



PRUKSA

**Pruksa Holding Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2018
and
Independent Auditor's Report

Independent Auditor's Report

To the shareholders of Pruksa Holding Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Pruksa Holding Public Company Limited and its subsidiaries (the "Group") and of Pruksa Holding Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2018, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2018 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

Valuation of real estate projects under development	
Refer to Notes 3 (f) and 6 of the consolidated and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>Real estate projects under development of the Group are measured at the lower of their cost and their net realisable values. The determination of the estimated net realisable values of these real estate projects under development is dependent upon the Group's estimations of future selling prices and estimated cost to complete.</p> <p>Such uncertainty in these estimates impact the assessment of the carrying value of real estate projects under development, which the Group's estimations of future selling prices are dependent on market conditions and the estimated cost to complete are subject to a number of variables including market conditions in respect of materials and sub-contractor cost and construction issues.</p> <p>The real estate projects under development involves significant judgment by management in making these estimates, which depends on many factors and various assumptions and is a significant balance in the consolidated financial statements, therefore this is an area of focus in my audit.</p>	<p>The audit procedures in this area included:</p> <ul style="list-style-type: none">- inquiry of the management to understand and assess the process of the estimation of net realisable value of real estate projects under development and perform testing the Group's controls relating to the approval of setting selling price and budget costs, updating selling price and reviewing of cost estimates.- evaluating the appropriateness of the Group's estimated selling prices by comparing sales estimates to sales made to date and real estate price trend information.- evaluating the reasonableness of the estimated cost to complete by comparing the cost estimates to the actual costs and supporting documents.- assess adequacy of disclosure in the financial statements in accordance with Thai Financial Reporting Standards.

Other Information

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

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

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

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

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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and 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 and the Company's financial reporting process.

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

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

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

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

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

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

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

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



(Vannaporn Jongperadechanon)
Certified Public Accountant
Registration No. 4098

KPMG Phoomchai Audit Ltd.
Bangkok
21 February 2019

Pruksa Holding Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2018	2017	2018	2017
		<i>(in Baht)</i>			
Current assets					
Cash and cash equivalents	5	1,444,556,125	1,347,534,970	19,049,263	29,165,687
Other receivables from subsidiary	4	-	-	106,979,043	37,205,749
Short-term loans and accrued interest income - subsidiaries	4	-	-	6,659,531,219	1,482,222,294
Real estate projects under development	6, 13	71,960,098,823	63,791,078,880	-	-
Deposits for purchase of land		1,568,625,194	622,483,624	-	-
Advance payment for goods		302,431,530	266,581,858	321	293,314
Other current assets		391,859,071	200,600,265	941,862	3,225,649
Total current assets		75,667,570,743	66,228,279,597	6,786,501,708	1,552,112,693
Non-current assets					
Investments in subsidiaries	7	-	-	35,620,695,717	35,523,384,576
Investments in joint ventures	8	107,540,634	107,540,634	-	-
Investment properties	9	706,219,482	640,607,687	-	-
Property, plant and equipment	10, 13	4,739,070,028	4,633,055,874	129,409	132,501
Intangible assets	11	345,679,961	333,600,728	1,603,164	1,788,164
Deferred tax assets	12	55,164,733	52,014,136	-	-
Other non-current assets	4	223,874,495	248,592,104	1,258,812	1,488,954
Total non-current assets		6,177,549,333	6,015,411,163	35,623,687,102	35,526,794,195
Total assets		81,845,120,076	72,243,690,760	42,410,188,810	37,078,906,888

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

Pruksa Holding Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2018	2017	2018	2017
		<i>(in Baht)</i>			
Current liabilities					
Short-term loans from financial institutions	13	5,600,000,000	2,800,000,000	-	-
Trade accounts payable	14	2,283,753,446	2,378,809,879	-	-
Payables for purchase of land		2,754,498,008	1,697,872,385	-	-
Short-term loans - subsidiary	4	-	-	240	724,952
Current portion of long-term debentures	13	6,400,000,000	6,000,000,000	-	-
Customers' deposits		2,688,995,073	1,061,925,502	-	-
Current tax payable		671,960,289	296,513,484	2,722,227	-
Other current liabilities	4, 15	3,974,488,654	3,403,790,670	41,614,355	18,981,442
Total current liabilities		24,373,695,470	17,638,911,920	44,336,822	19,706,394
Non-current liabilities					
Long-term loan from financial institution	13	500,000,000	-	500,000,000	-
Long-term debentures	13	14,600,000,000	15,500,000,000	5,500,000,000	-
Non-current provisions for employee benefits	16	423,603,109	374,400,184	3,637,612	626,500
Provision for litigation and claims	32	73,337,913	70,835,308	-	-
Total non-current liabilities		15,596,941,022	15,945,235,492	6,003,637,612	626,500
Total liabilities		39,970,636,492	33,584,147,412	6,047,974,434	20,332,894

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

Pruksa Holding Public Company Limited and its Subsidiaries

Statement of financial position

	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity		2018	2017	2018	2017
		<i>(in Baht)</i>			
Equity					
Share capital	17				
Authorised share capital		2,226,383,180	2,226,383,180	2,226,383,180	2,226,383,180
Issued and paid-up share capital		2,188,504,922	2,186,796,580	2,188,504,922	2,186,796,580
Premium on ordinary shares	17	1,872,580,809	1,819,142,676	32,420,281,342	32,366,843,209
Warrants	18	4,576,792	31,911,459	4,576,792	31,911,459
Retained earnings					
Appropriated					
Legal reserve	19	223,730,753	223,730,753	222,638,318	222,638,318
Unappropriated		36,959,532,071	33,694,950,661	1,526,213,002	2,250,384,428
Other components of equity	19	(77,978,226)	(47,441,915)	-	-
Equity attributable to owners of the parent		41,170,947,121	37,909,090,214	36,362,214,376	37,058,573,994
Non-controlling interests		703,536,463	750,453,134	-	-
Total equity		41,874,483,584	38,659,543,348	36,362,214,376	37,058,573,994
Total liabilities and equity		81,845,120,076	72,243,690,760	42,410,188,810	37,078,906,888

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

Pruksa Holding Public Company Limited and its Subsidiaries

Statement of comprehensive income

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2018	2017	2018	2017
<i>(in Baht)</i>					
Revenues					
Revenue from sales of real estate	20	44,900,702,742	43,934,799,376	-	-
Dividend income	4, 7	-	-	1,995,724,813	5,508,335,902
Other income	4	169,816,155	178,095,670	289,859,856	71,770,124
Total revenues		45,070,518,897	44,112,895,046	2,285,584,669	5,580,106,026
Expenses					
Cost of sales of real estate		28,814,573,030	28,221,940,659	-	-
Distribution costs	21, 35	4,395,931,821	4,351,055,080	-	-
Administrative expenses	4, 22, 35	4,034,461,404	4,185,643,954	133,667,842	71,306,418
Finance costs	4, 25	138,847,755	197,350,224	90,747,621	798,046
Total expenses		37,383,814,010	36,955,989,917	224,415,463	72,104,464
Share of loss of joint ventures		(419,792)	(347,770)	-	-
Profit before income tax expense	20	7,686,285,095	7,156,557,359	2,061,169,206	5,508,001,562
Tax expense	26	(1,555,502,472)	(1,582,429,221)	(5,939,325)	-
Profit for the year		6,130,782,623	5,574,128,138	2,055,229,881	5,508,001,562

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

Pruksa Holding Public Company Limited and its Subsidiaries

Statement of comprehensive income

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2018	2017	2018	2017
<i>(in Baht)</i>					
Other comprehensive income					
<i>Items that will be reclassified subsequently</i>					
<i>to profit or loss</i>					
Exchange differences on translating foreign operations		(30,925,892)	6,663,481	-	-
Losses on remeasuring available-for-sale investments		-	(53,625)	-	-
Total items that will be reclassified subsequently		(30,925,892)	6,609,856	-	-
<i>Item that will not be reclassified to profit or loss</i>					
Losses on remeasurements of defined benefit plans		-	(11,976,186)	-	-
Total item that will not be reclassified to		-	(11,976,186)	-	-
Other comprehensive expense for the year,					
net of tax	26	(30,925,892)	(5,366,330)	-	-
Total comprehensive income for the year		6,099,856,731	5,568,761,808	2,055,229,881	5,508,001,562
Profit attributable to:					
Owners of the parent		6,022,370,217	5,456,416,101	2,055,229,881	5,508,001,562
Non-controlling interests		108,412,406	117,712,037	-	-
Profit for the year		6,130,782,623	5,574,128,138	2,055,229,881	5,508,001,562
Total comprehensive income attributable to:					
Owners of the parent		5,991,833,906	5,451,249,369	2,055,229,881	5,508,001,562
Non-controlling interests		108,022,825	117,512,439	-	-
Total comprehensive income for the year		6,099,856,731	5,568,761,808	2,055,229,881	5,508,001,562
Earnings per share (in Baht)					
Basic earnings per share	28	2.75	2.50	0.94	2.52
Diluted earnings per share	28	2.75	2.50	0.94	2.52

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

Pruksa Holding Public Company Limited and its Subsidiaries
Statement of changes in equity

