

Part 3

**FINANCIAL POSITION
AND RESULTS OF
OPERATIONS.**

13

IMPORTANT FINANCIAL INFORMATION



13.1 Summary of financial status and operating results

13.1.1 Audit report

Period	Auditor	Audit report summary
Year 2014	Mr. Somkid Tiatrakul Certified Public Accountant No. 2785 Grant Thornton Company Limited	<p>The auditor has expressed an opinion in the audit report. Unconditionally That the financial statements show the financial position And performance And cash flow It is correct as it should, in essence, in accordance with generally accepted accounting principles.</p> <p>However, the management of the Company has classified certain cost of goods sold as selling expenses, without affecting operating results and earnings per share. Which the auditor agreed, without expanding the audit scope to date</p>
Year 2015	Mr. Jiroj Siriroraj Certified Public Accountant No. 5113 Karin Audit Company Limited	<p>The auditor has expressed an opinion in the audit report. Unqualified that the statements of financial position and operating results and cash flows are accurate, in essence, in accordance with generally accepted accounting principles.</p> <p>Other matters Statement of financial position of the Company as of December 31, 2015 Statement of Comprehensive Income For the year ended 31 December 2015 and the statement of changes in equity And cash flow statements for the year ended December 31, 2015, presented as comparative information, audited by other auditors. Which expressed an unconditional opinion according to the report dated 29 February 2016</p>
Year 2016	Miss Kannikar Wipanurat Certified Public Accountant No. 7305 Karin Audit Company Limited	<p>The auditor has expressed an opinion in the audit report. Unqualified that the statements of financial position and operating results and cash flows are accurate, in essence, in accordance with generally accepted accounting principles.</p> <p>Other matters Statement of financial position of the Company as of December 31, 2016 Statement of Comprehensive Income For the year ended 31 December 2016 and the statement of changes in equity And cash flow statements for the year ended December 31, 2016, presented as comparative information, audited by other auditors. Which expressed an unconditional opinion according to the report dated February 28, 2017</p>

Year 2017	Mr. Jessada Hangsapruerk Certified Public Accountant No. 3759 Karin Audit Company Limited	The auditor has expressed an opinion in the audit report. Unqualified that the statements of financial position and operating results and cash flows are accurate, in essence, in accordance with generally accepted accounting principles. Other matters Statement of financial position of the company as at 31 December 2017 Statement of comprehensive income For the year ended 31 December 2017 and the statement of changes in equity And cash flow statements for the year ended 31 December 2017 presented as comparative information audited by other auditors. Which expressed an unconditional opinion as reported on February 27, 2018
Year 2018	Miss Wannisa Ngambuathong Certified Public Accountant No. 6838 Dharmniti Auditing Company Limited	The auditor has expressed an opinion in the audit report. Unqualified that the statements of financial position and operating results and cash flows are accurate, in essence, in accordance with generally accepted accounting principles. Other matters Statement of financial position of the company as of 31 December 2018 Statement of comprehensive income For the year ended 31 December 2018 and the statement of changes in equity And cash flow statements for the year ended December 31, 2018, presented as comparative information, audited by other auditors. Which expressed an unconditional opinion according to the report dated February 26, 2019
Year 2019	Miss Wannisa Ngambuathong Certified Public Accountant No. 6838 Dharmniti Auditing Company Limited	The auditor has expressed an opinion in the audit report. Unqualified that the statements of financial position and operating results and cash flows are accurate, in essence, in accordance with generally accepted accounting principles. Other matters Statement of financial position of the company as at 31 December 2019 Statement of comprehensive income For the year ended 31 December 2019 and the statement of changes in equity And cash flow statements for the year ended 31 December 2019, presented as comparative information, audited by other auditors. Which expressed an unconditional opinion according to the report dated February 27, 2020
Year 2020	Miss Wannisa Ngambuathong Certified Public Accountant No. 6838 Dharmniti Auditing Company Limited	The auditor has expressed an opinion in the audit report. Unqualified that the statements of financial position and operating results and cash flows are accurate, in essence, in accordance with generally accepted accounting principles. Other matters Statement of financial position of the Company as of 31 December 2020 Statement of Comprehensive Income For the year ended 31 December 2020 and the statement of changes in equity And cash flow statements for the year ended 31 December 2020, presented as
		comparative information, audited by other auditors. Which expressed an unconditional opinion according to the report dated February 24, 2021

13.1.2 Summary of the Company's Financial Statements

Richy Place 2002 Public Company Limited

Statement of Financial Position

For the year ended 31 December 2018 - 2020

(Unit: million baht)

	31 December 2018 (Check)		31 December 2019 (Check)		31 December 2020 (Check)	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	23.98	0.48	24.75	0.38	81.35	1.09
Trade and other current receivables	432.44	8.44	396.81	6.09	360.23	4.82
Short-term loans to related parties	64.98	1.27	90.23	1.38	95.75	1.28
Real estate project under development	4,543.88	88.75	5,914.08	90.68	6,613.43	88.41
Total Current Assets	5,065.28	98.94	6,425.87	98.53	7,150.76	95.59
NON-CURRENT ASSETS						
Deposits at financial institutions with limitation	-	-	58.16	0.89	31.55	0.42
Investment properties	-	-	-	-	237.87	3.18
Property, plant and equipment	21.61	0.42	13.29	0.20	31.77	0.42
Right-of-use assets	-	-	-	-	4.16	0.06
Other intangible assets	0.36	0.01	0.61	0.01	0.78	0.01
Deferred tax assets	26.26	0.51	22.63	0.35	22.18	0.30
Other non-current assets	5.95	0.12	1.47	0.02	1.68	0.02
Total Non-current Assets	54.18	1.06	96.17	1.47	329.99	4.41
TOTAL ASSETS	5,119.46	100.00	6,522.04	100	7,480.75	100.00
Liabilities and shareholders' equity						
Current liabilities						
Bank overdraft and short-term loans from financial institutions	12.42	0.24	45.84	0.70	4.90	0.07

