

Eastern Star Real Estate Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2023

Independent Auditor's Report

To the Shareholders of Eastern Star Real Estate Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Eastern Star Real Estate Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, and the related consolidated statements comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Eastern Star Real Estate Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Eastern Star Real Estate Public Company Limited and its subsidiaries and of Eastern Star Real Estate Public Company Limited as at 31 December 2023, their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. 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 judgement, were of most significance in my audit of the financial statements of the current year. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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

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

Recognition for revenue from sales of real estate

The Company's accounting policy on revenue recognition for revenue from sales of real estate, sales of land, sales of land with houses and sales of residential condominium units, are disclosed in Note 4.1 to the consolidated financial statements. Revenue from sales of real estate is a significant amount in the statement of comprehensive income, and the Company has significant numbers of property units for sale and property sales agreements. I have therefore identified revenue recognition as a key audit matter and focused on the amount and timing of the recognition for revenue from sales of real estate.

I performed the audit procedures on the revenue recognition of the Company including:

- a. Assessing and testing the Company's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- b. Applying a sampling method to select property sales agreements to assess whether revenue recognition was consistent with the conditions of the relevant property sales agreement, and whether it was in compliance with the Company's accounting policy.
- c. On a sampling basis, examining supporting documents for actual real estate sales transactions occurring during the year and near the end of the accounting period.
- d. Performing analytical procedures on disaggregated data of revenue from sales of real estate.

Impairment evaluation of investment properties

As discussed in Note 4.12 and Note 13 to the consolidated financial statements, in evaluating impairment of investment properties of the Group, management had to exercise significant judgement with respect to the analysis of the nature of the assets and asset use, and determination of key assumptions. I have therefore identified the provision for impairment of investment properties as a key audit matter and focused on the amount of provision for impairment of investment properties.

I assessed the internal controls of the Group relevant to the determination of provision for impairment of investment properties by making enquiry of responsible executives and gaining an understanding of the controls. In addition, I assessed the methods and the assumptions applied by management in determining such provision. The audit procedures included, among others, the following.

- a. A consideration of related internal and external information to assess whether there are any indicators of impairment of investment properties and an analysis of information related to the asset's fair value less costs to sell and its value in use.
- b. A review of the basis applied in determining impairment of investment properties, the consistency of the application of that basis, and the rationale for the recording of provision.
- c. A review of the reasonableness of the report on net realisable values prepared by the Company's management or the appraisal reports of independent appraisers.
- d. An assessment of the disclosure of information by the Group's management with respect to assessment of impairment of investment properties.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Chayapol Suppasdtanon
Certified Public Accountant (Thailand) No. 3972

EY Office Limited

Bangkok: 29 February 2024

Eastern Star Real Estate Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Assets					
Current assets					
Cash and cash equivalents	7	307,452,971	278,527,188	300,345,386	268,550,347
Other current financial assets	8	30,310,552	23,319,388	-	-
Trade and other receivables	6, 9	8,871,170	7,579,367	12,012,339	11,738,288
Real estate development costs and inventories	10	2,970,504,902	2,597,957,816	2,974,321,919	2,601,867,017
Advances for construction work		127,913,279	27,405,633	127,913,279	27,405,633
Costs to obtain contracts	17	41,824,557	54,352,560	41,824,557	54,352,560
Other current assets		11,900,677	10,838,308	9,807,432	9,605,782
Total current assets		3,498,778,108	2,999,980,260	3,466,224,912	2,973,519,627
Non-current assets					
Lease receivables	11.1	17,676,044	19,725,172	17,676,044	19,725,172
Investments in subsidiaries	12	-	-	505,374,400	505,374,400
Investment properties	13	1,606,659,588	1,454,092,934	1,642,504,473	1,490,961,237
Property, plant and equipment	14	416,757,382	421,414,723	249,894,700	260,979,758
Right-of-use assets	21	26,666,178	26,092,837	26,666,178	26,092,837
Intangible assets	15	3,214,307	5,553,147	3,192,682	5,517,916
Deferred tax assets	27	31,813,203	35,497,003	30,278,813	33,681,459
Land and improvements awaiting development	16	1,200,504,716	1,387,206,373	1,054,886,332	1,241,587,989
Other non-current assets		65,895,835	60,413,828	61,338,073	55,872,919
Total non-current assets		3,369,187,253	3,409,996,017	3,591,811,695	3,639,793,687
Total assets		6,867,965,361	6,409,976,277	7,058,036,607	6,613,313,314

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

Eastern Star Real Estate Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	18	70,000,000	-	70,000,000	-
Trade and other payables	6, 19	134,719,610	52,349,482	132,940,477	50,809,414
Current portion of long-term loans	20	29,670,000	107,515,801	29,670,000	107,515,801
Current portion of lease liabilities	21	6,838,918	5,533,837	6,838,918	5,533,837
Advances received from customers		108,359,263	129,683,480	107,213,098	127,678,020
Accrued expenses		128,270,823	118,454,109	127,296,211	117,446,278
Income tax payable		-	8,933,295	-	8,933,295
Other current liabilities	22	65,356,861	68,549,232	63,953,451	67,154,010
Total current liabilities		543,215,475	491,019,236	537,912,155	485,070,655
Non-current liabilities					
Long-term loans, net of current portion	20	1,225,179,133	854,000,000	1,225,179,133	854,000,000
Lease liabilities, net of current portion	21	21,215,652	21,726,426	21,215,652	21,726,426
Provision for long-term employee benefits	23	28,631,134	39,353,998	19,997,020	29,314,110
Retention guarantees		18,918,527	20,344,112	18,918,527	20,344,112
Advances received from land lease	11.2	1,782,795	2,109,195	1,782,795	2,109,195
Deferred tax liabilities	27	12,309,946	15,366,268	12,309,946	15,366,268
Other non-current liabilities		35,484,859	30,844,528	35,478,859	30,836,763
Total non-current liabilities		1,343,522,046	983,744,527	1,334,881,932	973,696,874
Total liabilities		1,886,737,521	1,474,763,763	1,872,794,087	1,458,767,529

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

Eastern Star Real Estate Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Shareholders' equity					
Share capital					
Registered					
5,172,246,185 ordinary shares of Baht 1 each		5,172,246,185	5,172,246,185	5,172,246,185	5,172,246,185
Issued and fully paid					
5,022,246,185 ordinary shares of Baht 1 each		5,022,246,185	5,022,246,185	5,022,246,185	5,022,246,185
Share discount		(429,264,886)	(429,264,886)	(429,264,886)	(429,264,886)
Capital reserve for share-based payment transactions		978,875	978,875	978,875	978,875
Retained earnings					
Appropriated - statutory reserve	24	85,204,224	84,204,224	85,204,224	84,204,224
Unappropriated		113,533,763	71,207,322	506,078,122	476,381,387
Other component of shareholders' equity		74,131,479	74,131,479	-	-
Total shareholders' equity		4,866,829,640	4,823,503,199	5,185,242,520	5,154,545,785
Non-controlling interest of the subsidiaries		114,398,200	111,709,315	-	-
Total shareholders' equity		4,981,227,840	4,935,212,514	5,185,242,520	5,154,545,785
Total liabilities and shareholders' equity		6,867,965,361	6,409,976,277	7,058,036,607	6,613,313,314
		-	-	-	-

