

Sansiri Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2018

1. Corporate information

Sansiri Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company operates in Thailand and is principally engaged in property development.

The Company’s top 5 major shareholders as at 29 August 2018 the latest closing date of the shares register book, are as following:

	Percentage of shareholding (based on paid-up capital)
1. The Viriyah Insurance Public Company Limited	6.18
2. UBS AG SINGAPORE BRANCH	5.88
3. Thai NVDR Company Limited	5.58
4. Mr. Srettha Thavisin	4.43
5. BNY MELLON NOMINESS LIMITED	3.57

The registered office of the Company is at 475, Siripinyo Building, Sri Ayutthaya Road, Phayathai, Rajthevi, Bangkok.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards 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 dated 11 October 2016, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Sansiri Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2018</u> Percent	<u>2017</u> Percent
<u>Directly owned</u>				
Chanachai Ltd.	Property development	Thailand	100	100
Plus Property Co., Ltd.	Property development	Thailand	100	100
Sansiri Chaina Co., Ltd.	Dormant	Thailand	100	100
S.U.N. Management Co., Ltd.	Property development	Thailand	100	100
Arnawat Ltd.	Property development	Thailand	100	100
Piwattana Ltd.	Property development	Thailand	100	100
Red Lotus Properties Ltd.	Property development	Thailand	100	100
Sansiri Global Investment Pte. Ltd.	Holding Company	Singapore	100	100
Plus Property Space Co., Ltd.	Property development	Thailand	100	100
Papanan Ltd.	Property development	Thailand	100	100
NED Management Co., Ltd.	Property development and holder of Satit Pattana School's license	Thailand	100	100
Satit Pattana Personnel Center Ltd.	Dormant	Thailand	100	100
Siriwattana Holding Ltd.	Property development	Thailand	100	100
Jirapas Realty Co., Ltd.	Property development	Thailand	100	100
Paranat Co., Ltd. (Formerly known as "Paranat Property Co., Ltd.")	Property development	Thailand	100	100
Siri Smart One Co., Ltd.	Property development	Thailand	100	100
Siri Ventures Co., Ltd.	Holding Company	Thailand	97	90
Siri TK One Co., Ltd.	Property development	Thailand	-	70
Sansiri US, Inc.	Holding Company	United States	100	100
Siri Smart Two Co., Ltd.	Property development	Thailand	100	-
Siri Smart Three Co., Ltd.	Property development	Thailand	100	-
Siri Smart Four Co., Ltd.	Property development	Thailand	100	-
Siripat Four Co., Ltd.	Property development	Thailand	100	-
Siripat Five Co., Ltd.	Property development	Thailand	100	-
<u>Indirectly owned</u>				
QT Lifestyle Co., Ltd.	Event management	Thailand	100	100
Touch Property Co., Ltd.	Property development	Thailand	100	100
Sansiri Guernsey (2009) Limited	Property development	Guernsey	100	100
Satit Pattana School	Education business	Thailand	100	100
QEW (Thailand) Co., Ltd.	Events management and full wedding planning services	Thailand	70	70
Sansiri Guernsey (2015) Limited	Property development	Guernsey	100	100
Sansiri International Pte. Ltd.	Centralised administrative and subsidiary management offices in Singapore	Singapore	100	-

Details of changes in the composition of the group of companies during the current year are presented in Note 15, 16 and 17.

- 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) The assets and liabilities in the financial statements of overseas subsidiaries companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statement of changes in shareholders' equity.
 - f) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
 - g) 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, joint ventures and associate under the cost method.

3. New financial reporting standards

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

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

(b) Adoption of new financial reporting standards during the year

During the year 2018, the Company and its subsidiaries have early adopted TFRS 15 Revenue from Contracts with Customers. TFRS 15 will be effective for fiscal years beginning on or after 1 January 2019.

TFRS 15 supersedes the following accounting standards together with related Interpretations.

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

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

The Company and its subsidiaries adopted TFRS 15 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2018, and the comparative information was not restated. The Company and its subsidiaries elect to apply the following practical expedient.

- Not restate completed contracts as at 1 January 2018 for which the entity has transferred all of the goods or services identified in accordance with the previous accounting policy;

The cumulative effect of the change is described in Note 4.

(c) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019

The Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company and its subsidiaries believe that this standard will not have any significant impact on the financial statements when it is initially applied.

(d) Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

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

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

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standard

As described in Note 3 to the financial statements, during the current year, the Company and its subsidiaries have adopted TFRS 15 using the modified retrospective method of adoption. The cumulative effect of initially applying TFRS 15 is recognised as an adjustment to retained earnings as at 1 January 2018. Therefore, the comparative information was not restated.

The effect of the changes in accounting policies due to the adoption of TFRS 15 on the beginning balance of retained earnings for 2018 comprises:

	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
Impact on retained earnings as at 1 January 2018		
Costs to obtain contracts with customers, net of income tax	442	16
Total	442	16

The amounts of adjustments affecting the statements of financial position as at 31 December 2018 and the statements of comprehensive income for the year ended 31 December 2018 are summarised below.

	(Unit: Million Baht)		
	Consolidated financial statements		
	Previous accounting policy	Increase (decrease)	TFRS 15
Statement of financial position			
Assets			
Cost to obtain contracts with customers	-	803	803
Investments in joint ventures (Provision for transaction under equity method of investments in joint ventures)	(778)	273	(505)
Deferred tax assets	1,146	(161)	985
Total assets	368	915	1,283
Shareholders' equity			
Retained earnings - Unappropriated	10,386	915	11,301
Total shareholders' equity	10,386	915	11,301

(Unit: Million Baht)

Consolidated financial statements			
	Previous accounting policy	Increase (decrease)	TFRS 15
Statement of comprehensive income			
Profit or loss:			
Revenues from project sales	21,792	(240)	21,792
Cost of project sales	14,513	120	14,633
Selling expenses	3,546	(953)	2,593
Share of profit from investments in joint ventures	445	(1)	444
Income tax expense	414	119	533
Profit for the year	1,569	473	2,042
Attributable to:			
Profit attributable to equity holders of the Company	1,573	473	2,046
Earnings per share (Baht):			
Basic earnings per share	0.11	0.03	0.14

(Unit: Million Baht)

Separate financial statements			
	Previous accounting policy	Increase (decrease)	TFRS 15
Statement of financial position			
Assets			
Cost to obtain contacts with customers	-	190	190
Deferred tax assets	288	(38)	250
Total assets	288	152	440
Shareholders' equity			
Retained earnings - Unappropriated	7,880	152	8,032
Total shareholders' equity	7,880	152	8,032

(Unit: Million Baht)

	Separate financial statements		
	Previous accounting policy	Increase (decrease)	TFRS 15
Statement of comprehensive income			
Profit or loss:			
Revenues from project sales	15,437	(139)	15,298
Cost of project sales	10,288	62	10,350
Selling expenses	2,306	(371)	1,935
Income tax expense	392	34	426
Profit for the year	2,558	136	2,694
Attributable to:			
Profit attributable to equity holders of the Company	2,558	136	2,694
Earnings per share (Baht):			
Basic earnings per share	0.17	0.01	0.18

The nature of these adjustments are described below:

- Commission paid to obtain a contract - The management of the Company and its subsidiaries have determined that commission paid to obtain a customer contract should be recorded as an asset and amortised to expenses on a systematic basis that is consistent with the pattern of revenue recognition. Under the previous accounting policy, the Company and its subsidiaries immediately recorded commission as selling expenses when the transaction occurred.
- Promotion expenses specified in the contracts with customers are given to customers when they register the transfer of houses or condominium units, including free of charge items or consideration paid to customers.
 - a) Provision for items without charge such as furniture and fixtures - The Company and its subsidiaries offer free of charge items to customers when the customers register the transfer of houses or condominium units. The management of the Company and its subsidiaries have considered that the free of charge items are component parts of houses or condominium units, which are the main performance obligations under the contracts. Therefore, the Company and its subsidiaries are to record these costs as costs of property sales, not selling expenses as previously recorded.

- b) Consideration paid to customers - The Company and its subsidiaries paid registration fee for the transfer of houses or condominium units or paid common area fee to the juristic person of house projects or condominium projects on behalf of customers when the customers register the transfer of houses or condominium units. The management of the Company and its subsidiaries have considered that these transactions are consideration paid to customers. Therefore, they should be recorded as net offsetting with revenue from property sales, not selling expenses as previously recorded.

5. Significant accounting policies

5.1 Revenue recognition

- a) Revenue from property development for sales

Revenues from sales of land and houses and sales of residential condominium are recognised at a point in time as income when control of the asset has been transferred to the buyer that the Company and the subsidiaries retains neither continuing managerial involvement nor effective control over the land and houses and the condominium sold, directly and indirectly. The recognised amount and cost incurred in respect of the transaction can be measured reliably.

- b) Revenue from sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

- c) Rental income

Rental income is recognised in the statement of comprehensive income on an accrual basis over the term of the lease. Initial expenses are recorded as a part of total rental as lease agreement.

- d) Revenue from hotel business

Room revenues are recognised on an accrual basis over the period of the guests stay. Food and beverage revenues are recognised after the food and beverages have been served. Recognised revenue does not include value added tax and state net of discounts.

- e) School fees income

Tuition fees, transportation fees and canteen income are recognised as income of the school term to which they relate. Entrance fees are recognised as income at the time of acceptance of the pupil by the subsidiary.

f) Service income

Service income is recognised when service rendered by reference to the stage of completion, measuring based on comparison of actual costs incurred up to the end of the period and total anticipated costs to be incurred to completion

g) Interest income

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

h) Dividends

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

i) Cost to obtain a contract

The Company and its subsidiaries recognise commission paid to obtain a customer contract as an asset and amortised to expenses 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 consideration that the entity expects to receive less direct costs.

5.2 Cost of property development for sale and cost of project sold

Property development for sale are stated at the lower of cost and net realisable value, consisting of the cost of land, design fees, utilities, construction costs, and directly related interest and expenses.

In determining the costs of land and 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 and houses and residential condominium units on the basis of the saleable area.

Construction materials are valued at the lower of cost (under weighted average method) or net realisable value.

The Company and its subsidiaries recognise loss on diminution in value of projects (if any) in profit or loss.

5.3 Cash and cash equivalents

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

5.4 Trade accounts receivable and allowance for doubtful accounts

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

5.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset or development of the projects that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the costs of the respective assets. Capitalisation ceases when the projects are ready for their intended use or sale, when the physical construction of the projects is complete, or when construction is suspended and until active development resumes. 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.

To the extent that funds are borrowed specifically for the development of projects, interest costs are presented as the actual borrowing costs less any investment income from the temporary investment of those borrowings. To the extent that funds are borrowed and used for the general purposes, the interest costs are determined by applying a capitalisation rate to the expenditures on that project. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the entity that are outstanding during the year, other than borrowings made for specific purposes.

5.6 Investments

- a) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on diminution in value (if any).
- b) Investments in joint ventures and associates are accounted for in the consolidated financial statements using the equity method.
- c) Investments in subsidiaries and joint ventures are accounted for in the separate financial statements using the cost method.

The weighted average method is used for computation of the cost of investments.

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

5.7 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 10 - 30 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 period when the asset is derecognised.

5.8 Land, building and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (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:

Buildings and improvements	5 - 40 years
Buildings decoration and system	5 - 8 years
Fixtures and equipment	2 - 20 years
Motor vehicles	5 years
Temporary sales office	1 - 5 years

Depreciation of equipment (machinery operating in precast factory) is calculated by reference to their costs on a unit-of-production basis.

Depreciation is included in determining income.

No depreciation is provided for land and construction in progress.

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

5.9 Leasehold rights and amortisation

Leasehold rights are stated at cost less accumulated amortisation. The Company and its subsidiaries amortise leasehold rights on a straight-line basis over the leasehold period.

The amortisation is included in determining income.

5.10 Intangible assets and amortisation

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

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

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

	<u>Useful lives</u>
Computer software	3 - 10 years
Franchise fee	5 years

The amortisation is included in determining income.

5.11 Land held for development

Land held for development is stated at cost less allowance for loss on diminution in value of projects (if any). It is consisted of cost of land, land fulfill, public utilities cost, project development cost and borrowing cost which occurred during the developed period in the past.

5.12 Related party transactions

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

They also include associated companies, 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.

5.13 Long-term leases

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

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

5.14 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

5.15 Impairment of assets

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

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and the subsidiaries 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.

5.16 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Company and its subsidiaries has obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiaries treat 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 benefits plan are recognised immediately in other comprehensive income.

5.17 Provisions

Provisions are recognised when the Company and its subsidiaries 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.

5.18 Income tax

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

Current tax

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

Deferred tax

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

The Company and its subsidiaries 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 it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries 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 Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.19 Equity-settled share-based payment transactions

The Company recognises share-based payment transactions when services from employees are rendered, based on the fair value of the 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 payment transactions" in shareholders' equity.

Estimating fair value for share-based payment transactions requires management to exercise judgement, and to apply assumptions, including as to the expected life of the share options, share price volatility and dividend yield.

5.20 Derivatives

Cross currency and interest rate swap contracts

Payables and receivables arising from cross currency swap agreements are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translation are recognised in profit or loss.

The net amount of interest to be received from or paid to the counterparty under an interest rate swap contract is recognised as income or expenses on an accrual basis.

5.21 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries 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 Company and its subsidiaries 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 active market for such assets or liabilities

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

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

At the end of each reporting period, the Company and its subsidiaries 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.

5.22 Treasury stocks

Treasury stocks are stated at cost and presented as a deduction from shareholders' equity. If the selling price of treasury stocks is greater than the purchase price of treasury stocks, the Company recognise the difference under the caption of 'premium on treasury stocks'. If the selling price of treasury stocks is less than the purchase price of treasury stocks, the difference is initially deducted from premium on treasury stocks, with the remaining deducted against retained earnings.

6. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting statements at times 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:

Leases

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

Allowance for doubtful accounts

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

Impairment of property development for sale, investment properties and land held for development

The Company and its subsidiaries treat property development for sale, investment properties and land held for development as impaired when the management judges that there has been a significant decline in the fair value. The management determines the devaluation of such properties and land held for development based on net realisable value. The determination of what is “significant” and such devaluation requires the management to exercise judgment.

Project development costs estimation

In calculating cost of land and houses and condominium sold, the Company and its subsidiaries have 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.

Land, building and equipment/Depreciation

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

In addition, the management is required to review land, building and equipment 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 amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Impairment of investments

The Company treats investments in subsidiaries, investments in joint ventures investment in associate and other investments as impaired when there has been a significant or prolonged decline in their fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

Litigation

The Company and its subsidiaries have contingent liabilities as a result of litigation. The management has exercised judgment to assess of the results of the litigation and recorded certain contingent liabilities as at the end of reporting period.

Compensation for Housing Estate Juristic Persons

The Company and its subsidiaries estimate the compensation for Housing Estate Juristic Persons using the rate specified by the regulator and the budgeted public utilities costs as a basis for the calculation.

Provision for home care warranty

In recording provision for home care warranty, the management estimates the expenses expected to be incurred as a result of providing such warrantee based on past experiences of actual expenses claimed.

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.

Investments in associate

The management determined that the Company has significant influence over an associate, even though the Company’s shareholding in the associate is less than 20%. This is because the Company has key representatives in the Board of Directors of the associate who have involved in the policy-making process.

