

BUILDERSMART PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2020 (UNAUDITED)

(REVIEWED)

1. GENERAL INFORMATION

BuilderSmart Public Company Limited (“the Company”) has its registered address at 905/7, Rama III Soi 51, Rama III Rd., Bang Pong Pang, Yan Nawa, Bangkok.

The Company principally engages in the retail sale of construction materials, tools and equipment for construction and interior design. The Company was listed on the Stock Exchange of Thailand on February 14, 2008. The Company’s shares are traded on the mai (Market for Alternative Investment).

2. BASIS FOR PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS

The interim financial statements have been prepared in accordance with Thai Accounting Standard No. 34 (Revised 2019), Interim Financial Reporting.

The interim financial statements consist of primary financial information (i.e. statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in shareholders’ equity, and statement of cash flows). The Company has chosen to present the interim financial statements in a format consistent with the annual financial statements, in compliance with Thai Accounting Standard No. 1, Presentation of Financial Statements. The notes to the interim financial statements are prepared in a condensed format. Additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act.

The interim financial statements have been prepared in the Thai language and expressed in Thai Baht. Such interim financial statements have been prepared for domestic reporting purposes. For convenience only, for the readers not conversant with the Thai language, an English version of the interim financial statements has been provided by translating from the Thai version of the interim financial statements.

The interim financial statements have been prepared to provide information in addition to that included in the financial statements for the year ended December 31, 2019. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2019.

The preparation of the interim financial statements in conformity with Thai Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

Coronavirus disease 2019 pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

Basis for preparation of the consolidated interim financial statements

The consolidated interim financial statements related to the Company and its subsidiaries (together referred to as the "the Group") are prepared using the same basis as were used for the consolidated financial statements for the year ended December 31, 2019.

There is no change in the structure of the Group during the current period.

New financial reporting standards

Financial reporting standards that became effective in the current period

During the period, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements, except the adoption of the financial reporting standards related to financial instruments and TFRS 16 Leases which are summarised changes of key principles and impacts in Note to Financial Statements No. 3.

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended December 31, 2019, except the adoption of new financial reporting standards which are effective on January 1, 2020 as follows:

3.1 Financial reporting standards related to financial instruments

The set of TFRSs related to financial instruments 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

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.

Classification and measurement:

- The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss ("FVPL") and fair value through other comprehensive income ("FVOCI"). Classification of debt assets will be driven by the entity's business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
- Equity instrument financial assets shall be measured at fair value through profit or loss. The Group can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.
- Financial liabilities are classified and measured at amortised cost.

On January 1, 2020 (the date of initial application), Group management has assessed which business models applied to the financial assets and liabilities. Group management has classified and measured all financial assets and liabilities at amortised cost.

The impairment requirements

The accounting for expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income and loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognised. The Group applies general approach for credit-impaired consideration, except for trade receivables, which they are permitted to measure by simplified approach for credit-impaired consideration.

The Group has trade receivables that are subject to the expected credit loss model. The Company has trade receivables and long-term loans to related parties that are subject to the expected credit loss model.

Trade receivables

The Group measures expected credit losses according to the simplified approach, which uses a lifetime expected loss allowance for all trade receivables.

To use the simplified approach to measure expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Expected loss rates are based on historical payment profiles, corresponding historical credit losses experienced, and the impact of potential factors on the expected loss rates. The Group has elected to apply not to consider forward-looking information to measure the expected credit losses. However, on such basis, loss allowance for trade receivables as at January 1, 2020, are immaterially different from that previously presented in the financial statement as at December 31, 2019.

3.2 TFRS 16 Leases

Where the Group is the lessee

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognised assets and liabilities for all leases with a term of more than one year, unless the underlying asset is low value.

Leases are recognised as a right-of-use asset and a corresponding liability at the commencement date. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is measured at cost, which is initially measured at the present value of the lease payments. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The lease liability is initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in the lease, if that can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as expense over the lease term in the statement of income.

On recognising revenue from sales of real estate leased under a long-term financial lease agreement and subsequently leased it back, such revenue will be recognised at the different amount of fair value of the real estate and the present value of the operating lease payment. Cost of the real estate will be allocated at the proportion of the present value of the operating lease payment and fair value of the real estate to be presented as "Right-of use assets" and the remaining amount will be recognized as "Cost of sales of real estate".

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases, which had previously been classified as operating leases under the principles of TAS 17 Leases. The Group has elected not to recognise right-of-use assets and lease liabilities to leases for which the lease term ends within one year of the date of initial application. The right-of-use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates. The Group and the Company's incremental borrowing rates applied to the lease liabilities as at January 1, 2020 were ranged between 4.85% to 7.49% and 4.79%, respectively.

For leases previously classified as finance leases applying TAS 17, the Group recognised the carrying amount of the lease assets and lease liabilities immediately before adoption of TFRS 16 as the carrying amount of the right-of-use assets and the lease liabilities at the date of initial application.

	Unit: Baht	
	Consolidated	Separate
	financial statements	financial statements
Present value of the remaining lease payments	64,714,424.59	49,136,400.00
<u>Less:</u> Deferred interest expenses	(12,630,807.10)	(9,998,059.32)
Additional lease liabilities from TFRS 16 adoption	52,083,617.49	39,138,340.68
Finance lease liabilities as at December 31, 2019	6,148,318.24	4,257,474.85
Lease liabilities recognised as at January 1, 2020 (Unaudited)	<u>58,231,935.73</u>	<u>43,395,815.53</u>
Of which are:		
Current lease liabilities	<u>7,036,756.40</u>	<u>4,752,976.19</u>
Non-current lease liabilities	<u>51,195,179.33</u>	<u>38,642,839.34</u>

The recognised right-of-use assets - net relate to the following types of assets:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	(Unaudited)		(Unaudited)	
	As at	As at	As at	As at
	September 30, 2020	January 1, 2020	September 30, 2020	January 1, 2020
Building	62,008,254.06	52,083,617.49	36,202,965.12	39,138,340.68
Vehicles	6,628,015.62	9,437,231.42	4,536,178.00	6,883,540.92
Net	<u>68,636,269.68</u>	<u>61,520,848.91</u>	<u>40,739,143.12</u>	<u>46,021,881.60</u>

Where the Group is the lessor

The first adoption of Thai Financial Reporting Standard No. 16 has not changed significantly for the accounting records of the lessor under the Thai Financial Reporting Standard No. 16, the lessor still classifies the lease contracts as a financial lease or operating lease and records the lease for both types separately.

However, according to the previous accounting policy for operating leases arising from long-term lease agreements of Senior Living Project for the guaranteed refund, the lease fee has received which is equal to the refund amount to a lessee are recognised in “Liability for guarantee refund to lessee”. The effect of adopting financial reporting standards related to financial instruments is required to measure such liability for guarantee refund to lessee at the present value of the refund amount to a lessee. The difference between the lease fee received and the present value of the refund amount to a lessee will be recorded as “Deferred rental revenue” and will be recognised as “Rental revenue” on a straight-line method over the lease period.

3.3 Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”.

On April 22, 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between January 1, 2020 and December 31, 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- Not to consider forward- looking information to measure the expected credit losses.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

3.4 Impacts on the financial information

The Group has adopted these two group of reporting standards from January 1, 2020 under the modified retrospective approach and the comparative figures have not been restated. The reclassifications and the adjustments arising from the changes in accounting policies are therefore recognised in the statement of financial position as at January 1, 2020.