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

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Directors
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Eastern Star Real Estate Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Profit or loss:					
Revenues					
Revenue from sales of real estate		1,177,351,539	1,706,476,070	1,177,351,539	1,706,476,070
Services revenue		70,370,642	52,955,573	9,215,582	5,912,132
Rental revenue		35,230,448	37,226,381	35,210,943	37,325,830
Other income		33,462,320	23,748,212	36,936,071	28,937,953
Total revenues		1,316,414,949	1,820,406,236	1,258,714,135	1,778,651,985
Expenses					
Cost of real estate sold		833,509,731	1,221,808,140	833,509,731	1,221,826,140
Cost of services		34,801,872	28,920,130	4,071,144	2,978,087
Cost of rental		27,918,820	29,948,578	28,942,238	30,971,996
Selling and distribution expenses		146,661,727	213,530,834	145,356,384	212,309,936
Administrative expenses		249,141,403	244,920,709	231,693,586	229,645,109
Reversal of loss on diminution in value of assets	13, 14	(18,552,320)	(5,524,922)	(14,872,544)	(6,904,722)
Total expenses		1,273,481,233	1,733,603,469	1,228,700,539	1,690,826,546
Profit before finance cost and income tax expense		42,933,716	86,802,767	30,013,596	87,825,439
Finance costs	25	(5,528,524)	(11,501,896)	(5,528,524)	(11,575,928)
Profit before income tax expense		37,405,192	75,300,871	24,485,072	76,249,511
Income tax expense	27	(4,790,385)	(24,200,926)	(5,045,155)	(24,752,535)
Profit for the year		32,614,807	51,099,945	19,439,917	51,496,976
Other comprehensive income:					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Actuarial gain		16,750,648	-	14,071,021	-
Less: Income tax effect		(3,350,129)	-	(2,814,203)	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
- net of income tax		13,400,519	-	11,256,818	-
Other comprehensive income for the year		13,400,519	-	11,256,818	-
Total comprehensive income for the year		46,015,326	51,099,945	30,696,735	51,496,976

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

Eastern Star Real Estate Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Profit attributable to:					
Equity holders of the Company		29,925,922	51,147,236	19,439,917	51,496,976
Non-controlling interests of the subsidiaries		2,688,885	(47,291)		
		<u>32,614,807</u>	<u>51,099,945</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		43,326,441	51,147,236	30,696,735	51,496,976
Non-controlling interests of the subsidiaries		2,688,885	(47,291)		
		<u>46,015,326</u>	<u>51,099,945</u>		
Earnings per share					
	28				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.006</u>	<u>0.010</u>	<u>0.004</u>	<u>0.010</u>

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

Eastern Star Real Estate Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2023

(Unit: Baht)

Consolidated financial statements

	Equity attributable to the Company					Other			Total	
	Issued and fully paid share capital	Share discount	Capital reserve for share-based payment transactions	Retained earnings		Surplus from change in the ownership interests in subsidiaries	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries		Total shareholders' equity
				Statutory reserve	Unappropriated					
Balance as at 1 January 2022	5,022,246,185	(429,264,886)	978,875	81,604,224	22,660,086	74,131,479	4,772,355,963	111,756,606	4,884,112,569	
Profit for the year	-	-	-	-	51,147,236	-	51,147,236	(47,291)	51,099,945	
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	
Total comprehensive income for the year	-	-	-	-	51,147,236	-	51,147,236	(47,291)	51,099,945	
Appropriated to statutory reserve (Note 24)	-	-	-	2,600,000	(2,600,000)	-	-	-	-	
Balance as at 31 December 2022	<u>5,022,246,185</u>	<u>(429,264,886)</u>	<u>978,875</u>	<u>84,204,224</u>	<u>71,207,322</u>	<u>74,131,479</u>	<u>4,823,503,199</u>	<u>111,709,315</u>	<u>4,935,212,514</u>	
Balance as at 1 January 2023	5,022,246,185	(429,264,886)	978,875	84,204,224	71,207,322	74,131,479	4,823,503,199	111,709,315	4,935,212,514	
Profit for the year	-	-	-	-	29,925,922	-	29,925,922	2,688,885	32,614,807	
Other comprehensive income for the year	-	-	-	-	13,400,519	-	13,400,519	-	13,400,519	
Total comprehensive income for the year	-	-	-	-	43,326,441	-	43,326,441	2,688,885	46,015,326	
Appropriated to statutory reserve (Note 24)	-	-	-	1,000,000	(1,000,000)	-	-	-	-	
Balance as at 31 December 2023	<u>5,022,246,185</u>	<u>(429,264,886)</u>	<u>978,875</u>	<u>85,204,224</u>	<u>113,533,763</u>	<u>74,131,479</u>	<u>4,866,829,640</u>	<u>114,398,200</u>	<u>4,981,227,840</u>	
	-	-	-	-	-	-	-	-	-	

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

Eastern Star Real Estate Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2023

(Unit: Baht)

	Separate financial statements					
	Issued and fully paid share capital		Capital reserve for share-based payment transactions	Retained earnings		Total shareholders' equity
	share capital	Share discount		Statutory reserve	Unappropriated	
Balance as at 1 January 2022	5,022,246,185	(429,264,886)	978,875	81,604,224	427,484,411	5,103,048,809
Profit for the year	-	-	-	-	51,496,976	51,496,976
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	51,496,976	51,496,976
Appropriated to statutory reserve (Note 24)	-	-	-	2,600,000	(2,600,000)	-
Balance as at 31 December 2022	<u>5,022,246,185</u>	<u>(429,264,886)</u>	<u>978,875</u>	<u>84,204,224</u>	<u>476,381,387</u>	<u>5,154,545,785</u>
Balance as at 1 January 2023	5,022,246,185	(429,264,886)	978,875	84,204,224	476,381,387	5,154,545,785
Profit for the year	-	-	-	-	19,439,917	19,439,917
Other comprehensive income for the year	-	-	-	-	11,256,818	11,256,818
Total comprehensive income for the year	-	-	-	-	30,696,735	30,696,735
Appropriated to statutory reserve (Note 24)	-	-	-	1,000,000	(1,000,000)	-
Balance as at 31 December 2023	<u>5,022,246,185</u>	<u>(429,264,886)</u>	<u>978,875</u>	<u>85,204,224</u>	<u>506,078,122</u>	<u>5,185,242,520</u>
	-	-	-	-	-	-

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

Eastern Star Real Estate Public Company Limited and its subsidiaries

Cash flows statement

For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash flows from operating activities				
Profit before income tax expense	37,405,192	75,300,871	24,485,072	76,249,511
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Decrease in real estate development costs as a result of transfer to cost of real estate sold	833,509,731	1,221,826,140	833,509,731	1,221,826,140
Reversal of loss on diminution in value of project	-	(377,557)	-	(377,557)
Expected credit losses	215,094	947	215,094	947
Depreciation and amortisation	53,812,060	49,396,355	49,758,618	45,710,067
Long-term employee benefits expense	7,781,135	6,694,718	6,265,693	5,316,475
Recognition of unearned revenues	(7,544,237)	(4,411,831)	-	-
Recognition of income from lease	(1,477,802)	(1,384,603)	(1,477,802)	(1,384,603)
Gain on sales of financial assets	(252,338)	(42,612)	-	(6,911)
Unrealised gain on changes in value of financial assets	(138,826)	(32,034)	-	-
Reversal loss on diminution in value of investment properties	(14,872,544)	(5,147,365)	(14,872,544)	(5,147,365)
Reversal loss on diminution in value of property, plant and equipment	(3,679,776)	-	-	(1,379,800)
Loss on written off income tax	142,342	-	142,342	-
Loss on written off real estate development costs and inventories	-	13,348,243	-	13,348,243
Gain (loss) on disposal and written off assets	(14,288)	1,344,573	(14,288)	1,344,573
Loss on sales and written off of investment properties	-	372	-	372
Loss on disposal and written off of plant, equipment and intangible assets	5,311,938	44,699	5,363,690	28,971
Loss on sales and written off of land and improvements awaiting development	-	-	(122,203)	-
Finance cost	5,528,524	11,501,896	5,528,524	11,575,928
Profit from operating activities before changes in operating assets and liabilities	915,726,205	1,368,062,812	908,781,927	1,367,104,991
Decrease (increase) in operating assets				
Trade and other receivables	(1,471,801)	826,388	(454,049)	1,790,245
Real estate development costs and inventories	(1,057,425,670)	(919,078,969)	(1,057,333,486)	(918,809,084)
Advances for construction work	(165,148,782)	(38,115,018)	(165,148,782)	(38,115,018)
Other current assets	36,260	6,691,582	(195,521)	6,837,149
Lease receivables and advance received from land lease	3,194,400	3,927,098	3,194,400	3,927,098
Costs to obtain contracts	12,528,003	14,391,644	12,528,003	14,391,644
Other non-current assets	351,760	(2,505,103)	351,758	(2,505,105)
Increase (decrease) in operating liabilities				
Trade and other payables	87,466,551	(13,193,587)	87,199,511	(13,801,300)
Accrued expenses	9,198,910	25,024,162	9,849,320	24,532,865
Advances received from customers	(13,779,979)	12,231,512	(20,464,923)	8,449,611
Other current liabilities	(3,192,371)	(3,745,225)	(3,200,559)	(3,976,947)
Retention guarantees	(1,425,585)	5,931,899	(1,425,585)	5,931,899
Employee benefits paid	(1,753,350)	-	(1,511,762)	-
Other non-current liabilities	4,640,331	5,782,327	4,642,096	5,782,328
Cash flows from (used in) operating activities	(211,055,118)	466,231,522	(223,187,652)	461,540,376
Cash paid for finance cost	(51,044,943)	(46,673,953)	(51,662,130)	(46,747,984)
Corporate income tax paid	(22,422,441)	(20,905,284)	(22,405,585)	(20,890,671)
Tax refund	-	14,977,936	-	14,512,961
Net cash flows from (used in) operating activities	(284,522,502)	413,630,221	(297,255,367)	408,414,682