	31 December 2018 (Check)		31 December 2019 (Check)		31 December 2020 (Check)	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Trade and other current payables	175.93	3.44	238.89	3.66	212.75	2.84
Current portion of lease liabilities	0.49	0.01	0.52	0.01	1.83	0.02
Current portion of long – term loans	1,968.75	38.46	1,909.12	29.27	2,542.27	33.98
Short – term loans from related parties	-	-	14.00	0.21	21.62	0.29
Advance received from customer- real estate	444.33	8.68	449.64	6.89	511.55	6.84
Income tax payable	29.37	0.57	0.60	0.01	11.43	0.15
Other current liabilities	72.44	1.41	56.79	0.88	111.25	1.49
Total Current Liabilities	2,703.73	52.81	2,715.40	41.63	3,417.60	45.69
NON – CURRENT LIABILITIES						
Lease liabilities	1.78	0.03	1.25	0.02	2.05	0.03
Long – term loans	99.65	1.95	1,368.57	20.98	1,591.61	21.28
Employee benefit obligations	3.14	0.06	5.50	0.08	6.07	0.08
Provision for compensation for housing estate juristic persons	1.15	0.02	1.27	0.03	1.11	0.01
Total Non – Current Liabilities	105.75	2.06	1,376.59	21.11	1,600.84	21.40
TOTAL LIABILITIES	2,809.45	54.88	4,091.99	62.74	5,018.45	67.08
Shareholders' equity						
Share capital						
Authorised share capital	1,381.46	26.98	1,578.81	24.21	1,578.81	21.10
Issued and paid – up share capital	1,044.86	20.42	1,194.22	18.31	1,194.22	15.96
Premium on ordinary shares	538.40	10.52	538.45	8.26	538.45	7.20
Retained earnings						
Appropriated legal reserve	69.44	1.36	75.48	1.15	80.85	1.08
Unappropriated	657.31	12.84	621.90	9.54	648.77	8.67
TOTAL SHAREHOLDERS'EQUITY	2,310.01	45.12	2,430.05	37.26	2,462.30	32.92
TOTAL LIABILITIES AND SHAREHOLDERS'EQUITY	5,119.46	100.00	6,522.04	100.00	7,480.75	100.00

Richy Place 2002 Public Company Limited

Statements of comprehensive income

For the year ended 31 December 2018 - 2020

(Unit: million baht)

	For the year ended		For the year ended		For the year ended	
	31 December 2018		31 December 2019		31 December 2020	
	(Check)		(Check)		(Check)	
	amount	Percent age	amount	Percentage	amount	Percentage
Revenues from sales	2,680.99	99.04	1,193.64	97.73	814.52	93.73
Costs of sales	(1,773.79)	(65.52)	(753.38)	(61.68)	(510.46)	(58.74)
Gross profit	907.19	33.51	440.26	36.05	304.06	34.99
Other incomes	27.65	1.02	31.63	2.59	54.53	6.27
Total income	2,706.90	100.00	1,221.36	100.00	869.05	100.00
Distribution costs	(268.73)	(9.93)	(202.05)	(16.54)	(150.03)	(17.26)
Administrative expenses	(88.77)	(3.28)	(68.93)	(5.64)	(52.81)	(6.08)
Finance costs	(13.40)	(0.50)	(13.89)	(1.14)	(26.80)	(3.08)
Profit before income tax expenses	563.94	20.83	187.01	15.31	128.95	14.84
Income tax expenses	(112.92)	(4.17)	(39.63)	(3.24)	(27.44)	(3.16)
Profit for the year	451.02	16.66	147.37	12.07	101.51	11.68
Actuarial gains	-	-	(1.23)	(0.10)	-	-
Total comprehensive income for the year	451.02	16.66	146.14	11.97	101.51	11.68

Richy Place 2002 Public Company Limited

Statement of cash flows

For the year ended 31 December 2018 - 2020

	For the year ended		
	31 December 2018	31 December 2019	31 December 2020
	(Check)	(Check)	(Check)
	Amount	Amount	Amount
Cash flows from operating activities			
Profit before income tax expenses	563.94	187.01	128.96
Adjustments to reconcile profits before income tax into cash received (paid) from operating activities			
Depreciation and amortization	12.91	10.96	6.80
Gain from disposal of temporary investment	0.32	-	
Loss from written of assets	-	-	0.06
(Gain) loss from write-off of net assets and liabilities	0.10	(7.59)	-
Provision for compensation for housing estate juristic persons	1.15	0.11	(0.15)
Employee benefit expenses	0.17	0.80	0.58
Interest income	(1.43)	(4.51)	(5.18)
Finance costs	13.40	13.89	26.80
Profit (loss) from operations before changes in operating assets and liabilities	590.41	198.46	157.84
Changes in operating assets and liabilities			
Real estate project under development (increase) decrease	1,234.91	(1,017.94)	(777.23)
Trade and other current receivables (increase) decrease	(161.55)	(172.57)	29.92
Trade and other current payables increase (decrease)	(54.05)	70.81	(49.78)
Advances received from customer increase (decrease)	(35.67)	5.30	61.91
Other current liabilities increase (decrease)	23.33	(15.64)	54.45
Other – non current asset (increase) decrease	(0.10)	(0.53)	(0.20)
Net cash provided by (used in) operations	1,597.28	(932.13)	(523.07)
Income tax paid	(98.34)	(67.58)	(16.15)
Net cash provided by (used in) operations activities	1,498.93	(999.72)	(539.23)

Richy Place 2002 Public Company Limited

Statement of cash flows (Cont.)

For the year ended 31 December 2018 - 2020

(Unit: million baht)

	31 December 2018		
	(Check)		
	Amount	Amount	Amount
	31 December 2018	31 December 2019	31 December 2020
	(Check)	(Check)	(Check)
Cash flows from investing activities			
Bank deposits with restrictions on use	0.26	(53.15)	26.61
Cash received and paid for payment of shares in subsidiary companies	0.00	-	-
Cash payment for purchase of land Building and equipment	(2.91)	(2.40)	(0.95)
Cash payment for purchase of intangible assets	(0.12)	(0.48)	(0.57)
Cash payment for purchase of temporary investments	(193.20)	(929.00)	-
Proceeds from sales of temporary investments	193.36	931.22	-
Cash paid for short-term loans to related parties	(69.55)	(44.55)	(33.07)
Cash received from short-term loans to related parties	5.94	21.21	32.34
Investment property	-	-	(4.35)
Cash received form interest income	0.95	2.59	0.38
Net cash provided (used in) from investing activities	(66.11)	(74.56)	20.39
Cash flows from financing activities			
Cash paid for interest expenses	(163.86)	(169.91)	(168.01)
Bank overdrafts from financial institutions increase(decrease)	5.62	3.41	(10.94)
Cash received from bill of exchange	-	160.00	-
Cash paid for bill of exchange	-	(130.00)	(30.00)
Liabilities under financial lease agreement (decrease)	(0.52)	(0.62)	(2.00)
Cash received for short-term loans from related parties	-	14.00	10.60
Cash paid for short-term from related parties	-	-	(3.00)
Cash received from debenture	-	1,379.70	192.50
Cash paid for debentures	(500.00)	(862.30)	(158.78)
Cash received from financial institutions loan	668.23	1,192.76	1,213.54
Cash paid for loans from financial institutions	(1,494.70)	(485.88)	(399.19)
Cash received from bill of exchange	-	0.16	0.00

