2018, the balance of loans between the Group and the movement are as follows:

	(Unit: Thousand Baht)			
	Separate financial statements			
	31 December 2018	During the year		31 December 2019
	Increase	Decrease		
<b>Short-term loan to subsidiary company</b>				
Beans and Brown Co., Ltd.	46,500	23,900	(70,400)	-
<b>Total</b>	<b>46,500</b>	<b>23,900</b>	<b>(70,400)</b>	<b>-</b>

Short-term loan to related party carried interest at rate of 5.75% - 8.25% per annum and due at call.

#### Short-term loan from related party

As at 31 December 2019 and 2018, the balance of loan between the Company and related party and the movement are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	31 December 2018	During the year		31 December 2019
	Increase	Decrease	Decrease from disposal of investment in subsidiary (Note 11.1)	
<b>Short-term loan from parent company</b>				
Jay Mart Public Company Limited	-	82,400	(2,000)	(80,400)
<b>Total</b>	<b>-</b>	<b>82,400</b>	<b>(2,000)</b>	<b>(80,400)</b>

(Unit: Thousand Baht)

	Separate financial statements			
	31 December	During the year		31 December
	2018	Increase	Decrease	2019
<b>Short-term loan from parent company</b>				
Jay Mart Public Company Limited	-	2,000	(2,000)	-
Total	-	2,000	(2,000)	-

Short-term loan from related party carried interest at rate of 4.50% - 4.56% per annum and due at call.

#### Directors and management's benefits

During the year ended 31 December 2019 and 2018, the Group had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Short-term employee benefits	17,162	14,253	14,041	12,504
Post-employment benefits	33	409	33	409
Total	17,195	14,662	14,074	12,913

## 7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2019	2019	2018
Cash	922	259	437	
Bank Deposits	20,465	2,392	18,146	
Total	21,387	2,651	18,583	

As at 31 December 2019, bank deposits carried interests between 0.1% and 1.0% per annum (2018: 0.1% and 0.4% per annum).

## 8. Trade and other receivables

	(Unit: Thousand Baht)		
	Consolidated	Separate	
	financial statements	financial statements	
	2018	2019	2018
<u>Trade accounts receivable - related parties</u>			
Aged on the basis of due dates			
Past due			
Up to 3 months	98	25	110
Over 3 months	3	-	3
Total trade accounts receivable			
- related parties (Note 6)	101	25	113
<u>Trade accounts receivable - unrelated parties</u>			
Aged on the basis of due dates			
Not yet due			
	819	123	708
Past due			
Up to 3 months	11,427	9,151	10,893
3 - 6 months	13,922	5,152	13,922
6 - 12 months	1,494	180	1,494
Over 12 months	1,076	1,185	1,076
Total	28,738	15,791	28,093
Less: Allowance for doubtful accounts	(1,227)	(1,067)	(1,227)
Total trade accounts receivable			
- unrelated parties, net	27,511	14,724	26,866
Total trade accounts receivable - net	27,612	14,749	26,979
<u>Other receivables</u>			
Other receivables - related parties (Note 6)	121	257	94
Other receivables - unrelated parties	11,243	33,642	11,204
Accrued income - related parties (Note 6)	182	581	222
Accrued income - unrelated parties	16,820	12,629	15,658
Total other receivables	28,366	47,109	27,178
Total trade and other receivables - net	55,978	61,858	54,157

## 9. Inventories

	(Unit: Thousand Baht)		
	Consolidated	Separate	
	financial statements	financial statements	
	2018	2019	2018
Finished goods	211	53	52
Raw materials	921	-	-
Supplies	540	-	-
Total	1,672	53	52



## 10. Property development costs

(Unit: Thousand Baht)

	Consolidated	Separate	
	financial statements	financial statements	
	2018	2019	2018
Land	95,835	46,116	95,835
Interest capitalised as cost	11,503	9,510	11,503
Construction in progress	34,862	-	34,862
Completed buildings	-	104,282	-
House held for sales	14,500	5,712	14,500
Total property development costs - net	156,700	165,620	156,700

During the year ended 31 December 2019, the Company included borrowing cost of Baht 8.3 million as cost of property development (2018: Baht 7.6 million). These were determined by applying a capitalisation rate of 6.00% (2018: 5.93%)

The Company has mortgaged land and structures amounting to Baht 160 million (2018: Baht 142 million) as collateral against credit facilities from bank as described in Note 19.

## 11. Investment in subsidiary

11.1 Details of investment in subsidiary as presented in separate financial statements are as follows:

(Unit: Thousand Baht)  
Carrying amounts based on equity method

Company's name	Paid-up capital		Shareholding percentage		Cost		Carrying amounts based on equity method	
	2019	2018	2019	2018	2019	2018	2019	2018
			(%)	(%)				
Beans and Brown Co., Ltd.	-	43,000	-	60	-	25,800	-	14,020
Total					-	25,800	-	14,020

On 27 November 2019, The Company entered into an agreement to sell all shares in Beans and Brown Co., Ltd. (subsidiary company) to Jay Mart Public Company Limited (parent company), for Baht 25.8 million. The Company received payment for the sale of shares and transferred shares to parent company on 27 November 2019. As a result of this transaction, Beans and Brown Co., Ltd. is no longer an subsidiary of the Company.

The Company recognised the difference between the selling price and the net book value of the investment in the subsidiary under the equity method of Baht 26.7 million as gain on sale of investment in subsidiary in the consolidated income statement for the current year.