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

Eastern Star Real Estate Public Company Limited and its subsidiaries

Cash flows statement (continued)

For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash flows from investing activities				
Increase in fixed deposits	-	44,693	-	44,693
Purchase of financial assets	(8,000,000)	(15,000,000)	-	-
Proceed from sales of financial assets	1,400,000	42,532,736	-	40,132,736
Acquisitions of investment properties	(3,609,287)	(3,028,239)	(3,609,287)	(3,028,239)
Acquisitions of building and equipment and intangible assets	(31,662,771)	(31,024,507)	(23,790,374)	(27,287,826)
Acquisitions of land and improvements awaiting development	(227,044)	(27,143)	(227,044)	(27,143)
Acquisitions of right-of-use assets	-1,200,000	-1,200,000	(1,200,000)	-1,200,000
Cash paid of deposit for acquisition of asset	-1,092,500	-	-	-
Proceed from disposal of assets	1,879,427	50,356	1,756,651	50,356
Proceed from disposal of land and improvement awaiting development	-	-	160,000	-
Net cash flows from (used in) investing activities	(42,512,175)	(7,652,104)	(26,910,054)	8,684,577
Cash flows from financing activities				
Cash receipt from short-term loans from financial institutions	210,000,000	80,000,000	210,000,000	80,000,000
Cash receipt from long-term loans from financial institutions	570,640,233	459,366,000	570,640,233	459,366,000
Repayments of short-term loans from financial institutions	(140,000,000)	(80,000,000)	(140,000,000)	(80,000,000)
Repayments of short-term loans from subsidiary	-	-	-	-15,000,000
Repayments of long-term loans from financial institutions	(277,306,901)	(892,401,069)	(277,306,901)	(892,401,069)
Repayments of lease liabilities	(7,372,872)	(6,588,249)	(7,372,872)	(6,588,249)
Net cash flow from (used in) financing activities	355,960,460	(439,623,318)	355,960,460	(454,623,318)
Net increase (decrease) in cash and cash equivalents	28,925,783	(33,645,201)	31,795,039	(37,524,059)
Cash and cash equivalents at beginning of year	278,527,188	312,172,389	268,550,347	306,074,406
Cash and cash equivalents at end of year	307,452,971	278,527,188	300,345,386	268,550,347
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions				
Transfer advances for construction work to real estate development costs	64,641,136	47,701,807	64,641,136	47,701,807
Transfer land awaiting development to real estate development costs	36,594,010	-	36,594,010	-
Transfer land awaiting development to property, plant and equipment	37,797	-	-	-
Transfer land and improvements awaiting development to investment properties	150,296,893	537,320,000	150,296,893	537,320,000
Capitalisation of interest expenses to real estate development costs	47,396,001	36,598,209	47,396,001	36,598,209
Transfer investment properties to property, plant and equipment	9,750,000	-	9,750,000	-
Transfer property, plant and equipment to investment properties	6,589,787	-	6,589,787	-
Transfer real estate development cost to land awaiting developments	-	1,997,114	-	1,997,114
Decrease in payables for purchase of building equipment and intangible assets	(4,299,194)	4,902,948	(4,271,219)	4,880,237
Decrease in payables for purchase of investment properties	(797,229)	232,188	(797,229)	232,188
Dividend payables	974,716	976,862	974,716	976,862
Increase in lease liabilities - net	7,439,277	-	7,439,277	-

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

Eastern Star Real Estate Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2023

1. General information

Eastern Star Real Estate Public Company Limited (“The Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the property development. Its major shareholder is Sunrise Group, which was incorporated in Thailand. The major Company’s shareholders are as follows:

	Percentage of shareholding (base on paid-up capital) (as at 15 March 2023*)
1. Bangkok Broadcasting & Television Co., Ltd.	43.65
2. BBTV Equity Co., Ltd.	11.03
3. Sunrise Equity Co., Ltd.	5.56
4. Person	2.61
5. Thai NVDR Co., Ltd.	1.03

*The latest closing date of the shares register book

The registered office of the Company is at 898 Ploenchit Tower Building, 5th floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok.

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Eastern Star Real Estate Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

Subsidiary companies	Nature of business	Country of incorporation	Percentage of shareholding	
			2023	2022
			Percent	Percent
Eastern Star Resort Co., Ltd.	Golf course	Thailand	81.30	81.30
Eastern Star-Lai San New World Co., Ltd.	Real estate	Thailand	60.00	60.00

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

2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

Revenue from sales of real estate

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

The Company allocates the revenues under the contract to the real estate and related furnishings in proportion to the relationship with the standalone selling prices and recognises income when the Company has transferred the ownership of the real estate and delivered the related furnishings to the customer by measuring at the amount of the consideration received or receivable, excluding value added tax.

Cost of real estate sales

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

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

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

Service income

Services income is recognised when the services have been rendered.

Revenue from golf course and sport membership

A subsidiary recognises revenue from golf course and sport memberships over the period of contracts.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

4.2 Cash and cash equivalents

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

4.3 Real estate development costs and inventories

Real estate development costs are stated at the lower of cost and net realisable value. Cost consists of the cost of land, land improvement costs, design fees, utilities, construction costs, capitalised borrowing costs and other related expenses, as well as estimated project development costs. The details of cost calculation are as follows:

Land - At cost.

Construction in progress - Construction in progress consists of the cost of construction, public utility costs and interest capitalised (if any) to cost of projects by records cost of construction and public utilities based on the actual cost incurred.

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the First-in First-out method.

4.4 Costs to obtain contracts

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

4.5 Investments in subsidiaries

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

4.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for impairment loss (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 2 - 5 years for fixtures and building infrastructure, 20 - 50 years for building and building improvement. Depreciation of the investment properties is included in determining income.

No depreciation is provided on investment properties - land.

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

4.7 Property, plant and equipment/Depreciation

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation, and less allowance for impairment loss (if any).

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

Land improvements	-	5 - 10 years
Buildings and construction	-	2 - 50 years
Sales office	-	2 - 20 years
Machines and equipment	-	2 - 5 years
Furniture, fixtures and office equipment	-	2 - 10 years
Vehicles	-	3 - 10 years

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

4.8 Borrowing costs

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

Capitalisation rates are calculated based on the weighted average of the interest expenses incurring during the year on loans for development of projects.

4.9 Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

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

Computer software	5 years
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4.10 Leases

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

The Group as a lessee

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land and land improvements	1 - 2	years
Buildings and construction	3	years
Vehicles	4 - 5	years

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

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

The Group as a lessor

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognised as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

4.11 Related party transactions

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

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

4.12 Impairment of non-financial assets

At the end of each reporting period, the Group perform impairment reviews in respect of the property, plant and equipment, right-of-use-assets, investment properties, land and improvement awaiting development and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

4.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

The Group have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treat these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, namely gold from long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognises restructuring-related costs.