The impact of first-time adoption of new accounting standards on the consolidated and separate statement of financial position as at January 1, 2020 are as follows:

	Unit: Million Baht							
	Consolidated financial statements (Unaudited)				Separate financial statements (Unaudited)			
	Financial reporting				Financial reporting			
	As at	standards related to	As at	As at	standards related to	As at	As at	As at
December	financial	January	December	financial	January	January	January	
31, 2019	instruments	TFRS 16	1, 2020	31, 2019	instruments	TFRS 16	1, 2020	
Statement of financial position								
Current assets								
Short-term loans to and interest receivables								
from related parties - net	-	-	-	-	502.48	(502.48)	-	-
Current portion of long-term loans to and								
interest receivables from related parties	-	-	-	-	-	44.50	-	44.50
Non-current assets								
Long-term loans to and interest receivables								
from related parties - net	-	-	-	-	-	429.47	-	429.47

Unit: Million Baht

	Consolidated financial statements (Unaudited)				Separate financial statements (Unaudited)			
	Financial reporting				Financial reporting			
	As at	standards related to		As at	As at	standards related to		As at
	December	financial		January	December	financial		January
31, 2019	instruments	IFRS 16	1, 2020	31, 2019	instruments	IFRS 16	1, 2020	
Statement of financial position								
Investment in subsidiaries company - net	-	-	-	-	367.77	28.51	-	396.28
Building and equipment - net	49.55	-	(9.44)	40.11	18.91	-	(6.88)	12.03
Right-of-use assets - net	-	-	61.52	61.52	-	-	46.02	46.02
Current liabilities								
Current deferred rental revenue	-	-	(3.48)	(3.48)	-	-	-	-
Current liability for guarantee refund to lessee	(43.37)	1.96	-	(41.41)	-	-	-	-
Current portion of lease liabilities	(2.03)	-	(5.00)	(7.03)	(1.48)	-	(3.27)	(4.75)
Non-current liabilities								
Lease liabilities - net	(4.11)	-	(47.08)	(51.19)	(2.77)	-	(35.87)	(38.64)
Non-current liability for guarantee refund to lessee	(22.02)	1.52	-	(20.50)	-	-	-	-

4. RELATED PARTY TRANSACTIONS AND BALANCES

4.1 Significant transactions with related parties for the three-month period ended September 30, 2020 and 2019 are as follows:

	Unit: Baht				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2020	2019	2020	2019	
Subsidiaries					
Revenues from sales and services	-	-	638,629.75	342,760.00	Cost plus margin
Cost of sales and services			193,332.83	15,942.00	Cost plus margin / carrying amount
Interest income	-	-	7,244,188.37	6,221,799.04	Interest rate of 4.25% - 7.7% per annum according to the loan agreement
Rental income	-	-	76,200.00	76,200.00	Carried out on commercial terms and conditions
Other Income	-	-	-	4,496,040.12	Cost
Finance costs	-	-	14,079.77	14,079.82	Interest rate of 2.8% per annum according to the loan agreement
Related parties					
Revenues from sales and services Ruamchokchai Engineering Company Limited	-	9,093,438.25	-	9,093,438.25	Cost plus margin

Unit: Baht					
	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2020	2019	2020	2019	
Cost of real estate development project					
Ruamchokchai Engineering Company Limited	12,264,688.32	30,307,179.41	-	-	Contract price
Cost of a Senior Living Project					
Ruamchokchai Engineering Company Limited	5,703,559.04	30,319,046.14	-	-	Contract price
Interest income					
LKH Development Company Limited	-	92,061.27	-	-	Interest rate of 6.0% per annum according to the loan agreement
Rental expenses					
LKH Trading Company Limited	48,150.00	48,150.00	-	-	Contract price
Sobreuk (Group of persons)	904,995.00	904,995.00	904,995.00	904,995.00	Contract price
Related person - Director	374,438.00	723,609.49	-	-	Contract price
Finance costs					
Related person - Director	462,224.47	143,780.82	462,224.47	143,780.82	Interest rate of 6.4% per annum

Significant transactions with related parties for the nine-month periods ended September 30, 2020 and 2019 are as follows:

Unit: Baht					
	Consolidated financial		Separate financial		Transfer pricing policy
	statements		statements		
	2020	2019	2020	2019	
Subsidiaries					
Revenues from sales and services	-	-	1,772,102.98	1,236,196.95	Cost plus margin
Cost of sales and services	-	-	365,878.03	41,012.00	Cost plus margin / carrying amount
Interest Income	-	-	21,529,226.49	14,467,194.43	Interest rate 4.25% - 7.7% per annum according to the loan agreement
Rental income	-	-	228,600.00	305,100.00	Carried out on commercial terms and conditions
Other income	-	-	733,486.08	9,605,086.91	Cost
Finance costs	-	-	41,933.23	41,780.24	Interest rate of 2.8% per annum according to the loan agreement
Related parties					
Revenues from sales and services					
Ruamchokchai Engineering Company Limited	2,059,665.45	14,537,089.17	2,059,665.45	13,748,048.17	Cost plus margin

	Unit: Baht				Transfer pricing policy
	Consolidated financial		Separate financial		
	statements		statements		
	2020	2019	2020	2019	
Related person - Director	14,356,986.00	-	-	-	Contract price
Cost of real estate development project					
Ruamchokchai Engineering Company Limited	73,175,941.09	95,304,681.17	-	-	Contract price
Cost of a Senior Living Project					
Ruamchokchai Engineering Company Limited	13,326,278.42	83,177,560.93	-	-	Contract price
Interest income					
LKH Development Company Limited	-	440,730.06	-	-	Interest rate of 6.0% per annum according to the loan agreement
Rental expenses					
LKH Trading Company Limited	144,450.00	144,450.00	-	-	Contract price
Sobreuk (Group of persons)	2,564,985.00	2,714,985.00	2,564,985.00	2,714,985.00	Contract price
Related person - Director	1,932,489.24	2,170,828.41	-	-	Contract price
Finance costs					
Related person - Director	1,109,131.47	-	1,109,131.47	-	Interest rate of 6.4% per annum

4.2 Significant balances between the Company and those related companies as at September 30, 2020 and December 31, 2019 are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	2020	2019	2020	2019
Trade and other current receivables				
Trade receivables				
Subsidiaries	-	-	4,202,942.49	6,026,031.36
Related company				
Ruamchokchai Engineering Company Limited	11,800,184.08	20,181,726.71	11,800,184.08	20,181,726.71
Total trade receivables	11,800,184.08	20,181,726.71	16,003,126.57	26,207,758.07
Other current receivables				
Other receivable				
Subsidiaries	-	-	16,723,338.09	15,464,129.07
Related company				
Ruamchokchai Engineering Company Limited	11,733,883.81	58,177.05	-	-
LKH Development Company Limited	1,414,415.60	1,489,790.60	-	-
Total	13,148,299.41	1,547,967.65	16,723,338.09	15,464,129.07
Advances to related parties - net				
Subsidiaries	-	-	4,285,346.08	4,127,444.92

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Less</u> Allowance for doubtful accounts	-	-	(3,442,258.93)	(3,442,258.93)
Total	-	-	843,087.15	685,185.99
Interest receivable				
Related company				
LKH Development Company Limited	-	92,061.27	-	-
Total	-	92,061.27	-	-
Total other current receivables	13,148,299.41	1,640,028.92	17,566,425.24	16,149,315.06
Total trade and other current receivables	24,948,483.49	21,821,755.63	33,569,551.81	42,357,073.13
Short-term loans and accrued interest income - net				
Subsidiaries	-	-	20,313,253.45	502,541,444.43
<u>Less</u> Allowance for doubtful accounts	-	-	-	(60,740.59)
Net	-	-	20,313,253.45	502,480,703.84
Other current assets				
Related company				
Retentions receivable				
Ruamchokchai Engineering Company Limited	272,820.63	220,123.82	272,820.63	220,123.82
Deposit for construction cost				
Ruamchokchai Engineering Company Limited	14,133,477.25	23,181,817.85	-	-
Total other current assets	14,406,297.88	23,401,941.67	272,820.63	220,123.82
Long-term loans to and interest receivable from				
Subsidiaries	-	-	513,849,008.02	-
<u>Less</u> Current portion of long-term loans and accrued interest income	-	-	(453,929,910.95)	-
Net	-	-	59,919,097.07	-
Trade and other current payables				
Trade payables				
Subsidiary	-	-	108,726.48	-
Related company				
Ruamchokchai Engineering Company Limited	1,651,796.10	8,332,175.77	-	-
Total trade payable	1,651,796.10	8,332,175.77	108,726.48	-
Other current payables				
Advances from related parties				
Related persons - Directors	271,132.85	213,354.39	-	15,000.00
Total	271,132.85	213,354.39	-	15,000.00