7. Related party transactions

7.1 During the year, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, were concluded on commercial terms and bases agreed upon between the Company and those related parties.

Details of subsidiaries are presented in Note 2.2 a) and details of joint ventures are presented in Note 16. Other related companies have common directors with the Company.

(Unit: Thousand Baht)

	Consolidated		Separate		Transfer Pricing Policy
	financial statements		financial statements		
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Revenue from project sales	-	-	87,470	-	Cost plus certain margin of 40% - 61%
Sales of precast concrete	-	-	58,601	5,393	Cost plus certain margin of 5%
Revenues from business management and project management	-	-	4,710	43,766	Based on agreement (1)
Interest income	-	-	413,135	413,655	3.50 p.a. (2017: 3.25 - 3.50% p.a.)
Revenue from sale of land	-	-	-	604,695	Cost plus certain margin
Commission income	-	-	33,842	43,418	Based on agreement (3)
Revenues from projects for rent	-	-	1,583	347	Rental rate given to general customers
Dividend income	-	-	802,000	273,900	As declared
Project management fee and other expenses	-	-	43,148	20,952	Based on agreement (2)
Commission expenses	-	-	63,013	44,652	Based on agreement (3)
Interest expenses	-	-	17,491	21,820	3.50% p.a. (2017: 3.50% p.a.)
<u>Transactions with joint ventures</u>					
Revenue from business management and project management	3,229,953	3,263,047	6,094,081	6,021,929	Based on agreement (1)
Revenue from sale of land	402,513	79,443	1,341,711	158,886	Cost plus certain margin
Interest income	274,254	199,454	274,254	199,454	3.85 - 4.95% p.a. (2017: 3.50 - 3.85% p.a.)
Commission income	160,800	145,992	-	-	Based on agreement (3)
Dividend income	270,000	100,000	270,000	100,000	As declared
Purchase of condominium units	710,046	-	691,081	-	Average price of Baht 183,000 per sq.m.
Sales of other long-term investments	91,818	-	91,818	-	Based on agreement (Detail as described in Note 18)
<u>Transactions with related persons</u>					
Revenues from project sales	-	9,201	-	3,591	Cost plus certain margin at average rates of 34% - 74% (2017: 17 - 46%)

Transactions, pricing policies and related contracts are as follows: -

- (1) Revenue from business service and project management fees is charged based on costs plus certain margin. Those charges are allocated to subsidiaries and joint ventures based on revenue and project costs, respectively.
- (2) Project management fees are charged monthly, depended upon the size of the project.
- (3) Commission from sales of projects are charged at a rate of 0.78 - 2 percent of selling price per the contract, with payments divided between the time the customer executes the agreement and when the properties are transferred.

7.2 Directors and management's benefits

During the year ended 31 December 2018 and 2017, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	2018	2017
Short-term employee benefits	214,680	303,376
Post-employment benefits	2,566	3,692
Total	217,246	307,068

7.3 The balances of the accounts as at 31 December 2018 and 2017 between the Company and those related companies are as follows: -

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<u>Accounts receivable</u>				
Subsidiaries	-	-	63,154	6,983
Joint ventures	18,180	32,254	-	-
Total	18,180	32,254	63,154	6,983
<u>Prepaid expenses</u>				
Subsidiaries	-	-	65	350
Total	-	-	65	350

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<u>Loans to related parties</u>				
Subsidiaries	-	-	9,127,594	12,956,234
Joint ventures	6,620,913	5,806,213	6,620,913	5,806,213
Related party	5,000	5,000	-	-
Total	6,625,913	5,811,213	15,748,507	18,762,447
Current portion	1,837,140	598,000	1,837,140	874,133
Less: Allowance for doubtful accounts	-	-	-	-
Net	1,837,140	598,000	1,837,140	874,133
Long-term portion	4,788,773	5,213,213	13,911,367	17,888,314
Less: Allowance for doubtful accounts	(5,000)	(5,000)	-	-
Net	4,783,773	5,208,213	13,911,367	17,888,314
<u>Interest receivables</u>				
Subsidiaries	-	-	53,205	102,288
Joint ventures	40,295	52,564	40,295	52,564
Related party	333	333	-	-
Total	40,628	52,897	93,500	154,852
Less: Allowance for doubtful accounts	(333)	(333)	-	-
Net	40,295	52,564	93,500	154,852
<u>Unearned income</u>				
Related person	-	2,050	-	2,050
Total	-	2,050	-	2,050
<u>Trade accounts payable</u>				
Subsidiaries	-	-	8,735	22,562
Joint Ventures	21	-	21	-
Total	21	-	8,756	22,562
<u>Loans from related parties</u>				
Subsidiaries	-	-	468,402	892,525
Total	-	-	468,402	892,525
Current portion	-	-	-	-
Long-term portion	-	-	468,402	892,525
Total	-	-	468,402	892,525
<u>Interest payable</u>				
Subsidiaries	-	-	1,290	5,455
Total	-	-	1,290	5,455
<u>Advance received from customers</u>				
Joint ventures	2,022,886	2,913,432	2,022,886	2,913,432
Total	2,022,886	2,913,432	2,022,886	2,913,432

7.4 During the year, movements of loans to and loan from related parties were as follow: -

(Unit: Million Baht)

Loans to	Consolidated financial statements			
	Balance as at	During the year		Balance as at
	1 January 2018	Increase	Decrease	31 December 2018
Joint ventures				
BTS Sansiri Holding One Limited	410.00	-	(410.00)	-
BTS Sansiri Holding Two Limited	137.69	35.50	-	173.19
BTS Sansiri Holding Three Limited	-	235.00	(37.00)	198.00
BTS Sansiri Holding Four Limited	1,017.00	-	(988.00)	29.00
BTS Sansiri Holding Five Limited	39.00	25.00	-	64.00
BTS Sansiri Holding Six Limited	38.00	98.00	(53.00)	83.00
BTS Sansiri Holding Seven Limited	217.00	95.00	(116.00)	196.00
BTS Sansiri Holding Eight Limited	188.00	148.00	(156.00)	180.00
BTS Sansiri Holding Nine Limited	86.00	225.00	(97.00)	214.00
Nuvo Line Agency Co., Ltd.	321.50	104.00	(15.00)	410.50
BTS Sansiri Holding Eleven Limited	196.00	272.00	(60.00)	408.00
BTS Sansiri Holding Twelve Limited	646.00	185.00	(100.00)	731.00
BTS Sansiri Holding Thirteen Limited	801.02	289.00	(499.00)	591.02
(Formerly known as "Prime Area 38 Co., Ltd.")				
BTS Sansiri Holding Fourteen Limited	60.00	39.00	(48.00)	51.00
BTS Sansiri Holding Fifteen Limited	436.00	47.00	-	483.00
BTS Sansiri Holding Sixteen Limited	532.00	11.00	(101.00)	442.00
BTS Sansiri Holding Seventeen Limited	25.00	10.00	-	35.00
BTS Sansiri Holding Nineteen Limited	214.00	142.00	(100.00)	256.00
BTS Sansiri Holding Twenty Limited	-	106.00	-	106.00
BTS Sansiri Holding Twenty one Limited	367.00	59.00	-	426.00
BTS Sansiri Holding Twenty Two Limited	75.00	217.00	-	292.00
BTS Sansiri Holding Twenty Three Limited	-	63.00	(20.00)	43.00
(Formerly known as "Bangkok Sky Sukhumvit 34 Co., Ltd.")				
BTS Sansiri Holding Twenty Four Limited	-	384.88	(314.88)	70.00
(Formerly known as "Siripat One Co., Ltd.")				
BTS Sansiri Holding Twenty Five Limited	-	1,220.00	(1,140.00)	80.00
(Formerly known as "Siripat Two Co., Ltd.")				
Siripat Three Co., Ltd.	-	696.55	(569.05)	127.50
Siri TK One Co., Ltd	-	314.30	-	314.30
Siri TK Two Co., Ltd	-	620.90	(315.00)	305.90
Siri TK Three Co., Ltd	-	343.00	(117.60)	225.40
Siri TK Four Co., Ltd	-	86.10	-	86.10
Related party				
Regency One Co., Ltd.	5.00	-	-	5.00
Total	5,811.21	6,071.23	(5,256.53)	6,625.91

(Unit: Million Baht)

Loans to	Separate financial statements			
	Balance as at	During the year		Balance as at
	1 January 2018	Increase	Decrease	31 December 2018
Subsidiaries				
Arnawat Ltd.	4,546.88	2,881.43	(5,975.00)	1,453.31
Plus Property Co., Ltd.	529.00	65.98	(594.98)	-
Piwattana Ltd.	1,936.46	919.95	(2,100.18)	756.23
Plus Property Space Co., Ltd.	355.67	52.77	(14.47)	393.97
NED Management Co., Ltd.	1,039.43	73.99	(816.14)	297.28
Sansiri Chaina Co., Ltd.	6.10	-	(0.50)	5.60
Siriwattana Holding Ltd.	540.00	47.45	-	587.45
Jirapas Realty Co., Ltd.	1,852.00	417.36	(77.35)	2,192.01
Paranat Co., Ltd. (Formerly known as “Paranat Property Co., Ltd.”)	1,709.50	254.32	(1,573.77)	390.05
Siri Smart One Co., Ltd.	225.60	8.12	(2.39)	231.33
Siri Smart Two Co., Ltd.	-	531.59	(49.22)	482.37
Siri Smart Three Co., Ltd.	-	2,839.00	(501.00)	2,338.00
Siri Smart Four Co., Ltd.	-	725.86	(725.86)	-
Siri Ventures Co., Ltd.	-	1.50	(1.50)	-
Joint ventures				
BTS Sansiri Holding One Limited	410.00	-	(410.00)	-
BTS Sansiri Holding Two Limited	137.69	35.50	-	173.19
BTS Sansiri Holding Three Limited	-	235.00	(37.00)	198.00
BTS Sansiri Holding Four Limited	1,017.00	-	(988.00)	29.00
BTS Sansiri Holding Five Limited	39.00	25.00	-	64.00
BTS Sansiri Holding Six Limited	38.00	98.00	(53.00)	83.00
BTS Sansiri Holding Seven Limited	217.00	95.00	(116.00)	196.00
BTS Sansiri Holding Eight Limited	188.00	148.00	(156.00)	180.00
BTS Sansiri Holding Nine Limited	86.00	225.00	(97.00)	214.00
Nuvo Line Agency Co., Ltd.	321.50	104.00	(15.00)	410.50
408.BTS Sansiri Holding Eleven Limited	196.00	272.00	(60.00)	408.00
BTS Sansiri Holding Twelve Limited	646.00	185.00	(100.00)	731.00
BTS Sansiri Holding Thirteen Limited (Formerly known as “Prime Area 38 Co., Ltd.)	801.02	289.00	(499.00)	591.02
BTS Sansiri Holding Fourteen Limited	60.00	39.00	(48.00)	51.00
BTS Sansiri Holding Fifteen Limited	436.00	47.00	-	483.00
BTS Sansiri Holding Sixteen Limited	532.00	11.00	(101.00)	442.00
BTS Sansiri Holding Seventeen Limited	25.00	10.00	-	35.00
BTS Sansiri Holding Nineteen Limited	214.00	142.00	(100.00)	256.00
BTS Sansiri Holding Twenty Limited	-	106.00	-	106.00
BTS Sansiri Holding Twenty one Limited	367.00	59.00	-	426.00
BTS Sansiri Holding Twenty Two Limited	75.00	217.00	-	292.00
BTS Sansiri Holding Twenty Three Limited (Formerly known as “Bangkok Sky	-	63.00	(20.00)	43.00

	Separate financial statements			
	Balance as at	During the year		Balance as at
	1 January 2018	Increase	Decrease	31 December 2018
Loans to				
Sukhumvit 34 Co., Ltd.)				
BTS Sansiri Holding Twenty Four Limited (Formerly known as "Siripat One Co., Ltd.")	-	384.88	(314.88)	70.00
BTS Sansiri Holding Twenty Five Limited (Formerly known as "Siripat Two Co., Ltd.")	-	1,220.00	(1,140.00)	80.00
Siripat Three Co., Ltd.	-	696.55	(569.05)	127.50
Siri TK One Co., Ltd.	215.60	98.70	-	314.30
Siri TK Two Co., Ltd.	-	620.90	(315.00)	305.90
Siri TK Three Co., Ltd.	-	343.00	(117.60)	225.40
Siri TK Four Co., Ltd.	-	86.10	-	86.10
Total	18,762.45	14,674.95	(17,688.89)	15,748.51

(Unit: Million Baht)

	Separate financial statements			
	Balance as at	During the year		Balance as at
	1 January 2018	Increase	Decrease	31 December 2018
Loans from				
Subsidiaries				
Papayan Ltd.	191.93	27.34	(217.97)	1.30
Chanachai Ltd.	197.00	78.87	(58.17)	217.70
Plus Property Co., Ltd.	-	134.91	(42.86)	92.05
Red Lotus Properties Co., Ltd.	503.60	222.75	(569.00)	157.35
Siri Ventures Co., Ltd.	-	39.88	(39.88)	-
	892.53	503.75	(927.88)	468.40

As at 31 December 2018, loans to and loans from related parties are clean loans, due for repayment at call, and carried interest at rates of 3.50 - 4.95 percent per annum (2017: 3.50 - 3.85 percent per annum).

8. Cash and cash equivalents

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash	6.09	7.02	2.55	2.39
Bank deposits	3,926.52	2,970.55	2,533.41	1,529.24
Total	3,932.61	2,977.57	2,535.96	1,531.63

As at 31 December 2018, bank deposits in saving accounts and fixed deposits carried interests between 0.13 - 1.75 percent per annum (2017: bank deposits in saving accounts and fixed deposits carried interests between 0.13 - 1.35 percent per annum).

9. Current investments

(Unit: Million Baht)

	Consolidated and Separate financial statements	
	2018	2017
Bills of exchange - face value	2,000.00	1,000.00
Less: Discount	(37.61)	(26.86)
Bills of exchange - net	1,962.39	973.14
Investment in short-term fixed income fund	0.05	0.05
Investment in short-term debenture	406.13	-
Total	2,368.57	973.19

10. Restricted bank deposits

On 7 November 2017, the Company executed a memorandum of understanding with Pace Development Corporation Public Company Limited and Pace Project Two Company Limited (collectively referred to as, "Pace Development Group") for the purchase negotiation and the due diligence of Nimit Lang Suan project (whole project) and 53 condominium units of Ritz-Carlton Residences Bangkok project in the MahaNakhon building project.

Under the above memorandum of understanding, the Company has to place the refundable deposit in the amount of Baht 322.8 million of the indicative purchase price under the escrow arrangement, and receives an exclusive right to conduct due diligence and negotiate on the purchase of the assets above.

On 5 February 2018, the Company requested cancellation for the above purchase negotiation and the due diligence. The Company received the full amount of refundable deposit of Baht 322.8 million on 13 February 2018.