The book value of net assets of Beans and Brown Co., Ltd. as at disposal date, were detailed below:

(Unit: Thousand Baht)

	<u>Net book value</u>
<b>Assets</b>	
Cash and cash equivalents	1,885
Trade and other receivables	2,299
Inventories	3,199
Other current assets	3,364
Equipment	30,458
Goodwill	21,855
Intangible assets	4,106
Deferred tax assets	12,556
Other non-current assets	6,628
Total assets	<u>86,350</u>
<b>Liabilities</b>	
Trade and other payables	6,306
Short-term loans from related parties	80,400
Other current liabilities	819
Other non-current liabilities	327
Total liabilities	<u>87,852</u>
Total net asset value	<u>(1,502)</u>
Consideration received	<u>25,800</u>
Total gain on sale of investment in subsidiary	27,302
Gain attributable to non-controlling interests of the subsidiary	<u>(601)</u>
Gain attributable to equity holders of the Company	<u>26,701</u>
Consideration received	25,800
Cash and cash equivalents of disposed subsidiary	<u>(1,885)</u>
Net cash increase from disposal of subsidiary	<u>23,915</u>

## 11.2 Share of comprehensive income

During the year, the Company has recognised its share of loss from investment in subsidiary in the separate financial statements as follows:

(Unit: Thousand Baht)

Company's name	Separate financial statements					
	Share of loss from investment in subsidiary		Share of other comprehensive income from investment in subsidiary		Dividend received	
	2019	2018	2019	2018	2019	2018
Beans and Brown Co., Ltd.	(14,921)	(9,998)	-	-	-	-
Total	(14,921)	(9,998)	-	-	-	-

## 11.3 Details of investment in subsidiary that have material non-controlling interests

(Unit: Thousand Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Loss allocated to non-controlling interests during the year	
	2019	2018	2019	2018	2019	2018
	(%)	(%)				
Beans and Brown Co., Ltd.	-	40	-	9,346	(9,947)	(6,666)

## 11.4 Summarised financial information that based on amounts before inter-company elimination about subsidiary that have material non-controlling

Summarised information about financial position

(Unit: Thousand Baht)

	Beans and Brown Co., Ltd.	
	2019	2018
Current assets	-	10,167
Non-current assets	-	66,678
Current liabilities	-	53,430
Non-current liabilities	-	49

## Summarised information about comprehensive income

(Unit: Thousand Baht)

	Beans and Brown Co., Ltd.	
	For the period as from 1 January 2019 to 27 November 2019	For the year ended 31 December 2018
Revenue	69,853	45,272
Loss	(24,868)	(16,664)
Other comprehensive income	-	-
Total comprehensive income	(24,868)	(16,664)

## Summarised information about cash flow

(Unit: Thousand Baht)

	Beans and Brown Co., Ltd.	
	For the period as from 1 January 2019 to 27 November 2019	For the year ended 31 December 2018
Cash flow used in operating activities	(20,110)	(17,649)
Cash flow used in investing activities	(10,921)	(28,130)
Cash flow from financing activities	30,112	45,109
Net decrease in cash and cash equivalents	(919)	(670)

## 12. Investment property

(Unit: Thousand Baht)

	Consolidated	Separate	
	financial statements	financial statements	
	2018	2019	2018
Net book value at beginning of year	520,300	518,800	520,300
Invest during the year	2,114	126	2,114
Disposals - net book value	(24)	-	(24)
Transfers	-	(27)	-
Net income (loss) from revaluation to fair value	(3,590)	6,074	(3,590)
Net book value at end of year	518,800	524,973	518,800

The investment property represents a community mall held for rent. Its fair value has been determined based on the valuation performed by an independent valuer, using the income approach.

Key assumptions used in the valuation are summarised below:

	As at 31 December		Result to fair value where as an increase in assumption value
	2019	2018	
Discount rate (%)	9.66	10.00	Decrease in fair value
Rental rate per square meter per month (Baht)	506	544	Increase in fair value
Occupancy rate (%)	86	80	Increase in fair value

During the year 2019, the Company recognised rental income that are related to investment property of Baht 40 million in profit or loss (2018: Baht 39 million), and recognised direct operating expenses arise from investment property that generated income of Baht 19 million (2018: Baht 20 million).

The Company has pledged investment property amounting to Baht 525 million (2018: Baht 519 million) as collateral against bank overdraft and long term loan, as discussed in Notes 16 and 19.

### 13. Property and equipment

(Unit: Thousand Baht)

	Consolidated financial statements				
	Land	Furniture, fixtures and equipment	Motor vehicles	Assets under installation	Total
<b>Cost</b>					
1 January 2018	3,000	217,956	8,653	4,898	234,507
Additions	-	27,597	-	-	27,597
Disposals/write-off	-	(4,172)	(2,438)	-	(6,610)
Transfers in (out)	-	6,054	-	(4,898)	1,156
31 December 2018	3,000	247,435	6,215	-	256,650
Additions	-	11,057	573	1,603	13,233
Disposals/write-off	-	(24,334)	(1,898)	-	(26,232)
Transfers in (out)	-	1,603	-	(1,603)	-
Decrease from disposal of investment in subsidiary	-	(43,993)	(573)	-	(44,566)
31 December 2019	3,000	191,768	4,317	-	199,085
<b>Accumulated depreciation</b>					
1 January 2018	-	78,779	4,071	-	82,850
Depreciation for the year	-	42,292	951	-	43,243
Depreciation on disposals/write-off	-	(2,391)	(1,442)	-	(3,833)
31 December 2018	-	118,680	3,580	-	122,260
Depreciation for the year	-	39,402	949	-	40,351
Depreciation on disposals/write-off	-	(16,835)	(1,898)	-	(18,733)
Decrease from disposal of investment in subsidiary	-	(14,022)	(86)	-	(14,108)
31 December 2019	-	127,225	2,545	-	129,770