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Other payable				
Related company				
LKH Trading Company Limited	16,050.00	-	-	-
LKH Development Company Limited	-	56,670.00	-	-
Total	16,050.00	56,670.00	-	-
Accrued interest expenses				
Subsidiary	-	-	4,591.23	4,744.27
Related persons - Directors	-	305,095.89	-	305,095.89
Total	-	305,095.89	4,591.23	309,840.16
Total other current payables	287,182.85	575,120.28	4,591.23	324,840.16
Total trade and other current payables	1,938,978.95	8,907,296.05	113,317.71	324,840.16
Short-term loans from related parties - net				
Subsidiary	-	-	1,995,000.00	1,995,000.00
Related person - Director	30,000,000.00	10,000,000.00	29,603,089.89	10,000,000.00
Total	30,000,000.00	10,000,000.00	31,995,000.00	11,995,000.00
<u>Less</u> Deferred interest expenses	(396,910.11)	-	(396,910.11)	-
Net	29,603,089.89	10,000,000.00	31,598,089.89	11,995,000.00
Retention payable				
Related company				
Ruamchokchai Engineering Company Limited	20,450,638.33	16,271,813.64	-	-
Total retention payable	20,450,638.33	16,271,813.64	-	-
Current liability for guarantee refund to lessee - Net				
Related persons - Directors	22,024,000.00	32,240,000.00	-	-
<u>Less</u> Deferred interest expenses	(391,028.94)	-	-	-
Net	21,632,971.06	32,240,000.00	-	-

During the year 2019, the related party, who is a close relative of the director, entered into two lease agreements - guaranteed refund for two residential villas (a lease agreement is jointly made with a third party), in the amount of Baht 32.24 million. Subsequently, during the third quarter of 2020, the close relative of director requested to move out on the property and to cancel such lease agreement jointly made with a third party. Therefore, the subsidiary was returned the leasehold right and returned the long-term lease payment as stated in “Current liability for guarantee refund to lessee - net” account in the statement of financial position of Baht 10.22 million to the lessor. The balance of long-term lease payment of a remaining agreement is Baht 20.02 million.

4.3 During the nine-month period ended September 30, 2020, movements of short-term loans to and interest receivables from related parties - net to were as follows:

Unit: Baht						
Separate financial statements						
Financial reporting						
	As at	standards related to	As at	Movement during		As at
	December 31,	financial	January, 1	the period		September 30,
	2019	instruments	2020	Increase	Decrease	2020
Short-term loans to and interest receivables from related parties - net						
Short-term loans						
Sansara Development Company Limited	337.50	(337.50)	-	20.00	(5.00)	15.00
Building Bling Company Limited	0.06	(0.06)	-	-	-	-
Teak Development Limited	141.00	(141.00)	-	-	-	-
D&W (Asia) Limited	-	-	-	5.00	-	5.00
Interest receivables	23.98	(23.98)	-	0.31	-	0.31
Total	502.54	(502.54)	-	25.31	(5.00)	20.31
<u>Less</u> Allowance for doubtful account	(0.06)	0.06	-	-	-	-
Net	502.48	(502.48)	-	25.31	(5.00)	20.31

As at September 30, 2020, a short-term loan to its subsidiary company, D&W (Asia) Limited, in term of loan agreement for the purpose to support operations of D&W (Asia) Limited, bears interest at the rate of 5% per annum and is due at call.

As at September 30, 2020, a short-term loan to its subsidiary company, Sansara Development Company Limited, in term of loan agreement for the purpose to support operations of Sansara Development Company Limited, bears interest at the rate of 4.75% per annum, except a loan agreement in the amount of Baht 5.00 million do not bear interest. The loans are due at call.

The Company considered that the above loans are repayable on demand within one year, subject to the liquidity of the subsidiaries, therefore expected credit losses are considered to be immaterial.

4.4 During the nine-month period ended September 30, 2020, movements of long-term loans to and interest receivables from related parties - net were as follows:

Unit: Baht						
Separate financial statements						
Financial reporting						
	As at	standards related to	As at	Movement during		As at
	December 31,	financial	January, 1	the period		September 30,
	2019	instruments	2020	Increase	Decrease	Reclassify
						2020
Long-term loans to and interest receivables from related parties - net						
Long-term loans						
Sansara Development Company Limited	-	337.50	337.50	-	(8.50)	-
Building Bling Company Limited	-	0.06	0.06	-	-	-
Teak Development Limited	-	141.00	141.00	-	-	-

Unit: Baht

Separate financial statements						
Financial reporting						
As at	standards related to	As at	Movement during			As at
December 31,	financial	January, 1	the period			September 30,
2019	instruments	2020	Increase	Decrease	Reclassify	2020
Interest receivables	23.98	23.98	21.22	-	-	45.20
<u>Less</u> Deferred interest income	(28.51)	(28.51)	-	0.99	26.17	(1.35)
<u>Less</u> Allowance for doubtful account	(0.06)	(0.06)	-	-	-	(0.06)
Total	473.97	473.97	21.22	(7.51)	26.17	513.85
<u>Less</u> Current portion	-	(44.50)				(453.93)
Net	473.97	429.47				59.92

As at September 30, 2020, loans to its subsidiary company, Sansara Development Company Limited, in term of loan agreement for the purpose of development and construction of a Senior Living Project, bear interest at the rate of 4.25% - 7.7% per annum and is due at call.

As at September 30, 2020, a loan to its subsidiary company, Building Bling Company Limited, in term of loan agreement for the purpose for development of louvre system with Louvre Systems Ltd, bears interest at the rate of 6.25% per annum and is due at call.

As at September 30, 2020, a loan to its subsidiary company, Teak Development Limited, in term of loan agreement for the purpose for support operations of Teak Development Limited, bears interest at the rate of 4.5% - 7.7% per annum and is due at call.

As at January 31, 2020, which is the date of adopting new financial reporting standards related to financial instruments. For the classification and measurement of the above long-term loans and interest receivables which comprised of the principal and interest receivable in the total amount of Baht 502.54 million, the Management of the Company has considered their repayment plans provided by the subsidiaries which has the repayment periods of more than 1 year. The Company, therefore, reclassified their fair value of Baht 473.97 million to long-term loans to and interest receivables from related parties - net and classified to investment in subsidiaries for the portion of the values that are higher than their fair value of Baht 28.51 million by considering the present value of cash flows according to the repayment plans of the subsidiary (Note 11). Subsequently, the Extraordinary General Shareholders' Meeting No. 1/2020 held on October 27, 2020, approve the business restructuring plan by way of an entire business transfer of the subsidiary, Sansara Development Company Limited to the Company, and the subsidiary will proceed to register the dissolution and liquidation within December 31, 2020. The Company, therefore, has reclassified the portion was previously classified as investment in subsidiary to loans regarding the change in the business model of the Group and has reclassified long-term loans and interest receivables of such subsidiary to the current portion of long-term loans and interest receivables in the entire amount.

4.5 During the nine-month period ended September 30, 2020, movements of short-term loan from related parties were as follows:

	Unit: Million Baht							
	Consolidated financial statements			Separate financial statements				
	As at	Movement during		As at	Movement during		As at	
	January 1,	the period		September 30,	the period		September 30,	
2020	Increase	Decrease	2020	2020	Increase	Decrease	2020	
Short-term loans from related parties - net								
Install Direct Company Limited	-	-	-	-	2.00	-	-	2.00
Related person - Director	10.00	30.00	(10.00)	30.00	10.00	30.00	(10.00)	30.00
Total	10.00			30.00	12.00			32.00
Less Deferred interest expenses	-			(0.40)	-			(0.40)
Net	10.00			29.60	12.00			31.60

As at September 30, 2020, a short-term loan from Install Direct Company Limited, in term of loan agreement for the purpose for its working capital bears interest at the rate of 2.8% per annum and is due at call.

As at September 30, 2020, a short-term loan from directors, in the Bills of Exchange in the amount of Baht 30.00 million with a maturity period of 268 days for the purpose for its working capital of the Company bears interest at the rate of 6.4% per annum and is due on December 18, 2020.