	Consolidated financial statements											
	Note	Retained earnings				Other components of equity				Equity attributable to owners of the parent	Non - controlling interests	Total equity
		Issued and paid-up share capital	Share premium	Warrants	Legal reserve	Unappropriated	Translating foreign operations <i>(in Baht)</i>	Available- for-sale investments	Total other components of equity			
Year ended 31 December 2017												
Balance at 1 January 2017		2,185,857,580	1,789,836,486	20,981,036	223,730,753	31,246,374,701	(54,304,994)	53,625	(54,251,369)	35,412,529,187	751,413,783	36,163,942,970
Transactions with owners, recorded directly in equity												
<i>Contributions by and distributions to owners of the parent</i>												
Dividends to owners of the Company	29	-	-	-	-	(2,995,863,955)	-	-	-	(2,995,863,955)	(118,023,088)	(3,113,887,043)
Warrants exercised	17, 18	939,000	29,306,190	(14,508,270)	-	-	-	-	-	15,736,920	(450,000)	15,286,920
Share-based payment transaction	18	-	-	32,367,815	-	-	-	-	-	32,367,815	-	32,367,815
Cancelation of warrants	18	-	-	(6,929,122)	-	-	-	-	-	(6,929,122)	-	(6,929,122)
Total transactions with owners, recorded directly in equity		939,000	29,306,190	10,930,423	-	(2,995,863,955)	-	-	-	(2,954,688,342)	(118,473,088)	(3,073,161,430)
Comprehensive income for the year												
Profit		-	-	-	-	5,456,416,101	-	-	-	5,456,416,101	117,712,037	5,574,128,138
Other comprehensive income		-	-	-	-	(11,976,186)	6,863,079	(53,625)	6,809,454	(5,166,732)	(199,598)	(5,366,330)
Total comprehensive income for the year		-	-	-	-	5,444,439,915	6,863,079	(53,625)	6,809,454	5,451,249,369	117,512,439	5,568,761,808
Balance at 31 December 2017		2,186,796,580	1,819,142,676	31,911,459	223,730,753	33,694,950,661	(47,441,915)	-	(47,441,915)	37,909,090,214	750,453,134	38,659,543,348

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

Pruksa Holding Public Company Limited and its Subsidiaries
Statement of changes in equity

	Consolidated financial statements									
	Note	Issued and paid-up share capital	Share premium	Warrants	Retained earnings		Other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Legal reserve					Unappropriated (in Baht)	Translating foreign operations				
Year ended 31 December 2018										
Balance at 1 January 2018		2,186,796,580	1,819,142,676	31,911,459	223,730,753	33,694,950,661	(47,441,915)	37,909,090,214	750,453,134	38,659,543,348
Transactions with owners, recorded directly in equity										
<i>Contributions by and distributions to owners of the parent</i>										
Dividends to owners of the Company	29	-	-	-	-	(2,779,401,307)	-	(2,779,401,307)	(36,015,856)	(2,815,417,163)
Warrants exercised	17, 18	1,708,342	53,438,133	(27,334,667)	-	-	-	27,811,808	-	27,811,808
Total contributions by and distributions to owners of the parent		1,708,342	53,438,133	(27,334,667)	-	(2,779,401,307)	-	(2,751,589,499)	(36,015,856)	(2,787,605,355)
<i>Changes in ownership interests in subsidiary</i>										
Acquisition of non-controlling interests without a change in control	7	-	-	-	-	21,612,500	-	21,612,500	(118,923,640)	(97,311,140)
Total changes in ownership interests in subsidiary		-	-	-	-	21,612,500	-	21,612,500	(118,923,640)	(97,311,140)
Total transactions with owners, recorded directly in equity		1,708,342	53,438,133	(27,334,667)	-	(2,757,788,807)	-	(2,729,976,999)	(154,939,496)	(2,884,916,495)
Comprehensive income for the year										
Profit		-	-	-	-	6,022,370,217	-	6,022,370,217	108,412,406	6,130,782,623
Other comprehensive income		-	-	-	-	-	(30,536,311)	(30,536,311)	(389,581)	(30,925,892)
Total comprehensive income for the year		-	-	-	-	6,022,370,217	(30,536,311)	5,991,833,906	108,022,825	6,099,856,731
Balance at 31 December 2018		2,188,504,922	1,872,580,809	4,576,792	223,730,753	36,959,532,071	(77,978,226)	41,170,947,121	703,536,463	41,874,483,584

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

Pruksa Holding Public Company Limited and its Subsidiaries

Statement of changes in equity

	Note	Separate financial statements					Total equity
		Issued and paid-up share capital	Share premium	Warrants	Retained earnings		
					Legal reserve	Unappropriated	
<i>(in Baht)</i>							
Year ended 31 December 2017							
Balance at 1 January 2017		2,185,857,580	32,337,537,019	-	-	(39,114,861)	34,484,279,738
Transactions with owners, recorded directly in equity							
<i>Contributions by and distributions to owners</i>							
Dividends to owners of the Company	29	-	-	-	-	(2,995,863,955)	(2,995,863,955)
Warrants exercised	17, 18	939,000	29,306,190	(14,958,270)	-	-	15,286,920
Share-based payment transaction	18	-	-	53,798,851	-	-	53,798,851
Cancelation of warrants	18	-	-	(6,929,122)	-	-	(6,929,122)
Total transactions with owners, recorded directly in equity		939,000	29,306,190	31,911,459	-	(2,995,863,955)	(2,933,707,306)
Comprehensive income for the year							
Profit		-	-	-	-	5,508,001,562	5,508,001,562
Total comprehensive income for the year		-	-	-	-	5,508,001,562	5,508,001,562
Transfer to legal reserve	19	-	-	-	222,638,318	(222,638,318)	-
Balance at 31 December 2017		2,186,796,580	32,366,843,209	31,911,459	222,638,318	2,250,384,428	37,058,573,994

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

Pruksa Holding Public Company Limited and its Subsidiaries

Statement of changes in equity

	Note	Issued and paid-up share capital	Share premium	Separate financial statements		Total equity	
				Warrants	Legal reserve		Unappropriated
<i>(in Baht)</i>							
Year ended 31 December 2018							
Balance at 1 January 2018		2,186,796,580	32,366,843,209	31,911,459	222,638,318	2,250,384,428	37,058,573,994
Transactions with owners, recorded directly in equity							
<i>Contributions by and distributions to owners</i>							
Dividends to owners of the Company	29	-	-	-	-	(2,779,401,307)	(2,779,401,307)
Warrants exercised	17, 18	1,708,342	53,438,133	(27,334,667)	-	-	27,811,808
Total transactions with owners, recorded directly in equity		1,708,342	53,438,133	(27,334,667)	-	(2,779,401,307)	(2,751,589,499)
Comprehensive income for the year							
Profit		-	-	-	-	2,055,229,881	2,055,229,881
Total comprehensive income for the year		-	-	-	-	2,055,229,881	2,055,229,881
Balance at 31 December 2018		2,188,504,922	32,420,281,342	4,576,792	222,638,318	1,526,213,002	36,362,214,376

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

Pruksa Holding Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the year	6,130,782,623	5,574,128,138	2,055,229,881	5,508,001,562
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense	1,555,502,472	1,582,429,221	5,939,325	-
Finance costs	138,847,755	197,350,224	90,747,621	798,046
Depreciation and amortisation	497,311,417	467,331,414	227,710	63,652
Interest income	-	-	-189,799,592	-57,482,802
Losses on real estate projects under development				
devaluation	902,608	5,155,613	-	-
Reversal of impairment losses on property, plant and equipment	-	(498,154)	-	-
Reversal of impairment losses on deposits for purchase of land	-	(22,968,000)	-	-
Reversal of impairment losses on investment properties	-	(5,836,000)	-	-
Loss from disposal of plant and equipment	645,451	18,388,236	-	-
Loss from disposal of intangible assets	39,475	-	-	-
Gain on disposal of investment properties	-	(6,407,448)	-	-
Dividend income from subsidiary	-	-	(1,995,724,813)	(5,508,335,902)
Currency translation differences	(38,657,365)	8,578,849	-	-
Provisions for employees benefits	49,202,925	69,893,689	3,011,112	626,500
Share-based payment	-	25,438,693	-	-
Provision for litigation and claims	4,420,118	106,338,087	-	-
Gain on disposal of current investments	-	(70,314)	-	-
Share of loss of joint ventures	419,792	347,770	-	-
Reversal of share of loss of joint ventures	(419,792)	(347,770)	-	-
	<u>8,338,997,479</u>	<u>8,019,252,248</u>	<u>(30,368,756)</u>	<u>(56,328,944)</u>
<i>Changes in operating assets and liabilities</i>				
Other receivables from subsidiary	-	-	(69,773,295)	(37,205,749)
Real estate projects under development	(7,638,998,693)	(3,785,167,777)	-	-
Deposits for purchase of land	(946,141,570)	36,729,032	-	-
Advance payment for goods	(35,849,672)	(70,563,831)	292,993	(293,314)
Other current assets	(191,258,806)	2,465,400	2,283,787	(2,378,662)
Other non-current assets	24,717,609	(52,385,368)	230,142	(1,488,954)
Other payables - subsidiary	-	-	-	(39,592,323)
Trade accounts payable - others	(95,056,433)	383,679,625	-	-
Payables for purchase of land	1,056,625,623	(1,951,847,427)	-	-
Customers' deposits	1,627,069,571	251,530,148	-	-
Other current liabilities	562,493,770	363,579,590	10,895,926	18,597,267
Provision for litigation and claims paid	(1,917,513)	(36,825,019)	-	-
Net cash generated from (used in) operating	<u>2,700,681,365</u>	<u>3,160,446,621</u>	<u>(86,439,203)</u>	<u>(118,690,679)</u>
Tax paid	(1,175,474,791)	(1,769,631,122)	(3,217,098)	-
Net cash from (used in) operating activities	<u>1,525,206,574</u>	<u>1,390,815,499</u>	<u>(89,656,301)</u>	<u>(118,690,679)</u>