(Unit: Thousand Baht)

## Consolidated financial statements

	Land	Furniture, fixtures and equipment	Motor vehicles	Assets under installation	Total
<b>Allowance for impairment loss</b>					
1 January 2018	-	-	-	-	-
Increase during the year	-	3,560	-	-	3,560
31 December 2018	-	3,560	-	-	3,560
Decrease during the year	-	(181)	-	-	(181)
31 December 2019	-	3,379	-	-	3,379
<b>Net book value:</b>					
31 December 2018	3,000	125,195	2,635	-	130,830
31 December 2019	3,000	61,164	1,772	-	65,936
<b>Depreciation for the year</b>					
2018 (Baht 35 million included in rental and service cost and the balance in selling and administrative expenses)					43,243
2019 (Baht 30 million included in rental and service cost and the balance in selling and administrative expenses)					40,351

(Unit: Thousand Baht)

## Separate financial statements

	Land	Furniture, fixtures and equipment	Motor vehicles	Assets under installation	Total
<b>Cost</b>					
1 January 2018	3,000	201,644	8,653	4,850	218,147
Additions	-	8,736	-	-	8,736
Disposals/write-off	-	(3,875)	(2,438)	-	(6,313)
Transfers in (out)	-	6,006	-	(4,850)	1,156
31 December 2018	3,000	212,511	6,215	-	221,726
Additions	-	2,634	-	-	2,634
Disposals/write-off	-	(23,377)	(1,898)	-	(25,275)
31 December 2019	3,000	191,768	4,317	-	199,085
<b>Accumulated depreciation</b>					
1 January 2018	-	77,451	4,071	-	81,522
Depreciation for the year	-	36,876	951	-	37,827
Depreciation on disposals/write off	-	(2,337)	(1,442)	-	(3,779)
31 December 2018	-	111,990	3,580	-	115,570
Depreciation for the year	-	31,848	863	-	32,711
Depreciation on disposals/write off	-	(16,613)	(1,898)	-	(18,511)
31 December 2019	-	127,225	2,545	-	129,770

(Unit: Thousand Baht)

	Separate financial statements				
	Land	Furniture, fixtures and equipment	Motor vehicles	Assets under installation	Total
<b>Allowance for impairment loss</b>					
1 January 2018	-	-	-	-	-
Increase during the year	-	3,560	-	-	3,560
31 December 2018	-	3,560	-	-	3,560
Decrease during the year	-	(181)	-	-	(181)
31 December 2019	-	3,379	-	-	3,379
<b>Net book value:</b>					
31 December 2018	3,000	96,961	2,635	-	102,596
31 December 2019	3,000	61,164	1,772	-	65,936
<b>Depreciation for the year</b>					
2018 (Baht 35 million included in rental and service cost and the balance in selling and administrative expenses)					37,827
2019 (Baht 30 million included in rental and service cost and the balance in selling and administrative expenses)					32,711

As at 31 December 2019, certain items of furniture, fixtures and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 24 million (2018: Baht 14 million).

As at 31 December 2019, the Company had vehicle under finance lease agreements with net book values amounting to Baht 1 million (2018: Baht 1 million).

#### 14. Intangible asset

The net book value of intangible assets as at 31 December 2019 and 2018 is presented below.

	Consolidated			(Unit: Thousand Baht)	
	financial statements			Separate	
	Trademark	Computer software	Total	Computer software	Total
As at 31 December 2019:					
Cost	-	7,432	7,432	7,432	7,432
Less: Accumulated amortisation	-	(4,103)	(4,103)	(4,103)	(4,103)
Net book value	-	3,329	3,329	3,329	3,329
As at 31 December 2018:					
Cost	2,638	8,902	11,540	6,524	6,524
Less: Accumulated amortisation	(607)	(3,001)	(3,608)	(2,738)	(2,738)
Net book value	2,031	5,901	7,932	3,786	3,786

A reconciliation of the net book value of intangible assets for the years 2019 and 2018 is presented below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Net book value at beginning of year	7,932	6,598	3,786	4,127
Acquisitions	1,825	3,208	908	842
Disposals	-	(60)	-	(60)
Amortisation	(2,322)	(1,814)	(1,365)	(1,123)
Decrease from disposal of investment in subsidiary	(4,106)	-	-	-
Net book value at end of year	3,329	7,932	3,329	3,786

## 15. Leasehold rights and buildings

(Unit: Thousand Baht)

	Leasehold rights	Building and improvement	Building under construction	Total
<b>Cost</b>				
1 January 2018	174,425	1,246,849	6,905	1,428,179
Additions	-	24,481	61	24,542
Disposals	-	(623)	-	(623)
Transfers in (out)	-	5,749	(6,905)	(1,156)
31 December 2018	174,425	1,276,456	61	1,450,942
Additions	45,000	2,377	29,053	76,430
Transfers	-	27	-	27
31 December 2019	219,425	1,278,860	29,114	1,527,399
<b>Accumulated amortisation/depreciation</b>				
1 January 2018	12,757	84,626	-	97,383
Amortisation/depreciation	6,753	62,696	-	69,449
Depreciation on disposals	-	(250)	-	(250)
31 December 2018	19,510	147,072	-	166,582
Amortisation/depreciation	8,254	64,030	-	72,284
31 December 2019	27,764	211,102	-	238,866
<b>Net book value:</b>				
31 December 2018	154,915	1,129,384	61	1,284,360
31 December 2019	191,661	1,067,758	29,114	1,288,533



The Company has pledged its leasehold rights and buildings with net book value as at 31 December 2019 of Baht 1,194 million (2018: Baht 1,260 million) are used as collateral against bank overdraft and long-term loans, as discussed in Notes 16 and 19.

