



PRUKSA

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

Financial statements for the year ended
31 December 2019
and
Independent Auditor's Report

Independent Auditor's Report

To the shareholders of Prukha Holding Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Prukha Holding Public Company Limited and its subsidiaries (the "Group") and of Prukha Holding Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2019, 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 2019 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
20 February 2020

Pruksa Holding Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2019	2018	2019	2018
		(in Baht)			
<i>Current assets</i>					
Cash and cash equivalents	5	1,774,288,305	1,444,556,125	32,152,109	19,049,263
Other receivables from subsidiary	4	-	-	27,368,893	106,979,043
Short-term loans and accrued interest					
income - subsidiaries	4	-	-	17,167,856,775	6,659,531,219
Cost to obtain contracts with customers	2, 19	162,980,205	-	-	-
Real estate projects under development	2, 6, 12	76,243,909,759	71,960,098,823	-	-
Deposits for purchase of land		842,149,510	1,568,625,194	-	-
Advance payment for goods		490,783,284	302,431,530	321	321
Other current assets		241,526,460	391,859,071	817,512	941,862
Total current assets		79,755,637,523	75,667,570,743	17,228,195,610	6,786,501,708
<i>Non-current assets</i>					
Investments in subsidiaries	7	-	-	35,620,695,717	35,620,695,717
Investments in joint ventures	8	107,540,634	107,540,634	-	-
Cost to obtain contracts with customers	2, 19	301,143,273	-	-	-
Investment properties	9	711,279,600	706,219,482	-	-
Property, plant and equipment	10, 12	5,238,435,325	4,739,070,028	77,220	129,409
Intangible assets	11	426,870,084	345,679,961	1,418,164	1,603,164
Deferred tax assets	23	26,947,645	55,164,733	2,586,355	-
Other non-current assets	4	213,691,736	223,874,495	1,258,812	1,258,812
Total non-current assets		7,025,908,297	6,177,549,333	35,626,036,268	35,623,687,102
Total assets		86,781,545,820	81,845,120,076	52,854,231,878	42,410,188,810

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	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2019	2018	2019	2018
		<i>(in Baht)</i>			
Current liabilities					
Short-term loans from financial institutions	12	6,000,000,000	5,600,000,000	-	-
Trade accounts payable	13	2,191,202,897	2,283,753,446	-	-
Other payables - subsidiary	4	-	-	7,627	-
Payables for purchase of land		1,663,571,050	2,754,498,008	-	-
Short-term loans - subsidiary	4	-	-	35,790	240
Current portion of long-term loan from financial institution	12	50,000,000	-	50,000,000	-
Current portion of long-term debentures	12	7,100,000,000	6,400,000,000	-	-
Customers' deposits	19	2,786,397,740	2,688,995,073	-	-
Current tax payable		529,262,317	671,960,289	13,781,984	2,722,227
Other current liabilities	4, 8, 14	4,253,374,083	3,974,488,654	75,369,890	41,614,355
Total current liabilities		24,573,808,087	24,373,695,470	139,195,291	44,336,822
Non-current liabilities					
Long-term loan from financial institution	12	450,000,000	500,000,000	450,000,000	500,000,000
Long-term debentures	12	17,500,000,000	14,600,000,000	15,500,000,000	5,500,000,000
Non-current provisions for employee benefits	15	441,820,645	423,603,109	12,931,779	3,637,612
Provision for litigation and claims	29	23,906,673	73,337,913	-	-
Total non-current liabilities		18,415,727,318	15,596,941,022	15,962,931,779	6,003,637,612
Total liabilities		42,989,535,405	39,970,636,492	16,102,127,070	6,047,974,434

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

Pruksa Holding Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity	Note	2019	2018	2019	2018
<i>(in Baht)</i>					
Equity					
Share capital	16				
Authorised share capital		<u>2,226,383,180</u>	<u>2,226,383,180</u>	<u>2,226,383,180</u>	<u>2,226,383,180</u>
Issued and paid-up share capital		2,188,504,922	2,188,504,922	2,188,504,922	2,188,504,922
Premium on ordinary shares	16	1,872,580,809	1,872,580,809	32,420,281,342	32,420,281,342
Warrants	17	-	4,576,792	-	4,576,792
Retained earnings					
Appropriated					
Legal reserve	18	223,730,753	223,730,753	222,638,318	222,638,318
Unappropriated		38,876,916,613	36,959,532,071	1,920,680,226	1,526,213,002
Other components of equity	18	<u>(106,189,961)</u>	<u>(77,978,226)</u>	<u>-</u>	<u>-</u>
Equity attributable to owners of the parent		43,055,543,136	41,170,947,121	36,752,104,808	36,362,214,376
Non-controlling interests		<u>736,467,279</u>	<u>703,536,463</u>	<u>-</u>	<u>-</u>
Total equity		<u>43,792,010,415</u>	<u>41,874,483,584</u>	<u>36,752,104,808</u>	<u>36,362,214,376</u>
Total liabilities and equity		<u>86,781,545,820</u>	<u>81,845,120,076</u>	<u>52,854,231,878</u>	<u>42,410,188,810</u>

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

Pruksa Holding Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2019	2018	2019	2018
		(in Baht)			
Revenues					
Revenue from sales of real estate	2, 19	39,885,215,182	44,900,702,742	-	-
Dividend income	4, 7	-	-	3,772,139,207	1,995,724,813
Other income	4	267,023,035	169,816,155	542,102,540	289,859,856
Total revenues		40,152,238,217	45,070,518,897	4,314,241,747	2,285,584,669
Expenses					
Cost of sales of real estate	2, 21	25,753,882,303	28,814,573,030	-	-
Distribution costs	2, 21	3,285,468,598	4,395,931,821	-	-
Administrative expenses	4, 21	3,774,973,705	4,034,461,404	120,708,338	133,667,842
Finance costs	4, 22	323,768,683	138,847,755	255,144,769	90,747,621
Total expenses		33,138,093,289	37,383,814,010	375,853,107	224,415,463
Share of loss of joint ventures		(397,735)	(419,792)	-	-
Profit before income tax expense	19	7,013,747,193	7,686,285,095	3,938,388,640	2,061,169,206
Tax expense	23	(1,554,700,798)	(1,555,502,472)	(31,610,990)	(5,939,325)
Profit for the year		5,459,046,395	6,130,782,623	3,906,777,650	2,055,229,881

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

Pruksa Holding Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2019	2018	2019	2018
		(in Baht)			
Other comprehensive income					
Items that will be reclassified subsequently					
to profit or loss					
Exchange differences on translating foreign					
operations		(28,720,858)	(30,925,892)	-	-
Total items that will be reclassified subsequently					
to profit or loss		(28,720,858)	(30,925,892)	-	-
Item that will not be reclassified to profit or loss					
Gains (losses) on remeasurements of defined					
benefit plans	15	76,825,085	-	(13,378,189)	-
Income tax relating to items that will not be					
reclassified	23	(15,365,016)	-	2,675,638	-
Total item that will not be reclassified to					
profit or loss		61,460,069	-	(10,702,551)	-
Other comprehensive income (expense)					
for the year, net of tax	23	32,739,211	(30,925,892)	(10,702,551)	-
Total comprehensive income for the year					
		5,491,785,606	6,099,856,731	3,896,075,099	2,055,229,881
Profit attributable to:					
Owners of the parent		5,358,811,544	6,022,370,217	3,906,777,650	2,055,229,881
Non-controlling interests		100,234,851	108,412,406	-	-
Profit for the year					
		5,459,046,395	6,130,782,623	3,906,777,650	2,055,229,881
Total comprehensive income attributable to:					
Owners of the parent		5,390,780,682	5,991,833,906	3,896,075,099	2,055,229,881
Non-controlling interests		101,004,924	108,022,825	-	-
Total comprehensive income for the year					
		5,491,785,606	6,099,856,731	3,896,075,099	2,055,229,881
Earnings per share (in Baht)					
Basic earnings per share	25	2.45	2.75	1.79	0.94
Diluted earnings per share	25	2.45	2.75	1.79	0.94