4.14 Provisions

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

4.15 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.16 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Classification and measurement of financial liabilities

At initial recognition the Group’s financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.17 Fair value measurement

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

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

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

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

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

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

5. Significant accounting judgments and estimates

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

Costs to obtain contracts

The recognition of costs incurred to obtain a contract as an asset requires management to use judgement regarding whether such costs are the incremental costs of obtaining a contract with a customer as well as what amortisation method should be used.

Leases

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Group as a lessee

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

Lease classification - The Group as lessor

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

Allowance for expected credit losses of trade receivables and contract assets

In determining an allowance for expected credit losses of trade receivables and contract assets, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Property, plant and equipment and investment properties and intangible assets / Depreciation

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

In addition, the management is required to review property, plant and equipment and investment properties and intangible assets for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying cost. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Project development costs estimation

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

Deferred tax assets

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

Allowance for impairment of non-financial assets

In determining allowance for impairment of a non-financial asset, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset.

Post-employment benefits under defined benefit plans and other long-term employee benefits

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

Litigation

The Group has contingent liabilities as a result of litigation. The Group's management has used judgement to assess of the results of the litigation. If for the cases that management believes that no loss will result, therefore, no contingent liabilities are recorded as at the end of reporting period.

6. Related party transactions

During the years, the Group had significant business transactions with related person or its related parties. These transactions which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between the Company, related person and those companies. There were no significant changes in pricing policies. Below is a summary of significant related party transactions.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<u>Transactions with subsidiary companies</u>				
(eliminated from the consolidated financial statements)				
Income of central service management	-	-	1	1
Other income	-	-	4	5
<u>Transactions with related party</u>				
Office rental and service expenses	7	7	7	7

The pricing policies for the related parties transactions between the Company with related person or its related parties are as follows:

- Central service management, office rental and service charges are set on a mutually agreed basis.
- Other income are based on the same basis that charge to outside parties.
- Service fee is based on the same basis that charge to outside parties.

Nature of relationship

Company's name	Relationship	Connection
Eastern Star Resort Co., Ltd.	Subsidiary company	Direct shareholding and common directors
Eastern Star-Lai San New World Co., Ltd.	Subsidiary company	Direct shareholding and common directors
Related person of Bangkok Broadcasting & Television Co., Ltd.	Related person and parties	Direct and indirect shareholding and some common directors

The balances of the accounts between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Other receivables (Note 9)				
Subsidiaries	-	-	3,259	4,359
Other payables (Note 19)				
Subsidiaries	-	-	339	329
Related party	26	44	26	44
Total	26	44	365	373

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Accrued expense				
Subsidiary	-	-	63	63
Retentions				
Related party	1,694	1,555	1,694	1,555

Directors and management's benefits

In 2023 and 2022, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Short-term employee benefits	32,927	34,525	30,101	32,160
Post-employment benefits	2,408	2,831	2,300	2,736
Total	35,335	37,356	32,401	34,896

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Cash	1,495	1,368	152	140
Bank deposits	305,958	277,159	300,193	268,410
Total	307,453	278,527	300,345	268,550

As at 31 December 2023, bank deposits in saving accounts carried interests at 0.15 to 0.60 percent per annum (2022: 0.15 to 0.35 percent per annum).

8. Other current financial assets

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2023	2022
<u>Other current financial assets - Investment in debt instrument designated at fair value through profit or loss</u>		
Investments in mutual funds	30,172	23,287
Add: Unrealised gain on changes in value	139	32
Total	<u>30,311</u>	<u>23,319</u>

As at 31 December 2023, one subsidiary had investments in money market fund, and Government bond fund. The funds focus on investing in debt securities issued by the government, financial institutions, corporate or deposit with bank.

As at 31 December 2022, one subsidiary has investment in money market fund. The fund focus on investing in debt securities issued by the government, financial institutions, corporate or deposit with bank.

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<u>Trade accounts receivable - third parties</u>				
Not yet due	562	505	542	489
Past due not over 3 months	1,381	1,590	1,372	1,589
Past due 3 - 6 months	20	-	20	-
Past due 6 - 12 months	4	3	4	1
Past due over 12 months	361	361	316	316
Total trade accounts receivable	<u>2,328</u>	<u>2,459</u>	<u>2,254</u>	<u>2,395</u>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<u>Other receivables</u>				
Other receivables - related parties				
(Note 6)	-	-	3,259	4,359
Other receivables - third parties	1,271	1,214	1,270	1,213
Accrued income	2,513	1,199	2,510	1,199
Advance payments	3,575	3,308	3,489	3,127
Total other receivables	7,359	5,721	10,528	9,898
Less: Allowance for expected credit losses	(816)	(601)	(770)	(555)
Total other receivables - net	6,543	5,120	9,758	9,343
Total trade and other receivables - net	8,871	7,579	12,012	11,738

10. Real estate development costs and inventories

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Land	1,688,752	1,709,486	1,693,353	1,714,086
Constructions under development	1,281,207	888,019	1,281,207	888,019
Total	2,969,959	2,597,505	2,974,560	2,602,105
Less: Provision for loss on				
diminution in value of projects	(238)	(238)	(238)	(238)
Real estate development costs - net	2,969,721	2,597,267	2,974,322	2,601,867
Other inventories	784	691	-	-
Total	2,970,505	2,597,958	2,974,322	2,601,867

The Company has mortgaged certain plots of land and structures thereon with total net book value as at 31 December 2023 of Baht 2,622 million (2022: Baht 2,103 million) as collateral for credit facilities granted by banks.

In 2023, the Company capitalised borrowing costs in the cost of real estate development amounted to Baht 47 million (2022: Baht 37 million).

Additional information of the Company's projects.

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	2023	2022
Total estimated sales value of projects on hand		
of which contracts have been signed	10,433	11,337
Total value of contracts signed of land and structures thereon	5,838	5,726
Percentage of total estimated sales value of projects on hand	55.95	50.50
Total value of contracts signed of land and structures thereon not yet recognised as revenue*	1,697	1,282

* The revenue will be recognised in the next 1 - 2 years.

11. Lease contract receivables / Advances received from land lease

On 23 August 2007, the Company entered into a contract to lease a land and plaza center building to a company. The lease tenor is for 25 years 5 months commencing from 23 August 2007 and the total contractual value of the lease was Baht 97.3 million, which the Company received the contractual lease fee on the lease registration date of Baht 24 million and for the remaining amount, the Company received the 1st lease fee for the total leasing period of 17 months of Baht 2.4 million. After which, the lease fee is payable annually. The lease fee for the 2nd - 5th year was Baht 2.4 million per year and afterwards the lease fee will be increased by 10% every 5 years. The Company recognised the land and building leasing fee by apportioning all leasing fee under the lease contract to the fair value of the land and the plaza center building as follows:

11.1 From the total building lease fee of Baht 64.2 million, the advance of Baht 15.8 million was received on the lease registration date and the remaining amount will be receivable at 66 percent of annual lease fee as mentioned in above contract. The Company will gradually recognise such amount as income from the building lease fee under financial lease contract. The remaining accounts receivable under the finance lease agreement are as follows:

(Unit: Thousand Baht)

Consolidated and separate financial statements
as at 31 December 2023

	Less than		Over	
	1 year	1-5 years	5 years	Total
Original investment in lease agreement	2,108	8,644	9,277	20,029
Unearned financial income	(59)	(176)	(69)	(304)
Present value of the minimum payment debtor has to pay under lease agreement	2,049*	8,468	9,208	19,725

*Included in other current assets

(Unit: Thousand Baht)

Consolidated and separate financial statements
as at 31 December 2022

	Less than		Over	
	1 year	1-5 years	5 years	Total
Original investment in lease agreement	2,108	8,433	11,596	22,137
Unearned financial income	(65)	(200)	(104)	(369)
Present value of the minimum payment debtor has to pay under lease agreement	2,043*	8,233	11,492	21,768