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

Pruksa Holding Public Company Limited and its Subsidiaries

Statement of cash flows

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2018	2017	2018	2017
<i>(in Baht)</i>					
<i>Cash flows from investing activities</i>					
Acquisition of property, plant and equipment		(551,570,045)	(1,404,886,616)	(39,618)	(134,317)
Proceeds from sale of plant and equipment		21,980,095	18,017,876	-	-
Acquisition of intangible assets		(66,888,113)	(57,798,970)	-	(1,850,000)
Proceeds from sale of intangible assets		33,939	-	-	-
Proceeds from sale of investment properties		-	7,828,800	-	-
Dividends received from subsidiary		-	-	1,995,724,813	5,508,335,902
Short-term loans to subsidiaries	4	-	-	(7,834,965,653)	(4,362,975,000)
Proceeds from repayment of short-term loans to subsidiaries	4	-	-	2,653,155,748	2,941,606,545
Interest received		-	-	194,300,572	43,498,692
Acquisition of current investments		-	(56,941,202)	-	-
Proceeds from sale of current investments		-	303,334,890	-	-
Increase in investment in subsidiary	7	-	-	-	(999,999,977)
Net cash from (used in) investing activities		(596,444,124)	(1,190,445,222)	(2,991,824,138)	3,128,481,845
<i>Cash flows from financing activities</i>					
Interest paid		(746,824,800)	(741,694,656)	(79,010,634)	(798,046)
Proceeds from issue of ordinary shares		27,811,808	15,286,920	27,811,808	15,286,920
Dividends paid to owners of the Company	29	(2,779,401,307)	(2,995,863,955)	(2,779,401,307)	(2,995,863,955)
Dividends paid to non-controlling interests		(36,015,856)	(118,023,088)	-	-
Proceeds from short-term loans from subsidiary	4	-	-	3,948,638	23,358,128
Repayment of short-term loans from subsidiary	4	-	-	(4,673,350)	(22,633,176)
Increase in short-term loans from financial institutions, net		2,800,000,000	902,049,982	-	-
Proceeds from long-term loans from financial institution		500,000,000	-	500,000,000	-
Proceeds from long-term debentures		5,500,000,000	9,500,000,000	5,500,000,000	-
Repayment of long-term debentures		(6,000,000,000)	(6,000,000,000)	-	-
Acquisition of non-controlling interest	7	(97,311,140)	-	(97,311,140)	-
Net cash from (used in) financing activities		(831,741,295)	561,755,203	3,071,364,015	(2,980,650,129)
Net increase (decrease) in cash and cash equivalents		97,021,155	762,125,480	(10,116,424)	29,141,037
Cash and cash equivalents at 1 January		1,347,534,970	585,409,490	29,165,687	24,650
Cash and cash equivalents at 31 December	5	1,444,556,125	1,347,534,970	19,049,263	29,165,687
<i>Non-cash transactions:</i>					
Increase (decrease) in equipment payable, net		18,202,095	(10,100,775)	-	-
Transfer of investment properties from real estate projects under development, net		(65,611,795)	(391,022,668)	-	-
Transfer of property, plant and equipment from real estate projects under development, net		(1,443,511)	-	-	-
Transfer of warrants from subsidiary		-	-	-	(46,869,782)

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

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 21 February 2019.

1 General information

Pruksa Holding Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 1177, Pearl Bangkok Tower 24th floor, Phaholyothin Road, Phayathai, Phayathai, Bangkok.

The Company was listed on the Stock Exchange of Thailand in November 2016.

The Company’s major shareholder during the financial year was Vjittpongpun family (75.40% shareholding).

The principal activity of the Company is investing. The principal activity of the Group is real estate development. Details of the Company’s subsidiaries and joint ventures as at 31 December 2018 and 2017 are given in notes 7 and 8.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2018. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of new and revised TFRS which are not yet effective for current periods. The Group has not early adopted these standards in preparing these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 34.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items.

<i>Items</i>	<i>Measurement bases</i>
Available-for-sale investments	Fair value
Defined benefit liability	Present value of the defined benefit obligation as explained in Note 3 (m)

(c) Functional and presentation currency

The financial statements are prepared and presented in Thai Baht, which is the Company’s functional currency.

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(d) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities within the year ending 31 December 2019 is included in the following notes:

Note 6	Determining the value of real estate projects under development; and
Note 16	Measurement of defined benefit obligations: key actuarial assumptions.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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For the year ended 31 December 2018

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 9 - Investment properties;
- Note 18 - Warrants; and
- Note 30 - Financial instruments.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basic of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in joint ventures.

Acquisitions from entities under common control

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

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

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

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Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in a joint venture.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of a joint venture while retaining joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

(c) Derivatives

Derivatives are used to manage exposure to foreign exchange risk arising from investment activities. Derivatives are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Hedge of exchange rates

The Group has a policy to mitigate the foreign exchange risk by entering into forward exchange contracts covering foreign currency monetary transactions. In this regard, all monetary transactions are translated to the functional currency at the rates prevailing at the reporting date, adjusted by net receivables/payables arising from the related forward exchange contracts and the remaining deferred forward premium/discount. The related forward premium/discount is recorded as income/expense over the forward contract term. The amortised forward premium/discount and gains/losses on the forward exchange contracts covering foreign currency monetary transactions are offset against the related exchange losses or gains on the foreign currency monetary transactions being hedged.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments.

(e) Other accounts receivable

Other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(f) Real estate development projects

Real estate development projects are projects for the development of properties with the intention of sale in the ordinary course of business. They are measured at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in selling the properties.

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

The cost of construction materials is calculated using the moving-weighted average cost principle.

The cost of sample houses and real estate projects under development are calculated using standard cost adjusted to approximate average cost which includes an appropriate share of production overheads based on normal developing capacity.

The cost of land is calculated using specifically identified costs.

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(g) Investments

Investments in subsidiaries and joint ventures

Investments in subsidiaries and joint ventures in the separate financial statements of the Company are accounted for using the cost method. Investments in joint ventures in the consolidated financial statements are accounted for using the equity method.

Investments in mutual fund

Mutual funds are marketable equity securities, classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

The fair value of financial instruments classified as available-for-sale is determined as the net asset value at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(h) Investment properties

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

Investment properties comprised land, which is measured at cost less impairment losses.

(i) Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

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Any gains and losses on disposal of item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

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

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvements	5 - 10	years
Buildings and decorations	2 - 30	years
Machinery and equipment	3 - 20	years
Furniture, fixtures and office equipment	3, 5	years
Public utilities	20	years
Transportation equipment	5	years

No depreciation is provided on freehold land or assets under construction and installation.

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

(j) *Intangible assets*

Software licenses

Software licenses that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

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Amortisation

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

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives are 10 years.

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

(k) Impairment

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

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

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

Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

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

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

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

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(l) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(m) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed regularly by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Short-term employee benefits

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

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(n) *Share-based payments*

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expenses in profit or loss.

(o) *Provisions*

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(p) *Revenue*

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Sale of goods and rendering of services

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

Real estate development projects

When the contract meets the criteria for a sale of goods, or if control and significant risks and rewards of ownership of the work in progress are transferred to the buyer at a single time, for example at completion or delivery, revenue is recognised when the criteria described above for sales of goods and services are met.

Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

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Dividend income

Dividend income is recognised in the profit or loss on the date the Group's right to receive payments is established.

Interest and other income

Interest and other income are recognised in profit or loss as they accrue.

(q) Finance costs

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale.

(r) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(s) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

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The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

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

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(t) *Earnings per share*

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

(u) *Segment reporting*

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly the Company's headquarters assets and head office revenues and expenses and tax assets.

4 *Related parties*

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

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Relationships with subsidiaries and joint ventures are described in notes 7 and 8. Relationship with key management and other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Kaysorn Construction Company Limited	Maldives	Branch of Kaysorn Construction Company Limited
Thongma Vijitpongpun	Thai	Major shareholder, 10% or more shareholding, and a director
T C T Co., Ltd.	Thailand	Common directors
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Interest income / interest expense	MLR, MLR-2% and 4%
Dividend income	The declared amount
Management income	Agreed prices
Management fee	Agreed prices
Rental and service charges	Agreed prices
Purchase of lands	Agreed prices

Significant transactions for the years ended 31 December with related parties were as follows:

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Subsidiaries				
Interest income	-	-	189.80	36.98
Dividend income	-	-	1,995.72	5,508.34
Management income	-	-	99.98	34.77
Interest expense	-	-	-	0.56
Management fee	-	-	-	1.31
Other related parties				
Rental and service charges	159.37	57.62	5.13	0.82
Purchase of lands	-	950.00	-	-
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	232.63	218.29	75.34	9.45
Post-retirement benefits	8.11	4.48	1.93	-
Share-based payments	-	5.18	-	-
Total key management personnel compensation	240.74	227.95	77.27	9.45

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Balances as at 31 December with related parties were as follows:

			Separate financial statements	
			2018	2017
			<i>(in million Baht)</i>	
<i>Other receivables from subsidiary</i>				
Pruksa Real Estate Public Co., Ltd.			106.98	37.21
	Interest rate		Separate financial statements	
	2018	2017	2018	2017
	<i>(% per annum)</i>		<i>(in million Baht)</i>	
<i>Short-term loans to subsidiaries</i>				
Pruksa Real Estate Public Co., Ltd.	4.2	4.2	6,300.05	1,458.24
Vimut Hospital Holding Co., Ltd.	4.2	4.2	350.00	10.00
			6,650.05	1,468.24
<i>Accrued interest income - subsidiaries</i>				
Pruksa Real Estate Public Co., Ltd.			2.29	13.92
Vimut Hospital Holding Co., Ltd.			7.19	0.06
			9.48	13.98
<i>Total short-term loans and accrued interest income - subsidiaries</i>			6,659.53	1,482.22

Movements during the years ended 31 December of short-term loans to subsidiaries were as follows:

	Separate financial statements	
	2018	2017
	<i>(in million Baht)</i>	
At 1 January	1,468.24	-
Increase	7,834.97	4,409.84
Decrease	(2,653.16)	(2,941.60)
At 31 December	6,650.05	1,468.24

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
<i>Deposit for rental and service - other related party (presents under other non-current assets)</i>				
T C T Co., Ltd.	42.64	46.11	1.26	1.26

	Interest rate		Separate financial statements	
	2018	2017	2018	2017
	<i>(% per annum)</i>		<i>(in million Baht)</i>	
<i>Short-term loans from subsidiary</i>				
Pruksa Real Estate Public Co., Ltd.	-	4.2	-	0.72
			-	0.72

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Movements during the years ended 31 December of short-term loans from subsidiary were as follows:

	Separate financial statements	
	2018	2017
	<i>(in million Baht)</i>	
At 1 January	0.72	-
Increase	3.95	23.36
Decrease	(4.67)	(22.64)
At 31 December	-	0.72

	Consolidated financial statements	
	2018	2017
	<i>(in million Baht)</i>	
<i>Accrued rental expense - other related party (presents under other current liabilities) T C T Co., Ltd.</i>	11.39	26.18

Significant agreements with related parties

- (a) The Company and subsidiaries had 3 years lease agreements covering office space (including related service charges) with other related party, during 1 November 2017 - 31 October 2020. The lessor delivered the premises to the Group from 1 August 2017. According to the agreements, the rental and service charges were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
<i>Office building operating leases</i>				
Within one year	159.60	158.16	4.61	4.45
After one year but within five years	116.65	290.20	3.36	8.21
Total	276.25	448.36	7.97	12.66

- (b) The subsidiaries had partly registered land servitude accumulative value as at 31 December 2018 of Baht 1,902.0 million (2017: Baht 1,769.9 million), which is subject to servitudes and restrictions to the projects of the Group for construction of the utilities of the projects with no time limit. During the year ended 31 December 2018, the subsidiaries have registered land servitude and ceded land for the public interest amounting to Baht 174.0 million (2017: Baht 718.5 million), and for which the subsidiaries have received compensation of Baht 175.7 million (2017: Baht 725.6 million).
- (c) The Company had borrowing agreements to grant loans to its subsidiaries with loan lines totalling Baht 9,800 million and had borrowing agreement to borrow from a subsidiary with loan line totalling Baht 500 million, with interest rate at MLR-2% per annum and are repayable on demand.

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5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Cash on hand	4	19	-	-
Cash at banks - current accounts	75	77	8	28
Cash at banks - savings accounts	515	266	11	1
Cash at banks - fixed deposits	91	102	-	-
Cheques on hand	753	880	-	-
Others	7	3	-	-
Total	1,445	1,347	19	29

6 Real estate projects under development

	<i>Note</i>	Consolidated financial statements	
		2018	2017
		<i>(in million Baht)</i>	
Construction materials		589	677
Sample houses		1,411	1,302
Projects under development			
- land		36,258	30,353
- land improvements		1,846	1,473
- construction cost		5,961	4,114
- public utilities		2,609	2,233
- overhead costs		2,556	2,279
- interest costs		842	723
		50,072	41,175
Land, and land and houses for sale		10,014	11,743
Land held for development		9,980	8,999
Total		72,066	63,896
<i>Less losses on real estate projects under development devaluation</i>		(106)	(105)
Net		71,960	63,791
Finance costs capitalised during the year	25	598	564
Rates of interest capitalised (<i>% per annum</i>)		2.44	2.95
Write-down to net realisable value		1	5

	Consolidated financial statements	
	2018	2017
	<i>(projects)</i>	
<i>Number of projects under development</i>		
Townhouse	146	140
Single house	42	51
Twin house	28	10
Condominium	21	20
Total projects	237	221

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Real estate projects under development (land and structure thereon) are used as collateral for credit facilities from banks (see note 13 to the financial statements).

7 Investments in subsidiaries

	Separate financial statements	
	2018	2017
	<i>(in million Baht)</i>	
At 1 January	35,523	34,523
Acquisitions	98	1,000
At 31 December	<u>35,621</u>	<u>35,523</u>

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

Name of subsidiary	Type of business	Country of incorporation	Separate financial statements							
			Ownership interest		Paid-up capital		Cost method		Dividend income	
			2018	2017	2018	2017	2018	2017	2018	2017
			(%)				(in million Baht)			
<i>Direct subsidiaries</i>										
Pruksa Real Estate Public Co., Ltd.	Sale of real estate	Thailand	98.23	97.90	2,232.7	2,232.7	34,620.7	34,523.4	1,995.7	5,508.3
Vimut Hospital Holding Co., Ltd.*	Investment	Thailand	99.99	99.99	1,000.0	1,000.0	1,000.0	1,000.0	-	-
<i>Indirect subsidiaries (hold by subsidiaries)</i>										
Kaysorn Construction Co., Ltd.	Services, management, home decoration and construction	Thailand	100.00	100.00	100.0	100.0	-	-	-	-
Putthachart Estate Co., Ltd.	Sale of real estate	Thailand	100.00	100.00	800.0	800.0	-	-	-	-
Phanalee Estate Co., Ltd.	Sale of real estate	Thailand	100.00	100.00	800.0	800.0	-	-	-	-
Pruksa Oversea Co., Ltd.	Investment	Thailand	100.00	100.00	500.0	500.0	-	-	-	-
Pruksa International Co., Ltd.	Investment	Thailand	100.00	100.00	1,000.0	1,000.0	-	-	-	-
Pruksa India Housing Private Limited	Property development and construction	India	100.00	100.00	9.8	9.8	-	-	-	-
Pruksa India Construction Private Limited	Construction	India	100.00	100.00	0.7	0.7	-	-	-	-
Pruksa Vietnam Company Limited**	Property development and construction	Vietnam	100.00	100.00	106.1	106.1	-	-	-	-
Pruksa Oversea Service Company Limited***	Service and management	Thailand	100.00	100.00	2.5	2.5	-	-	-	-
Thanatep Engineering and Construction Company Limited****	Construction	Thailand	51.00	51.00	5.0	5.0	-	-	-	-

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Name of subsidiary	Type of business	Country of incorporation	Separate financial statements							
			Ownership interest		Paid-up capital		Cost method		Dividend income	
			2018	2017	2018	2017	2018	2017	2018	2017
			(%)				<i>(in million Baht)</i>			
Vimut International Hospital Co., Ltd.	Operating of hospitals, clinics and place of examination and treatment	Thailand	99.99	99.99	998.0	998.0	-	-	-	-
Total							35,620.7	35,523.4	1,995.7	5,508.3

None of the Company's subsidiaries are publicly listed and consequently do not have published price quotations.

* - In February, June and July 2017, the Company invested in shares of Vimut Hospital Holding Co., Ltd of Baht 1,000.0 million, at 99.99% shareholding.

** - Ownership interest in Pruksa Vietnam Company Limited, according to the agreement, is 85:15 when all shares are fully paid. However, as at 31 December 2018, the Company indirectly held 100% of shares in Pruksa Vietnam Company Limited because the co-investor hasn't paid for the shares.

*** - Pruksa Oversea Service Company Limited has registered for dissolution with the Ministry of Commerce on 4 October 2017 and it is in liquidation process.

**** - Thanatep Engineering and Construction Company Limited has registered for dissolution with the Ministry of Commerce on 25 August 2015 and it is in liquidation process.

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Acquisitions of non-controlling interests

In March 2018, the Group acquired an additional 0.33% interest in Pruksa Real Estate Public Company Limited for Baht 97.31 million in cash, increasing its ownership from 97.90% to 98.23%. The carrying amount of Pruksa Real Estate Public Company Limited's net assets in the Group's financial statements on the date of the acquisition was Baht 36,254.29 million. The Group recognised a decrease in non-controlling interests of Baht 118.92 million, an increase in retained earnings of Baht 21.61 million attributable to owners of the Group of Baht 97.31 million of changes in the Group's ownership interest in Pruksa Real Estate Public Company Limited.

8 Investments in joint ventures

	Consolidated financial statements	
	2018	2017
	<i>(in million Baht)</i>	
Joint ventures		
At 1 January	108	108
At 31 December	108	108

During the year ended 31 December 2018 and 2017, there were no acquisitions and disposals of investments in joint ventures.

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

Consolidated financial statements												
	Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost		Equity		Dividend income	
			2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
			(%)		<i>(in million Baht)</i>							
<i>Joint ventures - indirect shareholding by a subsidiary</i>												
Pruksa HDC	Property											
Housing Private Limited	development and construction	Maldives	80.00	80.00	129.6	129.6	129.6	129.6	108.0	108.0	-	-
Pruksa - Luxora	Property											
Housing Private Limited	development and construction	India	50.00	50.00	0.3	0.3	0.3	0.3	-	-	-	-
Total							<u>129.9</u>	<u>129.9</u>	<u>108.0</u>	<u>108.0</u>	<u>-</u>	<u>-</u>

The joint venture agreements provide that the joint venturers have joint control and management.