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										
				Retained earnings		Other components of equity				
	Note	Issued and paid-up share capital	Share premium	Warrants	Legal reserve	Unappropriated (in Baht)	Translating foreign operations	Equity attributable to owners of the parent	Non - controlling interests	Total equity
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										
Contributions by and distributions to owners of the parent										
Warrants exercised	16, 17	1,708,342	53,438,133	(27,334,667)	-	-	-	27,811,808	-	27,811,808
Dividends to owners of the Company	26	-	-	-	-	(2,779,401,307)	-	(2,779,401,307)	-	(2,779,401,307)
Dividends paid from subsidiary		-	-	-	-	-	-	-	(36,015,856)	(36,015,856)
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)
Changes in ownership interests in subsidiary										
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

		Consolidated financial statements								
					Retained earnings		Other components of equity			
	Note	Issued and paid-up share capital	Share premium	Warrants	Legal reserve	Unappropriated (in Baht)	Translating foreign operations	Equity attributable to owners of the parent	Non - controlling interests	Total equity
Year ended 31 December 2019										
Balance at 1 January 2019		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
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners of the parent										
Cancellation of warrants	16, 17	-	-	(4,576,792)	-	-	-	(4,576,792)	-	(4,576,792)
Dividends to owners of the Company	26	-	-	-	-	(3,501,607,875)	-	(3,501,607,875)	-	(3,501,607,875)
Dividends paid from subsidiary		-	-	-	-	-	-	-	(68,074,108)	(68,074,108)
Total contributions by and distributions to owners of the parent		-	-	(4,576,792)	-	(3,501,607,875)	-	(3,506,184,667)	(68,074,108)	(3,574,258,775)
Total transactions with owners, recorded directly in equity		-	-	(4,576,792)	-	(3,501,607,875)	-	(3,506,184,667)	(68,074,108)	(3,574,258,775)
Comprehensive income for the year										
Profit		-	-	-	-	5,358,811,544	-	5,358,811,544	100,234,851	5,459,046,395
Other comprehensive income		-	-	-	-	60,180,873	(28,211,735)	31,969,138	770,073	32,739,211
Total comprehensive income for the year		-	-	-	-	5,418,992,417	(28,211,735)	5,390,780,682	101,004,924	5,491,785,606
Balance at 31 December 2019		2,188,504,922	1,872,580,809	-	223,730,753	38,876,916,613	(106,189,961)	43,055,543,136	736,467,279	43,792,010,415

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	
				(in Baht)			
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							
Contributions by and distributions to owners							
Warrants exercised	16, 17	1,708,342	53,438,133	(27,334,667)	-	-	27,811,808
Dividends to owners of the Company	26	-	-	-	-	(2,779,401,307)	(2,779,401,307)
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 changes in equity

	Note	Separate financial statements					Total equity
		Issued and paid-up share capital	Share premium	Warrants	Retained earnings		
					Legal reserve	Unappropriated	
Year ended 31 December 2019							
Balance at 1 January 2019		2,188,504,922	32,420,281,342	4,576,792	222,638,318	1,526,213,002	36,362,214,376
Transactions with owners, recorded directly in equity							
<i>Contributions by and distributions to owners</i>							
Cancelation of warrants	16, 17	-	-	(4,576,792)	-	-	(4,576,792)
Dividends to owners of the Company	26	-	-	-	-	(3,501,607,875)	(3,501,607,875)
Total transactions with owners, recorded directly in equity		-	-	(4,576,792)	-	(3,501,607,875)	(3,506,184,667)
Comprehensive income for the year							
Profit		-	-	-	-	3,906,777,650	3,906,777,650
Other comprehensive income		-	-	-	-	(10,702,551)	(10,702,551)
Total comprehensive income for the year		-	-	-	-	3,896,075,099	3,896,075,099
Balance at 31 December 2019		2,188,504,922	32,420,281,342	-	222,638,318	1,920,680,226	36,752,104,808

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	
	2019	2018	2019	2018
	(in Baht)			
<i>Cash flows from operating activities</i>				
Profit for the year	5,459,046,395	6,130,782,623	3,906,777,650	2,055,229,881
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense	1,554,700,798	1,555,502,472	31,610,990	5,939,325
Finance costs	323,768,683	138,847,755	255,144,769	90,747,621
Depreciation and amortisation	450,976,664	497,311,417	237,189	227,710
Interest income	-	-	(434,725,559)	(189,799,592)
(Reversal of) losses on real estate projects under development devaluation	(7,334,092)	902,608	-	-
(Gain) loss on disposal of equipment	(690,479)	645,451	-	-
Loss on disposal of intangible assets	-	39,475	-	-
Dividend income from subsidiary	-	-	(3,772,139,207)	(1,995,724,813)
Currency translation differences	(35,901,073)	(38,657,365)	-	-
Cancellation of warrants	(4,576,792)	-	(4,576,792)	-
(Reversal of) provision for litigation and claims	(23,975,592)	4,420,118	-	-
Share of loss of joint ventures	397,735	419,792	-	-
Reversal of share of loss of joint ventures	(397,735)	(419,792)	-	-
	7,716,014,512	8,289,794,554	(17,670,960)	(33,379,868)
<i>Changes in operating assets and liabilities</i>				
Other receivables - subsidiary	-	-	79,610,150	(69,773,295)
Cost to obtain contracts with customers	(464,123,478)	-	-	-
Real estate projects under development	(3,798,335,574)	(7,638,998,693)	-	-
Deposits for purchase of land	726,475,684	(946,141,570)	-	-
Advance payment for goods	(188,351,754)	(35,849,672)	-	292,993
Other current assets	150,332,610	(191,258,806)	124,349	2,283,787
Other non-current assets	10,182,760	24,717,609	-	230,142
Other payables - subsidiary	-	-	7,627	-
Trade accounts payable - others	(92,550,549)	(95,056,433)	-	-
Payables for purchase of land	(1,090,926,958)	1,056,625,623	-	-
Customers' deposits	97,402,667	1,627,069,571	-	-
Other current liabilities	244,335,029	562,493,770	(12,215,697)	10,895,926
Non-current provisions for employee benefits	79,677,605	49,202,925	(1,408,384)	3,011,112
Net cash generated from (used in) operating	3,390,132,554	2,702,598,878	48,447,085	(86,439,203)
Tax paid	(1,662,001,469)	(1,175,474,791)	(23,137,591)	(3,217,098)
Provision for litigation and claims paid	(25,455,648)	(1,917,513)	-	-
Net cash from (used in) operating activities	1,702,675,437	1,525,206,574	25,309,494	(89,656,301)