*Included in other current assets

11.2 From total land lease fee of Baht 33.1 million, the advance of Baht 8.2 million was received on the lease registration date and the remaining amount will be receivable at 34 percent of annual lease fee as mentioned in above contract. The Company will gradually recognise such amount as income from the land lease fee under the operating lease contract throughout the lease tenor. The outstanding balance is as follows:

		(Unit: Thousand Baht)	
		Consolidated and separate financial statements	
		2023	2022
Total minimum amount which the debtor has to pay under the outstanding operating lease			
Within 1 year		1,086	1,086
1 - 5 years		4,453	4,344
Over 5 years		4,779	5,974
Total		10,318	11,404
Add: Advance received for land lease (net from recognised income)		2,869	3,195
Land lease income to be recognised		13,187	14,599

12. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

		(Unit: Thousand Baht)									
		Separate financial statements									
Subsidiary companies	Paid-up capital		Shareholding percentage		Cost		Impairment loss on investments		Net		
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	
				(%)	(%)						
Eastern Star Resort Co., Ltd.	500,000	500,000	81.30	81.30	409,374	409,374	-	-	409,374	409,374	
Eastern Star-Lai San New World Co., Ltd.	160,000	160,000	60.00	60.00	96,000	96,000	-	-	96,000	96,000	
					<u>505,374</u>	<u>505,374</u>	<u>-</u>	<u>-</u>	<u>505,374</u>	<u>505,374</u>	

In 2023 and 2022, no dividends are paid by subsidiary companies.

13. Investment properties

The net book value of investment properties as at 31 December 2023 and 2022 is presented below.

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	Land	Building and improvements	Total
31 December 2023:			
Cost	1,502,705	739,892	2,242,597
Less: Accumulated depreciation	-	(549,080)	(549,080)
Less: Allowance for impairment	(86,857)	-	(86,857)
Net book value	<u>1,415,848</u>	<u>190,812</u>	<u>1,606,660</u>
31 December 2022:			
Cost	1,361,098	722,646	2,083,744
Less: Accumulated depreciation	-	(527,922)	(527,922)
Less: Allowance for impairment	(101,729)	-	(101,729)
Net book value	<u>1,259,369</u>	<u>194,724</u>	<u>1,454,093</u>

	(Unit: Thousand Baht)		
	Separate financial statements		
	Land	Building and improvements	Total
31 December 2023:			
Cost	1,502,705	782,817	2,285,522
Less: Accumulated depreciation	-	(556,161)	(556,161)
Less: Allowance for impairment loss	(86,857)	-	(86,857)
Net book value	<u>1,415,848</u>	<u>226,656</u>	<u>1,642,504</u>
31 December 2022:			
Cost	1,361,098	765,571	2,126,669
Less: Accumulated depreciation	-	(533,979)	(533,979)
Less: Allowance for impairment loss	(101,729)	-	(101,729)
Net book value	<u>1,259,369</u>	<u>231,592</u>	<u>1,490,961</u>

A reconciliation of the net book value of investment properties for the years 2023 and 2022 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Net book value at beginning of year	1,454,093	922,533	1,490,961	960,424
Acquisition of assets - at cost	1,846	1,845	1,846	1,845
Costs of asset improvement	966	1,415	966	1,415
Transfer of asset type - net book value at transfer date	147,137	624,177	147,137	624,177
Depreciation	(12,254)	(14,167)	(13,278)	(15,190)
Impairment losses recognised	-	(86,857)	-	(86,857)
Reversal of impairment loss	14,872	5,147	14,872	5,147
Net book value at end of year	<u>1,606,660</u>	<u>1,454,093</u>	<u>1,642,504</u>	<u>1,490,961</u>
Rental income arising from investment properties for the year	<u>30,183</u>	<u>33,305</u>	<u>30,183</u>	<u>33,305</u>

Future minimum rental income to be generated under these investment properties is as follows:

	(Unit: Thousand Baht)	
	Consolidated and Separate	
	financial statements	
	2023	2022
Within 1 year	11,170	13,743
Over 1 and up to 2 years	1,441	2,879
Over 2 years	300	-

Additional information of the investment properties as at 31 December 2023 and 2022 was stated below:

	(Unit: Thousand Baht)	
	Consolidated and Separate	
	financial statements	
	2023	2022
The fair value	<u>2,704,251</u>	<u>1,837,232</u>

The fair values of the above investment properties have been determined based on valuations performed by an accredited independent valuer. The fair value of the land has been determined based on market price, land and buildings and improvements has been determined using the market value or force sale price, while that of the land and buildings for rental has been determined using the income approach.

Furniture and fixtures have been carried at net book value of assets. The management believes that the fair value does not have significant difference.

In 2023, the Company reversed Baht 15 million (2022: Baht 5 million) of the impairment losses of land and building previously recognised in profit or loss.

The Company has mortgaged certain plots of land with a net book value as at 31 December 2023 of Baht 280 million (2022: Baht 277 million) as collateral for credit facilities granted by banks.

14. Property, plant and equipment

(Unit: Thousand Baht)

		Consolidated financial statements							
		Land and land improvements	Buildings and constructions	Machines and equipment	Furniture and fixtures	Office equipment	Vehicles	Construction in progress	Total
<u>Cost</u>									
1 January 2022		172,546	517,282	46,286	23,264	31,364	36,861	14,345	841,948
Additions		49	9,669	624	578	1,234	3,014	19,807	34,975
Disposals and written off		-	(155)	(935)	(1,028)	(1,302)	(23)	(1,606)	(5,049)
Transfer in (out)		-	22,736	517	5,176	(205)	-	(28,224)	-
31 December 2022		172,595	549,532	46,492	27,990	31,091	39,852	4,322	871,874
Additions		479	3,693	4,716	865	1,886	3,881	11,807	27,327
Disposals and written off		-	(9,372)	(6,246)	(2,338)	(2,139)	(6,878)	-	(26,973)
Transfer in (out)		8,961	901	-	-	-	5	(15,887)	(6,020)
31 December 2023		182,035	544,754	44,962	26,517	30,838	36,860	242	866,208
<u>Accumulated depreciation</u>									
1 January 2022		873	302,451	41,516	16,572	25,300	32,325	-	419,037
Depreciation for the year		87	16,360	1,630	2,787	2,716	2,191	-	25,771
Accumulated depreciation on disposals and written off		-	(117)	(911)	(1,010)	(1,287)	(23)	-	(3,348)
31 December 2022		960	318,694	42,235	18,349	26,729	34,493	-	441,460
Depreciation for the year		136	21,588	2,133	3,243	2,345	2,249	-	31,694
Accumulated depreciation on disposals and written off		-	(2,708)	(6,171)	(2,271)	(2,090)	(6,603)	-	(19,843)
Transfer out		-	(9,180)	-	-	-	-	-	(9,180)
31 December 2023		1,096	328,394	38,197	19,321	26,984	30,139	-	444,131
<u>Allowance for impairment loss</u>									
1 January 2022		-	8,999	-	-	-	-	-	8,999
31 December 2022		-	8,999	-	-	-	-	-	8,999
Reversal		-	(3,679)	-	-	-	-	-	(3,679)
31 December 2023		-	5,320	-	-	-	-	-	5,320
<u>Net book value</u>									
31 December 2022		171,635	221,839	4,257	9,641	4,362	5,359	4,322	421,415
31 December 2023		180,939	211,040	6,765	7,196	3,854	6,721	242	416,757
Depreciation for the year									
2022 (Baht 4 million included in cost of real estate sold and services, and the balance in administrative expenses)									25,771
2023 (Baht 5 million included in cost of real estate sold and services, and the balance in administrative expenses)									31,694

(Unit: Thousand Baht)