## 16. Bank overdraft and short-term loans from financial institutions/Short-term loans

(Unit: Thousand Baht)

	Interest rate (% per annum)		Consolidated	Separate	
	2019	2018	financial statements	financial statements	
			2018	2019	2018
<b><u>Bank overdrafts and short-term loans from financial institutions</u></b>					
Bank overdrafts	MOR	MOR	-	6,472	-
Promissory notes	5.025 - 6.00	4.85 - 6.25	60,000	90,000	60,000
Total			60,000	96,472	60,000
<b><u>Short-term loans</u></b>					
Bills of exchange	6.50	5.50 - 5.75	-	40,000	-
Less: Prepaid interest			-	(498)	-
Net			-	39,502	-

Bank overdraft is secured by investment property and leasehold rights and buildings.

As at 31 December 2019, the Company had unused overdraft and other credit facilities amounting to Baht 14 million (2018: Baht 50 million).

## 17. Trade and other payables

(Unit: Thousand Baht)

	Consolidated	Separate	
	financial statements	financial statements	
	2018	2019	2018
Trade accounts payable - related parties (Note 6)	788	-	-
Trade accounts payable - unrelated parties	7,800	1,890	6,558
Accounts payable for construction	7,700	15,781	7,700
Accounts payable for leasehold rights	-	20,000	-
Accrued rental expenses	42,832	49,930	42,592
Accrued expenses - related parties (Note 6)	156	1,035	94
Accrued expenses - unrelated parties	43,383	30,850	39,643
Total	102,659	119,486	96,587

## 18. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated		Separate
	financial statements	financial statements	
	2018	2019	2018
Liabilities under finance lease agreements	870	551	870
Less: Deferred interest expenses	(39)	(15)	(39)
Total	831	536	831
Less: Portion due within one year	(297)	(335)	(297)
Liabilities under finance lease agreements - net of current portion	534	201	534

The Company has entered into the finance lease agreements with a leasing company for rental of motor vehicle for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally 4 years.

Future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Thousand Baht)

	Consolidated and Separate financial statements		
	As at 31 December 2019		
	Less than 1 year	1 - 4 years	Total
Future minimum lease payments	348	203	551
Deferred interest expenses	(13)	(2)	(15)
Present value of future minimum lease payments	335	201	536

(Unit: Thousand Baht)

	Consolidated and Separate financial statements		
	As at 31 December 2018		
	Less than 1 year	1 - 4 years	Total
Future minimum lease payments	319	551	870
Deferred interest expenses	(22)	(17)	(39)
Present value of future minimum lease payments	297	534	831

## 19. Long-term loans

Loan	Interest rate (%)	Repayment schedule	(Unit: Thousand Baht)		
			Consolidated		Separate
			financial statements	2019	2018
			2018	2019	2018
1	MLR - 2.375%	Monthly installment as from October 2014 to September 2021	94,425	51,389	94,425
2	MLR - 1%	Monthly installment as from February 2016 to July 2024	190,250	156,050	190,250
3	MLR minus certain rates	Monthly installment as from January 2018 to July 2026	362,327	320,719	362,327
4	MLR - 1%	Repayment at least 75 percent of the contract price upon redemption of condominium unit for transfer of ownership to buyer, and repayment in full within 42 months from the date of loan agreement	38,139	-	38,139
Total			685,141	528,158	685,141
Less: Current portion			(122,436)	(126,185)	(122,436)
Long-term loans - net of current portion			562,705	401,973	562,705

Movements of long-term loans during the year ended 31 December 2019 are summarised below.

	(Unit: Thousand Baht)
Balance as at 1 January 2019	685,141
Add: Additional borrowings	118,542
Less: Repayment of loans	(275,525)
Balance as at 31 December 2019	528,158

Long-term loans are secured by investment property, leasehold rights and land and structures.

The loan agreements contain covenants as specified in the agreements which, among other things, require the Company to maintain certain debt to equity.

As at 31 December 2018, the long-term credit facilities of the Company which have not yet been drawn down amounted to Baht 152 million (2019: Nil).

## 20. Debentures

Balances of debentures as at 31 December 2019 and 2018 are as follows:

						(Unit: Thousand Baht)		
Debentures	Terms	Date of issuance	Due date	Interest Rate	Number of debentures	Consolidated	Separate	
						financial statements	financial statements	
						2018	2019	2018
				(% p.a.)	(Thousand units)			
1	2 years	15 May 2017	15 May 2019	5.50	69	69,000	-	69,000
2	2 years	27 July 2017	27 July 2019	6.00	200	200,000	-	200,000
3	2 years	15 November 2017	15 November 2019	6.00	100	100,000	-	100,000
4	1.5 years	14 June 2018	14 December 2019	6.65	100	100,000	-	100,000
5	1.3 years	24 July 2019	24 October 2020	6.70	100	-	100,000	-
Total debentures - par value						469,000	100,000	469,000
Less: Unamortised portion of deferred transaction costs						(2,029)	(1,097)	(2,029)
Debentures - net						466,971	98,903	466,971
Less: Current portion						(466,971)	(98,903)	(466,971)
Debentures - net of current portion						-	-	-

Movements in debentures account during year ended 31 December 2019 are summarised below.