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

Pruksa Holding Public Company Limited and its Subsidiaries

Statement of cash flows

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2019	2018	2019	2018
<i>(in Baht)</i>					
<i>Cash flows from investing activities</i>					
Acquisition of property, plant and equipment		(887,432,518)	(551,570,045)	-	(39,618)
Proceeds from sale of plant and equipment		4,007,744	21,980,095	-	-
Acquisition of intangible assets		(144,560,045)	(66,888,113)	-	-
Proceeds from sale of intangible assets		-	33,939	-	-
Dividends received from subsidiary		-	-	3,772,139,207	1,995,724,813
Short-term loans - subsidiaries	4	-	-	(12,359,225,109)	(7,834,965,653)
Proceeds from repayment of short-term loans					
- subsidiaries	4	-	-	1,877,918,676	2,653,155,748
Interest received		-	-	407,706,437	194,300,572
Net cash used in investing activities		(1,027,984,819)	(596,444,124)	(6,301,460,789)	(2,991,824,138)
<i>Cash flows from financing activities</i>					
Interest paid		(775,276,455)	(746,824,800)	(209,173,535)	(79,010,634)
Proceeds from issue of ordinary shares	-	-	27,811,808	-	27,811,808
Dividends paid to owners of the Company	26	(3,501,607,875)	(2,779,401,307)	(3,501,607,875)	(2,779,401,307)
Dividends paid to non-controlling interests		(68,074,108)	(36,015,856)	-	-
Proceeds from short-term loans from subsidiary	4	-	-	59,259	3,948,638
Repayment of short-term loans from subsidiary	4	-	-	(23,708)	(4,673,350)
Increase in short-term loans from financial institutions, net		400,000,000	2,800,000,000	-	-
Proceeds from long-term loan from financial institution		-	500,000,000	-	500,000,000
Proceeds from long-term debentures		10,000,000,000	5,500,000,000	10,000,000,000	5,500,000,000
Repayment of long-term debentures		(6,400,000,000)	(6,000,000,000)	-	-
Acquisition of non-controlling interest	7	-	(97,311,140)	-	(97,311,140)
Net cash from (used in) financing activities		(344,958,438)	(831,741,295)	6,289,254,141	3,071,364,015
Net increase (decrease) in cash and cash equivalents					
		329,732,180	97,021,155	13,102,846	(10,116,424)
Cash and cash equivalents at 1 January		1,444,556,125	1,347,534,970	19,049,263	29,165,687
Cash and cash equivalents at 31 December	5	1,774,288,305	1,444,556,125	32,152,109	19,049,263
<i>Non-cash transactions:</i>					
Increase in equipment payable, net		2,856,785	18,202,095	-	-
Transfer of investment properties from real estate projects under development, net		(5,060,117)	(65,611,795)	-	-
Transfer of property, plant and equipment from real estate projects under development, net		-	(1,443,511)	-	-

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 2019

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Related parties
5	Cash and cash equivalents
6	Real estate projects under development
7	Investments in subsidiaries
8	Investments in joint ventures
9	Investment properties
10	Property, plant and equipment
11	Intangible assets
12	Interest-bearing liabilities
13	Trade accounts payable
14	Other current liabilities
15	Non-current provisions for employee benefits
16	Share capital
17	Warrants
18	Reserves
19	Segment information and disaggregation of revenue
20	Employee benefit expenses
21	Expenses by nature
22	Finance costs
23	Income tax
24	Promotional privileges
25	Earnings per share
26	Dividends
27	Financial instruments
28	Commitments with non-related parties
29	Contingent liability
30	Events after the reporting period
31	Thai Financial Reporting Standards (TFRS) not yet adopted

Pruksa Holding Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

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 20 February 2020.

1 General information

Pruksa Holding Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand. The Company’s registered office at 1177, Pearl Bangkok Tower 24th floor, Phaholyothin Road, Phayathai, Phayathai, Bangkok.

The Company’s major shareholder during the financial year was Vijitpongpun 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 2019 and 2018 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 and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS effective for annual accounting periods beginning on or after 1 January 2019. 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. There is no material impact on the Group’s financial statements. The Group has initially applied TFRS 15 Revenue from Contracts with Customers which replaces TAS 18 Revenue, TAS 11 Construction Contracts and related interpretations. The details of accounting policies are disclosed in note 3 (q).

The Group has assessed the impact of initial adoption of TFRS 15 using the cumulative effect method, taking into account the effect of initially applying this standard only to contracts that were not completed before 1 January 2019. The impact on retained earnings as at 1 January 2019 was not material. Therefore, the Group has not adjusted the retained earnings as at 1 January 2019 and not restated the information presented for 2018, as previously reported under TAS 18 and related interpretations. The disclosure requirements of TFRS 15 have not generally been applied to comparative information.

The impact of the changes in accounting policies due to the adoption of this TFRS are disclosed as follows:

a. Provision for items without charge

For sale of real estate contract, which includes provision for items without charge such as furniture and fixtures, under TAS 18, the Group recognised these costs as distribution costs. Under TFRS 15, it is required to recognise these free of charge items as cost of sales of real estate as the management of the Group have considered that the free of charge items are component parts of real estates, which are the main performance obligations under the contracts. This change results in a decrease in distribution costs and an increase in cost of sales of real estate.

b. Payment to customers

The Group makes payments such as registration fee for the transfer of real estates and common area fee to the juristic person of real estate projects on behalf of customers. Under TAS 18, the Group recognised such amounts as distribution costs. Under TFRS 15, it is required that the Group will consider whether the Group receives distinct goods or services from the customer. If so, then the Group recognises such payments as an expense when the distinct goods or services are consumed. In contrast, if not, such payments are recognised as a reduction of revenue. As a result, this results in decreases in revenue and distribution costs.

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

c. Commission fees payable

Under TAS 18, the Group recognised commission paid as distribution costs when incurred. Under TFRS 15, the Group capitalises these commission fees as costs of obtaining a contract (contract cost) when they are incremental and - if they are expected to be recovered. The Group amortises them on a systematic basis that is consistent with the pattern of revenue recognition for the related contract. If the expected amortisation period is one year or less, then the commission fees are expensed when incurred. This change results in recognition of cost to obtain contract with customers as an asset.

In addition, the Group has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 31.

(b) *Functional and presentation currency*

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

(c) *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 the Group's accounting policies. 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 at 31 December 2019 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 6	Determining the value of real estate projects under development; and
Note 15	Measurement of defined benefit obligations: key actuarial assumptions.

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.

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.

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

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.

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.

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

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) *Cash and cash equivalents*

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

(d) *Other accounts receivable*

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is stated at invoice value less allowance for doubtful accounts which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(e) *Cost to obtain contracts with customers*

Cost to obtain contracts with customers are the incremental costs to obtain a contract with a customer. The Group expects to recover these costs.

Cost to obtain contracts with customers are measured at cost less accumulated amortisation and impairment losses. Amortisation is charged to profit or loss when the construction works are completed and the ownership has been transferred to buyers it relates to, consistent with the related revenue recognition.

(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.

(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.

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

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.

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.

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 - 40	years
Machinery and equipment	3 - 20	years
Furniture, fixtures and office equipment	3, 5	years
Public utilities	20	years
Transportation equipment	5	years

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Since 1 January 2019, the Group changed the estimated useful lives of buildings and decorations. The estimated useful lives of buildings have been changed from 20 and 30 years to 40 years and decorations have been changed from 3 years to 10 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.

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.

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

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.

(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.

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

(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) Measurement of fair values

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 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 or indirectly.
- *Level 3*: inputs for the asset or liability that are not based on 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.

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

(q) Revenue

Accounting policies for revenue recognition in 2019

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

Sale of goods and services

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Revenue for rendering of services is recognised over time as services are provided.

Revenue from sale of real estate development project

Revenue from sale of real estate development project is recognised when the construction works are completed and the ownership has been transferred to buyers.

Long-term advances received from customers

Long-term advances received from customers is recognised as revenue when the Group transferred control over the goods to the customers. For the advances that contain a significant financing component, they include the interest expense accreted on the contract liability under the effective interest method. The Group uses practical expedient which is not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Accounting policies for revenue recognition in 2018

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.

(r) 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.

(s) Dividend income

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

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

(t) Interest and other income

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

(u) 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.

(v) 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.

(w) 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.

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.

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

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.

(x) 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.

