**Primo Service Solutions Company Limited and its subsidiaries**

**Notes to consolidated financial statements**

**For the year ended 31 December 2021**

**1. General information**

Primo Service Solutions Company Limited (“the Company”) is a limited company incorporated and domiciled in Thailand. Its parent company is Origin Property Public Company Limited, which was incorporated in Thailand. The Company is principally engaged in the property management services. The registered office of the Company is at 496 Moo 9, Tambon Samrong Nuea, Amphoe Mueang Samut Prakan, Samut Prakan.

**2. Basis of preparation**

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, 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 statement of Primo Service Solutions Company Limited (hereinafter called “the Company”) and the following subsidiary companies (hereinafter called “subsidiaries”) (hereinafter collectively called “the Group”):

|  |  | Country of | Percentage of | |
| --- | --- | --- | --- | --- |
| Company’s name | Nature of business | incorporation | shareholding | |
|  |  |  | 2021 | 2020 |
|  |  |  | (Percent) | (Percent) |
| Subsidiaries held by the Company |  |  |  |  |
| Passion Realtor Company Limited (formerly known as "Primo Realtor Company Limited") | Real estate agency and real estate related services | Thailand | 100 | 100 |
| Uno Service Company Limited | Real estate related services | Thailand | 100 | 100 |
| Wyde Interior Company Limited (formerly known as “Primo Decor Company Limited”) | Interior decoration services | Thailand | 100 | 100 |
| Primo Management Company Limited | Property management services | Thailand | 100 | 100 |
| Crown Residence Company Limited | Property management services | Thailand | 100 | 100 |
| United Project Management Company Limited | Real estate related services | Thailand | 100 | 100 |
| Hampton Hotel and Residence Management Company Limited | Property management services | Thailand | 100 | - |
| Subsidiary held by United Project Management Company Limited | |  |  |  |
| UPM Design Studio Company Limited | Real estate related services | Thailand | 100 | - |

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) During the year 2021, there was the following change in the composition of the subsidiary.

*Newly established subsidiaries*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Investor | Subsidiary | Nature of business | Percentage of shareholding | Description | Amount |
|  |  |  | (%) |  | (Thousand Baht) |
| United Project Management Company Limited | UPM Design Studio Company Limited | Real estate related services | 100 | 0.5 million ordinary shares of Baht 10 each | 5,000 |

e) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.

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 and interpretations which are effective for fiscal years beginning on or after 1 January 2021. 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 2022

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 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

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**

*Rendering of services*

Service revenue is recognised over time when services have been rendered taking into account the stage of completion.

*Commission income*

Commission income of sales of real estate is recognised at a point in time upon completion of the service.

*Sales of goods*

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

*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.

*Dividends*

Dividends are recognised when the right to receive the dividends is established.

**4.2 Cash and cash equivalents**

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

**4.3 Inventories**

Inventories are electric appliance, equipment for interior decoration to customer and cleaning supplies. Inventories are valued at the lower of cost (under the first-in, first-out method) and net realisable value.

**4.4 Investments in subsidiaries**

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

**4.5 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 loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years. Depreciation of the investment properties is included in determining income.

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 year when the asset is derecognised.

**4.6 Equipment**

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

Depreciation of equipment which comprises equipment, fixtures and office equipment is calculated by reference to their costs on the straight-line basis over the estimated useful lives of 5 years.

Depreciation is included in determining income.

**4.7 Intangible assets**

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

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method of such intangible assets is 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:

Useful lives

Application software 10 years

Computer software 5 years

No amortisation is provided on intangible assets under development or installation.

**4.8 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, which are office buildings, is calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term of 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 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.

**4.9 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.

**4.10 Impairment of non-financial assets**

At the end of each reporting period, the Group performs impairment reviews in respect of the investment properties, equipment, right-of-use assets 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 estimates the asset’s recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset’s recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years which the reversal is recognised in profit or loss.

**4.11 Employee benefits**

***Short-term employee benefits***

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

***Post-employment benefits***

*Defined contribution plans*

The Group and their 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 Group’s contributions are recognised as expenses when incurred.

*Defined benefit plans*

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

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

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

**4.12 Provisions**

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

**4.13 Equity-settled share-based payment transactions**

The Group recognises share-based payment transactions when it receives services provided by employees, based on the fair value of the parent company’s share options on the grant date. The expenses are recorded over the vesting period, in accordance with the conditions regarding length of service rendered by employees stipulated in the share-based payment plan, together with a corresponding increase in “capital reserve for share-based payments” in shareholders’ equity.

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

At each reporting date, the Group reviews and reduces 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 records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

**4.15 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, are 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.

**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 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**

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

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).

For trade receivables*,* 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.

**4.16 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 applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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

Level 1 - Use of quoted market prices in an 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 determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

**5. Significant accounting judgements and estimates**

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

**Post-employment benefits under defined benefit plans**

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

**6. Related party transactions**

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

|  |  | | | | | | | | (Unit: Million Baht) | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated  financial statements | | | | Separate  financial statements | | | | Transfer pricing policy | |
|  | 2021 | | 2020 | | 2021 | | 2020 | |  | |
| Transactions with the parent company | |  | |  | |  | |  | |  |
| Service and project management income | 14 | | 8 | | - | | - | | Contract price | |
| Real estate agency income | 2 | | 13 | | - | | - | | 2% - 3% of selling price | |
| Sales | 8 | | 1 | | - | | - | | Market price | |
| Land and buildings rental expenses | 3 | | - | | 1 | | - | | Contract price | |
| Management fee | 1 | | 1 | | 1 | | 1 | | Contract price | |
| Dividend paid | 19 | | 62 | | 19 | | 62 | | As declared | |
| Transactions with subsidiaries |  | |  | |  | |  | |  | |
| (eliminated from the consolidated financial statements) |  | |  | |  | |  | |  | |
| Service income | - | | - | | 20 | | 15 | | Contract price | |
| Dividend income | - | | - | | 40 | | 64 | | As declared | |
| Transactions with related parties |  | |  | |  | |  | |  | |
| Service and project management income | 138 | | 59 | | - | | - | | Contract price | |
| Real estate agency income | 13 | | 22 | | - | | - | | 2% - 3% of selling price | |
| Sales | 66 | | 16 | | - | | - | | Market price | |