Dividend paid	(8.48)	(26.26)	(69.26)
Net cash provided (used in) financing activities	(1,493.71)	(1,075.04)	575.44
Net increase (decrease) in cash and cash equivalents	(60.88)	0.76	56.60
Cash and cash equivalents at the beginning of the year	84.86	23.98	24.74
Cash and cash equivalents at the end of the year	23.98	24.74	81.35

Important financial ratios

For the year ended 31 December 2018 - 2020

List	หน่วย	For the year ended		
		31 December 2018	31 December 2019	31 December 2020
Liquidity ratio				
Current ratio	Times	1.87	2.37	2.09
Quick ratio	Times	0.17	0.16	0.13
Cash flow ratio	Times	0.55	(0.37)	(0.16)
Turnover ratio	Times	N/A	N/A	N/A
Average collection period	Day	N/A	N/A	N/A
Inventory turnover rate	Times	0.35	0.14	0.08
Average product sales period	Day	1050	2533	4479
Payable turnover ratio	Times	3.94	3.61	2.26
Repayment period	Times	93	100	161
Cash cycle	Times	957	2433	4317
Ratio showing profitability (Profitability Ratio)				
Gross margin	%	34.16	36.88	37.33
Operating profit margin	%	21.53	14.18	12.43
Net profit margin	%	16.65	12.03	11.68
Return on equity	%	21.59	6.22	4.15
The ratio of efficiency in operation (Efficiency Ratio)				
Return on assets	%	10.33	3.45	2.22
Return on fixed assets	%	804.50	267.25	73.10
Asset turnover	Times	0.48	0.21	0.12
Financial Policy Ratio				
Debt to equity ratio	Times	1.22	1.68	2.04
Interest coverage ratio	Times	3.60	1.25	0.97
Obligation capability ratio	Times	0.30	0.11	0.06
Dividend payout ratio	%	1.88	17.82	68.23
Stock Information				
Book value per share	THB	2.21	2.03	2.06
Earnings per share	THB	0.43	0.12	0.09
Data calculated by Fully Diluted Method				
Book value per share	THB	1.70	1.80	2.06
Earnings per share	THB	0.33	0.11	0.09

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ANALYSIS AND EXPLANATION OF MANAGEMENT



Overview of past performance

Richy Place 2002 Public Company Limited (the Company) operates a residential property development business. By focusing on project development in areas with potential and location near the community Especially condominiums along the BTS line and the community area All of the company's main income is revenue from sales. Land and house Residential condominium Both horizontal and vertical (Condominium) In the past, the Company has completed 8 development projects, consisting of 1) The 8 Collection Project 2) The Rich Sathorn-Taksin Project 3) Rich Park - Tao Poon Project 4) Rich Park - Chaophraya Project 5) Rich Park - Triple Station Project 6) Rich Park-Terminal Project 7) The Rich-Nana Project 8) The Rich Avenue Project In addition, there are 5 projects under construction which are 1) The Rich Project Beach Home - Sukhumvit 2) The Rich Ville - Ratchaphruek Project 3) The Rich-Ekkamai Project 4) The Rich Rama 9-Srinakarin Triple Station 5) Rich Point @ Wutthakat

Since 2011, the Company recognizes revenue from sales of properties when the ownership has been transferred to the buyer after receiving full payment from the buyer and will record the cost of real estate sales when the ownership has been transferred to the buyer. For real estate projects that are under construction Construction costs, including other related expenses The company will record in assets in the list of real estate development costs for sale. Until when the construction project is completed and ownership has been transferred the company will therefore recognize revenue as mentioned above.

Analysis of company performance - revenue

The Company's income consists of revenue from sales of real estate, interest income and other income. With income from real estate sales as the main income Different types of income can be classified as follows:

Table 14.1 Revenue structure

	Financial statements reviewed ended 31 December					
	2018 (investigate)		2019 (investigate)		2020 (investigate)	
	(Million baht)	Percentage	(Million baht)	Percentage	(Million baht)	Percentage
Revenue from real estate sales	2,680.99	98.98	1,193.65	97.42	814.52	93.72
Other income	27.65	1.02	31.64	2.58	54.54	6.28
Total income	2,708.64	100.00	1,225.29	100.00	869.06	100.00

Revenue from real estate sales

Revenue from the sale of real estate of the Company in the year 2018 - 2020 is equal to 2,680.99 million baht, 1,193.65 million baht and 814.52 million baht or 98.98 percent, 97.42 percent and 93.72 percent of total revenue respectively.

In 2019, the Company had revenue from real estate sales of 1,193.65 million baht, Decreased from the year 2018, equal to 1,487.34 or 55.48%, As a result, the company has not yet completed a new condominium, resulting in a decrease in revenue from the sale of the project.

Year 2020, the company has revenue from sales of real estate equal to 814.52 million baht, Decreased from the year 2019, equal to 379.13 or 31.76% Which is the result of many factors Both domestic and international circumstances in which the COVID-19 epidemic is spread As a result, the revenue recognition has decreased.