As at December 31, 2019, a short-term loan from director, in term of short-term debentures with debenture holders' representatives in the amount of Baht 10.00 million that are name-registered certificates, unsecured and due on a bullet payment. The entire maturity date of such debentures is March 31, 2020.

4.6 Key management personnel compensation

Key management personnel compensation for the three-month periods ended September 30, 2020 and 2019 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short-term benefits	7,000,694.07	9,599,445.91	4,323,830.07	6,808,365.91
Post-employment benefits	386,332.31	496,930.58	256,188.17	383,758.32
Total key management personnel compensation	7,387,026.38	10,096,376.49	4,580,018.24	7,192,124.23

Key management personnel compensation for the nine-month periods ended September 30, 2020 and 2019 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short-term benefits	24,604,390.68	30,571,244.78	16,345,366.68	22,505,875.78
Post-employment benefits	1,268,381.32	1,580,188.55	955,336.98	1,170,361.83
Total key management personnel compensation	25,872,772.00	32,151,433.33	17,300,703.66	23,676,237.61

Compensation paid to the Management of a subsidiary, Sansara Development Company Limited by the Company for the nine-month periods ended September 30, 2020 and 2019 are Baht 4.20 million and Baht 5.55 million, respectively. The Company agreed not to charge them back to such subsidiary.

4.7 Commitments and contingent liabilities

Commitments under leases for which the lease term end within one year of the date of on adoption of TFRS 16

As at September 30, 2020, the Group entered into the long-term lease of land, buildings and vehicles with related parties for periods of 1 year to 5 years. The Group has commitments under these contracts within a year totaling amount of Baht 0.26 million.

As at September 30, 2020, the subsidiary entered into lease agreements with a related party to lease back villas for use as project model-showroom units for periods of 1 year to 3 years. The Group has commitments under these contracts within a year totaling amount of Baht 0.39 million (Note 13).

5. CASH AND CASH EQUIVALENTS

The cash and cash equivalents as at September 30, 2020 and December 31, 2019 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash on hand	285,249.50	297,000.00	58,249.50	77,000.00
Cash at banks - saving accounts	62,572,539.97	26,789,184.24	54,331,550.44	16,746,541.34
Cash at banks - current accounts	8,880,336.41	10,551,641.43	5,708,119.84	5,487,181.50
High liquidity short-term investments	5,000,000.00	1,500,000.00	3,500,000.00	-
Total	76,738,125.88	39,137,825.67	63,597,919.78	22,310,722.84

6. TRADE AND OTHER CURRENT RECEIVABLES - NET

Trade and other current receivables - net as at September 30, 2020 and December 31, 2019 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade receivables				
Trade receivables - other parties	62,415,253.49	93,494,312.85	50,779,644.04	66,727,336.28
Trade receivables - related parties	11,800,184.08	20,181,726.71	16,003,126.57	26,207,758.07
<u>Less</u> Allowance for doubtful accounts	(14,471,479.42)	(14,489,479.42)	(10,044,968.14)	(10,044,968.14)
Total trade receivables - net	59,743,958.15	99,186,560.14	56,737,802.47	82,890,126.21
Other receivables				
Other receivables - related parties	13,148,299.41	1,547,967.65	16,723,338.09	15,464,129.07
Advances to related parties	-	-	4,285,346.08	4,127,444.92
Interest receivables - related parties	-	92,061.27	-	-

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Contract assets	474,050.82	123,121.50	-	-
Prepaid commission expenses	8,610,894.49	11,801,894.16	-	-
Prepaid expenses	2,823,654.23	3,544,015.67	1,147,838.38	926,953.79
Revenue Department receivable	6,192,823.83	8,582,450.53	36,708.74	356,697.40
Others	403,899.65	1,009,007.63	334,833.31	282,083.34
<u>Less</u> Allowance for doubtful accounts - advances to related parties	-	-	(3,442,258.93)	(3,442,258.93)
Total other receivables - net	31,653,622.43	26,700,518.41	19,085,805.67	17,715,049.59
Total trade and other receivables - net	91,397,580.58	125,887,078.55	75,823,608.14	100,605,175.80

As at September 30, 2020 and December 31, 2019, aging of trade receivables were as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade receivables - other parties				
Within credit term	28,895,089.67	48,069,721.58	28,079,552.92	43,011,735.56
Over credit term				
Up to 3 months	13,210,019.54	17,474,243.56	12,898,301.03	12,795,298.75
3 - 6 months	-	6,952,225.46	-	337,130.69
6 - 12 months	5,291,803.71	128,975.63	495,125.35	-
Over 12 months	15,018,340.57	20,869,146.62	9,306,664.74	10,583,171.28
Total trade receivables - other parties	62,415,253.49	93,494,312.85	50,779,644.04	66,727,336.28
<u>Less</u> Allowance for doubtful accounts	(14,471,479.42)	(14,489,479.42)	(10,044,968.14)	(10,044,968.14)
Total trade receivables - other parties - net	47,943,774.07	79,004,833.43	40,734,675.90	56,682,368.14
Trade receivables - related parties				
Within credit term	-	10,483,144.50	417.30	14,285,088.01
Over credit term				
Up to 3 months	-	9,698,582.21	524.30	9,931,983.74
3 - 6 months	2,115,854.24	-	3,259,088.04	986,336.42
6 - 12 months	9,684,329.84	-	12,454,380.95	994,195.59
Over 12 months	-	-	288,715.98	10,154.31
Total trade receivables - related parties	11,800,184.08	20,181,726.71	16,003,126.57	26,207,758.07
Total trade receivables - net	59,743,958.15	99,186,560.14	56,737,802.47	82,890,126.21

7. INVENTORIES - NET

Inventories - net as at September 30, 2020 and December 31, 2019 are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Finished goods	50,226,303.47	63,992,015.78	50,226,303.47	63,992,015.78
Raw materials	26,085,840.78	28,440,045.99	-	-
Supplies	379,013.17	-	-	-
Work-in-progress	9,496,886.78	7,347,968.27	654,539.01	1,195,498.45
Goods in transit	-	3,579,276.93	-	3,579,276.93
<u>Less</u> Allowance for obsolete inventory	(5,517,137.69)	(5,517,137.69)	(3,393,676.37)	(3,393,676.37)
Net	80,670,906.51	97,842,169.28	47,487,166.11	65,373,114.79

8. COST OF REAL ESTATE DEVELOPMENT PROJECT

Movements of cost of real estate development project during the nine-month period ended September 30, 2020 are summarized below:

	Unit: Baht
	Consolidated financial statements
Cost of real estate development project as at January 1, 2020	758,086,103.01
Acquisitions during the period - at cost	112,904,056.83
Total	870,990,159.84
Transfer to cost of real estate	(83,090,594.26)
Cost of real estate development project as at September 30, 2020	787,899,565.58

As at September 30, 2020, 4 projects, "The Teak Sathorn - Lumpini" project, "The Teak Ratchada" project, "The Teak Ari" project and "Grandis Kingkeaw" project, are in the process of construction.

For the nine-month period ended September 30, 2020, interest expenses of loans for the construction of the Projects, in the amount of Baht 20.09 million, have been capitalised as part of the cost of real estate development project.

As at September 30, 2020, the subsidiary mortgaged the land and any structures thereon of the 5 projects at their book value of Baht 531.18 million with two bank as collateral for financial support credit facilities, for the operation of the projects (Note 17 and 21).

9. DEPOSITS AT BANK PLEDGED AS COLLATERAL

As at September 30, 2020, the Group held time deposits and saving with two commercial banks in the total amount of Baht 44.00 million (December 31, 2019: Baht 51.43 million). The deposits were pledged as collateral short-term trade financing facilities (Note 28.3).

10. OTHER NON-CURRENT FINANCIAL ASSETS - NET

Movements of the other non-current financial assets - net account during the nine-month period ended September 30, 2020 are summarized below:

	Unit: Baht
	Consolidated and separate financial statement
Net book value as at January 1, 2020	10,910,787.28
Deferred interest income	(107,306.14)
Net book value as at September 30, 2020	10,803,481.14

Such other non - current financial assets is investment in government bond with par value of Baht 10.00 million. The maturity date is on December 12, 2025 and interest will be received by twice per year at an interest rate of 3.85%.