	(Unit: Thousand Baht)
Balance as at 1 January 2019	469,000
Add: Issue of new debentures during the year	100,000
Less: Repayment of debentures	(469,000)
Balance as at 31 December 2019	<u>100,000</u>

The above debentures are registered, unsubordinated, unsecured debentures with no trustee which have terms of payment of interest every 3 months throughout the terms of debentures. The debentures contain several covenants which among other things, require the Company to maintain its debt to equity ratio.

## 21. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

	Consolidated	Separate	
	financial statements	financial statements	
	2018	2019	2018
<b>Provision for long-term employee benefits</b>			
<b>at beginning of year</b>	278	379	278
Included in profit or loss:			
Current service cost	90	174	90
Interest cost	11	19	11
<b>Provisions for long-term employee benefits</b>			
<b>at end of year</b>	379	572	379

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law was effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company has additional long-term employee benefit liabilities of Baht 0.07 million as a result. The Company reflects the effect of the change by recognising past service costs as expenses in the income statement of the current year.

As at 31 December 2019 and 2018, the Company expects not to pay for long-term employee benefits during the next year.

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit is 16 years (2018: 16 years).

Significant actuarial assumptions are summarised below:

(Unit: % per annum)

	Consolidated	Separate	
	financial statements	financial statements	
	2018	2019	2018
Discount rate	3.01	3.01	3.01
Salary increase rate	8.91	8.91	8.91
Turnover rate	0 - 73	0 - 73	0 - 73

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2019 and 2018 is summarised below:

	(Unit: Thousand Baht)	
	As at 31 December 2019	
	Separate financial statements	
	Increase 0.5%	Decrease 0.5%
Discount rate	(33)	36
Salary increase rate	38	(36)
Turnover rate	(48)	53

	(Unit: Thousand Baht)	
	As at 31 December 2018	
	Consolidated and Separate financial statements	
	Increase 0.5%	Decrease 0.5%
Discount rate	(23)	25
Salary increase rate	25	(23)
Turnover rate	(31)	34

## 22. Share capital

On 17 April 2019, the Annual General Meeting of the Company's shareholders approved the following matters.

- (1) Approved an increase in the Company's registered share capital under a General Mandate from Baht 481 million to Baht 1,082 million by issuing new ordinary shares of Baht 601 million (601,058,766 ordinary shares with a par value of Baht 1 each). The Company registered the change of its registered share capital with the Ministry of Commerce on 19 April 2019.
- (2) Approved an issuance and allotment of not exceeding 200,352,922 warrants ("J-W1") with a term of 3 years, without charge, to the shareholders who exercise their rights to subscribe newly issued shares of the Company, at a ratio of 2 subscribed shares to 1 warrant. The warrants are exercisable in a ratio of 1 warrant to 1 ordinary share. The exercise price is Baht 2.00.

(3) Approved the allocation of 601,058,766 newly issued ordinary shares with a par value of 1 Baht each, as follows.

- (a) Up to 400,705,844 shares to the existing shareholders in proportion to their respective shareholdings (Right Offering) at ratio of 1.2 existing ordinary shares to 1 newly issued ordinary share.
- (b) Up to 200,352,922 shares to reserve for warrants.
- (c) For the remaining allotment of newly issued shares as described above shall be reserved for private placement.

During 27 - 31 May 2019, the existing shareholders exercised their right to purchase newly issued ordinary shares of 312,960,278 shares at a price of Baht 1.06 per share, or a total of Baht 332 million. In June 2019, the Company received full payment for the shares. The Company registered the increase in its share capital from Baht 481 million to Baht 794 million with the Ministry of Commerce on 11 June 2019. The trading of additional shares of the Company on the Stock Exchange of Thailand began on 14 June 2019.

Movements in the number of ordinary shares, the registered, issued and paid-up share capital and share premium during the year are as follows:

Description	Number of share	Amount	Share premium
	(Thousand shares)	(Thousand Baht)	(Thousand Baht)
<u>Registered share capital</u>			
As at 1 January 2019	480,847	480,847	
Increase during the year	601,059	601,059	
As at 31 December 2019	1,081,906	1,081,906	
<u>Issued and paid-up share capital</u>			
As at 1 January 2019	480,847	480,847	312,103
Increase during the year	312,960	312,960	17,391
As at 31 December 2019	793,807	793,807	329,494

### 23. Warrant

In June 2019, the Company has issued warrant no.1 (“J-W1”) with free of charge by specified holders and transferable to existing shareholders totalling 156,480,124 units. 1 unit of warrant is exercisable to purchase 1 common share at Baht 2 each within 3 years starting from 12 June 2019 to 11 June 2022. Its first exercise is on 30 September 2019 and able to exercise on the last working day of each quarter.

#### Reconciliation of number of J-W1 warrants

(Unit: Units)

	For the year ended 31 December 2019
Number of warrants at the beginning of year	-
Issued warrants during the year	156,480,124
Number of warrants at the end of year	156,480,124

### 24. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

During the year 2019, the Company appropriated retained earnings to statutory reserve of Baht 0.9 million (2018: Nil).