Table 14.2 Revenue from real estate sales classified by project

	Financial Statements					
	Year 2018		Year 2019		Year 2020	
	value (Million baht)	proportion (percent)	value (Million baht)	proportion (percent)	value (Million baht)	proportion (percent)
Revenue from real estate sales						
<u>Residential condominium</u>						
- Le Rich Rama 3	30.10	1.11	-	-	-	-
- The Rich Sathorn-Taksin	230.31	8.51	105.49	8.60	34.29	3.95
- Rich Park @ Bang Son Station	-	-	-	-	-	-
- Rich Park @Taopoon Interchange	150.94	5.57	107.08	8.74	54.86	6.31
- Rich Park @ Chaophraya	348.00	12.85	27.61	2.25	10.11	1.16
- Rich Park @ Triple Station	1,904.45	70.31	627.05	51.18	133.26	15.33
- The 8 Collection Project	-	-	56.47	4.61	18.32	2.11
- Rich Park-Terminal Project	-	-	212.80	17.37	283.90	32.67
- The Rich-Nana Project	-	-	-	-	179.95	20.71
<u>Townhome</u>						
- The Rich Ville - Ratchaphruek Project	11.19	0.41	30.99	2.53	33.98	3.91
- The Rich Project Beach Home - Sukhumvit	6.00	0.22	26.16	2.14	31.32	3.60
- The Rich Avenue Project	-	-	-	-	34.53	3.97
Total revenue from real estate sales	2,680.99	98.98	1,193.65	97.42	814.52	93.72
Other income	27.65	1.02	31.64	2.58	54.54	6.28
Total revenue	2,708.64	100.00	1,225.29	100.00	869.06	100.00

Note: Other income is revenue from breach of contract, change of transfer agreement. Rental income and others

Other income

Other income consists of income from water-fire meter installation. Income from breach of contract Changing the transfer agreement Rental income and others, which the income from the breach of contract is the booking of money, contract and down payment that the customer has already paid and recognized as income due to the breach of contract later or the customer does not comply with the contract until the cause. Contract termination Or when the customer does not accept the transfer of ownership within the specified period and there is no dispute from the customer in 2018 - 2020, the company has other income equal to 27.65 million baht, 31.64 million baht and 54.54 million baht or 1.02 percent, 2.58 and 6.28 percent of total revenue respectively

Year 2020, the company had other income of 54.54 million baht, increased from 2019, equal to 22.90 million baht, or 72.38% , as a result of increased revenue from breach of contract.

Table 14.3 Other income

No.	Detail	2018		2019		2020	
		MB.	Percentage	MB.	Percentage	MB.	Percentage
1	Revenue from installation of water-fire meter	1.26	4.55	0.43	1.36	0.13	0.24
2	Income from contract change	1.70	6.15	0.34	1.07	0.02	0.03
3	Income from breach of contract	9.61	34.74	10.59	33.48	20.07	36.80
4	The difference between the suite (rental room)	0.00	0.00	0.00	0.00	0.00	0.00
5	interest	1.43	5.17	4.51	14.26	5.18	9.50
6	other	13.66	49.39	15.77	49.83	29.14	53.43
total		27.66	100.00	31.64	100.00	54.54	100.00

Total income

The company had total revenue in 2018 - 2020, equal to 2,708.64 million baht, 1,225.29 million baht and 869.06 million baht respectively.

In 2018, the total revenue increased from 2017, equal to 1,381.52 million baht or 104.10% , the result of the increase in the amount of real estate sales of 1,366.58 million baht or increased to 103.97% compared to the previous year

In 2019, the total revenue decrease from 2020, equal to 1,483.35 million baht or 54.76% , the result of a decrease in the amount of real estate sales of 1,487.34 million baht or decrease to 55.48% compared to the previous year

In 2020, the total revenue decrease from 2019, equal to 356.23 million baht or 29.07% , the result of a decrease in the amount of real estate sales of 379.13 million baht or decrease to 31.76% compared to the previous year

Cost of real estate sales

The cost of real estate sales is Real estate development costs during project development are recognized as costs in the income statement when revenue from real estate sales is recognized, consisting of cost of sales, salaries and construction benefits. Utilities and others.

Year 2018 - 2020, the Company had real estate sales cost of 1,773.79 million baht, 753.39 million baht and 510.46 million baht, respectively, representing the ratio of cost of real estate sales to revenue from real estate sales of 66.16 percent, 63.12 percent and 62.67 percent, respectively. It comes from the cost of The Rich project. Ploenchit - Nana And The Rich Project Avenue @ Damrongrak The ownership transfer in 2020 can control costs well. Thus making the cost lower than the previous year.

Year 2018, the company had the cost of real estate sales increased from 2017 to 902.79 million baht or 103.64% due to the cost of Rich Park @ Triple Station project. Which transferred ownership in 2018 a lot as well as construction material costs And the cost of artisan labor has also increased

Year 2019, the cost of real estate sales decreased from 2018 at 1,020.40 million baht or 57.53% due to the cost of Rich Park @ Triple Station project. And the Rich Park Terminal Project, which transferred ownership in 2019

Year 2020, the cost of real estate sales decreased from the year of 2019 at 242.93 million baht or 32.24%, which is a result of the cost of The Rich project. Ploenchit - Nana And The Rich Project Avenue @ Damrongrak Which transfer ownership in the year 2020

Table 14.4 Cost of real estate sales

Cost of real estate sales selling cost	Year 2561		Year 2562		Year 2563	
	MB.	Percentage	MB.	Percentage	MB.	Percentage
Cost of real estate sales	1,755.39	98.96	735.29	97.59	503.88	98.71
Salary and welfare of the construction department	15.22	0.86	16.01	2.13	4.63	0.91
Utility Bills	0.34	0.02	0.21	0.03	0.11	0.02
other	2.84	0.16	1.88	0.25	1.84	0.36
Total cost of real estate sales	1,773.79	100.00	753.39	100.00	510.46	100.00
Percentage ratio of cost of real estate sales to sales revenue		66.16		63.12		62.67

Cost of sales

Selling expenses of the company consist of salaries, salesmen, commission, project management fees. Promotion expenses Specific business tax the cost of ownership transfer Common area expenses And other operating expenses Which commission Is the commission paid by the company to the sales staff and other employees in the company according to the sales of the company The commission will be paid on a quarterly basis. Project management fee is Wages for selling various projects Of the company paid to the company that sells the project And sales promotion expenses, consisting of advertising fees and activity fees for exhibiting products For common area expenses is the expenses that the company has to pay for common areas for the remaining areas that are not sold to the juristic person of the said condominium. While other operating expenses such as taxes, billboards and office expenses Supplies etc.

The selling expenses for the year 2018 - 2020 amounted to 268.73 million baht, 202.06 million baht and 150.03 million baht, The ratio of selling expenses to revenue from real estate sales was 10.02%, 16.93% and 18.42%, respectively.