As at 31 December 2021 and 2020, the balances of the accounts between the Company and those related parties are as follows:

|  |  | | (Unit: Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated  financial statements | | Separate  financial statements | |
|  | 2021 | 2020 | 2021 | 2020 |
| **Trade and other receivables - related parties (Note 8)**  **Trade receivables** |  |  |  |  |
| Parent company | 5,555 | 2,612 | - | - |
| Subsidiaries | - | - | 1,789 | 9,724 |
| Related parties | 46,026 | 19,989 | - | - |
| Total trade receivables - related parties | 51,581 | 22,601 | 1,789 | 9,724 |
| **Other receivables** |  |  |  |  |
| Parent company | - | 909 | - | - |
| Subsidiaries | - | - | 530 | 73 |
| Related parties | 7,353 | 13,423 | - | - |
| Total other receivables - related parties | 7,353 | 14,332 | 530 | 73 |
| Total trade and other receivables - related parties | 58,934 | 36,933 | 2,319 | 9,797 |
|  |  |  |  |  |
| **Short-term loans to related parties** |  |  |  |  |
| Subsidiaries | - | - | 6,000 | 12,500 |
| Total short-term loans to related parties | - | - | 6,000 | 12,500 |
|  |  |  |  |  |
|  |  |  |  |  |
| **Trade and other payables - related parties (Note 14)** |  |  |  |  |
| **Trade payables** |  |  |  |  |
| Related parties | - | 253 | - | - |
| Total trade payables - related parties | - | 253 | - | - |
| **Other payables** |  |  |  |  |
| Parent company | 551 | 590 | 130 | 160 |
| Subsidiaries | - | - | 91 | - |
| Related parties | 3,282 | 3,145 | - | - |
| Total other payables - related parties | 3,833 | 3,735 | 221 | 160 |
| Total trade and other payables - related parties | 3,833 | 3,988 | 221 | 160 |
|  |  |  |  |  |
| **Lease liabilities (Note 15)** |  |  |  |  |
| Parent company | 7,571 | 9,815 | 3,552 | 4,605 |
| Total lease liabilities | 7,571 | 9,815 | 3,552 | 4,605 |

Short-term loans to related parties

As at 31 December 2021 and 2020, short-term loans to related parties are unsecured loans and carried interest at a rate of 0.90% per annum and repayable at call.

As at 31 December 2021 and 2020, the balances of short-term loans to related parties and the movements are as follows.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | (Unit: Thousand Baht) | | | |
|  | Separate financial statements | | | |
|  | Balance as at |  |  | Balance as at |
|  | 31 December 2020 | Increase during the year | Decrease during the year | 31 December 2021 |
| **Short-term loans to related parties** |  |  |  |  |
| Subsidiaries | 12,500 | 8,000 | (14,500) | 6,000 |
| Total | 12,500 | 8,000 | (14,500) | 6,000 |

Directors’ and management’s benefits

During the years ended 31 December 2021 and 2020, the Group had employee benefit expenses payable to its directors and management as below.

|  |  | | (Unit: Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated financial statements | | Separate financial statements | |
|  | 2021 | 2020 | 2021 | 2020 |
| Short-term benefits | 14,589 | 9,968 | 14,589 | 9,311 |
| Post-employment benefits | 157 | 368 | 157 | 368 |
| Share-based payment (Note 18) | 28 | 148 | 28 | 148 |
| Total | 14,774 | 10,484 | 14,774 | 9,827 |

**7. Cash and cash equivalents**

|  |  | | (Unit: Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated financial statements | | Separate  financial statements | |
|  | 2021 | 2020 | 2021 | 2020 |
| Cash | 41 | 46 | 2 | 3 |
| Bank deposits | 91,944 | 50,575 | 24,104 | 16,169 |
| Total | 91,985 | 50,621 | 24,106 | 16,172 |

As at 31 December 2021 and 2020, bank deposits in savings accounts carried interests between 0.05% - 0.25% per annum (The Company only: 0.05% per annum).

**8. Trade and other receivables**

|  |  | | (Unit: Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated financial statements | | Separate financial statements | |
|  | 2021 | 2020 | 2021 | 2020 |
| Trade receivables - related parties |  |  |  |  |
| Aged on the basis of due dates |  |  |  |  |
| Not yet due | 36,615 | 14,348 | 1,789 | 9,724 |
| Past due |  |  |  |  |
| Up to 3 months | 11,388 | 7,955 | - | - |
| 3 - 6 months | 3,457 | 298 | - | - |
| 6 - 12 months | 121 | - | - | - |
| Total trade receivables - related parties | 51,581 | 22,601 | 1,789 | 9,724 |
|  | |  |  |  |
| Trade receivables - unrelated parties | |  |  |  |
| Aged on the basis of due dates |  |  |  |  |
| Not yet due | 28,756 | 10,561 | - | 24 |
| Past due |  |  |  |  |
| Up to 3 months | 20,607 | 2,862 | - | 15 |
| 3 - 6 months | 5,596 | 631 | - | - |
| 6 - 12 months | 1,856 | 2,134 | - | - |
| Over 12 months | 2,165 | 257 | - | - |
| Total | 58,980 | 16,445 | - | 39 |
| Less: Allowance for expected credit losses | (3,635) | (1,771) | - | - |
| Total trade receivables - unrelated parties | 55,345 | 14,674 | - | 39 |
| Total trade receivables - net | 106,926 | 37,275 | 1,789 | 9,763 |
| Other receivables | |  |  |  |
| Advances payment to unrelated parties | 2,667 | 360 | 50 | 5 |
| Interest receivables from related parties | - | - | 14 | 42 |
| Accrued income from related parties | 7,347 | 14,332 | 462 | - |
| Accrued income from unrelated parties | 1,577 | 188 | - | 81 |
| Prepaid expenses to unrelated parties | 4,095 | 2,438 | 737 | 335 |
| Other receivables - related parties | 6 | - | 54 | 31 |
| Other receivables - unrelated parties | 222 | 114 | 44 | - |
| Total other receivables | 15,914 | 17,432 | 1,361 | 494 |
| Less: Allowance for expected credit losses | (114) | (95) | - | - |
| Total other receivables - net | 15,800 | 17,337 | 1,361 | 494 |
| Total trade and other receivables | 122,726 | 54,612 | 3,150 | 10,257 |