## 25. Revenue from contracts with customers/Cost of sales

### 25.1 Disaggregated revenue information

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Type of revenue:</b>				
Sale of food and beverage	72,717	47,631	2,898	4,368
Sale of land	-	191,494	-	191,494
Sale of land and houses	9,725	11,130	9,725	11,130
Sale of residential condominium units	251,909	-	251,909	-
Sales promotion income	22,437	26,021	22,437	26,021
Service income	67,805	69,212	68,111	68,721
Total revenue from contracts with customers	<u>424,593</u>	<u>345,488</u>	<u>355,080</u>	<u>301,734</u>
<b>Timing of revenue recognition:</b>				
Revenue recognised at a point in time	334,612	251,051	264,793	207,176
Revenue recognised over time	89,981	94,437	90,287	94,558
Total revenue from contracts with customers	<u>424,593</u>	<u>345,488</u>	<u>355,080</u>	<u>301,734</u>

Revenue from residential condominium units sold for the year 2019 of Baht 252 million included revenue from residential condominium units sold to related party and parent company's shareholder. The Company received full payments from the sale and transferred control over the real estate to those parties completely. However, the Company has not registered the ownership transfer to buyers due to certain business reasons. During the year, the Company recognised revenue from residential condominium units sold to both related party and parent company's shareholder of Baht 70 million and recognised gain on sale of Baht 20 million in the statement of comprehensive income for the current year.

Set out below, is a reconciliation of the revenue from contracts with customers with the amounts disclosed in Note 29 relating to the segment information:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
External customers	890,502	879,617	822,798	837,191
Inter-segment	2,149	1,480	-	-
Total revenue	892,651	881,097	822,798	837,191
Adjustments and eliminations	(2,149)	(1,480)	-	-
Rental income	(465,909)	(534,129)	(467,718)	(535,457)
Total revenue from contracts with customers	<u>424,593</u>	<u>345,488</u>	<u>355,080</u>	<u>301,734</u>

## 25.2 Revenue recognised in relation to contract balances

During the current year, amounts of Baht 9 million that were included in advances received from customers at the beginning of the year were recognised as revenue.

## 25.3 Cost of sales

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Cost of sales:</b>				
Cost of food and beverage	31,131	22,307	1,519	2,276
Cost of land sold	-	126,178	-	126,178
Cost of land and houses sold	8,788	9,032	8,788	9,032
Cost of residential condominium units sold	173,995	-	173,995	-
Cost of services	77,959	80,695	77,959	80,695
Total	<u>291,873</u>	<u>238,212</u>	<u>262,261</u>	<u>218,181</u>

## 26. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Rental expenses	317,368	362,675	302,984	351,833
Utilities expenses	78,129	78,950	74,189	76,218
Salaries, wages and other employee benefits	88,452	71,060	58,687	53,094
Depreciation and amortisation	113,456	114,506	104,859	108,400
Sales promotion and advertising expenses	19,927	29,427	16,876	27,008

## 27. Income tax

Income tax benefits for the years ended 31 December 2019 and 2018 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Current income tax:</b>				
Corporate income tax for the year	-	-	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(17,065)	(15,256)	(10,333)	(10,482)
<b>Income tax benefits reported in profit or loss</b>	<u>(17,065)</u>	<u>(15,256)</u>	<u>(10,333)</u>	<u>(10,482)</u>

The reconciliation between accounting profit (loss) and income tax benefits is shown below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Accounting profit (loss) before corporate income tax	(9,199)	(39,364)	21,801	(17,926)
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before corporate income tax multiplied by income tax rate	(1,840)	(7,873)	4,360	(3,585)
Adjust in respect of income tax benefit of previous year	(732)	-	(732)	-
Effects of:				
Additional revenues	-	1,710	-	1,710
Exempt income	(5,340)	-	(5,340)	-
Non-deductible expenses	376	192	329	192
Additional expense deductions allowed	(9,529)	(9,285)	(8,950)	(8,799)
Total	<u>(14,493)</u>	<u>(7,383)</u>	<u>(13,961)</u>	<u>(6,897)</u>
Income tax benefits reported in profit or loss	<u>(17,065)</u>	<u>(15,256)</u>	<u>(10,333)</u>	<u>(10,482)</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2019	2018	
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	245	213	245	
Allowance for asset impairment	712	676	712	
Accrued rental cost under long-term leases	8,544	9,986	8,544	
Provision for long-term employee benefits	76	114	76	
Unused tax loss	37,766	45,520	31,942	
<b>Total</b>	<b>47,343</b>	<b>56,509</b>	<b>41,519</b>	
<b>Deferred tax liabilities</b>				
Investment property at fair value	20,100	23,397	20,100	
Accrued rental income under long-term lease recorded as asset	2,602	3,546	2,602	
Rental income recognition under long-term leases	-	364	-	
Cost to obtain contracts with customers	-	52	-	
<b>Total</b>	<b>22,702</b>	<b>27,359</b>	<b>22,702</b>	
<b>Deferred tax assets - net</b>	<b>24,641</b>	<b>29,150</b>	<b>18,817</b>	

## 28. Earnings per share

Basic earnings (loss) per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Profit (loss) for equity holders of the Company (Thousand Baht)	17,213	(17,443)	17,213	(17,443)
Weighted average number of ordinary shares (Thousand shares)	655,762	480,847	655,762	480,847
Earnings (loss) per share (Baht/share)	0.03	(0.04)	0.03	(0.04)

The Company did not compute the diluted earnings per share from warrants to purchase shares for the year ended 31 December 2019 because the average share price during the year was lower than the exercise price of warrants.