Year 2018, the company has increased selling expenses from the year 2017 in the amount of 68.32 million baht or equivalent to a percentage increase 34.09 The main factor is that the company has more ownership transfers. Therefore there are various expenses incurred With a specific business tax added 44.47 million baht, Increased advertising and exhibition costs 36.33 million baht.

Year 2019, the company has decrease selling expenses from the year 2018 in the amount of 66.67 million baht or equivalent to a percentage decrease 24.81 The main factor is that the company has decreased ownership transfer. Therefore the expenses are reduced With specific business tax decreased by 57.10 million baht, tax and trade fee decreased 14.62 million baht.

Year 2020, the company has decrease selling expenses from the year 2019 in the amount of 52.03 million baht or equivalent to a percentage decrease 25.75 The main factor is that the company has decreased ownership transfer. Therefore the expenses are reduced With specific business tax decreased by 29.33 million baht, sales management fee decreased by 11.36 million baht.

Table 14.5 Selling expenses

Selling expenses	2018		2019		2020	
	MB.	Percentage	MB.	Percentage	MB.	Percentage
Salary and employee benefits	10.34	3.74	9.73	4.82	25.42	16.94
Sales utilities	1.37	0.49	1.84	0.91	1.60	1.07
Taxes and trade (sales) fees	24.83	8.95	9.58	4.74	8.75	5.83
Specific business tax	90.47	32.61	40.83	20.21	29.33	19.55
Commission	4.75	1.71	1.80	0.89	3.36	2.24
Promotion and Sale Promotion	-	-	-	-	0.05	0.03
Sales management fee	44.78	16.14	39.96	19.78	28.60	19.06
Advertising and exhibition costs	60.01	21.63	68	33.65	18.24	12.16
Central and office expenses	1.43	0.51	1.05	0.52	0.48	0.32
Other expenses	30.76	11.09	29.27	14.48	34.20	22.80
Including selling expenses	268.73	100.00	202.06	100.00	150.03	100.00
Percentage ratio of selling expenses per sales revenue		10.02		16.93		18.42

Administrative expenses

Administrative expenses of the company include employee salaries Welfare and other employee benefits Utilities, service fees and other administrative expenses

Table 14.6 Administrative expenses

Administrative expenses	2018		2019		2020	
	MB.	Percentage	MB.	Percentage	MB.	Percentage
Salary, benefits and employee benefits	65.41	73.69	51.80	75.15	38.58	73.05
Utility bill	0.89	1.00	1.16	1.68	1.14	2.16
Service fees such as audit fees	2.25	2.53	2.68	3.89	2.13	4.03
Meeting allowance	0.81	0.91	0.88	1.28	0.88	1.67
Other administrative expenses	19.41	21.87	12.41	18	10.08	19.09
Total administrative expenses	88.77	100.00	68.93	100.00	52.81	100.00
Percentage ratio of selling expenses per sales revenue		3.31		5.79		6.48

In 2018 - 2020, the company had administrative expenses of 88.77 million baht, 68.93 million baht and 52.81 million baht, these accounted for the ratio of administrative expenses to revenue from real estate sales of 3.31%, 5.79% and 6.48%, respectively.

In 2018, the administrative expenses increased from the year 2017 by 36.98 million baht or 71.40% due to salary. Employee benefits and benefits increased proportionally.

In 2019, the administrative expenses decreased from the year 2018 by 19.84 million baht or 22.35% due to the decrease in administrative expenses.

In 2020, the administrative expenses decreased from the year 2019 by 16.12 million baht or 23.39% due to the decrease in administrative expenses.

Gross profit and gross profit margin

The gross profit in the year 2018 - 2020 was 934.86 million baht, 471.90 million baht and 358.60 million baht respectively, or accounted for the gross profit margin 34.51%, 38.51% and 41.26%, respectively. The lower gross profit margin. This was due to the decrease in project development cost per unit. And the income from ownership transfer has decreased.

Net profit and net profit margin

The company had a net profit in 2018 - 2020, equal to 451.02 million baht, 147.38 million baht and 101.52 million baht respectively. Or as a net profit margin equal to 16.65%, 12.03 % and 11.68%, compared from total revenue respectively

Year 2018, the net profit was 451.02 million baht as a percentage 16.65 of total revenue, The net profit increased from 2017 as a result of the revenue recognition from the Rich Park @ Triple Station project. It is a project with a relatively high percentage of revenue recognition within 2018 or 70.31% of the total real estate sales revenue.

Year 2019, the net profit was 147.38 million baht as a percentage 12.03 of total revenue, The net profit decrease from 2018 this was a result of the reduction of revenue recognition from the ownership transfer.

Year 2020, the net profit was 101.52 million baht as a percentage 11.68 of total revenue, The net profit decrease from 2019 this was a result of the reduction of revenue recognition from the ownership transfer.

Return on equity ratio

In 2018-2020, the Company has an equity return of 19.53 percent, 6.07 percent and 4.12 percent, respectively. Return on equity has plummeted as the company has a lower profit. For 2020, the yield on equity has plummeted as the company has lower profits.

Analysis of the financial position of the company

Asset

Most of the company's assets are current assets. In particular, the cost of real estate project development at an average rate of 90 percent of the total assets. Real estate project development costs consist of: 1. Land 2. Project development, both of which are high-value assets or approximately 90% of the cost of real estate project development.

As of December 31, 2018 - 2020, the Company had total assets of 5,119.47 million baht, 6,522.04 million baht, and 7,480.76 million baht or representing an increase of 15.56 percent, a decrease of 27.40 percent and an increase of 14.70 percent, respectively.

As of December 31, 2018, the company has total assets of 5,119.47 million baht, a decrease of 943.07 million baht from the year 2017 or 15.56 percent as a result of the cost of property development for sale decreased

As of December 31, 2019, the company has total assets of 6,522.04 million baht, an increase of 1,402.57 million baht from the year 2018 or an increase of 27.40 percent as a result of the cost of real estate development for sales increasing in line with the business expansion of the business.

As of December 31, 2020, the company has total assets of 7,480.76 million baht, an increase of 958.72 million baht from the year 2019 or an increase of 14.70% as a result of the cost of real estate development for sales.

The company has no assets, accounts receivable items. Because the company will recognize the revenue when the ownership of the condominium units is transferred.