None of the Group's joint ventures are publicly listed and consequently do not have published price quotations.

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9 Investment properties

	Consolidated financial statements <i>(in million Baht)</i>
<i>Cost</i>	
At 1 January 2017	398
Disposals	(1)
Transfer from real estate projects under development	427
Transfer to real estate projects under development	(36)
At 31 December 2017 and 1 January 2018	788
Transfer from real estate projects under development	115
Transfer to real estate projects under development	(13)
At 31 December 2018	890
<i>Impairment losses</i>	
At 1 January 2017	153
Decrease	(6)
At 31 December 2017 and 1 January 2018	147
Increase	37
At 31 December 2018	184
<i>Net book value</i>	
At 1 January 2017	245
At 31 December 2017 and 1 January 2018	641
At 31 December 2018	706

The fair value of investment properties as at 31 December 2018 of Baht 741.6 million (2017: Baht 682.0 million), was determined by independent professional valuers, at market values. Input used in the fair value measurement is consisted of the quoted prices of comparable assets in the similar location. The fair value measurement for investment properties has been categorised as a Level 3 fair values.

The Group's investment properties comprise land held for which there is no specific intention to use in the future, and land for rent.

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10 Property, plant and equipment

	Consolidated financial statements							Total
	Land and land improvements	Buildings and decorations	Machinery and equipment	Furniture, fixtures and office equipment <i>(in million Baht)</i>	Public utilities	Transportation equipment	Assets under construction and installation	
<i>Cost</i>								
At 1 January 2017	846	1,699	2,851	351	17	39	48	5,851
Additions	950	16	75	61	-	3	279	1,384
Transfers	5	108	27	42	-	-	(182)	-
Disposals	(4)	(52)	(121)	(92)	-	(5)	-	(274)
At 31 December 2017 and 1 January 2018	1,797	1,771	2,832	362	17	37	145	6,961
Additions	2	25	96	57	-	1	392	573
Transfers	6	36	55	14	-	-	(111)	-
Disposals	-	(8)	(108)	(25)	-	(9)	-	(150)
At 31 December 2018	1,805	1,824	2,875	408	17	29	426	7,384
<i>Accumulated depreciation and impairment losses</i>								
At 1 January 2017	16	511	1,324	269	17	31	-	2,168
Depreciation charge for the year	4	101	260	40	-	3	-	408
Disposals	-	(52)	(105)	(86)	-	(5)	-	(248)
At 31 December 2017 and 1 January 2018	20	560	1,479	223	17	29	-	2,328
Depreciation charge for the year	5	128	251	55	-	3	-	442
Disposals	-	(4)	(88)	(23)	-	(8)	-	(123)
Reversal of impairment losses	-	(2)	-	-	-	-	-	(2)
At 31 December 2018	25	682	1,642	255	17	24	-	2,645

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	Consolidated financial statements							
	Land and land improvements	Buildings and decorations	Machinery and equipment	Furniture, fixtures and office equipment <i>(in million Baht)</i>	Public utilities	Transportation equipment	Assets under construction and installation	Total
<i>Net book value</i>								
At 1 January 2017								
Owned assets	<u>830</u>	<u>1,188</u>	<u>1,527</u>	<u>82</u>	<u>-</u>	<u>8</u>	<u>48</u>	<u>3,683</u>
At 31 December 2017 and 1 January 2018								
Owned assets	<u>1,777</u>	<u>1,211</u>	<u>1,353</u>	<u>139</u>	<u>-</u>	<u>8</u>	<u>145</u>	<u>4,633</u>
At 31 December 2018								
Owned assets	<u>1,780</u>	<u>1,142</u>	<u>1,233</u>	<u>153</u>	<u>-</u>	<u>5</u>	<u>426</u>	<u>4,739</u>

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2018 amounted to Baht 704 million (2017: Baht 561 million).

Collateral

At 31 December 2018, the Group's property, plant and equipment with a net book value of Baht 1,196 million (2017: Baht 1,267 million) are used as collateral for credit facilities with banks (see note 13 to the financial statements).

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11 Intangible assets

	Consolidated financial statements	Separate financial statements
	Software licenses	Software licenses
	<i>(in million Baht)</i>	
<i>Cost</i>		
At 1 January 2017	578	-
Additions	59	2
At 31 December 2017 and 1 January 2018	637	2
Additions	66	-
Transfers	1	-
At 31 December 2018	704	2
<i>Accumulated amortisation</i>		
At 1 January 2017	244	-
Amortisation charge for the year	59	-
At 31 December 2017 and 1 January 2018	303	-
Amortisation charge for the year	55	-
At 31 December 2018	358	-
<i>Net book value</i>		
At 1 January 2017	334	-
At 31 December 2017 and 1 January 2018	334	2
At 31 December 2018	346	2

12 Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

	Consolidated financial statements			
	Assets		Liabilities	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Total	162	148	(107)	(96)
Set off of tax	(107)	(96)	107	96
Net deferred tax assets	55	52	-	-

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Movements in total deferred tax assets and liability during the years were as follows:

	Consolidated financial statements			As at 31 December 2018
	(Charged) / Credited to			
	As at 1 January 2018	(Note 26)		
	Profit or loss	Other comprehensive income		
	<i>(in million Baht)</i>			
<i>Deferred tax assets</i>				
Real estate projects under development	4	-	-	4
Investment properties	28	7	-	35
Property, plant and equipment	23	(10)	-	13
Non-current provisions for employee benefits	65	8	-	73
Provision for litigation and claims	14	1	-	15
Foreign currency translation for foreign operations	12	-	8	20
Others	2	-	-	2
Total	148	6	8	162
<i>Deferred tax liability</i>				
Property, plant and equipment	(96)	(11)	-	(107)
Total	(96)	(11)	-	(107)
Net	52	(5)	8	55

	Consolidated financial statements			As at 31 December 2017
	(Charged) / Credited to			
	As at 1 January 2017	(Note 26)		
	Profit or loss	Other comprehensive income		
	<i>(in million Baht)</i>			
<i>Deferred tax assets</i>				
Real estate projects under development	3	1	-	4
Investment properties	29	(1)	-	28
Property, plant and equipment	23	-	-	23
Non-current provisions for employee benefits	52	10	3	65
Customers' deposits	2	(2)	-	-
Provision for litigation and claims	23	(9)	-	14
Foreign currency translation for foreign operations	14	-	(2)	12
Others	10	(8)	-	2
Total	156	(9)	1	148
<i>Deferred tax liability</i>				
Property, plant and equipment	(84)	(12)	-	(96)
Total	(84)	(12)	-	(96)
Net	72	(21)	1	52

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13 Interest-bearing liabilities

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Current				
Short-term loans from financial institutions				
Secured	2,200	1,160	-	-
Unsecured	3,400	1,640	-	-
Current portion of long-term debentures				
Unsecured	6,400	6,000	-	-
Total current interest-bearing liabilities	12,000	8,800	-	-
Non-current				
Long-term loan from financial institution				
Secured	500	-	500	-
Long-term debentures				
Unsecured	14,600	15,500	5,500	-
Total non-current interest-bearing liabilities	15,100	15,500	6,000	-
Total	27,100	24,300	6,000	-

The periods to maturity of interest-bearing liabilities as at 31 December were as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Within one year	12,000	8,800	-	-
After one year but within five years	14,950	15,500	5,850	-
After five years	150	-	150	-
Total	27,100	24,300	6,000	-

As at 31 December 2018, the Group had unutilised credit facilities totalling Baht 17,777 million, US Dollars 4 million (equivalent to Baht 130 million) and Indian Rupee 65 million (equivalent to Baht 32 million) (2017: Baht 23,892 million, US Dollars 4 million (equivalent to Baht 131 million) and Indian Rupee 65 million (equivalent to Baht 35 million)).

Credit facilities of the Group that used assets as collateral as at 31 December 2018 were as follows:

- (a) Loan lines from banks of Baht 2,200 million (2017: Baht 1,197 million) for the Group.
- (b) Bank overdraft lines of Baht 50 million (2017: Baht 50 million) for the Group.
- (c) Letter of guarantee lines of Baht 5,911 million, US Dollars 4 million (equivalent to Baht 130 million) and Indian Rupee 65 million (equivalent to Baht 32 million) (2017: Baht 5,911 million, US Dollars 4 million (equivalent to Baht 131 million) and Indian Rupee 65 million (equivalent to Baht 35 million)) for the Group.

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- (d) Promissory note lines from bank of Baht 8,222 million (2017: Baht 10,856 million) for the Group.
- (d) Other credit facilities of Baht 605 million (2017: Baht 605 million) for the Group.

Credit facilities were secured on the following assets at carrying value:

	Consolidated financial statements	
	2018	2017
	<i>(in million Baht)</i>	
Property, plant and equipment	1,196	1,267
Real estate projects under development (land and properties)	2,181	3,305
Total	<u><u>3,377</u></u>	<u><u>4,572</u></u>

In addition, some part of subsidiaries' credit facilities are guaranteed by Pruksa Real Estate Public Company Limited.

Loans from financial institutions

Short-term loans

As at 31 December 2018, loans from financial institutions bear interest at rates 1.95% - 2.55% per annum (2017: 1.62% - 1.65% per annum).