11. Trade accounts receivable

Trade accounts receivable as at 31 December 2018 and 2017 presented as follows: -

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	17.44	22.57	-	-
Past due				
Up to 3 months	0.74	9.68	43.61	6.98
3 - 6 months	-	-	17.78	-
6 - 12 months	-	-	1.76	-
Over 12 months	-	-	-	-
Total trade receivables - related parties	18.18	32.25	63.15	6.98
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	46.88	73.55	-	-
Past due				
Up to 3 months	44.76	30.31	15.43	12.78
3 - 6 months	5.05	22.90	2.14	17.25
6 - 12 months	9.95	14.08	3.69	3.81
Over 12 months	49.18	34.41	17.04	11.99
Total	155.82	175.25	38.30	45.83
Less: Allowance for doubtful debts	(52.32)	(50.64)	(24.41)	(32.73)
Total trade receivables - unrelated parties, net	103.50	124.61	13.89	13.10
Total trade receivables - net	121.68	156.86	77.04	20.08

12. Property development for sale

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Land	60,623.21	44,726.49	38,505.91	26,149.23
Construction costs	60,284.80	57,582.03	29,431.45	26,593.16
Utility costs	18,688.79	16,650.08	12,407.65	10,405.19
Construction material	57.22	43.32	56.06	43.32
Capitalised and financial costs	5,756.47	4,907.34	4,686.22	4,089.95
Total	145,410.49	123,909.26	85,087.29	67,280.85
Less: Accumulated transfer to cost of projects	(88,601.12)	(80,107.48)	(45,900.62)	(39,029.53)
Allowance for diminution in value of projects	(503.98)	(417.32)	(29.36)	(14.26)
Balance	56,305.39	43,384.46	39,157.31	28,237.06

- 12.1 As at 31 December 2018 and 2017, land and construction thereon of projects of the Company and its subsidiaries with net book value Baht 44,481 million and Baht 27,199 million, respectively were pledged as collateral for loans obtained from banks (Separate financial statements: Baht 30,097 million and Baht 20,797 million, respectively).
- 12.2 As at 31 December 2018 and 2017, the estimated expense of the Company and its subsidiaries for development and construction to complete launched projects (excluding the costs of land and construction already recorded) are Baht 64,488 million and Baht 43,100 million, respectively (Separate financial statements: Baht 42,238 million and Baht 27,283 million, respectively).
- 12.3 During the year 2018 and 2017, the Company and its subsidiaries included borrowing costs in the cost of property development amounting to Baht 910 million and Baht 949 million, respectively (Separate financial statements: Baht 611 million and Baht 771 million, respectively). Capitalisation rates for the years 2018 and 2017 were 3.40% and 3.78%, respectively (Separate financial statements: 3.36% and 3.75% respectively).
- 12.4 Loss on diminution in value of property development for sale and land held for development (reversal) for the year 2018 and 2017 are as follow.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Property development for sale (Note 12)	97.52	139.68	15.10	(6.36)
Land held for development (Note 20)	32.50	68.30	-	-
Total	130.02	207.98	15.10	(6.36)

- 12.5 Additional information of the Company and its subsidiaries' projects are as follow.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Sales with signed agreements*	165,612	134,441	86,147	66,761
Total estimated project value	224,197	182,521	123,821	101,270
The ratio of sales with signed agreements to total estimated project sales	73.87%	73.66%	69.57%	65.92%
Unearned income	3,894	1,228	1,199	241

* To be recognised as revenue from contracts with customers within 2022. However, the revenue recognised in the future are subject to several internal and external factors including ability to make installment payments by customers and getting approved credit facilities from banks, the progression of projects construction of the Company and its subsidiaries and also economic and political conditions.

13. Cost to obtain contracts with customers

(Unit: Thousand Baht)		
2018		
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2018	210,658	19,884
Increase during the year	665,152	186,437
Realise as selling expenses	(72,691)	(16,624)
Balance as at 31 December 2018	803,119	189,697

14. Long-term loan receivable

As at 31 December 2018 and 2017, the long-term loan receivable is an unsecured loan of a subsidiary to an overseas company amounting to USD 0.30 million which carries interest at the rate of 4.00 percent per annum and will be matured on 24 March 2019. This loan can be convertible to preferred stocks within the maturity date under conditions as stipulated in the loan agreement.

15. Investments in subsidiaries

Investments in subsidiaries as stated in the separate financial statements as at 31 December 2018 and 2017 are as follows: -

(Unit: Million Baht)								
	Paid-up capital		Percentage of shareholding		Investment at cost		Dividend received during the year	
	2018	2017	2018	2017	2018	2017	2018	2017
			(%)	(%)				
<u>Subsidiaries - Directly owned</u>								
Chanachai Ltd.	90.00	90.00	100	100	101.52	101.52	-	9.90
Plus Property Co., Ltd.	150.00	150.00	100	100	160.53	160.53	-	-
Sansiri China Co., Ltd.	3.00	3.00	100	100	4.52	4.52	-	-
S.U.N. Management Co., Ltd.	10.00	10.00	100	100	20.08	20.08	-	-
Arnawat Ltd.	2.50	2.50	100	100	2.50	2.50	-	-
Piwattana Ltd.	100.00	100.00	100	100	100.00	100.00	-	-
Red Lotus Properties Ltd.	20.00	20.00	100	100	20.00	20.00	590.00	-
Plus Propety Space Co., Ltd.	2.50	2.50	100	100	4.06	4.06	-	-
Papanan Ltd.	20.00	20.00	100	100	20.00	20.00	212.00	264.00
Satit Pattana Personnel Center Ltd.	1.00	1.00	100	100	1.00	1.00	-	-
NED Management Co., Ltd.	40.00	40.00	100	100	40.00	40.00	-	-
Sansiri Global Investment Pte. Ltd.	(2)	(1)	100	100	1,703.89	1,667.38	-	-
Siriwattana Holding Ltd.	100.00	100.00	100	100	100.00	100.00	-	-
Jirapas Realty Co., Ltd.	10.00	10.00	100	100	10.00	10.00	-	-
Paranat Co., Ltd. (Formerly known as "Paranat Property Co., Ltd.")	10.00	10.00	100	100	10.00	10.00	-	-
Siri Ventures Co., Ltd.	300.00	100.00	97	90	290.00	90.00	-	-
Siri Smart One Co., Ltd.	10.00	10.00	100	100	10.00	10.00	-	-
Siri TK One Co., Ltd.	-	10.00	-	70	-	7.00	-	-
Sansiri US, Inc.	USD 36.12 million	USD 18.76 million	100	100	1,189.87	622.48	-	-

(Unit: Million Baht)

	Paid-up capital		Percentage of shareholding		Investment at cost		Dividend received during the year	
	2018	2017	2018	2017	2018	2017	2018	2017
			(%)	(%)				
Siri Smart Two Co., Ltd.	50.00	-	100	-	50.00	-	-	-
Siri Smart Three Co., Ltd.	50.00	-	100	-	50.00	-	-	-
Siri Smart Four Co., Ltd.	50.00	-	100	-	50.00	-	-	-
Siripat Four Co., Ltd.	12.50	-	100	-	12.50	-	-	-
Siripat Five Co., Ltd.	12.50	-	100	-	12.50	-	-	-
Total investment in subsidiaries					3,962.97	2,991.07	802.00	273.90

- (1) Paid-up capital as at 31 December 2017 consists of GBP 0.02 million called up in year 2009, GBP 24.93 million called up in year 2015 and USD 12 million called up in year 2017.
- (2) Paid-up capital as at 31 December 2018 consists of GBP 0.02 million called up in year 2009, GBP 24.93 million called up in year 2015, USD 12 million called up in year 2017 and SGD 1.5 million called up in year 2018.

(1) Establishment of new subsidiaries held by the Company

During the year, the meeting of the Board of Directors approved the establishment of new subsidiaries in Thailand to engage in property development business as detailed below:

Company's name	Date of incorporation	Registered share capital (Million Baht)	Paid-up share capital (Million Baht)	Shareholding percentage (%)
Siri Smart Two Co.,Ltd.	4 January 2018	50.00	50.00	100.00
Siripat One Co.,Ltd.	16 February 2018	50.00	50.00	100.00
Siripat Two Co.,Ltd.	2 March 2018	50.00	50.00	100.00
Siripat Three Co.,Ltd.	12 March 2018	50.00	50.00	100.00
Siri Smart Three Co.,Ltd.	28 June 2018	50.00	50.00	100.00
Siri Smart Four Co.,Ltd.	23 July 2018	50.00	50.00	100.00
Siripat Four Co.,Ltd.	20 December 2018	50.00	12.50	100.00
Siripat Five Co.,Ltd.	20 December 2018	50.00	12.50	100.00

(2) Establishment of a new indirect subsidiary

On 19 June 2018, the meeting of the Company's Board of Directors passed a resolution to approve the establishment of a new subsidiary in Singapore named Sansiri International Pte.Ltd., with the registered capital of SGD 1,500,000 whereby Sansiri Global Investment Pte. Ltd., a wholly owned subsidiary, has 100% shareholding percentage in a new indirect subsidiary in order to be used as the centralised administrative offices and subsidiary management offices in Singapore. A new indirect subsidiary has registered the incorporation on 5 July 2018.

(3) Acquisition of new subsidiary by a subsidiary

On 30 March 2018, Arnawat Ltd. (a subsidiary) acquired 10,000 ordinary shares or 100% shareholding in Bangkok Sky Sukhumvit 34 Co., Ltd. ("BKS34") from the existing shareholders, with consideration of Baht 0.84 million (equivalent to the book value of BKS34 as of 29 March 2018 according to the management account (internal account)). The consideration value is a jointly determined price between the Purchaser and the Seller. As a result of this transaction, the subsidiary has control over Bangkok Sky Sukhumvit 34 Co., Ltd. Therefore, it became a subsidiary of the Group (an indirect subsidiary of the Company).

(4) Changes of status from subsidiaries to joint ventures

According to the joint venture agreement of Siri TK One Limited between the Company and Tokyu Corporation Ltd., which was incorporated in Japan (including Saha Tokyu Corporation Co., Ltd. which is Tokyu Corporation's alliance), the Company considered that they had no any control over Siri TK One Limited. Therefore, the status of such company was changed from a subsidiary to a joint venture and the Company presented the investment in such company as investment in joint venture.

During the year, the Company sold its ordinary shares in Siripat One Co.,Ltd., Siripat Two Co.,Ltd. and Siripat Three Co.,Ltd.. In addition, Arnawat Co.,Ltd. (a subsidiary) sold its ordinary shares in Bangkok Sky Sukhumvit 34 Limited. The Company considered that it had no control over these companies. As a result, their status was changed from subsidiaries to joint ventures as described in Note16 to the financial statements.

(5) Increase in share capital of subsidiaries

On 8 June 2018, the Extraordinary General Meeting of Shareholders of Siri Ventures Co., Ltd. (a subsidiary) approved the increase in the registered capital of Baht 200 million, from the existing registered capital of Baht 100 million to the new registered capital of Baht 300 million, through the issuance of new 2,000,000 ordinary shares at a price of Baht 100 per share which were fully called up. The Company paid for the capital increase of Baht 200 million. As a result, the Company's shareholding in this company increased from 90% to 97%. The subsidiary registered the increase in the registered share capital with the Ministry of Commerce on 19 June 2018.

During the year, the Company invested in Sansiri US, Inc. (a subsidiary) totaling USD 17.4 million or equivalent to Baht 567 million and invested in Sansiri Global Investment Pte. Ltd. (a subsidiary) totaling SGD 1,500,000 or equivalent to Baht 36.5 million.

16. Investments in joint ventures

16.1 Details of investments in joint ventures:

Investments in joint ventures represent investments in entities which are jointly controlled by the Company and other company. Details of these investments are as follows:

(Unit: Thousand Baht)

		Consolidated financial statements					
Joint ventures	Nature of business	Shareholding percentage		Carrying amounts based on			
				Cost		equity method	
		2018	2017	2018	2017	2018	2017
		(%)	(%)				(restated)
Jointly controlled by the Company and U City Public Company Limited							
BTS Sansiri Holding One Limited	Property development	50	50	50,000	50,000	33,770	188,181
BTS Sansiri Holding Two Limited	Property development	50	50	50,000	50,000	- ⁽¹⁾	- ⁽¹⁾
BTS Sansiri Holding Three Limited	Property development	50	50	50,000	50,000	52,728	74,747
BTS Sansiri Holding Four Limited	Property development	50	50	50,000	50,000	- ⁽¹⁾	- ⁽¹⁾
BTS Sansiri Holding Five Limited	Property development	50	50	25,000	50,000	- ⁽¹⁾	- ⁽¹⁾
BTS Sansiri Holding Six Limited	Property development	50	50	50,000	50,000	- ⁽¹⁾	- ⁽¹⁾
BTS Sansiri Holding Seven Limited	Property development	50	50	50,000	50,000	109,841	- ⁽¹⁾
BTS Sansiri Holding Eight Limited	Property development	50	50	50,000	50,000	85,396	- ⁽¹⁾
BTS Sansiri Holding Nine Limited	Property development	50	50	50,000	50,000	158,315	- ⁽¹⁾
Nuvo Line Agency Co., Ltd.	Property development	50	50	76,882	76,882	- ⁽¹⁾	13,284
BTS Sansiri Holding Eleven Limited	Property development	50	50	50,000	50,000	- ⁽¹⁾	- ⁽¹⁾
BTS Sansiri Holding Twelve Limited	Property development	50	50	50,000	50,000	- ⁽¹⁾	- ⁽¹⁾
BTS Sansiri Holding Thirteen Limited ⁽²⁾	Property development	50	50	55,951	35,951	58,521	31,970
BTS Sansiri Holding Fourteen Limited	Property development	50	50	50,000	50,000	- ⁽¹⁾	10,599
BTS Sansiri Holding Fifteen Limited	Property development	50	50	50,000	50,000	- ⁽¹⁾	- ⁽¹⁾

(Unit: Thousand Baht)

Consolidated financial statements							
Joint ventures	Nature of business	Shareholding percentage		Cost		Carrying amounts based on equity method	
		2018	2017	2018	2017	2018	2017
		(%)	(%)				(restated)
BTS Sansiri Holding	Property						
Sixteen Limited	development	50	50	50,000	50,000	- ⁽¹⁾	- ⁽¹⁾
BTS Sansiri Holding	Property						
Seventeen Limited	development	50	50	50,000	50,000	44,103	49,772
BTS Sansiri Holding	Property						
Eighteen Limited	development	50	50	25,000	50,000	20,080	49,146
BTS Sansiri Holding	Property						
Nineteen Limited	development	50	50	50,000	50,000	- ⁽¹⁾	6,095
BTS Sansiri Holding	Property						
Twenty Limited	development	50	50	50,000	50,000	43,033	46,673
BTS Sansiri Holding	Property						
Twenty one Limited	development	50	50	50,000	50,000	14,135	34,881
BTS Sansiri Holding	Property						
Twenty Two Limited	development	50	50	50,000	50,000	31,079	41,446
BTS Sansiri Holding	Property development						
Twenty Three Limited ⁽³⁾		50	-	25,000	-	22,118	-
BTS Sansiri Holding	Property development						
Twenty Four Limited ⁽⁴⁾		50	-	25,000	-	18,507	-
BTS Sansiri Holding	Property development						
Twenty Five Limited ⁽⁵⁾		50	-	25,000		17,686	-
Siripat Three Co., Ltd.	Property development	50	-	25,000	-	16,668	-
<u>Jointly controlled by the Company and Tokyo Corporation</u>							
Siri TK One Co., Ltd.	Property development	70	-	7,000	-	- ⁽¹⁾	-
Siri TK Two Co., Ltd.	Property development	70	-	35,000	-	- ⁽¹⁾	-
Siri TK Three Co., Ltd.	Property development	70	-	35,000	-	- ⁽¹⁾	-
Siri TK Four Co., Ltd.	Property development	70	-	35,000	-	- ⁽¹⁾	-
Total				1,294,833	1,112,833	725,980	546,794

⁽¹⁾ Investments under equity method presented under "Provision for transaction under equity method of investments in joint ventures."⁽²⁾ Formerly known as "Prime Area 38 Co., Ltd."⁽³⁾ Formerly known as "Bangkok Sky Sukhumvit 34 Co., Ltd."⁽⁴⁾ Formerly known as "Siripat One Co., Ltd."⁽⁵⁾ Formerly known as "Siripat Two Co., Ltd."