Separate financial statements								
	Land and land improvements	Buildings and constructions	Machines and equipment	Furniture and fixtures	Office equipment	Vehicles	Construction in progress	Total
Cost								
1 January 2022	96,262	205,241	8,934	22,728	25,583	16,840	14,344	389,932
Additions	49	9,669	173	578	1,098	-	19,679	31,246
Disposals and written off	-	(155)	(521)	(1,028)	(1,042)	(17)	(1,606)	(4,369)
Transfer in (out)	-	22,608	9	5,176	303	-	(28,096)	-
31 December 2022	96,311	237,363	8,595	27,454	25,942	16,823	4,321	416,809
Additions	441	3,185	2,297	865	1,457	1,327	9,874	19,446
Disposals and written off	-	(9,372)	(166)	(2,338)	(1,056)	(6,877)	-	(19,809)
Transfer in (out)	8,961	(1,031)	-	-	-	5	(13,954)	(6,019)
31 December 2023	105,713	230,145	10,726	25,981	26,343	11,278	241	410,427
Accumulated depreciation								
1 January 2022	872	79,295	5,345	16,099	20,125	14,748	-	136,484
Depreciation for the year	87	13,924	1,098	2,787	2,455	715	-	21,066
Accumulated depreciation on disposals and written off	-	(117)	(510)	(1,010)	(1,029)	(17)	-	(2,683)
31 December 2022	959	93,102	5,933	17,876	21,551	15,446	-	154,867
Depreciation for the year	136	19,058	1,291	3,243	2,090	806	-	26,624
Accumulated depreciation on disposals and written off	-	(2,708)	(145)	(2,270)	(1,016)	(6,602)	-	(12,741)
Transfer out	-	(9,180)	-	-	-	-	-	(9,180)
31 December 2023	1,095	100,272	7,079	18,849	22,625	9,650	-	159,570
Allowance for impairment loss								
1 January 2022	-	2,342	-	-	-	-	-	2,342
Reversal - net	-	(1,380)	-	-	-	-	-	(1,380)
31 December 2022	-	962	-	-	-	-	-	962
31 December 2023	-	962	-	-	-	-	-	962
Net book value								
31 December 2022	95,352	143,299	2,662	9,578	4,391	1,377	4,321	260,980
31 December 2023	104,618	128,911	3,647	7,132	3,718	1,628	241	249,895
Depreciation for the year								
2022 (Included in administrative expenses)								21,066
2023 (Included in administrative expenses)								26,624

As at 31 December 2023, certain buildings and equipment items of the Group have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment) of those assets amounted to Baht 299 million (Separate financial statements: Baht 85 million) (2022: Baht 295 million (Separate financial statements: Baht 72 million)).

The Company has mortgaged certain plots of land and structures thereon with a net book value as at 31 December 2023 of Baht 4 million (2022: Baht 6 million) as collateral for credit facilities granted by banks.

15. Intangible assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Computer software - cost	21,526	21,586	20,459	20,507
Less: Accumulated amortisation	(18,312)	(16,033)	(17,266)	(14,989)
Net book value	<u>3,214</u>	<u>5,553</u>	<u>3,193</u>	<u>5,518</u>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Net book value at beginning year	5,553	7,217	5,518	7,207
Additions	73	937	73	907
Disposal and written off - net book value at transfers date	(60)	-	(53)	-
Amortisation	(2,352)	(2,601)	(2,345)	(2,596)
Net book value at end of year	<u>3,214</u>	<u>5,553</u>	<u>3,193</u>	<u>5,518</u>

16. Land and improvements awaiting development

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Land	1,174,221	1,361,150	1,028,603	1,215,532
Development costs	26,283	26,056	26,283	26,056
Net book value	<u>1,200,504</u>	<u>1,387,206</u>	<u>1,054,886</u>	<u>1,241,588</u>

A reconciliation of the net book value of land and improvement awaiting development for the years 2023 and 2022 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Net book value at beginning of year	1,387,206	1,922,502	1,241,588	1,776,884
Addition purchase - at cost	227	27	227	27
Disposal and written off - at cost	-	-	(38)	-
Transfer out - at cost (net)	(186,929)	(535,323)	(186,891)	(535,323)
Net book value at end of year	<u>1,200,504</u>	<u>1,387,206</u>	<u>1,054,886</u>	<u>1,241,588</u>

The Group arranged for an independent professional valuer to appraise the value of these land awaiting development using the market approach.

The Company mortgaged certain plots of land and improvement awaiting development with a net book value as at 31 December 2023 of Baht 823 million (2022: 860 million) as collateral for credit facilities granted by banks.

17. Costs to obtain contracts

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Balance as at 1 January 2022	68,744
Increase during the year	67,052
Recognised in profit or loss	(81,443)
Balance as at 31 December 2022	54,353
Increase during the year	44,674
Recognised in profit or loss	(57,202)
Balance as at 31 December 2023	<u>41,825</u>

18. Short-term loans from financial institutions

		(Unit: Thousand Baht)	
		Consolidated and Separate	
		financial statements	
Interest rate		2023	2022
(percentage per annum)			
Short-term loans from financial institutions	MRR	70,000	-

The short-term credit facilities are secured by the mortgages of the Company's land and structures there on.

19. Trade and other payables

				(Unit: Thousand Baht)	
		Consolidated		Separate	
		financial statements		financial statements	
		2023	2022	2023	2022
Trade accounts payable					
- unrelated parties		121,534	38,184	119,855	37,373
Other payables - related parties					
(Note 6)		26	44	365	373
Other payables - unrelated parties		13,160	14,121	12,720	13,063
Total		134,720	52,349	132,940	50,809

20. Long-term loans

		(Unit: Thousand Baht)	
		Consolidated and Separate	
		financial statements	
		2023	2022
Long-term loans from financial institutions		1,254,849	961,516
Less: Current portion		(29,670)	(107,516)
Long-term loans - net of current portion		1,225,179	854,000

Movements in the long-term loans during 2023 and 2022 are summarised below.

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Balance as at 1 January 2022	1,394,551
Add: Additional borrowings	459,366
Less: Repayments	(892,401)
Balance as at 31 December 2022	961,516
Add: Additional borrowings	570,640
Less: Repayments	(277,307)
Balance as at 31 December 2023	1,254,849

Long-term loans from financial institutions are summarised as follows:

Number	Interest rates (percent per annum)	Interest repayment schedules	Principal repayment schedules	Consolidated and Separate financial statements	
				Long-term loans balance	
				2023	2022
1	MLR - fixed amount	Monthly	Payments of principal are to be made at percentage of the value of secured real estates which transferred to customers, with full repayment to be made within 60 - 72 months after the date of the loan agreement or the first draw down of principal.	540	525
2	MLR - fixed amount	Monthly	Payments of principal are to be made at the specific rate by bank, by type of the secured real estates which transferred to customers, with full repayment to be made within 60 months after the date of the loan agreement.	180	52
3	MLR - fixed amount	Monthly	Payments of principal are to be made at price per square meters of the value of secured real estates which transferred to customers, with full repayment to be made within 90 months after the date of the loan agreement.	273	273
4	MLR - fixed amount	Monthly	Full repayment to be made within 48 months after the date of the loan agreement.	112	112
5	MLR - fixed amount	Monthly	Payments of principal are to be made at percentage of the value of secured real estates which transferred to customers, but not less than bank full repayment to be made within 60 months after the date of the loan agreement.	53	-
6	MLR - fixed amount	Monthly	Payments of principal are to be made at percentage of the value of secured real estates which transferred to customers, with full repayment to be made within 54 months after the date of the loan agreement.	97	-
				<u>1,255</u>	<u>962</u>

On 12 January 2023, the Company has entered into a long-term credit facilities agreement with a financial institute to obtain credit facilities of Baht 286 million. The facilities are for purchase of land amounting to Baht 68 million, construction costs and real estate development amounting to Baht 179 million and bank guarantees amounting to Baht 39 million. The long-term loan credit facilities carried interest at MLR - fixed amount per annum, and secured by mortgage of land and construction of the project.