Long-term loan

In the second quarter of 2018, the Company had loan agreement with a financial institution for the loan lines totalling Baht 500 million with interest rate at MLR-3.2% per annum. The principal repayment of the loan is started from November 2020 to May 2025. The loan is guaranteed by Pruksa Real Estate Public Company Limited.

The aforesaid loan contains restrictions on interest-bearing liabilities to equity ratio and others.

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Debentures

As at 31 December 2018 and 2017, all debentures of the Group were issued by the Company and Pruksa Real Estate Public Company Limited and were unsubordinated and unsecured with face value of Baht 1,000 per unit. At shareholders' meetings of the Group, the shareholders approved the issuance and offer for sale of debt securities as follows:

Type of debenture	Interest rate (% per annum)	Interest payment due	Term	Issuance date	Maturity date	Consolidated financial statements			
						Units		Amount	
						2018 (million units)	2017	2018 (in million Baht)	2017
No. 1/2013									
Set 2	4.09%	every 3 months	5 years	May 2013	May 2018	-	3.00	-	3,000
No. 2/2014									
Set 2	3.90%	every 3 months	3 years 6 months	September 2014	March 2018	-	2.00	-	2,000
No. 1/2015									
Set 1	2.68%	every 3 months	3 years 6 months	May 2015	November 2018	-	1.00	-	1,000
Set 2	3.23%	every 3 months	5 years	May 2015	May 2020	2.00	2.00	2,000	2,000
No. 1/2016									
Set 1	2.05%	every 3 months	3 years	March 2016	March 2019	2.30	2.30	2,300	2,300
Set 2	2.08%	every 3 months	3 years 6 months	March 2016	September 2019	1.70	1.70	1,700	1,700
No. 1/2017									
Set 1	2.63%	every 3 months	2 years 10 months	February 2017	November 2019	2.40	2.40	2,400	2,400
Set 2	2.85%	every 3 months	3 years 6 months	February 2017	July 2020	2.60	2.60	2,600	2,600
No. 2/2017									
Set 1	2.64%	every 6 months	3 years 5 months	June 2017	November 2020	2.50	2.50	2,500	2,500
No. 3/2017									
Set 1	2.27%	every 6 months	3 years 6 months	September 2017	March 2021	2.00	2.00	2,000	2,000
No. 1/2018*									
Set 1	2.37%	every 6 months	3 years	May 2018	May 2021	4.75	-	4,750	-
Set 2	2.84%	every 6 months	5 years	May 2018	May 2023	0.75	-	750	-
Total						21.00	21.50	21,000	21,500
Less current portion of long-term debentures						(6.40)	(6.00)	(6,400)	(6,000)
Unsubordinated and unsecured debentures - net of current portion						14.60	15.50	14,600	15,500

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Type of debenture	Interest rate (% per annum)	Interest payment due	Term	Issuance date	Maturity date	Separate financial statements			
						Units		Amount	
						2018 (million units)	2017	2018 (in million Baht)	2017
No. 1/2018*									
Set 1	2.37%	every 6 months	3 years	May 2018	May 2021	4.75	-	4,750	-
Set 2	2.84%	every 6 months	5 years	May 2018	May 2023	0.75	-	750	-
	Total					5.50	-	5,500	-

* At the annual general meeting of the shareholders of the Company held on 27 April 2018, the shareholders approved the issuance and offer for sale of debt securities to support future expansion of Pruksa Real Estate Public Company Limited in the aggregate principal amount of not exceeding Baht 20,000 million and maturity of not exceeding 7 years. The type and interest rate of debt securities depend upon the market condition at the time of the issuance and offer for sale. During the second quarter of 2018, the Company issued debenture no. 1/2018 amounting to Baht 5,500 million.

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Movements during the years ended 31 December of debentures were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
At 1 January	21,500	18,000	-	-
Issue during the year	5,500	9,500	5,500	-
Repayment during the year	(6,000)	(6,000)	-	-
At 31 December	21,000	21,500	5,500	-

14 Trade accounts payable

	Consolidated financial statements	
	2018	2017
	<i>(in million Baht)</i>	
Other parties	2,284	2,379
Total	2,284	2,379

15 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Accrued for real estate projects under development	1,011	789	-	-
Accrued for public utilities	1,022	919	-	-
Accrued bonus	321	355	15	15
Retention payable	734	510	-	-
Accrued interest expense	63	73	12	-
Accrued withholding tax	64	57	2	1
Others	759	701	13	3
Total	3,974	3,404	42	19

16 Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Statement of financial position				
Non-current provisions for:				
Post-employment benefits				
Defined benefit plan	392	344	4	1
Other long-term employee benefits	32	30	-	-
Total	424	374	4	1

Defined benefit plan

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

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The defined benefit plans expose the Group to actuarial risks, such as longevity risk and interest rate risk.

Movement in the present value of the defined benefit obligations:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
At 1 January	374	290	1	-
Included in profit or loss:				
Current service cost	50	68	4	1
Interest on obligation	8	10	-	-
	58	78	4	1
Included in other comprehensive income				
Actuarial loss	-	15	-	-
Other				
Benefit paid	(8)	(9)	(1)	-
At 31 December	424	374	4	1

On 13 December 2018, the National Legislative Assembly passed a bill amending the Labor Protection Act to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group will amend its retirement plan in the period in which the amendment will have become law and is announced in the Royal Gazette. As a result of this change, the provision for retirement benefits as at that future period end as well as past service cost recognised during that period in the consolidated and the separate financial statements is estimated to increase by an amount of approximately Baht 82 million and Baht 6 million, respectively.

Actuarial losses recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Demographic assumptions	-	2	-	-
Financial assumptions	-	38	-	-
Experience adjustment	-	(25)	-	-
Total	-	15	-	-

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Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Discount rate (%)	1.41 - 4.15	1.41 - 4.15	1.41 - 4.15	1.41 - 4.15
Future salary growth (%)	5, 6, 8 and 9	5, 6, 8 and 9	5, 6, 8 and 9	5, 6, 8 and 9
Employee turnover (%)	0, 6, 7, 11 and 17	0, 6, 7, 11 and 17	0, 6, 7, 11 and 17	0, 6, 7, 11 and 17

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2018, the weighted-average duration of the defined benefit obligation was 18 years (2017: 18 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Consolidated financial statements		Separate financial statements	
	<i>(in million Baht)</i>			
	Increase	Decrease	Increase	Decrease
31 December 2018				
Discount rate (1% movement)	(42)	50	-	-
Future salary growth (1% movement)	50	(43)	1	(1)
Employee turnover (20% movement)	(46)	57	-	-
31 December 2017				
Discount rate (1% movement)	(38)	44	-	-
Future salary growth (1% movement)	42	(36)	-	-
Employee turnover (20% movement)	(35)	44	-	-

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

17 Share capital

	Par value per share <i>(in Baht)</i>	2018		2017	
		Number	Amount <i>(million shares / in million Baht)</i>	Number	Amount
Authorised					
At 1 January					
- ordinary shares	1	2,226	2,226	2,273	2,273
Reduction of ordinary shares	1	-	-	(47)	(47)
At 31 December					
- ordinary shares	1	2,226	2,226	2,226	2,226

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	Par value per share (in Baht)	2018 Number	2018 Amount (million shares / in million Baht)	2017 Number	2017 Amount
Issued and paid-up					
At 1 January					
- ordinary shares	1	2,187	2,187	2,186	2,186
Issue of ordinary shares	1	<u>2</u>	<u>2</u>	<u>1</u>	<u>1</u>
At 31 December					
- ordinary shares	1	<u>2,189</u>	<u>2,189</u>	<u>2,187</u>	<u>2,187</u>

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

Reduction in authorised share capital

At the annual general meeting of the shareholders of the Company held on 27 April 2017, the shareholders approved the reduction in the Company's authorised share capital by Baht 46.84 from Baht 2,273.22 million to Baht 2,226.38 million by canceling 46.84 million ordinary shares which were issued to accommodate a tender offer of Pruksa Real Estate Public Company Limited. The Company registered the decrease in the authorised share capital with the Ministry of Commerce on 22 May 2017.

Issue of ordinary shares

During the years ended 31 December 2018 and 2017, holders of warrants exercised their option to purchase ordinary shares of the Company as follows:

	Exercise price per share (in Baht)	Separate financial statements	
		2018 (in million units)	2017
PS-WF	16.28	1.7	0.9
Total		<u>1.7</u>	<u>0.9</u>

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

18 Warrants

PS-WE

Description	Details
Type of warrants	No value
Terms of warrants	4 years from the issuance date of warrant
Propose to	Directors (who had been allotted as Pruksa Real Estate Public Company Limited's management) and management of Pruksa Real Estate Public Company Limited and/or its subsidiaries
Issued and allotted as at 31 December 2018	4,838,447 units (actual units granted)
Exercise ratio	1 warrant to 1 ordinary share
Exercise price	Baht 28.19 per share

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Description	Details
Exercise period and proportion	Four times a year in February, May, August and November of each year (first year is 2014), the exercise rights are not to exceed 1/4 of total rights in each year for the period of 4 years. In case of partial exercise, the holders can roll over to the next period.
Grant date	25 February 2014

PS-WF

Description	Details
Type of warrants	No value
Terms of warrants	4 years from the issuance date of warrant
Propose to	Directors (who had been allotted as Pruksa Real Estate Public Company Limited's management) and management of Pruksa Real Estate Public Company Limited and/or its subsidiaries
Issued and allotted as at 31 December 2018	6,481,593 units (actual units granted)
Exercise ratio	1 warrant to 1 ordinary share
Exercise price	Baht 16.28 per share
Exercise period and proportion	Four times a year in February, May, August and November of each year (first year is 2015), the exercise rights are not to exceed 1/4 of total rights in each year for the period of 4 years. In case of partial exercise, the holders can roll over to the next period.
Grant date	13 February 2015