The normal credit term is 30 to 90 days.

**9. Other current assets**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | |  | | (Unit: Thousand Baht) | | |
|  | Consolidated financial statements | | | | Separate financial statements | |
|  | 2021 | | 2020 | | 2021 | 2020 |
| Accounts receivable - Revenue department | 6,714 | | 5,356 | | 3,175 | 2,507 |
| Others | 10,959 | | 1,768 | | 48 | 19 |
| Total other current assets | 17,673 | | 7,124 | | 3,223 | 2,526 |

**10. Investments in subsidiaries**

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

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | (Unit: Thousand Baht) | | | | | | | |
| Companies | | Paid-up capital | | | Shareholding percentage | | Cost | | Dividend received during the year | |
|  | | 2021 | | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
|  | |  | |  | (%) | (%) |  |  |  |  |
| Passion Realtor Company Limited (formerly known as "Primo Realtor Company Limited") | | 2,000 | | 2,000 | 100 | 100 | 2,000 | 2,000 | 4,000 | 36,599 |
| Uno Service Company Limited | | 2,000 | | 1,000 | 100 | 100 | 2,000 | 1,000 | 19,000 | 10,200 |
| Wyde Interior Company Limited (formerly known as “Primo Decor Company Limited”) | | 2,000 | | 1,000 | 100 | 100 | 4,838 | 3,838 | 5,000 | 5,000 |
| Primo Management Company Limited | | 6,250 | | 5,000 | 100 | 100 | 6,250 | 5,000 | 7,000 | 10,820 |
| Crown Residence Company Limited | | 3,250 | | 1,000 | 100 | 100 | 3,250 | 1,000 | 3,000 | 1,500 |
| United Project Management Company Limited | | 5,000 | | 1,000 | 100 | 100 | 5,000 | 1,000 | 1,899 | - |
| Hampton Hotel and Residence Management Company Limited | | 1,000 | | - | 100 | - | 1,000 | - | - | - |
| Total | |  | |  |  |  | 24,338 | 13,838 | 39,899 | 64,119 |

10.2 The change of investment in subsidiary during the year 2020 is as follows.

United Project Management Company Limited

On 26 May 2020, the Board of Directors’ Meeting of the Company passed a resolution to establish United Project Management Company Limited, a new subsidiary in Thailand, to engage in real estate related services, with a registered capital of Baht 1 million (0.1 million ordinary shares with a par value of Baht 10 each) in which the Company’s shareholding is 100 percent. The Company paid in share capital of Baht 1 million as proportionate shareholding in May 2020.

10.3 The changes of investments in subsidiaries during the year 2021 are as follows.

Primo Insurance Broker Company Limited

On 11 May 2021, the Board of Directors’ Meeting of the Company passed a resolution to establish Primo Insurance Broker Company Limited, a new subsidiary in Thailand, to engage in non-life insurance broker, with a registered capital of Baht 3 million (0.3 million ordinary shares with a par value of Baht 10 each) in which the Company’s shareholding is 100 percent. The Company paid in share capital of Baht 3 million as proportionate shareholding in May 2021.

Subsequently in August 2021, the Company disposed the whole investment in subsidiary to parent company amounting to Baht 3 million.

Hampton Hotel and Residence Management Company Limited

On 10 August 2021, the Board of Directors’ Meeting of the Company passed a resolution to establish Hampton Hotel and Residence Management Company Limited, a new subsidiary in Thailand, to engage in property management services, with a registered capital of Baht 1 million (0.1 million ordinary shares with a par value of Baht 10 each) in which the Company’s shareholding is 100 percent. The Company paid in share capital of Baht 1 million as proportionate shareholding in October 2021.

P Coin Plaza Company Limited

On 16 August 2021, the Board of Directors’ Meeting of the Company passed a resolution to establish P Coin Plaza Company Limited, a new subsidiary in Thailand, to engage in real estate related services, with a registered capital of Baht 1 million (0.1 million ordinary shares with a par value of Baht 10 each) in which the Company’s shareholding is 100 percent. The Company paid in share capital of Baht 1 million as proportionate shareholding in October 2021.

Subsequently in December 2021, the Company disposed the whole investment in subsidiary to related company amounting to Baht 1 million.

Uno Service Company Limited

On 15 November 2021, the Board of Directors’ Meeting of the Company passed a resolution to increase the subsidiary registered share capital from Baht 1 million (0.1 million ordinary shares with a par value of Baht 10 each) to Baht 5 million (0.5 million ordinary shares with a par value of Baht 10 each), through the issuance of 0.4 million ordinary shares with a par value of Baht 10 each. The subsidiary initially called up an additional share capital of Baht 2.50 per share. The Company paid in capital of Baht 1.0 million as proportionate shareholding in the subsidiary in December 2021. The subsidiary registered the increase of its share capital with the Ministry of Commerce on 15 December 2021.