On 7 August 2023, the Company has entered into a credit facilities agreement with a financial institute to obtain credit facilities of Baht 481 million. The facilities are for acquisition of a plot of land amounting to Baht 97 million, construction costs and real estate development amounting to Baht 294 million, a bank overdraft amounting to Baht 10 million and bank guarantees amounting to Baht 80 million. This long-term credit facilities carried interest at MLR - fixed amount per annum and secured by mortgage of land and construction of the project.

On 6 November 2023, the Company has entered into a long-term credit facilities agreement with a financial institute to obtain credit facilities of Baht 369 million. The facilities are for purchase of land amounting to Baht 131 million, construction costs and real estate development amounting to Baht 173 million and bank guarantees amounting to Baht 65 million. The long-term loan credit facilities carried interest at MLR - fixed amount per annum. On 9 November 2023, the Company had drawdown such loan amounted to Bath 131 million.

The above credit facilities agreements contain covenants relating to various matters, such as the maintenance of financial ratio and restrictions on creating or permitting the subsistence of security interest on property and assets.

As at 31 December 2023, the long-term credit facilities of the Company which have not yet been drawn down totaling Baht 1,909 million (2022: Baht 1,845 million).

The loans and credit facilities are secured by mortgages of land with structures of the Company.

21. Leases

a) Right-of-use assets

Movements of right-of-use assets for 2023 and 2022 are summarised below:

(Unit: Thousand Baht)

	Consolidated and Separate financial statements			
	Land and land improvements	Buildings space	Vehicles	Total
As at 1 January 2022	400	30,128	1,207	31,735
Addition during the year	1,200	-	-	1,200
Depreciation for the year	(1,200)	(5,240)	(402)	(6,842)
As at 31 December 2022	400	24,888	805	26,093
Addition during the year	1,200	1,732	5,689	8,621
Decrease during the year	-	-	(536)	(536)
Depreciation for the year	(1,200)	(5,348)	(964)	(7,512)
As at 31 December 2023	400	21,272	4,994	26,666

b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2023	2022
Lease payments	30,840	30,149
Less: Deferred interest expenses	(2,785)	(2,889)
Total	28,055	27,260
Less: Portion due within one year	(6,839)	(5,534)
Lease liabilities - net	21,216	21,726

22. Other current liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2023	2022	2023	2022
Retention payables	49,561	52,015	49,561	52,015
Other current liabilities	15,796	16,534	14,392	15,139
Total	<u>65,357</u>	<u>68,549</u>	<u>63,953</u>	<u>67,154</u>

23. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2023	2022	2023	2022
Provision for long-term employee benefits at beginning of year	39,354	32,659	29,314	23,998
Included in profit or loss:				
Current service cost	6,753	6,158	5,385	4,910
Interest cost	632	537	485	406
Past service cost and (gain) / losses on benefit payment	396	-	396	-
Included in other comprehensive Income:				
Actuarial (gain) / losses				
Change in demographic assumptions on plan liabilities	(1,281)	-	(1,528)	-
Change in financial assumptions on plan liabilities	(2,248)	-	(1,489)	-
Experience adjustments	(13,222)	-	(11,054)	-
Benefits paid during the year	<u>(1,753)</u>	<u>-</u>	<u>(1,512)</u>	<u>-</u>
Provision for long-term employee benefits at end of year	<u>28,631</u>	<u>39,354</u>	<u>19,997</u>	<u>29,314</u>

As at 31 December 2023, the Group expected employee benefit to be paid during the next year amounting to Baht 0.2 million (2022: Nil).

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit is 9 - 10 years (Separate financial statements: 10 years) (2022: 13 years (Separate financial statements: 13 years)).

Significant actuarial assumptions are summarised below:

	Consolidated and separate financial statements	
	2023	2022
Discount rates	2.71% - 2.74%	1.50%
Average future salary increase rates	4% - 6%	4.0% - 5.5%
Staff turnover rates (depending on age)	0% - 35%	0% - 35%
Gold price for 1 Baht gold	34,150	26,800
Gold increase rate	3.50%	2.50%

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2023 and 2022 are summarised below:

	(Unit: Million Baht)			
	2023			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rates	(1.64)	1.84	(1.06)	1.19
Salary increase rates	1.74	(1.58)	1.12	(1.02)
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
	Staff turnover rates	(0.73)	0.81	(0.54)

	(Unit: Million Baht)			
	2022			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rates	(4)	3	(2)	3
Salary increase rates	4	(4)	3	(3)
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
	Staff turnover rates	(2)	1	(1)

24. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. In 2023, the Company has set aside a statutory reserve of Baht 1 million.

25. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Interest expenses on borrowings	4,267	10,208	4,267	10,282
Interest expenses on lease liabilities	1,262	1,294	1,262	1,294
Total	5,529	11,502	5,529	11,576

26. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Payments of land and construction during the year	1,195,431	976,400	1,195,431	976,417
Changes in real estate development costs and inventories	372,547	233,684	372,455	233,685
Salaries and wages and other employee benefits	135,230	135,004	123,931	124,776
Depreciation and amortisation	53,812	49,396	49,759	45,710
Marketing expenses	146,662	213,531	145,356	212,310
Cost of other goods incurred and recognised during the year	7,526	6,997	-	-

27. Income tax expense / Deferred tax assets / Deferred tax liabilities

Income tax expense for 2023 and 2022 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Current income tax:				
Current income tax charge	5,418	28,270	5,392	28,270
Adjustment in respect of income tax of previous year	-	(125)	-	(125)
Deferred tax:				
Relating to origination and reversal of temporary differences	(628)	(3,944)	(347)	(3,392)
Income tax expense reported in the statement of comprehensive income	4,790	24,201	5,045	24,753

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	2023	2022	2023	2022
Accounting profit before tax	37,405	75,301	24,485	76,250
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	7,481	15,060	4,897	15,250
Adjustment in respect of income tax of previous year	-	(125)	-	(125)
Previously deductible temporary differences unrecognised tax losses that is used to reduce current tax expense	(198)	-	-	-
Tax effects of:				
Non-deductible expenses	481	930	481	489
Additional taxable revenues	227	6,399	227	6,399
Additional expense deductions allowed	(1,584)	(1,774)	(17)	(208)
Tax losses	30	1,039	-	-
Others	(1,647)	2,672	(543)	2,948
Income tax expense reported in the statement of comprehensive income	4,790	24,201	5,045	24,753

The components of deferred tax assets and deferred tax liabilities as at 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Deferred tax assets				
Allowance for expected credit losses	132	89	132	89
Allowance for diminution in value of inventories	48	48	48	48
Allowance for diminution in value of assets	17,371	20,345	17,564	20,538
Advances received for land rental income	588	653	588	653
Provision for long-term employee benefits	5,726	7,871	3,999	5,863
Right-of-use assets	278	233	278	233
Others	7,670	6,258	7,670	6,258
Total	<u>31,813</u>	<u>35,497</u>	<u>30,279</u>	<u>33,682</u>
Deferred tax liabilities				
Lease contract receivables	3,945	4,354	3,945	4,354
Costs to obtain contracts	8,365	10,870	8,365	10,870
Others	-	142	-	142
Total	<u>12,310</u>	<u>15,366</u>	<u>12,310</u>	<u>15,366</u>

As at 31 December 2023, the subsidiaries has unused tax losses totaling Baht 41 million (2022: Baht 41 million). No deferred tax asset has been recognised on this amount as the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of unused tax losses which will expire in 2027.

28. Earnings per share

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

29. Segment information

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

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

- (1) Real estate business
- (2) Golf course business
- (3) Rental business

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

Transfer prices between business segments are set out in note to the consolidated financial statements.

Below is the revenue and gross profit of the Group for 2023 and 2022 by segments.