(y) Related parties

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

(z) 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

Relationships with subsidiaries and joint ventures are described in notes 7 and 8. Other related parties that the Group had significant transactions with during the year 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 Vijiitpongpun	Thai	Major shareholder, 10% or more shareholding, and a director
T C T Co., Ltd.	Thailand	Common directors

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Name of entities	Country of incorporation / nationality	Nature of relationships
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 below:

Transactions	Pricing policies
Interest income / interest expense	MLR, MLR-2% and 4%
Dividend income	The declared amount
Management income	Agreed prices
Other expenses	Cost plus margin
Rental and service charges	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	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Subsidiaries				
Interest income	-	-	434.73	189.80
Dividend income	-	-	3,772.14	1,995.72
Management income	-	-	107.28	99.98
Other expenses	-	-	0.02	-
Other related parties				
Rental and service charges	158.86	159.37	5.02	5.13
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	230.83	232.79	67.73	75.39
Post-retirement benefits	9.56	8.11	4.08	1.93
Total key management personnel compensation	240.39	240.90	71.81	77.32

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

Other receivables	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Subsidiary	-	-	27.37	106.98

Movement of loans to	Interest rate	Consolidated financial statements			
	At 31 December (% per annum)	At 1 January	Increase	Decrease	At 31 December
			<i>(in million Baht)</i>		
2019					
Subsidiaries					
- Short-term loans	4.0	6,650.05	12,359.23	(1,877.92)	17,131.36
- Accrued interest income		9.48			36.50
Total		6,659.53			17,167.86

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

	Interest rate	Consolidated financial statements			
	At	At			At
<i>Movement of loans to</i>	31 December	1 January	Increase	Decrease	31 December
	(% per annum)		<i>(in million Baht)</i>		
2018					
Subsidiaries					
- Short-term loans	4.2	1,468.24	7,834.97	(2,653.16)	6,650.05
- Accrued interest income		13.98			9.48
Total		1,482.22			6,659.53

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>(in million Baht)</i>				
Deposit for rental and service <i>(presents under other non-current assets)</i>				
Other related party	44.00	42.64	1.26	1.26

Other payables				
Subsidiary	-	-	0.01	-

	Interest rate	Consolidated financial statements			
	At	At			At
<i>Movement of loans from</i>	31 December	1 January	Increase	Decrease	31 December
	(% per annum)		<i>(in million Baht)</i>		
2019					
Subsidiary					
- Short-term loans	4.0	-	0.06	(0.02)	0.04
2018					
Subsidiary					
- Short-term loans	-	0.72	3.95	(4.67)	-
		Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		<i>(in million Baht)</i>			

Accrued rental expense <i>(presents under other current liabilities)</i>				
Other related party	5.53	11.39	-	-

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	
	2019	2018	2019	2018
<i>(in million Baht)</i>				
Office building operating leases				
Within 1 year	130.67	159.60	3.78	4.61
1 - 5 years	-	130.67	-	3.78
Total	130.67	290.27	3.78	8.39

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

- (b) The subsidiaries had partly registered land servitude accumulative value as at 31 December 2019 of Baht 2,102.4 million (2018: Baht 1,902.0 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 2019, the subsidiaries have registered land servitude and ceded land for the public interest amounting to Baht 397.4 million (2018: Baht 174.0 million), and for which the subsidiaries have received compensation of Baht 416.2 million (2018: Baht 175.7 million).
- (c) The Company had borrowing agreements to grant loans to its subsidiaries with credit lines totalling Baht 21,800 million and had borrowing agreement to borrow from a subsidiary with credit lines totalling Baht 500 million, with interest rate at MLR-2% per annum and are repayable on demand.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Cash on hand	10	4	-	-
Cash at banks - current accounts	1,016	75	8	8
Cash at banks - savings accounts	551	515	24	11
Cash at banks - fixed deposits	83	91	-	-
Cheques on hand	70	753	-	-
Others	44	7	-	-
Total	1,774	1,445	32	19

6 Real estate projects under development

	<i>Note</i>	Consolidated financial statements	
		2019	2018
		<i>(in million Baht)</i>	
Construction materials		431	589
Sample houses		1,675	1,411
Projects under development			
- land		36,223	36,258
- land improvements		2,160	1,846
- construction cost		5,509	5,961
- public utilities		2,999	2,609
- overhead costs		2,777	2,556
- interest costs		790	842
		50,458	50,072
Land, and land and houses for sale		15,580	10,014
Land held for development		8,199	9,980
Total		76,343	72,066
Less losses on real estate projects under development devaluation		(99)	(106)
Net		76,244	71,960
Finance costs capitalised during the year	22	483	598
Rates of interest capitalised (% per annum)		2.46	2.44
(Reversal of) write-down to net realisable value		(7)	1

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

	Consolidated financial statements	
	2019	2018
	<i>(projects)</i>	
<i>Number of projects under development</i>		
Townhouse	120	146
Single house	36	42
Twin house	21	28
Condominium	22	21
Total projects	199	237

Real estate projects under development (land and structure thereon) are used as collateral for credit facilities from banks (see note 12).

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

7 Investments in subsidiaries

Investments in subsidiaries as at 31 December 2019 and 2018, and dividend income from those investments for the years then ended, were as follows:

	Type of business	Country of operation	Separate financial statements						Dividend income for the year	
			Ownership interest		Paid-up capital		Cost method		2019	2018
			2019	2018	2019	2018	2019	2018		
			(%)				(in million Baht)			
Direct subsidiaries										
Pruksa Real Estate Public Co., Ltd.	Sale of real estate	Thailand	98.23	98.23	2,232.7	2,232.7	34,620.7	34,620.7	3,772.1	1,995.7
Vimut Hospital Holding Co., Ltd.	Investment	Thailand	99.99	99.99	1,000.0	1,000.0	1,000.0	1,000.0	-	-
Indirect subsidiaries (hold by subsidiaries)										
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	99.99	99.99	800.0	800.0	-	-	-	-
Phanalee Estate Co., Ltd.	Sale of real estate	Thailand	99.99	99.99	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 Venture One Co., Ltd. *	Sale of real estate	Thailand	99.99	-	720.0	-	-	-	-	-
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	177.8	177.8	-	-	-	-
Pruksa Oversea Service Company Limited ***	Service and management	Thailand	-	100.00	-	2.5	-	-	-	-
Thanatep Engineering and Construction Company Limited ****	Construction	Thailand	51.00	51.00	5.0	5.0	-	-	-	-
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	35,620.7	3,772.1	1,995.7

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

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

* - In 2019, A direct subsidiary of the Company invested in shares of Pruksa Venture One Co., Ltd. (99.99% of the authorised share capital). Such Company registered its authorised share capital of Baht 800 million with the Ministry of Commerce on 3 October 2019. As at 31 December 2019, the subsidiary made a payment for share capital totalling Baht 720 million.

** - 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 2019, the Company indirectly held 100% of shares in Pruksa Vietnam Company Limited because the co-investor has not paid for the shares.

*** - Pruksa Oversea Service Company Limited completed liquidation process and registered its liquidation on 3 April 2019. The indirect subsidiaries of the Company disposed its 100% interest in Pruksa Oversea Service Company Limited in April 2019.

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

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.

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

8 Investments in joint ventures

Investments in joint ventures as at 31 December 2019 and 2018, and dividend income from those investments for the years then ended, were as follows:

		Consolidated financial statements											
	Type of business	Country of operation	Ownership interest		Paid-up capital		Cost	Equity		Dividend income for the year			
			2019	2018	2019	2018		2019	2018	2019	2018		
			(%)										
			(in million Baht)										
Joint ventures - indirect shareholding by a subsidiary													
Pruksa HDC Housing Private Limited *	Property development and construction	Maldives	80.00	80.00	129.6	129.6	129.6	129.6	107.5	107.5	-	-	
Pruksa - Luxora Housing Private Limited	Property development and construction	India	50.00	50.00	0.3	0.3	0.3	0.3	-	-	-	-	
Total							129.9	129.9	107.5	107.5	-	-	

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.