Wyde Interior Company Limited (formerly known as “Primo Decor Company Limited”)

On 15 November 2021, the Board of Directors’ Meeting of the Company passed a resolution to increase the subsidiary registered share capital from Baht 1 million (0.1 million ordinary shares with a par value of Baht 10 each) to Baht 5 million (0.5 million ordinary shares with a par value of Baht 10 each), through the issuance of 0.4 million ordinary shares with a par value of Baht 10 each. The subsidiary initially called up an additional share capital of Baht 2.50 per share. The Company paid in capital of Baht 1.0 million as proportionate shareholding in the subsidiary in December 2021. The subsidiary registered the increase of its share capital with the Ministry of Commerce on 15 December 2021.

Primo Management Company Limited

On 15 November 2021, the Board of Directors’ Meeting of the Company passed a resolution to increase the subsidiary registered share capital from Baht 5 million (0.5 million ordinary shares with a par value of Baht 10 each) to Baht 10 million (1.0 million ordinary shares with a par value of Baht 10 each), through the issuance of 0.5 million ordinary shares with a par value of Baht 10 each. The subsidiary initially called up an additional share capital of Baht 2.50 per share. The Company paid in capital of Baht 1.3 million as proportionate shareholding in the subsidiary in December 2021. The subsidiary registered the increase of its share capital with the Ministry of Commerce on 15 December 2021.

Crown Residence Company Limited

On 15 November 2021, the Board of Directors’ Meeting of the Company passed a resolution to increase the subsidiary registered share capital from Baht 1 million (0.1 million ordinary shares with a par value of Baht 10 each) to Baht 10 million (1.0 million ordinary shares with a par value of Baht 10 each), through the issuance of 0.9 million ordinary shares with a par value of Baht 10 each. The subsidiary initially called up an additional share capital of Baht 2.50 per share. The Company paid in capital of Baht 2.3 million as proportionate shareholding in the subsidiary in December 2021. The subsidiary registered the increase of its share capital with the Ministry of Commerce on 15 December 2021.

United Project Management Company Limited

On 15 November 2021, the Board of Directors’ Meeting of the Company passed a resolution to increase the subsidiary registered share capital from Baht 1 million (0.1 million ordinary shares with a par value of Baht 10 each) to Baht 5 million (0.5 million ordinary shares with a par value of Baht 10 each), through the issuance of 0.4 million ordinary shares with a par value of Baht 10 each. The Company paid in capital of Baht 4.0 million as proportionate shareholding in the subsidiary in December 2021. The subsidiary registered the increase of its share capital with the Ministry of Commerce on 15 December 2021.

**11. Investment properties**

The investment properties representcondominium units for rent**.** The net book value of investment properties as at 31 December 2021 and 2020 is presented below.

|  | (Unit: Thousand Baht) |
| --- | --- |
|  | Consolidated financial statements/ Separate financial statements |
| **31 December 2021:** |  |
| Cost | 13,233 |
| Less: Accumulated depreciation | (3,720) |
| Net book value | 9,513 |
| **31 December 2020:** |  |
| Cost | 13,233 |
| Less: Accumulated depreciation | (3,059) |
| Net book value | 10,174 |

A reconciliation of the net book value of investment properties for the years 2021 and 2020 is presented below.

|  |  |  |
| --- | --- | --- |
| (Unit: Thousand Baht) | | |
|  | Consolidated financial statements/  Separate financial statements | |
|  | 2021 | 2020 |
| Net book value at beginning of the year | 10,174 | 10,837 |
| Depreciation for the year | (661) | (663) |
| Net book value at end of the year | 9,513 | 10,174 |

The additional information of the investment properties as at 31 December 2021 and 2020 stated below.

|  |  |  |  |
| --- | --- | --- | --- |
|  | (Unit: Thousand Baht) | | |
|  | | Consolidated financial statements/ Separate financial statements | |
|  | | 2021 | 2020 |
| The fair value | | 14,525 | 14,428 |

The fair values of condominium units for rent have been determined based on valuation performed by an accredited independent valuer based on market prices, levels 3.

**12. Equipment**

|  | (Unit: Thousand Baht) | | |
| --- | --- | --- | --- |
|  | | Consolidated financial statements | Separate financial statements |
| **Cost** | |  |  |
| 1 January 2020 | | 5,287 | 2,178 |
| Additions | | 610 | 278 |
| Disposals | | - | (667) |
| 31 December 2020 | | 5,897 | 1,789 |
| Additions | | 2,962 | 268 |
| 31 December 2021 | | 8,859 | 2,057 |
| **Accumulated depreciation** | |  |  |
| 1 January 2020 | | 1,720 | 788 |
| Depreciation for the year | | 1,030 | 375 |
| Depreciation on disposals | | - | (298) |
| 31 December 2020 | | 2,750 | 865 |
| Depreciation for the year | | 1,200 | 334 |
| 31 December 2021 | | 3,950 | 1,199 |
| **Net book value** | |  |  |
| 31 December 2020 | | 3,147 | 924 |
| 31 December 2021 | | 4,909 | 858 |
| **Depreciation for the year** | |  |  |
| 2020 | | 1,030 | 375 |
| 2021 | | 1,200 | 334 |