Real estate development costs

Real estate sales costs incurred prior to the ownership transfer are added to the real estate development costs list in the statements of position of the company. It is recognized as cost of real estate sales in the income statement when the ownership is transferred to the buyer. Real estate development costs comprise land costs, construction costs, direct development costs, including related borrowing interest. It will be amortized to cost of sales according to the income ratio of each project.

As of December 31, 2018 - 2020, the Company had real estate development costs of 4,543.88 million baht, 5,914.09 million baht and 6,613.44 million baht or 88.76 percent, 90.68 percent and 88.41 percent of the company's total assets, respectively.

As of December 31, 2018, the Company had real estate development costs of 4,543.88 million baht, a decrease of 1,070.08 million baht from 2017, or a decrease of 19.06 percent as a result of the realization of the completed construction value, Rich Park @ Triple Station

As of December 31, 2019, the Company has real estate development costs of 5,914.09 million baht, an increase from 2018 by 1,370.21 million baht or an increase of 30.16% as a result of the transfer of land ownership from the seller for developing new projects, namely projects. The Rich Ekamai and Rich Point Wutthakat Project

As of December 31, 2020, the company has real estate development costs 6,613.44 million baht, an increase from year 2019 by 699.35 million baht or an increase of 11.83 percent as a result of Table 14.7 as follows.

Table 14.7 Real estate development costs separated by project

Project	As of December 31, 2018		As of December 31, 2019		As of December 31, 2020	
	Percentage	MB.	Percentage	Percentage	MB.	Percentage
Le Rich Rama 3	2.08	0.04	1.61	0.03	1.61	0.03
Rich Park @ Bang Son Station	-	-	-	-	-	-
Rich Park @Taopoon Interchange	154.76	3.41	93.75	1.59	61.18	0.93
Rich Park @ Chaophraya	172.90	3.80	155.13	2.62	147.45	2.23
Rich Park @ Triple Station	652.41	14.36	279.71	4.73	198.57	3.00

Project	As of December 31, 2018		As of December 31, 2019		As of December 31, 2020	
	Percentage	MB.	Percentage	Percentage	MB.	Percentage
The Rich Sathorn Taksin	649.56	14.30	587.28	9.93	566.02	8.56
The Rich Nana	1,316.50	28.97	1,586.86	26.83	1,919.58	29.02
The Rich Avenue	196.61	4.33	228.66	3.87	212.71	3.22
The Eight Collection	161.24	3.55	161.65	2.73	152.62	2.31
Rich Ville Ratchaphruek	177.43	3.90	158.45	2.68	172.26	2.60
The Rich Biz Home Sukhumvit 105	239.67	5.27	222.91	3.77	204.13	3.09
Rich Park Terminal	483.77	10.65	802.90	13.58	625.06	9.45
The Rich Rama 9-Srinakarin Triple Station	331.53	7.30	530.54	8.97	1,217.86	18.41
The Rich Ekamai	5.38	0.12	809.67	13.69	826.24	12.49
Rich Point Wutthakat	-	-	294.92	4.98	308.10	4.66
R7	0.04	0.00	0.05	0.00	0.05	0.00
Total real estate development costs	4,543.88	100.00	5,914.09	100.00	6,613.44	100.00

Advance payment for construction

The company has advance payment for construction to the contractor for construction. Which will pay to the constructors in each project before the construction process. As of December 31, 2018, 2019, 2020, the company paid advance payment for construction equal to 48.23 million baht, 89.22 million baht, 17.46 million baht, equivalent to 0.94 %, 1.37 % and 0.23 % of total assets respectively

As of December 31, 2018, the Company had an advance payment for construction cost of 48.23 million baht, an increase from the year 2017 by 22.40 million baht or 86.72% due to The Rich Rama IX - Srinakarin @ Triple State Project, The Rich @ Nana Project, Rich Park Terminal @ Laksi Project and The Eight @ Wisutthikasat Project more construction in 2018

As of December 31, 2019, the Company had an advance payment for construction cost of 89.22 million baht, an increase from the year 2018 by 40.99 million baht or 84.99% due to The Rich Rama IX - Srinakarin @ Triple State Project, The Rich @ Nana Project, Rich Park Terminal @ Laksi Project more construction in 2019

As of December 31, 2020, the Company had an advance payment for construction cost of 17.46 million baht, decrease from the year 2019 by 71.76 million baht or 80.43% due to The Rich @ Nana Project, Rich Park Terminal @ Laksi Project the construction will be completed in 2020.

Deposit for land

The company paid the deposit for the land to buy the land for the land owner to use as the land for the project's operation. As of December 31, 2020, the company paid the deposit for land amounting to 112.31 million baht or 1.50% of Total assets

As of December 31, 2018, the Company paid a deposit for the land for the implementation of the new project of the company which is in the process of studying the project to be developed in the amount of 188.88 million baht.

As of December 31, 2019, the Company paid a deposit for the land for the implementation of the new project of the company which is in the process of studying the project to be developed in the amount of 95.80 million baht.

As of December 31, 2020, the Company paid a deposit for the land for the implementation of the new project of the company which is in the process of studying the project to be developed in the amount of 112.31 million baht.

Equipment

Equipment including office equipment Office Furnishings Computer equipment, vehicles, etc. are shown at cost less accumulated depreciation. As at December 31, 2018, 2019 and 2020, the Company has net equipment of 21.62 million baht, 13.28 million baht and 33.38 million baht respectively.

As of December 31, 2018, the company had net equipment equal to 21.62 million baht, a decrease of 15.54 million baht from the year 2017 or 41.82% due to the depreciation of the normal method.

As of December 31, 2019, the company had net equipment equal to 13.28 million baht, a decrease of 8.34 million baht from the year 2018 or 38.58% due to the depreciation of the normal method.

As of December 31, 2020, the company had net equipment equal to 33.38 million baht, an increase from the year 2019 by 20.10 million baht or equal to 151.36% due to the depreciation accounting for the normal method

Debt

Most of the company's liabilities are 1) loans from financial institutions (Both current and non-renewable) and 2) loans from other persons in some years, the company will have a ratio of current liabilities to total liabilities. Will change significantly But it does not affect the debt management of the company in any way. However, the company will manage the debt in accordance with the loan agreement. For efficiency in managing the cash flow of the business

As of December 31, 2018, 2019 and 2020, the Company had total liabilities of 2,809.45 million baht, 4,091.99 million baht and 5,018.45 million baht, representing an increase from the year 2017 by 33.03%, 45.65% a decrease from the year 2018 and increasing from 2019 18.46%

As of December 31, 2018, the Company had total liabilities of 2,809.45 million baht, a decrease of 1,385.61 million baht or 33.03 % from the year 2017 due to the decrease in borrowing from financial institutions.