* - In November 2019, an indirect subsidiary entered into a sale and purchase agreement of shares of Pruksa HDC Housing Private Limited with a buyer, which was a non-related party, totalling Baht 110 million. As at 31 December 2019, the Group recorded advance received for shares of Baht 88 million under other current liabilities in the consolidated statement of financial position. The subsidiary received the remaining shares payment in January 2020 which it is in the process of transferring the shares to the buyer.

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

9 Investment properties

	Consolidated financial statements (in million Baht)
<i>Cost</i>	
At 1 January 2018	788
Transfer from real estate projects under development	115
Transfer to real estate projects under development	(13)
At 31 December 2018 and 1 January 2019	890
Transfer from real estate projects under development	5
At 31 December 2019	895
<i>Impairment losses</i>	
At 1 January 2018	147
Increase	37
At 31 December 2018 and 1 January 2019	184
At 31 December 2019	184
<i>Net book value</i>	
At 1 January 2018	641
At 31 December 2018 and 1 January 2019	706
At 31 December 2019	711

The fair value of investment properties as at 31 December 2019 of Baht 1,061.2 million (2018: Baht 1,056.2 million), was determined by independent professional valuers, at market values. Input used in the fair value measurement consisted of the quoted prices of comparable assets in similar locations. 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.

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

10 Property, plant and equipment

	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>Cost</i>								
At 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 and 1 January 2019	1,805	1,824	2,875	408	17	29	426	7,384
Additions	-	26	63	30	-	1	770	890
Transfers	11	101	29	14	-	-	(156)	(1)
Disposals	-	-	(24)	(12)	-	(5)	-	(41)
At 31 December 2019	1,816	1,951	2,943	440	17	25	1,040	8,232
<i>Depreciation and impairment losses</i>								
At 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 and 1 January 2019	25	682	1,642	255	17	24	-	2,645
Depreciation charge for the year	5	78	249	52	-	2	-	386
Disposals	-	-	(21)	(12)	-	(4)	-	(37)
At 31 December 2019	30	760	1,870	295	17	22	-	2,994
<i>Net book value</i>								
At 1 January 2018	1,777	1,211	1,353	139	-	8	145	4,633
At 31 December 2018 and 1 January 2019	1,780	1,142	1,233	153	-	5	426	4,739
At 31 December 2019	1,786	1,191	1,073	145	-	3	1,040	5,238

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2019 of Baht 869 million (2018: Baht 704 million).

Collateral

As at 31 December 2019, the Group's property, plant and equipment with a net book value of Baht 1,139 million (2018: Baht 1,196 million) are used as collateral for credit facilities with banks (see note 12).

Changes in accounting estimates

Since 1 January 2019, the Group changed the estimated useful lives of buildings and decorations, at cost Baht 1,133 million for the Group. The estimated useful lives of buildings have been changed from 20 and 30 years to 40 years and decorations have been changed from 3 years to 10 years which are recognised prospectively.

Depreciation of buildings and decorations in the consolidated financial statements regarding new useful lives was Baht 28 million which decreased by Baht 58 million from old useful lives.

11 Intangible assets

	Consolidated financial statements Software licenses	Separate financial statements Software licenses
	<i>(in million Baht)</i>	
<i>Cost</i>		
At 1 January 2018	637	2
Additions	66	-
Transfers	1	-
At 31 December 2018 and 1 January 2019	704	2
Additions	145	-
Transfers	1	-
At 31 December 2019	850	2
<i>Amortisation</i>		
At 1 January 2018	303	-
Amortisation charge for the year	55	-
At 31 December 2018 and 1 January 2019	358	-
Amortisation charge for the year	65	1
At 31 December 2019	423	1
<i>Net book value</i>		
At 1 January 2018	334	2
At 31 December 2018 and 1 January 2019	346	2
At 31 December 2019	427	1

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

12 Interest-bearing liabilities

	Consolidated financial statements					
	Secured	2019 Unsecured	Total <i>(in million Baht)</i>	Secured	2018 Unsecured	Total
Short-term loans from financial institutions	3,000	3,000	6,000	2,200	3,400	5,600
Current portion of long-term loan from financial institution	-	50	50	-	-	-
Current portion of long-term debentures	-	7,100	7,100	-	6,400	6,400
Long-term loan from financial institution	-	450	450	-	500	500
Long-term debentures	-	17,500	17,500	-	14,600	14,600
Total interest-bearing liabilities	3,000	28,100	31,100	2,200	24,900	27,100

	Separate financial statements					
	Secured	2019 Unsecured	Total <i>(in million Baht)</i>	Secured	2018 Unsecured	Total
Current portion of long-term loan from financial institution	-	50	50	-	-	-
Long-term loan from financial institution	-	450	450	-	500	500
Long-term debentures	-	15,500	15,500	-	5,500	5,500
Total interest-bearing liabilities	-	16,000	16,000	-	6,000	6,000

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

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
<i>Maturity period</i>				
Within 1 year	13,150	12,000	50	-
1 - 5 years	17,900	14,950	15,900	5,850
After 5 years	50	150	50	150
Total	31,100	27,100	16,000	6,000

As at 31 December 2019, the Group had unutilised credit facilities totalling Baht 19,564 million, US Dollars 4 million (equivalent to Baht 121 million) and Indian Rupee 65 million (equivalent to Baht 29 million) (2018: Baht 17,777 million, US Dollars 4 million (equivalent to Baht 130 million) and Indian Rupee 65 million (equivalent to Baht 32 million)).

Credit facilities of the Group that used assets as collateral as at 31 December 2019 were as follows:

- Loan lines from banks of Baht 1,700 million (2018: Baht 2,200 million) for the Group.
- Bank overdraft lines of Baht 50 million (2018: Baht 50 million) for the Group.
- Letter of guarantee lines of Baht 3,010 million, US Dollars 4 million (equivalent to Baht 121 million) and Indian Rupee 65 million (equivalent to Baht 29 million) (2018: Baht 5,911 million, US Dollars 4 million (equivalent to Baht 130 million) and Indian Rupee 65 million (equivalent to Baht 32 million)) for the Group.

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

- (d) Promissory note lines from banks of Baht 7,701 million (2018: Baht 8,222 million) for the Group.
- (e) Other credit facilities of Baht 654 million (2018: Baht 605 million) for the Group.

<i>Assets pledged as security for liabilities as at 31 December</i>	Consolidated financial statements	
	2019	2018
	<i>(in million Baht)</i>	
Property, plant and equipment	1,139	1,196
Real estate projects under development (land and properties)	2,003	2,181
Total	3,142	3,377

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 2019, loans from financial institutions had interest at the rates of 1.70% - 1.78% per annum (2018: 1.95% - 2.55% 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 are 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.

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Debentures

As at 31 December 2019 and 2018, 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 the 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	
						2019 (million units)	2018	2019 (in million Baht)	2018
No. 1/2015									
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	-	2,300
Set 2	2.08%	every 3 months	3 years 6 months	March 2016	September 2019	-	1.70	-	1,700
No. 1/2017									
Set 1	2.63%	every 3 months	2 years 10 months	February 2017	November 2019	-	2.40	-	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	4.75	4,750	4,750
Set 2	2.84%	every 6 months	5 years	May 2018	May 2023	0.75	0.75	750	750
No. 1/2019 *									
Set 1	2.78%	every 6 months	3 years	March 2019	March 2022	3.50	-	3,500	-
No. 2/2019 *									
Set 1	2.30%	every 6 months	3 years	November 2019	November 2022	3.50	-	3,500	-
Set 2	2.55%	every 6 months	5 years	November 2019	November 2024	3.00	-	3,000	-
Total						24.60	21.00	24,600	21,000
Less current portion of long-term debentures						(7.10)	(6.40)	(7,100)	(6,400)
Unsubordinated and unsecured debentures - net of current portion						17.50	14.60	17,500	14,600

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Type of debenture	Interest rate (% per annum)	Interest payment due	Term	Issuance date	Maturity date	Separate financial statements			
						Units		Amount	
						2019 (million units)	2018	2019 (in million Baht)	2018
No. 1/2018									
Set 1	2.37%	every 6 months	3 years	May 2018	May 2021	4.75	4.75	4,750	4,750
Set 2	2.84%	every 6 months	5 years	May 2018	May 2023	0.75	0.75	750	750
No. 1/2019 *									
Set 1	2.78%	every 6 months	3 years	March 2019	March 2022	3.50	-	3,500	-
No. 2/2019 *									
Set 1	2.30%	every 6 months	3 years	November 2019	November 2022	3.50	-	3,500	-
Set 2	2.55%	every 6 months	5 years	November 2019	November 2024	3.00	-	3,000	-
Total						15.50	5.50	15,500	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 first quarter of 2019, the Company issued debenture no. 1/2019 amounting to Baht 3,500 million. During the forth quarter of 2019, the Company issued debenture no. 2/2019 amounting to Baht 6,500 million.