PS-WG

Description	Details
Type of warrants	No value
Terms of warrants	4 years from the issuance date of warrant
Propose to	Directors (who had been allotted as Pruksa Real Estate Public Company Limited's management) and management of Pruksa Real Estate Public Company Limited and/or its subsidiaries
Issued and allotted as at 31 December 2018	14,810,443 units (actual units granted)
Exercise ratio	1 warrant to 1 ordinary share
Exercise price	Baht 29.27 per share
Exercise period and proportion	Four times a year in February, May, August and November of each year, the exercise rights are not to exceed 1/4 of total rights in each year for the period of 4 years. In case of partial exercise, the holders can roll over to the next period.
Grant date	17 February 2016

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Movements during the years ended 31 December 2018 and 2017 of the units of warrants were as follows:

	Consolidated / Separate financial statements			
	PS-WE	PS-WF	PS-WG	Total
	<i>(in million units)</i>			
At 1 January 2017	-	-	-	-
Transfer in warrants from restructuring*	3.0	3.0	15.0	21.0
Warrants exercised during the year	-	(0.9)	-	(0.9)
Cancellation of warrants of resigned employees	(0.2)	(0.3)	(2.3)	(2.8)
Cancellation of warrants	(2.8)	-	-	(2.8)
At 31 December 2017	-	1.8	12.7	14.5
At 1 January 2018	-	1.8	12.7	14.5
Warrants exercised during the year	-	(1.7)	-	(1.7)
Cancellation of warrants of resigned employees	-	-	(0.2)	(0.2)
At 31 December 2018	-	0.1	12.5	12.6

Movements during the years ended 31 December 2018 and 2017 of the fair value of warrants were as follows:

	Consolidated / Separate financial statements			
	PS-WE	PS-WF	PS-WG	Total
	<i>(in million Baht)</i>			
At 1 January 2017	-	-	-	-
Transfer in warrants from restructuring*	6.9	14.5	-	21.4
Warrants granted during the year	-	32.4	-	32.4
Warrants exercised during the year	-	(15.0)	-	(15.0)
Cancellation of warrants	(6.9)	-	-	(6.9)
At 31 December 2017	-	31.9	-	31.9
At 1 January 2018	-	31.9	-	31.9
Warrants exercised during the year	-	(27.3)	-	(27.3)
At 31 December 2018	-	4.6	-	4.6

- * At the annual general meeting of the shareholders of Pruksa Real Estate Public Company Limited (Pruksa Real Estate) held on 28 April 2016, the shareholders approved the reduction in Pruksa Real Estate's authorised share capital by means of cancelling ordinary shares which were reserved to accommodate the exercise of warrants issued for directors and management of Pruksa Real Estate and/or its subsidiaries (PS-WE, PS-WF and PS-WG), with a par value of Baht 1 each. Subsequently, at the extraordinary general meeting of the shareholders of the Company held on 29 April 2016, the shareholders approved the issuance of warrants to the directors and management of Pruksa Real Estate and/or its subsidiaries, in order to replace warrants of Pruksa Real Estate which was canceled due to restructuring plan. Pruksa Real Estate had notified employees of changes in the rights to purchase ordinary shares in 2017.

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19 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Fair value changes in available-for-sale investments

The fair value changes in available-for-sale investments account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

20 Segment information

There are 5 reportable segments, as described below, which are the Group’s strategic divisions. The strategic divisions offer different products, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group’s reportable segments:

Segment 1	SBU Townhouse 1:	Baan Pruksa I, Baan Pruksa II, and The Connect
Segment 2	SBU Townhouse 2:	Pruksa Ville I, Pruksa Ville II, and PAT
Segment 3	SBU Single house:	Pruksa Town, Passorn I, Passorn II, Passorn III and Pruksa Village
Segment 4	SBU Condominium 1:	Condominium I and Condominium IV
Segment 5	SBU Condominium 2:	Condominium III, Condominium V, and Condominium VI

Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group’s CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

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Information about reportable segments:

	Segment 1		Segment 2		Segment 3		Segment 4		Segment 5		Total reportable segments		Others		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	<i>(in million Baht)</i>															
External revenue	12,526	11,691	8,263	8,897	10,701	11,266	3,382	5,415	8,169	4,799	43,041	42,068	1,860	1,867	44,901	43,935
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-	-	-	3,362	2,772	3,362	2,772
Other revenue	8	12	13	14	7	22	23	3	76	51	127	102	19	13	146	115
Total segment revenues	<u>12,534</u>	<u>11,703</u>	<u>8,276</u>	<u>8,911</u>	<u>10,708</u>	<u>11,288</u>	<u>3,405</u>	<u>5,418</u>	<u>8,245</u>	<u>4,850</u>	<u>43,168</u>	<u>42,170</u>	<u>5,241</u>	<u>4,652</u>	<u>48,409</u>	<u>46,822</u>
Segment profit (loss) before income tax	<u>2,593</u>	<u>2,308</u>	<u>1,209</u>	<u>1,557</u>	<u>1,717</u>	<u>1,898</u>	<u>343</u>	<u>837</u>	<u>2,220</u>	<u>818</u>	<u>8,082</u>	<u>7,418</u>	<u>(479)</u>	<u>80</u>	<u>7,603</u>	<u>7,498</u>
Segment assets as at 31 December	<u>13,873</u>	<u>11,096</u>	<u>14,061</u>	<u>13,887</u>	<u>17,909</u>	<u>17,477</u>	<u>8,709</u>	<u>6,534</u>	<u>9,448</u>	<u>8,513</u>	<u>64,000</u>	<u>57,507</u>	<u>13,854</u>	<u>10,994</u>	<u>77,854</u>	<u>68,501</u>

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Reconciliations of reportable segment revenues, profit or loss and assets

	2018	2017
	<i>(in million Baht)</i>	
Revenues		
Total revenue from reportable segments	43,168	42,170
Other revenue	5,241	4,652
	<u>48,409</u>	<u>46,822</u>
Elimination of inter-segment revenue	(3,362)	(2,772)
Unallocated amounts	24	63
Consolidated revenues	<u>45,071</u>	<u>44,113</u>
Profit or loss		
Total profit before income tax for reportable segments	8,082	7,418
Other profit (loss)	(479)	80
	<u>7,603</u>	<u>7,498</u>
Elimination of inter-segment profits	221	(9)
Unallocated amounts	(138)	(332)
Consolidated profit before income tax	<u>7,686</u>	<u>7,157</u>
Assets		
Total assets for reportable segments	64,000	57,507
Other assets	13,854	10,994
	<u>77,854</u>	<u>68,501</u>
Unallocated amounts	3,991	3,743
Consolidated total assets	<u>81,845</u>	<u>72,244</u>

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

Geographical information

	Revenues		Non-current assets	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Thailand	45,071	44,100	6,178	6,005
India	-	13	-	10
Total	<u>45,071</u>	<u>44,113</u>	<u>6,178</u>	<u>6,015</u>

21 Distribution costs

	Consolidated	
	2018	2017
	<i>(in million Baht)</i>	
Advertising expenses	1,336	1,399
Transfer expenses	1,788	1,758
Sales promotion	1,202	1,094
Public relation expenses	70	100
Total	<u>4,396</u>	<u>4,351</u>

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22 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Employee benefit expenses	2,520	2,501	85	19
Professional fee	154	219	3	4
Rental fee	348	272	5	1
Depreciation and amortisation	128	117	-	-
Others	884	1,077	41	47
Total	4,034	4,186	134	71

23 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Salaries and wages	1,875	1,935	53	7
Defined contribution plan	133	126	4	1
Others - bonus and welfare	1,260	1,251	28	5
Total	3,268	3,312	85	13

Defined contribution plan

The defined contribution plan comprises provident fund established by the Group for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates 5% - 10% of their basic salaries and by the Group at rates 5% - 10% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

24 Expenses by nature

The statements of comprehensive income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		<i>(in million Baht)</i>			
Changes in land, land and houses for sale, sample houses and projects under development		(7,277)	(3,827)	-	-
Raw materials and consumables used		24,126	20,612	-	-
Employee benefit expenses	23	3,268	3,312	85	13
Depreciation and amortisation	10, 11	497	467	-	-

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25 Finance costs

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<i>(in million Baht)</i>					
Interest expense					
Related parties	4	-	-	-	1
Financial institutions		737	761	91	-
Total interest expense		<u>737</u>	<u>761</u>	<u>91</u>	<u>1</u>
<i>Less</i> amounts included in the cost of qualifying assets:					
- real estate projects under development	6	(598)	(564)	-	-
Net		<u>139</u>	<u>197</u>	<u>91</u>	<u>1</u>

26 Income tax expense

Income tax recognised in profit or loss

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<i>(in million Baht)</i>					
Current tax expense					
Current year		1,549	1,555	6	-
Under provided in prior years		2	6	-	-
		<u>1,551</u>	<u>1,561</u>	<u>6</u>	<u>-</u>
Deferred tax expense					
Movements in temporary differences	12	5	21	-	-
		<u>5</u>	<u>21</u>	<u>-</u>	<u>-</u>
Total income tax expense		<u>1,556</u>	<u>1,582</u>	<u>6</u>	<u>-</u>