As of December 31, 2019, the company has total liabilities of 4,091.99 million baht, an increase from 2018 by 1,282.54 million baht or 45.65 % due to the company has more payables for construction.

As of December 31, 2020, the company has total liabilities of 5,018.45 million baht, an increase from the year 2019 by 926.46 million baht or 18.46 % due to the company has more borrowings from financial institutions.

Trade payables

The main trade creditor of the company is creditors, contractors as of December 31, 2018, 2019 and 2020, trade accounts payable of the Company were 175.93 million baht, 238.89 million baht and 212.75 million baht, representing 3.44%, 3.66% and 2.84% of total liabilities and shareholders' equity respectively.

As of December 31, 2018, the Company's trade accounts payable decreased from the year 2017 in the amount of 67.49 million baht or equivalent to 27.73%, which decreased due to The Rich Park @ Triple Station project completed construction in 2018.

As of December 31, 2019, the Company's trade accounts payable increased from the year 2018 in the amount of 62.96 million baht or 35.79%, which increased due to the availability of The Rich Rama IX - Srinakarin @ Triple Station Project , The Rich @ Nana Project And The Rich Park Terminal @ Laksi project in 2019

As of December 31, 2020, the Company's trade accounts payable decreased from the year 2019 in the amount of 26.14 million baht or equivalent to 10.94%, which decreased due to The Rich Rama IX - Srinakarin @ Triple Station project. , The Rich @ Nana Project And Rich Park Terminal Project @ Laksi Completed construction in 2020

Long-term loans

Long-term loans of the company are loans from financial institutions for development of the Company's projects. And debentures over the age of 1 year

Table 14.8 Long-term loans

	As of December 31, 2018		As of December 31, 2019		As of December 31, 2020	
	MB.	Percentage	MB.	Percentage	MB.	Percentage
Long-term loans due within 1 year	99.64	100.00	1,368.57	100.00	1,108.19	69.63
Loans from financial institutions -net	-	-	-	-	483.42	30.37
Total	99.64	100.00	1,368.57	100.00	1,591.61	100.00

As of December 31, 2018, the Company had long-term loans of 99.64 million baht, a decrease of 855.50 million baht from the year 2017 or 89.57%

As of December 31, 2019, the Company had long-term loans equal to 1,368.57 million baht, an increase of 1,268.93 million baht from the year 2018 or an increase of 1,273.49%, which was an increase in borrowings from financial institutions used in the development. Added new projects

As of December 31, 2020, the Company has long-term loans of 1,591.61 million baht, an increase of 223.04 million baht from the year 2019 or an increase of 16.30%, which is an increase in loans from financial institutions used for development. Added new projects

Loans from related parties

Loans that the company borrowed from related parties The company is a debtor and the company has different interest payments.

As of December 31, 2018, the Company has no loans from related parties.

As of December 31, 2019, the Company has loans from persons or related businesses in the amount of 14.00 million baht at the interest rate of 5.5% per annum, which is for use in normal operation. Payment is due within 1 year from the date of entering into the loan agreement.

As of December 31, 2020, the Company has loans from persons or related businesses in the amount of Baht 21.60 million at the interest rate of 4.295% per annum, which is for use in normal operation. Payment is due within 1 year from the date of entering into the loan agreement.

Advance received from customers – individuals

The money that the company received from the buyer before the transfer date, such as booking money and contract money will be recorded as advance payments from customers And is deducted as income when the ownership is transferred to the buyer. The reserve and contract amount is 5-10 percent of the selling price which depends on the policy in each project.

As of December 31, 2018, the company has an advance received from customers - individuals equal to 444.34 million baht, a decrease from the year 2017 by 28.92 million baht or a decrease of 6.11%. The reason is from the transfer of ownership of the Rich Park Project @ Triple Station in 2018

As of December 31, 2019, the Company received an advance received from customers - individuals equal to 449.64 million baht, an increase from 2018 by 5.30 million baht or an increase of 1.19 %. The reason is from the transfer of ownership of the Rich Park Tech Project. Terminal @ Laksi in 2019

As of December 31, 2020, the Company received an advance received from customers - individuals equal to 511.55 million baht, an increase from the year 2019 by 61.91 million baht or an increase of 13.77% due to the transfer of ownership of the Rich Park Tech Project. Terminal @ Laksi And The Rich @ Nana Project in 2020

Advance received from customers - related persons

As of December 31, 2018, there is no advance received from customers - related persons.

As of December 31, 2019, there is no advance received from customers - related persons.

As of December 31, 2020, there is no advance received from customers - related persons.

Table 14.9 Payment details of projects that are currently implemented as of December 31, 2018

Project	Sold value (1)	Number of rooms transferred	Value transferred (2)		Sold value remaining (3)=(1)-(2)		Accumulated payment (4)=(5)+(6)		Accumulated payment (5)		Accumulated money accumulated (6)		Remaining amount not yet due (6) = (3)-(4)	
	Million baht	Unit	Million baht	Percentage of value sold	Million baht	Percentage of value sold	Million baht	Percentage of value sold	Million baht	Percentage of value sold	Million baht	Percentage of value sold	Million baht	Percentage of value sold
Le Rich Sathupradit	992.03	421.00	992.03	100.00	-	-	-	-	-	-	-	-	-	-
The Eight Collection	79.04	-	-	-	79.04	100.00	56.34	71.28	5.59	7.07	50.75	64.21	22.70	28.72
Rich Park Taopoon	1,607.50	634.00	1,574.16	97.93	33.34	2.07	6.88	20.64	1.24	3.72	5.64	16.92	26.46	79.36
Rich Park Chao Phraya	1,455.16	522.00	1,179.88	81.08	275.28	18.92	2.69	0.98	0.13	0.05	2.56	0.93	272.59	99.02
Rich Park @ Triple Station	2,898.38	720.00	1,887.80	172.21	1,010.58	34.87	390.23	38.61	77.79	7.70	312.44	30.92	620.35	61.39
Rich Park Terminal	292.97	-	-	-	292.97	100.00	23.31	7.96	18.03	6.15	5.28	1.80	269.66	92.04
The Rich Sathorn Taksin	1,096.19	250.00	978.33	89.25	117.86	10.75	13.32	11.30	2.89	2.45	10.43	8.85	104.54	88.70
The Rich @ Nana	1,254.75	-	-	-	1,254.75	100.00	284.21	22.65	222.09	17.70	62.12	4.95	970.54	77.35
The Rich Avenue	89.76	-	-	-	89.76	100.00	14.67	16.34	13.00	14.48	1.67	1.86	75.09	83.66
The Rich Rama 9-Srinakarin	608.57	-	-	-	608.57	100.00	18.86	3.10	15.86	2.61	3.00	0.49	589.71	96.90
The Rich Biz Home Ratchapruerk	109.39	32.00	96.40	8.79	12.99	11.87	0.07	0.54	0.07	0.54	-	-	12.92	99.46
The Rich Biz Home Sukhumvit	296.80	55.00	273.97	24.99	22.83	7.69	0.02	0.09	0.02	0.09	-	-	22.81	99.91
Total	10,780.54	2,634.00	6,982.57		3,797.97		810.60		356.71		453.89		2,987.37	