Investments under equity method presented under “Provision for transaction under equity method of investments in joint ventures” were detailed as follows:

Company's name	(Unit: Thousand Baht)	
	Consolidated financial	
	statements	
	2018	2017
		(restated)
BTS Sansiri Holding Two Limited	173,907	164,464
BTS Sansiri Holding Four Limited	311,021	272,002
BTS Sansiri Holding Five Limited	45,641	15,405
BTS Sansiri Holding Six Limited	89,895	167,380
BTS Sansiri Holding Seven Limited	-	32,423
BTS Sansiri Holding Eight Limited	-	51,795
BTS Sansiri Holding Nine Limited	-	43,575
Nuvo Line Agency Co., Ltd.	21,296	-
BTS Sansiri Holding Eleven Limited	49,002	27,224
BTS Sansiri Holding Twelve Limited	136,594	59,069
BTS Sansiri Holding Fourteen Limited	72	-
BTS Sansiri Holding Fifteen Limited	11,272	10,465
BTS Sansiri Holding Sixteen Limited	61,264	58,920
BTS Sansiri holding Nineteen Limited	9,462	-
Siri TK One Co., Ltd.	106,220	-
Siri TK Two Co., Ltd.	110,629	-
Siri TK Three Co., Ltd.	25,949	-
Siri TK Four Co., Ltd.	78,791	-
Total	1,231,015	902,722

The Company presented the negative investment value based on equity method as "Provision for transaction under equity method of investments in joint ventures" in the consolidated statement of financial position. The negative investment value was resulted from elimination of gain on related party transactions in proportion to the Company's shareholding in joint ventures.

		(Unit: Thousand Baht)			
		Separate financial statements			
Joint ventures	Nature of business	Shareholding percentage		Cost/Carrying amounts based on cost method - net	
		2018	2017	2018	2017
		(%)	(%)		
<u>Jointly controlled by the Company and U City Public Company Limited</u>					
BTS Sansiri Holding One Limited	Property development	50	50	50,000	50,000
BTS Sansiri Holding Two Limited	Property development	50	50	50,000	50,000
BTS Sansiri Holding Three Limited	Property development	50	50	50,000	50,000
BTS Sansiri Holding Four Limited	Property development	50	50	50,000	50,000
BTS Sansiri Holding Five Limited	Property development	50	50	25,000	50,000
BTS Sansiri Holding Six Limited	Property development	50	50	50,000	50,000
BTS Sansiri Holding Seven Limited	Property development	50	50	50,000	50,000
BTS Sansiri Holding Eight Limited	Property development	50	50	50,000	50,000
BTS Sansiri Holding Nine Limited	Property development	50	50	50,000	50,000
Nuvo Line Agency Co.,Ltd.	Property development	50	50	76,882	76,882
BTS Sansiri Holding Eleven Limited	Property development	50	50	50,000	50,000
BTS Sansiri Holding Twelve Limited	Property development	50	50	50,000	50,000
BTS Sansiri Holding Thirteen Limited ⁽¹⁾	Property development	50	50	55,951	35,951
BTS Sansiri Holding Fourteen Limited	Property development	50	50	50,000	50,000
BTS Sansiri Holding Fifteen Limited	Property development	50	50	50,000	50,000
BTS Sansiri Holding Sixteen Limited	Property development	50	50	50,000	50,000
BTS Sansiri Holding Seventeen Limited	Property development	50	50	50,000	50,000
BTS Sansiri Holding Eighteen Limited	Property development	50	50	25,000	50,000
BTS Sansiri Holding Nineteen Limited	Property development	50	50	50,000	50,000
BTS Sansiri Holding Twenty Limited	Property development	50	50	50,000	50,000
BTS Sansiri Holding Twenty One Limited	Property development	50	50	50,000	50,000
BTS Sansiri Holding Twenty Two Limited	Property development	50	50	50,000	50,000
BTS Sansiri Holding Twenty Three Limited ⁽²⁾	Property development	50	-	25,000	-
BTS Sansiri Holding Twenty Four Limited ⁽³⁾	Property development	50	-	25,000	-
BTS Sansiri Holding Twenty Five Limited ⁽⁴⁾	Property development	50	-	25,000	-
Siripat Three Co., Ltd.	Property development	50	-	25,000	-
<u>Jointly controlled by the Company and Tokyo Corporation</u>					
Siri TK One Co., Ltd.	Property development	70	-	7,000	-
Siri TK Two Co., Ltd.	Property development	70	-	35,000	-
Siri TK Three Co., Ltd.	Property development	70	-	35,000	-
Siri TK Four Co., Ltd.	Property development	70	-	35,000	-
Total				1,294,833	1,112,833

⁽¹⁾ Formerly known as "Prime Area 38 Co., Ltd."

⁽²⁾ Formerly known as "Bangkok Sky Sukhumvit 34 Co., Ltd."

⁽³⁾ Formerly known as "Siripat One Co., Ltd."

⁽⁴⁾ Formerly known as "Siripat Two Co., Ltd."

(1) Establishment of new joint ventures during the period

During the current period, the meeting of the Board of Directors approved the establishment of new joint ventures which are venture companies between the Company and Tokyu Corporation Ltd., which was incorporated in Japan (including Saha Tokyu Corporation Co., Ltd. which is Tokyu Corporation's alliance). The new joint ventures are engaged in property development as detailed below:

Company's name	Date of incorporation	Registered share capital (Million Baht)	Paid-up share capital (Million Baht)	Shareholding percentage (%)
Siri TK Two Co., Ltd.	12 March 2018	50.00	50.00	70.00
Siri TK Three Co., Ltd.	12 March 2018	50.00	50.00	70.00
Siri TK Four Co., Ltd.	3 September 2018	50.00	50.00	70.00

(2) Changes of status from subsidiaries to joint ventures

On 1 June 2018, the Company sold its ordinary shares in the following subsidiaries as detailed below.

Company	Registered and paid-up share capital (Baht)	Sold shares (shares)	Selling price (Baht per share)	Total selling price (Baht)	Shareholding percentage after completing the transaction (%)
Siripat One Co.,Ltd.	50,000,000	250,000	100	25,000,000	50
Siripat Two Co.,Ltd.	50,000,000	250,000	100	25,000,000	50
Siripat Three Co.,Ltd.	50,000,000	250,000	100	25,000,000	50

The selling price was mutually agreed between the Company and U City Public Company Limited. As a result of the transaction, the shareholding percentage of the Company in the subsidiary was decreased from 100% to 50%. The Company therefore considered that the Company had no control over the subsidiary and the status of this company was changed from a subsidiary to a joint venture.

In addition, on 1 June 2018, Arnawat Co.,Ltd. (a subsidiary) sold all 10,000 ordinary shares of Bangkok Sky Sukhumvit 34 Co.,Ltd. (an indirect subsidiary) to the Company for 5,000 ordinary shares (or equivalent to 50% shareholding) at a price of Baht 100 per share or totaling Baht 500,000 and to U City Public Company Limited for 5,000 ordinary shares (or equivalent to 50% shareholding) at a price of Baht 100 per share or totaling Baht 500,000. The selling price was mutually agreed by and between Arnawat Co.,Ltd., U City Public Company Limited and the Company. As a result of this transaction, the Company holds 50% in Bangkok Sky Sukhumvit 34 Co., Ltd. The Group considered that they had no control over Bangkok Sky Sukhumvit 34 Co., Ltd. but it is a joint control between the Company and U City Public Company Limited. Therefore, the status of Bangkok Sky Sukhumvit 34 Co., Ltd. was changed from an indirect subsidiary to a joint venture.

The purpose of the above sale of investments of the Company and Arnawat Co.,Ltd. (a subsidiary), is to turn the subsidiaries, including an indirect subsidiary, into 50:50 joint venture companies between the Company and U City Public Company Limited which is an associate of BTS Group Holdings Public Company Limited under the Strategic Alliance Framework made between the Company and BTS Group Holdings Public Company Limited.

(3) Increase in share capital of joint ventures

On 18 June 2018, the Extraordinary General Meeting of Shareholders of Prime Area 38 Co., Ltd. passed a resolution to increase the registered share capital of Baht 40 million from the existing registered capital of Baht 10 million to Baht 50 million by issuing new 400,000 ordinary shares at a price of Baht 100 each, fully called up. The Company paid for the capital increase on a pro rata basis amounting to Baht 20 million that company. The joint venture registered the capital increase with the Ministry of Commerce on 25 June 2018.

On 18 June 2018, the Extraordinary General Meeting of Shareholders of Bangkok Sky Sukhumvit 34 Co., Ltd. passed a resolution to increase the registered share capital of Baht 49 million from the existing registered capital of Baht 1 million to Baht 50 million by issuing new 490,000 ordinary shares at a price of Baht 100 each, fully called up. The Company paid for the capital increase on a pro rata basis amounting to Baht 24.5 million to that company. The joint venture registered the capital increase with the Ministry of Commerce on 25 June 2018.

(4) Decrease in share capital of joint ventures

On 26 June 2018, the Extraordinary General Meeting of Shareholders of BTS Sansiri Holding Five Ltd. passed a resolution to decrease the registered share capital of Baht 50 million from the existing registered capital of Baht 100 million to Baht 50 million by decreasing 1,000,000 ordinary shares to 500,000 ordinary shares at a price of Baht 100 each. The Company received of the capital decrease amounting to Baht 25 million. The joint venture registered the capital decrease with the Ministry of Commerce on 3 September 2018.

On 26 June 2018, the Extraordinary General Meeting of Shareholders of BTS Sansiri Holding Eighteen Ltd. passed a resolution to decrease the registered share capital of Baht 50 million from the existing registered capital of Baht 100 million to Baht 50 million by decreasing 1,000,000 ordinary shares to 500,000 ordinary shares at a price of Baht 100 each. The Company received of the capital decrease amounting to Baht 25 million. The joint venture registered the capital decrease with the Ministry of Commerce on 3 September 2018.

(5) Approval of dividend payment of a joint venture

On 18 July 2018, the meeting of the Board of Directors of BTS Sansiri Holding One Limited approved a payment of cash dividend of Baht 540 per share, or a total of Baht 540 million from its retained earnings as at 30 June 2018. The Company received cash dividend of Baht 270 million on 23 July 2018.

16.2 Share of comprehensive income (loss)

During the years, the Company recognised its share of comprehensive income (loss) from investments in the joint ventures in the consolidated financial statements as follows.

(Unit: Thousand Baht)

Consolidated financial statements				
Joint ventures	Share of profit (loss) from investments in joint ventures during the years		Share of other comprehensive income (loss) from investments in joint ventures during the years	
	2018	2017	2018	2017
<u>Jointly controlled by the Company and U City Public Company Limited</u>				
BTS Sansiri Holding One Limited	127,076	424,886	-	-
BTS Sansiri Holding Two Limited	(9,443)	(13,929)	-	-
BTS Sansiri Holding Three Limited	(17,126)	66,305	-	-
BTS Sansiri Holding Four Limited	(11,145)	(23,828)	-	-
BTS Sansiri Holding Five Limited	(5,235)	(4,616)	-	-
BTS Sansiri Holding Six Limited	84,840	(21,113)	-	-
BTS Sansiri Holding Seven Limited	135,002	(21,751)	-	-
BTS Sansiri Holding Eight Limited	160,881	(24,332)	-	-
BTS Sansiri Holding Nine Limited	209,694	(9,902)	-	-
Nuvo Line Agency Co.,Ltd.	(31,624)	(25,457)	-	-
BTS Sansiri Holding Eleven Limited	(13,000)	(56,528)	-	-
BTS Sansiri Holding Twelve Limited	(8,857)	(49,034)	-	-
BTS Sansiri Holding Thirteen Limited ⁽¹⁾	(168)	(3,981)	-	-
BTS Sansiri Holding Fourteen Limited	(11,419)	(43,742)	-	-
BTS Sansiri Holding Fifteen Limited	(188)	(23,228)	-	-
BTS Sansiri Holding Sixteen Limited	(2,626)	(40,046)	-	-
BTS Sansiri Holding Seventeen Limited	(5,670)	(57)	-	-
BTS Sansiri Holding Eighteen Limited	(4,066)	209	-	-
BTS Sansiri Holding Nineteen Limited	(19,722)	(78,424)	-	-
BTS Sansiri Holding Twenty Limited	(3,640)	(3,142)	-	-
BTS Sansiri Holding Twenty One Limited	(23,948)	(4,234)	-	-
BTS Sansiri Holding Twenty Two Limited	(16,203)	(1,102)	-	-
BTS Sansiri Holding Twenty Three Limited ⁽²⁾	(2,179)	-	-	-
BTS Sansiri Holding Twenty Four Limited ⁽³⁾	(5,651)	-	-	-
BTS Sansiri Holding Twenty Five Limited ⁽⁴⁾	(6,355)	-	-	-
Siripat Three Co., Ltd.	(6,382)	-	-	-
<u>Jointly controlled by the Company and Tokyo Corporation</u>				
Siri TK One Co., Ltd.	918	-	-	-
Siri TK Two Co., Ltd.	(47,095)	-	-	-
Siri TK Three Co., Ltd.	(20,712)	-	-	-
Siri TK Four Co., Ltd.	(2,364)	-	-	-
Total	443,593	42,954	-	-

⁽¹⁾Formerly known as "Prime Area 38 Co., Ltd."⁽²⁾Formerly known as "Bangkok Sky Sukhumvit 34 Co., Ltd."⁽³⁾Formerly known as "Siripat One Co., Ltd."⁽⁴⁾Formerly known as "Siripat Two Co., Ltd."