**13. Intangible assets**

|  |  |  | |  | |  | | (Unit: Thousand Baht) | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated financial statements | | | | | | | Separate financial statements | | |
|  | Application software | | Computer software | | Application software under development | | Total | Computer software | Application software under development | Total |
| **Cost** |  | |  | |  | |  |  |  |  |
| 1 January 2020 | 2,280 | | 739 | | - | | 3,019 | 168 | - | 168 |
| Additions | - | | 36 | | 300 | | 336 | - | 300 | 300 |
| 31 December 2020 | 2,280 | | 775 | | 300 | | 3,355 | 168 | 300 | 468 |
| Additions | - | | 49 | | 100 | | 149 | - | 100 | 100 |
| Transfer in (out) | - | | 400 | | (400) | | - | 400 | (400) | - |
| 31 December 2021 | 2,280 | | 1,224 | | - | | 3,504 | 568 | - | 568 |
| **Accumulated amortisation** |  | |  | |  | |  |  |  |  |
| 1 January 2020 | 269 | | 343 | | - | | 612 | 75 | - | 75 |
| Amortisation for the year | 246 | | 116 | | - | | 362 | 34 | - | 34 |
| 31 December 2020 | 515 | | 459 | | - | | 974 | 109 | - | 109 |
| Amortisation for the year | 246 | | 205 | | - | | 451 | 119 | - | 119 |
| 31 December 2021 | 761 | | 664 | | - | | 1,425 | 228 | - | 228 |
| **Net book value** |  | |  | |  | |  |  |  |  |
| 31 December 2020 | 1,765 | | 316 | | 300 | | 2,381 | 59 | 300 | 359 |
| 31 December 2021 | 1,519 | | 560 | | - | | 2,079 | 340 | - | 340 |

**14. Trade and other payables**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | |  | | | (Unit: Thousand Baht) | |
|  | Consolidated financial statements | | | Separate financial statements | | |
|  | 2021 | | 2020 | 2021 | | 2020 |
| Trade payables - related parties | - | | 253 | - | | - |
| Trade payables - unrelated parties | 10,232 | | 6,848 | - | | - |
| Other payables - related parties | 554 | | 330 | 221 | | 160 |
| Other payables - unrelated parties | 3,279 | | 440 | 566 | | 108 |
| Unearned income from related parties | 3,279 | | 3,405 | - | | - |
| Unearned income from unrelated parties | 15,340 | | 8,022 | - | | - |
| Accrued expenses from unrelated parties | 8,263 | | 6,679 | 839 | | 1,125 |
| Total trade and other payables | 40,947 | | 25,977 | 1,626 | | 1,393 |

# 15. Leases

**15.1 The Group as a lessee**

The Group has entered into lease contracts for its operations. Leases generally have lease terms 5 years.

1. **Right-of-use assets**

Movement of right-of-use assets that are office buildings for the years ended 31 December 2021 and 2020 are summarised below.

|  |  |  |
| --- | --- | --- |
|  | (Unit: Thousand Baht) | |
|  | Consolidated  financial statements | Separate  financial statements |
| 1 January 2020 | 7,163 | 1,783 |
| Additions | 4,275 | 3,420 |
| Depreciation for the year | (1,855) | (687) |
| 31 December 2020 | 9,583 | 4,516 |
| Depreciation for the year | (2,390) | (1,128) |
| 31 December 2021 | 7,193 | 3,388 |

1. **Lease liabilities**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | (Unit: Thousand Baht) | | | |
|  | Consolidated financial statements | | Separate financial statements | |
|  | 2021 | 2020 | 2021 | 2020 |
| Lease payments | 8,272 | 11,029 | 3,881 | 5,174 |
| Less: Deferred interest expenses | (701) | (1,214) | (329) | (569) |
| Total | 7,571 | 9,815 | 3,552 | 4,605 |
| Less: Portion due within one year | (2,378) | (2,244) | (1,116) | (1,053) |
| Lease liabilities - net of current portion | 5,193 | 7,571 | 2,436 | 3,552 |

Movements of the lease liability account during the years ended 31 December 2021 and 2020 are summarised below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | (Unit: Thousand Baht) | | | |
|  | Consolidated financial statements | | Separate financial statements | |
|  | 2021 | 2020 | 2021 | 2020 |
| Balance at beginning of year | 9,815 | 7,163 | 4,605 | 1,783 |
| Additions | - | 4,275 | - | 3,420 |
| Accretion of interest | 514 | 527 | 241 | 187 |
| Repayments | (2,758) | (2,150) | (1,294) | (785) |
| Balance at end of year | 7,571 | 9,815 | 3,552 | 4,605 |

A maturity analysis of lease payments is disclosed in Note 27.1 under the liquidity risk.

1. **Expenses relating to leases that are recognised in profit or loss**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | (Unit: Thousand Baht) | | | |
|  | Consolidated  financial statements | | Separate  financial statements | |
|  | 2021 | 2020 | 2021 | 2020 |
| Depreciation expense of right-of-use assets | 2,390 | 1,855 | 1,128 | 687 |
| Interest expense on lease liabilities | 514 | 527 | 241 | 187 |
| Expense relating to leases of low-value assets | 104 | 118 | 73 | 87 |

1. **Others**

The Group had total cash outflows for leases for the year ended 31 December 2021 of Baht 2.9 million (2020: Baht 2.3 million) (the Company only: Baht 1.4 million, 2020: Baht 0.9 million), including the cash outflow related to short-term lease and leases of low-value assets.

**15.2 Group as a lessor**

The Group has entered into operating leases for its investment property portfolio consisting of condominium units for rent (see Note 11) of the lease terms are between 1 and 3 years.

The Group has future minimum rentals receivable under non-cancellable operating leases as at 31 December 2021 and 2020 were immaterial amount.