As at September 30, 2020, the government bond were pledged as collateral short-term trade financing facilities (Note 28.3).

11. INVESTMENTS IN SUBSIDIARIES COMPANY - NET

The details of investments in subsidiaries company - net presented in the separate financial statements as at September 30, 2020 and December 31, 2019 consisted of:

Company	Issued and paid-up capital		Shareholding proportion (%)		Unit: Thousand Baht	
	Unit: Thousands Baht	Unit: Thousands Rupee	2020	2019	At cost	
	2020	2019	2020	2019	2020	2019
Install Direct Company Limited	10,000.00	-	100.00	100.00	9,999.70	9,999.70
BuilderSmart Construction Systems Private Limited	-	1,000.00	99.70	99.70	683.80	683.80
D&W (Asia) Limited	60,000.00	-	100.00	100.00	59,999.70	59,999.70
Building Bling Company Limited	500.00	-	50.99	50.99	254.95	254.95
Sansara Development Company Limited	150,000.00	-	100.00	100.00	149,999.98*	149,999.98
Sansara Lifestyle Service Company Limited	500.00	-	100.00	100.00	499.98	499.98
Teak Development Limited	150,000.00	-	100.00	100.00	150,843.40*	149,999.50
Total					372,281.51	371,437.61
Less Allowance for impairment loss of investments					(84,396.55)	(3,668.31)
Net					287,884.96	367,769.30

*As at January 1, 2020, investments in two subsidiaries, Sansara Development Company Limited and Teak Development Limited have increased in the total amount of Baht 28.51 million as a result of adopting new financial reporting standards related to financial instruments. However, as at September 30, 2020, the Company has reclassified the portion was previously classified as investment in Sansara Development Company Limited to long-term loans and interest receivables in the amount of Baht 26.17 million regarding the change in 5its business model. (Note 3.4 and 4.3).

As at September 30, 2020, the Company determined the recoverable amount of its investment in Sansara Development Company Limited by considering its proportionate ownership interest in shareholders' equity as at September 30, 2020, which is equivalent to Baht 69.27 million. This amount is lower than the cost of investment in such subsidiary, which is presented in

the amount of Baht 150 million. The Company, therefore, adjusted the value of such investment to be equal to its recoverable amount by recognising an allowance for impairment loss of investment in the amount of Baht 80.73 million. This amount is presented as “Loss on impairment of investment in subsidiary” account in profit or loss of separate financial statements.

12. SENIOR LIVING PROJECT UNDER DEVELOPMENT

Movement of the senior living project under development account during the nine-month period ended September 30, 2020, are summarized below:

	Unit: Baht
	Consolidated financial statement
Costs of project as at January 1, 2020	446,421,883.35
Acquisitions during the period - at cost	53,415,377.38
Total	499,837,260.73
Transfer to estate	(2,648,075.98)
Transfer to building and equipment	(214,129,181.34)
Transfer to right-of-use assets	(16,240,285.27)
Transfer to cost of real estate	(71,075,474.47)
Costs of project costs as at September 30, 2020	195,744,243.67

13. INVESTMENT PROPERTIES - NET

Movements of the investment properties - net account during the nine-month period ended September 30, 2020 are summarized below:

	Unit: Baht
	Consolidated financial statement
	Senior Living Project - Villas
As at January 1, 2020	233,244,200.00
Transfer from Senior Living Project under development	2,648,075.98
Loss on fair value adjustment (Level 2)	(30,792,275.98)
As at September 30, 2020	205,100,000.00
Cost	148,692,993.07
Accumulated gain on fair value adjustment	56,407,006.93
Fair value - net	205,100,000.00

The fair values of investment properties - net of the subsidiary, were assessed by the independent appraiser, Ktac Appraisal And Service Co., Ltd., according to the appraisal report dated as at September 11, 2020. The appraisal values, determined according to the Market Comparison Approach, are categorized as Fair Value - Level 2 based on the inputs to the valuation technique used.

As at September 30, 2020, the subsidiary entered into another a lease agreement with a related party, who is a close relative of the director for residential villas (Note.4.7). However, the subsidiary has entered into lease agreements to lease back those villas from the lessees for a 3-year period for use as project model showroom-units. The quarterly lease back fee is Baht 385,420.00.

As at September 30, 2020, the subsidiary mortgaged land upon which four villas and all their associated structures are situated, within the Senior Living Project, with a bank as collateral for credit facilities in the amount of Baht 73.70 million used for project operations (Note 21).

14. BUILDING AND EQUIPMENT - NET

Movements of the building and equipment - net account during the nine-month period ended September 30, 2020, are summarized below:

	Unit: Baht	
	Consolidated financial statement	Separate financial statement
Net book value as at December 31, 2019	49,550,702.65	18,908,585.77
Adjustments of right-of-use assets due to TFRS 16 first adoption	(9,437,231.42)	(6,883,540.92)
Net book value as at January 1, 2020	40,113,471.23	12,025,044.85
Acquisitions during the period - at cost	18,711,105.77	567,951.69
Transfer from senior living project under development	214,129,181.34	-
Disposal during the period - net book value at the date of disposal	(748,433.33)	(1.00)
Depreciation for the period	(13,993,167.35)	(2,974,361.03)
Net book value as at September 30, 2020	258,212,157.66	9,618,634.51

15. RIGHT-OF-USE ASSETS - NET

Movements of the right of use assets - net account during the nine-month period ended September 30, 2020, are summarized below:

	Unit: Baht	
	Consolidated financial statement	Separate financial statement
Net book value as at December 31, 2019	-	-
Adjustments of right-of-use assets due to TFRS 16 first adoption	61,520,848.91	46,021,881.60
Net book value as at January 1, 2020	61,520,848.91	46,021,881.60
Transfer from senior living project under development	16,240,285.29	-
Disposal during the period - net book value at the date of disposal	(846,740.25)	(846,740.25)
Depreciation for the period	(8,278,124.27)	(4,435,998.23)
Net book value as at September 30, 2020	68,636,269.68	40,739,143.12

16. INTANGIBLE ASSETS - NET

Movements of the intangible assets - net account during the nine-month period ended September 30, 2020 are summarized below:

	Unit: Baht	
	Consolidated financial statement	Separate financial statement
Net book value as at January 1, 2020	18,679,866.83	13,668,494.29
Acquisitions during the period - at cost	2,254,153.62	507,999.40
Amortization for the period	(1,857,112.78)	(1,409,287.02)
Net book value as at September 30, 2020	19,076,907.67	12,767,206.67

17. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Bank overdrafts and short-term loans from financial institutions as at September 30, 2020 and December 31, 2019 comprised:

	Consolidated financial statements			
	Interest rate (%)		Unit: Baht	
	2020	2019	2020	2019
Bank overdrafts	MOR, MOR-3.18, MMR-1.25, MRR-1.50, F/D Rate+2	MMR-1.25, F/D Rate+2	25,513,986.51	7,968,990.09
Trust receipt	MLR-1, 2	2	7,220,956.54	4,693,969.21
Domestic trust receipt	3.48 - 4.25	4.25, 5	97,323,835.08	72,166,126.34
Promissory notes	MLR, MLR-2, 3.47 - 4.35	MLR-(1.25, 2), 4 - 4.75	174,793,478.60	137,148,729.79
Short-term loans				
- Credit limit of Baht 61.00 million - The Teak Sathorn - Nanglinchee	MLR-1.40	MLR-1.40	60,804,117.55	60,804,117.55
- Credit limit of Baht 63.00 million - Grandis Kingkeaw	MLR-1.40	MLR-1.40	63,000,000.00	63,000,000.00
Total			428,656,374.28	345,781,932.98

	Separate financial statements			
	Interest rate (%)		Unit: Baht	
	2020	2019	2020	2019
Bank overdrafts	MOR-3.18, MMR-1.25	MMR-1.25	15,000,450.57	3,379,815.23
Trust receipt	2	2	6,509,657.99	4,693,969.21
Domestic trust receipt	3.48 - 4.25	4.25, 5	97,323,835.08	72,166,126.34
Promissory notes	MLR, MLR-2, 3.47-4.35	MLR-2, 4 - 4.75	174,793,478.60	129,116,229.79
Total			293,627,422.24	209,356,140.57

As at September 30, 2020, the Group has short-term loans facilities of a subsidiary, Teak Development Limited, entered into the financial support credit facility agreements with a local financial institution to receive financial support for "The Teak

Sathorn - Nanglinchee” project and “Grandis Kingkeaw” project. Significant conditions under such agreements are disclosed in the financial statements for the year ended December 31, 2019.

18. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at September 30, 2020 and December 31, 2019 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade payables				
Trade payables - other parties	50,673,711.99	74,260,756.38	34,563,517.89	48,324,113.48
Trade payables - related parties	1,651,796.10	8,332,175.77	108,726.48	-
Total trade payables	52,325,508.09	82,592,932.15	34,672,244.37	48,324,113.48
Other payables				
Advances from related parties	271,132.85	213,354.39	-	15,000.00
Other payables	10,517,670.94	16,086,410.74	3,646,927.44	11,055,191.81
Other payables - related party	16,050.00	56,670.00	-	-
Commission payables	5,493,296.36	10,105,839.85	4,675,432.95	8,840,388.51
Accrued expenses	10,450,642.16	12,513,432.41	4,634,231.89	6,724,778.95
Accrued senior living project under development cost	28,713,950.72	33,049,460.78	-	-
Accrued bonus expenses	6,268,499.99	6,268,499.99	6,268,499.99	6,268,499.99
Interest payables	3,774,308.68	3,878,229.72	2,372,497.52	3,553,366.70
Interest payables - related parties	-	305,095.89	4,591.23	309,840.16
Revenue Department payable	883,187.17	168,220.65	590,371.30	-
Withholding tax	742,549.06	2,209,758.94	462,278.88	694,195.39
Other	168,853.63	145,489.13	-	-
Total other payables	67,300,141.56	85,000,462.49	22,654,831.20	37,461,261.51
Total trade and other current payables	119,625,649.65	167,593,394.64	57,327,075.57	85,785,374.99

19. CURRENT CONTRACT LIABILITIES

Current contract liabilities as at September 30, 2020 and December 31, 2019 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Contract liabilities				
Reservation fee and deposits for purchase of condominium	42,332,760.77	45,229,295.11	-	-
Customer deposit for purchases of inventory	17,124,510.93	14,595,487.85	5,871,697.02	3,393,193.08
Total	59,457,271.70	59,824,782.96	5,871,697.02	3,393,193.08

20. LIABILITY FOR GUARANTEE REFUND TO LESSEE

Liability for guarantee refund to lessee as at September 30, 2020 and December 31, 2019 consisted of:

	Unit: Baht			
	Consolidated financial statements			
	Current		Non-current	
	2020	2019	2020	2019
Liability for guarantee refund to lessee	22,024,000.00	43,368,000.00	40,486,625.00	22,024,000.00
<u>Less</u> Deferred interest expenses	(391,028.94)	-	(36,165,352.81)	-
Net	21,632,971.06	43,368,000.00	4,321,272.19	22,024,000.00

21. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

Movements of long-term loans from financial institutions during the nine-month period ended September 30, 2020 are summarized below:

	Unit: Baht			
	Consolidated financial statements			
	As at	Movement during the period		As at
	January 1, 2020	Increase	Decrease	September 30, 2020
Long-term loans from financial institutions				
Credit limit of Baht 154.47 million - The Teak Sathorn - Lumpini	114,165,650.62	36,916,623.00	(32,805,807.91)	118,276,465.71
Credit limit of Baht 161.25 million - The Teak Ari	78,596,451.05	-	-	78,596,451.05
Credit limit of Baht 160.00 million - The Teak Ratchadapiset	80,000,000.00	21,253,600.00	-	101,253,600.00
Credit limit of Baht 60.00 million - Senior Living Project	60,000,000.00	-	(15,763,604.89)	44,236,395.11
Credit limit of Baht 10.00 million - Alleviation of the impact of COVID -19	-	10,000,000.00	-	10,000,000.00
Total	332,762,101.67	68,170,223.00	(48,569,412.80)	352,362,911.87
<u>Less</u> Current portion of long-term loans from financial institutions	<u>(60,000,000.00)</u>			<u>(162,512,860.82)</u>
Net	272,762,101.67			189,850,051.05

As at September 30, 2020, significant conditions under such agreements are disclosed in the financial statements for the year ended December 31, 2019, and under the new loan agreement entered during the third quarter of 2020 a summarized as follows:

Credit limit

Unit: Million Baht	Repayment periods	Interest rate (%)	Payment conditions	Guaranteed by
10.00	60 months from May 5, 2020	Each month 1-24 at MLR-1.6 per annum Each month 25-60 at MLR per annum	The borrower agreed to repay the loan and interest in monthly installments each Baht 305,000 per month. The first installment is on the last business day of April 2022, and shall fully repay the remaining loan balance within the period of the loan.	BuilderSmart Public Company Limited and Thai Credit Guarantee Corporation.

22. LEASE LIABILITIES

Lease liabilities as at September 30, 2020 and December 31, 2019 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Lease liabilities				
- Within 1 year	19,407,701.90	2,325,427.68	5,869,964.16	1,682,967.96
- Over 1 year but not over 5 years	73,678,238.68	4,464,581.08	42,469,921.06	3,036,966.34
<u>Less</u> Deferred interest expenses	(14,072,217.69)	(641,690.52)	(9,073,410.34)	(462,459.45)
Present value of leases liabilities	79,013,722.89	6,148,318.24	39,266,474.88	4,257,474.85
<u>Less</u> Current portion of leases liabilities	(15,447,600.93)	(2,034,062.12)	(4,050,966.49)	(1,482,989.02)
Net	63,566,121.96	4,114,256.12	35,215,508.39	2,774,485.83

23. SHORT-TERM LOANS FROM OTHER PARTIES - NET

Short-term loans from other parties - net as at September 30, 2020 and December 31, 2019 comprised:

	Interest rate (%)		Unit: Baht	
	Consolidated and separate financial statements		Consolidated and separate financial statements	
	2020	2019	2020	2019
Bills of Exchange	6.2 - 7	6.2	60,000,000.00	50,000,000.00
Short-term debentures	-	6.4	-	90,000,000.00
Total			60,000,000.00	140,000,000.00
<u>Less</u> Deferred interest expenses - Bills of exchange			(592,506.10)	(243,700.43)
Net			59,407,493.90	139,756,299.57

As at September 30, 2020, the Company issue the Bills of Exchange in the amount of not exceeding Baht 214.52 million with a maturity period of 270 days and due within December 25, 2020, to the investors for support the operation of two subsidiaries, Teak Development Limited and Sansara Development Company Limited and/or for the Company's working capital.

As at December 31, 2019, the Company has short-term debentures with debenture holders' representatives in the amount of Baht 90.00 million that are name-registered certificates, unsubordinated, unsecured and due on a bullet payment. Such debentures are matured and redeemed on March 31, 2020.

24. INCOME TAX

Income tax for the nine-month periods ended September 30, 2020 and 2019 were as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Current tax expense				
Current period	6,581,235.82	9,884,878.83	6,581,235.82	9,884,878.83
Deferred tax expense				
Relating to origination and reversal of temporary differences	12,157,530.97	(4,851,715.54)	80,532.01	(296,483.72)
Tax expenses	18,738,766.79	5,033,163.29	6,661,767.83	9,588,395.11

25. LEGAL RESERVE

Pursuant to the Public Limited Companies Act B.E. 2535, the Company must appropriate annual net profit as a reserve fund of not less than 5% of the annual net profit deducted by the total deficit brought forward (if any) until reserve reaches an amount no less than 10% of the registered capital. This legal reserve is not available for dividend distribution.

26. PROVIDENT FUND

For the nine-month period ended September 30, 2020, the Group's contributions to the provident fund are Baht 1.45 million. (2019: Baht 1.64 million)

27. DIVIDENDS PAID

2019

The Annual General Meeting of the Company's Shareholders for the year 2019, held on April 30, 2019, approved an annual dividend payment from the operating results of the year 2018, at the rate of Baht 0.015 per share, totaling Baht 31.96 million, which will be paid on May 28, 2019.