The Company and the subsidiary have to comply with terms and conditions of the issuer e.g. maintain debt to equity ratio and dividend payment.

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

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

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
At 1 January	21,000	21,500	5,500	-
Issue during the year	10,000	5,500	10,000	5,500
Repayment during the year	(6,400)	(6,000)	-	-
At 31 December	24,600	21,000	15,500	5,500

13 Trade accounts payable

	Consolidated financial statements	
	2019	2018
	<i>(in million Baht)</i>	
Other parties	2,191	2,284
Total	2,191	2,284

14 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Accrued real estate projects under development	1,140	1,011	-	-
Accrued public utilities	1,100	1,022	-	-
Retention payable	852	734	-	-
Accrued bonus	265	321	12	15
Others	896	886	63	27
Total	4,253	3,974	75	42

15 Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Post-employment benefits Defined benefit plan	412	392	13	4
Other long-term employee benefits	30	32	-	-
Total	442	424	13	4

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

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

<i>Present value of the defined benefit obligations</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
At 1 January	424	374	4	1
Included in profit or loss:				
Current service cost	48	50	2	4
Past service cost	52	-	3	-
Interest on obligation	10	8	-	-
	110	58	5	4
Included in other comprehensive income				
Actuarial (gain) loss				
- Demographic assumptions	(17)	-	-	-
- Financial assumptions	(32)	-	(1)	-
- Experience adjustment	(28)	-	14	-
	(77)	-	13	-
Benefit paid	(15)	(8)	(9)	(1)
At 31 December	442	424	13	4

On 5 April 2019, the Labor Protection Act was amended 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 has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in 2019. As a result of this change, the provision for retirement benefits as well as past service cost recognised increased.

<i>Principal actuarial assumptions</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(%)</i>			
Discount rate	1.76 - 4.25	1.41 - 4.15	1.76 - 4.25	1.41 - 4.15
Future salary growth	4, 6, 7, 8 and 9	5, 6, 8 and 9	4, 6, 7, 8 and 9	5, 6, 8 and 9
Employee turnover	0, 6, 8, 12 and 18	0, 6, 7, 11 and 17	0, 6, 8, 12 and 18	0, 6, 7, 11 and 17

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

At 31 December 2019, the weighted-average duration of the defined benefit obligation was 16 years (2018: 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.

<i>Effect to the defined benefit obligation At 31 December</i>	Consolidated financial statements			
	Increase in assumption		Decrease in assumption	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Discount rate (1% movement)	(44)	(42)	51	50
Future salary growth (1% movement)	51	50	(44)	(43)
Employee turnover (20% movement)	(50)	(46)	63	57

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

<i>Effect to the defined benefit obligation At 31 December</i>	Separate financial statements			
	increase in assumption		decrease in assumption	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Discount rate (1% movement)	-	-	-	-
Future salary growth (1% movement)	1	1	(1)	(1)
Employee turnover (20% movement)	-	-	-	-

16 Share capital

	Par value per share <i>(in Baht)</i>	2019		2018	
		Number	Amount <i>(million shares / in million Baht)</i>	Number	Amount
Authorised shares at 31 December	1	<u>2,226</u>	<u>2,226</u>	<u>2,226</u>	<u>2,226</u>
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	1	2,189	2,189	2,187	2,187
Issue of ordinary shares	1	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
At 31 December					
- ordinary shares	1	<u>2,189</u>	<u>2,189</u>	<u>2,189</u>	<u>2,189</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.

Issue of ordinary shares

During the years ended 31 December 2019 and 2018, holders of warrants exercised their option to purchase ordinary shares of the Company as follows:

	Exercise price per share <i>(in Baht)</i>	Separate financial statements	
		2019	2018
		<i>(million units)</i>	
PS-WF	16.28	-	1.7

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.

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

17 Warrants

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

Movements during the years ended 31 December 2019 and 2018 of the units of warrants were as follows:

	Consolidated / Separate financial statements		
	PS-WF	PS-WG (million units)	Total
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
At 1 January 2019	0.1	12.5	12.6
Cancellation of warrants of resigned employees	-	(1.2)	(1.2)
Cancellation of warrants	(0.1)	(11.3)	(11.4)
At 31 December 2019	-	-	-

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Movements during the years ended 31 December 2019 and 2018 of the fair value of warrants were as follows:

	Consolidated / Separate financial statements		
	PS-WF	PS-WG	Total
		<i>(in million Baht)</i>	
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 1 January 2019	4.6	-	4.6
Cancellation of warrants	(4.6)	-	(4.6)
At 31 December 2019	-	-	-

18 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.

19 Segment information and disaggregation of revenue

Management determined that the Group has 6 reportable segments which are the Group’s strategic divisions for different products and services, and are managed separately because they require different technology and marketing strategies. 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, Baan Pruksa III 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
Segment 6	SBU Condominium 3:	Condominium Premium I and Condominium Premium II

Each segment's 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. Inter-segment pricing is determined on an arm’s length basis.

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Consolidated financial statements

<i>For the year ended 31 December</i>	Segment 1		Segment 2		Segment 3		Segment 4		Segment 5		Segment 6		Total reportable segments		Others		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<i>(in million Baht)</i>																		
Information about reportable segments																		
External revenue	9,821	12,526	7,032	8,263	8,895	10,701	4,250	3,382	5,474	8,169	4,413	1,860	39,885	44,901	-	-	39,885	44,901
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,277	3,362	4,277	3,362
Other revenue	10	8	9	13	8	7	60	23	39	76	118	19	244	146	2	-	246	146
Total segment revenues	<u>9,831</u>	<u>12,534</u>	<u>7,041</u>	<u>8,276</u>	<u>8,903</u>	<u>10,708</u>	<u>4,310</u>	<u>3,405</u>	<u>5,513</u>	<u>8,245</u>	<u>4,531</u>	<u>1,879</u>	<u>40,129</u>	<u>45,047</u>	<u>4,279</u>	<u>3,362</u>	<u>44,408</u>	<u>48,409</u>
Segment profit (loss) before income tax	<u>1,735</u>	<u>2,593</u>	<u>959</u>	<u>1,209</u>	<u>1,446</u>	<u>1,717</u>	<u>1,036</u>	<u>343</u>	<u>1,156</u>	<u>2,220</u>	<u>945</u>	<u>(210)</u>	<u>7,277</u>	<u>7,872</u>	<u>(197)</u>	<u>(269)</u>	<u>7,080</u>	<u>7,603</u>
Segment assets as at 31 December	<u>16,221</u>	<u>13,873</u>	<u>14,117</u>	<u>14,061</u>	<u>18,094</u>	<u>17,909</u>	<u>7,590</u>	<u>8,709</u>	<u>12,155</u>	<u>9,448</u>	<u>10,893</u>	<u>9,792</u>	<u>79,070</u>	<u>73,792</u>	<u>3,388</u>	<u>4,062</u>	<u>82,458</u>	<u>77,854</u>
Timing of revenue recognition																		
At a point in time	9,831	12,534	7,041	8,276	8,903	10,708	4,308	3,405	5,508	8,245	4,530	1,879	40,121	45,047	4,277	3,359	44,398	48,406
Over time	-	-	-	-	-	-	2	-	5	-	1	-	8	-	2	3	10	3
Total revenue	<u>9,831</u>	<u>12,534</u>	<u>7,041</u>	<u>8,276</u>	<u>8,903</u>	<u>10,708</u>	<u>4,310</u>	<u>3,405</u>	<u>5,513</u>	<u>8,245</u>	<u>4,531</u>	<u>1,879</u>	<u>40,129</u>	<u>45,047</u>	<u>4,279</u>	<u>3,362</u>	<u>44,408</u>	<u>48,409</u>

Timing of revenue recognition in the whole amount of the Company is at a point in time.