16.3 Summarised financial information about material joint ventures

Summarised information about financial position

(Unit: Million Baht)

	BTS Sansiri Holding One Limited		BTS Sansiri Holding Six Limited		BTS Sansiri Holding Seven Limited		BTS Sansiri Holding Eight Limited		BTS Sansiri Holding Nine Limited		Siri TK One Co., Ltd.		Siri TK Two Co., Ltd.	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	(restated)		(restated)		(restated)		(restated)		(restated)					
Cash and cash equivalent	257	339	56	75	192	35	278	25	329	42	83	-	239	-
Other current assets	2	1,428	2,335	3,269	585	1,135	463	2,086	638	1,274	1,162	-	1,135	-
Non-current assets	5	16	6	12	9	32	1	46	12	49	28	-	45	-
Long-term loans from related parties	-	(820)	(166)	(76)	(392)	(434)	(360)	(376)	(428)	(172)	(314)	-	(437)	-
Long-term loans from bank	-	(72)	(872)	(1,975)	-	(448)	-	(1,107)	-	(786)	(575)	-	(497)	-
Other non-current assets	(172)	(428)	(1,257)	(1,253)	(144)	(349)	(118)	(737)	(199)	(502)	(484)	-	(502)	-
Restated retained earnings ⁽¹⁾	-	21	-	21	-	69	-	82	-	109	-	-	-	-
Net assets	92	484	102	73	250	40	264	19	352	14	(100)	-	(17)	-
Shareholding percentage	50	50	50	50	50	50	50	50	50	50	70	-	70	-
Share of net assets	46	242	51	36	125	20	132	9	176	7	(70)	-	(12)	-
Elimination entries	(12)	(54)	(141)	(203)	(15)	(52)	(47)	(60)	(18)	(51)	(36)	-	(99)	-
Carrying amount of joint ventures based on equity method	34	188	(90)	(167)	110	(32)	85	(51)	158	(44)	(106)	-	(111)	-

⁽¹⁾ Due to the adoption of TFRS 15 Revenue from contracts with customers during the current year.

Summarised information about comprehensive income:

(Unit: Million Baht)

	BTS Sansiri Holding One Limited		BTS Sansiri Holding Six Limited		BTS Sansiri Holding Seven Limited		BTS Sansiri Holding Eight Limited		BTS Sansiri Holding Nine Limited		Siri TK One Co., Ltd.		Siri TK Two Co., Ltd.	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenue	1,830	4,014	1,518	-	1,549	4	2,345	3	2,174	3	1	-	3	-
Finance cost	(8)	(19)	(73)	-	(7)	-	(16)	-	(10)	-	-	-	-	-
Income tax expenses	(43)	(158)	(14)	11	(66)	11	(89)	12	(104)	5	28	-	44	-
Profit (loss) for the year	148	631	29	(42)	209	(44)	224	(49)	337	(20)	23	-	(44)	-
Other comprehensive income (loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income (loss)	148	631	29	(42)	209	(44)	224	(49)	337	(20)	23	-	(44)	-

16.4 Aggregate amount of share of comprehensive income (loss) from other joint ventures (exclude joint ventures named in 16.3).

(Unit: Thousand Baht)		
For the years ended 31 December		
	2018	2017
Losses for the years	(469,512)	(779,896)
Other comprehensive income (loss)	-	-
Total comprehensive income (loss)	(469,512)	(779,896)

17. Investments in associates

17.1 Details of associates

(Unit: Thousand Baht)								
Consolidated financial statements								
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			2018	2017	2018	2017	2018	2017
			(%)	(%)				
Standard International, LLC ("The Standard")	Hotel	United States	22	13	986,760	541,469	830,468	524,369
Appy Corporation (Thailand) Limited	Software Development	Thailand	25	-	10,000	-	10,000	-
Onionshack Company Limited	Software Development	Thailand	20	-	10,000	-	10,000	-
Total					1,006,760	541,469	850,468	524,369

On 7 November 2017, the subsidiary entered into an agreement with Standard International, LLC ("The Standard"), a company incorporated under the laws of the United States, to purchase of the ordinary shares of Standard International, LLC ("The Standard"), with a total investment of the share acquisition of approximately USD 58 million, or 35.09% of its total shares. The investment will be made from time to time up to the total investment within 5 years. The Company and its subsidiary also granted the right to appoint 4 members of the total 7 members of the board of directors.

As at 31 December 2018, the subsidiary paid totaling USD 30.41 million or Baht 986.76 million for an investment in associate which is in accordance with the agreement to purchase of ordinary shares.

Standard International, LLC (“The Standard”) operates hotel management business by offering management contract and franchise under the brands “Standard” and “Bunkhouse”, restaurant management business, and hotel reservation business through mobile booking application named “One night” for The Standard Hotel and other boutique hotels.

On 6 September 2018, the subsidiary entered into an agreement with Appy Corporation (Thailand) Limited to purchase of the ordinary shares with a total investment of the share acquisition of Baht 10 million, or 25% of its total shares.

Appy Corporation (Thailand) Limited is a company incorporated in Thailand. It is a startup business operating in software development.

On 27 September 2018, the subsidiary entered into an agreement with Onionshack Company Limited to purchase of the ordinary shares with a total investment of the share acquisition of Baht 10 million, or 20% of its total shares.

Onionshack Company Limited is a company incorporated in Thailand. It is a startup business operating in software development.

At present, the Company is in the process of assessing the fair value of identifiable assets acquired and liabilities assumed at the acquisition date (acquisition of ‘Appy Corporation (Thailand) Limited’ and ‘Onionshack Company Limited’). The assessment process is ongoing and mainly relates to the identification and valuation of intangible assets and certain tangible assets. The assessment shall be completed within measurement period of twelve months from the acquisition date pursuant to the period allowed by Thai Financial Reporting Standard No. 3 (revised 2017). During the measurement period, the Company shall retrospectively adjust provisional amounts recognised at the acquisition date and adjust earnings to reflect new information obtained about facts and circumstances that existed as of the acquisition date.

17.2 Share of comprehensive income (loss)

During the years, the Company and subsidiary have recognised their share of comprehensive loss from investments in associates in the consolidated financial statements as follows:

(Unit: Million Baht)

Company's name	Consolidated financial statements			
	Share of loss from investment in associate during the years		Share of other comprehensive income (loss) from investment in associate during the years	
	2018	2017	2018	2017
Standard International, LLC ("The Standard")	(139)	(17)	-	-
Appy Corporation (Thailand) Limited	-	-	-	-
Onionshack Company Limited	-	-	-	-
Total	(139)	(17)	-	-

During the year ended 31 December 2018 and 2017, the subsidiaries did not receive dividend income from associated companies.

The subsidiaries recorded investments in associates, namely "Appy Corporation (Thailand) Limited" and "Onianshack Company Limited", based on the basis of financial information provided by that companies' management. Due to time constraints, the companies' management cannot provide the financial information which were reviewed by external auditor.

17.3 Summarised financial information about material associate

Summarised information about financial position

(Unit: Million Baht)

	Standard International, LLC ("The Standard")	
	2018	2017
Current assets	171	255
Non-current assets	1,543	1,250
Current liabilities	674	225
Non-current liabilities	226	313
Non-controlling interests	34	39
Net assets	780	928
Shareholding percentage (%)	22%	13%
Share of net assets	172	121
Different in fair value of identifiable assets	166	114
Goodwill	492	289
Carrying amount of associate based an equity method	830	524

Summarised information about comprehensive income (loss).

(Unit: Million Baht)

	For the year ended 31 December	
	Standard International, LLC ("The Standard")	
	2018	2017
Revenue	341	54
Loss	(536)	(134)
Other comprehensive income (loss)	-	-
Total comprehensive income (loss)	(536)	(134)

18. Other long-term investments

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Investments in other companies				
JustGroup Holding Pte. Ltd.	385.09	400.20	-	-
Flying Jamon Ltd	219.75	219.75	219.75	219.75
Winkontent AG	109.79	195.87	109.79	195.87
Yip In Tsoi Co., Ltd.	0.33	0.33	0.33	0.33
Artsy, Inc.	32.45	-	-	-
Hauxing Growth Capital III L.P.	41.13	-	-	-
Techmatic Solution Pte. Ltd.	12.08	-	-	-
ASPEN DIGITAL, Inc.	55.15	-	-	-
Total	855.77	816.15	329.87	415.95

On 15 August 2018, the Company entered into an agreement with BTS Sansiri Holding Three Limited (a joint venture) to sell 7,134 ordinary shares in Winkontent AG at a price of Baht 12,870 per share totaling Baht 91.8 million.

19. Investment properties

The net book value of investment properties as at 31 December 2018 and 2017 are presented below.

	Consolidated financial statements				Separate financial statements		
	House for rent	Condominium units for rent	Community mall for rent	Total	House for rent	Community mall for rent	Total
As at 31 December 2018:							
Cost	99.13	6.82	286.43	392.38	81.68	286.43	368.11
Less: Accumulated depreciation	(3.10)	(0.67)	(38.31)	(42.08)	(2.25)	(38.31)	(40.56)
Less: Allowance for diminution in value	-	-	(61.50)	(61.50)	-	(61.50)	(61.50)
Net book value	96.03	6.15	186.62	288.80	79.43	186.62	266.05

	Consolidated financial statements				Separate financial statements		
	House for rent	Condominium units for rent	Community mall for rent	Total	House for rent	Community mall for rent	Total
As at 31 December 2017:							
Cost	54.02	9.21	277.65	340.88	17.75	277.65	295.40
Less: Accumulated depreciation	(2.13)	(0.47)	(24.26)	(26.86)	(0.75)	(24.26)	(25.01)
Less: Allowance for diminution in value	-	-	(41.50)	(41.50)	-	(41.50)	(41.50)
Net book value	51.89	8.74	211.89	272.52	17.00	211.89	228.89

A reconciliation of the net book value of investment properties for the year 2018 and 2017 is presented below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Net book value at beginning of year	272.52	314.08	228.89	261.73
Acquisition of assets	86.02	10.73	86.02	10.73
Transfer to property development for sale	(30.98)	(7.10)	(12.44)	-
Disposals - net book value	(1.26)	-	-	-
Depreciation charged	(17.50)	(15.15)	(16.42)	(13.53)
Loss on diminution in value	(20.00)	(30.04)	(20.00)	(30.04)
Net book value at end of year	<u>288.80</u>	<u>272.52</u>	<u>266.05</u>	<u>228.89</u>

The depreciation of investment properties has been charged to cost of project for rent.

During the year 2018, the Company recorded allowance for diminution in value of investment properties of Baht 20 million (2017: Baht 30 million)

The fair value of the investment properties as at 31 December 2018 and 2017 stated below:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Houses for rent	102.14	73.16	82.04	22.76
Condominium units for rent	8.43	14.56	-	-
Community mall for rent	186.62	211.89	186.62	211.89
Total	<u>297.19</u>	<u>299.61</u>	<u>268.66</u>	<u>234.65</u>

The fair values of the above investment properties have been determined based on valuations performed by the management of the Company. The fair value of community mall for rent has been determined based on income approach. The main assumptions used in the valuation are yield rate, long-term vacancy rate and long-term growth in rental rates. The fair value of houses and condominium units for rent has been determined based on market price.

20. Land held for development

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Land held for development	13,379.62	15,281.93	10,479.11	12,065.31
Less: Allowance for diminution in value of project	(153.29)	(120.79)	-	-
Net	<u>13,226.33</u>	<u>15,161.14</u>	<u>10,479.11</u>	<u>12,065.31</u>

As at 31 December 2018 and 2017, land held for development of the Company and its subsidiaries amounting to Baht 10,307 million and Baht 13,223 million were pledged as collateral for loans obtained from banks (Separate financial statements: Baht 8,529 million and Baht 10,824 million).

21. Land, buildings and equipment

(Unit: Million Baht)

	Consolidated financial statements						
	Land	Buildings and improvement	Fixtures and equipment	Motor vehicle	Temporary sales office	Construction in progress	Total
Cost							
Balance as at 1 January 2017	402.09	1,964.41	1,080.38	31.21	5.32	11.06	3,494.47
Purchases	-	1.52	93.30	28.06	-	20.29	143.17
Disposals/Write off	-	-	(1.02)	(0.50)	-	-	(1.52)
Transfer from (to) property development for sale	1.70	11.39	-	-	(0.02)	(3.54)	9.53
Balance as at 31 December 2017	403.79	1,977.32	1,172.66	58.77	5.30	27.81	3,645.65
Purchases	-	5.87	215.95	30.27	-	73.63	325.72
Disposals/Write off	-	-	(0.98)	-	-	(3.99)	(4.97)
Transfer from (to) property development for sale	(61.35)	28.05	-	-	-	(37.92)	(71.22)
Balance as at 31 December 2018	<u>342.44</u>	<u>2,011.24</u>	<u>1,387.63</u>	<u>89.04</u>	<u>5.30</u>	<u>59.53</u>	<u>3,895.18</u>
Accumulated depreciation							
Balance as at 1 January 2017	-	589.40	737.81	19.39	5.25	-	1,351.85
Depreciation for the year	-	86.20	89.96	7.72	0.03	-	183.91
Disposals/Write off	-	-	(0.98)	(0.50)	-	-	(1.48)
Transfer to property development for sale	-	(0.12)	-	-	-	-	(0.12)
Balance as at 31 December 2017	-	675.48	826.79	26.61	5.28	-	1,534.16
Depreciation for the year	-	91.03	101.49	11.55	0.02	-	204.09
Disposals/Write off	-	-	(0.47)	-	-	-	(0.47)
Transfer to property development for sale	-	(0.20)	-	-	-	-	(0.20)
Balance as at 31 December 2018	<u>-</u>	<u>766.31</u>	<u>927.81</u>	<u>38.16</u>	<u>5.30</u>	<u>-</u>	<u>1,737.58</u>

(Unit: Million Baht)

Consolidated financial statements

	Land	Buildings and improvement	Fixtures and equipment	Motor vehicle	Temporary sales office	Construction in progress	Total
Allowance for impairment loss							
Balance as at 1 January 2017	5.84	57.12	-	-	-	-	62.96
Increase	-	98.20	-	-	-	-	98.20
Balance as at 31 December 2017	5.84	155.32	-	-	-	-	161.16
Increase	-	21.20	-	-	-	-	21.20
Balance as at 31 December 2018	5.84	176.52	-	-	-	-	182.36
Net book value							
Balance as at 31 December 2017	397.95	1,146.52	345.87	32.16	0.02	27.81	1,950.33
Balance as at 31 December 2018	336.60	1,068.41	459.82	50.88	-	59.53	1,975.24
Depreciation for the year							
2017 (Baht 47.00 million included in cost of other services, Baht 41.56 million included in manufacturing cost of construction materials, other than that included in administrative expenses)							183.91
2018 (Baht 76.37 million included in cost of other services, Baht 48.03 million included in manufacturing cost of construction materials, other than that included in administrative expenses)							204.09

(Unit: Million Baht)

Separate financial statements

	Land	Buildings and improvement	Fixtures and equipment	Motor vehicle	Construction in progress	Total
Cost						
Balance as at 1 January 2017	152.82	688.38	792.57	24.23	-	1,658.00
Purchases	-	0.59	67.33	28.07	-	95.99
Disposals/Write off	-	-	(0.49)	-	-	(0.49)
Balance as at 31 December 2017	152.82	688.97	859.41	52.30	-	1,753.50
Purchases	-	4.46	180.97	30.27	59.11	274.81
Disposals/Write off	-	-	(0.41)	-	-	(0.41)
Balance as at 31 December 2018	152.82	693.43	1,039.97	82.57	59.11	2,027.90
Accumulated depreciation						
Balance as at 1 January 2017	-	206.61	502.35	12.43	-	721.39
Depreciation for the year	-	34.71	66.05	7.72	-	108.48
Disposals/write off	-	-	(0.47)	-	-	(0.47)
Balance as at 31 December 2017	-	241.32	567.93	20.15	-	829.40
Depreciation for the year	-	34.82	76.47	11.55	-	122.84
Disposals/Write off	-	-	(0.07)	-	-	(0.07)
Balance as at 31 December 2018	-	276.14	644.33	31.70	-	952.17
Allowance for impairment loss						
Balance as at 1 January 2017,						
31 December 2017 and 2018	1.42	-	-	-	-	1.42
Net book value						
Balance as at 31 December 2017	151.40	447.65	291.48	32.15	-	922.68
Balance as at 31 December 2018	151.40	417.29	395.64	50.87	59.11	1,074.31
Depreciation for the year						
2017 (Baht 9.46 million included in cost of other services, Baht 41.56 million included in manufacturing cost of construction materials, other than that included in administrative expenses)						108.48
2018 (Baht 9.25 million included in cost of other services, Baht 48.03 million included in manufacturing cost of construction materials, other than that included in administrative expenses)						122.84

As at 31 December 2018 and 2017, certain plant and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment loss) of those assets amounted to approximately Baht 801 million and Baht 660 million, respectively (Separate financial statements: Baht 497 million and Baht 390 million, respectively).