## 29. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organised into business units based on its products and services and have four reportable segments as follows:

- Rental and related services business
- Food and beverage business
- Real estate business
- Others

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit information regarding the Group's operating segments for the years ended 31 December 2019 and 2018.

(Unit: Thousand Baht)

	For the year ended 31 December 2019					Consolidated financial statements
	Rental and related services business	Food and beverage business	Real estate business	Others	Eliminations	
<b>Revenue</b>						
External customers	555,890	72,717	261,634	261	-	890,502
Inter-segment	2,115	34	-	-	(2,149)	-
<b>Total revenue</b>	<b>558,005</b>	<b>72,751</b>	<b>261,634</b>	<b>261</b>	<b>(2,149)</b>	<b>890,502</b>
<b>Results</b>						
<b>Gross profit</b>	50,923	41,620	78,851	261	(2,149)	169,506
Gain on fair value adjustment of investment property						6,074
Reversal allowance for impairment of assets						181
Gain on sale of investment in subsidiary						27,302
Other income						38,080
Selling and distribution expenses						(107,593)
Administrative expenses						(88,440)
Finance cost						(54,308)
Income tax benefit						17,005
<b>Profit for the year</b>						<b>7,867</b>

(Unit: Thousand Baht)

	For the year ended 31 December 2018				Consolidated financial statements
	Rental and related services business	Food and beverage business	Real estate business	Eliminations	
<b>Revenue</b>					
External customers	628,749	48,244	202,624	-	879,617
Inter-segment	1,449	31	-	(1,480)	-
<b>Total revenue</b>	<b>630,198</b>	<b>48,275</b>	<b>202,624</b>	<b>(1,480)</b>	<b>879,617</b>
<b>Results</b>					
<b>Gross profit</b>	64,265	25,968	67,414	(1,480)	156,167
Loss on fair value adjustment of investment property					(3,590)
Allowance for impairment of assets					(3,560)
Other income					36,052
Selling and distribution expenses					(96,513)
Administrative expenses					(64,965)
Finance cost					(62,955)
Income tax benefit					15,256
<b>Loss for the year</b>					<b>(24,108)</b>

### Geographic information

The Group operates in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

### Major customers

For 2018, the Group has revenue from one major customer in amount of Baht 191 million arising from sales of real estate (2019: the Group has no major customer with revenue of 10 percent or more of an entity's revenue).

### 30. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 3 percent of basic salary. In March 2018, the Company have changed rate contribute to fund monthly to the rate of 3 to 5 percent of basic salary and its employees have changed rate contribute to fund monthly to the rate of 3 to 15 percent of basic salary. The fund, which is managed by TISCO Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2019 amounting to approximately Baht 0.5 million (2018: Baht 0.5 million) were recognised as expenses.

## 31. Commitments and contingent liabilities

### 31.1 Capital commitments

As at 31 December 2019, the Company had capital commitments of Baht 85 million (2018: Baht 163 million), relating to design and construction of the project.

### 31.2 Operating lease and service contract commitments

The Company has entered into lease agreements in respect of land, building space and service contracts. The terms of the agreements are generally between 1 and 30 years.

The Company has future minimum lease payments required under these operating leases and service contracts were as follows.

	(Unit: Million Baht)		
	Consolidated financial statements	Separate financial statements	
	2018	2019	2018
Payable:			
Up to 1 year	224	195	216
In over 1 and up to 5 years	213	186	200
In over 5 years	402	443	402

As at 31 December 2019, future minimum sublease payments expected to be received under non-cancellable subleases totaled approximately Baht 308 million (2018: Baht 287 million). During the year ended 31 December 2019, the Company recognised rental expenses of Baht 275 million (2018: Baht 314 million) and subleasing revenue of Baht 374 million (2018: Baht 431 million).

### 31.3 Management service agreement

The Company entered into a management service agreement with the parent company. Under the conditions of the agreement, the Company is to pay the monthly service fee as specified in the agreement. During the year ended 31 December 2019, the Company paid fees related to these agreements totaling Baht 7 million. (2018: Baht 6 million).

### 31.4 Guarantees

As at 31 December 2019, the Company had outstanding bank guarantees of Baht 6 million (2018: Baht 6 million) issued by banks on behalf of the Company in respect of the use of electricity.

### 31.5 Litigation

In the year 2018, a company sued the Company as co-defendant as a result of the Company's operation of soil backfill, demanding compensatory damages totaling Baht 6 million plus interest at a rate of 7.5% per annum, commencing from prosecution until the full amounts is paid.

On 29 April 2019, the Court of First Instance ordered the Company to pay Baht 0.04 million, together with interest at 7.5% per annum. However, the Company did not file an appeal with the Appeal Court and had already made payment totalling Baht 0.2 million to the plaintiff. The case is now finalised.

### 32. Fair value hierarchy

As at 31 December 2019 and 2018, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follow:

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
<b>Asset measured at fair value</b>				
Investment property	-	-	525	525
<b>Liability for which fair value are disclosed</b>				
Debentures	-	99	-	99

(Unit: Million Baht)

	Consolidated and Separate financial statements			
	As at 31 December 2018			
	Level 1	Level 2	Level 3	Total
<b>Asset measured at fair value</b>				
Investment property	-	-	519	519
<b>Liability for which fair value are disclosed</b>				
Debentures	-	468	-	468



### 33. Financial instruments

#### 33.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, trade and other payables, bank overdrafts and short-term loans from financial institution, short-term loans, long-term loans and debentures. The financial risks associated with these financial instruments and how they are managed is described below.