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Reconciliations of reportable segment revenues, profit or loss and assets

	2019	2018
	<i>(in million Baht)</i>	
Revenues		
Total revenue from reportable segments	40,129	45,047
Other revenue	4,279	3,362
	<hr/> 44,408	<hr/> 48,409
Elimination of inter-segment revenue	(4,277)	(3,362)
Unallocated amounts	21	24
Consolidated revenues	<hr/> 40,152 <hr/>	<hr/> 45,071 <hr/>
Profit or loss		
Total profit before income tax for reportable segments	7,277	7,872
Other loss	(197)	(269)
	<hr/> 7,080	<hr/> 7,603
Elimination of inter-segment profits	186	221
Unallocated amounts	(252)	(138)
Consolidated profit before income tax	<hr/> 7,014 <hr/>	<hr/> 7,686 <hr/>
Assets		
Total assets for reportable segments	79,070	73,792
Other assets	3,388	4,062
	<hr/> 82,458	<hr/> 77,854
Unallocated amounts	4,342	3,991
Consolidated total assets	<hr/> 86,800 <hr/>	<hr/> 81,845 <hr/>

Geographical segments

The principal business of the Group is related to real estate development in Thailand only.

Contract Balances

	Consolidated financial statements	Separate financial statements
	<i>(in million Baht)</i>	
Contract liabilities (Advances received from customers)		
At 1 January 2019	(2,689)	-
Recognised as revenue during the year	3,753	-
Advance received	(3,850)	-
At 31 December 2019	<hr/> (2,786) <hr/>	<hr/> - <hr/>
Contract cost assets		
	<i>(in million Baht)</i>	
At 31 December 2019		
Cost to obtain contracts with customers	<hr/> 464 <hr/>	<hr/> - <hr/>

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

20 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Salaries and wages	1,883	1,875	50	53
Defined contribution plan	142	133	3	4
Others - bonus and welfare	990	1,260	13	28
Total	3,015	3,268	66	85

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.

21 Expenses by nature

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in million Baht)</i>			
Construction costs during the year		10,720	11,179	-	-
Changes in land, land and houses for sale, sample houses and projects under development		(6,436)	(7,277)	-	-
Raw materials and consumables used		16,975	21,565	-	-
Employee benefit expenses	20	3,015	3,268	66	85
Transfer expenses		1,655	1,788	-	-
Advertising expenses		1,092	1,336	-	-
Lease expenses		959	975	5	5
Depreciation and amortisation	10, 11	451	497	1	-
Amortisation of cost to obtain contracts with customers		367	-	-	-
Others		4,016	3,914	49	44
Total cost of sales, distribution costs and administrative expenses		32,814	37,245	121	134

22 Finance costs

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in million Baht)</i>			
Interest expense					
Financial institutions		807	737	255	91
Less amounts included in the cost of qualifying assets:					
- real estate projects under development	6	(483)	(598)	-	-
Net		324	139	255	91

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

23 Income tax

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Current tax expense				
Current year	1,518	1,549	32	6
Under provided in prior years	17	2	-	-
	<u>1,535</u>	<u>1,551</u>	<u>32</u>	<u>6</u>
Deferred tax expense				
Movements in temporary differences	20	5	-	-
	<u>20</u>	<u>5</u>	<u>-</u>	<u>-</u>
Total income tax expense	<u>1,555</u>	<u>1,556</u>	<u>32</u>	<u>6</u>

	Consolidated financial statements					
	2019		2018			
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	<i>(in million Baht)</i>					
Income tax recognised in other comprehensive income						
Foreign currency translation differences for foreign operations	(36)	7	(29)	(39)	8	(31)
Defined benefit plan actuarial gains	77	(15)	62	-	-	-
Total	<u>41</u>	<u>(8)</u>	<u>33</u>	<u>(39)</u>	<u>8</u>	<u>(31)</u>

	Separate financial statements					
	2019		2018			
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	<i>(in million Baht)</i>					
Income tax recognised in other comprehensive income						
Defined benefit plan actuarial losses	(13)	3	(10)	-	-	-
Total	<u>(13)</u>	<u>3</u>	<u>(10)</u>	<u>-</u>	<u>-</u>	<u>-</u>

Reconciliation of effective tax rate	Consolidated financial statements			
	2019	2018		
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		<u>7,014</u>		<u>7,686</u>
Income tax using the Thai corporation tax rate	20	1,403	20	1,537
Tax effect of income and expense that are not deductible in determining taxable profit, net		102		(4)
Elimination in consolidation		41		27
Under provided in prior years		17		2
Double tax deductible expenses		(8)		(6)
Total	<u>22</u>	<u>1,555</u>	<u>20</u>	<u>1,556</u>

For the year ended 31 December 2019

Reconciliation of effective tax rate

<i>Reconciliation of effective tax rate</i>	Separate financial statements			
	2019		2018	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		<u>3,938</u>		<u>2,061</u>
Income tax using the Thai corporation tax rate	20	788	20	412
Tax effect of income and expense that are not deductible in determining taxable profit, net		(756)		(398)
Recognition of previously unrecognised tax losses		-		(8)
Total	1	32	-	6

Deferred tax
At 31 December

	Consolidated financial statements			
	Assets		Liabilities	
<i>Deferred tax</i>	2019	2018	2019	2018
<i>At 31 December</i>				
	<i>(in million Baht)</i>			
Total	156	162	(129)	(107)
Set off of tax	(129)	(107)	129	107
Net deferred tax assets	27	55	-	-

Deferred tax
At 31 December

	Separate financial statements			
	Assets		Liabilities	
<i>Deferred tax</i>	2019	2018	2019	2018
<i>At 31 December</i>				
	<i>(in million Baht)</i>			
Total	3	-	-	-
Set off of tax	-	-	-	-
Net deferred tax assets	3	-	-	-

Deferred tax

<i>Deferred tax</i>	Consolidated financial statements			As at 31 December
	As at 1 January	(Charged) / Credited to		
		Profit or loss (in million Baht)	Other comprehensive income	
2019				
<i>Deferred tax assets</i>				
Real estate projects under development	4	(1)	-	3
Investment properties	35	(1)	-	34
Property, plant and equipment	13	(1)	-	12
Non-current provisions for employee benefits	73	15	(15)	73
Provision for litigation and claims	15	(10)	-	5
Foreign currency translation for foreign operations	20	-	7	27
Others	2	-	-	2
Total	162	2	(8)	156
<i>Deferred tax liability</i>				
Property, plant and equipment	(107)	(22)	-	(129)
Total	(107)	(22)	-	(129)
Net	55	(20)	(8)	27

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

	As at 1 January	Consolidated financial statements (Charged) / Credited to		As at 31 December
		Profit or loss (in million Baht)	Other comprehensive income	
Deferred tax				
2018				
Deferred tax assets				
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
Deferred tax liability				
Property, plant and equipment	(96)	(11)	-	(107)
Total	(96)	(11)	-	(107)
Net	52	(5)	8	55
Separate financial statements (Charged) / Credited to				
	As at 1 January	Profit or loss (in million Baht)	Other comprehensive income	As at 31 December
Deferred tax				
2019				
Deferred tax assets				
Non-current provisions for employee benefits	-	-	3	3
Total	-	-	3	3

24 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.