(Unit: Million Baht)

	Revenue from Contracts with Customers								Total	
	Real estate business		Golf course business		Rental business		Adjustments and eliminations			
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenues										
External customers	1,177	1,707	71	53	35	37	-	-	1,283	1,797
Inter- segment	-	-	-	-	-	-	-	-	-	-
Total revenues	1,177	1,707	71	53	35	37	-	-	1,283	1,797
Operating results										
Gross profit of segments	344	485	36	24	7	7	-	-	387	516
Other income									33	24
Selling and distribution expenses									(147)	(214)
Administrative expenses									(249)	(245)
Reversal of loss on diminution in value of assets									19	6
Finance cost									(6)	(12)
Income tax expense									(5)	(24)
Profit for the year									32	51

Segment assets of the Group as at 31 December 2023 and 2022 are as follow:

(Unit: Million Baht)

	Real estate business		Golf course business		Rental business		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	Real estate development cost and inventories	2,969	2,597	1	1	-	-	2,970
Investment properties	1,306	1,152	-	-	301	302	1,607	1,454
Property, plant and equipment	185	195	231	225	1	1	417	421
Land and improvements awaiting development	1,200	1,387	-	-	-	-	1,200	1,387
Unallocated assets							673	550
Total segment assets							6,867	6,410
Additions to non-current assets other than financial instruments, deferred tax assets and other non-current assets*	20	32	7	4	1	3	28	39

*Excluded the classification of assets.

Geographic information

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

Major customers

For the years 2023 and 2022, the Group has no major customer, with revenue of 10% or more of an entity's revenue.

30. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees, and the Group contributed to the fund monthly at the rates of 3 - 5% of basic salary. The fund, which is managed by Ayudhya Fund Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. In 2023, the Group contributed Baht 3 million to the fund (The Company only: Baht 2 million) (2022: Baht 3 million (The Company only: Baht 3 million)).

31. Commitments and contingent liabilities

As at 31 December 2023 and 2022, the Group has the following commitments and contingent liabilities as follows:

31.1 The Company had commitments in respect of agreements for construction including projects and interior design of projects totalling Baht 1,446 million (2022: Baht 278 million).

31.2 The Company had capital commitments in respect of the construction of buildings amounting to Baht 6 million. (2022: Baht 13 million).

31.3 The Group entered into several lease agreements to lease of land, building space and equipment which are short period and service contracts, with terms of agreements generally between 1 and 4 years. The minimum payments required for rental and service fees are as follows:

(Unit: Million Baht)

Payable	The Group		The Company only	
	2023	2022	2023	2022
In up to 1 year	3	15	3	14

31.4 Bank guarantees

The Company has the following bank guarantees:

(Unit: Million Baht)

Letters of guarantee for	The Company only	
	2023	2022
Arrangement and maintenance of public utilities	121	119
Electricity usage	7	7
Total	<u>128</u>	<u>126</u>

Bank guarantees facilities are secured by the Company's land and structures.

31.5 Litigations

As at 31 December 2023, civil lawsuits were filed against the Company and consumer lawsuits were filed against the Company by the condominium juristic persons, and other litigation cases, with the claim totaling Baht 197 million (2022: Baht 184 million). These cases are currently under the civil court proceedings. Based on the Company's internal and legal counsel opinion, the Company's management believes that the result of these cases will have no significant impact on the financial position of the Company.

However, the Company has set aside provisions for claim that may arise from the final of judicial processes in its financial statements as considers appropriate.

32. Fair value hierarchy

As at 31 December 2023 and 2022, the Group had assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated Financial Statements							
	31 December							
	Level 1		Level 2		Level 3		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Assets measured at fair value								
Other current financial assets	-	-	30	23	-	-	30	23
Assets for which fair value are disclosed								
Investment properties	-	-	2,000	1,530	704	307	2,704	1,837

(Unit: Million Baht)

	Separate Financial Statements							
	31 December							
	Level 1		Level 2		Level 3		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Assets for which fair value are disclosed								
Investment properties	-	-	2,000	1,530	704	307	2,704	1,837

33. Financial instruments

33.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, other current financial asset, trade and other receivables, lease contract receivables, trade and other payables, short-term loans from related party, short-term loans and long-term loans from financial institutions and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group are exposed to credit risk primarily with respect to trade and other receivables. The Group manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of receivables and other receivables as stated in the statement of financial position.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties. Credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

Interest rate risk

The Group exposure to interest rate risk relates primarily to their cash at financial institutions, other current financial asset, lease contract receivables, short-term loans from financial institutions, long-term loans from financial institutions and lease liabilities with interest bearing. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2023 and 2022, significant financial assets and liabilities classified by type of interest rate are summarised, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2023

	Fixed interest rates					Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing		
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	307	-	307	0.15 - 0.60
Other current financial assets	-	-	-	-	30	30	-
Trade and other receivables	-	-	-	-	9	9	-
Finance lease contract receivables	2	9	9	-	-	20	0.30
<u>Financial liabilities</u>							
Short-term loans from financial institutions	70	-	-	-	-	70	MRR
Long-term loans from financial institutions	-	-	-	1,255	-	1,255	MLR - fixed amount
Trade and other payables	-	-	-	-	135	135	-
Lease liabilities	7	21	-	-	-	28	4.47 - 5.01

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2022

	Fixed interest rates					Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing		
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	279	-	279	0.15 - 0.35
Other current financial assets	-	-	-	-	23	23	-
Trade and other receivables	-	-	-	-	8	8	-
Finance lease contract receivables	2	8	12	-	-	22	0.30
<u>Financial liabilities</u>							
Long-term loans from financial institutions	-	-	-	962	-	962	MLR - fixed amount
Trade and other payables	-	-	-	-	52	52	-
Lease liabilities	5	22	-	-	-	27	3.20 - 4.33

Interest rate sensitivity

The following information demonstrated the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of long-term loans from financial institution affected as at 31 December 2023 and 2022, with all other variables held constant.

Currency	2023		2022	
	Increase/ decrease	Effect on profit before tax	Increase/ decrease	Effect on profit before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Baht	+0.25	(327)	+0.25	(280)
	-0.25	327	-0.25	280

The above analysis has been prepared assuming that the amounts of loans from and all other variables remain constant over one year. Moreover, the floating legs of loans from are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest receivable/payable for the full 12-month period of the sensitivity calculation. (This information is not a forecast or prediction of future market conditions.)

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank loans and lease contracts. Approximately 12% of the Group's debts will mature in less than one year at 31 December 2023 (2022: 16%) (the Company only: 12%, 2022: 16%) based on the carrying value of borrowings reflected in the financial statements. The Group has assessed the concentration of risk with respect to refinancing its debts and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

The following information summarised the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2023 and 2022 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements				
	As at 31 December 2023				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	-	74	-	-	74
Trade and other payables	-	134,720	-	-	134,720
Lease liabilities	-	8,067	22,773	-	30,840
Long-term loans from financial institutions	-	103	1,327	-	1,430
Total non-derivatives	-	142,964	24,100	-	167,064

(Unit: Thousand Baht)

Separate financial statements				
As at 31 December 2023				
On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	-	74	-	74
Trade and other payables	-	132,940	-	132,940
Lease liabilities	-	8,067	22,773	30,840
Long-term loans from financial institutions	-	103	1,327	1,430
Total non-derivatives	-	141,184	24,100	165,284

(Unit: Thousand Baht)

Consolidated financial statements				
As at 31 December 2022				
On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives				
Trade and other payables	-	52,349	-	52,349
Lease liabilities	-	6,598	23,551	30,149
Long-term loans from financial institutions	-	146,886	905,948	1,052,834
Total non-derivatives	-	205,833	929,499	1,135,332

(Unit: Thousand Baht)

Separate financial statements				
As at 31 December 2022				
On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives				
Trade and other payables	-	50,809	-	50,809
Lease liabilities	-	6,598	23,551	30,149
Long-term loans from financial institutions	-	146,886	905,948	1,052,834
Total non-derivatives	-	204,293	929,499	1,133,792

33.2 Fair values of financial instruments

Since the majority of Group's financial instruments are short-term and loans denominated in Thai Baht bearing the market interest rate, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

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

34. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial capital structure in order to support its business and maximise shareholder value and it meets financial covenants attached to the loan agreements. The Group has complied with these covenants throughout the reporting periods.

As at 31 December 2023, the Group's total debt-to-equity ratio was 0.38:1 (2022: 0.30:1).

35. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 29 February 2024.