Note: LR4, RK5, R2, R4, R5 are not transferring rooms

As of December 31, 2018, 2019 and 2020, the shareholders' equity of the Company amounted to 2,310.02 million baht, 2,430.06 million baht and 2,462.31 million baht respectively, representing 45.12% and 37.26%, 32.92% of liabilities and Total shareholders' equity, in accordance with the increase in the shareholders' equity As a result of the increase in net profit of the year and the capital increase of the company

As of December 31, 2018, shareholders' equity increased from the year 2017 by 442.54 million baht or an increase in the ratio of 23.70% as a result of the company paid a cash dividend of 0.0087 baht per share to the shareholders on the date. 24 May 2018

As of December 31, 2019, the shareholders' equity increased from the year 2018 by 120.04 million baht or an increase of 5.20% as a result of the company paid a cash dividend of 0.02514 baht per share to the shareholders on the date. 24 May 2019

As of December 31, 2020, shareholders' equity increased from the year 2019 by 32.25 million baht or an increase of 1.33% as a result of the company paid a cash dividend of 0.058 baht per share to the shareholders on the date. 13 May 2020

Liquidity analysis

(Million Baht)

	2018	2019	2020
Cash flow from operating activities	1,498.94	(999.73)	(539.23)
Cash flow from investing activities	(66.11)	(74.56)	20.39
Cash flow from financing activities	(1,493.71)	1,075.05	575.45
Net cash flow increased (decreased)	(60.88)	0.76	56.61

Cash flow from operating activities

The company had cash flow in operating activities in 2018, 2019 and 2020, equal to 1,498.94 million baht, (999.73) million baht and (539.23) respectively.

In 2018, the Company's cash flow from operating activities amounted to 1,498.94 million baht. As a result, the company has sold projects with no debt burden. As a result, the company has received a high amount of cash flow compared to 2017 and 2016.

In 2019, the Company's cash flow from operating activities amounted to (999.73) million baht. As a result of the company has more trade payables and other current payables. Compared with 2018

In 2020, the Company's cash flow from operating activities amounted to (539.23) million baht. As a result, the company has sold projects with no debt burden. This resulted in the company receiving a high amount of cash flow compared to 2019.

Year 2018, the company had cash flow used in investing activities in the amount of (66.11) million baht because the company sold temporary investments to be used to buy equipment and invest in subsidiaries

Year 2019, the company had cash flow used in investing activities in the amount of (74.56) million baht because the company has sold temporary investments to be used to buy equipment and invest in subsidiaries.

Year 2020, the company had cash flow used in investing activities of 20.39 million baht due to the sale of temporary investments to be used to purchase equipment and invest in subsidiaries.

Cash flow from financing activities

In 2018, the company had cash flow from financing activities in the amount of (1,493.71) million baht because the company paid long-term loan (1,494.70).

In 2019, the company had cash flow from financing activities in the amount of 1,075.05 million baht because the company received money from financial institution loan. To develop existing projects and add new projects in 2019

In 2020, the Company had cash flow from financing activities amounting to 575.45 million baht as the company received money from loans from financial institutions. To develop existing projects and add new projects in 2020.

Total debt to equity ratio

In 2018, the debt-to-equity ratio was 1.22 times, and the company had a debt-bearing interest-bearing to equity ratio of 0.90 times due to the repayment of revenue from the project in the year. Causing the company to have lower debt and interest burden than in 2017

In 2019, the debt to equity ratio was 1.68 times, and the company had a debt-bearing debt to equity ratio of 1.35 times, since the company issued additional debentures in 2019 of 1,379.70 million baht, but there were Settlement from projects that recognize revenue in 2019

In 2020, the debt to equity ratio was 2.04 times, and the company had an interest-bearing debt to equity ratio of 1.68 times, since the company issued additional debentures in 2020 of 1,513.42 million baht, but there were Settlement from projects that recognize income in 2020

The remuneration of the auditor

In 2018, the company entered into an agreement with Dharmniti Auditing Company Limited for a service fee of 1,320,000 baht, and in 2019, the company entered into an agreement with Dharmniti Auditing Company Limited, a service fee of 1,670,000 baht, and in 2020 a contract with Dharmniti Auditing Company. Limited service fee of 1,875,000 baht and in the year 2021, the contract with Dharmniti Auditing Company Limited charged a service fee of not more than 1,969,000 baht.

Risk factors for operations affecting the financial position continue to affect both economic conditions. Interest rate Measures to supervise housing loans or LTV (Loan to Value) which the Bank of Thailand (BOT) issued to announce the effective date from 1 April 2019 onwards, resulting in a reduction in demand for residential homes down causing the business to slow down According to the direction of the monetary policy of the Bank of Thailand

Procurement of land projects, trends, risk factors, procurement of projects, more difficult projects, such as the BTS line, government projects, or near convenient transportation to urban people Which has a higher impact on the real estate development cost Causing a slowdown in purchasing decisions of consumers, especially the market in Greater Bangkok

As well as other factors. Such as the trend of rising business costs such as wages. Construction material cost Fuel prices, transportation costs, can affect contractors' deliveries. All affect the real estate development altogether