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

25 Earnings per share

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht / million shares)</i>			
<i>Profit attributable to ordinary shareholders for the year ended 31 December</i>				
Profit attributable to ordinary shareholders of the Company (basic)	<u>5,358.81</u>	<u>6,022.37</u>	<u>3,906.78</u>	<u>2,055.23</u>
Number of ordinary shares outstanding at 1 January	2,188.51	2,186.80	2,188.51	2,186.80
Effect of shares issued on 28 February 2018	-	1.44	-	1.44
Weighted average number of ordinary shares outstanding at 31 December (basic)	<u>2,188.51</u>	<u>2,188.24</u>	<u>2,188.51</u>	<u>2,188.24</u>
Basic earnings per share (in Baht)	<u>2.45</u>	<u>2.75</u>	<u>1.79</u>	<u>0.94</u>

Diluted earnings per share

As at 31 December 2018, 1.7 million options were excluded from the diluted weighted-average number of ordinary shares calculation because their effect would have been anti-dilutive.

26 Dividend

The shareholders and the Board of Directors of the Company have approved dividends as follows:

	Approved by	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
2019					
<i>Dividends paid from the appropriation of profit for the year 2019</i>					
	The Board of				
Interim dividend	Directors	9 August 2019	6 September 2019	<u>0.60</u>	<u>1,313.11</u>
<i>Dividends paid from the appropriation of profit for the year 2018</i>					
	The general meeting				
Annual dividend	of the shareholders	26 April 2019	22 May 2019	1.55	3,392.18
	The Board of				
Interim dividend	Directors	9 August 2018	7 September 2018	<u>(0.55)</u>	<u>(1,203.68)</u>
				<u>1.00</u>	<u>2,188.50</u>
Dividend paid in 2019				<u>1.60</u>	<u>3,501.61</u>
2018					
<i>Dividends paid from the appropriation of profit for the year 2018</i>					
	The Board of				
Interim dividend	Directors	9 August 2018	7 September 2018	<u>0.55</u>	<u>1,203.68</u>
<i>Dividends paid from the appropriation of profit for the year 2017</i>					
	The general meeting				
Annual dividend	of the shareholders	27 April 2018	23 May 2018	2.09	4,571.59
	The Board of				
Interim dividend	Directors	12 May 2017	9 June 2017	<u>(0.80)</u>	<u>(1,749.39)</u>
	The Board of				
Interim dividend	Directors	12 August 2017	8 September 2017	<u>(0.57)</u>	<u>(1,246.48)</u>
				<u>0.72</u>	<u>1,575.72</u>
Dividend paid in 2018				<u>1.27</u>	<u>2,779.40</u>

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

27 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 12). 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.

<i>Assets denominated in the foreign currencies as at 31 December</i>	Consolidated financial statements	
	2019	2018
	<i>(in million Baht)</i>	
<i>Indian Rupee</i>		
Cash and cash equivalents	84	92
Gross balance sheet exposure	84	92

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.

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	Carrying amount	Fair value
	<i>(in million Baht)</i>			
31 December 2019				
Debentures	24,600	24,815	15,500	15,644
Long-term loan from financial institution	500	510	500	510

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

	Consolidated financial statements		Separate financial statements	
	Carrying amount	Fair value (in million Baht)	Carrying amount	Fair value
31 December 2018				
Debentures	21,000	21,006	5,500	5,472
Long-term loan from financial institution	500	490	500	490

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.

28 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Operating leases				
Within 1 year	264	186	4	-
1 - 5 years	44	55	-	-
Total	308	241	4	-
Other commitments				
Land purchasing agreements	3,116	8,356	-	-
Development and construction agreements	1,436	257	-	-
Services and professional consulting agreements	21	145	1	1
Total	4,573	8,758	1	1

Others

As at 31 December 2019;

- The Group had commitment for letters of guarantee issued by certain local banks totalling Baht 10,116 million (2018: Baht 9,048 million).
- A subsidiary had commitment with the banks as a guarantor of overdraft lines of Baht 115 million (2018: Baht 115 million), letters of guarantee lines of Baht 9,144 million (2018: Baht 8,592 million), promissory note lines of Baht 9,856 million (2018: Baht 8,377 million) and other credit facilities of Baht 819 million (2018: Baht 770 million) of the subsidiaries in the Group.

29 Contingent liability

As at 31 December 2019, the Group have been sued by other companies and persons in cases of alleged violation of agreements, prosecution claims and other cases totalling Baht 923 million (2018: Baht 353 million). Presently, the cases are being considered by the court. However, the Group has set aside provision of Baht 24 million (2018: Baht 73 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.

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

30 Events after the reporting period

At the Board of Directors' meeting held on 20 February 2020, the Board of Directors passed a resolution proposing to the annual general shareholders' meeting the following topics;

- (a) Approval of the payment of dividends for the year 2019 at the rate of Baht 1.55 per share, amounting to Baht 3,392.18 million, of which Baht 0.60 per share was paid as an interim dividend on 9 August 2019. Therefore, the remaining dividend to be paid is Baht 0.95 per share, amounting to Baht 2,079.08 million which it depends on the resolution of Annual General Meeting of the Shareholders of the Company on 29 April 2020.
- (b) Approval of reduction of authorised shares capital of the Company from Baht 2,226,383,180 to Baht 2,188,504,922 by canceling 37,878,258 ordinary shares which are reserved for the exercising of warrants, with a par value of Baht 1 each.
- (c) Approval of the issue of a financial debt instrument as appropriate within the credit line of Baht 10,000 million with a contractual maturity within 7 years by allotment to investors in accordance with the rules announced by the Thai Securities and Exchange Commission.

31 Thai Financial Reporting Standards (TFRS) not yet adopted

New and revised TFRS, which are relevant to the Group's operations, expected to have material impact on the consolidated and separate financial statements when initially adopted, and will become effective for the financial statements in annual reporting periods beginning on or after 1 January 2020, are as follows:

TFRS	Topic
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 16	Leases
TAS 32*	Financial Instruments: Presentation

* TFRS - Financial instruments standards

(a) TFRS - Financial instruments standards

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRS are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

Management is currently considering the potential impact from these TFRS on the financial statements in the initial period adopted.

(b) TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Currently, the Group recognises payments made under operating leases in profit or loss on a straight-line basis over the term of the lease, and recognised liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. Under TFRS 16, the Group will recognise right-of-use assets and lease liabilities for its operating leases. As a result, the nature of expenses related to those leases will be changed because the Group will recognise depreciation of right-of-use assets and interest expense on lease liabilities.

Pruksa Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Transition

The Group plans to apply TFRS 16 initially on 1 January 2020, using the modified retrospective approach. Therefore, the cumulative effect of adopting TFRS 16 will be recognised as an adjustment to the retained earnings at 1 January 2020, with no restatement of comparative information.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply TFRS 16 to all contracts entered into before 1 January 2020 and identified as leases in accordance with TAS 17 and TFRIC 4.

The preliminary impact assessment of initially applying TFRS 16 on the financial statements is as follows:

	Consolidated financial statements	Separate financial statements
	2020	2020
<i>Statement of financial position</i>		
<i>At 1 January</i>		
	<i>(in million Baht)</i>	
Increase in right-of-use assets	1,157	31
Decrease in other current liabilities	5	-
Increase in lease liabilities	(1,162)	(31)