**16. Other current liabilities**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit: Thousand Baht) | |
|  | Consolidated financial statements | | Separate financial statements | |
|  | 2021 | 2020 | 2021 | 2020 |
| Accounts payable - Revenue department | 12,870 | 5,438 | 576 | 855 |
| Others | 890 | 634 | 75 | 66 |
| Total other current liabilities | 13,760 | 6,072 | 651 | 921 |

**17. Provision for long-term employee benefits**

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| (Unit: Thousand Baht) | | | | |
|  | Consolidated  financial statements | | Separate  financial statements | |
|  | 2021 | 2020 | 2021 | 2020 |
| **Provision for long-term employee benefits at beginning of year** | 1,990 | 1,637 | 845 | 673 |
| Included in profit or loss: |  |  |  |  |
| Current service cost | 655 | 1,213 | 203 | 457 |
| Interest cost | 11 | 24 | 4 | 12 |
| Included in other comprehensive income: |  |  |  |  |
| Actuarial (gain) loss arising from |  |  |  |  |
| Demographic assumptions changes | - | (666) | - | (666) |
| Financial assumptions changes | (50) | 42 | (13) | 17 |
| Experience adjustments | (820) | (260) | (553) | 352 |
| Benefits paid during the year | (96) | - | - | - |
| **Provision for long-term employee benefits at end of year** | 1,690 | 1,990 | 486 | 845 |

The Group expects to pay Baht 0.2 million of long-term employee benefits during the next year (2020: Baht 0.3 million) (the Company only: Nil, 2020: Nil).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 4 - 9 years (2020: 3 - 15 years) (the Company only: 6 years, 2020: 3 years).

Significant actuarial assumptions are summarised below.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | |  | | | (Unit: percent per annum) | |
|  | Consolidated financial statements | | | Separate financial statements | | |
|  | 2021 | | 2020 | 2021 | | 2020 |
| Discount rate | 0.52 - 3.19 | | 0.36 - 2.31 | 0.52 - 3.19 | | 0.36 - 2.31 |
| Salary increase rate | 5 | | 5 | 5 | | 5 |
| Turnover rate | 10.00 - 40.00 | | 10.00 - 40.00 | 10.00 - 40.00 | | 10.00 - 40.00 |

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 is summarised below.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | |  | | (Unit: Thousand Baht) | | |
|  | As at 31 December 2021 | | | | | |
|  | Consolidated financial statements | | | | Separate financial statements | |
|  | Increase 1% | | Decrease 1% | | Increase 1% | Decrease 1% |
| Discount rate | (77) | | 80 | | (23) | 23 |
| Salary increase rate | 80 | | (76) | | 23 | (22) |
| Turnover rate | (15) | | 25 | | (5) | 9 |
|  | |  | |  | | |
|  | |  | | (Unit: Thousand Baht) | | |
|  | As at 31 December 2020 | | | | | |
|  | Consolidated financial statements | | | | Separate financial statements | |
|  | Increase 1% | | Decrease 1% | | Increase 1% | Decrease 1% |
| Discount rate | (68) | | 46 | | (27) | 17 |
| Salary increase rate | 68 | | (66) | | 27 | (26) |
| Turnover rate | (11) | | 16 | | (4) | 6 |

**18. Warrants**

The warrants are warrants to purchase ordinary shares of parent company, which are in a name certificate, non-transferable and free of charge. The warrants have an exercise ratio and exercise price as stipulated. In case that the Warrant Holder ceases to be a director, executive or employee, the Executive Committee of the parent company is authorised to accordingly allocate such unexecised warrants to the executives and employees of the Group. The issuance of the warrants was made in accordance with a resolution of the Annual General Meeting of the parent company’s shareholders to issue up units of “Warrants to Purchase Ordinary Shares of Origin Property Public Company Limited Issued to the Directors, Executives, and Employees of the Company and its Subsidiaries”. Directors, executives and employees may exercise their warrants twice a year, at as prescribed by the parent company, on the last working day in March and September of each year. The first and the last exercise date are as stipulated.

Details of the parent company’s warrants are as follows.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Type of | Issued units | Exercise price | Exercise ratio | The first | The last |
| warrant | (up to) | per share | per 1 warrant | exercise date | exercise date |
| ORI-WC | 8.0 million units | 12.7320 | 1:1.5 | 28 September 2018 | 31 March 2021 |
| ORI-WD | 8.0 million units | 10.0000 | 1:1 | 30 September 2019 | 31 March 2022 |

The reconciliation of number of warrants for the year 2021 as follows.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Number of warrants | | | |
|  | Outstanding | Cancelled | Expired | Outstanding |
| Type of | as at | during | during | as at |
| warrant | 1 January 2021 | the year | the year | 31 December 2021 |
| ORI-WC | 266,000 | - | (266,000) | - |
| ORI-WD | 448,000 | (248,000) | - | 200,000 |

During the years 2021 and 2020, the Group recorded expenses of warrants scheme as employee expenses, together with a corresponding increase in “Capital reserve for share-based payments” in shareholders’ equity, as below.

|  |  | |  | (Unit: Thousand Baht) | |
| --- | --- | --- | --- | --- | --- |
|  | Consolidated  financial statements | | | Separate  financial statements | |
| Type of warrant | 2021 | 2020 | | 2021 | 2020 |
| ORI-WB | - | 67 | | - | 59 |
| ORI-WC | 40 | 443 | | 24 | 272 |
| ORI-WD | 86 | 314 | | 42 | 146 |
| Total | 126 | 824 | | 66 | 477 |

The parent company calculated fair values by applying the Black-Scholes model. The fair values did not materially differ from the fair values calculated by applying the Lattice model, which is an appropriate model given the conditions regarding the exercise of rights.