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	Before tax	2018 Tax (expense) benefit	Net of tax	Before tax	2017 Tax (expense) benefit	Net of tax
<i>(in million Baht)</i>						
Foreign currency translation differences for foreign operations	(39)	8	(31)	9	(2)	7
Defined benefit plan actuarial losses	-	-	-	(15)	3	(12)
Total	<u>(39)</u>	<u>8</u>	<u>(31)</u>	<u>(6)</u>	<u>1</u>	<u>(5)</u>

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Reconciliation of effective tax rate

	Consolidated financial statements			
	2018		2017	
	Rate (%)	<i>(in million Baht)</i>	Rate (%)	<i>(in million Baht)</i>
Profit before income tax expense		<u>7,686</u>		<u>7,157</u>
Income tax using the Thai corporation tax rate	20	1,537	20	1,431
Effect of different tax rates in foreign jurisdictions		-		1
Income not subject to tax		(18)		(6)
Expenses not deductible for tax purposes		14		64
Elimination in consolidation		27		92
Under provided in prior years		2		6
Double tax deductible expenses		(6)		(6)
Total	<u>20</u>	<u>1,556</u>	<u>22</u>	<u>1,582</u>

	Separate financial statements			
	2018		2017	
	Rate (%)	<i>(in million Baht)</i>	Rate (%)	<i>(in million Baht)</i>
Profit before income tax expense		<u>2,061</u>		<u>5,508</u>
Income tax using the Thai corporation tax rate	20	412	20	1,102
Income not subject to tax		(399)		(1,102)
Expenses not deductible for tax purposes		1		-
Recognition of previously unrecognised tax losses		(8)		-
Total	<u>-</u>	<u>6</u>	<u>-</u>	<u>-</u>

27 Promotional privileges

By virtue of the provisions of the Investment Promotion Act of B.E. 2520, the Group has been granted privileges by the Board of Investment relating to developing a housing project for persons who have low or middle income (where the usable area in each unit shall not be less than 31 square meters and the contracted sale amount is less than Baht 600,000).

On 10 June 2009, the Board of Investment added a new condition in respect to pricing for projects located in zone 1 requiring that any apartment building must have area per unit of at least 28 square meters and with a maximum selling price of Baht 1 million (including land cost) and any town house or detached house, area per unit must not be less than 70 square meters with a maximum selling price of Baht 1.2 million (including land cost).

The principal privilege is the exemption from corporate income tax for a period of 5 years from the start of business operations related to these privileges.

As promoted companies, the Group must comply with certain terms and conditions prescribed in the promotional certificates.

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28 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2018 and 2017 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
	<i>(in million Baht / million shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	6,022.37	5,456.42	2,055.23	5,508.00
Number of ordinary shares outstanding at 1 January	2,186.80	2,185.86	2,186.80	2,185.86
Effect of shares issued on 28 February 2017	-	0.74	-	0.74
Effect of shares issued on 31 May 2017	-	0.03	-	0.03
Effect of shares issued on 28 February 2018	1.44	-	1.44	-
Weighted average number of ordinary shares outstanding (basic)	2,188.24	2,186.63	2,188.24	2,186.63
Basic earnings per share (in Baht)	2.75	2.50	0.94	2.52

Diluted earnings per share

The Company did not adjust the effect of exercise of share options in some project warrants to calculate diluted earnings per share for the years ended 31 December 2018 and 2017, which are PS-WF and PS-WG projects because the Company's warrant's exercise price per unit was higher than the average market price for the year.

29 Dividend

At the Board of Directors' meeting held on 9 August 2018, the Board of Directors approved the appropriation of interim dividend of Baht 0.55 per share, amounting to Baht 1,203.68 million. The dividend was paid to shareholders on 7 September 2018.

At the annual general meeting of the shareholders of the Company held on 27 April 2018, the shareholders approved dividend payment at the rate of Baht 2.09 per share, amounting to Baht 4,571.59 million, of which Baht 0.80 per share was paid as an interim dividend on 9 June 2017 and Baht 0.57 per share on 8 September 2017. Therefore, the remaining dividend to be paid is Baht 0.72 per share, amounting to Baht 1,575.72 million. The dividend was paid to shareholders on 23 May 2018.

At the Board of Directors' meeting held on 12 May 2017, the Board of Directors approved the appropriation of interim dividend of Baht 0.80 per share, amounting to Baht 1,749.39 million. The dividend was paid to shareholders on 9 June 2017.

At the Board of Directors' meeting held on 11 August 2017, the Board of Directors approved the appropriation of interim dividend of Baht 0.57 per share, amounting to Baht 1,246.47 million. The dividend was paid to shareholders on 8 September 2017.

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30 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The primary objectives of the Company and its subsidiaries' capital management are to maintain their ability to continue as a going concern and to maintain an appropriate capital structure. In addition, the Group has to maintain interest-bearing liabilities to equity ratio as stipulated in loan and debentures agreements, and requires to have debenture credit rating by qualified credit rating institutions.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group is primarily exposed to interest rate risk from its borrowings (see note 13). The Group does not use derivatives to manage exposure to fluctuations in interest rates on specific borrowings, as interest rate from borrowings is in accordance with market interest rates.

Foreign currency risk

The Group monitors its foreign currency risk as appropriate. Management believes that the Group has minimal currency exchange rate risk.

At 31 December, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currency:

	Consolidated financial statements	
	2018	2017
	<i>(in million Baht)</i>	
<i>Indian Rupee</i>		
Cash and cash equivalents	92	104
Gross balance sheet exposure	92	104

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

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Carrying amount and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Consolidated financial statements		Separate financial statements	
	Carrying amount	Fair value (Level 3)	Carrying amount	Fair value (Level 3)
	<i>(in million Baht)</i>			
31 December 2018				
Debentures	21,000	21,006	5,500	5,472
Long-term loan from financial institution	500	490	500	490
31 December 2017				
Debentures	21,500	21,763	-	-

The fair value of long-term financial liabilities is calculated based on the present value of future principal and interest cash flows discounted at the market rate of interest for similar liabilities at the reporting date.

The fair values of financial assets and liabilities, except as mentioned above, is taken to approximate the carrying values because of the nearly to maturity.

31 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Operating leases				
Within one year	186	88	-	-
After one year but within five years	55	40	-	-
Total	241	128	-	-
Other commitments				
Land purchasing agreements	8,356	6,016	-	-
Development and construction agreements	257	351	-	-
Services and professional consulting agreements	145	69	1	-
Total	8,758	6,436	1	-

Others

As at 31 December 2018;

- (a) The Group had commitment for letters of guarantee issued by certain local banks totalling Baht 9,048 million (2017: Baht 8,118 million).
- (b) A subsidiary had commitment with the banks as a guarantor of overdraft lines of Baht 115 million (2017: Baht 115 million), letters of guarantee lines of Baht 8,592 million (2017: Baht 8,621 million), promissory note lines of Baht 8,377 million (2017: Baht 10,945 million) and other credit facilities of Baht 770 million (2017: Baht 770 million) of the subsidiaries in the Group.

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32 Contingent liability

At 31 December 2018, the Group have been sued by other companies and persons in cases of alleged violation of agreements, prosecution claims and other cases totalling Baht 353 million (2017: Baht 304 million). Presently, the cases are being considered by the court. However, the Group has set aside provision of Baht 73 million (2017: Baht 71 million) in the consolidated statement of financial position for liabilities that may arise as a result of these cases, based on the opinion of their management and legal department.

33 Events after the reporting period

At the Board of Directors' meeting held on 21 February 2019, the Board of Directors approved dividend payment at the rate of Baht 1.55 per share, amounting to Baht 3,392.18 million, of which Baht 0.55 per share was paid as an interim dividend on 9 August 2018. Therefore, the remaining dividend to be paid is Baht 1.00 per share, amounting to Baht 2,188.50 million. In order that those topics depend on the resolution of Annual General Meeting of the Shareholders of the Company on 26 April 2019.

34 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS which are relevant to the Group's operations are expected to have an impact on the consolidated and separate financial statements on the date of initial application. Those TFRS become effective for annual financial reporting periods beginning on or after 1 January of the following years.

TFRS	Topic	Effective
TFRS 7*	Financial Instruments: Disclosures	2020
TFRS 9*	Financial Instruments	2020
TFRS 15	Revenue from Contracts with Customers	2019
TAS 32*	Financial Instruments: Presentation	2020
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation	2020
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments	2020

* TFRS - Financial instruments standards

(a) TFRS 15 Revenue from Contracts with Customers

TFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Revenue should be recognised when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled.

During the year, the Group initially assessed the potential impact of adopting and initially applying TFRS 15 on the financial statements. Based on its assessment, the Group does not expect to have significant impact to the recognition criteria for its existing revenue arrangements.

(b) TFRS - Financial instruments standards

These TFRS establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

Management is presently considering the potential impact of adopting and initially applying TFRS - Financial instruments standards on the consolidated and separate financial statements.

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35 Reclassification of accounts

Certain accounts in the consolidated statement of comprehensive income for the year ended 31 December 2017, which are included in the 2018 financial statements for comparative purposes, have been reclassified to conform to the presentation in the 2018 financial statements as follows:

	2017		
	Consolidated financial statements		
	Before reclass.	Reclass.	After reclass.
		<i>(in million Baht)</i>	
<i>Consolidated statement of comprehensive income</i>			
Distribution costs	4,383	(32)	4,351
Administrative expenses	4,154	<u>32</u>	4,186
		<u><u>-</u></u>	

The reclassifications have been made because in the opinion of the management, the new classification is more appropriate to the Group's business.