As at 31 December 2018 and 2017, the Company and its subsidiaries had vehicles and equipment under finance lease agreements with net book values amounting to Baht 22 million and Baht 29 million, respectively (Separate financial statements: Baht 22 million and Baht 29 million, respectively).

As at 31 December 2018 and 2017, the Company's and its subsidiaries' land and construction thereon which the net book value amounted Baht 902 million and Baht 946 million, respectively, were mortgaged to secure loans from banks (Separate financial statements: Baht 666 million and Baht 620 million, respectively).

22. Other intangible assets

The net book value of other intangible assets as at 31 December 2018 and 2017 is presented below.

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements		
	Franchise	Computer software	Software under installation	Total	Computer software	Software under installation	Total
As at 31 December 2018							
Cost	26.91	492.86	103.77	623.54	430.22	103.77	533.99
Less: Accumulated amortisation	(26.36)	(264.31)	-	(290.67)	(220.85)	-	(220.85)
Net book value	0.55	228.55	103.77	332.87	209.37	103.77	313.14
As at 31 December 2017							
Cost	26.91	369.42	-	396.33	314.93	-	314.93
Less: Accumulated amortisation	(25.83)	(205.10)	-	(230.93)	(166.28)	-	(166.28)
Net book value	1.08	164.32	-	165.40	148.65	-	148.65

A reconciliation of the net book value of intangible assets for the years 2018 and 2017 is presented below.

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Net book value at beginning of year	165.40	144.55	148.65	130.44
Acquisition of computer software	123.44	48.69	115.29	42.48
Software under installation	103.77	-	103.77	-
Amortisation	(59.74)	(27.84)	(54.57)	(24.27)
Net book value at end of year	<u>332.87</u>	<u>165.40</u>	<u>313.14</u>	<u>148.65</u>

As at 31 December 2018, certain franchise of the subsidiaries have been fully amortised but are still in use. The gross carrying amount (before deducting accumulated amortisation) of these assets amounted to approximately Baht 24 million (2017: Baht 24 million).

As at 31 December 2018 and 2017, certain computer software of the Company and its subsidiaries have been fully amortised but are still in use. The gross carrying amount (before deducting accumulated amortisation) of these assets amounted to approximately Baht 112 million and Baht 108 million, respectively (Separate financial statements: Baht 81 million and Baht 79 million, respectively).

23. Leasehold rights

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<u>Project</u>				
Land - Habito community mall	41.99	41.99	41.99	41.99
Baan Sansiri Condominium	609.98	609.98	-	-
Sun Square Silom	192.76	192.76	-	-
Total	844.73	844.73	41.99	41.99
Less: Accumulated amortisation	(620.02)	(591.25)	(11.30)	(9.20)
Leasehold rights - net	<u>224.71</u>	<u>253.48</u>	<u>30.69</u>	<u>32.79</u>
Amortisation expenses for the years	<u>28.77</u>	<u>28.77</u>	<u>2.10</u>	<u>2.10</u>

The amortisation of leasehold rights has been charged to cost of project for rent.

As at 31 December 2018 and 2017, the Company's leasehold rights which net book value amounted Baht 31 million and Baht 33 million were mortgaged to secure loans from banks (Separate financial statements: Baht 31 million and Baht 33 million).

24. Short-term loans from banks/Bill of exchange

(Unit: Million Baht)

	Consolidated / Separate financial statements	
	2018	2017
<u>Short-term loans from banks</u>		
Promissory notes	6,250.00	2,400.00
<u>Bills of exchange</u>		
Face value	5,890.00	6,000.00
Less: Prepaid interest expense	(15.31)	(31.60)
Bills of exchange - net	5,874.69	5,968.40

As at 31 December 2018, short-term loans from banks carry interest at rates of 2.27 to 2.90 percent per annum (2017: 2.85 to 2.90 percent per annum). Bills of exchange carry interest at rates of 2.15 to 2.31 percent per annum (2017: 2.10 to 2.25 percent per annum).

25. Trade accounts payable

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade payables - related parties	0.02	-	8.74	22.56
Trade payables - unrelated parties	1,675.63	1,563.49	1,253.80	1,198.68
Total	1,675.65	1,563.49	1,262.54	1,221.24

26. Long-term loans

As at 31 December 2018 and 2017, long-term loans presented below: -

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Loans from banks	11,613.87	10,095.46	8,876.76	8,073.65
Less: Current portion of long-term loans	(2,512.50)	(3,974.17)	(2,388.75)	(3,243.49)
Net	9,101.37	6,121.29	6,488.01	4,830.16

Movements in the long-term loans account during the years ended 31 December 2018 and 2017 are summarised below.

	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2017	9,513.03	6,985.15
Additional borrowings	5,755.00	5,294.80
Repayment	(5,172.03)	(4,205.96)
Exchange difference	(0.54)	(0.34)
Balance as at 31 December 2017	10,095.46	8,073.65
Additional borrowings	8,252.56	6,346.85
Repayment	(6,295.53)	(5,540.18)
Exchange difference	(15.62)	(3.56)
Change of status from subsidiaries to joint ventures	(423.00)	-
Balance as at 31 December 2018	11,613.87	8,876.76

The details of long-term loans classified by the Company and its subsidiaries are presented below.

Company's name	Balance of long-term loans		Interest rate per agreement		Condition of payment
	2018	2017	2018	2017	
	Million Baht	Million Baht	Percent per annum	Percent per annum	
Sansiri Plc.	8,877	8,074	MLR - 2.90% to MLR - 2.00%	MLR - 2.90% to MLR - 1.50%	Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2027
Red Lotus Properties Ltd.	30	30	MLR - 2.00%	MLR - 2.00%	Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2019
Arnawat Ltd.	72	360	MLR - 2.00%	MLR - 2.00% to MLR - 1.75%	Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2022
Piwattana Ltd.	693	882	MLR - 2.00%	MLR - 2.00%	Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2022

Company's name	Balance of long-term loans		Interest rate per agreement		Condition of payment
	2018	2017	2018	2017	
	Million Baht	Million Baht	Percent per annum	Percent per annum	
Plus Property Space Co., Ltd.	71	92	MLR - 2.00% to MLR - 1.75%	MLR - 2.00% to MLR - 1.75%	Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2019
NED Management Co., Ltd.	53	53	MLR - 2.50% to MLR - 2.00%	MLR - 2.00%	Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2025
Sansiri Global Investment Pte. Ltd.	156	181	LIBOR + 3.5%	LIBOR + 3.5%	Payments of principal to be made in installment and full payment is to be made within 2021
Sansiri TK One Co., Ltd.	-	423	-	MLR - 2.00%	Payments of principal to be made in installment and full payment is to be made within 2020
Paranat Co., Ltd. (Formerly known as "Paranat Property Co., Ltd.")	1,195	-	MLR - 2.25%	-	Payments of principal to be made in installment and full payment is to be made within 2023
Touch Property Co., Ltd.	467	-	MLR - 2.00%	-	Payments of principal to be made in installment and full payment is to be made within 2021
Total	<u>11,614</u>	<u>10,095</u>			

As at 31 December 2018 and 2017, the long-term credit facilities of the Company and its subsidiaries which have not yet been drawn down amounted to Baht 73,982 million and Baht 48,416 million, respectively (Separate financial statements: Baht 49,525 million and Baht 34,660 million, respectively).

Land and constructions of projects of the Company and its subsidiaries, and investment properties of the subsidiary are mortgaged as collaterals for loan obtained from bank.

Most of loans agreements contain certain covenants and restrictions, such as dividend payment, capital increase and decrease, loans guarantees, change in directors and maintenance of a debt to equity ratio.

27. Long-term promissory notes - purchase of land

Long-term promissory notes - purchase of land are notes which the Company issued to land sellers. The notes mature in December 2020, February 2021, March 2021 and July 2021 are interest free, and are avaled by a bank (Separate financial statements as at 31 December 2017: August 2018 and October 2018).

28. Unsecured debentures

The Company's debentures which are unsecured, issued with a registered certificate and unsubordinated are summarised below:

(Unit: Million Baht)					
Debentures	Interest rate	Terms	Due date	Consolidated / Separate financial statements	
				2018	2017
Debentures # 1/2013	4.99% p.a.	5 years	24 January 2018	-	3,000.00
Debentures # 2/2013	4.75% p.a. for 1st - 2nd year 5.00% p.a. for 3rd - 4th year 5.30% p.a. for 5th year	5 years	30 May 2018	-	1,000.00
Debentures # 3/2013	4.95% p.a.	5 years	23 August 2018	-	2,000.00
Debentures # 4/2013	5.20% p.a.	5 years	4 April 2019	1,000.00	1,000.00
		6 months			
Debentures # 1/2015	4.75% p.a.	5 years	2 June 2020	2,000.00	2,000.00
Debentures # 2/2015	3.90% p.a.	3 years	19 April 2019	1,000.00	1,000.00
		6 months			
Debentures # 1/2016	3.50% p.a.	3 years	21 July 2019	1,000.00	1,000.00
Debentures # 2/2016	3.25% p.a.	3 years	3 October 2019	1,000.00	1,000.00
Debentures # 1/2017	3.40% p.a.	3 years	27 April 2020	2,000.00	2,000.00
Debentures # 2/2017	3.25% p.a.	3 years	30 May 2020	1,000.00	1,000.00
Debentures # 3/2017	3.35% p.a.	5 years	22 September 2022	2,000.00	2,000.00
Debentures # 1/2018	3.35% p.a.	5 years	24 January 2023	4,000.00	-
Debentures # 2/2018	3.00% p.a.	3 years, 6 months	30 November 2021	2,000.00	-
Debentures # 3/2018	3.20% p.a.	3 years	23 August 2021	5,000.00	-
Debentures # 4/2018	3.60% p.a.	3 years, 9 months and 25 days	22 September 2022	2,500.00	-
Total debentures, at face value				24,500.00	17,000.00
Less: Unamortised portion of deferred transaction costs				(59.43)	(29.23)
Total debentures				24,440.57	16,970.77
Less: Debentures due within one year				(3,997.45)	(5,998.31)
Debentures - due over one year				20,443.12	10,972.46

Under rights and responsibilities of debenture issuer, the Company has to comply with certain covenants and restrictions including maintenance of a debt to equity ratio of consolidated financial statements with no excess of 2.5:1 along with debentures' periods (debts mean interest bearing loans).

29. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Balance at the beginning of the year	145.18	129.78	101.77	91.36
Items were recognised in profit or loss:				
Current service cost	14.56	12.95	8.60	8.16
Interest cost	4.43	3.86	3.17	2.85
Items were recognised in other comprehensive income:				
Actuarial losses arising from				
Demographic assumptions changes	4.17	-	2.96	-
Financial assumptions changes	9.65	-	6.68	-
Experience adjustments	30.48	-	23.61	-
Benefits paid during the year	(12.18)	(1.41)	(10.66)	(0.60)
Balance at the end of the year	<u>196.29</u>	<u>145.18</u>	<u>136.13</u>	<u>101.77</u>

The Company and its subsidiaries expect to pay Baht 15 million of long-term employee benefits during the next year (Separate financial statements: Baht 9 million) (2017: Baht 1 million, Separate financial statements: Nil).

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefit is 19 years (Separate financial statements: 19 years) (2017: 20 years, Separate financial statements: 20 years).

Significant actuarial assumptions are summarised below:

	(Unit: Percent per annum)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Discount rate	3.2	3.2	3.2	3.2
Salary increase rate	5.0 - 10.0	5.0 - 12.0	5.0 - 10.0	5.0 - 12.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2018 and 2017 are summarised below:

	(Unit: Million Baht)			
	31 December 2018			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(19.8)	23.5	(13.6)	16.1
Salary increase rate	22.6	(19.5)	15.4	(13.4)

	(Unit: Million Baht)			
	31 December 2017			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(15.08)	17.92	(9.89)	11.68
Salary increase rate	17.32	(14.92)	11.30	(9.79)

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive not less than 400 days' compensation at the latest wage rate. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional liabilities for long-term employee benefits of Baht 53 million (The Company only: Baht 40 million). The Company and its subsidiaries will reflect the effect of the change by recognising past services costs as expenses in the income statement of the period in which the law is effective.

30. Provisions

Provisions for the years 2018 and 2017 had the following movements: -

Short-term provisions

(Unit: Million Baht)

	Consolidated financial statements			Separate financial statements		
	Provisions for lawsuits	Provisions for home care warranty	Total	Provisions for lawsuits	Provisions for home care warranty	Total
Balance as at 1 January						
2017	1.15	110.40	111.55	1.15	59.17	60.32
Increase during the year	-	118.05	118.05	-	75.00	75.00
Paid during the year	-	(91.05)	(91.05)	-	(53.56)	(53.56)
Reversal	-	(30.25)	(30.25)	-	(5.60)	(5.60)
Balance as at						
31 December 2017	1.15	107.15	108.30	1.15	75.01	76.16
Increase during the year	0.11	182.72	182.83	0.11	93.74	93.85
Paid during the year	(0.11)	(116.47)	(116.58)	(0.11)	(83.57)	(83.68)
Reversal	-	(6.05)	(6.05)	-	-	-
Balance as at						
31 December 2018	1.15	167.35	168.50	1.15	85.18	86.33

Long-term provisions

(Unit: Million Baht)

	Consolidated financial statements			Separate financial statements		
	Compensation for Housing Estate Juristic Persons			Compensation for Housing Estate Juristic Persons		
		Provision for hotel maintenance	Total		Provision for hotel maintenance	Total
Balance as at						
1 January 2017	166.06	4.81	170.87	126.43	2.35	128.78
Increase during the year	28.72	2.67	31.39	22.46	0.98	23.44
Paid during the year	(6.78)	(2.66)	(9.44)	(3.85)	(1.84)	(5.69)
Reversal	(9.86)	-	(9.86)	(9.86)	-	(9.86)
Balance as at						
31 December 2017	178.14	4.82	182.96	135.18	1.49	136.67
Increase during the year	67.52	2.78	70.30	60.32	1.00	61.32
Paid during the year	(10.54)	(1.25)	(11.79)	(0.17)	(0.10)	(0.27)
Reversal	(1.17)	-	(1.17)	(0.94)	-	(0.94)
Balance as at						
31 December 2018	233.95	6.35	240.30	194.39	2.39	196.78

31. Share capital

Reconciliation of number of ordinary shares

	Number of shares	Par value	Paid up capital
	(Shares)	(Baht)	(Baht)
<u>Registered ordinary shares</u>			
Number of ordinary shares as at 1 January 2017 and 2018	17,991,720,358	1.07	19,251,140,783
Decrease during the year ⁽¹⁾	(2,828,986,038)	1.07	(3,027,015,061)
Number of ordinary shares as at 31 December 2018	15,162,734,320	1.07	16,224,125,722

⁽¹⁾ On 27 April 2018, the meeting of the Annual General Meeting of Shareholders approved the reduction of the registered capital of the Company, which will be made from the existing registered capital of Baht 19,251,140,783.06 to be the new registered capital of Baht 16,224,125,722.40 by canceling its registered but unissued share of 2,828,986,038 shares at the par value of Baht 1.07 per share. The remaining shares were reserved for the exercise of warrants SIRI-W2 which the maturity date was 24 November 2017. The Company registered the reduction of the registered capital with the Ministry of Commerce on 28 May 2018.