Fair values and details of the model input(\*) are as follows.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Type of |  | Estimated | Share price | Expected | Expected | Contractual | Risk-free |
| warrant | Issued date | fair values | per share | volatility | dividend yield | life | interest rate |
|  |  | (Baht) | (Baht) | (%) | (%) | (Years) | (%) |
| ORI-WC | 31 May 2018 | 4.01 - 7.12 | 20.00 | 58.16 - 67.14 | 2.99 | 3.0 | 1.50 - 1.87 |
| ORI-WD | 4 June 2019 | 0.50 - 1.53 | 7.10 | 58.16 - 67.14 | 5.45 | 3.0 | 1.78 - 1.86 |

*\* The model inputs were at grant date that issued warrants to the directors, executives and employees.*

**19. Statutory reserve**

According to the Thai Civil and Commercial Code, the Group is required to set aside to a statutory reserve an amount equal to at least 5 percent of its net profit each time the Group pays out a dividend, until such reserve reaches 10 percent of its registered share capital. The statutory reserve cannot be used for dividend payment. During the year 2021, the Company set aside statutory reserve additionally of Baht 1.0 million (2020: Baht 3.3 million) (Subsidiaries: Baht 0.1 million, 2020: Baht 0.3 million).

**20. Expenses by nature**

Significant expenses classified by nature are as follows.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | |  | | (Unit: Thousand Baht) | | |
|  | Consolidated  financial statements | | | | Separate  financial statements | |
|  | 2021 | | 2020 | | 2021 | 2020 |
| Salaries and wages and other employee benefits | 181,365 | | 133,869 | | 30,526 | 26,297 |
| Depreciation and amortisation | 4,702 | | 3,910 | | 2,243 | 1,759 |
| Advertising and promotion expenses | 2,671 | | 3,113 | | 5 | 3 |

**21. Income tax**

Income tax expenses for the years ended 31 December 2021 and 2020 are made up as follows.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | |  | | (Unit: Thousand Baht) | | |
|  | Consolidated  financial statements | | | | Separate  financial statements | |
|  | 2021 | | 2020 | | 2021 | 2020 |
| **Current income tax:** |  | |  | |  |  |
| Current income tax charge | 32,023 | | 14,734 | | - | - |
| **Deferred tax:** |  | |  | |  |  |
| Deferred tax from origination and reversal of temporary differences | 3,428 | | 1,291 | | 3,486 | 1,102 |
| **Income tax expenses reported in profit or loss** | 35,451 | | 16,025 | | 3,486 | 1,102 |

The amount of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | (Unit: Thousand Baht) | | | |
|  | Consolidated  financial statements | | Separate  financial statements | |
|  | 2021 | 2020 | 2021 | 2020 |
| Deferred tax on actuarial gain | 174 | 177 | 113 | 59 |

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

|  |  |  | (Unit: Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated  financial statements | | Separate  financial statements | |
|  | 2021 | 2020 | 2021 | 2020 |
| Accounting profit before corporate income tax | 146,699 | 56,073 | 23,472 | 46,903 |
|  |  |  |  |  |
| Applicable tax rate | 0 - 20% | 20% | 20% | 20% |
| Accounting profit before corporate income tax multiplied by income tax rate | 28,950 | 11,215 | 4,694 | 9,381 |
| Deferred tax assets have not been recognised during the years because the profit may not be sufficient in the future | 3,443 | 3,237 | 3,443 | 3,237 |
| Write-off previous deferred tax assets | 3,570 | 1,214 | 3,543 | 1,214 |
| Effects of the eliminated transactions | - | (238) | - | - |
| Effects of: |  |  |  |  |
| Exempt revenues | (708) | - | (8,040) | (12,824) |
| Non-deductible expenses | 605 | 598 | 16 | 95 |
| Additional expense deductions allowed | (409) | (1) | (170) | (1) |
| Income tax expenses reported in profit or loss | 35,451 | 16,025 | 3,486 | 1,102 |

The components of deferred tax assets are as follows.

|  |  |  | (Unit: Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Statements of financial position | | | |
|  | Consolidated  financial statements | | Separate  financial statements | |
|  | 2021 | 2020 | 2021 | 2020 |
| **Deferred tax assets** |  |  |  |  |
| Provision for long-term employee benefits | 338 | 398 | 97 | 169 |
| Unused tax losses | - | 3,524 | - | 3,524 |
| Others | 29 | 47 | 15 | 18 |
| Total | 367 | 3,969 | 112 | 3,711 |

As at 31 December 2021, the Group had unused tax losses totaling Baht 67 million (2020: Baht 36 million) (The Company only: Baht 67 million, 2020: Baht 36 million), on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

As at 31 December 2021, the unused tax losses amounting to Baht 67 million will expire in 2026 (2020: Baht 54 million will expire in 2025) (The Company only: Baht 67 million will expire in 2026, 2020: Baht 54 million will expire in 2025).

**22. 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.

**23. 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.

The Group is principally engaged in the property management services. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

**Major customers**

For the year 2021, the Group had revenue from two major customers in amount of Baht 95 million (2020: Baht 54 million).

**24. Provident fund**

The Group and employees have jointly established provident fund in accordance with the Provident Fund Act B.E. 2530. Both the Group and employees contribute to the fund monthly at the rates of 2% - 7% of basic salary. The fund, which is managed by Kasikorn Asset Management Company Limited will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2021 amounting to approximately Baht 1.4 million (2020: Baht 1.0 million) (The Company only: Baht 0.6 million, 2020: Baht 0.4 million) were recognised as expenses.