##### ***Credit risk***

The Company is exposed to credit risk primarily with respect to trade and other accounts receivable. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables as stated in the statement of financial position.

##### ***Interest rate risk***

The Company's exposure to interest rate risk relates primarily to its cash at banks, bank overdrafts and short-term loan from financial institutions, short-term loans, long-term loans and debentures. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2019 and 2018, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Thousand Baht)

	Separate financial statements					Effective interest rate (% per annum)
	As at 31 December 2019					
	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	
Within 1 year	More than 1 to 5 year					
<b><u>Financial assets</u></b>						
Cash and cash equivalents	-	-	561	2,090	2,651	0.10 - 1.00
Trade and other receivables	-	-	-	61,858	61,858	-

(Unit: Thousand Baht)

## Separate financial statements

As at 31 December 2019

	Fixed interest rates		Floating interest rate	Non- interest beating	Total	Effective interest rate  (% per annum)
	Within 1 year	More than 1 to 5 year				
<b>Financial liabilities</b>						
Bank overdraft and short-term loan from financial institutions	-	-	96,472	-	96,472	5.025 - 6.950
Trade and other payables	-	-	-	119,486	119,486	-
Short-term loans	39,502	-	-	-	39,502	6.50
Liabilities under finance lease agreements	335	201	-	-	536	3.62
Long-term loans	-	-	528,158	-	528,158	3.975 - 5.000
Debentures	98,903	-	-	-	98,903	8.09

(Unit: Thousand Baht)

## Consolidated financial statements

As at 31 December 2018

	Fixed interest rates		Floating interest rate	Non- interest beating	Total	Effective interest rate  (% per annum)
	Within 1 year	More than 1 to 5 year				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	13,432	7,955	21,387	0.10 - 0.40
Trade and other receivables	-	-	-	55,979	55,979	-
<b>Financial liabilities</b>						
Bank overdraft and short-term loan from financial institutions	-	-	60,000	-	60,000	4.85 - 6.25
Trade and other payables	-	-	-	102,659	102,659	-
Liabilities under finance lease agreements	297	534	-	-	831	3.62
Long-term loans	-	-	685,141	-	685,141	4.225 - 5.250
Debentures	466,971	-	-	-	466,971	5.50 - 6.65

(Unit: Thousand Baht)

Separate financial statements						
As at 31 December 2018						
	Fixed interest rates		Floating Interest Rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	More than 1 to 5 year				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	12,408	6,175	18,583	0.10 - 0.375
Trade and other receivables	-	-	-	54,157	54,157	-
<b>Financial liabilities</b>						
Bank overdraft and short-term loan from financial institutions						
	-	-	60,000	-	60,000	4.85 - 6.25
Trade and other payables	-	-	-	96,587	96,587	-
Liabilities under finance lease agreements						
	297	534	-	-	831	3.62
Long-term loans	-	-	685,141	-	685,141	4.225 - 5.250
Debentures	466,971	-	-	-	466,971	5.50 - 6.65

### 33.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates closed to the market interest rate, their fair value is not expected to be materially different from the amounts presented in statement of financial position except debentures. The carrying value and fair value are summarised and presented below.

(Unit: Million Baht)		
As at 31 December 2019		
	Carrying amount	Fair value
Debentures	99	100

The methods and assumptions used by the Company in estimating the fair value of debentures are based on the latest yield rated quoted by the Thai Bond Market Association as of the date of the statement of financial position or the discounted cash flow method. The discount rate is based on the prevailing rates of return as of the end of reporting period for debentures having substantially the same terms and characteristics.

During the current year, there were no transfers within the fair value hierarchy.

### **34. Capital management**

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2019, the Company's debt-to-equity ratio was 0.80:1 (2018: the Group 1.55:1 (the Company only 1.56:1)).

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

#### **35.1 The incorporation of a subsidiary**

On 24 January 2020, a meeting of the Company's Executive Board of Directors approved the incorporation of a subsidiary, J Appraisal Company Limited (JAP), with a registered share capital of Baht 2 million, comprising 200,000 ordinary shares of Baht 10 each, in which the Company will hold 99.99% of its registered share capital. Its business is property valuation services. The Company paid full payment of such shares and JAP registered its share capital with the Ministry of Commerce on 31 January 2020.

#### **35.2 Resolution of the Company's Board of Directors' meeting**

On 25 February 2020, a meeting of the Company's Board of Directors passed the following resolution.

- Approve an investment in the construction of new community mall with project value of Baht 615 million.
- Consider to obtain financial support from the parent company in form of loan amounting to Baht 100 million.
- Propose to the Annual General Meeting of the Company's shareholders to approve a decrease in the Company's registered share capital from Baht 1,082 million to Baht 994 million by cancelling 88 million of registered shares that had not yet been allocated totaling Baht 88 million.

### **36. Reclassification**

The Group reclassified transactions in the statement of comprehensive income for the year ended 31 December 2018 related to the reclassification in the current year. The reclassifications had no effect to previously reported profit or shareholders' equity. The reclassifications are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	As at 31 December 2018		As at 31 December 2018	
	As reclassified	As previously	As reclassified	As previously
		reported		reported
Rental and service income	-	628,749	-	630,198
Rental income	534,129	-	535,457	-
Sales	-	250,255	-	206,993
Service income	-	613	-	-
Revenue from contracts				-
with customers	345,488	-	301,734	
Cost of rental and services	-	565,933	-	565,933
Cost of rental	485,238	-	485,238	-
Cost of sales	238,212	157,517	218,181	137,486

### 37. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2020.