28. FINANCIAL INFORMATION BY SEGMENT

Segment information is presented with respect to the Group's business segment which based on the Group's Management and internal reporting structure.

Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise corporate assets, other income, selling expenses, administrative expenses and finance costs.

The Group's business segment information and reconciliation of reportable segment profit or loss for the three-month periods ended September 30, 2020 and 2019 were as follows:

	Unit: Thousand Baht													
	Sales of		Real estate				Elimination of		Consolidated					
	construction materials	Selling and installing	Senior Living Project		development project	Central		inter-segment revenue		financial statements				
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019		
Revenue from sales and services	78,503.55	139,624.83	18,957.64	29,284.90	7,516.27	-	53,087.49	141,527.04	-	-	-	-	158,064.95	310,436.77
Inter-segment revenue	82.81	342.76	675.32	6,228.29	-	-	-	-	-	-	(758.13)	(6,571.05)	-	-
Cost of sales and services	(52,726.20)	(93,295.73)	(17,468.19)	(27,565.85)	(7,216.84)	-	(43,503.87)	(109,804.38)	-	-	504.35	3,881.79	(120,410.75)	(226,784.17)
Segment gross profit	25,860.16	46,671.86	2,164.77	7,947.34	299.43	-	9,583.62	31,722.66	-	-	(253.78)	(2,689.26)	37,654.20	83,652.60
Interest revenue					39.98	-	-	92.06	6,235.38	6,434.62	(6,165.70)	(6,235.89)	109.66	290.79
Other income					23.03	20.62	52.99	41.02	399.17	496.46	509.08	(77.14)	984.27	480.96
Distribution costs					(7,792.41)	(3,722.77)	(5,443.13)	(12,036.49)	(9,373.47)	(15,956.06)	-	-	(22,609.01)	(31,715.32)
Administrative expenses					(5,900.69)	(3,426.72)	(2,504.99)	(2,909.92)	(14,287.37)	(17,181.83)	(134.16)	-	(22,827.21)	(23,518.47)
Gain (Loss) on foreign exchange - net					-	-	-	-	(413.72)	361.99	-	-	(413.72)	361.99
Loss on fair value adjustment of investment properties					(30,792.28)	-	-	-	-	-	-	-	(30,792.28)	-
Loss on impairment of investment in subsidiary					-	-	-	-	(80,728.24)	-	80,728.24	-	-	-
Profit (loss) from operating activities					(44,122.94)	(7,128.87)	1,688.49	16,909.33	(98,168.25)	(25,844.82)	74,683.68	(9,002.29)	(37,894.09)	29,552.55
Finance costs					(6,875.97)	(42.49)	(745.41)	(1,587.45)	(5,120.32)	(5,293.16)	6,152.41	2,327.62	(6,589.29)	(4,595.48)
Gain (loss) before income tax expenses					(50,998.91)	(7,171.36)	943.08	15,321.88	(103,288.57)	(31,137.98)	80,836.09	(6,674.67)	(44,483.38)	24,957.07
Tax income (expenses)					(13,422.20)	1,424.84	1.03	(3,071.90)	(1,895.27)	(4,376.93)	281.16	4,082.27	(15,035.28)	(1,941.72)
Profit (Loss) for the period					(64,421.11)	(5,746.52)	944.11	12,249.98	(105,183.84)	(35,514.91)	81,117.25	(2,592.40)	(59,518.66)	23,015.35

The Group's business segment information and reconciliation of reportable segment profit or loss for the nine-month periods ended September 30, 2020 and 2019 were as follows:

	Unit: Thousand Baht													
	Sales of				Real estate				Elimination of				Consolidated	
	construction materials		Selling and installing		Senior Living Project		development project		Central		inter-segment revenue		financial statements	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue from sales and services	258,695.34	367,068.99	49,140.85	65,557.31	91,793.33	-	102,319.06	141,527.04	-	-	-	-	501,948.58	574,153.34
Inter-segment revenue	472.20	958.24	2,233.66	12,281.32	-	-	-	-	-	-	(2,705.86)	(13,239.56)	-	-
Cost of sales and services	(175,490.89)	(250,721.28)	(53,191.86)	(60,544.34)	(75,222.61)	-	(83,090.59)	(109,804.38)	-	-	1,525.91	7,569.49	(385,470.04)	(413,500.51)
Segment gross profit (loss)	83,676.65	117,305.95	(1,817.35)	17,294.29	16,570.72	-	19,228.47	31,722.66	-	-	(1,179.95)	(5,670.07)	116,478.54	160,652.83
Interest revenue					100.07	7.97	6.56	444.86	21,408.88	15,383.66	(21,028.20)	(14,508.97)	487.31	1,327.52
Other income					88.39	32.64	74.00	126.04	1,713.68	5,429.87	(498.72)	(2,994.71)	1,377.35	2,593.84
Distribution costs					(19,041.13)	(11,107.74)	(15,580.21)	(14,732.06)	(30,380.17)	(42,310.16)	-	-	(65,001.51)	(68,149.96)
Administrative expenses					(16,591.41)	(8,853.72)	(9,092.80)	(8,358.70)	(48,359.81)	(54,375.79)	28.85	2.36	(74,015.17)	(71,585.85)
Gain (loss) on foreign exchange - net					(0.84)	-	-	-	672.66	308.95	-	-	671.82	308.95
Gain (loss) on fair value adjustment of investment properties					(30,792.28)	10,528.51	-	-	-	-	-	-	(30,792.28)	10,528.51
Loss on impairment of investment in subsidiary					-	-	-	-	(80,728.24)	-	80,728.24	-	-	-
Profit (loss) from operating activities					(49,666.48)	(9,392.34)	(5,363.98)	9,202.80	(135,673.00)	(75,563.47)	58,050.22	(23,171.39)	(50,793.94)	35,675.84
Finance costs					(17,470.60)	(109.62)	(2,190.51)	(1,916.22)	(16,188.91)	(9,384.72)	16,516.73	4,271.48	(19,333.29)	(7,139.08)
Profit (loss) before income tax expenses					(67,137.08)	(9,501.96)	(7,554.49)	7,286.58	(151,861.91)	(84,948.19)	74,566.95	(18,899.91)	(70,127.23)	28,536.76
Tax income (expenses)					(13,425.61)	1,875.10	3.10	(1,464.84)	(6,648.76)	(9,525.69)	1,332.51	4,082.27	(18,738.76)	(5,033.16)
Profit (loss) for the period					(80,562.69)	(7,626.86)	(7,551.39)	5,821.74	(158,510.67)	(94,473.88)	75,899.46	(14,817.64)	(88,865.99)	23,503.60

The reconciliations of each segment total assets to the Group's assets and other material items as at September 30, 2020 and December 31, 2019 were as follows:

	Unit: Thousand Baht											
	Sale of construction				Real estate development				Elimination of		Consolidated financial	
	materials		Selling and installing		Senior Living Project		project		inter-segment revenue		statements	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Non-current assets												
Restricted deposits with financial institutions	40,999.08	48,429.00	3,000.00	3,000.00	-	-	-	-	-	-	43,999.08	51,429.00
Senior living project under development	-	-	-	-	195,744.24	467,720.06	-	-	-	(21,298.18)	195,744.24	446,421.88
Investment properties - net	-	-	-	-	205,100.00	233,244.20	-	-	-	-	205,100.00	233,244.20
Building and equipment - net	9,618.63	18,908.59	17,261.93	18,508.80	255,079.19	10,444.75	1,342.58	1,688.56	(25,090.17)	-	258,212.16	49,550.70
Right-of-use assets - net	40,739.14	-	10,255.87	-	17,641.25	-	-	-	-	-	68,636.26	-
Intangible assets - net	12,767.21	13,668.49	3,450.23	3,709.93	1,513.19	1,301.45	1,346.29	-	-	-	19,076.92	18,679.87
Other	16,263.95	16,451.79	2,210.07	2,047.06	2,767.59	1,858.08	2,295.97	2,292.88	6,636.67	5,304.15	30,174.25	27,953.96
Total non-current assets	120,388.01	97,457.87	36,178.10	27,265.79	677,845.46	714,568.54	4,984.84	3,981.44	(18,453.50)	(15,994.03)	820,942.91	827,279.61

For the nine-month period ended September 30, 2019, the Group has a major customer accounting for sales of construction material in the amounts of Baht 57.85 million.