**25. Dividends**

|  |  |  |  |
| --- | --- | --- | --- |
| Dividends | Approved by | Total dividends | Dividend per share |
|  |  | (Million Baht) | (Baht) |
| Interim dividends for 2020 | Board of Directors’ Meeting on 13 August 2020 | 21 | 3.943 |
| Interim dividends for 2020 | Board of Directors’ Meeting on 13 November 2020 | 41 | 7.630 |
| Total for 2020 |  | 62 | 11.573 |
| Interim dividends for 2021 | Board of Directors’ Meeting on 11 May 2021 | 19 | 3.553 |
| Total for 2021 |  | 19 | 3.553 |

**26. Service commitments**

As at 31 December 2021, the Group has entered into service agreements. The terms of the agreements are generally between 1 - 4 years. Future minimum lease payments required under these non-cancellable service contracts amounting to Baht 7 million (2020: Baht 6 million) (The Company only: Baht 5 million, 2020: Baht 5 million).

# 27. Financial instruments

## 27.1 Financial risk management objectives and policies

The Group’s financial instruments principally comprise cash and cash equivalents, trade and other receivables, short-term loans to related parties and trade and other payables. The financial risks associated with these financial instruments and how they are managed is described below.

**Credit risk**

The Group is exposed to credit risk primarily with respect to trade and other receivables, short-term loans to related parties and deposits with banks and financial institutions. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

**Trade and other receivables**

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade and other receivables are regularly monitored. In addition, the Group does not have high concentrations of credit risk since it has a various customer base.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

**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 and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty’s potential failure to make payments.

**Market risk**

There is type of market risk comprising interest rate risk with low risk. Thus, the Group does not establish the policy of entering into derivative related to interest rate swaps.

**Foreign currency risk**

There is no significant foreign currency risk. As 31 December 2021 and 2020, the Group had no significant outstanding balance of financial assets and liabilities that are denominated in foreign currencies.

**Interest rate risk**

The Group’s exposure to interest rate risk relates primarily to short-term loans to related parties. Most of the financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | (Unit: Million Baht) | | | | | | | |
|  | Consolidated financial statements | | | | | | | | | |
|  | Fixed  interest rate  within 1 year | | Floating interest rate | | Non-interest bearing | | Total | | Effective interest rate | |
|  |
|  | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |  |  |  |  | (% per annum) | (% per annum) |
| **Financial assets** |  |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalent | - | - | 92 | 51 | - | - | 92 | 51 | 0.05 - 0.25 | 0.05 - 0.25 |
| Trade and other receivables | - | - | - | - | 123 | 55 | 123 | 55 | - | - |
|  | - | - | 92 | 51 | 123 | 55 | 215 | 106 |  |  |
| **Financial liabilities** |  |  |  |  |  |  |  |  |  |  |
| Trade and other payables | - | - | - | - | 41 | 26 | 41 | 26 | - | - |
|  | - | - | - | - | 41 | 26 | 41 | 26 |  |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | | | (Unit: Million Baht) | | | | | | | |
|  | Separate financial statements | | | | | | | | | | | |
|  | Fixed  interest rate  within 1 year | | | Floating interest rate | | | Non-interest bearing | | Total | | Effective interest rate | |
|  |
|  | 2021 | | 2020 | 2021 | | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
|  |  | |  |  | |  |  |  |  |  | (% per annum) | (% per annum) |
| **Financial assets** |  | |  |  | |  |  |  |  |  |  |  |
| Cash and cash equivalent | - | - | | 24 | | 16 | - | - | 24 | 16 | 0.05 | 0.05 |
| Trade and other receivables | - | - | | - | | - | 3 | 10 | 3 | 10 | - | - |
| Short-term loans to related parties | 6 | 13 | | - | | - | - | - | 6 | 13 | 0.90 | 0.90 |
|  | 6 | 13 | | 24 | | 16 | 3 | 10 | 33 | 39 |  |  |
| **Financial liabilities** |  |  | |  | |  |  |  |  |  |  |  |
| Trade and other payables | - | - | | - | | - | 2 | 1 | 2 | 1 | - | - |
|  | - | - | | - | | - | 2 | 1 | 2 | 1 |  |  |

*Analysis of the impact of change in interest rate*

The change in interest rate does not have significant impact on the Group’s profit before tax.

**Liquidity risk**

The Group monitors the risk of a shortage of liquidity through the use of lease contracts. Most of the Group’s lease contracts are engaged with its parent company. The Group has concluded it to be low.

The table below summarises the maturity profile of the Group’s non-derivative financial liabilities as at 31 December 2021 and 2020, based on contractual undiscounted cash flows.

| (Unit: Thousand Baht) | | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated financial statements | | | | | |
|  | Less than 1 year | | 1 to 5 years | | Total | |
|  | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| **Non-derivatives** |  |  |  |  |  |  |
| Trade and other payables | 40,947 | 25,977 | - | - | 40,947 | 25,977 |
| Lease liabilities | 2,757 | 2,757 | 5,515 | 8,272 | 8,272 | 11,029 |
| **Total non-derivatives** | 43,704 | 28,734 | 5,515 | 8,272 | 49,219 | 37,006 |

| (Unit: Thousand Baht) | | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
|  | Separate financial statements | | | | | |
|  | Less than 1 year | | 1 to 5 years | | Total | |
|  | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| **Non-derivatives** |  |  |  |  |  |  |
| Trade and other payables | 1,626 | 1,393 | - | - | 1,626 | 1,393 |
| Lease liabilities | 1,294 | 1,294 | 2,587 | 3,880 | 3,881 | 5,174 |
| **Total non-derivatives** | 2,920 | 2,687 | 2,587 | 3,880 | 5,507 | 6,567 |

**27.2 Fair values of financial instruments**

Since the majority of the Group’s financial instruments are short-term in nature, or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

**28. Capital management**

The primary objective of the Group’s capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2021, the Group's debt-to-equity ratio was 0.40:1 (2020: 0.51:1) and the Company's was 0.09:1 (2020: 0.12:1).

**29. Approval of financial statements**

These financial statements were authorised for issue by the Company’s Board of Directors on 24 February 2022.