	Number of shares	Par value	Paid up capital	Share premium
	(Shares)	(Baht)	(Baht)	(Baht)
<u>Issued and paid-up ordinary shares</u>				
Number of ordinary shares as at 1 January 2017	14,285,501,270	1.07	15,285,486,359	1,470,187,339
Increase due to exercise of warrants	577,233,050	1.07	617,639,363	825,443,261
Number of ordinary shares as at 31 December 2017 and 2018	14,862,734,320	1.07	15,903,125,722	2,295,630,600

32. Statutory reserve

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

33. Treasury stocks

On 23 November 2018, the Company's Board of Directors' Meeting has approved the share repurchase program for financial management purpose in the maximum amount not exceeding Baht 3,000 million or approximately 1,486 million shares. The number of shares to be repurchased is approximately 10% of the total issued shares at the par value of Baht 1.07 per share. The repurchase period covers from 11 December 2018 to 10 June 2019.

Reconciliation of treasury stocks

	Number of shares	Average price per share	Repurchase amount
	(shares)	(Baht)	(Baht)
<u>Treasury stocks</u>			
Repurchase during the year	310,000,000	1.26	391,903,566
Treasury stocks as at 31 December 2018	310,000,000	1.26	391,903,566

The Company set aside an amount from retained earnings equal to the cost of the treasury shares to a separate reserve account with such reserve to remain outstanding until either the shares are sold or paid-up capital is reduced by the cancellation of any remaining unsold shares. As at 31 December 2018, the Company has set aside approximately Baht 392 million, with the Company recording the reserve as “Appropriated retained earnings - others” in the statement of financial position.

34. Warrants to purchase ordinary shares of the Company/Earnings per share

34.1 Warrants to purchase ordinary shares of the Company

The Company's warrants are as follows: -

	Exercise price	Exercise ratio per 1 warrant	Number of warrants outstanding as at 1 January 2018	Number of warrants issued and offered during the year	Number of warrants exercised during the year	Number of warrants outstanding as at 31 December 2018
Type of warrant	per share	per 1 warrant	1 January 2018	during the year	the year	2018
ESOP#7	2.500	1:1.000	300,000,000	-	-	300,000,000

During the current year, the Company recorded expenses of the ESOP#7 amounting to Baht 5.58 million (2017: Baht 10.83 million) as employee related expenses, together with a corresponding increase in “capital reserve for share-based payment transactions” in shareholders' equity.

34.2 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.

Diluted 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 plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic earnings per share and diluted earnings per share:

Consolidated financial statements						
For the year ended 31 December 2018 and 2017						
Profit for the year		Weighted average number of ordinary shares		Earnings per share		
2018	2017	2018	2017	2018	2017	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of						
the parent						
2,045,978	2,824,705	14,839,045	14,351,734	0.14	0.20	
Separate financial statements						
For the year ended 31 December 2018 and 2017						
Profit for the year		Weighted average number of ordinary shares		Earnings per share		
2018	2017	2018	2017	2018	2017	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of						
the parent						
2,694,003	2,901,897	14,839,045	14,351,734	0.18	0.20	

There is no disclosure of diluted earnings per share from the effect of SIRI-W2⁽¹⁾ and ESOP#7 warrants in the financial statements for the year ended 31 December 2018 and 2017 since the exercise aggregated amounts of price and the fair value of warrants exceeded the weighted fair value of the Company's ordinary shares.

⁽¹⁾ SIRI-W2 was expired on 24 November 2017.

35. Revenues from other services/Cost of other services

(Unit: Million Baht)				
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<u>Revenues from other services</u>				
Revenues from hotel business	91.08	87.64	33.63	32.61
Revenues from education business	206.19	204.92	-	-
Total	<u>297.27</u>	<u>292.56</u>	<u>33.63</u>	<u>32.61</u>
(Unit: Million Baht)				
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<u>Cost of other services</u>				
Cost of hotel business	96.53	96.44	34.70	34.37
Cost of education business	226.37	229.30	-	-
Total	<u>322.90</u>	<u>325.74</u>	<u>34.70</u>	<u>34.37</u>

36. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Million Baht)				
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Purchase of land and payments of construction costs	26,485.63	18,872.08	20,090.77	12,336.96
Changes in property development for sale	(10,805.00)	(1,821.90)	(9,033.00)	(1,171.56)
Salary, wages and other employee benefits	2,587.96	2,395.82	1,716.65	1,621.89
Depreciation of investments properties	17.50	15.15	16.42	13.53
Depreciation of buildings and equipment	204.09	183.91	122.84	108.48
Amortisation of intangible assets	59.74	27.42	54.57	24.27
Amortisation of leasehold rights	28.77	28.77	2.10	2.10
Provisions for home care warrantee	176.67	87.78	93.73	69.40
Rental expenses from operating lease agreements	175.41	158.59	155.70	139.77
Bad debts and allowance for doubtful accounts (reversal)	1.68	18.30	(8.32)	18.30

37. Income tax

Income tax expenses for the years ended 31 December 2018 and 2017 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Current income tax:				
Current income tax charge	659,398	970,978	435,042	705,521
Deferred tax:				
Relating to origination and reversal of temporary differences	(126,288)	(152,150)	(8,818)	(48,964)
Income tax expense reported in the statement of comprehensive income	533,110	818,828	426,224	656,557

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2018 and 2017 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Deferred tax relating to actuarial loss arising from defined benefit plan of employees	8,418	-	6,648	-
	8,418	-	6,648	-

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2018 and 2017.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Accounting profit before tax	2,575,586	3,600,495	3,120,227	3,558,455
Applicable tax rate	0% - 20%	0% - 20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	506,679	737,777	624,045	711,691
Effects of:				
Tax exempted income and non-deductible expenses	31,138	25,720	(197,821)	(60,031)
Income under revenue code	(12,257)	29,550	-	4,897
Unused tax losses	7,550	25,781	-	-
Total	26,431	81,051	(197,821)	(55,134)
Income tax expenses reported in the statement of comprehensive income	533,110	818,828	426,224	656,557

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

	(Unit: Thousand Baht)			
	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	2018	2017 (restated)	2018	2017 (restated)
Deferred tax assets				
Allowance for doubtful accounts	19,507	23,271	14,603	20,267
Property development for sale	806,332	734,835	227,673	174,425
Short-term provisions	33,700	21,660	17,265	15,233
Provision for hotel maintenance	1,270	964	479	297
Provision for long-term employee benefits	37,011	27,362	27,225	20,353
Unused tax loss	189,860	63,512	-	-
Allowance for diminution in value of investment properties	12,300	8,300	12,300	8,300
Allowance for diminution in value of property, plant and equipment	23,880	19,640	-	-
Accrued commission expenses	11,433	23,332	-	5,200
Investment in associate	36,533	-	-	-
Total	1,171,826	922,876	299,545	244,075
Deferred tax liabilities				
Unamortised portion of deferred transaction costs	11,888	5,847	11,888	5,847
Land rental received in advance	14,148	9,012	-	-
Cost to obtain contracts with customers	160,624	42,132	37,939	3,976
Total	186,660	56,991	49,827	9,823
Deferred tax assets - net	985,166	865,885	249,718	234,252

As at 31 December 2018, the Subsidiaries has unused tax losses totaling Baht 64 million (2017: Baht 151 million), on which deferred tax assets have not been recognised as the Company believes future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

The unused tax losses amounting to Baht 64 million will expire by 2023.

38. Provident fund

The Company, subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, subsidiaries and their employees contributed to the fund monthly at the rate of 5 to 12 percent 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 years 2018 and 2017 amounting to approximately Baht 133 million and Baht 117 million, respectively (Separate financial statements: Baht 91 million and Baht 81 million, respectively).

39. Dividend paid

(Unit: Baht)

Dividends	Approved by	Total dividend	Dividend per share	Date of dividends payment
Interim dividend from earnings for the six-month period ended 30 June 2018	The Board of Directors' meeting on 14 August 2018	594,509,373 ⁽²⁾	0.04	12 September 2018
Final dividend from 2017 earnings	The Annual General Meeting of the Shareholders on 27 April 2018 ⁽¹⁾	1,040,391,402 ⁽³⁾	0.07	11 May 2018
Total		<u>1,634,900,775</u>	<u>0.11</u>	
Interim dividend from earnings for the six-month period ended 30 June 2017	The Board of Director's meeting on 11 August 2017	714,275,064 ⁽⁴⁾	0.05	8 September 2017
Final dividend from 2016 earnings	The Annual General Meeting of the Shareholders on 20 April 2017	1,142,840,120 ⁽⁵⁾	0.08	9 May 2017
Total		<u>1,857,115,184</u>	<u>0.13</u>	

⁽¹⁾ On 27 April 2018, the Annual General Meeting of the Company's shareholders approved the dividend payment from the operating results for the year 2017. The dividend will be paid by cash at the rate of Baht 0.12 per share. As the Company's Board of Directors Meeting held on 11 August 2017 approved interim dividend payment to the shareholders as cash dividend of Baht 0.05 per share. The interim dividend was paid on 8 September 2017. The Company will pay a final dividend of Baht 0.07 per share.

⁽²⁾ Actual dividend paid amounted to Baht 594,505,260 because some shareholders were not entitled to receive dividend

⁽³⁾ Actual dividend paid amounted to Baht 1,039,467,939 because some shareholders were not entitled to receive dividend

⁽⁴⁾ Actual dividend paid amounted to Baht 714,246,024 because some shareholders were not entitled to receive dividend

⁽⁵⁾ Actual dividend paid amounted to Baht 1,142,838,021 because some shareholders were not entitled to receive dividend

40. Commitments and contingent liabilities

40.1 Capital commitments

As at 31 December 2018 and 2017, the Company and its subsidiaries have the following capital commitments: -

- a) The Company and its subsidiaries have commitments of Baht 17,290 million and Baht 13,703 million, respectively, under project construction agreements, decoration agreements, advisory service agreements and system development and installation agreements (Separate financial statements: Baht 10,070 million and Baht 10,624 million, respectively).

- b) The Company and its subsidiaries have commitments of Baht 5,210 million and Baht 6,188 million, respectively, under land and condominium units purchase agreements (Separate financial statements: Baht 5,193 million and Baht 5,291 million, respectively).

40.2 Operating lease and service commitments

- a) The Company and its subsidiaries have entered into several lease agreements in respect of the lease of motor vehicles and equipment. The terms of the agreements are generally between 3 and 4 years.

As at 31 December 2018 and 2017, future minimum lease payments required under non-cancellable operating leases contracts are as follows.

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Payable:				
In up to 1 year	120	119	103	102
In over 1 and up to 5 years	63	83	61	65
Total	183	202	164	167

- b) As at 31 December 2018 and 2017, the Company and its subsidiaries have commitments of Baht 90 million and Baht 70 million, respectively in relation to advertising and public relations for the projects (Separate financial statements: Baht 71 million and Baht 45 million, respectively).
- c) As at 31 December 2018 and 2017, the Company and its subsidiaries have servitude over land of approximately 73 rai and 47 rai, respectively, of which the cost is included in the cost of projects.
- d) The significant long-term lease agreements are as follow: -
- Sansiri Public Company Limited entered into a 30-year land rental agreement at Sukhumvit 77 alley for construction of a community mall for the Habito Project, covering the period from 16 August 2013 to 15 August 2043. Total amounts to Baht 42 million are to be paid, divided into by 3 installments. In August 2013, the Company made an initial payment of Baht 21 million and the remainder is to be paid Baht 10.5 million each over the period of 10 and 20 years of rental agreement.

- Chanachai Limited entered into a 30-year land rental agreement with the Office of The Privy Purse for construction of a condominium for the Baan Sansiri Project, covering the period from 1 November 1993 to 31 October 2023. Total amounts to Baht 118 million. On the agreement date, Chanachai Limited made an initial payment of Baht 30 million and the remainder is to be monthly paid over the period of 30 years as stipulated in the agreement.
- S.U.N. Management Company Limited entered into a land rental agreement with the Crown Property Bureau in order to construct buildings and structures on such land. The agreement is for 30 years, from 16 September 2002, and the total rental payable is approximately Baht 88 million. The subsidiary paid this rental in full in July 2004.

40.3 Bank guarantees

As at 31 December 2018, there were the outstanding bank guarantees for Baht 3,525 million and EUR 0.07 million (2017: Baht 2,081 million and EUR 0.88 million), issued by the banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee to guarantee contractual performance regarding preparation and maintenance of public utilities, public services and land improvement, to guarantee electricity use and foreign creditors payment (Separate financial statements as at 31 December 2018: Baht 3,091 million and EUR 0.07 million (2017: Baht 2,303 million and EUR 0.88 million)).

40.4 Litigations

As at 31 December 2018 and 2017, the Company and its subsidiaries have various outstanding litigation cases, relating to allegations of breaches of agreements to purchase and to sell and torts, with total damages claimed amounting to Baht 1,124 million and Baht 165 million, respectively (Separate financial statements: Baht 147 million and Baht 147 million, respectively). Some cases are detailed below.

- a) In 2017, the Company was sued for tort and claim of compensation by an owner of land located nearby Sretthasiri Prachachuen project (project). The case is on the ground that the project main sewers was broken, resulting in waste water flowing from the project into nearby land. As a result, the nearby land was flooded causing the damage to the property and business interruption. The land owner requested that the Company pay for the compensation amounting to Baht 126 million. As the case is a tort case claiming the compensation, the complainant is responsible for proving that actual losses incurred as claimed. In case the complainant fails to do so, it is possible that the Court may order the case to be dismissed.

- b) During the year 2018, a subsidiary was sued to revoke a juristic act of sale and purchase of land and requested to revert the land ownership to the plaintiffs as an executor sold the land to a subsidiary without legal rights. If the juristic act cannot be revoked and the land ownership cannot be reverted to the plaintiffs, the subsidiary and other defendants involved in the case shall pay for the compensation of Baht 959 million together with the interest at a rate of 7.5% per annum to the plaintiffs. As at 31 December 2018, the value of land in dispute including development cost (book value) was amounting to Baht 2,104 million. The case is in the process of hearing of evidence from the plaintiffs. The legal advisor and management believe that a subsidiary is not exposed to risk that its juristic act of sale and purchase of land will be revoked and is not subject to the compensation as requested by the plaintiffs.