Geographical segments information

In presenting information on the basis of geographical segment, segment revenue is based on the geographical location of customers. In addition, the Group has insignificant assets located in foreign countries.

The Group's geographical segments information for the three-month and nine-month periods ended September 30, 2020 and 2019 was as follows:

	Unit: Thousand Baht							
	Thailand		Foreign countries		Elimination of inter-segment revenue		Consolidated financial statements	
	2020	2019	2020	2019	2020	2019	2020	2019
For the three-month periods ended September 30								
Revenue from sales and services	154,785.27	286,309.62	4,037.81	30,698.20	(758.13)	(6,571.05)	158,064.95	310,436.77
For the nine-month periods ended September 30								
Revenue from sales and services	478,518.65	512,128.81	26,135.79	75,264.08	(2,705.86)	(13,239.56)	501,948.58	574,153.34

29. FINANCIAL INSTRUMENTS

Foreign currency risk

The Group exposed to foreign currency related primarily to its accounts payables and anticipated purchases denominated in foreign currencies. During the nine-month periods ended September 30, 2020 and 2019, the Group unhedged the foreign currency on accounts payable and part of its anticipated purchases.

However, the unhedged balances of financial assets and liabilities denominated in foreign currencies as at September 30, 2020 and December 31, 2019, are summarised below.

Foreign currency	Unit: Baht				Exchange rate as at	
	As at September 30, 2020				September 30, 2020	
	Consolidated financial statements		Separate financial statements		(Baht per foreign currency unit)	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	Buying rate	Selling rate
US Dollars	6,919,099.00	5,671,245.24	6,395,189.48	5,665,218.38	31.49	31.83
New Zealand Dollars	-	561,783.37	-	-	20.57	21.19
Australian Dollars	-	122,326.50	-	-	22.14	22.97
Euro	-	6,509,657.99	-	6,509,657.99	36.78	37.53

Foreign currency	Unit: Baht				Exchange rate as at	
	As at December 31, 2019				December 31, 2019	
	Consolidated financial statements		Separate financial statements		(Baht per foreign currency unit)	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	Buying rate	Selling rate
US Dollars	21,806,193.65	10,856,729.51	21,337,150.02	10,850,985.67	29.98	30.33
New Zealand Dollars	-	9,560,169.54	-	-	19.92	20.52
Australian Dollars	-	398,009.13	-	-	20.68	21.42
Euro	-	5,911,825.60	-	5,911,825.60	33.38	34.08

30. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

30.1 Commitments under leases for which the lease term end within one year of the date of on adoption of TFRS 16, the underlying asset is low value and service agreements.

As at September 30, 2020, the Group entered into long-term rental agreements with third parties for land, building, vehicles and services for periods of 1 year to 5 years. The commitment to repay leases and service fees, according to agreements, are summarized as follows:

Year	Unit: Baht
Within 1 year	4,024,627.38
Over 1 year but not over 5 years	2,093,330.00

30.2 Bank guarantee issued by financial institutions

As at September 30, 2020 the Group has outstanding commitments and contingent liabilities with financial institutions as follows:

Consolidated financial statement			
Unit: Million Baht			
	Credit limit	Used	Unused
1) Bank overdrafts	37.42	(25.51)	11.91
2) Short-term loan - trust receipts, letters of credit and promissory notes	307.82	(279.62)	28.20
3) Forward contract	38.04	-	38.04
4) Letter of guarantee	101.50	(33.97)	67.53
5) Long-term loan	475.72	(332.70)	143.02
	960.50	(671.80)	288.70

As at September 30, 2020, the Group had letters of guarantee issued by financial institutions for payment of goods to certain suppliers amounting to Baht 33.97 million.

Fixed deposits of the Company and subsidiary and the investment in government bond of the Company were pledged as collateral for above trade financing facilities (Note 9 and 10).

31. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it has an appropriate financial structure and to maintain the ability of the Group to continue its business as a going concern.

According to the statement of financial position as at September 30, 2020, the Group and the Company's debt-to-equity ratio were 2.37: 1 and 0.79: 1 respectively (as at December 31, 2019: 1.92: 1 and 0.68: 1).

32. EVENTS AFTER THE REPORTING PERIOD

Extraordinary General Shareholders' Meeting No. 1/2020, held on October 27, 2020, approved the business restructuring plan by way of the entire business transfer from the subsidiary, Sansara Development Company Limited to the Company. The transfer is intended to reduce related party transactions, and unnecessary costs and expenses. After that, the subsidiary will proceed to register the dissolution and liquidation within December 31, 2020.

33. RECLASSIFICATION

The Group has reclassified certain consolidated financial statement accounts in the statement of financial position as at December 31, 2019, and the statement of profit or loss and other comprehensive income for the three-month and nine-month period ended September 30, 2019, to conform to the current period's classification but with no effect to previously reported net income or shareholders' equity. The reclassifications are as follows:

Account	Unit: Baht		
	Consolidated financial statements		
	As previously reported	Reclassified amount	As reclassified
Statement of financial position			
Trade and other current payables	211,971,700.56	(44,378,305.92)	167,593,394.64
Current portion of land payable	-	22,664,895.40	22,664,895.40
Land payable - net	-	19,906,300.23	19,906,300.23
Deposits and advances received for purchase of condominium units	14,595,487.85	(14,595,487.85)	-
Current contract liabilities	45,229,295.11	14,595,487.85	59,824,782.96
Deposit and advance received under lease agreements	-	40,724,430.20	40,724,430.20
Current liability for guarantee refund to lessee - net	-	43,368,000.00	43,368,000.00
Non-current liability for guarantee refund to lessee - net	104,309,319.91	(82,285,319.91)	22,024,000.00
Statement of profit or loss and other comprehensive income			
<u>For the three-month period ended September 30, 2019</u>			
Interest income	-	290,797.43	290,797.43
Other income	595,580.82	(114,623.77)	480,957.05
Gain on foreign exchange - net	-	361,986.22	361,986.22
Administrative expenses	(22,980,304.73)	(538,159.88)	(23,518,464.61)
<u>For the nine-month period ended September 30, 2019</u>			
Interest income	-	1,327,515.86	1,327,515.86
Other income	3,561,184.28	(967,347.08)	2,593,837.20
Gain on foreign exchange - net	-	308,951.09	308,951.09
Administrative expenses	(70,916,727.64)	(669,119.87)	(71,585,847.51)
Unit: Baht			
Separate financial statements			
Account	As previously reported	Reclassified amount	As reclassified
Statement of financial position			
Trade and other current receivables - net	124,585,879.64	(23,980,703.84)	100,605,175.80
Short-term loans to and interest receivables from related parties - net	478,500,000.00	23,980,703.84	502,480,703.84

<u>Account</u>	<u>Unit: Baht</u>		
	<u>Separate financial statements</u>		
	<u>As previously reported</u>	<u>Reclassified amount</u>	<u>As reclassified</u>
<u>Statement of profit or loss and other comprehensive income</u>			
<u>For the three-month period ended September 30, 2019</u>			
Interest income	-	6,420,535.25	6,420,535.25
Other income	6,180,251.60	(5,897,911.32)	282,340.28
Gain on foreign exchange - net	-	15,535.95	15,535.95
Administrative expenses	(15,410,499.34)	(538,159.88)	(15,948,659.22)
<u>For the nine-month period ended September 30, 2019</u>			
Interest income	-	15,302,511.00	15,302,511.00
Other income	14,840,177.44	(14,129,604.30)	710,573.14
Loss on foreign exchange - net	-	(503,786.83)	(503,786.83)
Administrative expenses	(50,211,293.87)	(669,119.87)	(50,880,413.74)

34. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorized for issue by the Company's Board of Directors on November 11, 2020.