In addition, during the year 2018, a joint venture, a developer of The Line Sathorn project, was sued by a juristic person of a condominium located nearby the project. The juristic person requested that the joint venture revoke Environmental Impact Assessment (EIA) report and undertake public hearing on this matter for neighbouring stakeholders by using independent entities as accepted by the Court. As at 31 December 2018, the project costs (book value) amounting to Baht 1,416 million consists of land cost of Baht 793 million and construction cost and interest capitalised of Baht 623 million. Currently, the case is preparing the statement to be filed with the Court to defend the case. The Company's legal advisors and management believe that the Administrative Court will not render judgement or order to revoke approved environmental impact analysis (EIA) report and permit to construct, modify, and demolish buildings issued to BTS Sansiri Holding Nineteen Limited, and cancel the construction of The Line Sathorn project as requested by the plaintiff.

However, the Company, its subsidiaries and a joint venture (the Group) are defending the lawsuits. Since the Group's lawyers and the management believe that the Group will not incur any losses from the litigation, no additional provisions have been made in respect of these cases other than the provision previously recorded (Note 30).

40.5 Cross Currency and Interest Rate Swap agreement

The details of the Cross Currency and Interest Rate Swap agreement outstanding as at 31 December 2018 and 2017 are as follows:

	Currency and Interest Revenue Rate Swap agreement		Currency and Interest Expense Rate Swap agreement		Termination date
	Principal amount	Interest rate	Principal amount	Interest rate	
1	Baht 651 million	Fixed rate at 4.80% per annum	GBP 15 million	Fixed rate at 4.40% per annum	December 2019

40.6 Foreign exchange contract

The Company's exposure to foreign currency risk arises mainly from trading transactions and borrowings that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate.

As at 31 December 2018, foreign exchange contracts outstanding are summarised below (2017: Nil).

Foreign currency	Bought amount	Contractual exchange rate of bought	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	19.32	32.87	29 March 2019 - 30 December 2021

40.7 Other commitments

The Company has commitments regarding contribution to the United Nations Children's Fund (UNICEF) at a minimum of USD 1 million per year for the three-year period from 2014 to 2016. This is in accordance with memorandum of understanding between the Company and UNICEF dated 29 January 2014. However, the Company's Board of Directors' meeting No. 3/2017 approved the extension of the contribution period for another 3 years from 2017 to 2019.

41. Segment information

Operating segment information is reported in a manner consistent with the internal reporting the chief operating decision maker has received and regularly reviewed to make decisions about the allocation of resources to the segment and assess its performance.

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

- Property development business segment consists of land and housing projects, residential condominium projects, serviced apartments for rent, and office buildings for rent.
- Building management, project management and real estate brokerage business segment consists of the provision of building management service, property project management and real estate brokerage.
- Other business segment consists of hotel and education business.

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

Chief operating decision maker monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the financial statements.

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

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for the year ended 31 December 2018 and 2017, respectively.

(Unit: Million Baht)

Year ended 31 December 2018	Real estate	Building management, project management and real estate brokerage	Other business	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from projects for sale						
- Houses	14,948					
- Condominium	6,604					
	21,552					
Revenue from sales of construction materials	2					
Revenue from project for rent	85					
Total	21,639	4,311	297	26,247	-	26,247
Inter-segment revenue	308	3,183	44	3,535	(3,535)	-
Interest revenue	790	16	8	814	(449)	365
Interest expense	(1,014)	(7)	(35)	(1,056)	486	(570)
Depreciation and amortisation	(122)	(14)	(2)	(138)	-	(138)
Loss on diminution in value of property development for sale and land held for development	(130)	-	-	(130)	-	(130)
Loss on diminution in value of investment properties	(20)	-	-	(20)	-	(20)
Loss on diminution in value of land, building and equipment	(73)	-	-	(73)	52	(21)
Segment profit (loss)	4,830	3,940	(11)	8,759	(3,446)	5,313
Other income						534
Common expense						(3,577)
Share of profit from investments in joint ventures						444
Share of loss from investment in associate						(139)
Income tax expense						(533)
Profit for the year						2,042

(Unit: Million Baht)

Year ended 31 December 2017	Real estate	Building management, project management and real estate brokerage	Other business	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from external customers	26,255	4,368	293	30,916	-	30,916
Inter-segment revenue	30	3,040	43	3,113	(3,113)	-
Interest revenue	645	17	8	670	(457)	213
Interest expense	(801)	(13)	(60)	(874)	463	(411)
Depreciation and amortisation	(85)	(10)	(1)	(96)	-	(96)
Loss on diminution in value of property development for sale and land held for development	(208)	-	-	(208)	-	(208)
Loss on diminution in value of investment properties	(30)	-	-	(30)	-	(30)
Loss on diminution in value of land, building and equipment	-	-	(98)	-	-	(98)
Segment profit (loss)	5,630	3,955	(43)	9,542	(3,107)	6,435
Other income						629
Common expense						(3,489)
Share of profit from investments in joint ventures						43
Share of loss from investment in associate						(17)
Income tax expense						(819)
Profit for the year						2,782

Geographic information

Revenue from external customers is based on locations of the customers.

The Company and its subsidiaries mainly operate in Thailand. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customers

For the years 2018 and 2017, the Company and its subsidiaries have no major customer with revenue of 10% or more of an entity's revenues.

42. Fair value hierarchy

As at 31 December 2018 and 2017, the Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	31 December 2018			
	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed				
Investment properties	-	111	187	298
Liabilities for which fair value are disclosed				
Unsecured debentures	-	24,217	-	24,217

(Unit: Million Baht)

Consolidated financial statements				
31 December 2017				
	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed				
Investment properties	-	88	212	300
Liabilities for which fair value are disclosed				
Unsecured debentures	-	17,116	-	17,116

(Unit: Million Baht)

Separate financial statements				
31 December 2018				
	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed				
Investment properties	-	82	187	269
Liabilities for which fair value are disclosed				
Unsecured debentures	-	24,217	-	24,217

(Unit: Million Baht)

Separate financial statements				
31 December 2017				
	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed				
Investment properties	-	23	212	235
Liabilities for which fair value are disclosed				
Unsecured debentures	-	17,116	-	17,116

43. Financial instruments

43.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, loans, investments, trade accounts payable and loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

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

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to its cash at banks, short-term loans, debentures and long-term borrowings. However, since most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities are classified by type of interest rates 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								
As at 31 December 2018								
	Fixed interest rate				Floating interest rate	Non- interest bearing	Total	Effective interest rate (% p.a.)
	Within one year	1 - 5 years	Over 5 years	At call				
Financial Assets								
- Cash and cash equivalents	-	-	-	-	3,307	619	3,926	0.13 - 1.75
- Current investments	-	-	-	-	406	1,963	2,369	3.88
- Trade accounts receivable	-	-	-	-	-	122	122	-
- Loans to related parties	-	-	-	6,621	-	-	6,621	3.50 - 4.88
- Long-term loan receivable	-	10	-	-	-	-	10	4.00
	-	10	-	6,621	3,713	2,704	13,048	
Financial liabilities								
- Short-term loans from banks	6,250	-	-	-	-	-	6,250	2.50 - 2.90
- Bills of exchange	5,875	-	-	-	-	-	5,875	2.15 - 2.31
- Trade accounts payable	-	-	-	-	-	1,676	1,676	-
- Long-term loans	-	-	-	-	11,614	-	11,614	Note 26
- Long-term promissory note								
- purchase of land	-	-	-	-	-	3,728	3,728	Note 27
- Unsecured debentures	3,997	20,443	-	-	-	-	24,440	Note 28
	16,122	20,443	-	-	11,614	5,404	53,583	

(Unit: Million Baht)

Consolidated financial statements								
As at 31 December 2017								
	Fixed interest rate				Floating interest rate	Non- interest bearing	Total	Effective interest rate (% p.a.)
	Within one year	1 - 5 years	Over 5 years	At call				
Financial Assets								
- Cash and cash equivalents	60	-	-	-	2,709	201	2,970	0.13 - 2.25
- Current investments	-	-	-	-	-	973	973	3.88
- Restricted bank deposits	-	-	-	-	323	-	323	0.375
- Trade accounts receivable	-	-	-	-	-	157	157	-
- Loans to related parties	-	-	-	5,806	-	-	5,806	3.50 - 3.85
- Long-term loan receivable	-	10	-	-	-	-	10	4.00
	60	10	-	5,806	3,032	1,331	10,239	
Financial liabilities								
- Short-term loans from banks	2,400	-	-	-	-	-	2,400	2.85 - 2.93
- Bills of exchange	5,968	-	-	-	-	-	5,968	1.75 - 2.25
- Trade accounts payable	-	-	-	-	-	1,563	1,563	-
- Long-term loans	-	-	-	-	10,095	-	10,095	Note 26
- Long-term promissory note								
- purchase of land	-	-	-	-	-	3,200	3,200	Note 27
- Unsecured debentures	5,998	10,973	-	-	-	-	16,971	Note 28
- Other long-term loans	-	92	-	-	-	-	92	3.85
	14,366	11,065	-	-	10,095	4,763	40,289	

(Unit: Million Baht)

Separate financial statements								
As at 31 December 2018								
	Fixed interest rate				Floating interest rate	Non- interest bearing	Total	Effective interest rate (% p.a.)
	Within one year	1 - 5 years	Over 5 years	At call				
Financial Assets								
- Cash and cash equivalents	-	-	-	-	2,336	198	2,534	0.13 - 1.75
- Current investment	-	-	-	-	406	1,963	2,369	3.88
- Trade accounts receivable	-	-	-	-	-	77	77	-
- Loans to related parties	-	-	-	15,749	-	-	15,749	3.50 - 4.88
	-	-	-	15,749	2,742	2,238	20,729	
Financial liabilities								
- Short-term loans from banks	6,250	-	-	-	-	-	6,250	2.52 - 2.90
- Bills of exchange	5,875	-	-	-	-	-	5,875	2.15 - 2.31
- Trade accounts payable	-	-	-	-	-	1,263	1,263	-
- Loans from related parties	-	-	-	468	-	-	468	3.5 - 4.88
- Long-term loans	-	-	-	-	8,877	-	8,877	Note 26
- Long-term promissory note								
- purchase of land	-	-	-	-	-	2,503	2,503	Note 27
- Unsecured debentures	3,997	20,443	-	-	-	-	24,440	Note 28
	16,122	20,443	-	468	8,877	3,766	49,676	

Separate financial statements							
As at 31 December 2017							
	Fixed interest rate				Floating interest rate	Non- interest bearing	Effective interest rate
	Within one year	1 - 5 years	Over 5 years	At call			
						Total	(% p.a.)
Financial Assets							
- Cash and cash equivalents	-	-	-	-	1,402	127	0.125 - 2.25
- Current investment	-	-	-	-	-	973	3.88
- Restricted bank deposits	-	-	-	-	323	-	0.375
- Trade accounts receivable	-	-	-	-	-	20	-
- Loans to related parties	-	-	-	18,762	-	-	3.50 - 3.85
	-	-	-	18,762	1,725	1,120	
	-	-	-	-	-	-	-
Financial liabilities							
- Short-term loans from banks	2,400	-	-	-	-	-	2.85 - 2.93
- Bills of exchange	5,968	-	-	-	-	-	1.75 - 2.25
- Trade accounts payable	-	-	-	-	-	1,221	-
- Loans from related parties	-	-	-	893	-	-	3.50 - 3.85
- Long-term loans	-	-	-	-	8,074	-	Note 26
- Long-term promissory note	-	-	-	-	-	-	-
- purchase of land	-	-	-	-	-	3,200	Note 27
- Unsecured debentures	5,998	10,973	-	-	-	-	Note 28
	14,366	10,973	-	893	8,074	4,421	
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arises mainly from purchase of goods and services denominated in foreign currencies. Since liabilities denominated in foreign currencies are not significant and due in short period, the Company and its subsidiaries do not use any derivatives to manage such risk, except the transactions of overseas investments, that the Company and its subsidiaries entered into Cross Currency and Interest Rate Swap agreement and Foreign exchange contract as described in Note 40.5 and 40.6.

43.2 Fair values of financial instruments

The methods and assumptions used by the Company and its subsidiaries in estimating the fair value of financial instruments are as follows:

- For financial assets and liabilities which have short-term maturity, including cash and cash at banks, trade accounts receivable and trade accounts payable, their carrying amounts in the statement of financial position approximate their fair value.
- For fixed rate debentures, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.

- c) For short-term and long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.

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

The fair values of the Company and its subsidiaries' financial instruments are estimated to approximately the amounts presented in the statements of financial position, except for the following:

(Unit: Million Baht)

	Consolidated / Separate financial statements			
	Carrying amount		Fair value	
	2018	2017	2018	2017
<u>Financial liabilities</u>				
Unsecured debentures	24,440	16,971	24,217	17,116

44. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value.

The Company manages its capital position with reference to its debt-to-equity ratio in order to comply with a condition in loan agreements and a covenant of debentures, which requires the Company to maintain a debt-to-equity ratio of not more than 2:1 (2017: 2.5:1). Debt means to interest bearing debts.

No changes were made in the objectives, policies or processes during the years end 31 December 2018 and 2017.

45. Events after the reporting period

45.1 During 1 January to 16 January 2019, the Company continued to repurchase its shares on the repurchase program for financial management purpose in the amount of Baht 235 million or 190 million shares at an average price of 1.23 Baht per share.

45.2 On 9 January 2019, the Company has set up of a new subsidiary named Siri Smart Five Co., Ltd, with the registered capital of Baht 50 million. The Company holds 100% of issued and paid-up share capital as approved by the Company's Board of Directors' meeting on 14 December 2018. The new company has engaged in property development.

- 45.3 On 1 February 2019, the Company subscribed the newly issued shares of Standard International, LLC ("The Standard"), an associate, with a total investment of US dollars 6.15 million or approximately Baht 194.01 million.
- 45.4 On 15 February 2019, the Company's Board of Directors' meeting has the resolution to approve the issuance and offering of Baht 2,000 million of unsecured and unsubordinated debentures number 1/2019 with an over-allotment not more than Baht 3,500 million. The debentures will be redeemed in 27 February 2022 and carried interest at a rate of 3.80 percent per annum. The debentures are offered for subscription during 22 February to 26 February 2019.
- 45.5 On 27 February 2019, the Company's Board of Directors' meeting approved the following resolutions:
- (a) To propose to Annual General Meeting of the Company's shareholders for approval of dividend payment from the operating results from 1 January 2018 to 31 December 2018. The dividend will be paid by cash at the rate of Baht 0.12 per share. As the Company's Board of Directors Meeting held on 14 August 2018 has the resolution to approve interim dividend payment to the shareholders as cash dividend of Baht 0.04 per share. The interim dividend was paid on 12 September 2018. The Company will pay a final dividend of Baht 0.08 per share within May 2019. The payment of the final dividend is dependent on approval being granted by the shareholders.
 - (b) To approve additional issue size for issuance and offering of debentures to be Baht 10,000 million. Total issue size of the Company's debentures, for the debentures to be issued and offered and for those issued from 2013 - 2018 as approved by the Annual General meeting of the Company's shareholders, is not over Baht 40,000 million. The debentures to be issued may be of any type, depending on prevailing market conditions at the time the debentures are issued and offered. This resolution will be proposed for approval at the 2018 Annual General Meeting of the Company's shareholders.

46. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2019.